



2019

รายงานประจำปี 2562
ANNUAL REPORT



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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 supplychain 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	:	304,653,887.50 Baht dividing into 609,307,775 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 : http://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 : 0-2681-8700 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	:	PricewaterhouseCoopers 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

In 2019, the world was confronted with economic challenges impacted by the trade war between the United States and China, both of which launched protectionist measures. These measures led to a global slowdown, which affected trade in many countries, including Thailand, which suffered a downturn in both export and import, as well as in related businesses such as logistics.

The company's board of directors and the management team have been following up on the influence of the US-China trade war as well as other adverse factors, such as fluctuating currency. However, the company's performance has been closely monitored to ensure it reached performance targets.

Over 2019, the company suffered some negative impacts, which hindered operations. However, the company adjusted its business strategy, so it was more in line with the situation. These adjustments helped the company maintain its growth throughout the year, as well as improve its operations, abiding by the principles of good governance and business ethics. This good work resulted in the company being awarded an "Excellent" stamp in the Corporate Governance Report of Thai Listed Companies from Thai Institute of Directors (IOD) in the same year.

On behalf of the company's board of directors, management and employees, I take this opportunity to thank our shareholders, customers and stakeholders for having great confidence in us and always supporting Triple i Logistics Public Company Limited.

We want to confirm our commitment to running our business professionally and continuously developing our capabilities. We will keep working towards remaining a good role model in society as well as work towards maintaining stability and sustainability.

We, at Triple i Logistics, will also continue playing a part in promoting Thailand's economy, so it is sustainable in the long term.

Sincerely,

Mr. Krirkrai Jirapaet

Chairman of the Board of Directors

Triple i Logistics Public Company Limited



Message from Chief Executive Officer

Despite many economic factors having a direct impact on the logistics business worldwide in 2019 as well as a sensitive global trade situation, Triple i Logistics Public Company Limited still achieved continuous growth throughout the year. 2019 was also the year of highest results driven by business plans and strategies to expand regionally. This performance was in line with the company's objective to be listed in the stock exchange with the aim of raising funds to invest in business operations and future expansion.

The company's three-year plan (2019-2021) aims to turn Triple i Logistics into a Thai logistics company that plays a leading role in Southeast Asia and can achieve continuous, sustainable growth. Based on the analysis of its operating results in 2019, the company has adjusted its business strategy to match the current business strategy as well as enhance the proactive development of its business with an expansion of income sources under joint-venture strategies with potential partners in the region. Such investments have given the company better returns than expected.

For 2020, the economic trend and the volume of world trade is still showing signs of expansion though at a relatively low rate due to the slowdown in Asian economies, especially in China and Japan. The impact of protectionist measures issued last year is also being felt this year. Plus, additional negative factors, especially the Covid-19 outbreak, will result in an economic slowdown for the rest of 2020.

However, even though the economic situation is being affected by external factors, opportunities can still be found in the midst of a crisis. The company is determined to maintain its growth by monitoring the situation and planning carefully.

For operations in 2020, the company, its subsidiaries and business partners, are determined to work on growth as well as boost the confidence of investors by announcing their readiness to strengthen business expansion strategically with a focus on four existing businesses, namely air freight, sea freight and inland transport, logistics management, and chemical and specialty logistics. The focus is also on the expansion of its logistics business via acquisitions and joint ventures.

I want to thank our shareholders and supporters for this opportunity, as well as thank the board of directors and the management and staff of Triple i Logistics Public Company Limited and its subsidiaries for jointly taking on the role of leadership in providing integrated logistics in the region.

Sincerely,

Mr. Tipp Dalal

Chairman of the Management Committee and Chief Executive Officer
Triple i Logistics Public Company Limited

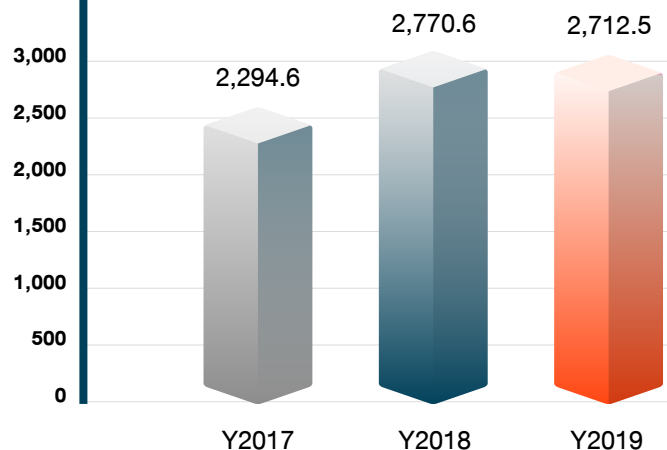
Financial Highlight

Summary of Key Financial Statistics		Y 2017	Y 2018	Y 2019
Statements of Income Million Baht				
Revenue from Sales and Services		2,294.6	2,770.6	2,712.5
Gross Profit		531.4	484.6	438.1
SG&A Expenses		392.0	372.2	360.9
Net Profit for the period		129.6	149.7	164.5
Statements of Financial Position Million Baht				
Total Assets		1,555.6	1,898.5	2,225.7
Total Liabilities		440.6	697.6	946.7
Total Equities		1,115.0	1,200.9	1,279.0
Statements of Cash Flows Million Baht				
Net Cash generated from (used in) Operating Activities		2.8	202.5	29.3
Net Cash from (used in) Investing Activities		(59.8)	(127.0)	(691.5)
Net Cash receipts from (used in) Financing Activities		581.4	(90.0)	195.5
Key Financial Ratio				
Gross Profit Margin	%	23.2%	17.5%	16.1%
Net Profit Margin	%	5.6%	5.4%	6.1%
Earnings per share ^{1/}	Baht	0.26	0.25	0.27
Return on Equity (ROE) ^{2/}	%	17.8%	12.9%	13.3%
Current Ratio	X	3.1x	2.1x	1.2x
Average Collection Period	Days	56.9	42.1	45.9
Average Payment Period	Days	93.7	61.1	67.8
Debt to Equity Ratio (D/E ratio)	X	0.4x	0.6x	0.7x

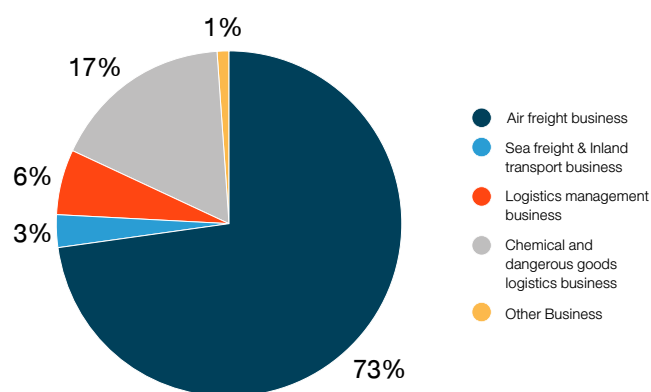
Remarks : ^{1/} EPS (Earnings per share) is calculated by dividing net profit for the period by weighted average total number of common shares for the period

^{2/} ROE in Y2017 is calculated by using Company's Equity before listed.

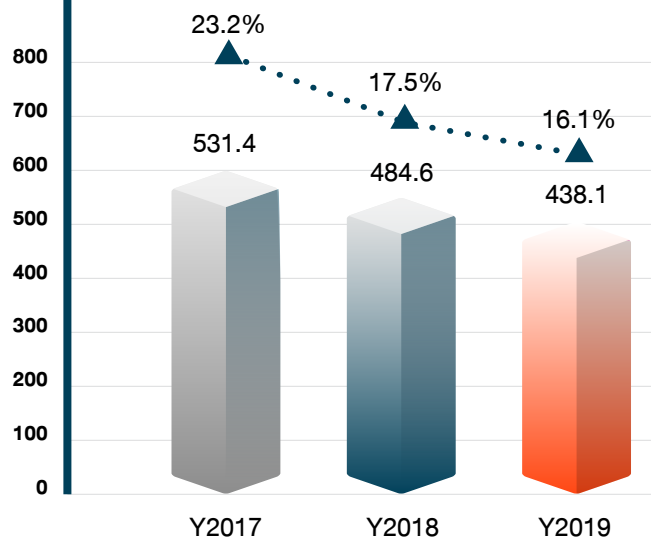
Revenue from Sales and Services (Million Baht)



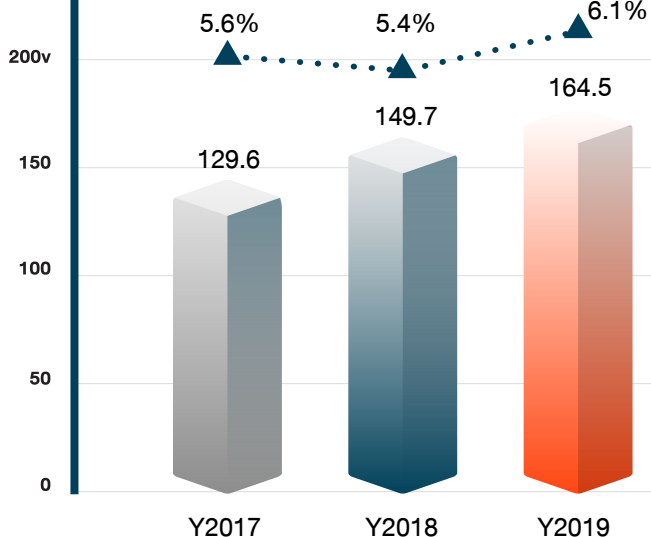
Revenue Contribution 2019



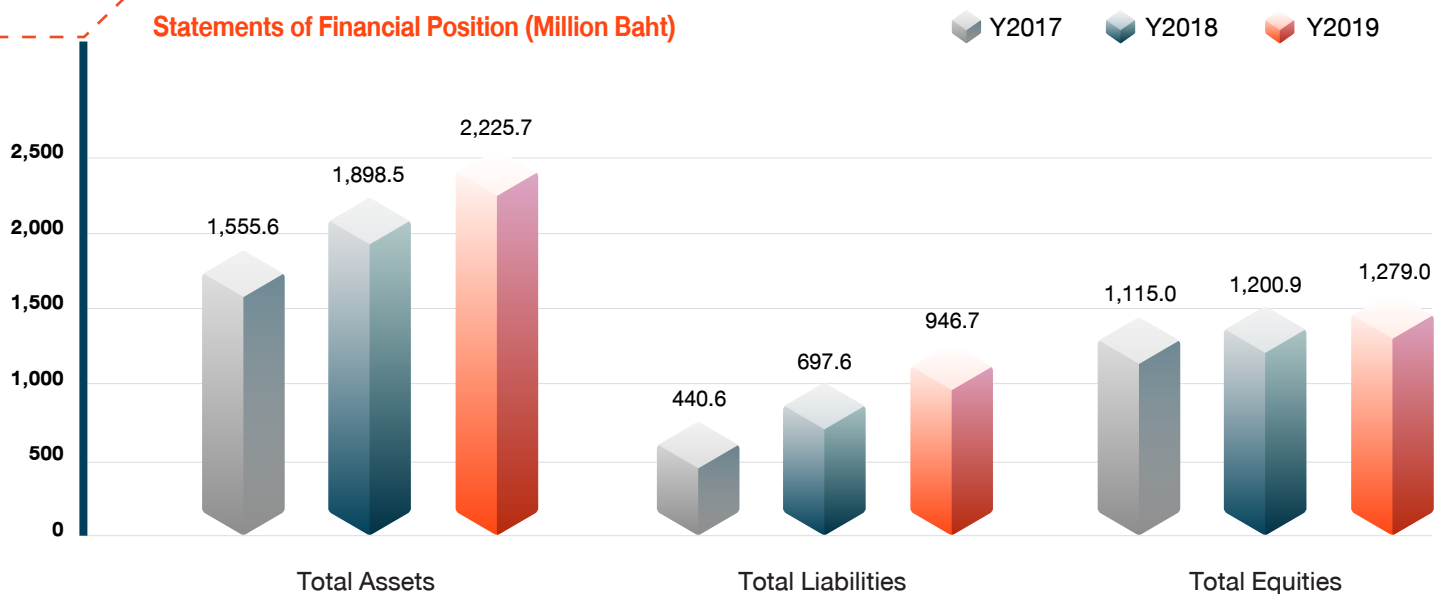
Gross Profit (Million Baht) and Gross Profit Margin (%)



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



Statements of Financial Position (Million Baht)



Significant Development in the Year 2019

January

- The Company invested in SAL Group (Thailand) Co., Ltd., which conducts airport ground and passenger handling business by acquiring 14.95% shareholding of SAL Group (Thailand) Co., Ltd. The investment amount was Baht 80 million. Such investment has given the Company the opportunity to operate airport ground handling business.

March

- The Company acquired 50% shareholding of Around Logistics Management Company Limited (“Around Logistics”) in Hong Kong. The investment amount was Baht 536.8 million. The core business of Around Logistics is conducting general sales agent for airlines business in Asia region. Around Logistics has subsidiaries in Thailand, Singapore, Hong Kong, and Vietnam and is currently representing over 22 airlines with routes covering 24 countries.
- The Company registered its capital increase by Baht 1,164,544, comprising of 2,329,088 ordinary shares at the par value of Baht 0.50 per share to accommodate for the exercise of right under warrant for employees to purchase ordinary shares of the Company no. 1 (III-WA) (“Warrant”) pursuant to TLG ESOP 2017 Project. The number of Warrant exercised by the holders according to conditions and period for the exercise of the Warrant was 2,329,088 units.
- The Company was appointed as general sales agent for US Bangla Airlines, which provides direct flights to Dhaka, Bangladesh. This has given the opportunity for the Company to provide service in the new route and expands the Company’s customer base to a new customer group.

May

- Pursuant to the resolutions of the 2019 Annual General Meeting of Shareholders of the Company approving dividend payment of Baht 0.17 per share, the Company paid dividend in the total amount of Baht 103.2 million.

July

- The Company acquired ordinary shares in Excel Air (Cambodia), representing 32% of the total registered and paid-up capital of Excel Air (Cambodia). Excel Air (Cambodia) conducts general sales agent for airlines business for airlines in Cambodia. The investment amount was USD 32,000 or not exceeding Baht 1.00 million.

September

- The Company acquired ordinary shares of SAL Group (Thailand) Co., Ltd. SAL Group (Thailand) Co., Ltd. conducts airport ground and passenger handling business. Formerly, the Company held 14.95% shareholding in SAL Group (Thailand) Co., Ltd. Following the investment, the Company shall hold 15.86% of the total registered capital of SAL Group (Thailand) Co., Ltd.
- The Company registered its capital increase by Baht 1,239,343.50, comprising of 2,478,687 ordinary shares at the par value of Baht 0.50 per share on 11 September 2019 to accommodate for the exercise of right under warrant for employees to purchase ordinary shares of the Company no. 2 (III-WA) (“Warrant”) pursuant to TLG ESOP 2017 Project. The number of Warrant exercised by the holders according to conditions and period for the exercise of the Warrant was 2,478,687 units.

December

- The Company signed a shareholder’s agreement with Teleport Everywhere Pte., Ltd., a company under AirAsia Group Berhad, in respect of its investment in Teleport (Thailand) Co., Ltd. (“TLP-TH”) on 4 December 2019. To conduct general sales agent for airline business and other related logistics business for AirAsia group. At present, there are 9 airlines within AirAsia group including Malaysia AirAsia, AirAsia X, Indonesia AirAsia, Indonesia AirAsia X, AirAsia Japan, AirAsia India, AirAsia Philippines, Thai AirAsia and Thai AirAsia X. In the past, the Company acted as general sales agent for Thai AirAsia and Thai AirAsia X only.

Policy and Business Overview





Vision, Mission and Strategy

The Board of Directors understands the importance of the Company's business operations and has prepared the Company's vision, mission, objectives and strategies in conducting the business for both short-term and long-term. To conduct the business in line with its strategies, the Company prepares and approves the annual business plan and monitors the Company's performance on a quarterly basis. The Company's performance is analyzed and economic conditions, which have impact on the Company's business, are assessed to enable the Company to operate appropriately and competitively. Such process will lead the Company to achieving its objectives. In addition, the Board of Directors and sub-committees oversee that the Company is in compliance with 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 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.
- Development of personnel to be knowledgeable and capable.
- Increase of Business Opportunities: through development of existing products and innovations in logistics and business expansion domestically and internationally.

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 28 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 2019, the Group received customer satisfaction at “Very Good” level, with average score of 85%.

The businesses of the group company are operated by the Company, its subsidiaries and its associated companies with the total of 27 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 Private 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”), a joint venture held 30.00% by the Company
- Triple i International Japan Company Limited (“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) Company Limited (“GCN-MM”), a joint venture held 50.00% by TIL
- Excel Air (Guangzhou) Limited (“ECA-GZ”), a joint venture held 25.00% by TIL
- Excel Air Limited (“ECA-HK”), an associate held 20.00% by TIL
- Freightwork GSA (HK) Limited (“Freight-HK”), a joint venture held 20.00% by TIL
- Around Logistics Management Company Limited (“AROUND”), a joint venture held 50.00% by the Company
- JPK Asia (Thailand) Company Limited (“JPK”), a joint venture held 34.00% by the Company
- Excel Air (Cambodia) Company Limited (“ECA- KH”): an associate held 32.00% by the Company

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 TransManagement 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 are 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

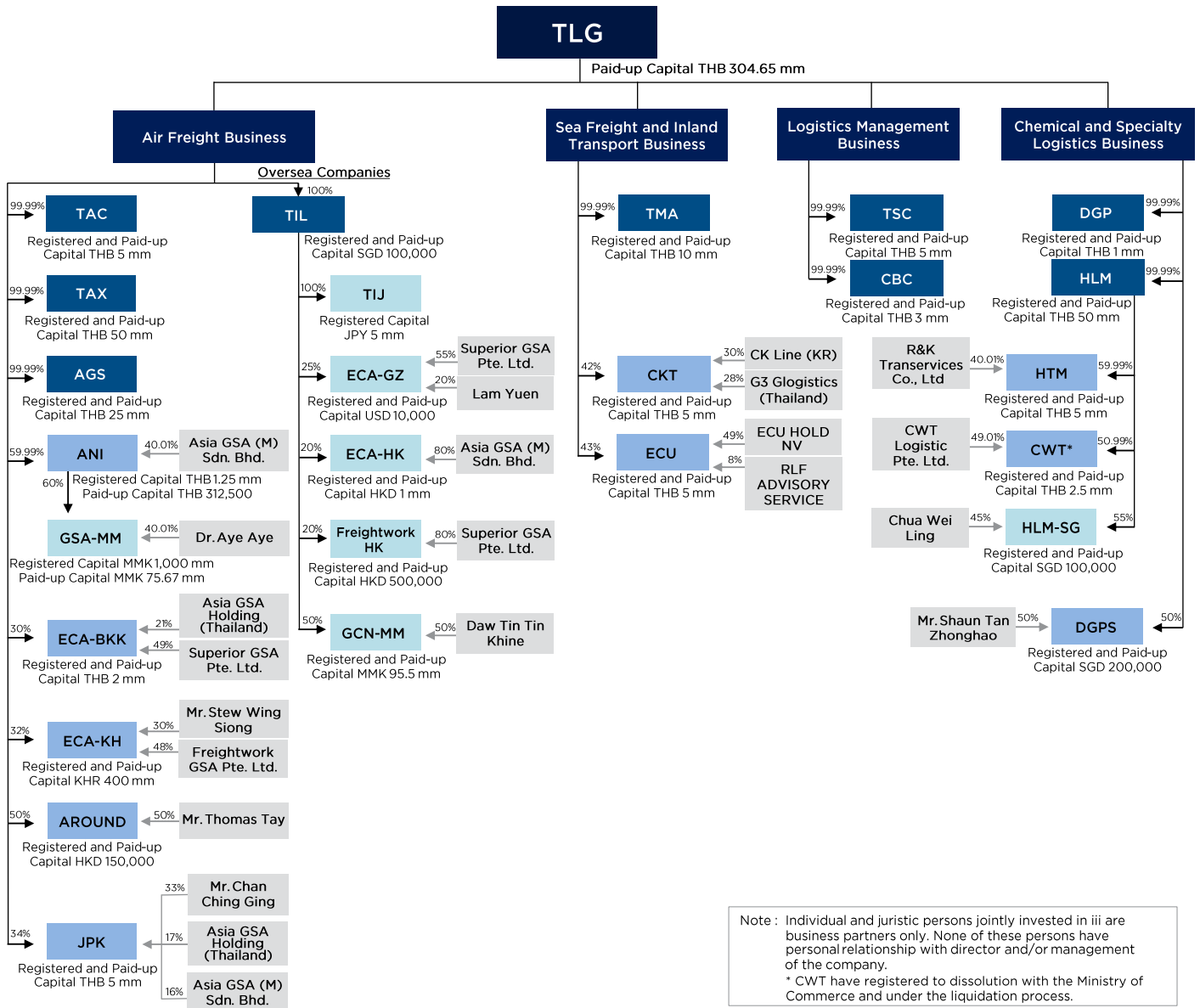
Revenue structure of the Company and its subsidiaries

Revenues from sales and services	Consolidated Financial Statements					
	31 December 2017		31 December 2018		31 December 2019	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(Baht million)	revenue	(Baht million)	revenue	(Baht million)	revenue
1. Air freight business	1,863.9	71.4%	2,279.6	73.3%	2,215.6	73.3%
2. Sea freight and inland transport business	87.0	3.3%	116.6	3.8%	84.9	2.8%
3. Logistics management business	105.4	4.0%	135.0	4.3%	181.8	6.0%
4. Chemical and dangerous goods logistics business	539.7	20.7%	561.9	18.1%	526.9	17.4%
5. Others ^{1/}	14.8	0.6%	15.1	0.5%	15.2	0.5%
Total revenues ^{2/}	2,610.8	100.0%	3,108.2	100.0%	3,024.4	100.0%
Total revenues after Inter-Co Transactions	2,294.6		2,770.6		2,712.5	

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 2019



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, LAN Chile Airlines and US Bangla Airline.

- 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 2014 until December 31, 2019.
- The Company signed a shareholder's agreement with Teleport Everywhere Pte., Ltd., a company under AirAsia Group Berhad, in respect of its investment in Teleport (Thailand) Co., Ltd. ("TLP-TH") on 4 December 2019. To conduct general sales agent for airline business and other related logistics business for AirAsia group. At present, there are 9 airlines within AirAsia group including Malaysia AirAsia, AirAsia X, Indonesia AirAsia, Indonesia AirAsia X, AirAsia Japan, AirAsia India, AirAsia Philippines, Thai AirAsia and Thai AirAsia X. In the past, the Company acted as general sales agent for Thai AirAsia and Thai AirAsia X only.
- To become a regional leader in GSA for airlines business by expanding its network in airfreight business through acquisition of 50% shareholding in Around Logistics Management in Hong Kong from the existing shareholders on 11 March 2019. The investment value was not less than Baht 536.8 million. The core business of such company is to conduct GSA for airlines business in Asia region. Such company has subsidiaries in Thailand, Singapore, Hong Kong, and Vietnam and is a general sales agent for over 22 airlines with service network covering 24 countries in Asia, North America and Europe.

- In addition to acting as general sales agent for all outbound flights from Thailand of Bhutan Airlines, SriLanKan Airlines, Jeju Air, and LAN-Chile Airlines, the Company has been appointed as general sales agent for US Bangla Airline, which provides direct flight to Dhaka, Bangladesh. Such route has high demand for transportation of goods and has been in service since the middle of January 2019, offering 4 flights per week. This is considered a channel for the Company to expand to new customer group in the new route of which the Company has not provided service before and will result in increase in air freight volume.
- This year, the Company also purchased ordinary shares in Excel Air (Cambodia) Co, Ltd. (“ECA-KH”), representing 32% shareholding in ECA-KH. ECA-KH conducts GSA for airlines business for airlines in Cambodia. The Company has not invested in Cambodia before and Cambodia has constant growth in its economy.

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”). The Company expands international wholesale air freight forwarder service to customers who are E-commerce business which continuous high growth rate.

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.

- The Company invested in SAL Group (Thailand) Co., Ltd., which provides ground handling and passenger handling services, by initially acquiring 14.95% shareholding and subsequently acquiring additional shares, resulting in increase in its shareholding to 15.86%. Such investment provides an opportunity for the Company to conduct ground handling services in addition to its existing local and international air freight business. This is also in line with the Company’s air freight business expansion plan, which will provide positive impact in the long-term.

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
- 4) E-commerce logistics providers



3. Air cargo terminal:

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

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 high 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 cost management through increase in the number of airlines as business partners.

After setting up Commercial Department in the year 2018 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.

The Group has improved Commercial Department by securing additional airlines as business partners and educate the sales team on how to choose appropriate airline for customer.



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 airfreight 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 9001:2015 Certification for general sales agent business in the year 2018.
- 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 airfreight service provider in 2016.
- AGS was granted ISO 9001:2015 Certification for international air cargo terminal in 2018.



In 2019, the Group has developed new service by leasing equipment used in airplane parking area in Don Mueang International Airport and U-Tapao Airport. Computer software is used for connecting with system of the Customs Department and international airline customers to reduce costs in using external software, which provides fast, convenience and efficiency in work process.

1) Investment in equipment

The Group invested in equipment, such as electric forklift and storage shelf, in order to increase efficiency in its warehouse service. The diversified equipment allows for better efficiency in utilizing storage area in the warehouse. The equipment is also connected to a software system in order to help reducing working time.

2) Software development

The Group invested in software development to accommodate expansion of information in other areas within the country. The software will allow for faster work and reduce overlaps of work and re-entry of information. It will also provide monitoring process to reduce the number of mistakes.

3) 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, Hong Kong and Taiwan.



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 import-export 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 20 years and being part worldwide network of ECU Worldwide.

Although the current economic fluctuation has an impact on businesses worldwide, LCL shipping service by ECU Worldwide continues to grow. Despite the US-China trade war having impact on growth of all services, ECU Worldwide (Thailand) has been experiencing constant growth in its business. In the year 2019, the Company opened three additional routes providing direct service. At present, the Company provides direct service on 29 routes and many other connecting routes.

In addition, this year has been a good year for the U.S. market since the US-China trade war has caused many manufacturers to move its manufacturing base from China to Southeast Asia, particularly Vietnam, Cambodia and Thailand.



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. In the year 2019, the Company started providing outbound services to Haiphong, Vietnam and Hakata, Japan.

- 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.

In the year 2019, ECU Worldwide sent its IT software team to Thailand to improve the system so that it is suitable for work process in Thailand, using platform developed by ECU Worldwide to facilitate the customers and promote work efficiency within the organization. The program called TOPAZ has been developed for usage within the organization. It records information from the beginning until the end on cloud system and all branches of ECU Worldwide across the world can access the information at any time.

Sharing of information on cloud system provides more stability of information and, hence, all work procedures become examinable, correct and accurate. Such system also reduces the number of work process. For instance, filled-in information will immediately be provided to the Customs Department at the destination.



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 Company has warehouses with total service area of 3,296 square meters. The warehouses are located on Klong Song Nam Road (Bangna Km. 19), which is a potential area for logistics business in Thailand.

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.
- International Logistics Management Business. The Company focuses on expanding key account customer base, which has resulted in positive impact on performance since Quarter 1/2019. As a result, the Company is able to provide both air freight and sea freight for international freight services, including a diversified range of other related logistics services. The Company looks to expand to customer base with potential to use all international logistics services, particularly E-commerce customer, which is exponentially growing and demands various types of logistics services from upstream to downstream services.
- Warehouse Service Business. The Company targets to increase profitability per square meter. The Company will not focus on customers with demand for only product storage but will focus on customers with demand for various warehouse services.



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 25,435 square meters. In the year 2019, the Company has expanded its dangerous good warehouses by increasing warehouse area by almost 2,000 square meters. The expansion was to accommodate higher demand for warehouse. The Company offers storage for both general products and cold storage.

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 logistic service providers who require packing service, dangerous goods declaration service, labeling according to regulations regarding international air transport of dangerous goods by DGP, customers in automobile industry who put emphasis on high-quality packaging and services, and 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:

- HLM was granted ISO 9001: 2015 certification on 23 May 2018 for its quality service.
- HLM was granted standard certification for service provision ISO 9001:2008 on 12 October 2011.
- 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.
- HTM (Hazchem TransManagement Co., Ltd.) was awarded "Standardized Quality Service for Truck Transport" from Department of Land Transport, Ministry of Transport on 7 June 2018.
- DGP was granted certification of quality service ISO 9001: 2015 on May 21, 2019

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. In 2019, HLM participated in Occupational Safety and Health Management System Standard, a standard based on ISO 45001 developed by Thailand Institute of Occupational Safety and Health (Public Organization) (TOSH), Ministry of Labour. HLM was assessed at "Platinum" level, which is the highest level.

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

The Group focuses on the participation with the network of other organizations and corporate social responsibility activities in order for building the business's network and to support the corporate image to be organization which has technical knowledges and specialization including to build confidence for customers who use the services, in order to achieve long-term business sustainability. The participating in meetings and being speakers to educate organizations and institutions are to support entrepreneurs to have knowledge on logistics for dangerous goods resulting in more operators in the dangerous goods industry will use logistics service providers specialized in dangerous goods such as the Group. The Group's representative participated in corporate social responsibility activities through the network of other organizations and through various actions in the past several years such as:

1) Logistics

- Continuous training program for the company's key customers to increase their knowledge during the year 2018 to 2019.
- Participation as guest speaker for Logistics Transport and Distribution Management (2020 Program), Bachelor of Science (MorKorOr. 2), Faculty of Management Science, Dhonburi Rajabhat University.
- Participation as lecturer for Logistics Management for Young Executive Program, a program through co-operation between College of Logistics and Supply Chain, Sripatum University and Thai International Freight Forwarders Association (TIFFA), organized by International Transport and Business School (ITBS).
- Review of professional standard and qualification for international freight forwarder business according to professional qualification standard (8 levels) by Thailand Professional Qualification Institute (TPQI) and Thai International Freight Forwarders Association (TIFFA).
- Participation as speaker at Press Conference and Roadshow for 2019 TILOG-LOGISTIX in Ningbo and Nanjing, China, organized by Department of International Trade Promotion (DITP), Ministry of Commerce and Reed Tradex Co., Ltd.
- Master of Ceremony for Logistics Collaboration Across Regions Conference between Thailand and Taiwan in 2019 TILOG LOGISTIX, organized by Department of International Trade Promotion (DITP), Ministry of Commerce and Reed Tradex Co., Ltd.
- Participation as speaker for a conference called "Understanding International Standards" under the topic "Uplift Quality of Thailand's Logistics Standards to Sustainable Excellence" organized by Office of Service Trade Promotion, Department of International Trade Promotion, Ministry of Commerce.



- Acting as speaker for educational institutions, training institutes, universities and associations in logistics industry sector for both domestic and international to provide knowledges on international logistics, transport and storage of dangerous goods, classification and labeling of chemicals, chemical risk assessment and laws and regulations on hazardous substance in Thailand.

2) Chemical management

- Driving force behind the international chemical management program by Ministry of Economy, Trade and Industry, Japan in cooperation with the Association for Overseas Technical Scholarship (AOTS) and Hazardous Substances Management Division, Department of Industrial Works, Ministry of Industry, Thailand.
- Participation as guest speaker on Globally Harmonized System of Classification and Labelling of Chemicals: GHS for Hazardous Substances Management Division and Industrial Safety Technology Promotion Division, Department of Industrial Works.
- Participation in public consultation in the drafting of the Chemicals Act.
- Driving force behind action plan of Responsible Care®, Chemical Industry Club, the Federation of Thai Industries in various aspects.
- 20th Anniversary Event of Responsible Care® Management Committee of Thailand under the theme “Beyond 2020: The New Era of Responsible Care Collaboration”.
- Signing ceremony for Charter of Occupational Safety, Health and Environment under the theme “Beyond 2030 : 20th Years Anniversary of Responsible Care® 's Success in Thailand”, a conference by Asia Pacific Responsible Care Organization and ASEAN Regulatory Co-operation Workshop with regards to legal framework development for chemical management.
- Provision of opinion on policy and practice relating to the law concerning on chemical substance and dangerous goods management to government authorities.
- Acting as speaker for educational institutions, training institutes, universities and associations in chemicals industry sector for both domestic and international to provide knowledges on transport and storage of dangerous goods, classification and labeling of chemicals, chemical risk assessment and laws and regulations on hazardous substance in Thailand.

