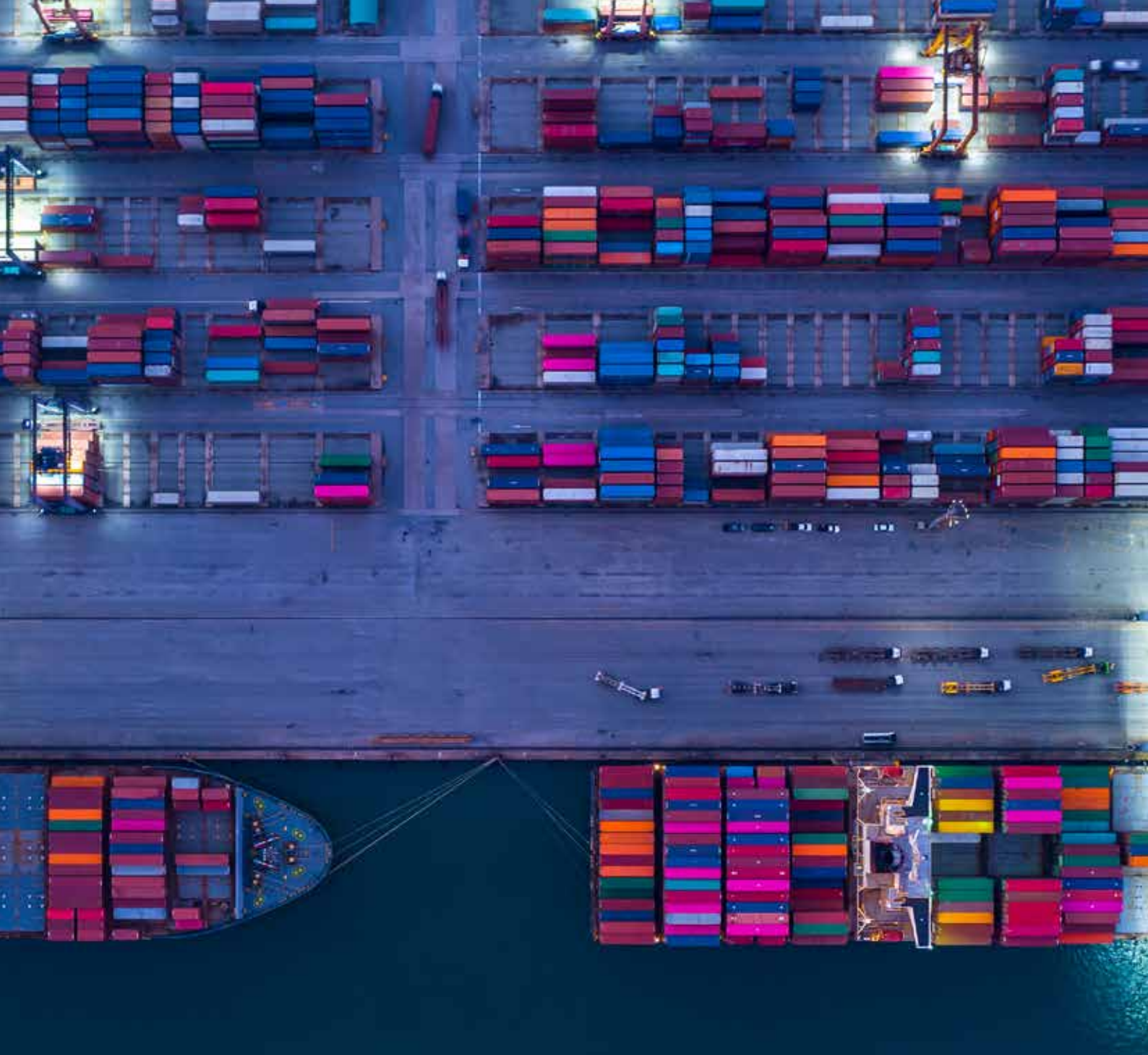


# ANNUAL REPORT 2020





**THE RIGHT  
SOLUTION,  
THE RIGHT  
PARTNER**



# INDEX

<b>1</b>	<b>BUSINESS AND FINANCIAL HIGHLIGHT</b>	
	Corporate General Information	003
	Message from Chairman of the Board	004
	Message from Chief Executive Officer	005
	Financial Highlight	006
	Significant Development in the Year 2020	008
<b>2</b>	<b>POLICY AND BUSINESS OVERVIEW</b>	
	Vision, Mission and Strategy	010
	Business Structure and Shareholding Structure	011
	Nature of Business and Competition Policy	015
<b>3</b>	<b>ADMINISTRATION AND CORPORATE GOVERNANCE</b>	
	Securities Information and Shareholders	035
	Management Structure	037
	Nomination and Remuneration Committee Report	059
	Corporate Governance Committee Report	060
	Corporate Governance	061
	Code of Conduct	079
	Internal Information Policy	083
	Corporate Social Responsibility	085
	Internal Control	094
	Risk Management Sub-Committee Report	096
	Risk Factors	097
	Assets of Business Operation	104
	Related-Party Transaction	108
	Connected Transaction Policy	136
<b>4</b>	<b>FINANCIAL STATEMENT</b>	
	Responsibilities of the Board of Directors for Financial Reporting	139
	Audit Committee Report	140
	Financial Positions and Operating Performance	143
	Management Discussion and Analysis	151
	Independent Auditor's Report	157
	Consolidated and Separate Financial Statements	164
	Notes to the Consolidated and Separate Financial Statements	175

1

BUSINESS  
AND  
**FINANCIAL  
HIGHLIGHT**



# 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

383,663,472 Baht dividing into ordinary shares of 767,326,944 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 3rd Floor, Soi Klabchom, Nonsee Road, Chongnonsee, Yannawa, Bangkok 10120

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](mailto:secretary@iii-logistics.com)

## Investor Relations

Telephone Number : 0-2681-8700 Ext. 103, 104

Facsimile : 0-2681-8701

Email : [ir@iii-logistics.com](mailto:ir@iii-logistics.com)

## REFERENCE

## Securities Registrar

Thailand Securities Depository Company Limited

93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Din Daeng, Bangkok 10400

Telephone Number : 0-2009-9000

Facsimile : 0-2009-9991

## Auditor

Pricewaterhouse Coopers ABAS Company Limited

179/74-80 Bangkok City Tower,

South Sathorn Road, Sathorn, Bangkok, 10120

Mr. Vichien Khingmontri CPA Registration No. 3977



## MESSAGE FROM CHAIRMAN OF THE BOARD



The COVID-19 pandemic in 2020 had an unprecedented impact on the global economy, and to deal with this, many countries implemented strict lockdowns and closed their borders, banning all travel.

This had a direct impact on the aviation industry, bringing international air freight and logistics businesses to a virtual halt because airlines were unable to operate as per normal.

Triple i Logistics PLC. was also impacted by the economic fallout from the virus pandemic. However, thanks to close monitoring and assessment of the situation, the company was able to make timely strategic adjustments to navigate the crisis successfully.

The company developed a fresh business model designed to serve customers' changing needs in the "new normal" era. As a result, Triple i Logistics managed to maintain its competitiveness and continued achieving good operating results.

In 2020, the company continued to generate profits despite negative business factors, such as the drop in Thailand's import-export business, which brought the volume of air cargo down by 33.7% and sea freight down by 4.8% compared to the previous year.

Though 2020 was a challenging year and the company faced operational obstacles throughout, it maintained its commitment to implementing strategic plans for expansion. The company's board of directors still attaches great importance to good corporate governance and adherence to transparent, ethical operations that are beneficial to all stakeholders, communities and society.

In 2020, the company was marked "excellent" in an evaluation by the Thai Institute of Directors Association (IOD) on corporate governance of companies listed in the Stock Exchange of Thailand.

On behalf of Triple i Logistics' board of directors, executives and employees, I thank all shareholders, customers, partners and stakeholders who had faith in the company and supported it through the crisis. Our aim is to jointly continue developing the company so it remains a leader in integrated logistics in the region with stable growth and can continue creating sustainable added value to the business world.

**Mr. Krirkrai Jirapaet**

Chairman of the Board of Directors  
Triple i Logistics Public Company Limited





## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



In 2020, the world was hit by the COVID-19 epidemic, which brought businesses to a virtual standstill, especially in terms of international trade. With most countries implementing lockdown measures, operators in the global logistics industry were forced to urgently adapt their business plans to meet the ever-changing crisis.

Accordingly, Triple i Logistics PLC. also adjusted its strategy, including its short-term plan for 2020, by looking for new sources of income to make up for the losses made from the slowdown in the air-cargo business. The company came up with a 3-year business plan (2019-2021) covering its four core operations and worked on developing new ventures.

Despite difficulties throughout 2020, Triple i Logistics still generated good profits, especially in the third and fourth quarters. The company's net profits rose by 48% compared to the same period in 2019, resulting in net profits of 162.5 million baht, close to net profits made in 2019, when the economy was normal.

The outstanding performance was driven by the company's vision and strategy developed in line with its existing logistics services. Triple i Logistics also ventured into new highly potential

business to boost income as well as diversify risks by adjusting business operations consistent with market conditions.

The company broadened its outlook instead of focusing on one particular sector, and worked on bringing down its cost burden, seeking new sources of income, and also developed local and regional business networks to reach a wider range of customers. Moreover, the businesses that Triple i Logistics has invested in have very well performed consistently.

On behalf of the management, I want to thank all shareholders, customers and business partners for their trust and consistent support of Triple i Logistics. I would also like to thank the board of directors, employees and affiliated companies who have worked so hard to survive this challenging year together. I am confident we will continue moving forward with our business strategies to achieve our intended goals.

**Mr. Tipp Dalal**

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



# FINANCIAL HIGHLIGHT

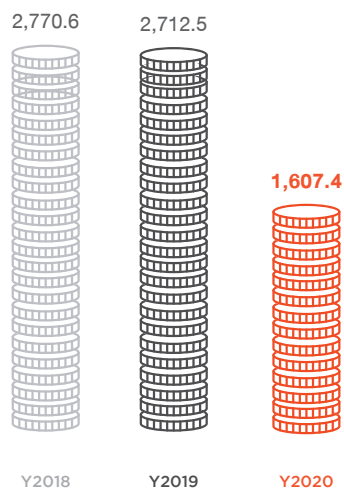
SUMMARY OF KEY FINANCIAL STATISTICS		Y 2018	Y 2019	Y 2020
<b>STATEMENTS OF INCOME</b>				
	Million Baht			
Revenue from Sales and Services		2,770.6	2,712.5	1,607.4
Gross Profit		484.6	438.1	334.1
SG&A Expenses		372.2	360.9	333.2
Net Profit for the period		149.7	164.5	162.5
<b>STATEMENTS OF FINANCIAL POSITION</b>				
	Million Baht			
Total Assets		1,898.5	2,225.7	2,406.0
Total Liabilities		697.6	946.7	1,114.9
Total Equities		1,200.9	1,279.0	1,291.1
<b>STATEMENTS OF CASH FLOWS</b>				
	Million Baht			
Net Cash generated from (used in) Operating Activities		202.5	29.3	75.1
Net Cash from (used in) Investing Activities		(127.0)	(691.5)	(230.8)
Net Cash receipts from (used in) Financing Activities		(90.0)	195.6	3.7
<b>KEY FINANCIAL RATIO</b>				
Gross Profit Margin	%	17.5%	16.1%	20.8%
Net Profit Margin	%	5.4%	6.1%	10.1%
Earnings per share <sup>1/</sup>	Baht	0.25	0.27	0.27
Return on Equity (ROE) <sup>2/</sup>	%	12.9%	13.3%	12.6%
Current Ratio	X	2.1x	1.2x	0.9x
Average Collection Period	Days	42.1	45.9	78.9
Average Payment Period	Days	61.1	67.8	102.9
Debt to Equity Ratio (D/E ratio)	X	0.6x	0.7x	0.9x

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

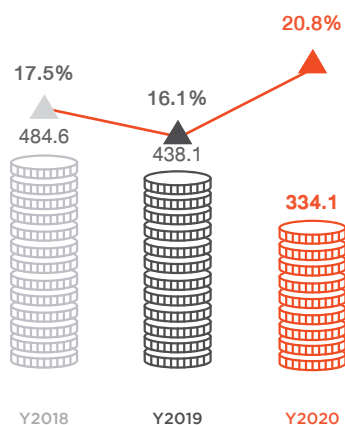
<sup>2/</sup> ROE in Y2017 is calculated by using Company's Equity before listed.



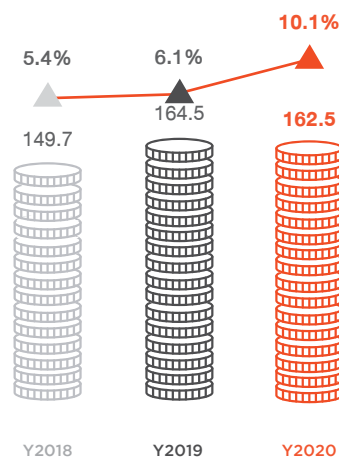
### REVENUE FROM SALES AND SERVICES (MILLION BAHT)



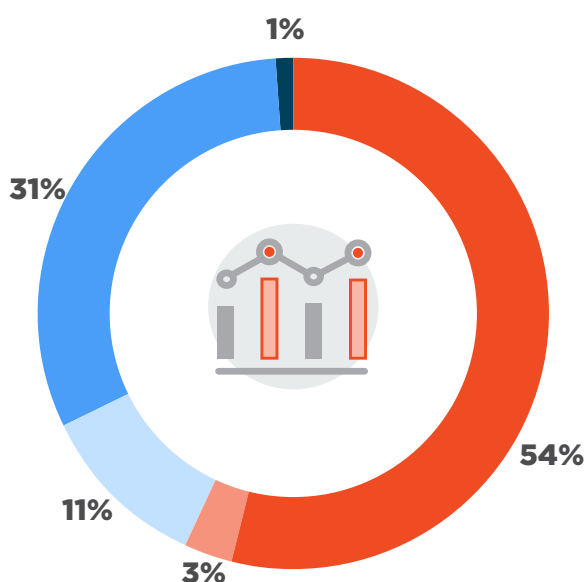
### GROSS PROFIT (MILLION BAHT) AND GROSS PROFIT MARGIN (%)



### NET PROFIT (MILLION BAHT) AND NET PROFIT MARGIN (%)



### REVENUE CONTRIBUTION 2020



### STATEMENTS OF FINANCIAL POSITION (MILLION BAHT)



#### TOTAL ASSETS

Y2018	1,898.5
Y2019	2,225.7
Y2020	2,406.0



#### TOTAL LIABILITIES

Y2018	697.6
Y2019	946.7
Y2020	1,114.9



#### TOTAL EQUITIES

Y2018	1,200.9
Y2019	1,279.0
Y2020	1,291.1



## SIGNIFICANT DEVELOPMENT IN THE YEAR 2020

### MARCH

- The Company invested in 30% of the total capital of Galaxy Ventures Co., Ltd. (“GV”) in the amount of 600,000 shares with the total consideration of Baht 70.09 million. GV invests in start-up companies that conduct e-commerce and e-logistics business. The investment objectives were to create new business opportunities relating to e-commerce and e-logistics business, which have potential growth, and to support the group company’s existing logistics business.