3) Safety, Occupational Health and Environment

- Acting as consultant to Chemical Industrial Group, the Federation of Thai Industries.
- Act as advisor, providing recommendations, and participation in meetings to provide comments to Occupational Safety, Health and Environment Policy Committee of Chulalongkorn University such as preparation of strategic plan for Center for Safety, Health and Environment of Chulalongkorn University (SHECU).

Administration and Corporate Governance



Securities Information and Shareholders

As of 5 February 2020, 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 304,653,887.50 Baht dividing into 609,307,775 shares with a par value at 0.50 Baht each.

Shareholders

Below is the list of top 10 major shareholders as of 5 February 2020:

No.	Name of Shareholder	Number of Shares	Percentage (%)
1	Group Family - Dalal	141,571,386	23.23
	1.1 Mr. Tipp Dalal ^{/1}	111,571,386	18.31
	1.2 Mrs. Marguerite Linda Dalal	30,000,000	4.92
2	Group Family - Nobnomtham	110,044,074	18.06
	2.1 Mr. Viraj Nobnomtham ^{/2}	105,044,074	17.24
	2.2 Ms. Nittaya Sanguankongvilai	5,000,000	0.82
3	Group Family - Isarangkul	60,801,381	9.97
	3.1 Mr. Teeranit Isarangkul ^{/3}	60,710,381	9.96
	3.2 Ms. Waraporn Rungruangpattana	91,000	0.01
4	Mrs. Worapan Juengsubpaisan	28,463,700	4.67
5	Mr. Chalernsak Karnchanawarin ^{/4}	27,952,484	4.59
5	Mr. Jirod Panacharas ^{/5}	27,952,484	4.59
6	Group Family - Thatayanon	14,233,284	2.33
	6.1 Mr. Thanut Thatayanon ^{/6}	12,200,591	2.00
	6.2 Ms. Prangchat Wattanaporn	2,032,693	0.33
7	Mr. Jaruwat Juengsubpaisan	10,020,000	1.64
8	Mr. Sumate Thitipuree	8,877,544	1.46
9	Mr. Siripat Ghamvongpairat	7,857,707	1.29
10	Mrs. Darunee Rakpongpi boon ^{/7}	7,703,275	1.26
11	Other Shareholders	163,830,456	26.89
Total		609,307,775	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

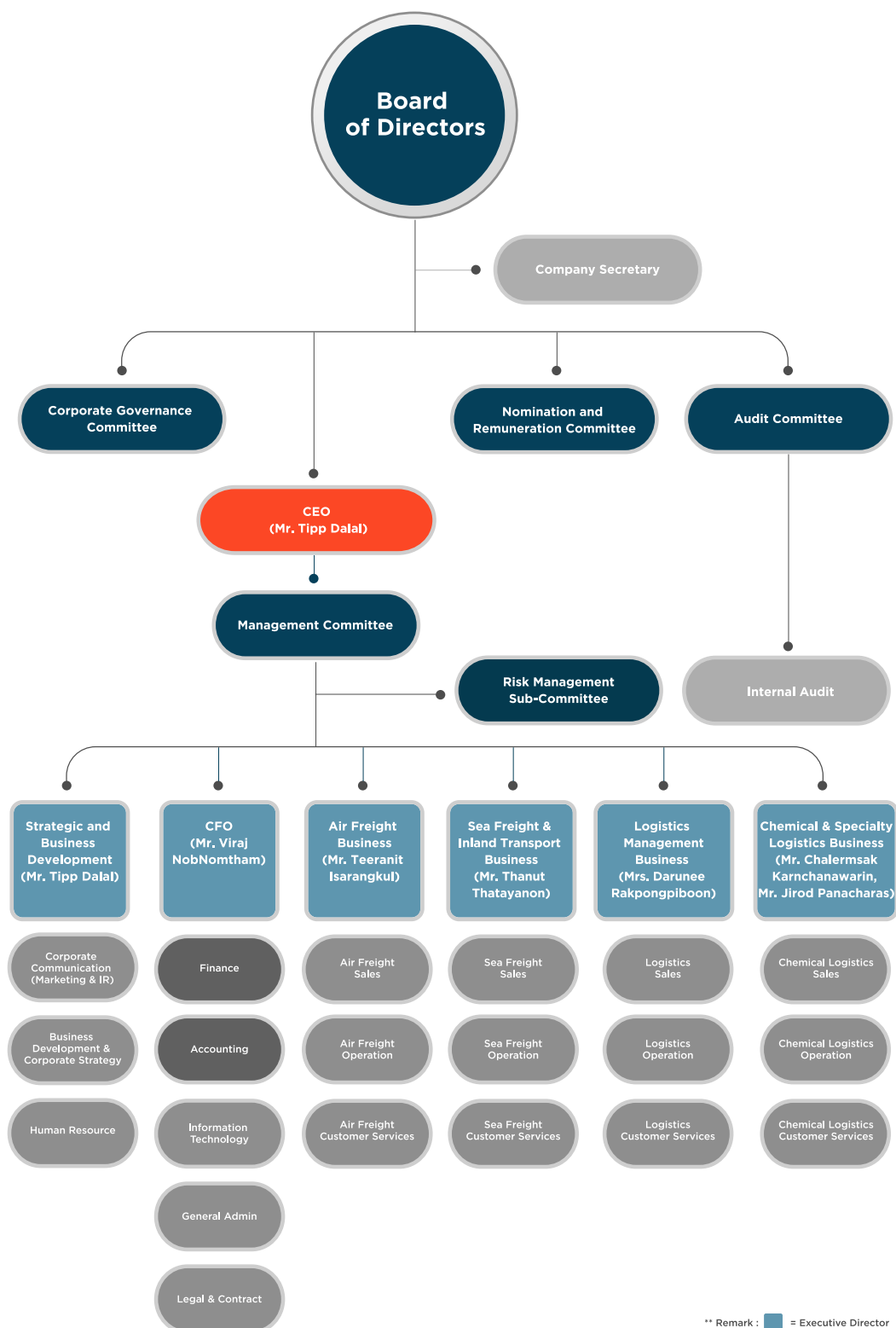
The Company has the dividend policy to pay dividend to shareholders at the ratio of not less than 40% of the net profit of the Company financial statements after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy 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 Corporate Governance Committee, the Management Committee and the Risk Management Sub-committee, the details are as follows:



** Remark : ■ = Executive Director
Effectived : 2 July, 2018

Board of Directors



Mr. Krirkkrai Jirapaet

Chairman of the Board /
Independent Director



Mr. Woodtipong Moleechad

Vice Chairman of the Board /
Independent Director /
Chairman of the Audit Committee



Mr. Apichart Chirabandhu

Director / Independent Director



Mr. Vipoota Trakulhoon

Director / Independent Director



Mr. Tipp Dalal

Director / Chairman of the Management
Committee / Group CEO



Mr. Viraj Nobnomtham

Director / Group CFO



Mr. Teeranit Isarangkul

Director



Mr. Thanut Thatayanon

Director



Mrs. Darunee Rakpongpi boon

Director / Company Secretary



Mr. Ji rod Panacharas

Director



Mr. Chalernsak Karnchanawarin

Director

Board of Directors

As of 31 December 2019, 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	Vice Chairman of the Board / 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 / Member of of the Nomination and Remuneration 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	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 Moleechad is 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).



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 order to comply with the good corporate governance principle, the term of Independent Director shall not be more than 9 years without any exemption. Apart from the retirement by rotation, the director shall retire upon the following circumstances:

- 1) death
- 2) resignation
- 3) disqualification or having prohibited characteristics under the Public Companies Act and the law on securities and exchange
- 4) dismissal by the resolution of Board of Directors' meeting or shareholders' meeting
- 5) dismissal by the court order

Mr. Krirkkrai Jirapaet

Age 76 years

Chairman of the board /
Independent Director



Appointed as director on 15 March 2017, 24 April 2019 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020

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 for the past 5 years

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 – 2018 : Director, Sammitr Green Power Co., Ltd

Positions in Other Organizations

- 2017 – Present : Honorary Chairman / Thai Institute of Directors (IOD)
- 2015 – Present : Member of Council of State
- 1970 – Present : Deputy Chairman of UTCC Council
- 2014 – 2015 : Member of National Reform Council

* Includes holding by spouse and minor children



Mr. Woodtipong Moleechad

Age 71 years

Vice Chairman of the Board /

Independent Director /

Chairman of the Audit Committee

Appointed as director on 15 March 2017, 24 April 2018 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020

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 for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2019 – Present : Vice Chairman of the Board, Triple i Logistics PLC.

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

Positions in Other Listed Companies

2015 – Present : Chairman of the Board / Independent Director, 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 61 years

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



Appointed as director on 15 March 2017

(%) Share Possession* as of 5 February 2020

Changes in number of Shares during the year

Relationship between the executive

-
-
-

Educations

- Bachelor of Laws, Ramkhamhaeng University
- Diploma, The National Defence College of Thailand (NDC)

Certifications

- Director Accreditation Program (DAP) Class 103/2013, Thai Institute of Directors (IOD)
- Politics and Governance in Democratic Systems for Executives Class 18/2014 King Prajadhipok's Institute
- Advanced Audit Committee Program (AACP) Class 31/2018, Thai Institute of Directors (IOD)
- Corporate Governance for Executives Program (CGE) Class 15/2019 organized by Thai institute of directors

Working Experiences for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present : Director / Independent Director / Member of the Audit Committee / Chairman of the Corporate Governance 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.
2015 – Present : Member of the Corporate Governance Committee, Millcon Steel PLC.
2014 – Present : Independent Director / Member of the Audit Committee / Member of the Nomination Committee, Millcon Steel PLC.
2013 – Present : Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee, Nok Airlines PLC.

Positions in Non Listed Companies

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

Positions in Other Organizations

2019 – Present : Specialist of Senator
2009 – Present : Treasurer of the Business Lawyers Foundation
2018 – 2019 : Advisor to the Minister of Tourism and Sports

* Includes holding by spouse and minor children



Mr. Vipoota Trakulhoon

Age 53 years

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

Appointed as director on 15 March 2017, 24 April 2018 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020

-

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 for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present : Director / Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration 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, Millcon Steel PLC.

Positions in Non Listed Companies

2015 – Present : Director, Creative Kobelco Millcon Co., Ltd.
2015 – Present : Director, IFAC Advisory Co., Ltd.
2014 – Present : Director, Creative Power Co., Ltd.

Positions in Other Organizations

-

* Includes holding by spouse and minor children

Mr. Tipp Dalal

Age 53 years

Director /

Chairman of the Management Committee /

Group CEO



Appointed as director on 15 March 2017, 24 April 2018 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020 23.23

Changes in number of Shares during the year -

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
- Achieving Organizational Agility , Thai Institute of Director (IOD)

Working Experiences for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present : Director / Chairman of the Management Committee / Group CEO, Triple i Logistics PLC.
- 2019 – Present : Director, Excel Air (Cambodia) Co., Ltd.
- 2019 – Present : Director, Teleport (Thailand) Co., Ltd.
- 2017 – Present : Director, DG Packaging Pte., Ltd.
- 2016 – Present : Director, GSA Cargo Network (Myanmar) 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.
- 2008 – 2016 : Director, Triple i Interfreight 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 54 years

Director / Member of the 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 , 24 April 2019 (The 1 st re-elected)	
(%) Share Possession* as of 5 February 2020	18.06
Changes in number of Shares during the year	-
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)
- Effective Accounting & Financial Reporting and Presentation Technique 2019, Dharmniti Seminar and Training Co., Ltd.

Working Experiences for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present	: Director / Member of the 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 (Myanmar) 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	: Director / 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

-

* Includes holding by spouse and minor children

Mr. Teeranit Isarangkul

Age 50 years

Director / Member of the 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 5 February 2020 9.97

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 for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present : Director / Member of the Management Committee / Member of the Corporate Governance Committee / Member of the Risk Management Sub-Committee, Triple i Logistics PLC.
- 2019 – Present : Director, Teleport (Thailand) Co., Ltd.
- 2019 – Present : Director, SAL Group (Thailand) Co., Ltd.
- 2013 – Present : Director / 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

-

* Includes holding by spouse and minor children



Mr. Thanut Thatayanon

Age 50 years

Director /

Member of the Management Committee /

Member of the Corporate Governance Committee /

Member of the Risk Management Sub-Committee

Appointed as director on 15 March 2017, 24 April 2019 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020 2.33

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

- Top Executive Program in Commerce and Trade (TEPCoT) Class 9/2015, Thai Chamber of Commerce
- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 240/2017, Thai Institute of Directors (IOD)
- 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)
- Leadership Program Batch 29, Capital Market Academy

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present : Director / Member of the 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.
- 2008 – 2016 : Director, Triple i Interfreight Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

* Includes holding by spouse and minor children

Mrs. Darunee Rakpongpiboon

Age 49 years

Director /

Member of the Management Committee /

Company Secretary



Appointed as director on 15 March 2017, 24 April 2018 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020 1.26

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)
- Top Executive Program in Commerce and Trade (TEPCoT) Class 12/2019, Thai Chamber of Commerce

Working Experiences for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present : Director / Member of the Management Committee / Company Secretary, Triple i Logistics PLC.

2008 – 2016 : Director, Triple i Interfreight Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

* Includes holding by spouse and minor children



Mr. Jirod Panacharas

Age 47 years

Director /

Member of the Management Committee /

Member of the Corporate Governance Committee

Appointed as director on 15 March 2017, 24 April 2019 (The 1st re-elected)

(%) Share Possession* as of 5 February 2020 4.59

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)
- Senior Executive Program for Nation Building Class 8

Working Experiences for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present : Director / Member of the 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

-

* Includes holding by spouse and minor children

Mr. Chalernsak Karnchanawarin

Age 43 years

Director /

Member of the Management Committee /

Member of the Risk Management Sub-Committee



Appointed as director on 24 April 2018

(%) Share Possession* as of 5 February 2020 4.59

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 for the past 5 years

Positions in Company / Joint Venture Companies / Affiliated Companies

2018 – Present : Director, Triple i Logistics PLC.

2017 – Present : Member of the 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.

2010 – Present : Director, DG Packaging (Thailand) Co., Ltd.

2008 – Present : Director / Managing Director, HazChem Logistics Management Co., Ltd.

2013 – 2016 : Director, GSA Cargo Network (Myanmar) Co., Ltd.

2012 – 2016 : Director, CWT Chemical Logistics Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

* Includes holding by spouse and minor children

Management Committee

As of 31 December 2019, 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	Member of the Management Committee / Group CFO
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 Karnchanawarin	Member of the Management Committee

Sub-committee of the Company

Audit Committee

As of 31 December 2019, 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	Member of the Audit Committee
3. Mr. Apichart Chirabandhu	Member of the Audit Committee

The 3 members of the Audit Committee are independent directors and have knowledges and experiences pursuant to the qualifications as specific by the Securities and Exchange Commission. Mr. Vipoota Trakulhoon is the member of Audit Committee who has the knowledges and experiences in relation to the review of financial statements.

Ms. Sichon Chotveerasatanont acts as the secretary of the Audit Committee with effective from 15 November 2016.

Corporate Governance Committee

As of 31 December 2019, the 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	Member of the Corporate Governance Committee
3. Mr. Jirod Panacharas	Member of the Corporate Governance Committee
4. Mr. Teeranit Isarangkul	Member of the Corporate Governance Committee

Remark : * Independent Director

Nomination and Remuneration Committee

As of 31 December 2019, 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

Remark : * Independent Director

Risk Management Sub-committee

As of 31 December 2019, 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	Member of the Risk Management Sub-committee
3. Mr. Thanut Thatayanon	Member of the Risk Management Sub-committee
4. Mr. Chalernsak Karnchanawarin	Member of the Risk Management Sub-committee
5. Mr. Suchart Tanasoontrarat	Member of the Risk Management Sub-committee

Meeting Attendance Record of the Board of Directors for the year 2019

The Board of Director sets meeting schedule for the whole year in advance and inform all directors at the beginning of the year

In 2019, Meeting Attendance Record are as follows:

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

Remarks: Number of Attendance / Number of Meeting



Name – Surname	Management Committee
1. Mr. Tipp Dalal	11/11
2. Mr. Viraj Nobnomtham	11/11
3. Mr. Teeranit Isarangkul	10/11
4. Mr. Thanut Thatayanon	11/11
5. Mrs. Darunee Rakpongpi boon	11/11
6. Mr. Jirod Panacharas	11/11
7. Mr. Chalernsak Karnchanawarin	10/11

Remark: Number of Attendance / Number of Meeting

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

Remark: Number of Attendance / Number of Meeting

In year 2019, the Company has held one Independent Directors' meeting on 22 November 2019 of which only the Independent Directors attended and no executive directors or managements attended the meeting in order to give the opportunity to Independent Directors to discuss any issues or to provide opinion on the operation of the Company independently such as Company's business operation strategy, Company's sustainable business practices and Company's management structure appropriation.

Training attendance by the Board of Directors in the year 2019

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 / Seminar attended in year 2019
1. Mr. Krirkkrai Jirapaet	- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
2. Mr. Woodtipong Moleechad	- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
3. Mr. Vipoota Trakulhoon	- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
4. Mr. Apichart Chirabandhu	- Corporate Governance for Executives Program (CGE) Class 15/2019 organized by Thai institute of directors - Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited



Name of Directors	Training / Seminar attended in year 2019
5. Mr. Tipp Dalal	<ul style="list-style-type: none">- Achieving Organizational Agility organized by Thai Listed Companies Association- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
6. Mr. Viraj Nobnomtham	<ul style="list-style-type: none">- Effective Accounting & Financial Reporting and Presentation Technique 2019 Program organized by Dharmniti Seminar and Training Co., Ltd.- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
7. Mr. Thanut Thatayanon	<ul style="list-style-type: none">- Leadership Program Class 29, Capital Market Academy- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
8. Mrs. Darunee Rakpongpi boon	<ul style="list-style-type: none">- Top Executive Program in Commerce and Trade (TEPCoT) Class 12 organized by Thai Chamber of Commerce for the year 2019- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited- AGM with 100% scores of AGM checklist for the year 2019 organized by Thai Investor Association- "How to deal with fake news & bad news" Seminar organized by the Stock Exchange of Thailand
9. Mr. Teeranit Isarangkul	<ul style="list-style-type: none">- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
10. Mr. Jirod Panacharas	<ul style="list-style-type: none">- Senior Executive Program for Nation Building Program Class 8- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited
11. Mr. Chalernsak Karnchanawarin	<ul style="list-style-type: none">- Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption- Personal information law in accordance with Personal Data Protection Act B.E. 2562 (2019) organized by Siam Premier International Law Office Limited



Remuneration of Directors and Executives

1. Director's remuneration

Monetary remuneration

The Annual General Meeting of shareholders 2019 has resolved to approve the determination of remuneration of directors for the year 2019 as follows:

- 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
- Audit Committee's remuneration, payment on attendance basis as follows:
 - Chairman of the Audit Committee 15,000 Baht per meeting
 - Member of the Audit Committee 10,000 Baht per meeting
- 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 the Nomination and Remuneration Committee 10,000 Baht per meeting
- Corporate Governance Committee, payment on attendance basis as follows:
 - Chairman of the Corporate Governance Committee 15,000 Baht per meeting
 - Member of the Corporate Governance Committee 10,000 Baht per meeting

In any event, the monthly remuneration, meeting allowance, and additional remuneration in aggregate shall not exceed Baht 4,700,000. 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, sub-committee meetings and additional remuneration.

In year 2019, the payment of directors' remuneration can be summarized as follows:

Name of Directors	Year 2019
	Remuneration (Baht)
1. Mr. Krirkkrai Jirapaet	1,504,500
2. Mr. Woodtipong Moleechad	1,132,500
3. Mr. Vipoota Trakulhoon	994,000
4. Mr. Apichart Chirabandhu	1,019,000
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. Chalerm Sak Karnchanawarin ¹	-
Total	4,650,000

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 and executives who do not hold the directorship for the accounting periods ended 31 December 2017, 31 December 2018 and 31 December 2019 are as follow:

	2017	2018	2019
Number (Person)	7*	7	7
Total Remuneration (Million Baht)	68.53	54.95	53.42

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 logistics 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 2017, 31 December 2018 and 31 December 2019 are as follows:

Business Line	Number of Employees (Person)		
	31 December 2017	31 December 2018	31 December 2019
Air Freight Business	567	667	693
Sea Freight and Inland Transport Business	33	38	89
Logistics Management Service Business	131	85	92
Chemical and Dangerous Goods Logistics Service Business	221	209	225
Total	951	999	1,099

Remuneration of Employees (exclusive of the executives)

In the year 2017, 2018, and 2019, the Company paid employee compensation (excluding executive compensation) in the amount of Baht 227.64 million, Baht 279.60 million, and Baht 297.07 million respectively. The employee compensation was in the forms of salary, bonus, overtime payment, employer's contribution to provident fund and other welfares. The employee's contribution to provident fund that the company paid in the year 2017, 2018 and 2019 in the amount of Baht 5.85 million, Baht 7.06 million and Baht 8.25 million respectively.

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.

In year 2019, the employees have exercised their warrant two times consisting of the exercise no.1 on 1 March 2019 in the number of 2,329,088 warrant units and the exercise no. 2 on 30 August 2019 in the number of 2,478,687 warrant units.

To reduce cost of living and to support well-being of employees and their family and to have good health which to support the best performance and living of employees, the Company has provided welfare to employees and has announced such welfare for acknowledgement of employees through the work rules of employees of which the details of such welfare are as follows:

- Financial support such as emergency loan, wedding allowance and funeral allowance
- Medical and life insurance such as life insurance, medical insurance and annual health checkup
- Fund such as provident fund



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 2019, the average hours of training per year per employee was 12.69 hours. The Company incurred human resources development expenses in the amount of Baht 2,215,429.69. The average hours of training per year per employee in 2018 was 7.52 hours and human resources development expenses in 2018 was Baht 2,332,268.69.

Nomination and Remuneration Committee Report

Dear Shareholders,

Triple i Logistics Public Company Limited understands the importance of good corporate governance. To promote good corporate governance, the Company has appointed the Nomination and Remuneration Committee to select and recruit persons who are qualified according to the prescribed rules and criteria, through considering their knowledge, experience and capabilities relevant to the Company's business. The duties of the Nomination and Remuneration Committee also include considering remuneration of the Board of Directors, sub-committees and Chief Executive Officer and conducting performance evaluation of the Chief Executive Officer. The Nomination and Remuneration Committee consists of 3 members and more than half of the total members of the committee are independent directors. The term of office for member of the committee is the same as the term of office as the Company's director.

The Nomination and Remuneration Committee consists of:

- | | |
|-----------------------------|---|
| 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 |

In 2019, the Nomination and Remuneration Committee held 2 meetings in total. Duties performed by the committee can be highlighted as follows:

1. The Nomination and Remuneration Committee considered remuneration of the Board of Directors, sub-committees, the Chief Executive Officer and high-level executives and proposed the matter to the meeting of the Board of Directors for approval.
2. The committee conducted performance evaluation of the Chief Executive Officer for the year 2019 and reported the results to the Board of Directors for information.
3. The committee determined salary adjustment and bonus for the Chief Executive Officer by considering performance evaluation results of the Chief Executive Officer for the year 2019.
4. The committee considered remuneration of the Board of Directors and sub-committees for the year 2019 and proposed the matter to the Board of Directors and the Annual General Meeting of shareholders for approval.
5. The committee reviewed criteria and selection process of the Company's directors in replace of those who are retired by rotation and proposed to the Board of Directors for acknowledgement.
6. The committee nominated persons who are suitable to hold the position of the Company's directors in replace of those who are retired by rotation and proposed to the Board of Directors for consideration prior to further submission to the 2019 Annual General Meeting of Shareholders for appointment of directors in replace of those who are retired by rotation.
7. The committee reviewed Charter of the Nomination and Remuneration Committee for the year 2019 and proposed to the Board of Directors for consideration.

(Mr. Vipoota Trakulhoon)

Chairman of the Nomination and Remuneration Committee

Corporate Governance Committee Report

The Board of Directors of Triple i Logistics Public Company Limited understands the importance of good corporate governance as foundation for sustainable development of organization in the future. The Board of Directors has appointed Corporate Governance Committee to supervise, monitor, and promote the Company's business operations to be in line with Good Corporate Governance Policy and Code of Ethics.

The Corporate Governance Committee consists of the following 4 members:

- | | |
|-----------------------------|--|
| 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 |

In 2019, the Corporate Governance Committee held 3 meetings in total. The committee also performed its duties as specified under the Charter of the Corporate Governance Committee. Duties performed by the committee can be highlighted as follows:

1. The Corporate Governance Committee supported the Company to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), a program organized by Thai Institute of Directors. On 30 July 2019, the Company invited a guest speaker who provided knowledge on the topic called "Guidelines on Participation in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)" and responded to questions relating to CAC from the Company's management and staff. At present, the Company is under the preparation process for participating in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
2. The committee proposed the Company to prepare Report on Change of Securities Holding, provided that the Board of Directors shall certify accuracy of the report at every meeting according to Good Corporate Governance Policy with regards to the protection of inside information.
3. The committee considered the assessment results of Corporate Governance Report of Thai Listed Companies: CGR for the year 2019 organized by Thai Institute of Directors (IOD). The Company was rated "Excellent" for CGR. The committee provided recommendations for development and improvement of policies and practices to be in accordance with criteria and recommendations from such assessment.
4. The committee has provided the Company's shareholders the right to propose meeting agenda and nominate candidate for appointment as the Company's director in the 2020 Annual General Meeting of Shareholders in advance during 20 December 2019 – 31 January 2020. This is in line with Principles of Good Corporate Governance in relation to right of shareholders and equitable treatment of shareholders.
5. The committee reviewed Charter of the Corporate Governance Committee on an annual basis to review and amend the Charter to be suitable and propose the Charter to the Board of Directors for consideration and approval.
6. The committee reviewed the current operations of the Company to be in line with the Principles of Good Corporate Governance for Listed Companies for the year 2017 by the Securities and Exchange Commission and the Stock Exchange of Thailand in order to create values as sustainable organization and proposed the matter to the Board of Directors.



The Corporate Governance Committee has exercised its duties with due care, considering utmost benefits of the Company, its shareholders and stakeholders. The committee is confident that operating the business with transparency and fairness is important to promoting efficient business operations and sustainable growth of the Company.

Mr. Apichart Chirabandhu
Chairman of the Corporate Governance Committee

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 inquires 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 Chief Executive Officer and Company's Secretary must be ready to accept proposals, provide assistance, and advice.

Section 3: Role of Stakeholders

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. 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.

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- 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. To ensure that shareholders are able to find additional information for consideration and contact the responsible department for providing information conveniently quickly and efficiency.
- 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, easy-to-access contact points.
- 4.3 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.



- 4.4 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.
- 4.5 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.
- 4.6 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. 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.

5.1 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.

5.2 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.



5.2.1 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.

5.2.2 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.

5.2.3 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.

5.3 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).

5.3.1 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

5.3.2 To give the authority to the sub-committees from time to time.

5.3.3 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.



5.4 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:

- 5.4.1 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.
- 5.4.2 Selection of directors and/or directors of sub-committee 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.
- 5.4.3 Nomination to the Board of Directors for consideration and inclusion under the invitation to the shareholders' meeting for shareholders' approval. (as the case may be)

5.5 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:

- 5.5.1 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.
- 5.5.2 The Board of Directors and senior managements shall report the policy on director's remuneration, reason and rational in the Company's annual report.

5.6 Board of Directors' meeting

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

- 5.6.1 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.
- 5.6.2 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.
- 5.6.3 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.
- 5.6.4 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.



5.6.5 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.

5.6.6 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.

5.7 Sub-committees

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

5.7.1 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	Member of the Audit Committee / Independent Director
3. Mr. Vipoota Trakulhoon*	Member of the 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, 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.

5.7.2 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.

5.7.3 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 and/or the directors of sub-committees to suit the nature and business of the organization by determining qualifications and expertise in each subject as required;



- 3) To recruit directors and/or directors of sub-committees 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 (Director Pool), or allowing each director to nominate an appropriate person;
- 4) 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; (as the case may be);
- 5) To consider and recruit a chief executive officer as instructed by the Board of Directors;
- 6) To consider if the criteria for remuneration payments paid to directors, directors of sub-committees 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;
- 7) 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, directors of sub-committees and the Chief Executive Officer as required by the Company;
- 8) To consider the criteria for Chief Executive Officer's evaluation as instructed by the Board of Directors;
- 9) To determine annual remuneration of directors, directors of sub-committees 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 and the directors of sub-committees, the Board of Director shall propose to the shareholders' meeting for approval;
- 10) 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;
- 11) To review the Charter of the Nomination and Remuneration Committee at least once a year for the approval of the Board of Directors;
- 12) 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;
- 13) 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;

5.7.4 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 Karnchanawarin	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 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;
- 13) To perform any other tasks as instructed by the Board of Directors and /or Chief Executive Officer.


5.7.5 Risk Management Sub-committee

The Company's Risk Management Sub - committee consists of 5 members as follows:

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

Scope of Authority and Responsibilities of the Risk Management Sub-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 review and evaluate operational risk which may occur corruptions at least once a year according to Anti Corruption Policy;
- 5) To consider and evaluate the risk of new investment of company, which need to be approved by Board of Directors and the Management Committee.

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- 6) 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;
 - 7) To review the charter of the Risk Management Sub-committee which changing significantly for the approval of the Management Committee.

5.8 Performance Assessment of the Board of Directors and sub-committees

The Corporate Governance Committee has resolved to approve the annual performance assessment of the Board of Directors and all sub-committees which include the Management Committee, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management Sub-committee for each committee and each director every year. It has the objective to review performance, problem and various issues in the past year to develop the performance of committee to be more effective, the details are as follows:

Assessment Criteria

1. Structure and qualification of director
2. Preparation and conducting of meeting
3. Roles, duties and responsibilities

Assessment Method

1. To provide the Assessment Form to all directors every year by the Company Secretary;
2. To collect Assessment Form and Result including to prepare and present report of such Assessment to the Chairman of each committee and the Chairman of the Nomination and Remuneration Committee to review the Result of Assessment together in order to determine the development method of performance of directors.

The Self-assessment result of the Board of Directors and all sub-committees for each committee and each director for the year 2019 was in the level of “Excellent”. The Corporate Governance Committee has resolved that all committees has completely perform their duties in appropriate with scope of authorization and in accordance with the Good Corporate Governance principle.

5.9 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, 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.

5.10 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.



5.11 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 but not over 15 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.
- 3) 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.

5.12 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;
- 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;
- 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 but not over 5 independent directors. The Company sets its policies for the nomination of the Audit Committee/Independent Directors in accordance with 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 Officer shall be Chairman of the Management Committee.



Composition and Nomination of the Risk Management Sub-committee

The Risk Management Sub-committee consist of at least 3 members and/or assigned person from the director of subsidiary company which appointed by the Management Committee. The Management Committee shall appoint one member of the Risk Management Committee to chair the Risk Management Sub-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.

Succession Plan

Triple i Logistics Public Company Limited has prepared its succession plan to develop the management system regarding manpower and human resource development to increase efficiency of organization in relation to the strategic workforce plan by developing and managing manpower to increase capacities of human resource and to increase efficiency of management system including promoting to prepare system for replacement of human resource for short-term and long-term to support any changes and to in line with the direction of organization's system development. In addition, the Company has determined its strategy for management and development of human resource as the guideline for management and development of human resource to be more effective and success, particularly the senior management position which may impact the lack of potential manpower and loss of manpower by retirement.

The Company's succession plan has been prepared by the meeting of working group of relevant parties to consider and determine the following criteria:

1. Selection of potential position and determination of criteria of qualified potential candidate for replacement

The selection of potential position which requires potential successor for replacement is the first important step for the preparation of succession plan. However, it can select from the position which has been prepared career path for the preparation of succession plan of Company's management position. This time, the company has selected potential position from position which has been prepared career path and has selected from additional potential position in accordance with appropriation of the following positions:

1. Chief Executive Officer
2. Chief Financial Officer
3. Managing Director
4. Executive Director

Each of potential position has determined main duties and responsibilities, main achievements, main performance indicators, knowledges, skills and capacities including primary criteria for selection of potential candidates.

2. Determination of potential candidates to be successor

To determine the selection process for successor of Chief Executive Officer, Chief Financial Officer and Managing Director and Executive Director.

3. Monitoring, evaluation and adjustment of development methods

To develop potential candidates for the replacement of potential position, the Succession Committee shall appoint the career coach of which such career coach or first level supervisor or assigned person to monitor potential candidate as successor, and shall monitor the performance of such potential candidate and review the performance of such candidate from time to time by discussing the capacities which have been developed and which have not been developed, and providing feedback to such candidate to acknowledge his or her strength and weakness in order to develop the knowledge, skill and capacity of working as assigned in the present and in the future including changing method of development and adjusting ability as appropriate as well as preparing of plan of further development.

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 2017 to 2019, 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)
2017	PricewaterhouseCoopers ABAS Ltd.	8,123,000	-
2018	PricewaterhouseCoopers ABAS Ltd.	7,245,000	-
2019	PricewaterhouseCoopers ABAS Ltd.	7,659,000	-

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 case 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.

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- 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 at every meeting.

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 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:

- o 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;
- o to promote free competition and to avoid cronyism and conspiracy;
- o not to support any infringement of intellectual property or copyright;
- o 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;
- o 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. At present, the Company is in the preparation process to participate in Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) organized by Thai Institute of Directors. To prepare for participation in Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC), the Company has invited guest speakers to provide knowledge and training to executives and staffs under the topic “Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)” on 30 July 2019. In addition, the Company has 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.



The Company has prepared Whistle Blowing Policy and published on the Company's website (www.iii-logistics.com) under the topic "Good Corporate Governance" so that its executives, staffs and stakeholders are aware of rules and comply with the policy, details of which can be summarized as set out below.

WHISTLE BLOWING POLICY

Policy and Principles

Triple i Logistics Public Company Limited and subsidiaries conduct business responsibly, duly and transparently in compliance with the Corporate Governance policy and the Code of Conduct adopted by the Company. The Company believes that the employees must be treated fairly and expects that its employees shall behave professionally with integrity and strictly comply with the Company Group's Code of Conduct. The Company is committed to protect its employees, operations and assets from any risks from any conduct which is violates the Code of Conduct as well as from possible fraud, which may affect the Company's reputation or shareholders' equity. In this respect, the Company will not tolerate any wrongdoing and fraud in the Company and will imposing disciplinary actions on those committing such wrongdoing or fraud.

In order to enable the Company to efficiently implement such policy and principles, this Policy is set out for the main objectives as follows:

- (1) To establish reporting channels and encourage all employees and third parties to confidently provide the information and report of any wrongdoing or fraud occurred in the Company;
- (2) To protect the employee who provides information, cooperation or assistances to the Company related to the wrongdoing and fraud from any threat including grievance due to the problems from the work performance under its duty, or is being treated unfairly, or unable to access to the facilitations or rights that should be available for the employees, to be freed from any threat, intimidations, change of work position, job description or workplace, suspension , termination or any other unfair treatment;
- (3) To establish transparent and fair practices for investigation of wrongdoing and fraud;
- (4) To suppress any wrongdoing and fraud which may arise in the organization, and to facilitate the finding and mitigation of damage from wrongdoing and fraud;
- (5) To promote good reputation and ethical values of the Company and employees.

Scope of policy

- (1) This policy shall apply to all employees of the Company and subsidiaries;
- (2) This policy addresses the wrongdoing and fraud (both exposed or suspicious one) concerning employees, suppliers of goods/services, creditors, customers, trading partners, shareholders, directors and all groups of stakeholders in business relationships with the Company and/or subsidiaries.

Provision of information on the wrongdoing and fraud

The Company deems that all employees shall have the duty and responsibility to report any finding of wrongdoing and fraud. Such reporting or provision of information must be conducted in good faith or based on the legitimate order according to the roles and duties and/or the laws. Any provision of false information or discrediting of others which causes damage to other persons or the Company, shall be subject to disciplinary punishment and legal actions decided by the Company. To report any information or grievance, the employee shall comply with the procedures as follows:



- 1) In case that the whistleblower is the employee, should it come across or is suspicious based on reasonable cause in good faith of the occurrence of wrongdoing or fraud is associated with employees, Company or subsidiaries, the employee shall be immediately reported to the Whistleblowing Unit as designated by the Board of Directors, whether verbally or in writing. In this respect, the employee should not conduct any investigation or inquiry regarding the suspicious action, by himself or herself.

In case that the whistleblower is not the employee, should it come across or is suspicious based on reasonable cause in good faith or the occurrence of wrongdoing or fraud in relation to the Company or subsidiaries, the notification can be submitted through the channel as specified in Clause 2.

To report any wrongdoing or fraud, the whistleblower must disclose his or her name, address and telephone number. However, the whistleblower may choose whether to disclose or not to disclose his or her name to the Investigation Committee during the investigation stage.

- 2) Unless it is not permitted by circumstances or the Whistleblower is uncomfortable reporting such finding to the Whistleblowing Unit, the whistleblower can alternatively notify through the channels as follows:

- 2.1) Internal Audit Coordinator and/or the secretary of the Audit Committee

Tel. 02-681-8700 # 102

E-mail: [whistleblowing@iii-logistics.com]

- 2.2) Chairman of the Audit Committee

Tel. 081 399 9990

E-mail: [woodtipong.mo@gmail.com]

In case that the high-ranking executive from Managing Director level upwards or equivalent and above, or the Head of Internal Audit Department, or Head of Human Resources Department, is involved in such wrongdoing or fraud, the notification must be submitted to the Chairman of the Audit Committee or the Board of Directors.

- 3) The Whistleblowing Unit shall have the duty in preparing the register of complaint entry and shall submit the summary report of its complaint entry on wrongdoing or fraud to the Audit Committee on a regular basis of at least once in each quarter.

Protection of Informants

- 1) To protect the whistleblowers and informants who act in good faith, such information about the whistleblowers and concerned witnesses, namely, names or private information, shall be protected and treated as confidential in accordance with the Company's requirements regarding confidentiality classification and document security, which shall be accessible only to those in charge of reviewing the complaint. Those personnel to whom such information is made available shall have the duty to keep confidential such information, and complaint and documentary evidence of the complainant and informants, which shall not be disclosed to any unauthorized personnel, unless as required by law.
- 2) The Company shall not allow for any threat or harassment against staff who provide information concerning wrongdoing or fraud, including those who provide cooperation or assistance in the investigation, in good faith. The Company shall provide protection and prohibit staff or executives of the Company from terminating employment of, suspending, imposing disciplinary actions against or threatening to take any actions against any staff who provide information concerning wrongdoing or fraud. Such protection shall also include any unfair treatment, discrimination by improper means or actions that cause damage to a third party, including the situation that the third party files a lawsuit, testifies as a witness, gives statement,



or provides any cooperation to the court or stage agencies. Any violation thereof shall be subject to disciplinary actions and may be punished in accordance with the laws, should such violation be regarded as an offense under the laws.

- 3) The Company may provide special protection as appropriate, depending on the severity and sensitivity of the matter. Should a complainant be threatened or harassed, such occurrence shall be immediately reported to the Head of Human Resources Department. The Head of Human Resources Department shall act as the protector of the informants under this Policy.
- 4) Should a staff provide, in good faith, such information concerning wrongdoing or fraud, and the investigation subsequently find no wrongdoing per the complaint, the Company shall not impose any sanctions on such staff. However, should the investigation find no merits in the facts per the complaint, and such complaint be found to have been made with an intention of discrediting or causing adverse impact or providing false information, the Company shall consider imposing sanctions on such staff in accordance with the Work Rules and Regulations, starting from verbal or written warning, then suspension, up to dismissal, including legal actions.

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:

- o 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;
- o 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;
- o 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;
- o 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;
- o 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;
- o 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;

- o 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;
- o 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;
- o 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;
- o 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;
- o 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:

- o 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.
- o 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:

- o 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;
- o 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 the year 2019, one staff was injured or experienced accident as a result of work. The number has increased from the previous year (in the year 2018, no staff was injured or experienced accident as a result of work);

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- o 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;
 - o 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;
 - o 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:

- o 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;
- o 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;
- o 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;
- o 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;
- o 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, educational institution 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 Logistics Industry

The Group participated as driving force behind local and international logistics industry. The Company's representative holds the position of Secretary of Thai International Freight Forwarders Association and acts as force behind various work plans of the association such as review of professional standard and qualification for international freight forwarder business according to professional qualification standard (8 levels) by Thailand Professional Qualification Institute (Public Organization) (TPQI) and Thai International Freight Forwarders Association (TIFFA) and participation as lecturer for Logistics Management for Young Executive Program, a program through co-operation between College of Logistics and Supply Chain, Sripatum University and Thai International Freight Forwarders Association (TIFFA), organized by International Transport and Business School (ITBS).



The Company's representative was invited by Department of International Trade Promotion, Ministry of Commerce and Reed Tradex Co., Ltd. as Thailand's representative and speaker to join Press Conference and Roadshow for 2019 TILOG-LOGISTIX in Ningbo and Nanjing, China, and another related activity in TILOG LOGISTIX 2019 as Master of Ceremony for Logistics Collaboration Across Regions Conference between Thailand and Taiwan, the biggest logistics product and service event in AEC, organized by Department of International Trade Promotion (DITP), Ministry of Commerce and Reed Tradex Co., Ltd..

o Chemical Industry

The Company's representative holding positions as Advisor of Chemical Industry Club, Vice President and Director of Sub-Committee of Responsible Care® under Chemical Industry Club, the Federation of Thai Industries acts as driving force behind work plans of the organization through local and international cooperation in various areas such as:

Driving force behind the international chemical management program by Ministry of Economy, Trade and Industry, Japan in cooperation with the Association for Overseas Technical Scholarship (AOTS) and Hazardous Substances Management Division, Department of Industrial Works, Ministry of Industry, Thailand;

Participation as guest speaker on Globally Harmonized System of Classification and Labelling of Chemicals: GHS for Hazardous Substances Management Division and Industrial Safety Technology Promotion Division, Department of Industrial Works;

20th Anniversary Event of Responsible Care® Management Committee of Thailand under the theme "Beyond 2020: The New Era of Responsible Care Collaboration". Signing ceremony for Charter of Occupational Safety, Health and Environment under the theme "Beyond 2030: 20th Years Anniversary of Responsible Care® 's Success in Thailand";

A conference by Asia Pacific Responsible Care Organization and ASEAN Regulatory Co-operation Workshop with regards to legal framework development for chemical management at AEC level;

Participation in public consultation by providing opinion on the draft Chemicals Act. In addition, the Company's representative is a member of the board of directors of Hazardous Substances Logistics Association: HASLA and conducts important activities such as managing annual general meeting and organizing conference and training for members of the association etc. The Company's representative also acts as force behind policies and practices relating to new laws on chemical and hazardous goods management.

o Employee

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. Training on customer service, including how to win, build and maintain relationship with customers and training on reducing mistakes at work to "zero" (Zero Error) etc.



o Educational Institutions and Universities

The Group puts great importance on education. The Group's representative acts as Advisor for Occupational Safety, Health and Environment Policy Committee of Chulalongkorn University in order to act as force behind the university's actions on occupational safety, health and environment and prepare strategic plan for Center for Safety, Health and Environment of Chulalongkorn University (SHECU). The Group's representative was also a guest speaker for Logistics Transport and Distribution Management (2020 Program), Bachelor of Science (MorKorOr. 2), Faculty of Management Science, Dhonburi Rajabhat University.

During decades, the company has focused on participation in the dissemination of logistics knowledge to educational institutions and various universities by having a representative of the group companies as a trainee on logistics and supply chain knowledge for the Institute of International Transport Business (ITBS) including training on various topics about logistics knowledge for students, such as training on warehouse management, training management on dangerous goods transportation management, training on business principles and terminology for international transportation business.

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

o Social Activity and Public Benefit Activity

- A group of executives and staffs of HazChem Logistics Management Co., Ltd., HazChem TransManagement Co., Ltd., and DG Packaging (Thailand) Co., Ltd. donated medicines to Umphang Hospital, Mae Sot District, Tak on 3 September 2019.
- A group of executives and staffs of HazChem Logistics Management Co., Ltd., HazChem TransManagement Co., Ltd., and DG Packaging (Thailand) Co., Ltd. donated office and electronic supplies to Suan Kaew Foundation, Nonthaburi on 6 September 2019.
- "Triple i Recovering Ubon" Activity

Triple i Logistics Public Company Limited understands importance of recovery for those affected from major flooding in north-eastern of Thailand, causing substantial damages on various area. Hence, the Company organized "Recovering Ubon Project" held on 16 October 2019 to recover those affected and many educational institutions in Ubon Ratchathani following the flooding. The project was intended to help those affected to return to normal lives as soon as possible. In addition to support from executive team and staffs of Triple i Logistics Public Company Limited and its associated companies, the project received support from network of customers and trade and business partners through donation of money and items, including transportation of donation from Bangkok to Ubon Ratchathani by Thai AirAsia airlines and donation of 400 royal medicine sets from Government Pharmaceutical Organization. Office Mate and editorial team of Bangkok Biz News also donated stationery and teaching aid for distribution to the schools.

For assistance to affected citizens through Governor of Ubon Ratchathani, Mr. Sarit Witoon, the Company donated money, 10 pressure washers for cleaning after the water level is low, multi-purpose boxes, and 3 tonnes of rice for allocation to affected households which lacked rice for consumption.

For educational institutions, the Company contacted 14 schools in Ubon Ratchathani Primary Education Service Area Office 3 and 4 Child Development Centers in Phibun Mangsahan District, Khong Chiam District, Tan Sum District, Si Mueang Mai District, and Sirindhorn District and donated



stationary, educational tools, art tools, medicine for children in nursing rooms, and other equipment in schools which were damaged by flooding such as printer, Japanese table, shoe rack, storage rack, children's utensils, dish washing sink, textbook, storybook, coloring book, mattress for kids, and early development toys.

- o Religious Activity
 - A group of executives and staffs of Triple i Maritime Agencies Co., Ltd. and CK Line (Thailand) Co., Ltd. made a merit at Jarung Preecha Ram Temple in Chonburi Province on 15 June 2019.

- o Environmental Activity

- "Triple i Eco-To-Go" Project

The Group prepared New Year Gift Set, promoting re-use of products in order to reduce plastic waste. The set consists of canvas shopping bag, portable stainless-steel straw, and wheat straw biodegradable cup.

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. 5/2019 held on 7 May 2019, No. 7/2019 held on 6 August 2019, No. 9/2019 held on 5 November 2019 and No. 3/2020 held on 24 February 2020 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 and 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 2018 as information in preparing internal audit plan for the year 2019 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). In addition, the Company also audits its procurement system, including selection and evaluation of suppliers, procurement, product and service acceptance, and payment and accounting entry. The Company has set a procurement policy of which is strictly complied by its employees. The Company's suppliers shall comply with specified conditions and meet prescribed criteria and qualifications in order to be listed under the Approved Vendor List. The Company's suppliers are being evaluated on an annual basis in order to secure efficient suppliers who can deliver product/service that meets the Company's needs and promote business alliance between the Company and its supplier. The Company conducts the audit through random sampling to find weaknesses, causes, and preventive measures and ensure that the Company has control over corruption risk in line with its anti-corruption policy. The Company also audits its information technology system (IT General Control, IT Application Control, IT Security) and follows up on outstanding issues from internal audit during Quarter 1 – 3 of the year 2019. 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 Management Sub-Committee Report

The Risk Management Sub-Committee of Triple i Logistics Public Company Limited was established to support the Board of Directors in respect of organizational risk management so that the Company shall achieve its objectives and to create confidence and trust in the Company's business operations from investors and stakeholders. The Risk Management Sub-Committee consists of the management committee and high-level executives, who have capabilities, experience, and understanding in the business, from the relevant units. The Risk Management Sub-Committee consists of the following 5 members:

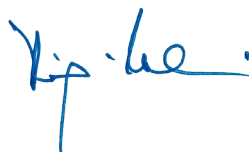
- | | | |
|----|-------------------------------|---|
| 1. | Mr. Viraj Nobnomtham | Chairman of the Risk Management Sub-Committee |
| 2. | Mr. Teeranit Isarangkul | Member of the Risk Management Sub-Committee |
| 3. | Mr. Thanut Thatayanon | Member of the Risk Management Sub-Committee |
| 4. | Mr. Chalernsak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

The Risk Management Sub-Committee performed its duties as specified under the Charter of the Risk Management Sub-Committee so that overall risk management of the Company is effective and efficient. The committee emphasizes the importance of managing risk in all aspects through considering "Risk Management" in the following four aspects:

1. Strategic Risk
2. Financial Risk
3. Organization and Operation Risk
4. Technology Risk

In 2019, the Risk Management Sub-Committee had 3 meetings in which important matters such as Annual Risk Management Plan, risk assessment, and preventive and rectification measures, including recommendations on risk management and monitoring of compliance with risk prevention and management were considered. The Risk Management Sub-Committee reported key risks and development of such risks to the Audit Committee on a regular basis.

The Risk Management Sub-Committee is of the view that the Company manages key risks efficiently and appropriately and control risks to an appropriate level, allowing the Company to operate its business with stability and creating sustainable growth. Details on risk management for 2019 appear under Risk Factor topic.



Mr. Viraj Nobnomtham

Chairman of the Risk Management Sub-Committee



Risk Factors

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

Risks relating to the business operation

1. Risk of relying on major trade partner

In respect of general sales agent for airlines business in the air freight business group, the Group incurs cost of procuring air freight for customers, namely Thai AirAsia X Co., Ltd. ("TAAX") and Thai AirAsia Co., Ltd. ("TAA") during the year 2018 – 2019, representing 27.1% and 31.8% of the Group's total costs respectively. Hence, the Group's air freight business is exposed to risk of relying on major trade partner. If the contract for appointment as general sales agent for airlines is not renewed, it may have an impact on the Group's business operations and may cause revenue from air freight business to significantly decrease.

The Group realizes such risk and has negotiated with AirAsia Group. From 2020 onwards, the Group has incorporated a joint venture company with Teleport Everywhere Pte., Ltd. ("TLP"), a company under AirAsia Group, called Teleport (Thailand) Co., Ltd. ("TLP-TH") to conduct general sales agent for airlines business for AirAsia Group, including Thai AirAsia X Co., Ltd. and Thai AirAsia Co., Ltd. Such cooperation will reduce risk of non-renewal of the contract for appointment as general sales agent for airlines by TAA and TAAX.

To reduce risk of relying on single airline and increase service coverage, the Group has contacted and negotiated to become general sales agent for other airlines. The Group approaches local airlines and airlines in AEC who provide different routes from airlines of which the Group are currently acting as general sales agent. The number of airlines to which the Group provides general sales agent service continues to increase.

2. Risk of relying on major customer

In respect of logistics management business, the Group generated revenue from a single customer during the year 2018 – 2019 at 28.2% and 18.6% of the total revenues from logistics management business respectively. Hence, the Group's logistics management business has risk of relying on major customer. If the service contract between the Group and the customer expires, the customer may not renew the contract and may cease from using logistics management service provided by the Group. This may result in significant decrease in revenue from logistics management business. Nevertheless, revenue from such major customer represented small percentage compared to the Group's total revenue or 1.4% and 1.2% of the Group's total revenue respectively.

The Group realizes such risk and has created a business plan requiring each business unit of the Group to provide good service to customers in order to create customer satisfaction and, consequently, customers will continue to renew service contracts with the Group. For regular customers who have good relationship with the Group for a long period of time, the Group prepares long-term or continuous contracts with such customers. The Group also creates a plan for securing new customers in order to expand the business and replace those customers who decide not to renew contracts with the Group. Such action plans continue to lower reliance on major customer.

During the past three years, the Group has renewed contracts with customers and offered good services to customers. In addition, the Group conducts many logistics businesses, providing various services at competitive market prices, which helps reducing risk of relying on single type of customer in respect of both each business unit and the Group as a whole.

3. Risk of fluctuation in freight charge

Air freight and sea freight charges are considered major operating costs of the Group. During 2018 - 2019, air freight charges were 79.2% and 88.4% of the total cost, while sea freight charges were 5.8% and 1.1% of the total cost, respectively. Both freight charges for air freight and sea freight are variable depending on demand and supply in the market. Fluctuation in air freight and sea freight charges would have significant impact on cost of service and net profit if the Group could not increase its service fees in line with increase in costs.

In respect of general sales agent for airlines business under the air freight business group, the Group's air freight charge is a fixed cost. The Group pays to airlines freight charge in a fixed lump sum for each route as specified under GSA contracts. In respect of GSA for airlines business, variable freight charge is directly charged by airlines to the Group and not through any agent. Therefore, the Group is able to manage its air freight to be at competitive market price. Air freight charge for each route has a reference price. The price offered to customers is a cost-plus price. Hence, the Group is able to pass through part of fluctuation in freight charge to customers. As one of the major players in air freight service and the Group's freight booking is quite substantial, the Group has high bargaining power in negotiating freight charge. Therefore, the Group's freight charge from airlines has less fluctuation than other small players. The Group has a competitive advantage in respect of less fluctuation in freight charge over other small GSA for airlines.

From 2020 onwards, the joint investment in TLP-TH with TLP will reduce risk in respect of air freight charge, which is a fixed cost according to the GSA contract. TLP-TH will conduct general sales agent for airlines business for all AirAsia Group's outbound routes from Thailand.

In respect of sea freight business, the Group forecasts the volume of demand for freight and books large quantity of freight in order to increase price bargaining power. The Group undertakes to closely monitor freight rates to forecast the situation and price trends in order to set the price with a margin that can accommodate changes in price. In addition, if the transportation route required by the customer is the route of the shipping line represented by the Group, the Group will choose the service of the shipping line to increase competitiveness on price and profitability. In addition to the aforementioned cost management approach, the 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 provide international sea freight service. This joint venture between the Group and the leading global service provider will allow usage of sea freight services by the Group through services of the 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 outbound ports 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 Group can compete in terms of price and profitability due to its ability to manage freight charge. These factors allow the Group to manage the risk of fluctuation in freight charge.



4. Risk of competition in the logistics industry

Logistics business in Thailand is a highly competitive business. There are a large number of operators in the industry because the business does not require high investment but focuses on having good relationship with customers and partners and the ability to sell freight 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 Group's business operation. Consequently, the Group may have fewer customers or has to lower the price, which could result in lower revenue and profit.

However, competing in the logistics business relies on expertise in routes and management of each type of goods, fast response to accommodate customers' needs, having a quality network, ability to provide services to customers at reasonable prices and meeting customers' needs and providing a reliable experience. The Group has a long-standing expertise in the business. The Group's experience has accumulated for over 27 years and, hence, it has created regular customers. Not many operators would have such experience. The Group is large and has substantial booking of freight, therefore it can control cost of service to a competitive level.

In addition, the Group is aware of the risk of competition and has developed and expanded to provide a full range of services to cover all aspects of logistics services. The business segment is divided into four business groups, namely air freight, sea freight and inland transport, logistics management and chemicals and dangerous goods logistics. The Group focuses on providing in-depth services in order to create expertise in the area of services. It can accommodate both specialized customers and general customers. To differentiate itself, the Group also focuses on enhancing its service capabilities to comply with international standards and develop efficient technology in providing services and reduce duplication of works, including quick response to tasks and reducing costs. The Group has jointly invested with international business partners including regional and global companies such as ECU, CK Line, Around Logistic Group, AirAsia Group and DGP to protect the investment and penetration into the logistics market of foreign companies. The expansion and development of services of the Group will enhance the ability to compete and retain customers.

5. Risk of investments in foreign countries

The Group operates its businesses in foreign countries, in the forms of both limited companies and branches. The risk of investing in foreign countries may occur due to difference and unfamiliarity in laws, regulations, and culture. In addition, a foreign market may have a large number of logistics service providers who provide similar services with the Group. Therefore, business expansion to foreign countries may cause the Group to face competition with competitors and higher aforementioned risk.

The Group realizes such risk and has prepared analysis of information on business and risks in foreign countries to support decision-making on investments in foreign countries. The Group's policy is to consider business partner who has expertise and experience in logistics business in each country as joint venture partner. Such cooperation will help manage the business operation in respect of laws and regulations, culture, and competition. Incorporation of company and business operation in foreign country requires substantial investment. Having a business partner will lower risks arising from lack of experience in investment in such country and the foreign business partner will also help manage the business in foreign country. The Group has applied this business model as can be seen in its joint investment with DGP for dangerous goods and chemical logistics business and joint investment with Around Logistic Management for air freight business, representing airlines in various countries including Vietnam, Hong Kong, China and Thailand. In addition, the Group has also expanded its general sales agent for airlines business to neighboring countries, including Cambodia and Myanmar, through joint investments with local partners.

6. Risk of joint investments in Thailand and foreign countries

The Group has invested in businesses relating to the Group's business in Thailand and foreign countries in order to expand its business and procure business partners. Such investments were in the forms of both joint investment and business acquisition. The Group may be exposed to risk of inability of joint venture company to conduct business operation and generate results as targeted. This may have impact on investment by the Group and the Group's operating results.

The Group realizes such risk and analyzes business information and operational risks before investing in high-value investments. The Group also conducts financial, accounting and legal due diligence, including enterprise valuation. The Group acquires shares in the target in the proportion of not exceeding 50% shareholding so that the existing shareholders remain with the target and the management continues to operate the business. There will be agreements on compensations to executives and existing shareholders, who sell the shares to the Group, based on profitability of the target after acquisition. Such arrangement reduces risk of the target not achieving targeted results. In addition, the Group sends its personnel to study activities of its foreign investments to understand and being able to manage the business in the future.

In respect of the Group's previous investments, including DG Packaging Pte., Ltd. under dangerous goods and chemical logistics business group acquired in the year 2018 and Around Logistics Management under air freight business group acquired in the year 2019, their operating results has met the targets. Hence, the Group recognizes both profits and dividends from such investments.

7. Risk of damages during transportation or delayed delivery of goods

With provision of full range of logistics services, the Group faces risk of claims arising from provision of services, such as damage or loss of goods, accident during performance of service or delayed delivery of goods. The causes of such incidents could be serious accidents such as fire accident or natural disasters, including rainstorm or other force majeure events, which may cause injury or damage to property belonging to customers and the Group. This will result in payment for damages, penalties, and has impact on reputation and revenues of the Group. In the year 2018 and 2019, the Group incurred payment for damages to its customers in the amount of Baht 1.40 million and Baht 1.6 million respectively or representing 0.05% and 0.07% of the Group's total revenues. The Group could not guarantee that all shipments will be delivered on time or no damages will occur because there are uncontrollable factors such as flight cancellation incident, riot, and natural disaster etc. Nevertheless, the foregoing factors have already been included in the non-liability clause under the Group's service contract with customers.

The Group is aware of such risk and has insurance for its business operations, covering goods of customers stored in its warehouse. The terms and conditions of the insurance include liabilities of the insurer and the maximum coverage for the Group. This help reducing burden and conflict which may arise between the Group and its customers. Logistics industry has laws and regulations relating to international logistics which cover maximum liability of logistics business operators including sea freight, air freight and inland transport such as IATA, FIATA, and Carriage of Goods by Sea Act etc.

The Group has also developed guidelines and various systems to reduce damages or delayed in delivery of goods as follows:

- o prevention and action plan in the event of emergency;

- o liabilities and penalties in the event that supplier cannot deliver goods according to specifications or within specified period and conduct evaluation on suppliers on an annual basis;
- o include internal audit of work systems and liaise within the organization to clearly specify roles and responsibilities. For instance, liaising with warehouse on period of time required to load goods and finding measures to prevent delays, such as overtime work in the morning or loading of goods in advance etc;
- o development of information technology system to track status of delivery during transportation.

8. Risk of securing warehouse area for service

Warehouse and inventory management service, under dangerous goods and chemical logistics business unit and logistics management business unit, is mainly operated at warehouse leased by the Group from operator of warehouse lease.

Warehouses for chemical and dangerous goods logistics business unit are all located in Frasers Property Logistics Park on Bangna-Trad Km.39 with a total area of 23,350 sq.m. The warehouse lease contract between the Group and Frasers Property Industrial (Thailand) Company Limited and Frasers Property Industrial REIT Management (Thailand) Company Limited is a short-term contract for a period of three years. Therefore, if the Group is not able to renew the contract with Frasers, it would affect the Group's business operation, revenue, and profit. Nevertheless, over the past nine years, the contract had been continuously renewed, as well as increasing lease area from Frasers. Moreover, Frasers Property Logistics Park continuously expands warehouses for chemical and dangerous goods which can be seen as an opportunity for the Group to lease those warehouses rather than investing on its own.

For logistics management business unit, TSC leases warehouse located at Bangna Km.19 from Thriven Asset Co., Ltd. with a total area of 3,296 sq.m. The warehouse area can be expanded in the future if required. Nearby area is also considered with potential to accommodate for expansion of business in the future. In addition, the Group conducts feasibility study on building its own warehouse for service.

9. Risk of stability of information technology system

The Group's business operations in all business units are mainly engaged with information technology system, starting from transportation, pick up, warehousing, distribution until tracking. The information technology is used to increase efficiency, speed, and reduce cost and redundancy in provision of service by the Group. If the information technology system fails, resulting in loss of information, the system failure may affect business operations, reputation, and financial positions of the Group.

The Group is aware of the importance of database and information technology system, which may be subject to internal and external risk factors and damages on database and information technology system, including equipment, may occur due to such risk factors. To manage risk of stability of information technology system, protect information which is considered important property of the Group, and create security of information that can be utilized effectively for the business operations, the Group has formed a special unit for overseeing information technology system. Such unit's responsibilities include developing, rectifying, and maintaining the information technology system of the Group, ensuring stability of the system. The unit should be able to rectify issues with the system promptly and regularly review its workplan. In addition, the Group has invested in Storage Area Network (SAN) and Disaster Recovery Site to create backup of information and be prepared for emergency situations, preventing loss of information and maintaining the operations, including information and computer system, uninterrupted in an efficient way at the needed time. The Group also conduct test on DR Site on an annual basis to ensure that the system could be operated with continuity in the event of emergency situations.

10. Risk of warehousing and transportation of dangerous goods and chemical

The chemical and specialty logistics is a business which requires expertise in management of chemical and dangerous goods, including storage and transportation of chemical and dangerous goods. For instance, if there is a chemical leak, it could affect goods, personnel, or property of customers or the Group itself, including other persons and environment around the warehouse.

The Group is aware of this risk, therefore, the Group focuses on security and continues to strive for excellence in management and compliance with laws where the Group considers goods that will be transported and stored, procures tools and equipment and storage which is appropriate for chemical and dangerous goods and prepare the manual for usage of tools and equipment with safety and work procedures, guidelines and knowledge, preliminary work process and complies with the laws regarding the standard practice of international transport including domestic laws. In addition, the Group continues to organize training for employees in order to increase employees' proficiency in providing services and to strengthen defensive measure in order to lower risks which may incur during storage or transportation of dangerous goods and chemical.

In addition, the Group has insurance to protect and compensate loss that might occur during both domestic and international freight services and asset insurance for indemnifying of loss and damage that may occur from international transport to cover liabilities for goods, custom and third party and omission and damage of goods that may occur from accident arising from external factors such as disaster, terrorist, and other accidents, including burglary.

11. Risk of being highly dependent on experienced personnel

Logistics and international transport business requires understanding in regulations relating to import and export, laws of various countries, and international payment and custom formalities to create trust and confidence in customers that the business can comply with all relevant rules and regulations and can deliver goods on time. In provision of dangerous goods and chemical logistics service, operators must comply with many rules, regulations, and laws at international level and of relevant countries. The business also relies on personnel with knowledge and expertise on safety of goods during transportation, safety precautions and emergency response plan as mistakes or accidents during transportation or storage of dangerous goods and chemical may cause damages to assets, environment or life, injury or health. It may also consequently have impact on reputation, revenue, expense and profit of the Group. As the Group's logistics business requires personnel with special expertise, personnel are one of the key factors contributing to success of the Group. Therefore, the Group faces risk of lacking personnel. If the Group loses personnel and could not find a replacement, it may have significant impact on its financial position, business operations and loss of business opportunity.

The Group is aware of such risk and has prepared human resource development plan, training plan to continuously improve capabilities of its personnel, analysis on employee turnover, and plan on allocation of compensation and welfare suitable to knowledge and capabilities of each personnel. In addition, the Group has prepared succession plan to ensure continuity of work in key positions. To motivate and compensate executives and employees who devote themselves for the utmost benefits of the Group and shareholders and motivate executives and employees with outstanding performance and not easily replaceable to work with the Group for a long period of time, the Extraordinary General Meeting of Shareholders No. 1/2017 held on 15 March 2017 resolved to approve allocation of newly issued ordinary shares and warrants to purchase ordinary shares of the Company, allocating 4,500,000 ordinary shares and 10,500,000 units of warrants to the Company's employees.