### MAY

- The 2020 Annual General Meeting of Shareholders has resolved to approve the dividend payment for the year 2019 in the amount of Baht 0.15 per share, totaling Baht 91,396,166.25. The date determining which shareholders are eligible to receive dividends is 28 April 2020 and the dividend payment date is 18 May 2020.
- The Company increased its investment in SAL Group (Thailand) Co., Ltd. (“SAL”) to 58.20% of the total capital from the existing 15.86% of the total capital. The Company acquired shares from the existing shareholder for the total consideration of Baht 188 million in May 2020 according to the resolutions of the 2020 Annual General Meeting of Shareholders approving the Company’s business and management over SAL. SAL has 51% shareholding in AOT Ground Aviation Services Co., Ltd. (“AOTGA”), a joint investment between SAL and Airports of Thailand Public Company Limited (“AOT”). AOTGA provide ground handling and passenger services.
- The Company had issued and allotted the Warrants to purchase the newly issued ordinary shares of Triple i Logistics Public Company Limited No.1 (“III-W1”) with the term of 3 years in the number of not exceeding 152,326,944 units to proportionally allocate to the existing shareholders (Rights Offering) without charge at the ratio of 4 existing ordinary shares to 1 warrant. The exercise price shall be Baht 6.00 per share (except in the event of adjustment to the exercise price). Such issuance and offering of warrants is to reserve fund for the Company’s future investments. The Company shall increase its registered capital by Baht 76,163,472 at the par value of Baht 0.50 per share from the current registered capital of Baht 307,500,000 to the new registered capital of Baht 383,663,472.
- The Company repurchased share (Treasury Stock) in the amount of not exceeding Baht 50 million and the number of shares repurchased shall not exceed 10,000,000 shares or not exceeding 1.64% of the Company’s total paid-up capital. The share repurchase will be conducted through the Stock Exchange of Thailand from 27 May 2020 until 26 November 2020.

### SEPTEMBER

- The Company disposed SAL Group (Thailand) Company Limited (“SAL”) shares in the amount of 913,027 shares (divided into 873,027 ordinary shares and 40,000 preference shares) or 33.20% of the total registered and paid-up capital of SAL to SKY ICT Public Company Limited of the consideration of Baht 157.72 million. Following such disposal, the Company holds 25% of SAL’s total paid-up capital. The Company believes that this cooperation will create synergy in respect of logistics management and IT expertise. This synergy will increase service capabilities of both SAL and AOTGA, allowing them to provide full services and create business partnership in the long run.

# 2

## POLICY AND **BUSINESS OVERVIEW**

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

- Revenue Generation: the 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 29 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 2020, the Group received customer satisfaction at “Very Good” level, with average score of 87%.

The businesses of the group company are operated by the Company, its subsidiaries and its associated companies with the total of 29 companies within the group company. The businesses of the Company can be divided into 4 main business units.

- 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% by TIL
- 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
- Teleport (Thailand) Company Limited (“TLP”), a joint venture held 50.00% by the Company
- SAL Group (Thailand) Company Limited (“SAL”), a joint venture held 25.00% by the Company

## 1. AIR FREIGHT BUSINESS

- Triple i Asia Cargo Company Limited (“TAC”), a subsidiary held 99.99% by the Company
- Triple i Air Express Company Limited (“TAX”), a subsidiary held 99.99% by the Company
- Triple i International Pte., Ltd. (“TIL”), a subsidiary held 100% by the Company
- Asia Ground Service Company Limited (“AGS”), a subsidiary held 99.99% by the Company

## 2. SEA FREIGHT AND INLAND TRANSPORT BUSINESS

- Triple i Maritime Agencies Company Limited (“TMA”), a subsidiary held 99.99% 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% by the Company
- Cross Border Couriers Company Limited (“CBC”), a subsidiary held 99.99% by the Company
- Galaxy Ventures Company Limited (“GV”), an associate held 30.00% by the Company

### 4. CHEMICAL AND SPECIALTY LOGISTICS BUSINESS

- HazChem Logistics Management Company Limited (“HLM”), a subsidiary held 99.99% by the Company

- HazChem TransManagement Company Limited (“HTM”), a joint venture held 59.99% by HLM
- DG Packaging (Thailand) Company Limited (“DPG”), a subsidiary held 99.99% 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

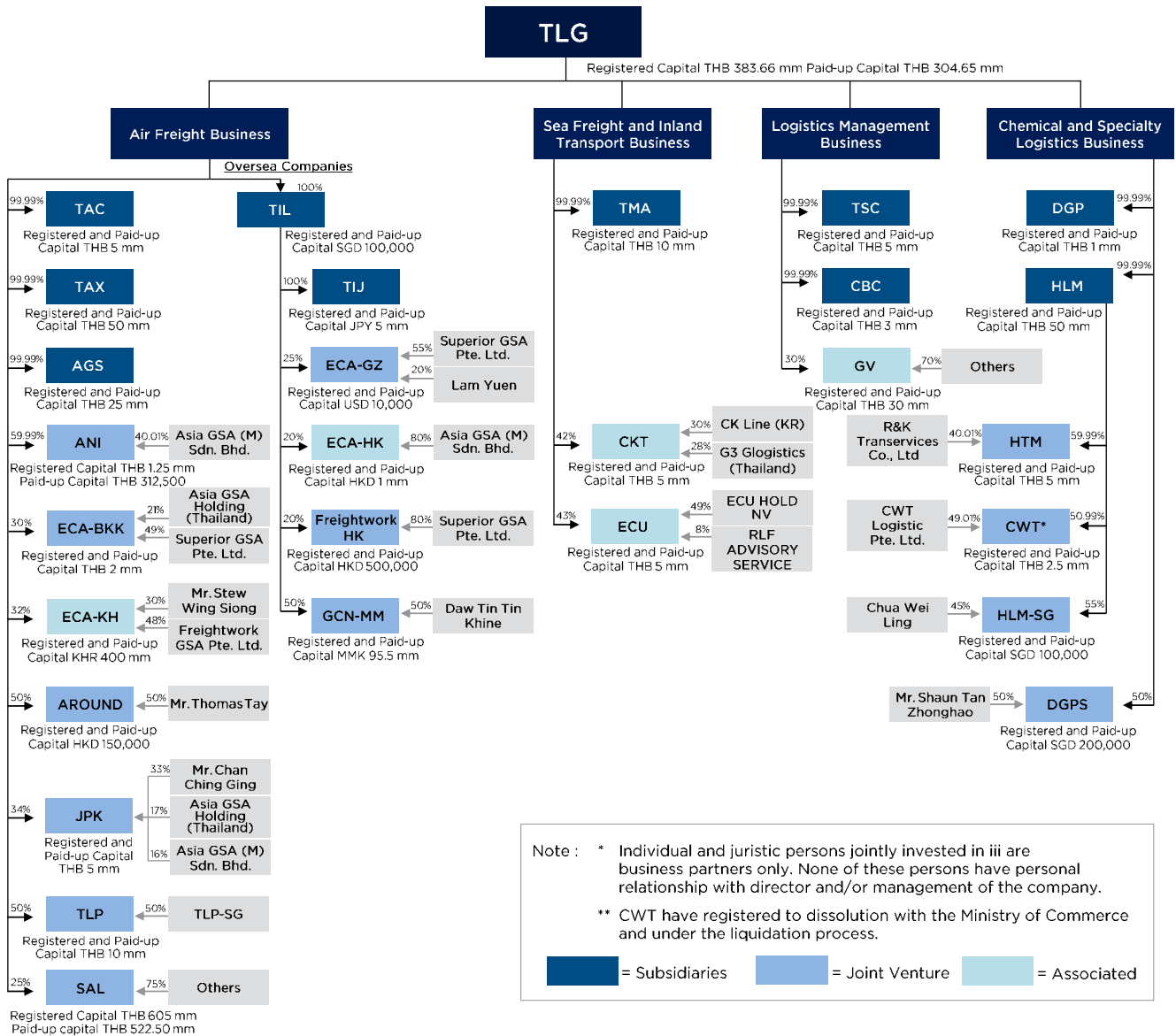
## REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Revenues from sales and services	Consolidated Financial Statements					
	31 December 2018		31 December 2019		31 December 2020	
	Revenue (Baht million)	% of total revenue	Revenue (Baht million)	% of total revenue	Revenue (Baht million)	% of total revenue
1. Air freight business	2,279.6	73.3%	2,215.6	73.3%	912.3	54.48%
2. Sea freight and inland transport business	116.6	3.8%	84.9	2.8%	48.8	2.91%
3. Logistics management business	135.0	4.3%	181.8	6.0%	176.3	10.53%
4. Chemical and specialty logistics business	561.9	18.1%	526.9	17.4%	523.0	31.23%
5. Others <sup>1/</sup>	15.1	0.5%	15.2	0.5%	14.3	0.85%
<b>Total revenues <sup>2/</sup></b>	<b>3,108.2</b>	<b>100.0%</b>	<b>3,024.4</b>	<b>100.0%</b>	<b>1,674.7</b>	<b>100.0%</b>
<b>Total revenues after Inter-Co Transactions</b>	<b>2,770.6</b>		<b>2,712.5</b>		<b>1,607.4</b>	

Remarks: <sup>1/</sup> Others: Revenues from other types of management consists of service fees from transport of personnel, office lease and service income.