12. Risk of policies by government and relevant authorities

With provision of full range of logistics services, governmental policies, particularly tax policies such as import and export duties, duty free zone, policy on development of seaport and airport, have direct impact on the Group's business operations. If government or relevant authorities change its policy in a direction that creates negative impact on the Group's business operations such as increase of import duty or VAT, cancellation of lease contract in seaport and airport area, the Group or customers may incur additional cost as a consequence. Policy of Airport of Thailand ("AOT") on low cost airlines and policy on ASEAN Community ("AEC") may result in more foreign operators investing in Thailand. As a result, the Group may face higher competition in logistics service. The Group may also face risk of change in policy on usage of local and international warehouses by AOT. Such factors may have impact on financial position and business operations of the Group. The Group is aware of this risk and has been monitoring policies of government, AOT and other relevant authorities to assess impact and risks to the Group's business operations in order to plan for negotiation and revise management plan and investment to be in line with the existing circumstances. Although, such policies may not be easily changed.

The Group focuses on entry into long-term contract and negotiating on conditions which may have impact on the Group. Policy on ASEAN Community may result in higher competition due to entry into the market by new business operators and, consequently, partial loss of revenue by the Group. At the same time, ASEAN Community will result in the need to exchange more products and resources and expand Thai logistics industry. The Group also has a plan to increase its readiness and capabilities to compete in the event of change in government's policies. It creates a network of business partners with as large coverage as possible. At present, the Group has investment plan and business plan in AEC with business partners in AEC member countries such as joint investments with business partners in Singapore and Myanmar and representatives in various countries across the region. The Group is ready to develop business plan, response to customers' needs and increase its competitiveness in the market.

Financial Risks

1. Risk of fluctuation in foreign exchange rates

The Group provides international freight services and has business operations in foreign countries. Part of its revenues and costs of service is in foreign currencies. In the year 2018 - 2019, the Group's revenues from services in foreign currencies accounted for 47.0% and 46.2% of total revenues from services respectively.

However, the Group has a business partner, who is a local logistics service provider in the country of service, acting as the Group's representative in providing services, receiving payment from customers, and paying costs of service in foreign countries such as sea freight, air freight, freight charge and custom clearance fees. Such payment of costs is in the same currency as revenue earned. Having revenues and costs in the same currency (Natural Hedge) helps reducing risk of fluctuation in foreign exchange rates to a certain level. The Group closely monitors foreign exchange rates to assess situations and trend of foreign exchange rates. In addition, the Group enters into forward contracts without speculating on foreign exchange rates and opens branch office in foreign country to manage revenues and costs in foreign currencies. This is one way to mitigate risk of fluctuation in foreign exchange rates by having revenues and costs in the same currency.

Hence, the Group may be subject to risk of fluctuation in foreign exchange rates in case exchange rates of Thai Baht and foreign currencies are highly fluctuated. In such case, there might be an impact on the Group's revenue, resulting in profit or loss from foreign exchange rate.

However, since the Group has changed its way of conducting general sales agent for airlines business in respect of AirAsia Group, from provision of services under GSA contract of which costs are incurred in Thai Baht but part of revenues are generated in foreign currencies to joint investment in TLP-TH which acts as representative of airlines within AirAsia Group for all outbound flights from Thailand and revenues generated shall be in Thai Baht, the Group shall significantly decrease its revenues in foreign currencies. This will reduce risk of fluctuation in foreign exchange rates.

2. Management risk

Risk of major shareholders having influence over determination of policies and business operations. As of 31 December 2019, the executives and management committee of the Group held shares of 64.05% of the total paid-up capital. As a result, the executives and management committee of the Group has influence in the management policy in one direction and can control the policy and management of the Group. 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 Group responds to such risks by the appointment of 4 independent directors whereby those independent directors are the directors of the Company and 3 members of the Audit Committee and one chairman of the Board of Directors from the total of 11 directors for the purpose of auditing, check and balance and approve any matters before propose to the shareholders meeting for approval. In addition, the Group 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 2019, the Company and its subsidiaries had the fixed assets for operating of business after the deduction of accumulated depreciations as presented in the Consolidated Financial Statements of the Company of Baht 276,813,645, the details are as follows:

Type / Nature of Assets	Net Book Value (Baht)	Type of Ownership	Encumbrances
Consolidated Financial Statements			
Lands	33,432,000	Owner	-
Buildings and Building Improvements	64,169,165	Owner/Operating Lease	-
Machinery and Equipment	61,700,868	Owner	-
Vehicles and Equipment	44,279,966	Owner/Operating Lease	-
Office Decorations	7,837,418	Owner	-
Stationaries	37,947,251	Owner	-
Construction in progress	27,446,977	Owner	-
Total	276,813,645		

Details of locations and purpose of possession of core assets for operating of business of the Group as of 31 December 2019 are as follows:

1. Lands and Land Improvements

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TLG	628 Triple i Building, 3 rd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	3 Ngan 61.3 Sq. Wah	Office Building	Owner	None
TAX	Land title deed no. 74806, Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	61 Sq. Wah	For seminar and client reception	Owner	None
Total		3 Ngan 122.3 Sq. Wah			

2. Building and Building Improvements

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TLG	628 Triple i Building, 3 rd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	Improvement of Rama III Building	Office Building	Owner	None
TAX	Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	Building Improvement of Khao Yai Building	For seminar and client reception	Owner	None
TAX	628 Triple i Building, 6 th Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	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 (International Cargo), Don Mueang Airport	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 Triple i Building, 6 th Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	Improvement of Rama III Building	Office Building	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 Limited	None
TAC	Don Mueang Airport	Improvement of Office Space, Don Mueang Airport	Office Space	Right to lease from Airports of Thailand Public Company Limited	None



Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TAC	Don Mueang Airport	Improvement of Cargo, Don Mueang Airport	Office Space	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Hat Yai Airport	Improvement of Warehouse, Hat Yai Airport	For Goods Storage	Right to lease from Airports of Thailand Public Company Limited	None

3. Vehicles and Equipment

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TLG	628 Triple i Building, 3 rd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	2 Sedan Cars	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement
TAX	Cargo Terminal, Don Mueang Airport	3 Six-wheels Trucks	Freight Services	Owner	None
TAX	Cargo Terminal, Don Mueang Airport	2 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, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 Sedan Car	For Business Operation	Owner	None
TAX	628 Triple i Building, 6 th Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 Sedan Car	For Business Operation	Owner	Financial Lease Agreement
TAC	Don Mueang 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



Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TAC	Don Mueang Airport	7 Trailers	Goods Transport at Airport	Owner	None
TMA	628 Triple i Building, 2 nd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 sedan car	Leased by CKT	Owner	None
TMA	628 Triple i Building, 2 nd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 sedan car	For Business Operation	Owner	None
TMA	628 Triple i Building, 2 nd Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 sedan car	For Business Operation	Leasing 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, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 Pick-up Truck	For Business Operation	Owner	None
TSC	628 Triple i Building, 6 th Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	2 Mini Vans	For Employees Transit	Owner	None





Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
HLM	628 Triple i Building, 4 th Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	3 Sedan Cars	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement

Insurance of Assets of Business Operation

The Group's insurances are the all-risks insurances and transport insurances which cover the loss or damage of movable assets and immovable assets arising from any disasters and accidents (Industrial All Risks Insurance), cargo liabilities, custom liabilities and third-party liabilities and errors and omissions.

As of 31 December 2019, the Group had the insurance coverage amount under such insurances of Baht 2,202.72 million, 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		66.52
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. International Cargo and Domestic Cargo, Don Mueang Airport Liability	AGS TAC TAX	6 per time
		2. Building Liability		
		3. Cargo Liability		
		4. Equipment Liability		
		5. Business Operation Liability		
HLM	Industrial All Risks Insurance	Warehouse, Office and other related businesses	HLM	900

Company	Type of Insurance	Insured Assets	Beneficiary	Insurance Coverage (Million Baht)
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	180

Related-Party Transaction

Relationships between the Group and individuals/juristic entities that may have a conflict

Triple i Logistics Public Company Limited and its subsidiaries and associated companies

Company	Abbreviation	Shareholding
Triple i Logistics Public Company Limited	TLG	N/A
Triple i Asia Cargo Company Limited	TAC	99.99% shares held by TLG
Triple i Air Express Company Limited	TAX	99.99% shares held by TLG
Asia Ground Service Company Limited	AGS	99.99% shares held by TLG
Triple i Maritime Agencies Company Limited	TMA	99.99% shares held by TLG
Triple i SupplyChain Company Limited	TSC	99.99% shares held by TLG
Cross Border Couriers Company Limited	CBC	99.99% shares held by TLG
DG Packaging (Thailand) Company Limited	DGP	99.99% shares held by TLG
HazChem Logistics Management Company Limited	HLM	99.99% shares held by TLG
Triple i International Pte., Ltd.	TIL	99.99% shares held by TLG
Triple i International Japan Company Limited	TIJ	100% shares held by TIL
Asia Network International Company Limited	ANI	59.99% held by TLG
Excel Air Company Limited	ECA-BKK	30% shares held by TLG
GSA Asia Cargo Company Limited	GSA-MM	60% shares held by ANI
CK Line (Thailand) Company Limited	CKT	42% shares held by TLG
ECU Worldwide (Thailand) Company Limited	ECU	43% shares held by TLG
HazChem TransManagement Company Limited	HTM	59.99% shares held by HLM
CWT Chemical Logistics Company Limited	CWT*	50.99% shares held by HLM
HazChem Logistics Management Pte., Ltd.	HLM-SG	55% shares held by HLM
Excel Air (Guangzhou) Limited	ECA-GZ	25% shares held by TIL
Excel Air Limited	ECA-HK	20% shares held by TIL
Freightwork GSA (HK) Limited	Freightwork-HK	20% shares held by TIL
GSA Cargo Network (Myanmar) Company Limited	GCN-MM	50% shares held by TIL
DG Packaging Pte., Ltd.	DGPS	50% shares held by TLG
Around Logistics Management Company Limited	AROUND	50% shares held by TLG
JPK Asia (Thailand) Company Limited	JPK	34% shares held by TLG
Excel Air (Cambodia) Limited	ECA- KH	32% shares held by TLG

*CWT has registered dissolution with Ministry of Commerce and is under process of liquidation.

Persons who may have conflicts include:

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

The relationships between the Company and the person(s) who may have conflicts against the Company and have entered into related transactions during 2018 and 2019 can be summarized as follows:

Person with potential conflict of interest	Relationship
R & K Transervice Company Limited ("R&K")	All types of freight services provider and a major shareholder of HTM, holding 40% of the total shares.
G3 Glogistics (Thailand) Company Limited ("G3")	A cargo agent for freight services and a major shareholder of CKT, holding 28% of the total shares.
Sammitr Green Power Company Limited ("Sammitr")	A company that engages in the business of installing material and components of gas system for cars and machinery, of which Mr. Krirkkrai Jirapaet is a director (acting as the Chairman of the Board and Independent Directors of the Company).
Business Alignment Public Company Limited ("BIZ")	A trading company that trades and produces medical instruments, medical science devices, and medicine, of which Mr. Woodtipong Moleechad is the Chairman of the Board and Independent Director (acting as Vice Chairman of the Board, Independent Director and the Chairman of the Audit Committee of the Company) and Mr. Vipoota Trakulhoon is an Independent Director and Member of the Audit Committee (acting as an Independent Director and Member of the Audit Committee of the Company).
Symphony Communication Public Company Limited ("SYMC")	A company that engages in telecommunication businesses which have Mr. Woodtipong Moleechad as the director (acting as Vice Chairman of the Board, Independent Director and the Chairman of the Audit Committee of the Company)
Spring Mineral Water Company Limited ("Spring Mineral")	A company engages in production and distribution of drinking water which have Mr. Krirkkrai Jirapaet as the shareholder (acting as the Chairman of the Board and Independent Directors of the Company).
Nadine Bistro Company Limited ("Nadine")	A company engages in food and beverage business which have Miss Waraporn Rungruangpattana, who is a wife of Mr. Teeranit Isarangkul, the executive director of air freight business and shareholder of 9.964% shares in the Company, holds 20% shares in Nadine.

Related-party transactions in relation to borrowing and lending

1. Borrowing and Lending Transaction

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TLG and ANI ANI borrowed from TLG <ul style="list-style-type: none">● Loan	Beginning 2,250,000 Increase - Decrease - Ending 2,250,000	Beginning 2,250,000 Increase - Decrease - Ending 2,250,000	On 30 June 2017 and 27 June 2017, ANI agreed to enter into a loan agreement with TLG to use the loan as its working capital for its business in the amount of Baht 2,250,000 with MLR interest rate per year at the market interest rate. The amount of loan is proportioned with an investment amount. ANI pays interest under the loan agreement to TLG at the end of every month.	The loan agreement has been approved by the Audit Committee on <ul style="list-style-type: none">● 8 August 2017● 7 November 2017● 20 February 2018● 8 May 2018● 7 August 2018● 13 November 2018● 26 February 2019● 6 August 2019 The current interest rate is reasonable.
● Interest received	140,625	140,625		
● Accrued interest receivable	Beginning 11,944	Beginning 11,944		
	Increase 175,300	Increase 140,625		
	Decrease (175,300) Ending 11,944	Decrease (152,569) Ending -		
Transactions between TLG and ECU ECU borrowed from TLG <ul style="list-style-type: none">● Loan	Beginning - Increase - Decrease - Ending -	Beginning - Increase 9,000,000 Decrease - Ending 9,000,000	On 18 December 2018, ECU has entered into the loan agreement with TLG as its working capital for short-term business in the amount of Baht 9,000,000 with MLR interest rate per year at the market interest rate. The loan amount is not proportioned with an investment amount due to it is a short-term loan. On 2 January 2019, ECU has repaid the principle and interest incurred from the loan to TLG.	The Audit Committee considered such transaction and resolved that the loan was beneficial for increasing financial liquidity of the associated company of the Group. The loan between the Company and its associated company of the Group had interest rate at market rate and did not create any financial burden for the Company.
● Interest received	-	21,575		
● Accrued interest receivable	Beginning -	Beginning -		
	Increase -	Increase 21,575		
	Decrease - Ending -	Decrease - Ending 21,575		

2. Fees for letter of guarantee from financial institutions by using TLG's credit of its letter of guarantee

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
<p>Transactions between TLG and ECA-BKK</p> <p>ECA-BKK requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee</p> <ul style="list-style-type: none"> ● Fee for a letter of guarantee 	475,414	172,474	ECA-BKK entered into a letter of guarantee with a financial institution for a credit amount of Baht 53,578,010 by using TLG's credit of its letter of guarantee. ECA-BKK is required to pay TLG fees at the rate of 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.
<p>Transaction between TLG and JPK</p> <p>JPK requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee</p> <ul style="list-style-type: none"> ● Fee for a letter of guarantee 	-	18,347	JPK entered into a letter of guarantee with a financial institution for a credit amount of Baht 1,572,000 by using TLG's credit of its letter of guarantee. JPK is required to pay TLG fees at the rate 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TLG and ANI ANI requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee <ul style="list-style-type: none"> ● Fee for a letter of guarantee 	-	29,000	ANI entered into a letter of guarantee with a financial institution for a credit amount of Baht 2,900,000 by using TLG's credit of its letter of guarantee. ANI is required to pay TLG fees at the rate 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.
Transaction between TLG and GSA-MM GSA-MM requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee <ul style="list-style-type: none"> ● Fee for a letter of guarantee 	-	172,317	GSA-MM entered into a letter of guarantee with a financial institution for a credit amount of Baht 17,184,660 by using TLG's credit of its letter of guarantee. GSA-MM is required to pay TLG fees at the rate 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TLG and GCN-MM GCN-MM requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee <ul style="list-style-type: none"> ● Fee for a letter of guarantee ● Fee receivable 		- 151,059 - Beginning - Increase 377,725 Decrease - Ending 377,725	GCN-MM entered into a letter of guarantee with a financial institution for a credit amount of Baht 14,818,881.76 by using TLG's credit of its letter of guarantee. GCN-MM is required to pay TLG fees at the rate 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.
Transaction between TLG and ECA-KH ECA-KH requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee <ul style="list-style-type: none"> ● Fee for a letter of guarantee ● Fee receivable 		- 557,437 - Beginning - Increase 975,535 Decrease - Ending 975,535	ECA-KH entered into a letter of guarantee with a financial institution for a credit amount of Baht 47,643,320.00 by using TLG's credit of its letter of guarantee. ECA-KH is required to pay TLG fees at the rate 1.0%.	The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.

Related-party transactions in relation to the provision and use of services

1. Associated companies and joint venture companies' lease of office space and relevant services with the Company

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
<u>Transactions between TLG and ECU</u> ECU leases office space from TLG <ul style="list-style-type: none">● Office rental and service expenses● Rent receivable	4,115,635	4,018,490	On 1 February 2019, ECU entered into an office space lease agreement and utility services agreement with TLG at the rental and service rates based on the market mechanism. The renewal of such agreements will be considered every 3 years.	The transaction has been considered and approved by the Audit Committee on 28 February 2017 and the Audit Committee has resolved that the office lease and service is reasonable because it was used as an office building of the Group and provides convenience for the business. The rental rate is the rate normally charged and comparable to the market price.
	Beginning 130,070	Beginning 503,247		
	Increase 4,358,369	Increase 4,203,440		
	Decrease (3,985,192)	Decrease (4,309,688)		
	Ending 503,247	Ending 396,999		
<u>Transactions between TLG and CKT</u> CKT leases office space from TLG <ul style="list-style-type: none">● Office rental and service expenses● Rent receivable	2,282,177	2,222,631	On 1 January 2019, CKT entered into an office space lease agreement and utility services agreement with TLG at the rental and service rates based on the market mechanism. The renewal of such agreements will be considered every 3 years.	The transaction has been considered and approved by the Audit Committee on 28 February 2017 and the Audit Committee has resolved that the office lease and service is reasonable because it was used as an office building of the Group and provides convenience for the business. The rental rate is the rate normally charged and comparable to the market price.
	Beginning 147,208	Beginning 106,569		
	Increase 2,411,690	Increase 2,335,753		
	Decrease (2,452,329)	Decrease (2,413,255)		
	Ending 106,569	Ending 29,067		

2. Transportation and distribution of chemical and dangerous goods and trailer trucking services transactions with R&K

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between HLM and R&K Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> ● Service fees ● Account payable 	28,779,348 Beginning 3,724,905 Increase 28,779,348 Decrease (29,151,142) Ending 3,353,111	30,761,171 Beginning 3,353,111 Increase 30,761,171 Decrease (30,466,844) Ending 3,647,438	R&K is the company that provides transportation and distribution of chemical and hazardous good services and trailer trucking services. R&K is a major shareholder of HTM, holding 40 percent of shares. R&K provides transportation and distribution of chemical and hazardous good services and trailer trucking services to HLM at the service fee rate based on the market mechanism.	The Audit Committee 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 conflicts in any way. The pricing is also based on the market price.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between DGP and R&K Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> ● Service fees ● Account payable 	22,900 Beginning - Increase - Decrease - Ending -	38,901 Beginning - Increase 38,901 Decrease (34,716) Ending 4,185	DGP provides transportation and distribution of chemical and hazardous good services and trailer trucking services to R&K at the service fee rate based on the market mechanism.	The Audit Committee 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 conflicts in any way. The pricing is also based on the market price.

3. Logistics service transactions and continuing activities of the subsidiaries within the Group

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TLG and ECU Sea freight expense <ul style="list-style-type: none"> ● Freight and other fee ● Freight and other fee payable 	10,166,820 Beginning 2,995 Increase 10,937,190 Decrease (9,831,554) Ending 1,108,631	1,501,742 Beginning 1,108,631 Increase 2,676,449 Decrease (3,723,046) Ending 62,034	TLG paid sea freight fee to ECU. This transaction is a normal commercial transaction and charged at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and will enhance efficiencies in providing services of the Group.
Commission shares in referring customers <ul style="list-style-type: none"> ● Commission fee ● Commission fee payable 	4,953,310 Beginning 690,696 Increase 5,258,041 Decrease (5,067,750) Ending 880,987	5,751,773 Beginning 880,987 Increase 6,121,455 Decrease (4,623,494) Ending 2,378,948	TLG referred customers from overseas to use freight services with ECU and received shared profits from the income received at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Drinking Water Fees <ul style="list-style-type: none"> ● Drinking Water Fees 	3,465	1,920	The price is equal to the price paid by TLG to supplier which is the average cost per bottle.	The Audit Committee has resolved that such transaction was the sale of the Groups brand's drinking water and the fees were charged at the actual cost which considered as the normal business.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TLG and CKT Sea freight expense <ul style="list-style-type: none"> ● Freight and other fee ● Freight and other fee payable 	432,627 Beginning - Increase - Decrease - Ending -	55,388 Beginning - Increase 378,600 Decrease (376,000) Ending 2,600	TLG paid sea freight fee to CKT. This transaction is a normal commercial transaction and charged at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and will enhance efficiencies in providing services of the Group.
Drinking Water Fees <ul style="list-style-type: none"> ● Drinking water fees 	-	495	The price is equal to the price paid by TLG to supplier which is the averaged cost per bottle.	The Audit Committee has resolved that such transaction was the sale of the Groups brand's drinking water and the fees were charged at the actual cost which considered as the normal business.
Transaction between TLG and Spring Mineral Water Drinking Water Fees <ul style="list-style-type: none"> ● Drinking water fees ● Drinking water payable 	31,500 Beginning - Increase - Decrease - Ending -	89,250 Beginning - Increase 95,498 Decrease (73,830) Ending 21,668	TLG purchased drinking waters with the Company's logo affixed from Spring Mineral Water at the service rate based on the market mechanism.	The Audit Committee has resolved that such transaction was reasonable and the fees were charged at the actual cost which considered as the normal business.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between HLM and ECU Forwarding fees <ul style="list-style-type: none"> ● Fees 	563,706	36,747	This transaction is an expense incurred in the case where HLM conducts international sea shipping by using a forwarder of ECU due to HLM does not have its own forwarder to do sea freight at a relevant port. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between HLM and CKT Bill of lading paid by CK Line for HLM's customers <ul style="list-style-type: none"> ● Service fee 	328,002	135,568	HLM normally uses CKT's sea transport services to do international shipping within the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between HLM and HTM Accounting fees and administrative fees <ul style="list-style-type: none"> ● Service income 	1,241,000	1,690,909	H L M provides accounting services and administrative works for HTM, an associated company of which shares are held by HLM, in order to reduce repetitive management and to control expenses. Therefore, HTM engaged HLM to manage and prepare accounts for HTM.	The Audit Committee considered this transaction and is of the view that the transaction is to support administrative assignments of HLM, an associated company, to reduce repetitive management and to control expenses. The service fee is reasonably charged.
Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> ● Service fee ● Service fee payable 	35,476,399 Beginning 3,052,461 Increase 35,476,399 Decrease (34,910,834) Ending 3,618,026	43,332,237 Beginning 3,618,026 Increase 43,332,237 Decrease (43,073,061) Ending 3,877,202	H T M provides distribution services for the main customers of HLM, supporting four-wheel and six-wheel vehicles. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between HLM and HLM-SG Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> ● Service fee ● Service fee payable 	3,116,400 Beginning 548,464 Increase 3,116,400 Decrease (2,998,974) Ending 665,890	2,297,386 Beginning 665,889 Increase 2,297,386 Decrease (2,628,523) Ending 334,752	HLM-SG engages in the business of transportation of hazardous and chemical goods in Singapore. If HLM has customers who wish to transport chemical and hazardous goods in Singapore, HLM will engage HLM-SG since it is a direct agent of HLM.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Integrated logistics services for chemical and hazardous <ul style="list-style-type: none"> ● Service income ● Service fee receivable 	7,417,719 Beginning 2,298,428 Increase 7,417,719 Decrease (7,395,880) Ending 2,320,267	7,507,954 Beginning 2,320,267 Increase 7,507,954 Decrease (7,337,572) Ending 2,490,649	This transaction is the service provided in the case where HLM-SG has customers who require integrated logistics and services for chemical and hazardous goods in Thailand. HLM-SG will use HLM's services, a parent company of HLM-SG.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between HLM and DGPS Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> ● Service fee ● Service fee payable 	136,688 Beginning - Increase 136,688 Decrease (128,839) Ending 7,849	467,264 Beginning 7,849 Increase 467,264 Decrease (412,821) Ending 62,292	DGPS engages in selling and packaging services for hazardous and chemical goods in Singapore. If HLM has customer who need to use packaging services for hazardous and chemical goods in Singapore, HLM will use the services from DGPS which is the direct agent of HLM.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between DGP and DGPS Hazardous and chemical goods box fee <ul style="list-style-type: none"> ● Cost of box 	2,012,623	1,957,998	DGPS engages in selling and packaging services for hazardous and chemical goods in Singapore. If DGP needs to purchase the box for hazardous and chemical goods, DGP will purchase the box from DGPS which is the direct agent of DGP.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transportation and distribution services for hazardous and chemical goods ● Service income	6,596	91,356	DGP engages in selling and packaging services for hazardous and chemical goods in Thailand. If DGPS has customer who needs to use goods transportation services in Thailand. DGPS will use the services from DGPS which is the direct agent in Thailand.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Advertisement fees of the IATA's group ● Advertisement fees	-	29,813	DGP paid the advertisement fees to IATA for the advertisement of group's company which engages in selling packaging of DGPS.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between DGP and HTM Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> ● Transportation fees 	17,200	37,100	DGP used the transportation and distribution services for hazardous and chemical goods from HTM at the service rate based on market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction by not relying on people who may have conflicts in interest. The price is charged at the market rate.
Packaging services for hazardous and chemical goods <ul style="list-style-type: none"> ● Packaging service income ● Packaging service receivable 	- Beginning Increase Decrease Ending	192,698 - Beginning - Increase 192,698 - Decrease (187,990) - Ending 4,708	DGP provided packaging service to HTM at the service fees based on market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Administration services <ul style="list-style-type: none"> ● Service income 	-	360,000	DGP provided administration and accounting services to HTM at the service fees based on market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between DGP and ECU Documentation services <ul style="list-style-type: none"> Service income 	2,000	13,500	D G P charged license for transportation of hazardous and chemical goods via (DG Permit) from ECU at the service fees based on market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Packaging services <ul style="list-style-type: none"> Packaging service income 	13,400	34,600	DGP provided packaging services to ECU at the service fees based on market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TAX and G3 Air freight service <ul style="list-style-type: none"> Service income Service fee receivable 	166,913 Beginning 18,151 Increase 166,913 Decrease (177,921) Ending 7,143	102,921 Beginning 7,143 Increase 102,921 Decrease (110,064) Ending -	G3 is a TAX's customer that uses air freight services. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TAX and ECU Air freight service <ul style="list-style-type: none">● Service income● Service fee receivable	9,487,816	8,067,544	ECU is a TAX's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
	Beginning 372,767	Beginning 756,897		
	Increase 9,487,816	Increase 8,067,544		
	Decrease (9,103,686)	Decrease (7,088,753)		
	Ending 756,897	Ending 1,735,687		
Transactions between TAX and ANI Lease and service <ul style="list-style-type: none">● Rental and service income● Rental and service fee receivable	1,730,888	1,731,506	TAX allows ANI to lease an office space and to use services at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable due to the transaction is the lease for an office space of the company within the Group in order to provide convenience for the business. The rental rate is a rate normally charged and comparable to the market price.
	Beginning 2,139	Beginning 1,355		
	Increase 1,730,088	Increase 1,731,506		
	Decrease (1,731,672)	Decrease (1,730,850)		
	Ending 1,355	Ending 2,011		

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Air freight service ● Service income	9,416	3,451,138	ANI is a TAX's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Air freight service ● Service income ● Service fee receivable	19,037,170 Beginning 74,963 Increase 19,037,170 Decrease (18,966,756) Ending 145,377	29,526,695 Beginning 145,377 Increase 29,526,695 Decrease (26,906,286) Ending 2,765,786	TAX is a ANI's customer that uses air freight services as a normal transaction of the Group. ANI engages in the business of an airlines freight forwarder for Jeju Air and LAN Chili. ANI is the sole operator that oversees the marketing and sales of cargo to airlines for departure flights from Thailand. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TAX and ECA-BKK Air freight service <ul style="list-style-type: none"> ● Service income ● Service fee payable 	15,067,750 Beginning 1,225,530 Increase 15,067,750 Decrease (15,051,623) Ending 1,241,657	16,495,528 Beginning 1,241,657 Increase 16,495,528 Decrease (15,884,177) Ending 1,853,008	TAX is a ECA-BKK's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between TAX and Nadine Food and beverage fees <ul style="list-style-type: none"> ● Service fees 	-	73,449	TAX used the services from Nadine at service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee’s opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
<u>Transactions between</u> <u>TIL and ECA–HK</u> Air freight service ● Service income ● Service fee receivable	27,637,253 Beginning 3,087,766 Increase 7,637,253 Decrease (28,695,138) Ending 2,029,881	30,951,997 Beginning 2,029,881 Increase 30,951,997 Decrease (30,951,245) Ending 2,030,633	ECA–HK engages in a cargo agent business in Hong Kong as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for wholesale air freight based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between</u> <u>TIL and ECA–GZ</u> Air freight service ● Service income ● Service fee receivable	23,475,839 Beginning 2,531,159 Increase 23,475,839 Decrease (23,077,154) Ending 2,929,844	29,009,972 Beginning 2,929,844 Increase 29,009,972 Decrease (30,814,358) Ending 1,125,458	ECA–GZ engages in a cargo agent business in China as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for wholesale air freight based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TIL and Freightwork-HK Air freight service <ul style="list-style-type: none"> ● Service income ● Service fee receivable 	48,428,192 Beginning 7,419,919 Increase 48,428,192 Decrease (46,957,382) Ending 8,890,729	73,182,185 Beginning 8,890,729 Increase 73,182,185 Decrease (51,364,531) Ending 30,708,383	Freightwork-HK engages in a cargo agent business in Hong Kong as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for wholesale air freight based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between TIL and GSA-MM Air freight service <ul style="list-style-type: none"> ● Service income 	-	570,025	GSA-MM engages in Cargo Agent in Myanmar as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for wholesale air freight based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TIL and GCN-MM Air freight service ● Service income	-	28,022,096	GCN-MM in Cargo Agent in Myanmar as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for wholesale air freight based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TAC and ANI Consulting fee ● Consulting income	1,882,500	1,884,000	Income received from providing consultation is charged at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction supports the business of associated companies to enhance operational efficiencies of companies within the Group. The service fee is a rate normally charged and comparable to the market price.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Air freight service <ul style="list-style-type: none"> Service income 	439,331	82,478	TAC uses ANI's air freight services in the case that TAC does not have a transport route. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TAC and ECA-BKK Gasoline card income <ul style="list-style-type: none"> Gasoline card income Service fee receivable 	64,260 Beginning - Increase 64,260 Decrease (56,480) Ending 7,780	52,105 Beginning 7,780 Increase 52,105 Decrease (52,625) Ending 7,260	This price is equivalent to the cost that TAC pays to its suppliers and is charged based on the actual expenses.	The Audit Committee considered this transaction and is of the view that the transaction is an advance payment, charged based on actual expenses, and considered a normal commercial transaction.
Transaction between TAC and Nadine Food and beverage fees <ul style="list-style-type: none"> Service fees 	-	50,292	TAC used the services from Nadine at service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TMA and CKT				
Administrative service				
● Service income	2,491,190	2,479,338	TMA provides administrative work services for maritime business to CKT. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction supports the administrative work of the associated companies within TLG's Group. The service fee is charged at the reasonable rate.
● Service fee receivable	Beginning 47,237	Beginning 213,353		
	Increase 2,491,190	Increase 2,479,338		
	Decrease (2,325,074)	Decrease (2,471,670)		
	Ending 213,353	Ending 221,021		
Trailer trucking services				
● Service income	233,000	301,000	TMA provides trailer trucking services to CKT. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
● Service fee receivable	Beginning 2,800	Beginning 18,200		
	Increase 233,000	Increase 301,000		
	Decrease (217,600)	Decrease (285,600)		
	Ending 18,200	Ending 33,600		
Imports and exports services of container by sea				
● Service fee	-	3,645	CKT provides imports and exports services of container by sea to TMA as a normal service. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
● Service fee payable	Beginning -	Beginning -		
	Increase -	Increase 3,645		
	Decrease -	Decrease (1,045)		
	Ending -	Ending 2,600		



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transactions between TMA and ECU Trailer trucking services <ul style="list-style-type: none"> ● Service income ● Service fee receivable 	126,819 Beginning 22,959 Increase 126,819 Decrease (83,038) Ending 66,740	743,258 Beginning 66,740 Increase 734,258 Decrease (783,753) Ending 17,245	TMA provides trailer trucking services to ECU. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TMA and G3 Trailer trucking services <ul style="list-style-type: none"> ● Service income ● Service fee receivable 	2,721,924 Beginning 93,637 Increase 2,721,924 Decrease (2,354,052) Ending 461,509	2,147,544 Beginning 461,509 Increase 2,147,544 Decrease (2,345,545) Ending 263,508	TMA provides trailer trucking services according to service orders. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TSC and BIZ Warehouse storage service <ul style="list-style-type: none"> ● Service income ● Service fee receivable 	228,078 Beginning 28,696 Increase 244,044 Decrease (210,723) Ending 62,017	273,571 Beginning 62,017 Increase 273,571 Decrease (335,588) Ending -	This transaction is a warehouse storage service that TSC provides to BIZ. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TSC and Mr. Viraj Nobnomtham Income from warehouse storage service ● Service income	48,270	54,800	Service fees charged to Mr. Viraj Nobnomtham for using warehouse storage service provided by TSC. The service fee is charged based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between TSC and Mr. Tipp Dalal Income from warehouse storage service ● Service income	-	1,550	Service fees charged to Mr. Tipp Dalal for using warehouse storage service provided by TSC. The service fee is charged based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.



Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between TSC and Mr. Thanut Thatayanon Income from warehouse storage service <ul style="list-style-type: none"> Service income 	-	20,023	Service fees charged to Mr. Thanut Thatayanon for using warehouse storage service provided by TSC. The service fee is charged based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between TSC and HTM Transport Service <ul style="list-style-type: none"> Service income 	-	11,000	HTM provided distribution services to the TSC's customers with 4-wheels vehicles and 6-wheels vehicles and the service fee is charged based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between AGS and ANI <ul style="list-style-type: none"> Administrative service 	924,000	924,000	AGS provided administration services for airfreight to ANI. The service fee is charged based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is supporting transaction in relation to administration services for the Group of TLG and the fee charged at reasonable rate.




Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
Transaction between AGS and G3 <ul style="list-style-type: none"> Warehouse fees 	66,227	51,589	This transaction is a warehouse storage service that TSC provides to G3. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transaction between AGS and Symphony <ul style="list-style-type: none"> High-speed Internet fees 	515,500	522,000	The service fees are for high-speed internet for Don Muang Airport charged by Symphony with the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Related party transaction in relation to sale and purchase of fixed assets

1. Purchase of fixed assets from Sammitr Greenpower

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2018	Fiscal year ending 31 December 2019		
TAC purchased fixed assets from Sammitr Greenpower <ul style="list-style-type: none"> Purchasing price 	-	8,037,665	<p>TAC purchased fixed assets from Sammitr Greenpower which were 3 equipments in the amount of 8,037,665 by entry into the sale and purchase agreement on 17 January 2019. This transaction was investment in equipment leasing business for ground services to Airport of Thailand Public Company Limited at Don Muang Airport at the price based on the market mechanism.</p>	<p>The Audit Committee resolved that this transaction was reasonable and in line with the business for expansion of equipment leasing business for ground services. The purchase price was based on the market mechanism. TAC will have the benefit from new customers and TAC can start equipment leasing business.</p> <p>This transaction has been approved in accordance with the Company's rules and good corporate governance principle.</p>

Connected 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 good 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.

3. Policy or future trends regarding connected transactions

Future connected 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 connected transactions.

If the group company has any future connected transaction, it will comply with policy and procedures relating to connected 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.

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 Thailand financial reporting standards and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The financial statements have been prepared in accordance with the generally accepted accounting principles. 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 supervise and review corporate governance, ethics, anti-corruption as well as establish and maintain the appropriate risk management and internal control system to ensure accuracy of the Company's accounts, protection of the Company's assets, and prevention of fraud or misconduct.

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 2019 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 the Management Committee
and Chief Executive Officer

Audit Committee Report

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

During the year 2019, 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 2019, the Audit Committee held 5 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 Statements

The Audit Committee has reviewed accuracy, completeness, and reliability of separate and consolidated financial statements of the Company and its subsidiaries audited by the Company's auditor, including quarterly and annual financial statements for the year 2019, preparation of the financial statements and information under notes to the financial statements. The Audit Committee asked questions and used due care so that the preparation of financial statements and disclosure of information under notes to the financial statements is reliable, transparent, and accurate according to accounting standards and financial reporting standards, which shall be further reported to the Board of Directors. In addition, the Audit Committee attended the meeting with the Company's auditor without the presence of the Company's management in order to freely discuss receipt of information, independence in conducting the audit, review of significant information for preparing the financial statements and recommendations on internal control system. In the process of preparing financial report and financial statements for the year 2019, the auditor did not observe any significant issues.

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. 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.

4. Internal control and Oversight of Internal control

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 are evaluated. 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 2020 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 2019 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.

The Audit Committee independently attended meetings with Head of the Internal Audit Unit to ensure that the Internal Audit Unit can independently, efficiently and effectively conduct internal audit activities and roles and responsibilities in respect of corporate governance, risk management system, internal control system and compliance with laws and regulations.

5. Monitoring of Risk Management

The Audit Committee monitored the risk management practices through attending meetings with representative of the Risk Management Sub-committee. The Audit Committee is of the view that the Company has appropriate risk management system which allows for effective and efficient business operations. In addition, the Audit Committee provided recommendation that the Company shall determine all risks and its significant changes in order to promptly manage risk which may arise from disruptive change from high level of competition.

6. 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.

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 2019, 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
Miss. Sukhumaporn Wong-ariyaporn	Certified Public Accountant No. 4843 and/or
Miss Varaporn Vorathitikul	Certified Public Accountant No. 4474

8. Review of Audit Committee Charter

The Audit Committee reviews and amends the Audit Committee Charter on an annual basis so that the Audit Committee Charter is in line with good practices, regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, and international standards.

Overall, the Audit Committee is of the view that, in the year 2019, 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 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	746.5	48.0%	731.8	38.5%	262.5	11.8%
Short-term investments	4.1	0.3%	-	0.0%	-	0.0%
Trade and other receivables, net	406.2	26.1%	419.8	22.1%	495.3	22.3%
Short-term loans to related parties	2.3	0.1%	2.3	0.1%	11.3	0.5%
Short-term loan to third parties	-	0.0%	-	0.0%	-	0.0%
Current portion of finance lease receivables, net	-	0.0%	0.8	0.0%	-	0.0%
Inventories	1.6	0.1%	1.6	0.1%	1.3	0.1%
Other current assets	21.5	1.4%	23.6	1.2%	6.0	0.3%
Total current assets	1,182.2	76.0%	1,180.0	62.1%	776.4	34.9%
Non-current assets						
Restricted bank deposits	-	0.0%	-	0.0%	-	0.0%
Finance lease receivables, net	-	0.0%	1.0	0.1%	-	0.0%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investments in associates	21.9	1.4%	32.6	1.7%	14.6	0.7%
Investments in joint ventures	16	1.0%	291.0	15.3%	877.9	39.4%
Other long-term investments	0	0.0%	-	0.0%	88.5	4.0%
Long-term loans to related parties	-	0.0%	-	0.0%	-	0.0%
Property, plant and equipment, net	254.1	16.3%	239.2	12.6%	276.8	12.4%
Intangible assets, net	10.4	0.7%	13.7	0.7%	15.4	0.7%
Deferred tax assets	10.3	0.7%	15.5	0.8%	17.2	0.8%
Retentions	42.6	2.7%	41.4	2.2%	33.1	1.5%
Other non-current assets	18.1	1.2%	84.1	4.4%	125.7	5.6%
Total non-current assets	373.4	24.0%	718.5	37.9%	1,449.3	65.1%
Total assets	1,555.6	100.0%	1,898.5	100.0%	2,225.7	100.0%

Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	4.7	0.3%	-	0.0%	-	0.0%
Trade and other payables	332.5	21.4%	443.0	23.3%	414.2	18.6%
Current portion of contingent consideration paid for investments in joint ventures, net	-	0.0%	70.0	3.7%	131.5	5.9%
Current portion of long-term loans from a financial institution, net	6.6	0.4%	1.9	0.1%	60.0	2.7%
Current portion of finance lease liabilities, net	9.2	0.6%	11.3	0.6%	9.6	0.4%
Other current liabilities	35.1	2.3%	39.2	2.1%	38.6	1.7%
Total current liabilities	388.2	25.0%	565.3	29.8%	653.9	29.4%
Non-current liabilities						
Contingent consideration paid for investments in joint ventures, net	-	0.0%	71.8	3.8%	-	0.0%
Long-term loans from financial institutions	1.8	0.1%	-	0.0%	240.0	10.8%
Finance lease liabilities	21.2	1.4%	19.9	1.0%	13.4	0.6%
Employee benefit obligations	23.3	1.5%	31.6	1.7%	29.1	1.3%
Other non-current liabilities	6.1	0.4%	9.0	0.5%	10.3	0.5%
Total non-current liabilities	52.4	3.4%	132.3	7.0%	292.8	13.2%
Total liabilities	440.6	28.3%	697.6	36.7%	946.7	42.5%



Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Equity						
Share capital						
Authorised share capital	307.5		307.5		307.5	
Issued and paid-up share capital	302.3	19.4%	302.3	15.9%	304.7	13.7%
Share premium, net	668.0	44.2%	688.0	36.2%	708.6	31.8%
Surplus from business combination under common control	30.7	2.0%	30.7	1.6%	30.7	1.4%
Surplus from share-based payments	19.2	1.2%	20.5	1.1%	21.9	1.0%
Discount from changes in shareholding of subsidiary	(0.2)	(0.0%)	(0.2)	(0.0%)	(0.2)	(0.0%)
Retained earnings (losses)						
Appropriated - Legal reserve	14.4	0.9%	21.4	1.1%	30.5	1.4%
Unappropriated	63.5	4.1%	141.1	7.4%	189.8	8.5%
Other components of equity	(2.9)	(0.2%)	(2.9)	(0.2%)	(7.0)	(0.3%)
Equity attributable to owners of the parent	1,115.0	71.7%	1,200.9	63.3%	1,279.0	57.5%
Non-controlling interests	-	0.0%	-	0.0%	-	0.0%
Total equity	1,115.0	71.7%	1,200.9	63.3%	1,279.0	57.5%
Total liabilities and equity	1,555.6	100.0%	1,898.5	100.0%	2,225.7	100.0%

Statements of Comprehensive Income

Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from services	2,272.0	99.0%	2,759.0	99.6%	2,698.1	99.5%
Revenues from sales	22.6	1.0%	11.6	0.4%	14.4	0.5%
Cost of services	(1,755.2)	(76.5%)	(2,282.9)	(82.4%)	(2,271.2)	(83.7%)
Cost of sales	(7.9)	(0.3%)	(3.0)	(0.1%)	(3.3)	(0.1%)
Gross profit	531.4	23.2%	484.6	17.5%	438.1	16.1%
Other income	15.5	0.7%	18.4	0.7%	11.8	0.4%
Selling expenses	(110.9)	(4.8%)	(77.2)	(2.8%)	(80.9)	(3.0%)
Administrative expenses	(281.0)	(12.2%)	(295.0)	(10.6%)	(280.0)	(10.3%)
Gain (loss) on exchange rates, net	(10.2)	(0.4%)	7.0	0.3%	8.0	0.3%
Finance costs	(5.6)	(0.2%)	(1.9)	(0.1%)	(14.9)	(0.6%)
Share of profits from investments in associates and joint ventures	16.7	0.7%	32.1	1.2%	96.2	3.5%
Profit before income tax	155.9	6.8%	168.1	6.1%	178.2	6.6%
Income tax	(26.3)	(1.1%)	(18.4)	(0.7%)	(13.7)	(0.5%)
Profit for the year	129.6	5.6%	149.7	5.4%	164.5	6.1%
Other comprehensive income (expenses):						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of post-employment benefit obligations	-	0.0%	0.9	0.0%	(4.1)	(0.2%)
Share of other comprehensive income of associates and joint ventures, net of tax accounted for using the equity method	-	0.0%	0.7	0.0%	(0.3)	(0.0%)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	0.0%	(0.2)	0.0%	0.8	0.0%



Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Total items that will not be reclassified subsequently to profit or loss	–	0.0%	1.4	0.1%	(3.6)	(0.1%)
Items that will be reclassified subsequently to profit or loss	(2.5)	(0.1%)	–	0.0%	(3.7)	(0.1%)
Currency translation differences	–	0.0%	–	0.0%	(0.4)	(0.0%)
Total items that will be reclassified subsequently to profit or loss	(2.5)	(0.1%)	–	0.0%	(4.1)	(0.2%)
Other comprehensive income (expenses) for the year, net of tax	(2.5)	(0.1%)	1.4	0.1%	(7.7)	(0.3%)
Total comprehensive income (expenses) for the year	127.1	5.5%	151.1	5.5%	156.8	5.8%
Profit (loss) attributable to:						
Owners of the parent	129.6	5.6%	149.7	5.4%	164.5	6.1%
Non-controlling interests	–	0.0%	–	0.0%	–	0.0%
	129.6	5.6%	149.7	5.4%	164.5	6.1%
Total comprehensive income (loss) attributable to:						
Owners of the parent	127.1	5.5%	151.1	5.5%	156.8	5.8%
Non-controlling interests	–	0.0%	–	0.0%	–	0.0%
	127.1	5.5%	151.1	5.5%	156.8	5.8%
Earnings (loss) per share attributable to owners of the parent:						
Basic earnings (loss) per share (Baht) ^{/1}	0.263		0.248		0.271	

Remark: ^{1/} Earnings per share is calculated from net profit divided by the weighted average number of common shares outstanding.

Statements of Cash Flows

Item	Consolidated financial statements		
	2017	2018	2019
	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Profit before income tax	155.9	168.1	178.2
Adjustments for:			
Depreciation and amortisation	41.4	48.1	48.8
Share of profit from investments in associates and joint ventures	(16.7)	(32.1)	(96.2)
(Gain) loss on dissolution of subsidiaries and associates	1.0	-	-
(Gain) loss on sales of equipment	(0.2)	(4.0)	0.1
Loss from write-offs of assets	0.2	0.4	0.0
Employee benefit obligations	3.5	9.8	(5.9)
(Reversal of) allowance for doubtful accounts	0.5	(0.2)	0.2
Unrealised gain on foreign exchange rate	-	(3.3)	(7.8)
Interest income	(2.6)	(6.2)	(2.0)
Dividend income	-	-	-
Expenses relating to share-based payments	0.4	1.3	1.3
Amortisation of deferred interest on finance leases	1.9	1.3	1.2
Finance costs	3.7	0.5	13.8
Profit from operating activities before adjustment of changes in operating assets and liabilities	188.9	183.9	131.6
Changes in working capital			
Operating assets decrease (increase)			
Trade and other receivables, net	129.8	(10.9)	(49.5)
Inventories	(0.2)	-	0.3
Other current assets	(4.4)	1.2	1.9
Retentions	-	(2.1)	8.3
Other non-current assets	(6.1)	(42.6)	(11.7)
Operating liabilities increase (decrease)			
Trade and other payables	(283.3)	114.1	(23.1)
Other current liabilities	8.4	0.3	8.0
Employee benefit obligations paid	-	(0.6)	(0.7)
Other non-current liabilities	(0.1)	2.9	1.4
Cash flows from operations	33.1	246.1	66.6
Income tax paid	(30.2)	(43.6)	(37.3)
Net cash generated from (used in) operating activities	2.8	202.5	29.3



Item	Consolidated financial statements		
	2017	2018	2019
	Million Baht	Million Baht	Million Baht
Cash flows from investing activities			
Interest received	2.7	6.5	2.3
Proceeds from sales of equipment	2.0	6.7	2.0
Payments for purchases of equipment and intangible assets	(90.0)	(35.0)	(81.9)
Proceeds from dissolution of investments in associate	1.6	-	-
Payments for investments in subsidiaries	-	-	-
Payments for investments in associates and joint ventures	(1.5)	(126.1)	(546.0)
Payments for general investments	-	-	(88.5)
Proceeds from short-term loans to related parties	2.9	-	-
Payments for short-term loans to related parties	(3.8)	-	(9.0)
Payments for short-term loans to third parties	-	-	-
Proceeds from short-term loans to third parties	1.3	-	-
Payments for long-term loans to related parties	-	-	-
Proceeds from long-term loans to related parties	8.8	-	-
Payment for restricted deposits	-	-	-
Proceeds from short-term investments	-	4.1	-
Dividends received from subsidiaries, associates and joint ventures	16.1	16.8	29.7
Net cash used in investing activities	(59.8)	(127.0)	(691.5)
Cash flows from financing activities			
Interest paid	(6.3)	(0.5)	(9.7)
Net decrease in bank overdrafts and short-term loans from financial institutions	(40.8)	(4.7)	-
Payments for finance lease liabilities	(9.3)	(11.8)	(12.9)
Repayments on short-term loans from related parties	(60.0)	-	-
Proceeds from short-term loans from related parties	60.0	-	-
Repayments on long-term loans from a financial institution	(8.5)	-	300.0
Proceeds from long-term loans from a financial institution	-	(6.6)	(1.9)
Net proceeds from shares issued	775.2	-	23.1
Repayments of investment in subsidiary on its liquidation to non-controlling interests	-	-	-
Dividends paid	(129.1)	(66.4)	(103.1)
Net cash generated from (used in) financing activities	581.4	(90.0)	195.5
Net increase (decrease) in cash and cash equivalents	524.5	(14.5)	(466.6)
Cash and cash equivalents at the beginning of the year	226.2	746.5	731.8
Exchange losses on cash and cash equivalents	(4.2)	(0.1)	(2.7)
Cash and cash equivalents at the end of the year	746.5	731.8	262.5

Key Financial Ratios

Key Financial Ratios	Unit	Consolidated financial statements		
		2017	2018	2019
Liquidity Ratio				
Current ratio	(times)	3.1	2.1	1.2
Quick ratio	(times)	3.0	2.0	1.2
Cash flow liquidity ratio	(times)	0.1	0.5	0.1
Account receivable turnover	(times)	6.3	8.6	7.8
Average collection period	(days)	56.9	42.1	45.9
Inventory turnover ^{1/}	(times)	5.2	1.9	2.3
Average inventory turnover ^{1/}	(days)	69.4	192.2	160.0
Account payable turnover	(times)	3.8	5.9	5.3
Payment period	(days)	93.7	61.1	67.8
Cash cycle ^{2/}	(days)	(36.8)	(19.0)	(21.9)
Profitability Ratio				
Gross profit margin	%	23.2%	17.5%	16.1%
Operating profit margin	%	5.6%	4.3%	3.1%
EBITDA margin	%	8.8%	7.8%	8.9%
Other profit margin	%	0.7%	0.7%	0.4%
Cash to profit margin	%	25.6%	206.0%	78.2%
Net profit margin	%	5.6%	5.4%	6.1%
Return on equity ^{3/}	%	17.8%	12.9%	13.3%
Efficiency Ratio				
Return on assets	%	9.9%	8.7%	8.0%
Ratio return on fixed assets	%	75.6%	79.0%	81.4%
Assets turnover	(times)	1.8	1.6	1.3
Financial Policy Ratio				
Debt to equity ratio	(times)	0.4	0.6	0.7
Interest coverage ratio	(times)	11.7	142.9	6.4
Debt service coverage ratio (Cash Basis)	(times)	0.1	1.0	0.1
Dividend payout ratio ^{4/}	%	51.3%	68.9%	55.6%

Remarks : ^{1/} Inventories is not a significant item to the Group's business as it focuses on provision of services.

^{2/} Exclusive of average inventory period which is not a significant item to the Group's business.

^{3/} Profit to average shareholders' equity. Return on equity in the year 2017 was calculated based on shareholders' equity prior to the Company's listing on the Stock Exchange of Thailand.

^{4/} Calculated based on dividend paid from net profit in the same accounting period.

Management Discussion and Analysis

Overview of the Operating Performance of the Company

Unit : Million Baht	2018	2019	%
			change
			+ / (-)
Revenues from sales and services	2,770.6	2,712.5	(2.1%)
Costs of sales and services	2,286.0	2,274.5	(0.5%)
Gross profit	484.6	438.1	(9.6%)
Gross profit margin (%)	17.5%	16.1%	(1.3%)
Other income	18.4	11.8	(35.9%)
Selling expenses	77.2	80.9	4.8%
Administrative expenses	295.0	280.0	(5.1%)
Gain on exchange rates, net	7.0	8.0	13.8%
Finance costs	1.9	14.9	701.2%
Share of profits from investments in associates and joint ventures	32.1 ¹	96.1	199.6%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	218.1	241.9	10.9%
Profit attributable owners of the parent	149.7	164.5	9.9%
Net profit (%)	5.4%	6.1%	0.7%

In respect of the Company's operating performance in the year 2019, the Company's revenues was Baht 2,712.5 million, a slight decrease by 2.1% from the previous year, which was in line with overall economic conditions of the country. Thailand's overall export and import in the year 2019 was -4.7% and -8.3% respectively.²

The Company's gross profit in the year 2019 was Baht 438.1 million or equivalent to gross profit margin of 16.1%, a decrease compared to that of the year 2018. The decrease was mainly due to increase in costs of services in air freight business, particularly air freight cost under contract with airlines represented by the Company. Revenues from air freight service did not increase in line with such increase in air freight cost.

Selling expenses increased by 4.8% compared to the previous year, while administrative expenses decreased by 5.1%.

Share of profits from investments in associates and joint ventures significantly increased compared to that of the year 2018 due to recognition of revenues from investments in joint ventures, particularly DG Packaging Pte., Ltd. in Singapore acquired by the Company on 2 July 2018 and Around Logistics Management in Hong Kong acquired by the Company on 11 March 2019. As a result, the Company's net profit in the year 2019 was Baht 164.5 million, an increase of 9.9% compared to the previous year.

¹ Share of profits from investments in associates and joint ventures was revised from purchase price allocation (PPA) for DG Packaging Pte., Ltd. ("DGPS").

² Source: Economic and Financial Report (December 2019) by the Bank of Thailand.

Operating Performance by Business Unit

Business Unit	Revenues (Million Baht)		% change	% of Total Revenues	Gross Profit		% change
	2018	2019	+ / (-)		2018	2019	+ / (-)
1. Air freight	2,279.6	2,215.6	(2.8%)	73.3%	249.9	205.7	(17.7%)
2. Sea freight and inland transport	116.6	84.9	(27.2%)	2.8%	71.7	60.1	(16.2%)
3. Logistics management	135.0	181.8	34.7%	6.0%	36.1	51.6	43.2%
4. Chemical and dangerous goods logistics	561.9	526.9	(6.2%)	17.4%	132.9	126.8	(4.5%)
5. Other business	15.1	15.2	0.3%	0.5%	4.8	4.7	(1.9%)
Total	3,108.2	3,024.3	(2.7%)	100.0%	495.3	448.9	(9.4%)
Related party transactions	337.6	311.8			10.7	10.8	
Net of related party transactions	2,770.6	2,712.5	(2.1%)		484.6	438.1	(9.6%)

In respect of operating performance by business unit in the year 2019 and revenues from each business unit compared to total revenues from sales and services (prior to deducting related party transactions), air freight business generated the highest percentage of revenues compared to total revenues from sales and services (prior to deducting related party transactions) of 73.3%. Chemical and dangerous goods logistics business generated the second highest revenues, accounting for 17.4% of total revenues from sales and services. Logistics management generated the third highest revenues, accounting for 6.0% of total revenues from sales and services. Revenues from sea freight and inland transport business accounted for 2.8% of total revenues from sales and services.

In respect of gross profit, air freight business had the highest gross profit margin which was in line with revenues generated from such business. Chemical and dangerous goods logistics business had the second highest gross profit margin. Logistics management business had the highest gross profit margin growth by 43.2% and gross profit margin from such business ranked fourth among the business units.

Operating Performance of Each Business Unit

Gross profit and gross profit margin of each business unit according to the consolidated financial statements.

	2017		2018		2019	
	Million Baht	Gross profit margin	Million Baht	Gross profit margin	Million Baht	Gross profit margin
1) Air freight business unit	320.7	17.2%	249.9	11.0%	205.7	9.3%
2) Sea freight and inland transport business unit	38.5	44.3%	71.7	61.5%	60.1	70.8%
3) Logistics management business unit	37.1	35.2%	36.1	26.7%	51.6	28.4%
4) Chemical and dangerous goods logistics business unit	142.1	26.3%	132.9	23.6%	126.8	24.1%
5) Revenues from other types of management	4.9	33.1%	4.8	31.5%	4.7	30.9%
Deduct related party transactions	(11.9)		(10.7)		(10.8)	
Total	531.4	23.0%	484.6	17.5%	438.1	16.1%

1) Air Freight Business

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

	Unit	Service Volume		
		2017	2018	2019
1. Wholesale air freight forwarder	Tons	26,884	18,106	18,574
2. General sales agent for airlines	Tons	57,774	70,215	73,790
3. International warehouse operator at Donmueang Airport	Tons	-	88,548	85,753

The wholesale air freight forwarder business of which freight price per kilogram depends on the world's air freight price increased to 18,574 tons in the year 2019 compared to 18,106 tons in the year 2018 or 2.6% growth, while the general sales agent for airlines business also grew. The service volume of general sales agent for airlines business increased from 70,215 tons in the year 2018 to 73,790 tons in the year 2019 or 5.1% growth. In respect of warehouse service and services relating to airport ground handling at Donmueang Airport, the service volume slightly decreased from 88,548 tons in the year 2018 to 85,753 tons in the year 2019.

Summary on revenues from air freight business

The revenues from air freight business was generated from 3 core services:

- 1) revenues from wholesale air freight forwarder business;
- 2) revenues from general sales agent for airlines business;
- 3) revenues from warehouse operation and provision of services relating to airport ground handling business.

The majority of the Group's revenues was derived from air freight business, accounting for 73.3% of the total revenues. The Group's air freight volume increased from 70,215 tons in the year 2018 to 73,790 tons in the year 2019, which was considered better than Thailand's overall air freight volume growth of -11.4% in the year 2019.³ However, revenues from air freight business was Baht 2,215.6 million, a slight decrease from the previous year's revenues of Baht 2,279.6 million. The decrease was due to decrease in freight price and part of the Group's revenues was in foreign currency. Hence, the strengthening of Thai Baht had caused the increase in revenues not being consistent with the increase in service volume.

Gross profit of air freight business

Gross profit in the year 2019 was Baht 205.7 million, a decrease by Baht 44.2 million or 17.7% decrease compared to the previous year due to increase in costs of services. The costs of services had increased as a result of increase in freight costs under the contracts, while growth in revenues was inconsistent with growth in such freight costs.

³ Source: Air Transport Statistic 2019 (December) by Airports of Thailand Public Company Limited (AOT)

2) Sea Freight and Inland Transport Business

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

	Unit	Service Volume		
		2017	2018	2019
1. Shipping lines agency and management services	TEU ¹	59,951	104,190	106,122
2. Inland container transport	Trips	1,375	1,801	2,158
3. ISO Tank logistics service	TEU	1,979	1,383	1,001

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

The volume of shipping lines agency and management services under sea freight and inland transport business unit was 104,190 TEU in the year 2018 and increased to 106,122 TEU in the year 2019 or 1.9% increase. The increase was partly due to the Company's acting as agent for Rizhao shipping line in China.

In respect of inland container transport service, the volume was 1,801 trips in the year 2018 and increased to 2,158 trips in the year 2019 or a growth rate of 19.8%. The growth was due to adjustment of sale strategy by the unit's sale team, focusing on providing more local services due to decreasing cross-border services.

ISO Tank logistics service decreased by 27.6% from the service volume of 1,383 TEU in the year 2018 to 1,001 TEU in the year 2019. The decrease was due to one of the customers was taken over and change to the raw material procurement policy.

Summary on revenues from sea freight and inland transport business

The revenues from sea freight and inland transport business was Baht 84.9 million in the year 2019, a decrease by 27.2% mainly due to decrease in cross-border ISO Tank logistics service.

Gross profit of sea freight and inland transport business

Gross profit was Baht 60.1 million, a decrease by 16.2% compared to the previous year due to decrease in non-core services as explained above, while core services maintained expected level of gross profit.

3) Logistics Management Business

Summary on volume of logistics management

	Unit	Service Volume		
		2017	2018	2019
1. Sea freight management	TEU	744	1,237	1,469
2. Air freight management	Tons	505	320	370
3. Logistics management	Transactions	97,683	144,909	403,858
4. Warehouse and inventory management services	Square meters/month	4,347	3,496	3,000

The volume of logistics management service increased to 1,469 TEU in the year 2019 from 1,237 TEU in the year 2018 or a growth rate of 18.8%. The volume of air freight management service also increased from 320 tons in the year 2018 to 370 tons in the year 2019 or a growth rate of 15.6%. The increase in volume of both services was due to the sale strategy of logistics management business unit by increasing the number of sale staff and providing additional services to existing customers. As a result, the number of key accounts had increased.

There were 403,858 logistics management transactions in the year 2019, an increase by 178.7% from the year 2018. The increase was due to high growth in the number of E-Commerce customers who have varied requirements in logistics services, ranging from upstream to downstream services.

The Company had decreased area for warehouse and inventory management services from 3,496 square meters/month in the year 2018 to 3,000 square meters/month in the year 2019. The decrease was due to streamlining of operation process by combining two warehouses into one warehouse in order to decrease area which was not fully utilized, as part of the Company's cost reduction strategy.

Summary on revenues from logistics management business

There was a significant growth in logistics management business. In the year 2019, revenues from the business was Baht 181.8 million, an increase by Baht 46.8 million or 34.7% increase compared to that of the previous year. The increase was due to increase in the number of key accounts which had resulted in significant increase in international air freight and sea freight services, related logistics services, and logistics services for E-Commerce customers.

Gross profit of logistics management business

Gross profit from the business was Baht 51.6 million, an increase by Baht 15.5 million or 43.2% increase compared to that of the previous year. The increase was in line with increase in service volume and revenues.

4) Chemical and Dangerous Goods Logistics Service Business

Summary on volume of chemical and dangerous goods management and logistics service

	Unit	Service Volume		
		2017	2018	2019
1. Sea freight management	TEU	6,577	7,823	6,906
2. Air freight management	Kilograms	167,307	214,600	124,739
3. Tank container logistics service	TEU	4,491	5,213	5,019
4. Warehouse and inventory management	Pallet ¹	21,454	21,454	21,454
5. Packaging service	Transactions	4,184	2,867	3,023
6. Sale of packaging	Boxes	19,057	12,083	24,918

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

The Company provides full services in the chemical and dangerous goods logistics service business, including sea freight service, air freight service, both normal container and tank container (for liquid), warehouse and inventory management service for chemical and dangerous goods, packaging service for dangerous goods so that the products meet the required standards for sea freight and air freight, and sales of chemical and dangerous goods packaging to customers.

The volume of sea freight management service for chemical and dangerous goods decreased from 7,823 TEU in the year 2018 to 6,906 TEU in the year 2019. The volume of air freight management service for chemical and dangerous goods also decreased from 214,600 kilograms in the year 2018 to 124,739 kilograms in the year 2019. The decrease in both aforementioned services was due to macroeconomics conditions, including decrease in the country's export and import volumes, high level of competition, and decrease in the number of key accounts.

The volume of tank container transportation for liquid chemical slightly decreased from 5,213 TEU in the year 2018 to 5,019 TEU in the year 2019 or a decrease of 3.7%.

The volume of warehouse and inventory management remained constant. There was 21,454 Pallet in the year 2018 and 2019 as the Company maintained similar warehouse area and a utilization rate of the area at a high level. The sales of chemical and dangerous goods packaging in the year 2019 significantly increased by 106.2% compared to the year 2018. The increase was due to demand for packaging from major customers. The number of packaging service for chemical and dangerous goods increased by 5.4% as the service was a complementary service to sale of packaging.

Summary on revenues from chemical and dangerous goods logistics service business

Revenues from chemical and dangerous goods logistics service business in the year 2019 was Baht 526.9 million, a decrease by Baht 35.0 million or 6.2% decrease compared to that of the previous year. The decrease was due to decrease in revenues from international chemical and dangerous goods logistics service and revenues from ISO Tank service.

Gross profit of chemical and dangerous goods logistics service business

Gross profit from the business in the year 2019 was Baht 126.8 million, a decrease by 4.5% compared to that of the previous year in line with the decrease in revenues.