<sup>2/</sup> Total Revenues before Inter-Co Transactions

## BUSINESS STRUCTURE AND SHAREHOLDING STRUCTURE, 31 DECEMBER 2020







# 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

# 1. Air Freight Business

## 1.1 GENERAL SALES AGENT FOR AIRLINES (GSA FOR AIRLINES)

The Company's subsidiaries and associated companies act 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 Bhutan Airlines, Srilankan Airlines, Jeju Air, LAN Chile Airlines, US Bangla Airlines and in 2020 was appointed as the representative of Vietjet Air.

In respect of Thai AirAsia and Thai AirAsia X, the Company has changed its business model since January 2020 from acting as general sales agent for airlines to joint investment in Teleport (Thailand) Co., Ltd. with Teleport Everywhere Pte., Ltd. during the end of 2019. The Company conducts general sales agent for airline business and other related logistics business for AirAsia group. At present, there are 8 airlines within Malaysia AirAsia, AirAsia X, Indonesia AirAsia, Indonesia AirAsia X, AirAsia India, AirAsia Philippines, Thai AirAsia and Thai AirAsia X.

In addition, the Company has invested in Around Logistics Management Co., Ltd. (Hong Kong) which has subsidiaries in Thailand, Singapore, Hong Kong and Vietnam in order to act as general sales agent for airlines with expertise in Asia. Around Logistics Management Company Limited currently has general sale agent contracts with over 22 airlines such as Vietnam Airlines and All Nippon Airways, which has service routes covering 24 countries across Asia, North America and Europe.



## 1.2 WHOLESALE AIR FREIGHT BUSINESS

The 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 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 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 locally provides air cargo service with service area of 800 square meters. At the end of 2020, the Company expanded its air cargo service internationally and presently having service area of 4,500 square meters, totaling 6,200 square meters. The Company was granted an approval from Airports of Thailand Public Company Limited (“AOT”) in order to conduct the business.

In May 2020, the Company increased its shareholding in SAL Group (Thailand) Co., Ltd. (“SAL”) from 15.86% to 58.20% of the total capital of SAL. SAL has 51% shareholding in AOT Ground Aviation Services Company Limited (“AOTGA”), a joint investment between SAL and Airports of Thailand Public Company Limited (“AOT”). AOTGA conducts airport ground and passenger handling services at airports under the responsibilities of AOT. In September 2020, the Company sold a portion of its SAL shares to SKY ICT Public Company Limited, a company with expertise in information technology and communication. Consequently, the Company’s shareholding in SAL decreased to 25% of the total capital of SAL. Such disposal was a strategic move to capitalize on expertise in logistics management and information technology and expand service capabilities of both SAL and AOTGA. It was an expansion of the Company’s air freight business, which would result in positive effects in the long run.

## 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 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

Due to the outbreak of COVID-2019, every country in the world has imposed lockdown measures to control spreading of the virus. The measures have created limitations on international and regional air freight business as airlines across the world suspended their business since the first quarter of the year 2020. This has a direct impact on operations of the Company's air freight business. Therefore, the Company has modified its business plan as follows:

### 1. EFFECTIVE COST MANAGEMENT

Since airlines across the world could not provide usual services due to the outbreak of COVID-19, the Company has lost revenues, particularly revenues from general sales agent for airlines business and air cargo business at Don Mueang Airport. Therefore, the Company has been focusing on decreasing its costs, including costs of services and administrative expenses.

### 2. CREATION OF NEW REVENUE SOURCE

During the second quarter of 2020, the Company and TLP-TH offered charter flight service on an on-demand basis. The Company chose routes with high demand and profitability in order to create operating profits that could substitute for the lack of revenues from international air freight business which had not yet resume usual services. Subsequently, the Company changed from offering charter flight service to cargo flight service. The Company created flight schedules with more regular flight frequency and certainties. At the beginning, the Company offered 10 routes since the end of October 2020, that covered major economic cities in Asia such as Hong Kong, Singapore, New Delhi, Colombo, Yangon, Nagoya, Maldives and Chennai.

### 3. SERVICE QUALITY DEVELOPMENT

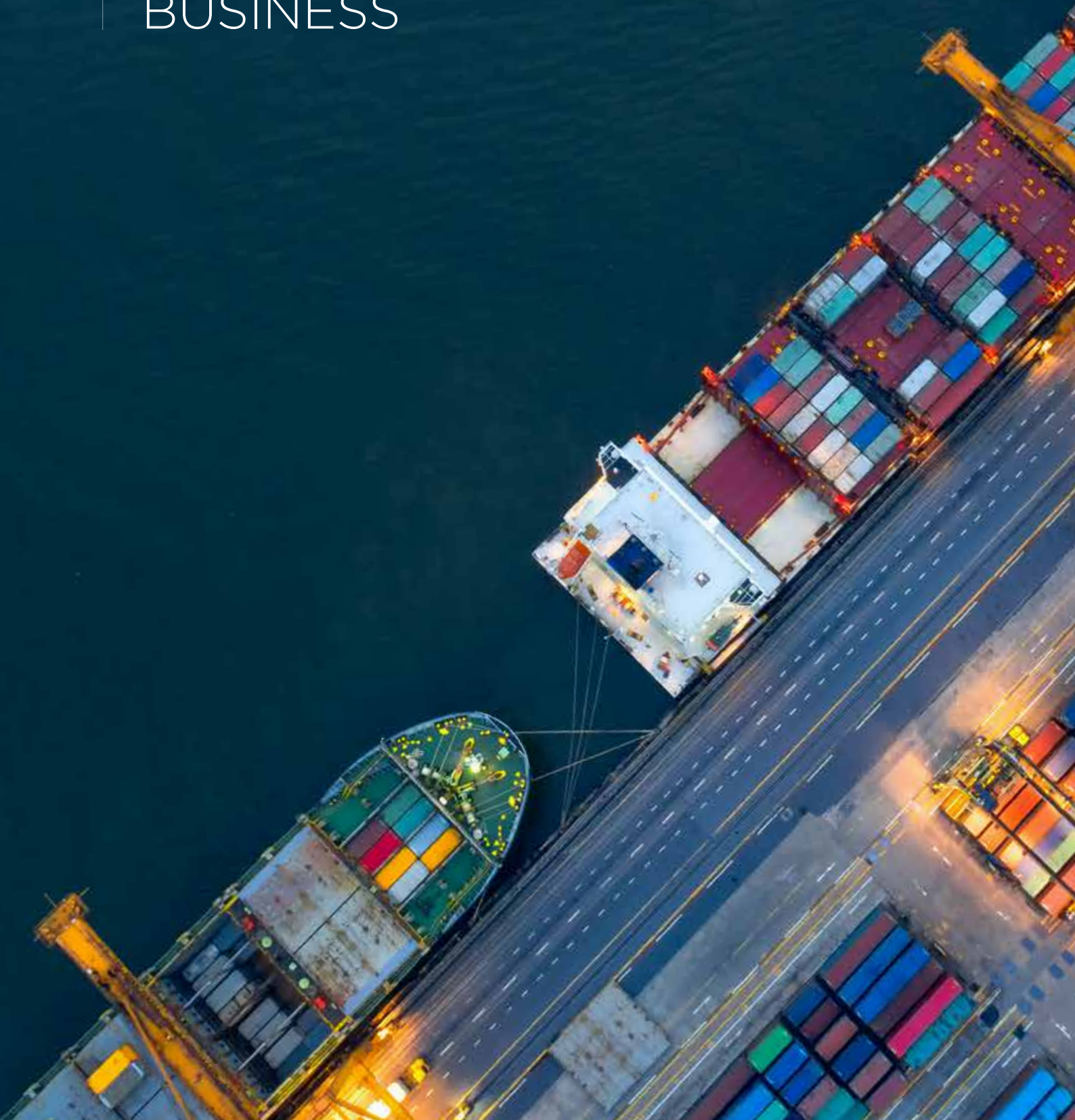
The Company focuses on providing quality services with competitive pricing. It focuses on punctuality and safety and has been given the following certifications for effective management:

- TAC was granted an extension on its regulated agent certification for domestic transport service at Don Mueang Airport in 2020.
- TAC was awarded ISO 9001:2015 certification for acting as general sales agent for airlines in 2018.
- TAC was awarded ISO 9001:2008 certification for acting as general sales agent for airlines in 2015.
- TAC was granted a regulated agent certification for domestic transport service at Don Mueang Airport in 2015.
- TAX was awarded ISO 9001:2015 certification for international air freight service in 2020.
- TAX was awarded ISO 9001:2015 certification for international air freight service in 2016.
- AGS was granted a regulated agent certification for international transport service at Don Mueang Airport in 2020.
- AGS was awarded ISO 9001:2015 certification for international cargo service in 2018.

In addition, 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.6. 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







## 2. 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:

- 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.
- Rizhao Port Shipping Line for which the Company acted as general sales agent had suspended its services since the beginning of 2020 due to the outbreak of COVID-19.

### 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

Providing service in niche market routes in which average annual supply for sea freight is lower than market demand and with good profitability outlook such as transport routes to outports

in Japan, 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 21 years and being part worldwide network of ECU Worldwide. At present, the Company provides direct service on 27 routes and many other connecting routes.

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

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

## 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 2020, a new route to Incheon, South Korea was added. The consideration on opening of new routes is on-going.

### 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 for convenience to customers, both importers and exports.

After ECU Worldwide sent its software team to modify the system to become suitable for work process in Thailand in 2019 by using TOPAZ, a platform developed by ECU Worldwide to facilitate customers' work process and improve organizational efficiency. In 2020, ECU Worldwide developed a website for its customers called "ecu360.com" which connects to TOPAZ system. Customers can log in to set access in terms of operation and information by each unit. Customers can access information at local level or international level through such website, providing additional convenience for customers.



# LOGISTICS MANAGEMENT BUSINESS

## 3. LOGISTICS MANAGEMENT Business

### 3.1 INTERNATIONAL LOGISTICS SERVICE

The 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 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 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 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 Company's objective is to become leading logistics service provider of targeted products.

### 3. FOCUS ON DEVELOPMENT OF NEW LOGISTICS SERVICE

The 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 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 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 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 service. The Company focuses on providing international logistics management and related logistics services. In the year 2020, the Company expanded into multimodal international logistics service for project customers such as sea freight from China to Thailand and inland transport to Laos. In addition, the Company manages its cost of sales for international freight to become more efficient.
- 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.
- To increase efficiency of fulfillment service for e-commerce and social commerce customers. In the year 2020, the Company centralized its fulfillment station by installing automatic sorting machine to increase service efficiency and speed, reduce costs, and accommodate all requirements of the growing e-commerce and social commerce customer group.

CHEMICAL  
AND  
SPECIALTY  
LOGISTICS  
BUSINESS



## 4. CHEMICAL AND SPECIALTY LOGISTICS Business

### 4.1 HAZARDOUS AND DANGEROUS GOODS LOGISTICS INTEGRATOR

The 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 Company has warehouse service for chemical and dangerous goods, which is located in 26,800 square meters of Frasers Logistics Park on Bangna-Trad Km. 39 Road, Chachoengsao Province. In the year 2020, the Company expanded additional warehouse area of 1,130 square meters to support the growing number of customers. The Company offers both ambient and chilled warehouses.

### 4.2 DANGEROUS GOODS PACKAGING SOLUTION PROVIDER

The Company distributes packaging and provides dangerous goods packaging service for air freight. Since Triple i Logistics PLC. has invested in DG Packaging Pte., Ltd., a company incorporated in Singapore which distributes packaging and provides dangerous good packaging service, in the year 2018. This was an important step for chemical and dangerous goods logistics business unit in implementing its strategic business expansion plan in overseas countries, particularly Singapore, which is not only a trading center in ASEAN, but is also a center of chemical and dangerous goods logistics of this 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 GOODS 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 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 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 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 Company 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

In the year 2019, the Company focuses on continuous development to achieve excellence in safety, occupational health, environment and stability. It conducts business under the principle 'Responsible Care®', operating its business righteously. The business is operated with transparency and examinable for the development of sustainable business in the long run.

HLM was awarded a certification, passing the assessment level of 'Platinum' for setting up Occupational Safety and Health Management System Standard in line with Project for Development of Business Premise according to Occupational Safety and Health Management System Standard for the year 2019 on 2 March 2020 by Thailand Institute of Occupational Safety and Health (Public Organization), the Ministry of Labour.

### 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 Company 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 Company'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 throughout the year 2020 continues from the year 2019.
- 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 has been appointed as member of the Industry Competency Board: Logistics of Thailand Professional Qualification Institute (Public Organization): TPQI
- 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

- Acting as consultant for Chemical Industry Club of the Federation of Thai Industries and participating as guest speaker in seminar called "Chemical...Good or Bad" organized by Chemical Industry Club of the Federation of Thai Industries.
- Appointed as chairman of the Responsible Care® group, Chemical Industry Club of the Federation of Thai Industries, promoting the organization's plan through local and international cooperation, for instance holding the meeting

‘ASEAN Chemical Regulatory Cooperation Workshop (ARCP)’ via Webinar through online system. There were representatives from public and private sectors from over 10 countries in ASEAN Economic Community attending the meeting.

- Cooperation in respect of chemical management with ABK & the Association for Overseas Technical Scholarship (AOTS) Alumni Association through supports from Ministry of Economic Trade and Industry, Japan and Hazardous Substances Control Bureau, Department of Industrial Works, Ministry of Industry, Thailand in relation to the seminar under the topic on globally harmonized system of classification and labelling of chemicals (GHS).
- Acting as representative of Department of Industrial Works and as speaker providing knowledge regarding the implementation of GHS and risk assessment on chemical affecting health and environment.
- Participation in public hearing regarding the draft of Chemicals Act and the guideline on preparation of secondary legislation.
- Acting as consultant of the National Inventory of Chemical Substances and Dangerous Goods Project and the Screening System for Prioritizing Chemical Substances and Dangerous Goods of Department of Industrial Works.

- 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 provide suggestions and opinions on the preparation of strategic plan and attending the public hearing of the Safety, Health and Environment Committee of Chulalongkorn University (SHECU).
- Acting as lecturer of public hearing in the 24th seminar on “Beirut Bombing – The Beginning of Sustainable Safety” organized by Chulalongkorn University.
- Providing the knowledge on the safety of storing chemical substances and dangerous goods in the Annual Meeting of the Hazardous Substances Logistics Association (HASLA).