5) Revenues from other management services

Summary on revenues from other management services

	Value (Million Baht)		
	2017	2018	2019
1. Rental income and service income relating to rental of property	14.8	15.1	15.2
Total	14.8	15.1	15.2

Rental and service income were generated from leasing of TLG's building at Triple i Building, 628 Soi Klab Chom, Nonsee Road, to the Company's associates, joint ventures, and third parties as office.

Gross profit of other management services

Gross profit of other management services based on the audited consolidated financial statements in the year 2018 and 2019 was Baht 4.8 million and Baht 4.7 million respectively or equivalent to gross profit margin of 31.5% and 30.9% respectively.

6) Other Income

The Company's other income in the year 2018 and 2019 was Baht 18.4 million and Baht 11.8 million respectively. Other income included rental income, interest income and other income etc. In the year 2019, the major items included other income of Baht 9.5 million and interest income of Baht 2.0 million.

Selling and administrative expenses

Selling and administrative expenses of the Group in the year 2018 and 2019 was Baht 372.2 million and Baht 360.9 million respectively. The selling and administrative expenses had decreased by 3% year-on-year. The selling and administrative expenses in the year 2018 and 2019 accounted for 13.4% and 13.3% of the total revenues from sales and services respectively. The percentage slightly decreased mainly due to better cost control by the Company.

Gain (loss) on exchange rates

Gain on exchange rates in the year 2018 and 2019 was Baht 7.0 million and Baht 8.0 million respectively. The Company received part of its service income in foreign currencies, particularly in US Dollars. In the past, the Company had loss on exchange rates due to the strengthening of Thai Baht. However, the Company has hedged against such risk from the year 2018 onwards. As a result, the Company had gain on exchange rates of Baht 8.0 million in the year 2019.

Share of profit from investments in associates and joint ventures

The Company had gain on investments in associates and joint ventures in the year 2018 and 2019 in the amount of Baht 32.1 million and Baht 96.2 million respectively or a significant growth rate of 200.0%. In the year 2019, the Company acquired 50% shareholding in Around Logistics Management Co., Ltd. ("AROUND") in Hong Kong from 11 March 2019 onwards. Such company conducts general sales agent for airlines business in Asia with

subsidiaries in Thailand, Singapore, Hong Kong and Vietnam. At present, it represents over 22 airlines with service routes covering 24 countries in Asia, North America and Europe. The acquisition was to position the Company as a leading regional general sales agent for airlines with extensive network and expand the Company's air freight business.

Returns from the acquisition in 50% shareholding in DG Packaging Pte., Ltd. ("DGPS") on 2 July 2018 and the acquisition in Around Logistics Management Co., Ltd. ("AROUND") were as targeted. Share of profits and dividend from DGPS and AROUND in the year 2019 was Baht 64 million in aggregate.

In addition, operating performance of the Company's other associates and joint ventures continued to grow, particularly ECA-BKK and FW-HK.

Finance costs

The Company's finance costs in the year 2018 and 2019 was Baht 1.9 million and Baht 14.9 million respectively. The increase was due to increase in finance costs from long-term loan for investment in Around Logistics Management Co., Ltd.

Net profit

Net profit of the Company for the year 2018 and 2019 was Baht 149.7 million and Baht 164.5 million respectively or equivalent to net profit margin of 5.4% and 6.1% respectively. The continuous growth in net profit was due to business expansion strategy and joint investments by the Group.

Financial Position Analysis

Assets

	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets	1,182.2	76.0	1180.0	62.2	776.4	34.9
Non-current assets	373.4	24.0	718.5	37.8	1,449.3	65.1
Total assets	1,555.6	100.0	1,898.5	100.0	2,225.7	100.0

As of 31 December 2018 and 31 December 2019, the Company's total assets was Baht 1,898.5 million and Baht 2,225.7 million respectively. The total assets as of 31 December 2019 increased by Baht 327.2 million or 17.2% increase compared to the previous year.

During the year 2019, the Company's total assets had significantly changed including an increase in investments in joint ventures in the amount of Baht 586.9 million, which was mainly due to acquisition by the Company of 50% shareholding in Around Logistics Management Co., Ltd. in Hong Kong. The investment amount was Baht 536.8 million.

In addition, other long-term investments increased by Baht 88.5 million due to acquisition by the Company in SAL Group (Thailand) Co., Ltd. ("SAL"), a company incorporated in Thailand conducting airport ground and passenger handling services. Such investment resulted in the Company holding 15.86% of the total registered capital of SAL.



Trade and other receivables

Trade receivables and other receivables consisted of trade receivables from logistics business, prepaid expenses, accrued income, other receivables, related party trade receivables, and dividend receivables from related parties. As of 31 December 2018 and 31 December 2019, the Company's net trade and other receivables was Baht 419.8 million and Baht 495.3 million respectively. The net trade and other receivables increased by Baht 75.5 million compared to that of the previous year or an increase of 18.0% compared to that of the previous year.

Majority of trade receivables – third parties are outstanding for less than 3-month period. This is consistent with the average collection period of the Group. As of 31 December 2018 and 31 December 2019, the average collection period was equivalent to 42.1 days and 45.9 days respectively, which is considered a normal collection period.

The Company has set-up Allowance for Doubtful Accounts Policy by analyzing the period of outstanding receivables and financial positions of customers. As at the end of the year 2018 and the year 2019, allowance for doubtful accounts was recorded at a low rate of 2.5% and 2.4% of trade receivables – other parties respectively.

During the year 2019, trade and other receivables of the Company had increased due to increase in dividend receivables – related parties and trade receivables – related parties in the amount of Baht 33.2 million and Baht 21.4 million respectively.

Property, plant and equipment – net

As of 31 December 2018 and 31 December 2019, the Company's property, plant and equipment – net was Baht 239.2 million and Baht 276.8 million respectively. The property, plant and equipment – net as of 31 December 2019 increased by Baht 37.6 million compared to that of the previous year or 15.7% increase year-on-year.

During the year 2019, the Company had in addition construction in progress in the amount of Baht 68.2 million and office equipment in the amount of Baht 6.5 million.

Investments in associates and joint ventures

As of 31 December 2018 and 31 December 2019, the Company's investments in associates and joint ventures was Baht 323.6 million and Baht 892.5 million respectively. There was a significant change to the investments in associates and joint ventures during the year 2019. The change was due to the Company's acquisition of 50% shareholding in Around Logistics Management Co., Ltd. in Hong Kong. The investment amount was Baht 536.8 million.

Liabilities

	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities	388.2	88.1	565.3	81.0	653.9	69.1
Non-current liabilities	52.4	11.9	132.3	19.0	292.8	30.9
Total liabilities	440.6	100.0	697.6	100.0	946.7	100.0

As of 31 December 2018 and 31 December 2019, the Company's total liabilities was Baht 697.6 million and Baht 946.7 million respectively. The total liabilities as of 31 December 2019 increased by Baht 249.1 million compared to that of the previous year or a 35.7% increase year-on-year.

During the year 2019, the Company total liabilities had significantly changed due to expected consideration to be paid for investment in the amount of Baht 64.5 million from investment in Around Logistics Management Co., Ltd..

Trade and other payables

	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade payables	223.3	67.2	254.2	57.4	195.0	47.1
Trade payables – related parties	4.4	1.3	6.2	1.4	7.9	1.9
Accrued expenses	104.8	31.5	182.6	41.2	211.3	51.0
Trade and other payables – net	332.5	100.0	443.0	100.0	414.2	100.0

As of 31 December 2018 and 31 December 2019, the Company's trade and other payables was Baht 443.0 million and Baht 414.2 million respectively. The trade and other payables as of 31 December 2019 decreased by Baht 28.8 million compared to that of the previous year or a 6.5% decrease year-on-year.

The average payment period of the Company as of 31 December 2018 and 31 December 2019 was 61.1 days and 67.8 days respectively.

Equity

As of 31 December 2018 and 31 December 2019, the Company's shareholders' equity was Baht 1,200.9 million and Baht 1,279.0 million respectively. The shareholders' equity as of 31 December 2019 increased by Baht 78.1 million compared to that of the previous year or a 6.5% increase year-on-year in line with the Company's operating performance in the year 2019 and dividend payment in the amount of Baht 103.2 million in May 2019.



Liquidity Analysis

The Company's cash flows are as set out below.

	Consolidated financial statements		
	2017	2018	2019
Net cash generated from (used in) operating activities	2.8	202.5	29.3
Net cash generated from (used in) investing activities	(59.8)	(127.0)	(691.5)
Net cash generated from (used in) financing activities	581.4	(90.0)	195.5
Net increase (decrease) in cash and cash equivalents	524.5	(14.5)	(466.6)
Cash and cash equivalents at the beginning of the year	226.2	746.5	731.8
Currency translation differences	(4.2)	(0.1)	(2.7)
Cash and cash equivalents at the ending of the year	746.5	731.8	262.5

Cash flows from operating activities

In the year 2018 and 2019, the Company's net cash flows generated from (used in) operating activities was Baht 202.5 million and Baht 29.3 million respectively.

During the year 2019, the net cash flows generated from operating activities significantly decreased. The decrease was mainly due to increase in trade and other receivables by Baht 49.5 million and decrease in trade and other payables by Baht 23.1 million. Earning before tax increased from Baht 168.1 million in the year 2018 to Baht 178.2 million in the year 2019.

Cash flows from investing activities

In the year 2018 and 2019, the Company's net cash flows generated from (used in) investing activities was Baht (127.0) million and Baht (691.5) million respectively.

During the year 2019, the net cash flows from investing activities was mainly used in investments in associates and joint ventures in the amount of Baht 546.0 million, general investments in the amount of Baht 88.5 million, purchase of building, equipment, and intangible assets in the amount of Baht 81.9 million and dividends from subsidiaries, associates and joint ventures in the amount of Baht 29.7 million.

Cash flows from financing activities

In the year 2018 and 2019, the Company's net cash flows generated from (used in) financing activities was Baht (90.0) million and Baht 195.5 million respectively.

During the year 2019, the net cash flows generated from financing activities significantly increased. The increase was mainly due to long-term loan from financial institutions in the amount of Baht 300.0 million. In the year 2019, the Company paid dividends in the amount of Baht 103.1 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 2019, 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 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. 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 for service income</p> <p>The Group provides a domestic and international freight forwarding service, and integrated logistics services. The Group's aggregate revenues from services are Baht 2,698 million, representing 99% of total revenues. As disclosed in the financial statements' Note 2.22 'Accounting policy for revenue recognition', revenues from services are recognised when the Group satisfies a performance obligation and control of services is transferred to the customers over the contract term.</p> <p>I focused on the audit of revenue recognition for service income because the revenue amount was material to the consolidated financial statements. I examined whether the revenue transactions were valid and occur in the relevant period.</p>	<p>I tested the revenue recognition for service income of the Group by carrying out the following procedures:</p> <ul style="list-style-type: none"> - Evaluated and validated the key controls over the Group's revenue cycle, by inquiring the Group's personnel to understand the revenue cycle and internal controls. I sampled revenue transactions to validate key controls on the recording of revenue at the appropriate recognition point according to the service conditions. This included examining invoices and supporting documents such as the bill of lading or airway bill, and quotation, as well as examining whether service invoices were reviewed and approved by an authorised person. I also traced cash receipts from customers to 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 customers and recorded revenue at the appropriate recognition point according to the service conditions, as well as examining the invoices and the bill of lading or airway bill to determine that the transactions were valid and occurred in the relevant period. For revenue transactions that have been collected, cash receipt from customers were traced to invoices and transactions in the bank statements. - Sent account receivable confirmations on sampling basis to check that the Group's revenues represented valid revenue transactions and that the accounts receivable existed. - Performed analytical procedures on the Group's revenue for each revenue type to consider whether there were irregular revenue fluctuations. This included testing the appropriateness of journal entries related to revenues and other related adjusting entries to assess whether there were any invalid revenue transactions. <p>I did not find any significant errors when carrying out the above procedures. Revenue recognition was in accordance with the available evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Value of investment in joint venture</p> <p>Refer to Note 11.2 'Investment in joint ventures' to the consolidated and separate financial statements.</p> <p>During 2019, the Company acquired 50% of the registered share capital of Around Logistics Management Co., Ltd. The Group's management assessed that the acquisition of such shareholdings qualified as an investment in a 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 amounting to Baht 536.80 million. Cost of investment comprised the consideration transferred at the acquisition date, including contingent consideration and acquisition-related cost. The management assessed the contingent consideration amount as specified in the Shares Sale and Purchase Agreement, based on the joint venture's future operating performance being achieved. The management considered the amount of the contingent consideration, and the expected payment was discounted to the present value.</p> <p>I focused on this matter because the value of investment was significant to the consolidated and separate financial statements. And, the valuation of the contingent consideration was based on management's judgment of the probability of the joint venture achieving the future operating performance according to their business plan. This may affect the value of the investment in the joint venture at the acquisition date.</p>	<p>I evaluated management's assessment and determined that the acquisition should be assessed as investment in a joint venture and they were appropriately accounted for. I performed the following procedures:</p> <ul style="list-style-type: none"> - 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 inquired the Company's management and financial advisor about the business rationale of this transaction. - Assessed the appropriateness of the amount of contingent consideration 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 the joint venture's future operating performance to be achieved and determining it was aligned with industry trends. I also evaluated the reasonableness of the joint venture's business plan by comparing it with the subsequent actual performance. I also compared the discount rate the management used to calculate the present value with the interest rate that reflected 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 at the acquisition date was reasonable according to the supporting evidences.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Purchase price allocation for an acquisition of investment in a joint venture</p> <p>Refer to Note 11.2 ‘Purchase price allocation for an acquisition of investment in a joint venture’ to the consolidated and separate financial statements.</p> <p>During 2018, the Company acquired 50% of the registered share capital of DG Packaging Pte. Ltd. The Group recognised the investment in a joint venture at cost in separate financial statements amounting to Baht 271.20 million. As at 31 December 2018, the Company was determining fair value of the net assets acquired and reviewing purchase price allocation for an acquisition of investment in a joint venture.</p> <p>In 2019, the management engaged external independent valuation expert to measure the fair value of net assets acquired and consider the purchase price allocation. The fair value of net assets acquired was Baht 31.85 million and goodwill was Baht 239.35 million, all of which was recorded in cost of investment in the joint venture.</p> <p>I focused on the purchase price allocation for the investment’s acquisition because the fair value of net assets acquired, especially fair value of customer relationships, involved significant management judgment. The valuation was also based on key assumptions including revenue growth rate, number of years for estimation and discount rate.</p>	<p>I evaluated the purchase price allocation, and performed the following procedures:</p> <ul style="list-style-type: none"> - Assessed the competence, knowledge and independence of the external valuation expert engaged by management. - Assessed the appropriateness of the measurement of the fair value of the net assets acquired at the acquisition date. - Assessed the appropriateness of the fair value of customer relationships by testing the key assumptions in the following procedures: <ul style="list-style-type: none"> • Compared the revenue growth rate against actual historical performance • Compared number of years for estimation with data from other independent sources • Involved my firm’s valuation expert to support the assessment of the reasonableness of the discount rate. - Tested the calculation of purchase price allocation and goodwill arising from the acquisition, being the difference between total net consideration transferred and the fair value of net assets. <p>As a result of these procedures, I determined that the fair value measurement of net assets acquired at the acquisition date of the investment in a joint venture was reasonable according to the supporting 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
24 February 2020

Consolidated and Separate Financial Statements



Triple i Logistics Public Company Limited
Statements of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Assets					
Current Assets					
Cash and cash equivalents	7	262,472,916	731,821,620	71,468,881	408,229,832
Trade and other receivables, net	8	495,348,292	419,813,336	126,709,757	65,860,275
Short-term loans to related parties	30.5	11,250,000	2,250,000	287,066,300	322,566,300
Current portion of finance lease receivables, net		-	841,122	-	-
Inventories		1,297,231	1,645,554	-	-
Other current assets	9	6,041,668	23,619,894	504,024	527,562
Total current assets		776,410,107	1,179,991,526	485,748,962	797,183,969
Non-current assets					
Finance lease receivables, net		-	1,045,958	-	-
Investments in subsidiaries	10	-	-	152,948,570	145,448,570
Investments in associates	11.1	14,627,442	32,569,704	5,437,563	5,065,215
Investments in joint ventures	11.2	877,897,397	290,992,662	810,488,416	271,385,837
Other long-term investments	12	88,487,760	13,250	88,474,510	-
Investment properties, net	13	-	-	81,877,545	86,172,748
Property, plant and equipment, net	14	276,813,645	239,158,039	16,471,964	16,398,022
Intangible assets, net	15	15,435,965	13,680,461	986,055	1,376,940
Deferred tax assets	16	17,197,611	15,497,692	5,595,421	4,657,553
Retentions		33,075,627	41,434,294	1,890,970	1,758,130
Other non-current assets	17	125,718,895	84,135,007	10,250,425	6,572,378
Total non-current assets		1,449,254,342	718,527,067	1,174,421,439	538,835,393
Total assets		2,225,664,449	1,898,518,593	1,660,170,401	1,336,019,362

The accompanying notes on pages 16 to 67 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Liabilities and equity					
Current liabilities					
Trade and other payables	18	414,246,390	442,976,020	24,111,910	21,604,796
Current portion of contingent consideration paid for investments in joint ventures, net	11.2	131,468,026	69,980,280	131,468,026	69,980,280
Current portion of long-term loans from a financial institution, net	19.1	60,000,000	1,875,996	60,000,000	-
Current portion of finance lease liabilities, net	19.2	9,562,085	11,318,900	3,704,317	3,853,313
Other current liabilities	20	38,617,438	39,162,964	2,795,188	2,199,004
Total current liabilities		653,893,939	565,314,160	222,079,441	97,637,393
Non-current liabilities					
Contingent consideration paid for investments in joint ventures, net	11.2	-	71,798,120	-	71,798,120
Long-term loans from a financial institution	19.1	240,000,000	-	240,000,000	-
Finance lease liabilities, net	19.2	13,407,761	19,911,065	3,096,401	6,800,718
Employee benefit obligations	21	29,105,997	31,581,730	4,489,053	10,720,059
Other non-current liabilities		10,289,624	8,998,154	822,379	822,379
Total non-current liabilities		292,803,382	132,289,069	248,407,833	90,141,276
Total liabilities		946,697,321	697,603,229	470,487,274	187,778,669

The accompanying notes on pages 16 to 67 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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
			Restated		
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	22				
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					
609,307,775 ordinary shares at a par value of					
Baht 0.50 each (2018 : 604,500,000 ordinary shares)		304,653,888	302,250,000	304,653,888	302,250,000
Share premium, net	22	708,639,327	687,965,894	708,639,327	687,965,894
Surplus from business combination					
under common control		30,726,984	30,726,984	-	-
Surplus from share-based payments		21,869,586	20,539,586	21,869,586	20,539,586
Discount from changes in shareholding of subsidiary		(187,500)	(187,500)	-	-
Retained earnings					
Appropriated - Legal reserve	24	30,500,000	21,400,000	22,400,000	16,300,000
Unappropriated		189,757,560	141,113,762	132,120,326	121,185,213
Other components of equity		(6,992,717)	(2,893,362)	-	-
Equity attributable to owners of the parent		1,278,967,128	1,200,915,364	1,189,683,127	1,148,240,693
Non-controlling interests		-	-	-	-
Total equity		1,278,967,128	1,200,915,364	1,189,683,127	1,148,240,693
Total liabilities and equity		2,225,664,449	1,898,518,593	1,660,170,401	1,336,019,362

The accompanying notes on pages 16 to 67 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Revenues from services		2,698,120,623	2,758,967,083	111,202,333	84,802,545
Revenues from sales		14,421,367	11,597,056	-	-
Costs of services		(2,271,164,353)	(2,282,914,831)	(66,168,917)	(49,404,936)
Costs of sales		(3,311,596)	(3,040,501)	-	-
Gross profit		438,066,041	484,608,807	45,033,416	35,397,609
Dividend income		-	-	102,540,883	96,726,828
Other income	25	11,822,265	18,448,701	62,641,829	54,520,354
Selling expenses		(80,853,111)	(77,171,225)	(11,244,648)	(7,379,284)
Administrative expenses		(280,017,563)	(294,984,867)	(72,341,380)	(76,049,991)
Gain on exchange rates, net		7,952,905	6,986,442	7,055,271	3,621,477
Finance costs	26	(14,930,479)	(1,863,499)	(14,110,071)	(568,752)
Share of profits from investments in associates and joint ventures	11	96,172,698	32,062,169	-	-
Profit before income tax		178,212,756	168,086,528	119,575,300	106,268,241
Income tax	28	(13,702,677)	(18,409,707)	874,239	3,073,146
Profit for the year		164,510,079	149,676,821	120,449,539	109,341,387
Other comprehensive income (expenses):					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of post-employment benefit obligations	21	(4,110,386)	875,241	(318,147)	(2,636,984)
Share of other comprehensive income of associates and joint ventures, net of tax accounted for using the equity method		(318,064)	687,912	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		822,077	(175,048)	63,629	527,397
Total items that will not be reclassified subsequently to profit or loss		(3,606,373)	1,388,105	(254,518)	(2,109,587)
<i>Items that will be reclassified subsequently to profit and loss</i>					
Currency translation differences		(3,737,008)	22,892	-	-
Share of other comprehensive income of joint ventures		(362,347)	-	-	-
Total items that will be reclassified subsequently to profit or loss		(4,099,355)	22,892	-	-
Other comprehensive income (expenses) for the year, net of tax		(7,705,728)	1,410,997	(254,518)	(2,109,587)
Total comprehensive income for the year		156,804,351	151,087,818	120,195,021	107,231,800

The accompanying notes on pages 16 to 67 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Profit attributable to:					
Owners of the parent		164,510,079	149,676,821	120,449,539	109,341,387
Non-controlling interests		-	-	-	-
		<u>164,510,079</u>	<u>149,676,821</u>	<u>120,449,539</u>	<u>109,341,387</u>
Total comprehensive income attributable to:					
Owners of the parent		156,804,351	151,087,818	120,195,021	107,231,800
Non-controlling interests		-	-	-	-
		<u>156,804,351</u>	<u>151,087,818</u>	<u>120,195,021</u>	<u>107,231,800</u>
Earnings per share					
Basic earnings per share	29.1	<u>0.2709</u>	<u>0.2476</u>	<u>0.1984</u>	<u>0.1809</u>
Diluted earnings per share	29.2	<u>0.2704</u>	<u>0.2467</u>	<u>0.1979</u>	<u>0.1802</u>

The accompanying notes on pages 16 to 67 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 2019

Consolidated financial statements											
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from business combination		Surplus from share-based payments	Discount from changes in shareholding of subsidiary	Retained earnings		Other components of equity		
									Currency translation differences	Share of other comprehensive income from joint ventures	Total equity attributable to owners of the parent
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht			
Opening balances as at 1 January 2019											
- As reporting in prior year	302,250,000	687,965,894	30,726,984		20,539,586	(187,500)	21,400,000		(2,893,362)	-	1,201,915,651
Effect from purchase price allocation from investment in a joint venture	-	-	-	-	-	-	-	(1,000,287)	-	-	(1,000,287)
Opening balances as at 1 January 2019 - Restated	302,250,000	687,965,894	30,726,984		20,539,586	(187,500)	21,400,000		(2,893,362)	-	1,200,915,364
Proceeds from shares issued											
- employee share option scheme	2,403,888	20,673,433	-	-	-	-	-	-	-	-	23,077,321
Dividends paid	-	-	-	-	-	-	6,100,000	(103,159,908)	-	-	(103,159,908)
Legal reserve	-	-	-	-	-	-	3,000,000	(3,000,000)	-	-	-
Legal reserve from subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	1,330,000	-	-	-	-	-	1,330,000
Total comprehensive income for the year	-	-	-	-	-	-	-	160,903,706	(3,737,008)	(362,347)	156,804,351
Closing balance as at 31 December 2019	304,653,888	708,639,327	30,726,984		21,869,586	(187,500)	30,500,000		(6,630,370)	(362,347)	1,278,967,128
Opening balances as at 1 January 2018	302,250,000	687,965,894	30,726,984		19,209,586	(187,500)	14,401,628		(2,916,254)	-	1,114,992,546
Dividends paid	-	-	-	-	-	-	-	(66,495,000)	-	-	(66,495,000)
Legal reserve	-	-	-	-	-	-	5,498,372	(5,498,372)	-	-	-
Legal reserve from subsidiaries	-	-	-	-	-	-	2,000,000	(2,000,000)	-	-	-
Share-based payments	-	-	-	-	1,330,000	-	-	-	-	-	1,330,000
Total comprehensive income for the year (restated)	-	-	-	-	-	-	-	151,064,926	22,892	-	151,087,818
Transfer legal reserve from liquidation of a subsidiary	-	-	-	-	-	-	(500,000)	500,000	-	-	-
Closing balance as at 31 December 2018 - Restated	302,250,000	687,965,894	30,726,984		20,539,586	(187,500)	21,400,000		(2,893,362)	-	1,200,915,364

The accompanying notes on pages 16 to 67 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 2019

Separate financial statements									
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from share-based payments	Retained earnings		Unappropriated	Total equity		
				Appropriated	Baht				
	Baht	Baht	Baht	- Legal reserve	Baht	Baht	Baht		Baht
Opening balance as at 1 January 2019	302,250,000	687,965,894	20,539,586	16,300,000	121,185,213	1,148,240,693			
Proceeds from shares issued									
- employee share option scheme	2,403,888	20,673,433	-	-	-	23,077,321			
Dividends paid	-	-	-	-	(103,159,908)	(103,159,908)			
Legal reserve	-	-	-	6,100,000	(6,100,000)	-			
Share-based payments	-	-	1,330,000	-	-	1,330,000			
Total comprehensive income for the year	-	-	-	-	120,195,021	120,195,021			
Closing balance as at 31 December 2019	304,653,888	708,639,327	21,869,586	22,400,000	132,120,326	1,189,683,127			
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	-	-	-	-	(66,495,000)	(66,495,000)			
Legal reserve	-	-	-	5,498,372	(5,498,372)	-			
Share-based payments	-	-	1,330,000	-	-	1,330,000			
Total comprehensive income for the year	-	-	-	-	107,231,800	107,231,800			
Closing balance as at 31 December 2018	302,250,000	687,965,894	20,539,586	16,300,000	121,185,213	1,148,240,693			

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Cash flows from operating activities					
Profit before income tax		178,212,756	168,086,528	119,575,300	106,268,241
Adjustments for:					
Depreciation and amortisation	13, 14, 15	48,774,905	48,109,897	8,769,682	8,776,431
Share of profit from investments in associates and joint ventures	11	(96,172,698)	(32,062,169)	-	-
Gain from dissolution of a subsidiary	25	-	-	-	(553,844)
(Gain) loss on sales of equipment	25	59,194	(3,999,576)	-	-
Loss from write-offs of assets	14	25,886	444,355	-	16,416
(Reversal of) employee benefit obligations	21	(5,900,875)	9,754,944	(6,549,153)	3,169,183
(Reversal of) allowance for doubtful accounts		181,190	(154,145)	181,190	104,348
Unrealised gain on foreign exchange rate		(7,811,650)	(3,320,400)	(7,811,650)	(3,320,400)
Interest income	25	(2,016,819)	(6,198,518)	(12,669,722)	(10,015,291)
Dividend income		-	-	(102,540,883)	(96,726,828)
Expenses relating to share-based payments	33	1,330,000	1,330,000	1,330,000	1,330,000
Amortisation of deferred interest on finance leases	19.2, 26	1,175,919	1,323,610	391,322	568,752
Finance costs	26	13,754,560	539,889	13,718,749	-
		131,612,368	183,854,415	14,394,835	9,617,008
Changes in working capital					
Operating assets decrease (increase)					
Trade and other receivables, net		(49,509,792)	(10,896,879)	(15,459,552)	19,453,404
Inventories		348,323	(44,276)	-	-
Other current assets		1,861,028	1,155,829	23,538	422,662
Retentions		8,349,490	(2,116,806)	(132,840)	(1,500)
Other non-current assets		(11,666,044)	(42,609,329)	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(23,139,493)	114,052,483	(778,583)	(1,617,725)
Other current liabilities		8,034,175	347,454	596,184	(462,469)
Employee benefit obligations paid	21	(685,244)	(582,400)	-	-
Other non-current liabilities		1,386,904	2,937,000	-	10,001
Cash flows from operations		66,591,715	246,097,491	(1,356,418)	27,421,381
Income tax paid		(37,253,095)	(43,582,275)	(3,678,047)	(3,491,944)
Net cash generated from (used in) operating activities		29,338,620	202,515,216	(5,034,465)	23,929,437

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019	2018
		2019	2018		
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		2,259,883	6,476,747	12,810,647	10,378,993
Proceeds from sales of equipment		2,025,437	6,684,071	-	-
Payments for purchases of equipment and intangible assets		(81,908,710)	(34,982,048)	(947,537)	(4,035,094)
Proceeds from dissolution of investments in a subsidiary		-	-	-	3,053,744
Payments for investments in subsidiaries	10	-	-	(7,500,000)	(92,249,900)
Payments for investments in associates and joint ventures		(546,049,495)	(126,099,544)	(546,049,495)	(126,099,544)
Payments for other long-term investments	12	(88,474,510)	-	(88,474,510)	-
Proceeds from short-term loans to related parties	30.5	-	-	91,500,000	78,674,500
Payments for short-term loans to related parties	30.5	(9,000,000)	-	(56,000,000)	(92,600,000)
Proceeds from short-term investments		-	4,132,988	-	-
Dividends received from subsidiaries		-	-	34,386,430	82,301,028
Dividends received from associates and joint ventures		29,695,365	16,757,954	22,442,408	12,537,590
Net cash used in investing activities		(691,452,030)	(127,029,832)	(537,832,057)	(128,038,683)

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Cash flows from financing activities					
Interest paid		(9,678,714)	(539,889)	(9,642,904)	-
Net decrease in bank overdrafts and short-term loans from financial institutions		-	(4,728,224)	-	-
Payments for finance lease liabilities	19.2	(12,941,738)	(11,781,178)	(4,244,635)	(4,244,635)
Proceeds from long-term loans from a financial institution	19.1	300,000,000	-	300,000,000	-
Repayments on long-term loans from a financial institution	19.1	(1,875,996)	(6,576,708)	-	-
Proceeds from shares issued	22	23,077,321	-	23,077,321	-
Dividends paid		(103,084,211)	(66,392,239)	(103,084,211)	(66,392,239)
Net cash generated from (used in) financing activities		195,496,662	(90,018,238)	206,105,571	(70,636,874)
Net decrease in cash and cash equivalents		(466,616,748)	(14,532,854)	(336,760,951)	(174,746,120)
Cash and cash equivalents at the beginning of the year		731,821,620	746,463,152	408,229,832	582,975,952
Exchange losses on cash and cash equivalents		(2,731,956)	(108,678)	-	-
Cash and cash equivalents at the end of the year		262,472,916	731,821,620	71,468,881	408,229,832
Non-cash transactions					
Finance lease liabilities		2,875,705	10,355,653	-	-
Dividends payable		178,458	102,761	178,458	102,761
Dividends receivable		34,698,355	1,499,950	80,098,745	34,386,430
Purchases of fixed assets on payable		3,302,342	346,000	3,210,000	-
Receivables from disposal of assets under finance lease agreement		-	1,950,000	-	-
Contingent consideration paid for investments in joint ventures		63,805,406	141,778,400	63,805,406	141,778,400
Share-based payments		1,330,000	1,330,000	1,330,000	1,330,000

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements



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 domiciled 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)	
			2019 %	2018 %
<u>Direct subsidiaries</u>				
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
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.	Sea 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
<u>Indirect subsidiary</u>				
Triple i International Japan Co., Ltd. (held by Triple i International Pte. Ltd.)	Air freight forwarding	Japan	100.00	100.00

The consolidated and separate financial statements were authorised by the Board of Directors on 24 February 2020.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued 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 management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

2.2 New and amended financial reporting standards that are relevant to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The adoption of TFRS 15 did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

b) Thai Financial Reporting Standard no.2 (TFRS 2) (revised 2018), Share-based payment

The amendments made to TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments;
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. 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 amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash-settled.

c) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

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.

d) Thai Accounting Standard no.40 (revised 2018), Investment property

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.

e) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The adoption of these Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

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

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

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

c) Other new/amended standards

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of initial adoption of these Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation.

2.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Direct costs are recorded as initial cost of investment.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) 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 Group's financial statement line items.

Joint ventures

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 using cost method.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in profit or loss.

Step-up acquisition

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-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

2.5 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

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

- Assets and liabilities are translated at the closing rate at the date of respective 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 in other comprehensive income.

2.6 Cash and cash equivalents

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

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

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

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, overhead and directly attributable costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.9 General investments

General investments are carried at cost less impairment.

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 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.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

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 costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Building improvement	5 and 15 years

2.11 Property, plant and equipment

Land is stated at historical cost less any accumulated impairment losses. Other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

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

Buildings	20 years
Building improvement	5, 6 and 10 years
Tool and equipment	5 and 10 years
Vehicles and equipment	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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Intangible assets

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.

2.13 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.14 Leases

Leases - where the Group is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease term.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease 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.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take long period to get ready for its intended use or sales) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.18 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund 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.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

d) Other long-term benefits

The Group gives money rewards to employees when they have worked for the Group and completed the service years according to the Group's policy.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

2.19 Share-based payment

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.

2.20 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.22 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Logistics management revenues

The Group recognised revenues from logistics at the point in time when control of service was transferred to the customer. Revenues from warehousing services are recognised over the contract term.

Freight forwarding revenues

The Group recognised revenues from the freight forwarding services over the contract term.

Sales of goods

The Group recognised revenues from sales of goods when control of goods were transferred to the customer.

Other income

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.

2.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

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

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term loans to related parties, short-term borrowings and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including the Group's had entered into interest rate swap agreements.

The Group sometimes borrows at variable rates and uses interest rate swaps to hedge future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

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.

3.2 Accounting for derivative financial instruments

The Group is a party to derivative financial instruments, which comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss.

Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense when due. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are recognised in profit or loss.

The Group's derivative financial instruments are disclosed in note 34.2.

3.3 Fair value estimation

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

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 13
Long-term loans from a financial institution	Note 19.1
Financial instruments	Note 34.2

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) Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable 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.

c) Defined retirement benefit obligation

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 21.

d) 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.

e) Estimate for the value of investments in joint ventures

At the acquisition date, the Group recognised the investments in joint ventures 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.

f) Estimate of the fair value of the net identifiable assets acquired from the acquisition of investment in a joint venture

The Group recognised the investments in joint ventures by determining fair value of the net identifiable assets acquired and performing purchase price allocation in accordance with the concepts in TFRS 3 "Business Combination" as described in Note 11.2.

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.

g) Classification of joint ventures

The Group holds less than and more than 50% of the voting right in some joint ventures (Note 11.2). However, the Group concluded that it has joint control over the joint ventures under the contractual agreement which requires unanimous consent from all parties to the agreement. The Group and counterparties to the agreement also, has rights to the net assets of the joint ventures.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue 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 amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Effect from purchase price allocation from investment in a joint venture

During the year ended 31 December 2019, the Group measured the fair value of identifiable assets acquired and liabilities assumed of DG Packaging Pte. Ltd. ("DGP"), a joint venture, to comply with the measurement period for a business combination referred in TFRS 3 (Revised 2018). The acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period shall not exceed one year from the acquisition date (See Note 11.2).

The effects to the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of comprehensive income for the year ended 31 December 2018 are presented as follows:

	Previously reported Baht	Adjustment from measurement Baht	After adjustment Baht
Consolidated statement of financial position as at 31 December 2018			
Investments in joint ventures (Note 11.2)	291,992,949	(1,000,287)	290,992,662
Retained earnings - unappropriated	142,114,049	(1,000,287)	141,113,762
Consolidated statement of comprehensive income for the year ended 31 December 2018			
Share of profits from investments in associates and joint ventures	33,062,456	(1,000,287)	32,062,169

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	230,935	504,057	-	492
Cheques on hand	3,069,050	14,264,077	-	399,546
Deposits at financial institutions				
- current accounts	35,288,847	168,624,533	2,105,038	6,960,717
- savings accounts	223,884,084	348,428,953	69,363,843	200,869,077
- fixed deposit accounts	-	200,000,000	-	200,000,000
	262,472,916	731,821,620	71,468,881	408,229,832

As at 31 December 2019, deposits at financial institutions - savings accounts bear an interest rate of 0.20% - 0.50% per annum (2018: 0.37% - 0.50% per annum and fixed deposit accounts with maturity during 2-3 months bear an interest rate of 1.20% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables - other parties	325,026,919	308,107,443	21,463,600	13,895,108
<u>Less</u> Allowance for doubtful accounts	(7,721,011)	(7,603,271)	(656,697)	(475,507)
Trade receivables - other parties, net	317,305,908	300,504,172	20,806,903	13,419,601
Prepaid expenses	9,650,166	8,888,040	946,935	524,633
Accrued income	86,824,267	86,771,428	4,830,103	1,246,098
Other receivables	6,561,376	3,223,617	503,754	283,783
Trade receivables - related parties (Note 30.3)	40,308,220	18,926,129	19,523,587	15,999,730
Dividends receivable - related parties (Note 30.4)	34,698,355	1,499,950	80,098,475	34,386,430
	495,348,292	419,813,336	126,709,757	65,860,275

Outstanding trade receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Trade receivables - other parties</u>				
Less than 3 months	302,802,472	274,649,120	19,064,794	11,599,067
3 - 6 months	6,028,540	19,623,217	1,072,376	1,487,851
6 - 12 months	8,304,180	4,837,046	672,505	437,031
Over 12 months	7,891,727	8,998,060	653,925	371,159
	325,026,919	308,107,443	21,463,600	13,895,108
<u>Less</u> Allowance for doubtful accounts	(7,721,011)	(7,603,271)	(656,697)	(475,507)
	317,305,908	300,504,172	20,806,903	13,419,601
<u>Trade receivables - related parties (Note 30.3)</u>				
Less than 3 months	39,973,215	12,683,800	18,445,830	13,249,830
3 - 6 months	335,005	6,242,329	1,077,757	716,900
6 - 12 months	-	-	-	2,033,000
	40,308,220	18,926,129	19,523,587	15,999,730

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Undue input value added tax	5,853,979	4,614,262	504,024	527,562
Refundable value added tax	-	15,572,118	-	-
Others	187,689	3,433,514	-	-
	6,041,668	23,619,894	504,024	527,562

10 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidiaries	-	-	152,948,570	145,448,570

The details of investments in subsidiaries as at 31 December are as follows:

Company	Nature Business	Country of incorporation	Shareholding		Separate financial statements	
			Direct and indirect		Cost	
			2019 %	2018 %	2019 Baht	2018 Baht
<u>Direct subsidiary</u>						
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	50,499,780
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	4,999,900	2,499,900
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	50,499,780	50,499,780
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.	Sea freight forwarding	Thailand	100.00	100.00	10,299,780	5,299,780
DG Packaging (Thailand) Co., Ltd.	Selling packages and providing packing 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	2,999,850
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00	2,550,000	2,550,000
<u>Indirect subsidiary</u>						
Triple i International Japan Co., Ltd. (held by Triple i International Pte. Ltd.)	Air freight forwarding	Japan	100.00	100.00	-	-
					152,948,570	145,448,570

The movements of investments in subsidiaries are as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
As at 1 January	145,448,570	55,698,570
Additional investment	7,500,000	92,249,900
Dissolution of subsidiaries	-	(2,499,900)
As at 31 December	152,948,570	145,448,570

Additional investments in increased share capital of subsidiaries

On 28 January 2019, Triple I Asia Cargo Co., Ltd., called for paid-up the remaining 50% of its 50,000 shares with the par value of Baht 100. The Company already paid for remaining amount of Baht 2.50 million.

On 1 March 2019, Triple I Maritime Agencies Co., Ltd., called for paid-up the remaining 71.43% of its 70,000 shares with the par value of Baht 100. The Company already paid remaining amount of Baht 5.00 million.

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Dividends paid

The Board of Director's Meeting No. 1/2019 on 16 December 2019 of HazChem Logistics Management Co., Ltd. approved the interim dividend payment to the shareholders of Baht 34 per share for 500,000 shares, totalling Baht 17.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 1/2019 on 16 December 2019 of DG Packaging (Thailand) Co., Ltd. approved the interim dividend payment to the shareholders of Baht 300 per share for 10,000 shares, totalling Baht 3.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 2/2019 on 18 December 2019 of Triple i Maritime Agencies Co., Ltd. approved the interim dividend payment to the shareholders of Baht 150 per share for 100,000 shares, totalling Baht 15.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 4/2019 on 26 December 2019 of Triple i Air Express Co., Ltd. approved the interim dividend payment to the shareholders of Baht 28 per share for 500,000 shares, totalling Baht 14.00 million. The subsidiary will pay the dividends in 2020.

11 Investments in associates and joint ventures

The amounts recognised in the statement of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Associates	14,627,442	32,569,704	5,437,563	5,065,215
Joint ventures	877,897,397	290,992,662	810,488,416	271,385,837
	892,524,839	323,562,366	815,925,979	276,451,052

The amounts recognised in the statement of comprehensive income are as follow:

Share of profits from investments in associates and joint ventures

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Associates	7,153,294	17,258,531	-	-
Joint ventures	89,019,404	14,803,638	-	-
	96,172,698	32,062,169	-	-

Share of other comprehensive income from investments in associates and joint ventures

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Associates	(292,393)	670,338	-	-
Joint ventures	(388,018)	17,574	-	-
	(680,411)	687,912	-	-

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11.1 Investments in associates

Company	Nature of business	Country of incorporation	Shareholding		Cost		Investment value	
			2019	2018	(direct investment)	2018	2019	2018
			%	%	Baht	Baht	Baht	Baht
Direct associates								
CK Line (Thailand) Co., Ltd	International Maritime shipping agency	Thailand	42.00	42.00	2,100,000	2,100,000	7,071,883	9,350,817
ECU Worldwide (Thailand) Co., Ltd.	International freight forwarding	Thailand	43.00	43.00	2,365,215	2,365,215	3,817,171	4,042,381
Excel Air Co., Ltd.	Air freight agency	Thailand	-	30.00	-	600,000	-	8,992,191
Excel Air (Cambodia) Limited	Air freight agency	Cambodia	32.00	-	972,348	-	916,678	-
Indirect associates								
Excel Air Limited (held by Triple i International Pte. Ltd.)	Air freight agency	Hong Kong	20.00	20.00	-	-	2,821,710	3,456,924
Freightworks GSA (HK) Limited (held by Triple i International Pte. Ltd.)	Air freight agency	Hong Kong	-	20.00	-	-	-	4,256,230
Excel Air (Guangzhou) Limited (held by Triple i International Pte. Ltd.)	Air freight agency	China	-	25.00	-	-	-	2,471,161
					5,437,563	5,065,215	14,627,442	32,569,704

The movements of investments in joint ventures during the year are as follows:

For the year ended 31 December 2019	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book value	32,569,704	5,065,215
Addition	972,348	972,348
Share of profit	7,153,294	-
Share of other comprehensive income	(292,393)	-
Reclassification to investments in joint ventures	(13,400,654)	(600,000)
Dividends received	(12,153,006)	-
Currency translation difference	(221,851)	-
Closing net book value	14,627,442	5,437,563

Additional investments in increased share capital of associates

The Board of Directors' Meeting No. 6/2019 on 23 July 2019 approved the Company to invest in Excel Air (Cambodia) Limited ("ECA-KH") which is a company operates in cargo sale agent business. The investment amount is USD 32,000, which approximately of Baht 0.97 million, representing 32% of the total registered and paid-up share capital of ECA-KH. The Company paid for the investment on 22 November 2019.

Dividends received from associates

The Board of Directors' Meeting No. 1/2019 on 23 January 2019 of Freightworks GSA (HK) Limited approved the interim dividend payment to the shareholders of HKD 8.948 per share for 500,000 shares, totalling HKD 4,474,000, which approximately of Baht 18.01 million. The Group received the dividends as proportion of 20% shareholding of Baht 3.61 million on 1 April 2019 and 11 June 2019.

The Board of Directors' Meeting No. 1/2019 on 23 January 2019 of Excel Air (Guangzhou) Limited approved the interim dividend payment to the shareholders of USD 28.50 per share for 10,000 shares, totalling USD 285,000, which approximately of Baht 9.00 million. The Group received the dividends as proportion of 25% shareholding of Baht 2.22 million on 1 April 2019.

The Extraordinary Meeting of Shareholders No. 1/2019 on 10 June 2019 of CK Line (Thailand) Co., Ltd. approved the interim dividend payment of Baht 100 per share for 50,000 ordinary shares, totalling Baht 5.00 million. The Company received the dividends as proportion of 42% shareholding of Baht 2.10 million on 21 June 2019.

The Board of Directors' Meeting No. 3/2019 on 3 December 2019 of ECU Worldwide (Thailand) Co., Ltd. approved the interim dividend payment of Baht 200 per share for 50,000 ordinary shares, totalling Baht 10.00 million. The Company will receive the dividends as proportion of 43% shareholding of Baht 4.30 million within 2020.

Changes in classification in investments in associates

After the Company invested in shares of Around Logistics Management Limited ("Around") (Note 11.2) which considered as an investment in a joint venture, the Company has joint control instead of significant influence over the Excel Air Co., Ltd., Freightworks GSA (HK) Limited and Excel Air (Guangzhou) Limited, formerly the associates of the group and the subsidiaries of Around. Therefore, the Company reclassified these investments from investments in associates to investments in joint ventures.

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

As at 31 December	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current portion						
Cash and cash equivalents	35,597,088	29,386,818	21,135,001	8,834,356	-	29,019,766
Other current assets (exclude cash)	3,320,156	6,406,492	77,473,893	63,747,493	-	81,558,161
Total current assets	38,917,244	35,793,310	98,608,894	72,581,849	-	110,577,927
Other current liabilities (include accounts payable)	26,707,752	17,226,958	87,138,381	62,340,231	-	80,919,189
Total current liabilities	26,707,752	17,226,958	87,138,381	62,340,231	-	80,919,189
Non-current portion						
Non-current assets	7,302,794	5,799,852	7,277,563	5,390,020	-	315,229
Other non-current liabilities	2,674,466	2,102,351	9,870,934	6,230,752	-	-
Net assets	16,837,820	22,263,853	8,877,142	9,400,886	-	29,973,967

Summarised statements of comprehensive income

For the year ended 31 December	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.*	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue	56,674,589	59,237,553	292,440,946	216,227,475	77,004,480	263,116,231
Net profit for the year	(525,318)	11,418,070	10,253,216	11,172,576	9,452,368	17,509,088
Other comprehensive income (expense)	99,285	1,388,543	(776,960)	202,674	-	-
Total comprehensive income	(426,034)	12,806,613	9,476,256	11,375,250	9,452,368	17,509,088
Dividend received	2,100,000	2,520,000	4,300,000	4,730,000	-	-

* For the year 2019, statements of comprehensive income of Excel Air Co., Ltd. represents the information for the period from 1 January to 11 March 2019.

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

Reconciliation to carrying amount	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net assets	22,263,853	15,457,240	9,400,886	9,025,636	29,973,967	12,464,879
Net profit for the year	(525,318)	11,418,070	10,253,216	11,172,576	9,452,368	17,509,088
Other comprehensive income (expense)	99,285	1,388,543	(776,960)	202,674	-	-
Dividend paid	(5,000,000)	(6,000,000)	(10,000,000)	(11,000,000)	-	-
Reclassification to investments in joint ventures	-	-	-	-	(39,426,335)	-
Net assets as at year end	16,837,820	22,263,853	8,877,142	9,400,886	-	29,973,967
Interest in associates (%)	42	42	43	43	-	30
Carrying value	7,071,883	9,350,817	3,817,171	4,042,381	-	8,992,191

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.

	2019	2018
	Baht	Baht
Aggregate carrying amount of individually insignificant associates accounted for using the equity method	3,738,388	10,184,315
Net profit	129,337	2,481,046
Total comprehensive income	129,337	2,481,046

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11.2 Investments in joint ventures

Company	Nature of business	Country of incorporation	Shareholding, both direct and indirect		Cost (direct investment)		Investment value under equity method	
			2019	2018	2019	2018	2019	2018
			%	%	Baht	Baht	Baht	Baht
Direct joint ventures								
Asia Network International Co., Ltd.	Air freight forwarding	Thailand	60.00	60.00	187,494	187,494	2,228,773	1,643,322
Excel Air Co., Ltd. (*)	Air freight agency	Thailand	30.00	-	600,000	-	17,603,548	-
DG Packaging Pte. Ltd.	Package and packaging services	Singapore	50.00	50.00	271,198,344	271,198,343	273,670,677	275,806,818
JPK Asia (Thailand) Co., Ltd.	Air freight agency	Thailand	34.00	-	1,700,000	-	1,886,828	-
Around Logistics Management Co., Ltd.	International freight forwarding	Hong Kong	50.00	-	536,802,578	-	562,193,881	-
Indirect joint ventures								
CWT Chemical Logistics Co., Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Domestic freight forwarding	Thailand	51.00	51.00	-	-	1,920,492	1,920,492
HazChem Trans Management Co., Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Domestic freight forwarding	Thailand	60.00	60.00	-	-	4,280,854	5,261,018
GSA Asia Cargo Co., Ltd. (held by Asia Network International Co., Ltd.)	Air freight forwarding	Myanmar	60.00	60.00	-	-	2,623,384	2,184,213
GSA Cargo Network (Myanmar) Co., Ltd. (held by Triple i International Pte Ltd.)	Air freight agency	Myanmar	50.00	50.00	-	-	2,069,959	1,084,966
HazChem Logistics Management Pte. Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Air freight forwarding for chemical goods	Singapore	55.00	55.00	-	-	3,656,367	3,091,833
Freightworks GSA (HK) Limited (*) (held by Triple i International Pte Ltd.)	Air freight agency	Hong Kong	20.00	-	-	-	4,442,054	-
Excel Air (Guangzhou) Limited (*) (held by Triple i International Pte Ltd.)	Air freight agency	China	25.00	-	-	-	1,320,580	-
					810,488,416	271,385,837	877,897,397	290,992,662

Even if the Company has shareholding less than 50 percent in some joint ventures, however the Company has voting rights and joint control in the joint venture agreement.

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.

(*) During the year, the Company reclassified investments in Excel Air Co., Ltd., Freightworks GSA (HK) Limited and Excel Air (Guangzhou) Limited from investments in associates to investment in joint ventures as described in Note 11.1.

The movements of investments in joint ventures during the year are as follows:

For the year ended 31 December 2019	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book value	290,992,662	271,385,837
Addition	538,502,579	538,502,579
Share of profit	89,019,404	-
Share of comprehensive income	(388,018)	-
Reclassification from investments in associates	13,400,654	600,000
Dividends received	(50,740,764)	-
Currency translation difference	(2,889,120)	-
Closing net book value	877,897,397	810,488,416

Incorporation of a new joint venture

On 5 February 2019, the Company incorporated JPK Asia (Thailand) Co., Ltd., which has its registered share capital of Baht 5.00 million. The business operation is to carry out the cargo general sale agent business for the new airlines planning to start their operation in Thailand. Total investment is 34% of registered share capital. The Company already paid investment on 19 March 2019.

Investment in joint ventures

On 13 February 2019, the Company entered in to Share Sale and Purchase Agreement ("the Agreement") with the previous shareholders of Around Logistics Management Co., Ltd. ("Around"). Around is a company incorporated in Hong Kong Special Administrative Region of the People's Republic of China, a holding company that owns shares in various companies operating general sale agent of airlines. Total agreement was for the purchase of 125,000 shares equivalent to 50% of Around's issued and paid-up share capital from its previous shareholder with a value not exceeding HKD 126.50 million. The purpose of purchasing shares of Around is to indirectly invest and hold shares in Around's subsidiaries, which are operating general sales agent business of airlines. This is considered as an investment in a joint venture.

On 11 March 2019, the Company paid HKD 110.00 million, equivalent to Baht 448.80 million to its previous shareholder of Around and the Company has received 50% of Around's total shares. Transaction cost relating to investment in this joint venture of Baht 23.55 million was presented as cost of investment in joint ventures.

Under the Agreement, the contingent consideration will be made to previous shareholder based on the future operating performance of Around. The maximum amount of contingent consideration is not exceeding HKD 16.50 million if net profit in 2019 of Around exceeding HKD 20.00 million. The Company's management considered that the Company will pay in full amount under the Agreement.

The fair value of the contingent consideration is HKD 16.50 million, equivalent to Baht 64.46 million, which is calculated based on a discount rate of 4.10%.

Details of the cost of investment in Around and the Group's portion of fair value of net assets acquired and recognised at the acquisition date are as follows:

		11 March 2019
		Thousand
		Baht
Cash and cash equivalents		101,383
Trade and other receivables		100,038
Property, plant and equipment		450
Short-term loans to related parties		5,073
Other current assets		5,799
Trade and other payables		(70,203)
Short-term loans from related parties		(1,142)
Other current liabilities		(107,446)
Carrying value of net assets		33,952
<u>Less</u> Non-controlling interests		(12,248)
Carrying value of net assets		21,704
Cost of investment comprises of		
Payment on acquisition date	448,800	
Contingent consideration	64,456	
Transaction costs	23,547	
Total		536,803
Goodwill		515,099

As at 31 December 2019, the Company was under the process of determining fair value of the net assets acquired and reviewing purchase price allocation ("PPA") of an acquisition of investment in joint ventures, which is expected to be finalised within 12 months from the acquisition date.

Purchase Price Allocation on investment in a joint venture

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. On 2 July 2018, the Company has received DGP's shares as proportion of shareholding.

During the year ended 31 December 2019, the Company measured the fair value of the identifiable assets acquired and completed purchase price allocation on investment in a joint venture. Details of the cost of investment and the Group's portion of fair value of net assets acquired and recognised at the acquisition date are as follows:

		2 July 2018
		Thousand
		Baht
Cash and cash equivalents		5,526
Trade and other receivables		20,105
Inventories		235
Leasehold property and equipment		29,382
Customer relationship		24,525
Trade and other payables		(16,360)
Short-term loan		(1,741)
Other current liabilities		(3,543)
Long-term loan		(18,596)
Finance lease liabilities		(3,448)
Deferred taxes liabilities		(4,234)
Fair value of net assets		31,851
Cost of investment comprises of		
Payment on acquisition date	121,025	
Committed consideration	96,733	
Contingent consideration	48,366	
Transaction costs	5,074	
Total		271,198
Goodwill		239,347

Customer relationship is amortised using the straight-line method to allocate their cost over their estimated useful lives 10 years.

Contingent consideration

Movements of contingent consideration during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	141,778,400	-	141,778,400	-
Add Increase during the year	64,455,431	145,098,800	64,455,431	145,098,800
Less Repayment during the year	(71,030,000)	-	(71,030,000)	-
Less Unrealised gain on foreign exchange rate	(7,811,650)	(3,320,400)	(7,811,650)	(3,320,400)
	127,392,181	141,778,400	127,392,181	141,778,400
Add Finance cost charges on contingent consideration	4,075,845	-	4,075,845	-
As at 31 December	131,468,026	141,778,400	131,468,026	141,778,400

Fair value of contingent consideration for investments in joint ventures comprises the following:

	Consolidated and separate financial statements		
	AROUND Baht	DGP Baht	Total Baht
As at 31 December 2019			
Committed consideration	-	47,944,000	47,944,000
Contingent consideration	67,364,550	23,972,000	91,336,550
Less Unrealised gain on foreign exchange rate	(2,790,150)	(4,135,500)	(6,925,650)
	64,574,400	67,780,500	132,354,900
Future financing costs on contingent consideration	(768,994)	(117,880)	(886,874)
	63,805,406	67,662,620	131,468,026
Less Current portion	(63,805,406)	(67,662,620)	(131,468,026)
Non-current portion	-	-	-
As at 31 December 2018			
Committed consideration	-	98,101,600	98,101,600
Contingent consideration	-	49,050,800	49,050,800
Less Unrealised gain on foreign exchange rate	-	(3,320,400)	(3,320,400)
	-	143,832,000	143,832,000
Future financing costs on contingent consideration	-	(2,053,600)	(2,053,600)
	-	141,778,400	141,778,400
Less Current portion	-	(69,980,280)	(69,980,280)
Non-current portion	-	71,798,120	71,798,120

Dividends payment

The Extraordinary Shareholders' Meeting on 16 January 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 23 January 2019.

The Extraordinary Shareholders' Meeting on 12 April 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 17 April 2019.

The Extraordinary Shareholders' Meeting on 3 July 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 17 July 2019.

The Extraordinary Shareholders' Meeting on 4 October 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 4.90 million on 4 November 2019.

The Board of Directors' Meeting No. 1/2019 on 6 December 2019 of Excel Air Co., Ltd. approved the interim dividend payment of Baht 1,250 per share for 20,000 ordinary shares, totalling Baht 23.25 million. The Company will received the dividends as proportion of 30% shareholding of Baht 7.50 million within 2020.

The Board of Directors' Meeting No. 2/2019 on 16 December 2019 of HazChem Trans Management Co., Ltd. approved the interim dividend payment of Baht 120 per share for 50,000 ordinary shares, totalling Baht 6.00 million. The Group will received the dividends as proportion of 60% shareholding of Baht 3.60 million within 2020.

The Extraordinary Shareholders' Meeting on 30 December 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.06 million on 28 January 2019.

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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.		Around Logistic Management Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Current										
Cash and cash equivalents	3,067,043	4,293,185	3,642,116	3,070,810	4,315,664	530,755	16,073,640	9,740,090	222,399,901	-
Other current assets (not including cash)	25,367,296	21,597,539	1,057,816	1,032,804	9,559,836	10,045,920	48,801,357	42,405,794	172,571,098	-
Total current assets	28,434,339	25,890,724	4,699,932	4,103,614	13,875,500	10,576,675	64,874,997	52,145,884	394,970,999	-
Other current liabilities (including trade payable)	22,513,500	18,204,105	331,403	474,666	7,368,607	5,216,963	51,324,026	34,240,894	256,016,578	-
Total current liabilities	22,513,500	18,204,105	331,403	474,666	7,368,607	5,216,963	51,324,026	34,240,894	256,016,578	-
Non-current										
Non-current assets	1,448,704	1,228,291	3,779	11,407	141,047	261,803	98,104,504	102,600,010	2,272,158	-
Other non-current liabilities	234,787	146,547	-	-	-	-	43,007,505	47,584,750	-	-
Total non-current liabilities	234,787	146,547	-	-	-	-	43,007,505	47,584,750	-	-
Net assets	7,134,756	8,768,363	4,372,308	3,640,355	6,647,940	5,621,515	68,647,970	72,920,250	141,226,579	-
Less Non-controlling interest	-	-	-	-	-	-	-	-	47,037,560	-
Net assets of owners of the parent	7,134,756	8,768,363	4,372,308	3,640,355	6,647,940	5,621,515	68,647,970	72,920,250	94,189,019	-

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Summarised statements of comprehensive income

	Hazchem Trans Management Co., Ltd.			GSA Asia Cargo Co., Ltd.			Hazchem Logistics Management Pte. Ltd.			DG Packaging Pte. Ltd.			Around Logistic Management Co., Ltd.		
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019** Baht	2018 Baht	2019** Baht
For the year ended 31 December															
Revenue	100,533,066	94,304,232	3,598,416	3,447,494	33,782,874	33,707,435	234,313,794	106,975,206	1,296,712,851						
Depreciation and amortisation expenses	(175,681)	(99,736)	(586,909)	(18,221)	-	-	(9,021,468)	(4,489,112)	(330,348)						
Interest income	54,225	21,856	-	-	-	-	-	-	2,351,364						
Interest expense	(215,510)	(68,233)	-	-	-	-	(877,728)	(554,060)	-						
Profit before income tax	5,544,627	6,069,721	1,048,899	901,230	1,595,866	2,708,427	58,587,964	25,781,900	123,454,017						
Income tax expense	(1,151,653)	(1,246,547)	(291,370)	(251,657)	(380,992)	-	(9,703,263)	(5,090,045)	(30,524,821)						
Profit for the year	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	92,929,196						
Profit for the year - owners of the parent	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,851,348						
Total comprehensive income	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	92,204,502						
Total comprehensive income - owners of the parent	4,366,393	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,126,654						
Dividend received from joint ventures	1,914,965	2,699,910	-	-	-	2,612,500	25,884,873	5,287,590	14,336,010						

* Statements of comprehensive income for the year ended 31 December 2018 of DG Packaging Pte. Ltd. represents the information for the period from 2 July to 31 December 2018.

** Statements of comprehensive income for the year ended 31 December 2019 of Around Logistics Management Co., Ltd. represents the information for the period from 11 March to 31 December 2019.

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.

Summarised financial information

	Hazchem Trans Management Co., Ltd.			GSA Asia Cargo Co., Ltd.			Hazchem Logistics Management Pte. Ltd.			DG Packaging Pte. Ltd.			Around Logistic Management Co., Ltd.		
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019** Baht	2018 Baht	2019** Baht
Reconciliation to carrying amounts:															
Opening net assets	8,768,363	8,445,189	3,640,355	3,588,202	5,621,515	7,684,805	72,920,250	63,703,304	43,406,413						
Profit for the year	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,851,348						
Other comprehensive income (expense)	(26,581)	-	-	-	-	-	-	-	(724,694)						
Dividends paid	(6,000,000)	(4,500,000)	-	-	(188,449)	(4,750,000)	(52,912,939)	(10,575,180)	(33,043,896)						
Currency translation difference	-	-	(25,576)	(597,420)	(21,717)	(21,717)	(244,042)	(899,729)	(3,300,152)						
Net assets at the year end	7,134,756	8,768,363	4,372,308	3,640,355	6,647,940	5,621,515	68,647,970	72,920,250	94,189,019						
Interest in joint ventures (%)	60	60	60	60	55	55	50	50	50						
Carrying value	4,280,854	5,261,018	2,623,384	2,184,213	3,656,367	3,091,833	34,323,985	36,460,126	47,094,509						
Goodwill from investment	-	-	-	-	-	-	239,346,692	239,346,692	515,099,372						
Total	4,280,854	5,261,018	2,623,384	2,184,213	3,656,367	3,091,833	273,670,677	275,806,818	562,193,881						

* For DG Packaging Pte. Ltd., opening net assets balance is on 2 July 2018.

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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:

	2019 Baht	2018 Baht
Aggregate carrying amount of individually insignificant joint ventures	31,472,233	4,648,780
Net profit	20,226,659	928,296
Total comprehensive income	20,226,659	931,256

12 Other long-term investments

Movements of other long-term investments for year ended 31 December 2019 are as follows:

	Consolidated financial information Baht	Separate financial information Baht
Opening net book amount	13,250	-
Additions	88,474,510	88,474,510
Closing net book amount	88,487,760	88,474,510

In February 2019, the Company invested in SAL Group (Thailand) Co., Ltd. ("SAL") which is a company operating the airline and passenger ground services from previous shareholders. The Company purchased 40,000 preferred shares and 311,333 common shares from existing shareholders of SAL, amounting to Baht 80,000,000. The Company held 14.95% of registered share capital of SAL.

In September 2019, the Company additional invested in increased common shares of SAL of 84,745 shares, amounting to Baht 8,474,500. The shareholding percentage increased to 15.86% of the registered share capital of SAL.

In December 2019, the Company invested in Teleport (Thailand) Co., Ltd. ("TLP") which is a company operating the operate cargo sale agent and other logistics services for AirAsia Group. The Company purchased 1 common shares from existing shareholders of TLP, amounting to Baht 10. The Company held 0.01% of registered share capital of TLP.