# 3

## ADMINISTRATION AND **CORPORATE GOVERNANCE**





# SECURITIES INFORMATION AND SHAREHOLDERS

As of 9 February 2021, the Company has its registered capital of 383,663,472 Baht dividing into ordinary shares of 767,326,944 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 9 February 2021:

	Number of Shares	Percentage (%)	Percentage (%)
1	Group Family - Dalal	141,806,386	23.27
1.1	Mr. Tipp Dalal <sup>/1</sup>	111,806,386	18.35
1.2	Mrs. Marguerite Linda Dalal	30,000,000	4.92
2	Group Family - Nobnomtham	110,344,074	18.11
2.1	Mr. Viraj Nobnomtham <sup>/2</sup>	105,344,074	17.29
2.2	Ms. Nittaya Sanguankongvilai	5,000,000	0.82
3	Group Family - Isarangkul	60,801,381	9.97
3.1	Mr. Teeranit Isarangkul <sup>/3</sup>	60,710,381	9.96
3.2	Ms. Waraporn Rungruangpattana	91,000	0.01
4	Mr. Chalernsak Karnchanawarin <sup>/4</sup>	27,952,484	4.59
4	Mr. Jirod Panacharas <sup>/5</sup>	27,952,484	4.59
5	Mrs. Worapan Juengsubpaisan	23,500,000	3.86
6	Mr. Thanut Thatayanon <sup>/6</sup>	12,200,591	2.00
7	Mr. Sumate Thitipuree	8,840,103	1.45
8	Triple i Logistics Public Company Limited	8,000,000	1.31
9	Mr. Siripat Ghamvongpairat	7,857,707	1.29
10	Mrs. Darunee Rakpongpi boon <sup>/7</sup>	7,703,275	1.26
11	Other Shareholders	172,349,290	28.30
	<b>Total</b>	<b>609,307,775</b>	<b>100</b>

Remark: <sup>/1</sup> Mr. Tipp Dalal holds the positions of Director, Chairman of Management Committee and Chief Executive Officer.

<sup>/2</sup> 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.

<sup>/3</sup> 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.

<sup>/4</sup> Mr. Chalernsak Karnchanawarin holds the positions of Director, Member of Management Committee and Member of the Risk Management Sub-Committee.

<sup>/5</sup> Mr. Jirod Panacharas holds the positions of Director, Member of Management Committee and Member of the Corporate Governance Committee.

<sup>/6</sup> 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.

<sup>/7</sup> Mrs. Darunee Rakpongpi boon holds the positions of Director, Member of Management Committee and Company Secretary.



## 1. 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.

In addition, the Company had issued and allotted the Warrants to purchase the newly issued ordinary shares of Triple i Logistics Public Company Limited No.1 ("III-W1") with the term of 3 years in the number of not exceeding 152,326,944 units to proportionally allocate to the existing shareholders (Rights Offering) without charge at the ratio of 4 existing ordinary shares to 1 warrant. The exercise price shall be Baht 6.00 per share (except in the event of adjustment to the exercise price). Such issuance and offering of warrants is to reserve fund for the Company's future investments. The Company shall increase its registered capital by Baht 76,163,472 at the par value of Baht 0.50 per share from the current registered capital of Baht 307,500,000 to the new registered capital of Baht 383,663,472.

## 2. DIVIDEND POLICY

### THE COMPANY'S DIVIDEND POLICY

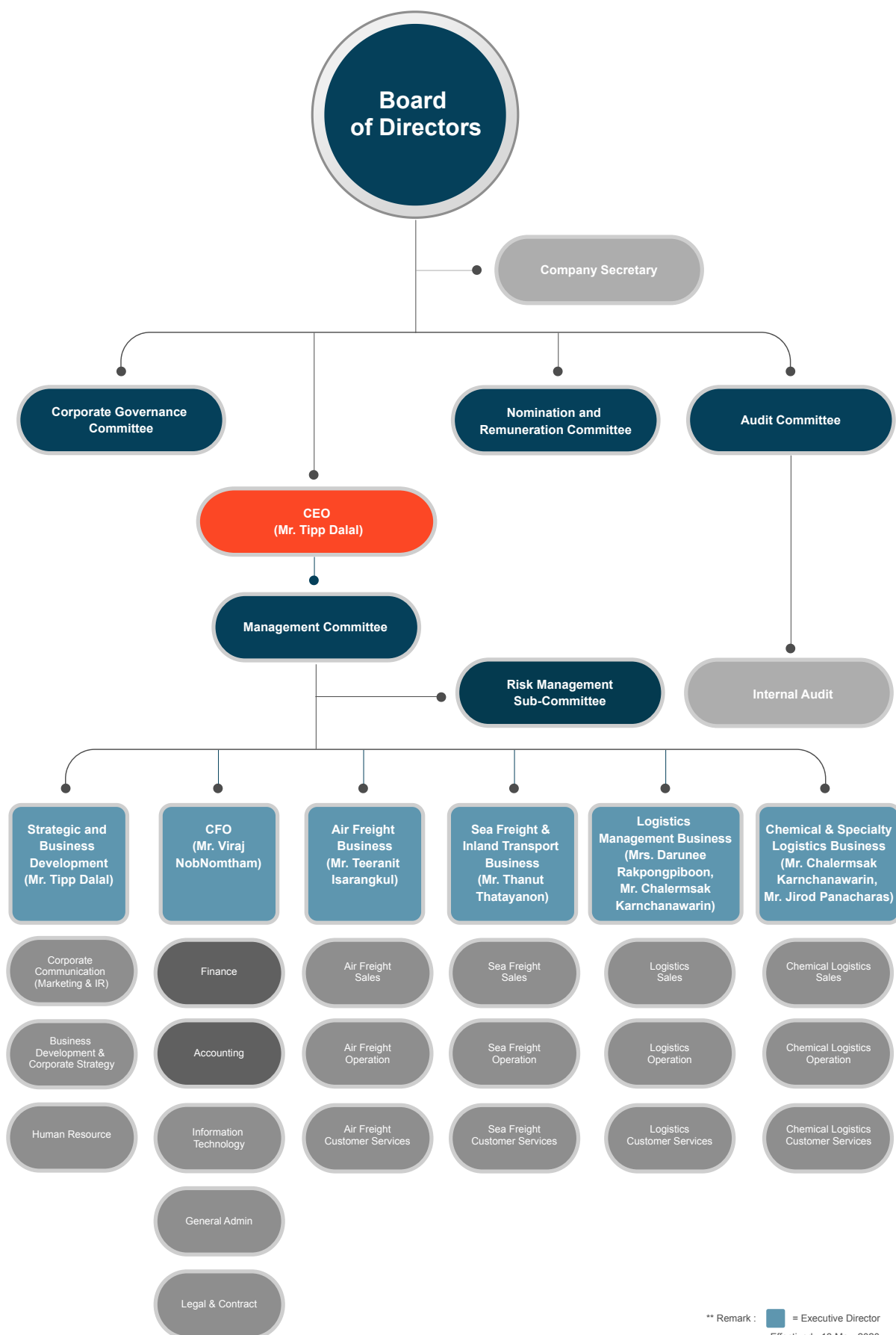
The Company has the dividend policy to pay dividend to shareholders at the ratio of not less than 40% of the net profit of the Company financial statements after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy 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



\*\* Remark :   = Executive Director  
 Effectived : 13 May, 2020



## 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 Management  
Committee /  
Group CEO



**Mr. Viraj  
Nobnomtham**

Director / Group CFO



**Mr. Teeranit  
Isarangkul**

Director



**Mr. Thanut  
Thatayanon**

Director



**Mrs. Darunee  
Rakpongpiboon**

Director /  
Company Secretary



**Mr. Jirod  
Panacharas**

Director



**Mr. Chalernsak  
Karnchanawarin**

Director





## BOARD OF DIRECTORS

As of 31 December 2020, the Board of Directors consists of 11 persons as follows:

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

<sup>/1</sup> 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.

<sup>/2</sup> 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.).

<sup>/3</sup> Mr. Vipoota Trakulhoon is an independent director with knowledge and experience in accounting and financial statements review.

<sup>/4</sup> Mr. Apichart Chirabandhu is an independent director with knowledge and experience in laws.

<sup>/5</sup> 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 77 years

Chairman of the board /  
Independent Director

### Appointed as director on

15 March 2017, 24 April 2019 (The 1<sup>st</sup> re-elected)

( % ) Share Possession\* as of 9 February 2021

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.  
2016 - 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 72 years

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

### Appointed as director on

15 March 2017, 24 April 2019 (The 1<sup>st</sup> re-elected)

( % ) Share Possession\* as of 9 February 2021 -

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.

### Positions in Other Organizations

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

\* Includes holding by spouse and minor children



## MR. APICHART CHIRABANDHU

Age 62 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, 20 April 2020 (The 1<sup>st</sup> re-elected)

( % ) Share Possession\* as of 9 February 2021

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, 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 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.  
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 54 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 1<sup>st</sup> re-elected)

( % ) Share Possession\* as of 9 February 2021 -

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

2020 – Present: Independent Director / Director,  
SKY ICT PCL.  
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 54 years

Director /  
Chairman of the Management  
Committee /  
Group CEO

### Appointed as director on

15 March 2017, 24 April 2018 (The 1<sup>st</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

23.27

### Changes in number of Shares during the year

+235,000 shares (+0.04%)

### 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.
- 2020 – Present : Director, Teleport (Thailand) Co., Ltd.
- 2020 – Present : Director, Galaxy Ventures Co., Ltd.
- 2019 – Present : Director, Excel Air (Cambodia) Co., Ltd.
- 2019 – Present : Director, JPK Asia (Thailand) Co., Ltd.
- 2019 – Present : Director,  
Around Logistics Management Co., Ltd.
- 2018 – 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.
- 2015 – Present : Director, Excel Air (Guangzhou) 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, 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.
- 2012 – 2020 : Director,  
CWT Chemical Logistics Co., Ltd.
- 2014 – 2018 : Director,  
Director of Triple i GSA Cargo Co., Ltd.
- 2008 – 2016 : Director, Triple i Interfreight Co., Ltd.

### Positions in Other Listed Companies

-

### Positions in Non Listed Companies

-

### Positions in Other Organizations

-

\* Includes holding by spouse and minor children





## MR. VIRAJ NOBNOMTHAM

Age 55 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<sup>st</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

18.11

### Changes in number of Shares during the year

+300,000 shares (+0.05%)

### 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.
- TLCA CFO Professional Development Program  
(TLCA CFO CPD) 2/2020 "Transfer pricing",  
Thai Listed Companies Association (Online Training)
- TLCA CFO Professional Development Program  
(TLCA CFO CPD) 4/2020 "Capital structure  
and funding strategy", Thai Listed Companies  
Association (Online Training)
- TLCA CFO Professional Development Program  
(TLCA CFO CPD) 7/2020 "Data privacy law and  
cyber security", Thai Listed Companies Association  
(Online Training)

### 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.
- 2019 – Present : Director, SAL Group (Thailand) Co., 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.
- 2013 – Present : Director, Asia Ground Service Co., Ltd.
- 2013 – Present : Director, Triple i SupplyChain Co., Ltd.
- 2012 – Present : Director,  
Asia Network International Co., Ltd.
- 2011 – Present : Director, CK Line (Thailand) Co., Ltd.
- 2008 – Present: Director, Triple i Asia Cargo Co., Ltd.
- 2007 – Present: Director, Triple i Air Express Co., Ltd.
- 2005 – Present: Managing Director,  
ECU Worldwide (Thailand) Co., Ltd.
- 2004 – Present: Director,  
HazChem Logistics Management Co., Ltd.
- 1996 – Present : Director,  
Triple i Maritime Agencies Co., Ltd.
- 2014 – 2018 : Director, Triple i GSA Cargo Co., Ltd.

### Positions in Other Listed Companies

-

### Positions in Non Listed Companies

-

### Positions in Other Organizations

-

\* Includes holding by spouse and minor children



## MR. TEERANIT ISARANGKUL

Age 51 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, 20 April 2020 (The 1<sup>st</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

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.  
2020 – Present : Director  
AOT Ground Aviation Services Co., Ltd.

2020 – Present : Director / Country Head of Thailand,  
Teleport (Thailand) Co., Ltd.  
2019 – Present : Director,  
Around Logistics Management 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

-

### Positions in Other Organizations

-

\* Includes holding by spouse and minor children



## MR. THANUT THATAYANON

Age 51 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, 15 March 2019, (The 1<sup>st</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

2.00

### 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 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.
- 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

-

### Positions in Other Organizations

- 2020 - Present: Advisor to the Corporate Communications Affairs Committee, The Federation of Thai Industries
- 2020 - Present: Marine Sub-Committee, Board of Trade of Thailand

\* Includes holding by spouse and minor children



## MRS. DARUNEE RAKPONGPIBOON

Age 50 years

Director /  
Member of the Management  
Committee /  
Company Secretary

### Appointed as director on

15 March 2017, 24 April 2018 (The 2<sup>nd</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

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

-

### Positions in Other Organizations

2020 - Present: Member of Policy and Strategic Development Sub-Committee, The Liquor Distillery Organization, The Excise Department

2020 - Present: Member of Risk Management and Internal Control Sub-Committee, The Liquor Distillery Organization, The Excise Department

\* Includes holding by spouse and minor children





## MR. JIROD PANACHARAS

Age 48 years

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

### Appointed as director on

15 March 2017, 24 April 2019 (The 1<sup>st</sup> re-elected)

( % ) Share Possession\* as of 9 February 2021

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

-

### Positions in Other Organizations

-

\* Includes holding by spouse and minor children



## MR. CHALERMSAK KARNCHANAWARIN

Age 44 years

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

### Appointed as director on

15 April 2018, 20 April 2020 (The 1<sup>st</sup> re-elected)

### ( % ) Share Possession\* as of 9 February 2021

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

-

### Positions in Other Organizations

2020 – Present: Chairman, Responsible Care  
Management Committee of Thailand:  
RCMCT, Chemical Industry Club: CIC,  
the Federation of Thai Industries: FTI

2020 – Present: Advisor, Executive Committee of  
Center for Safety, Health and  
Environment of Chulalongkorn  
University: SHECU

2020 – Present: Director, Industry Competency Board:  
Logistics, Thailand Professional  
Qualification Institute  
(Public Organization)

2019 – Present : Secretary General,  
Thai International Freight Forwarders  
Association: TIFFA

2014 – Present : Advisor, Chemical Industry Club:  
CIC, the Federation of Thai Industries: FTI

2007 – Present: Director, Hazardous Substances  
Logistics Association: HASLA

\* Includes holding by spouse and minor children

## MANAGEMENT COMMITTEE

As of 31 December 2020, the Management Committee consists of 7 persons as follows:

List of the Management Committee	Position
1. Mr. Tipp Dalal	Chairman of the 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. Chalerm Sak Karnchanawarin	Member of the Management Committee

## SUB-COMMITTEE OF THE COMPANY

### AUDIT COMMITTEE

As of 31 December 2020, 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 2020, 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 2020, the Nomination and Remuneration Committee consists of 3 persons as follows:

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

**Remarks :** \* Independent Director

## RISK MANAGEMENT SUB-COMMITTEE

As of 31 December 2020, 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. Chalerm Sak	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 2020

The Board of Director sets Meeting schedule for the whole year in advance and inform all directors at the beginning of the year. In 2020, 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. Krirkkrai	Jirapaet	11/11	-	-	-	1/1
2. Mr. Woodtipong	Moleechad	11/11	5/5	-	-	1/1
3. Mr. Vipoota	Trakulhoon	10/11	5/5	-	2/2	1/1
4. Mr. Apichart	Chirabandhu	11/11	5/5	2/2	2/2	1/1
5. Mr. Tipp	Dalal	11/11	-	-	-	1/1
6. Mr. Viraj	Nobnomtham	11/11	-	-	2/2	1/1
7. Mr. Thanut	Thatayanon	11/11	-	2/2	-	1/1
8. Mrs. Darunee	Rakpongpi boon	11/11	-	-	-	1/1
9. Mr. Teeranit	Isarangkul	10/11	-	2/2	-	1/1
10. Mr. Jirod	Panacharas	11/11	-	2/2	-	1/1
11. Mr. Chalerm Sak	Karnchanawarin	10/11	-	-	-	1/1

**Remarks :** Number of Attendance / Number of Meeting

Name - Surname		Management Committee
1. Mr. Tipp	Dalal	14/15
2. Mr. Viraj	Nobnomtham	15/15
3. Mr. Teeranit	Isarangkul	14/15
4. Mr. Thanut	Thatayanon	14/15
5. Mrs. Darunee	Rakpongpi boon	15/15
6. Mr. Jirod	Panacharas	15/15
7. Mr. Chalerm Sak	Karnchanawarin	14/15

**Remark :** Number of Attendance / Number of Meeting



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

**Remark :** Number of Attendance / Number of Meeting

### INDEPENDENT DIRECTORS' MEETING

In year 2020, the Company has held one Independent Directors' meeting on 17 November 2020 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 strategy amidst the COVID-19 outbreak, Guidelines for restoring businesses affected by the COVID-19 outbreak and the management structure and operating culture of the company.