13 Investment properties, net

	Separate financial statements				
	Land Baht	Building improvement Baht	Buildings Baht	Construction in progress Baht	Total Baht
As at 1 January 2018					
Cost	32,517,000	51,161,192	15,785,531	-	99,463,723
Less Accumulated depreciation	-	(8,106,463)	(1,288,561)	-	(9,395,024)
Net book amount	32,517,000	43,054,729	14,496,970	-	90,068,699
For the year ended 31 December 2018					
Opening net book amount	32,517,000	43,054,729	14,496,970	-	90,068,699
Additions	-	329,580	-	217,320	546,900
Depreciation charges	-	(3,427,329)	(1,015,522)	-	(4,442,851)
Closing net book amount	32,517,000	39,956,980	13,481,448	217,320	86,172,748
As at 31 December 2018					
Cost	32,517,000	51,490,772	15,785,531	217,320	100,010,623
Less Accumulated depreciation	-	(11,533,792)	(2,304,083)	-	(13,837,875)
Net book amount	32,517,000	39,956,980	13,481,448	217,320	86,172,748

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	Separate financial statements				
	Land Baht	Building improvement Baht	Buildings Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2019					
Opening net book amount	32,517,000	39,956,980	13,481,448	217,320	86,172,748
Additions	-	40,000	-	-	40,000
Depreciation charges	-	(3,349,282)	(985,921)	-	(4,335,203)
Transfers in (out)	-	140,000	-	(140,000)	-
Closing net book amount	32,517,000	36,787,698	12,495,527	77,320	81,877,545
As at 31 December 2019					
Cost	32,517,000	51,670,772	15,785,531	77,320	100,050,623
<u>Less</u> Accumulated depreciation	-	(14,883,074)	(3,290,004)	-	(18,173,078)
Net book amount	32,517,000	36,787,698	12,495,527	77,320	81,877,545

As at 31 December 2019 and 2018, fair value of investment properties is as follows:

	Separate financial statement	
	2019 Baht	2018 Baht
Land and building	133,897,172	133,897,172

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 market comparison approach and replacement cost approach. The fair value is within level 2 of the fair value hierarchy.

As at 31 December 2018, 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 (Note 19.1). However, on 8 January 2019, the Company redeem its investment properties from securing the Group's credit facilities.

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Separate financial statement	
	2019 Baht	2018 Baht
Rental income	4,686,000	4,686,000
Direct operating expense arise from investment properties that generated rental income	4,914,836	5,192,384

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14 Property, plant and equipment, net

Consolidated financial statements									
	Land Baht	Buildings Baht	Building improvement Baht	Tool and equipment Baht	Vehicles and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2018									
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
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 in (out)	-	-	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

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	Consolidated financial statements								
	Land Baht	Buildings Baht	Building improvement Baht	Tool and equipment Baht	Vehicles and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2019									
Opening 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
Additions	-	-	40,000	3,829,990	4,252,400	639,703	6,456,996	68,202,421	83,421,510
Disposals, net	-	-	-	(37,449)	-	(3)	(97,179)	-	(134,631)
Write-offs, net	-	-	-	(2)	-	(5,394)	(20,490)	-	(25,886)
Depreciation charges	-	(1,539,791)	(5,199,732)	(12,175,826)	(13,028,303)	(3,332,632)	(10,329,103)	-	(45,605,387)
Transfers in (out)	-	-	147,233	42,033,570	-	-	146,000	(42,326,803)	-
Closing net book amount	33,432,000	20,627,562	43,541,603	61,700,867	44,279,966	7,837,417	37,947,252	27,446,978	276,813,645
As at 31 December 2019									
Cost	33,432,000	26,870,531	69,036,492	98,576,267	90,217,686	29,396,038	93,775,937	27,446,978	468,751,929
Less Accumulated depreciation	-	(6,242,969)	(25,494,889)	(36,875,400)	(45,937,720)	(21,558,621)	(55,828,685)	-	(191,938,284)
Net book amount	33,432,000	20,627,562	43,541,603	61,700,867	44,279,966	7,837,417	37,947,252	27,446,978	276,813,645

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	Separate financial statements				
	Office equipment Baht	Furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	Total Baht
As at 1 January 2018					
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	6,961,780	1,515,843	9,078,307	-	17,555,930
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	8,111,427	1,203,073	7,083,522	-	16,398,022
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	8,111,427	1,203,073	7,083,522	-	16,398,022
For the year ended 31 December 2019					
Opening net book amount	8,111,427	1,203,073	7,083,522	-	16,398,022
Additions	905,303	212,233	-	3,000,000	4,117,536
Depreciation charges	(1,529,179)	(466,777)	(2,047,638)	-	(4,043,594)
Closing net book amount	7,487,551	948,529	5,035,884	3,000,000	16,471,964
As at 31 December 2019					
Cost	12,018,377	4,164,297	10,243,802	3,000,000	29,426,476
<u>Less</u> Accumulated depreciation	(4,530,826)	(3,215,768)	(5,207,918)	-	(12,954,512)
Net book amount	7,487,551	948,529	5,035,884	3,000,000	16,471,964

Additions include Baht 3,505,700 (2018: Baht 13,585,680) assets leased under finance leases (where the Group is the lessee) and no disposals (2018: Baht 4,190,094) of assets sold under finance leases (where the Group is the lessor).

Leased assets included above, where the Group is a lessee under finance leases, comprised vehicles and office equipment with details as follows:

	Consolidated Financial statements		Separate Financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised finance leases	57,773,481	54,267,781	16,869,699	16,869,699
<u>Less</u> Accumulated depreciation	(26,485,079)	(16,920,032)	(7,286,444)	(4,581,675)
Net book amount	31,288,402	37,347,749	9,583,255	12,288,024

As at 31 December 2018, the Company's land and building in the consolidated financial statements 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 amount of Baht 199.35 million. Those credit facilities include the Group's bank overdrafts, short-term and long-term loans (Note 19.1). On 8 January 2019, the Company redeem its property and plant from securing the Company's credit facilities.

Additionally, land and constructions thereon of a subsidiary in the consolidated financial statements with the net book value of Baht 9.60 million were pledged as collaterals for securing that subsidiary's credit facilities (Note 19.1). On 3 December 2019, the Group redeem its property and plant from securing the Group's credit facilities.

15 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Assets under installation Baht	Total Baht
As at 1 January 2018			
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
For the year ended 31 December 2019			
Opening net book amount	10,140,273	3,540,188	13,680,461
Additions	934,710	3,990,312	4,925,022
Amortisation charges	(3,169,518)	-	(3,169,518)
Transfer in (out)	4,978,850	(4,978,850)	-
Closing net book amount	12,884,315	2,551,650	15,435,965
As at 31 December 2019			
Cost	23,815,735	2,551,650	26,367,385
<u>Less</u> Accumulated amortisation	(10,931,420)	-	(10,931,420)
Net book amount	12,884,315	2,551,650	15,435,965

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	Separate financial statements Computer software Baht
As at 1 January 2018	
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
For the year ended 31 December 2019	
Opening net book amount	1,376,940
Amortisation charges	(390,885)
Closing net book amount	986,055
As at 31 December 2019	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(966,850)
Net book amount	986,055

16 Deferred tax assets

Deferred tax assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	5,011,479	5,272,759	1,465,282	2,431,440
Deferred tax assets to be recovered more than 12 months	12,186,132	10,224,933	4,130,139	2,226,113
	17,197,611	15,497,692	5,595,421	4,657,553

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	15,497,692	10,349,447	4,657,553	1,057,010
Recognised in comprehensive income (loss)	822,077	(175,048)	63,629	527,397
Recognised in profit (loss) (Note 28)	877,842	5,323,293	874,239	3,073,146
As at 31 December	17,197,611	15,497,692	5,595,421	4,657,553

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The movements of deferred tax assets are as follows:

Consolidated financial statements				
	As at 1 January 2019 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2019 Baht
Deferred tax assets				
Allowance for doubtful accounts	914,168	-	35,854	950,022
Employee benefit obligations	6,316,346	822,077	(1,317,224)	5,821,199
Taxable loss carried forward	8,267,178	-	2,159,212	10,426,390
Total	15,497,692	822,077	877,842	17,197,611
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	10,349,447	(175,048)	5,323,293	15,497,692
Separate financial statements				
	As at 1 January 2019 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2019 Baht
Deferred tax assets				
Allowance for doubtful accounts	95,101	-	36,238	131,339
Employee benefit obligations	2,144,012	63,629	(1,309,831)	897,810
Taxable loss carried forward	2,418,440	-	2,147,832	4,566,272
Total	4,657,553	63,629	874,239	5,595,421
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

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 374,706 (2018: Baht 363,848) in respect of taxable losses amounting to Baht 1,873,531 (2018: Baht 1,819,242) that can be carried forward against future taxable income.

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The expiry dates of unused taxable losses are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Expiring in 2020	951,595	951,595
Expiring in 2021	711,115	711,115
Expiring in 2022	47,191	47,191
Expiring in 2023	109,341	109,341
Expiring in 2024	54,289	-
	1,873,531	1,819,242

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Corporate income tax withheld	51,341,227	36,995,501	10,250,425	6,572,378
Receivables from the Revenue Department	785,303	785,303	-	-
Value added tax receivable	35,603,998	3,315,439	-	-
Other advance	37,988,367	43,038,764	-	-
	125,718,895	84,135,007	10,250,425	6,572,378

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables - other parties	173,119,621	238,894,860	8,814,897	5,710,371
- related parties (Note 30.3)	7,915,667	6,172,674	517,283	1,935,292
Other payables - other parties	21,911,121	15,350,966	5,047,613	2,967,355
- related parties (Note 30.3)	-	-	-	6,161
Accrued expenses - other parties	210,648,483	182,476,242	9,723,328	10,985,617
- related parties (Note 30.3)	651,498	81,278	8,789	-
	414,246,390	442,976,020	24,111,910	21,604,796

19 Borrowings

19.1 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current portion of long-term loans from a financial institution	60,000,000	1,875,996	60,000,000	-
Non-current portion of long-term loans from a financial institution	240,000,000	-	240,000,000	-
Total	300,000,000	1,875,996	300,000,000	-

Movements of long-term loans from a financial institution for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	1,875,996	8,452,704	-	-
Increase during the year	300,000,000	-	300,000,000	-
Repayments during the year	(1,875,996)	(6,576,708)	-	-
As at 31 December	300,000,000	1,875,996	300,000,000	-

Long-term loans from a financial institution have floating interest rate, so fair value of loans approximates the carrying value.

Long-term loans for the year ended 31 December 2019 and 2018 are as follows:

	Principle	Objective	Outstanding Balance as at 31 December		Interest rate (%)	Repayment terms	
			2019 Baht	2018 Baht		Principal repayment	Interest repayment
Loan 1	3,000,000	General purpose	-	546,531	MLR	60 periods (every month)	Monthly
Loan 2	13,000,000	Investing in warehouse and increasing liquidity	-	1,329,465	Year 1-2: MLR-1 Year 3: MLR	60 periods (every month)	Monthly
Loan 3	300,000,000	Purchasing other company's shares	300,000,000	-	THBFIX6M plus margin	20 periods (every 3 month) first repayment on January 2020	Monthly
			300,000,000	1,875,996			

The credit facilities of Baht 3 million of a subsidiary are secured by the Company's two directors. On 29 October 2019, the subsidiary made repayment for the last installation.

The credit facilities of Baht 13 million of another subsidiary are secured by that subsidiary's land and constructions thereon in the consolidated financial statements (Note 14) and the Company's two directors. On 3 December 2019, the subsidiary made repayments for the last installation and redeem its property and plant from securing the Group's credit facilities.

The Company's credit facilities of Baht 300 million are clean-loan.

19.2 Finance lease liabilities

Movements of finance lease liabilities during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	31,229,965	30,437,957	10,654,031	14,329,914
Add Increase during the year	3,505,700	11,249,576	-	-
Less Repayment during the year	(12,941,738)	(11,781,178)	(4,244,635)	(4,244,635)
	21,793,927	29,906,355	6,409,396	10,085,279
Add Future finance charges on finance leases	1,175,919	1,323,610	391,322	568,752
As at 31 December	22,969,846	31,229,965	6,800,718	10,654,031

Minimum lease payments under finance leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	10,315,588	12,314,539	3,909,554	4,244,634
Later than 1 year but not later than 5 years	14,079,700	20,825,320	3,189,670	7,099,225
	24,395,288	33,139,859	7,099,224	11,343,859
<u>Less</u> Future finance charges on finance leases	(1,425,442)	(1,909,894)	(298,506)	(689,828)
Present value of finance lease liabilities	22,969,846	31,229,965	6,800,718	10,654,031
Finance lease liabilities:				
- Current	9,562,085	11,318,900	3,704,317	3,853,313
- Non-current	13,407,761	19,911,065	3,096,401	6,800,718
	22,969,846	31,229,965	6,800,718	10,654,031

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	9,562,085	11,318,900	3,704,317	3,853,313
Later than 1 year but not later than 5 years	13,407,761	19,911,065	3,096,401	6,800,718
	22,969,846	31,229,965	6,800,718	10,654,031

20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Withholding taxes payable	4,438,975	4,985,847	544,099	579,325
Value added tax payable	5,956,475	4,867,536	492,794	272,196
Undue output value added tax	10,446,535	9,560,794	1,758,295	1,347,483
Corporate income tax payable	7,750,599	16,330,300	-	-
Guarantees	9,983,856	3,283,856	-	-
Others	40,998	134,631	-	-
	38,617,438	39,162,964	2,795,188	2,199,004

21 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liability in the statement of financial position				
- Retirement benefits	29,105,997	31,581,730	4,489,053	10,720,059
Profit or loss included in the statement of comprehensive income				
- Retirement benefits	(5,900,875)	9,754,944	(6,549,153)	3,169,183
Remeasurement for				
- Retirement benefits	4,110,386	(875,241)	318,147	2,636,984

Retirement benefits plans

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement.

The movement in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	31,581,730	23,284,427	10,720,059	4,913,892
Current service cost	4,035,382	7,296,364	517,224	1,966,131
Past service cost	2,923,688	(247,169)	202,780	-
Interest cost	564,495	2,705,749	101,177	1,203,052
Reversal of employee benefit obligation	(13,424,440)	-	(7,370,334)	-
	(5,900,875)	9,754,944	(6,549,153)	3,169,183
Remeasurements:				
Loss (Gain) from change in financial assumptions	2,945,595	(3,888,559)	111,111	(543,474)
Experience loss	1,164,791	3,013,318	207,036	3,180,458
	4,110,386	(875,241)	318,147	2,636,984
Benefit payments	(685,244)	(582,400)	-	-
As at 31 December	29,105,997	31,581,730	4,489,053	10,720,059

On 5 April 2019, an amendment bill to the Thai Labour Protection Act was published in the Government Gazette, which has become effective during the year. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The impact on the amendment to the Group and the Company's financial statements was Baht 2.92 million and Baht 0.20 million, respectively which were recognised immediately in the profit or loss during the year.

During the year ended 31 December 2019, the Group reversed employee benefit obligations due to the waiver of the right to receive retirement benefits of the Group's management committee.

The principal actuarial assumptions used as at the date of the consolidated and separate statements of financial position are as follows:

	2019	2018
Discount rate (%)	1.19% - 2.51%	1.76% - 4.38%
Salary increment rate (%)	6.00% - 7.00%	7.00%
Staff turnover rates		
- Age less than 30	20.00%	20.00%
- Age between 30 to less than 40	15.00%	15.00%
- Age between 40 to less than 55	9.00%	9.00%
- Age 55 or above	0.00%	0.00%

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Sensitivity analysis

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate (%)	1.00%	Decreased by 11.00%	Increased by 13.00%
Salary increment rate (%)	1.00%	Increased by 12.00%	Decreased by 11.00%
Staff turnover rate (%)	20.00%	Decreased by 14.00%	Increased by 18.00%

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 16.2 years (2018: 15.4 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Maturity within</u>				
Less than 1 year	1,189,087	1,204,752	-	65,000
Between 1 - 2 years	1,438,731	295,032	-	-
Between 2 - 5 years	5,475,852	5,079,781	966,062	81,057
Over 5 years	88,363,280	137,292,086	13,676,881	34,561,648
	96,466,950	143,871,651	14,642,943	34,707,705

22 Share capital

Movements in share capital are as follows:

	Authorised shares		Issued and paid - up shares		Share premium, net	Total Baht
	Number of shares	Baht	Number of shares	Baht	Baht	
At 1 January 2018	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
Proceeds from shares issued - employee share option scheme	-	-	4,807,775	2,403,888	20,673,433	23,077,321
At 31 December 2019	615,000,000	307,500,000	609,307,775	304,653,888	708,639,327	1,013,293,215

On 29 August 2017, the Company issued 10,500,000 warrants for sale 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 vesting period of which is 3 years.

During the year ended 31 December 2019, the warrants holder exercised their warrant of 4,807,775 units to purchase 4,807,775 ordinary shares of Baht 4.80 per each in amount of Baht 23,077,321. The Company has already received all amount of payment.

As at 31 December 2019, outstanding share options were 5,692,225 warrants which will be expired in 2020.

23 Dividends paid

On 24 April 2019, the Annual General Meeting of Shareholders of 2019 approved appropriate legal reserve of Baht 5.50 million and approved the dividend payment at the rate of Baht 0.17 per share for the fiscal year ended 31 December 2018. The number of ordinary shares eligible to receive dividend was 606,829,088 shares, comprising of ordinary shares as at 31 December 2018 of 604,500,000 shares and ordinary shares of 2,329,088 shares from exercising of warrants by the Company's employee in March 2019. Total dividend amount was Baht 103.16 million. The dividends were paid to the shareholders on 22 May 2019.

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 66.50 million. The dividend was paid to the shareholders on 24 May 2018.

24 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.

25 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	385,965	308,270	-	-
Interest income	2,016,819	6,198,518	12,669,722	10,015,291
Management fee	-	4,631,000	47,680,000	42,590,000
Gain (loss) on sales of equipment	(59,194)	3,999,576	-	-
Gain from returned investment from dissolution of a subsidiary		-		553,844
Others	9,478,675	3,311,337	2,292,107	1,361,219
	11,822,265	18,448,701	62,641,829	54,520,354

26 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest expense on:				
- Loans from a financial institution	9,678,715	364,918	9,642,904	-
- Finance lease liabilities (Note 19.2)	1,175,919	1,323,610	391,322	568,752
- Contingent consideration paid for investments in joint ventures (Note 11.2)	4,075,845	-	4,075,845	-
- Others	-	174,971	-	-
	14,930,479	1,863,499	14,110,071	568,752

27 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Freight cost	1,578,222,029	1,710,483,932	55,661,566	39,028,884
Employee benefit expenses	365,476,312	392,922,253	50,150,221	51,113,025
Depreciation and amortisation (Note 13, 14, 15)	48,774,905	48,109,897	8,769,681	8,776,431
Losses on write-off of assets (Note 14)	25,886	444,356	-	16,416
Doubtful account expense (reversal)	181,190	(154,145)	181,190	104,348
Share-based payments (Note 33)	1,330,000	1,330,000	1,330,000	1,330,000
Operating lease expenses	105,085,757	99,141,234	232,908	518,414
Utility expenses	46,573,055	50,028,100	10,457,227	8,536,467
Professional and other fees	61,444,889	62,384,821	19,797,776	20,147,789
Repair and maintenance expenses	14,926,566	10,273,293	908,769	698,331

28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax on profit for the year	14,580,519	23,733,000	-	-
Deferred income taxes (Note 16)	(877,842)	(5,323,293)	(874,239)	(3,073,146)
	13,702,677	18,409,707	(874,239)	(3,073,146)

Income taxes disclosed in the consolidated statement of comprehensive 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	
	2019 Baht	Restated 2018 Baht	2019 Baht	2018 Baht
Profit before income tax	178,212,756	168,086,528	119,575,300	106,268,241
Tax calculated at a tax rate of 17% or 20% (2018 : 17% or 20%)	35,326,746	32,680,892	23,915,060	21,253,649
Tax effects of:				
Share of profit from investments in subsidiaries and joint ventures	(19,234,540)	(6,412,434)	-	-
Revenues exempted from income tax	-	-	(20,508,177)	(19,345,364)
Expenses additionally deductible for tax purpose	(5,523,917)	(2,350,077)	(5,176,190)	(1,442,509)
Non-tax deductible expenses	2,877,047	1,316,574	779,231	710,737
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	20,077	-	-	-
Prior period's tax loss for which reversed (recognised) deferred tax asset in this year	237,264	(4,994,029)	115,837	(2,418,440)
Income tax expense	13,702,677	18,409,707	(874,239)	(3,073,146)

The Group's weighted average applicable tax rate was 7.69% (2018: 10.95%). The change in average tax rate of the Group is due to the share of profit from investment in Around Logistics Management Co., Ltd., the new joint venture in 2019.

The Company's weighted average applicable tax rate was -0.73% (2018: -2.89%). The change in average tax rate of the Company is due to utilisation of prior period's tax loss for which deferred tax asset had not been recognised and recognised deferred tax of prior year's tax loss in 2018.

29 Earnings per share

29.1 Basic earnings per share

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 year.

	Consolidated financial statements		Separate financial statements	
	2019 Baht	Restated 2018 Baht	2019 Baht	2018 Baht
Net profit attributable to owners of the parent (Baht)	164,510,079	149,676,821	120,449,539	109,341,387
Weighted average number of ordinary shares (shares)	607,213,189	604,500,000	607,213,189	604,500,000
Basic earnings per share (Baht per share)	0.2709	0.2476	0.1984	0.1809

29.2 Diluted earnings 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	
	2019 Baht	Restated 2018 Baht	2019 Baht	2018 Baht
Net profit attributable to owners of the parent (Baht)	164,510,079	149,676,821	120,449,539	109,341,387
Total number of ordinary shares for basic earnings per share calculation (shares)	607,213,189	604,500,000	607,213,189	604,500,000
Add weighted average number of shares to be issued as if warrants were exercised (shares)	1,282,868	2,182,355	1,282,868	2,182,355
Number of ordinary shares for diluted earnings per share calculation (shares)	608,496,057	606,682,355	608,496,057	606,682,355
Diluted earnings per share (Baht per share)	0.2704	0.2467	0.1979	0.1802

30 Related party transactions

The Company is controlled by 2 directors whose aggregate shareholding was 35.55% (2018 : 35.83%)

The following transactions were carried out with related parties:

30.1 Service income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Service income				
Subsidiaries	-	-	12,301,027	5,533,251
Associates	46,720,575	117,626,824	6,356,110	5,638,114
Joint ventures	139,410,085	4,104,144	684,096	491,590
	186,130,660	121,730,968	19,341,233	11,662,955
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income and related services:				
Subsidiaries	-	-	8,735,744	8,674,799
Associates	6,241,121	6,253,812	6,241,121	6,253,812
	6,241,121	6,253,812	14,976,865	14,928,611
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Management fee:				
Subsidiaries	-	-	47,680,000	42,590,000
Associates	2,220,000	-	-	-
Joint ventures	2,436,000	2,436,000	-	-
	4,656,000	2,436,000	47,680,000	42,590,000
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Dividend income:				
Subsidiaries	-	-	49,000,000	84,189,238
Associates	-	-	6,400,000	7,250,000
Joint ventures	-	-	47,140,883	5,287,590
	-	-	102,540,883	96,726,828

30.2 Purchases of services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Purchases of services from:				
Subsidiaries	-	-	6,492,964	5,488,259
Associates	1,758,228	26,519,840	1,580,039	10,549,447
Joint ventures	91,489,219	55,654,919	-	-
	93,247,447	82,174,759	8,073,003	16,037,706

30.3 Outstanding balances from service income and purchase of services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables - related parties				
Subsidiaries	-	-	15,339,802	14,398,863
Associates	8,082,676	15,879,372	3,806,060	956,823
Joint ventures	32,225,544	3,046,757	377,725	644,044
	40,308,220	18,926,129	19,523,587	15,999,730
Trade payables - related parties				
Subsidiaries	-	-	448,713	826,662
Associates	71,170	2,350,287	68,570	1,108,630
Joint ventures	7,844,497	3,822,387	-	-
	7,915,667	6,172,674	517,283	1,935,292
Other payables - related parties				
Subsidiaries	-	-	-	6,161
	-	-	-	6,161
Accrued expenses - related parties				
Subsidiaries	-	-	8,789	-
Joint ventures	651,498	81,278	-	-
	651,498	81,278	8,789	-

30.4 Dividends receivable

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Dividends receivable				
Subsidiaries	-	-	49,000,000	34,386,430
Associates	4,300,000	-	4,300,000	-
Joint ventures	30,398,355	1,499,950	26,798,475	-
	34,698,355	1,499,950	80,098,475	34,386,430

30.5 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidiaries	-	-	275,816,300	320,316,300
Associates	9,000,000	-	9,000,000	-
Joint ventures	2,250,000	2,250,000	2,250,000	2,250,000
	11,250,000	2,250,000	287,066,300	322,566,300

Short-term loans to related parties bear interest rates of 4.60% - 6.25% per annum (2018: 1.50% - 6.25% per annum) and are repayable at call.

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	2,250,000	2,250,000	322,566,300	308,640,800
Additions during the year	9,000,000	-	56,000,000	92,600,000
Repayments during the year	-	-	(91,500,000)	(78,674,500)
As at 31 December	11,250,000	2,250,000	287,066,300	322,566,300

30.6 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other short-term benefits	49,137,038	59,465,789	17,780,870	25,827,945
Retirement benefits	-	2,020,361	-	1,216,488
Share-based payments	1,330,000	1,330,000	1,330,000	1,330,000
	50,467,038	62,816,150	19,110,870	28,374,433

31 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities is as follow:

	Consolidated financial statements		Separate financial statements	
	Long-term loans from a financial institution Baht	Finance lease liabilities Baht	Long-term loans from a financial institution Baht	Finance lease liabilities Baht
As at 1 January 2018	8,452,704	30,437,957	-	14,329,914
Cashflows	(6,576,708)	(11,781,178)	-	(4,244,635)
Non-cash changes:				
Finance costs	-	1,323,610	-	568,752
Additions	-	11,249,576	-	-
As at 31 December 2018	1,875,996	31,229,965	-	10,654,031
Cashflows	298,124,004	(12,941,738)	300,000,000	(4,244,635)
Non-cash changes:				
Finance costs	-	1,175,919	-	391,322
Additions	-	3,505,700	-	-
As at 31 December 2019	300,000,000	22,969,846	300,000,000	6,800,718

32 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.

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	Consolidated financial statements						
	For the year ended 31 December 2019						
	Air freight Baht	in-land freight Baht	Sea and freight Baht	Logistics management Baht	Hazardous goods logistics Baht	Other management services Baht	Total before elimination Baht
Revenue from sales and service	2,215,597,902	84,903,597		181,788,180	526,875,003	15,179,565	3,024,344,247
Costs of sales and service	(2,009,865,141)	(24,823,420)		(130,174,236)	(400,061,193)	(10,507,351)	(2,575,431,341)
							(311,802,257)
							300,955,392
Segment profit							
Other income	205,732,761	60,080,177		51,613,944	126,813,810	4,672,214	448,912,906
Selling expenses							(10,846,865)
Administrative expenses							
Gain on exchange rates, net							
Finance costs							
Share of profits from associates and joint ventures							
							438,066,041
							11,822,265
							(80,853,111)
							(280,017,563)
							7,952,905
							(14,930,479)
							96,172,698
Profit before income tax							178,212,756
Income tax							(13,702,677)
Profit for the year							164,510,079
Timing of revenue recognition							
At a point in time	-	-		77,837,880	209,207,509	-	287,045,389
Over time	2,215,597,902	84,903,597		103,950,300	317,667,494	15,179,565	2,737,298,858
							(2,633,391)
							(309,168,866)
Total revenue	2,215,597,902	84,903,597		181,788,180	526,875,003	15,179,565	3,024,344,247
							(311,802,257)
							2,712,541,990

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	Consolidated financial statements						
	For the year ended 31 December 2018 (Restated)						
	Air freight Baht	Sea and in-land freight Baht	Logistics management Baht	Hazardous goods logistics Baht	Other management services Baht	Total before elimination Baht	Total after elimination Baht
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	2,770,564,139
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)	(2,285,955,332)
Segment profit	249,942,310	71,723,392	36,053,091	132,854,030	4,761,261	495,334,084	484,608,807
Other income							18,448,701
Selling expenses							(77,171,225)
Administrative expenses							(294,984,867)
Gain on exchange rates, net							6,986,442
Finance costs							(1,863,499)
Share of profits from associates and joint ventures							32,062,169
Profit before income tax							168,086,528
Income tax							(18,409,707)
Profit for the year - restated							149,676,821
Timing of revenue recognition							
At a point in time							261,914,773
Over time							2,508,649,366
Total revenue	2,279,625,244	116,640,002	134,975,237	561,866,163	15,137,312	3,108,243,958	2,770,564,139

33 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 2019, outstanding share options were 5,692,225 warrants (2018: 10,500,000 warrants) which will be expired in 2020.

During the year ended 31 December 2019 and 2018, the Company recognised the share-based payment expense of Baht 1,330,000.

34 Commitments

34.1 Bank guarantees

The Company has bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Guarantee for air services	192,651,176	99,691,840	120,189,426	26,243,640
Guarantee for air freight	122,587,140	57,576,280	82,245,884	21,220,000
Guarantee for damage of TANK, liabilities from ports	10,700,000	8,900,000	100,000	100,000
Right to operate warehouse business at Don Muang Airport	35,487,840	25,487,840	-	-
Guarantees for electricity, fuel for vehicles and other expenses at Port Authorities of Thailand	7,284,983	1,814,328	384,000	448,000
Guarantee for damage of goods	8,460,400	300,000	-	-
	377,171,539	193,770,288	202,919,310	48,011,640

34.2 Financial instruments

34.2.1 Foreign exchange forward contracts

Foreign exchange forward contracts hedge risks from fluctuation in foreign exchange rates.

As at 31 December 2019 and 2018, 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Foreign exchange forward contracts - assets (liabilities)	(31,305)	(1,000,941)	7,523	(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.

34.2.2 Interest rate swap contracts

Interest rate swap contracts hedge risks from fluctuation in interest rates.

The details of outstanding interest rate swap contracts as at 31 December 2019 are as follows:

Principal amount	Interest income rate swap in agreements	Interest expense rate swap in agreements	Termination date
Baht 300,000,000	Floating rate 6-month THB-THBFX-Reuter	Fixed rate 4.1%	31 October 2024

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest rate swap contracts				
- asset (liabilities)	8,880,962	-	8,880,962	-

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.

34.3 Operating lease commitments

As at 31 December 2019 and 2018, the Group has entered into several operating lease agreements in respect of the lease of office equipment, motor vehicles and others. 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
- Within 1 year	22,009,006	23,395,526	1,212,600	1,471,192
- Later than 1 year but not later than 5 years	32,525,940	52,054,805	32,400	741,000
	54,534,946	75,450,331	1,245,000	2,212,192

34.4 Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Building and parking car	14,000,000	-	14,000,000	-

34.5 Investment commitments

Investment contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Investment in other company	4,999,990	-	4,999,990	-

35 Events after the reporting period

35.1 Dividend payment

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved a proposal to the Annual Shareholders' meeting for the year 2020, to consider dividend payment from operating result of 2019 for shareholders of 609,307,775 ordinary shares at Baht 0.15 per share, totalling to Baht 91,396,166.25.

35.2 Investment in Teleport (Thailand) Co., Ltd.

In January 2020, the Company invested in share capital of Teleport (Thailand) Co., Ltd. of 499,999 shares at Baht 10 each, totalling amount of Baht 4,999,990. The investment portion of the Company increases to 50% of registered share capital.

35.3 Investment in SAL Group (Thailand) Co., Ltd. ("SAL")

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved an investment in SAL of 1,164,449 shares (comprises 1,124,449 ordinary shares and 40,000 preferred shares) at value not over than Baht 188.00 million. However, the Company has to get the approval from the Company's shareholders and Airports of Thailand Public Co., Ltd. regarding change in major shareholder in SAL. After increase the shares in SAL, the investment portion will increase to 58.20% of registered share capital.

35.4 Investment in Galaxy Ventures Co., Ltd.

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved an investment in Galaxy Ventures Co., Ltd. of 600,000 shares at value of Baht 108.33 each, totalling amount of Baht 65.00 million. The investment portion is 30% of paid up share capital. Moreover, the Board of Director's meeting approved an additional investment in share capital of Galaxy Ventures Co., Ltd. of Baht 30.00 million in proportion to shareholding. The total investment will be Baht 95.00 million.

35.5 Issue of warrant to purchase ordinary shares

The Board of Directors meeting No. 3/2020 on 24 February 2020 approved an issue of warrant no. 1 to purchase ordinary shares (III-W1) up to 153,093,750 units to the Company's shareholders by right offering in the ratio of four existing ordinary shares to one warrant (any fractional share from calculation shall be eliminated). The exercise price is Baht 6.00 per share (except subsequently change). The Board also approved an increase of Baht 76,546,875 in the Company's authorised share capital from Baht 307,500,000 to Baht 384,046,875 to support the exercise of this warrant.



Triple i Logistics Public Company Limited

628 Triple i Building 3rd Floor,
Soi KlabChom, Nonsee Road,
Chongnonsee, Yannawa, Bangkok 10120
Telephone : +66(O) 2681 8700
Facimile : +66(O)2681 8701
Website : www.iii-logistics.com

... the RIGHT solution, the RIGHT partner ...