### TRAINING ATTENDANCE BY THE BOARD OF DIRECTORS IN THE YEAR 2020

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 2020
1. Mr. Krirkkrai Jirapaet	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
2. Mr. Woodtipong Moleechad	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
3. Mr. Vipoota Trakulhoon	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
4. Mr. Apichart Chirabandhu	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
5. Mr. Tipp Dalal	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
6. Mr. Viraj Nobnomtham	- TLCA CFO Professional Development Program (TLCA CFO CPD) 2/2020 "Transfer pricing" by Thai Listed Companies Association (Online Training)
	- TLCA CFO Professional Development Program (TLCA CFO CPD) 4/2020 "Capital structure and funding strategy" by Thai Listed Companies Association (Online Training)
	- TLCA CFO Professional Development Program (TLCA CFO CPD) 7/2020 "Data privacy law and cyber security" by Thai Listed Companies Association (Online Training)
	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited

Name of Directors	Training / Seminar attended in year 2020
7. Mr. Thanut Thatayanon	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
8. Mrs. Darunee Rakpongpi boon	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited - HCM Lesson learn Case Study : CP ALL by Thai Listed Companies Association
9. Mr. Teeranit Isarangkul	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
10. Mr. Jirod Panacharas	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited
11. Mr. Chalernsak Karnchanawarin	- Subject Promotion of Good Corporate Governance and Prevention of Frauds by Siam Premier International Law Office Limited

## REMUNERATION OF DIRECTORS AND EXECUTIVES

### 1. DIRECTOR'S REMUNERATION

#### MONETARY REMUNERATION

The Annual General Meeting of shareholders 2020 has resolved to approve the determination of remuneration of directors for the year 2020 as follows:

##### Director's remuneration Monthly remuneration, payment on monthly basis

- Chairman	30,000 Baht per month
- Vice 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 2020, the payment of directors' remuneration can be summarized as follows:

Name of Directors	Year 2020	
	Remuneration (Baht)	
1. Mr. Krirkkrai Jirapaet	1,543,250	
2. Mr. Woodtipong Moleechad	1,168,750	
3. Mr. Vipoota Trakulhoon	979,000	
4. Mr. Apichart Chirabandhu	1,009,000	
5. Mr. Tipp Dalal <sup>/1</sup>	-	
6. Mr. Viraj Nobnomtham <sup>/1</sup>	-	
7. Mr. Thanut Thatayanon <sup>/1</sup>	-	
8. Mrs. Darunee Rakpongpi boon <sup>/1</sup>	-	
9. Mr. Teeranit Isarangkul <sup>/1</sup>	-	
10. Mr. Jirod Panacharas <sup>/1</sup>	-	
11. Mr. Chalerm Sak Karnchanawarin <sup>/1</sup>	-	
<b>Total</b>	<b>4,700,000</b>	

Remark: <sup>/1</sup>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 2018, 31 December 2019 and 31 December 2020 are as follow:

	2018	2019	2020
Number (Person)	7	7	7
<b>Total Remuneration (Million Baht)</b>	<b>54.95</b>	<b>53.42</b>	<b>48.28</b>

Remuneration of the Chief Executive Officer, in the form of salary bonus and provident funds, 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. Details as follows:

- Short Term: The compensation paid in the form of salary and bonus based on performance (KPIs).
- Long term: The compensation paid in the form of a provident funds and health insurance considering based on the balance scorecard and the evaluation of the CEO's performance in managing the work according to the strategy and business plan for both medium and long term.

## 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 2020 are as follows:

Business Line	Number of Employees (Person)		
	31 December 2018	31 December 2019	31 December 2020
Air Freight Business	667	693	328
Sea Freight and Inland Transport Business	38	89	20
Logistics Management Business	85	92	94
Chemical and Specialty Logistics Business	209	225	214
<b>Total</b>	<b>999</b>	<b>1,099</b>	<b>656</b>

## REMUNERATION OF EMPLOYEES (EXCLUSIVE OF THE EXECUTIVES)

In the year 2018, 2019 and 2020, the Company paid employee compensation (excluding executive compensation) in the amount of Baht 279.60 million, Baht 297.07 million and Baht 174.62 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 2018, 2019 and 2020 in the amount of Baht 7.06 million, Baht 8.25 million and Baht 6.33 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. The employees have exercised their warrant four times consisting of the exercise no.1 on 1 March 2019 in the number of 2,329,088 warrant units, the exercise no. 2 on 30 August 2019 in the number of 2,478,687 warrant units, the exercise no. 3 on 28 February 2020 in the number of - warrant unit and the exercise no. 4 on 1 September 2020 in the number of - warrant unit.

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, 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 2020, the average hours of training per year per employee was 52.47 hours. The Company incurred human resources development expenses in the amount of Baht 841,350.72. The average hours of training per year per employee in 2019 was 12.69 hours and human resources development expenses in 2019 was Baht 2,215,429.69.



# NOMINATION AND REMUNERATION COMMITTEE REPORT

Triple i Logistics Public Company Limited has appointed the Nomination and Remuneration Committee consists of 3 members and more than half of the total members of the committee are independent directors as follows

- |    |              |             |   |
|----|--------------|-------------|---|
| 1. | Mr. Vipoota  | Trakulhoon  | Chairman of the Nomination and Remuneration Committee<br>(Independent Director) |
| 2. | Mr. Apichart | Chirabandhu | Member of the Nomination and Remuneration Committee<br>(Independent Director)   |
| 3. | Mr. Viraj    | Nobnomtham  | Member of the Nomination and Remuneration Committee                             |

The Nomination and Remuneration Committee has the duties and responsibilities in accordance with the Charter of the Nomination and Remuneration Committee including considering remuneration of the Board of Directors, sub-committees and Chief Executive Officer.

The Nomination and Remuneration Committee performed their duties with prudence and care by screening and commenting on key issues for the Board's consideration and in 2020 the Nomination and Remuneration Committee held 2 meetings in total. Duties performed by the committee can be highlighted as follows:

1. 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 2020 Annual General Meeting of Shareholders for appointment of directors in replace of those who are retired by rotation.
2. The committee considered remuneration of the Board of Directors and sub-committees for the year 2020 and proposed the matter to the Board of Directors and the Annual General Meeting of shareholders for approval.
3. Evaluate the Chief Executive Officer's performance for the year 2020 and informed to the Board of Directors.
4. 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 2020.
5. The Committee reviewed succession plan which is part of the duties of the Nomination and Remuneration Committee. It relates to the performance of duties of the directors in accordance with good corporate governance principles as well as preparing for the development of manpower management system and human resource development.
6. The committee reviewed Charter of the Nomination and Remuneration Committee for the year 2020 and proposed to the Board of Directors for consideration.

**MR. VIPOOTA TRAKULHOON**

Chairman of the Nomination and  
Remuneration Committee





# CORPORATE GOVERNANCE COMMITTEE REPORT

The Corporate Governance Committee of Triple i Logistics Public Company Limited stresses commitment to promote the company to become a corporation of transparency morality, honesty and resistance to the fraud and corruption. The Company operates business under the good corporate governance principle issued by Thailand Securities and Exchange Commission and the Stock Exchange of Thailand, which referred to the international principle of good corporate governance. The committee also aims to improve and enhance the good corporate governance of the Company to be more efficient, which will in turn enhance the Company's creditability in the eyes of and gaining confidence from all stakeholders. The committee consists of the following members:

- |    |                          |  |
|----|--------------------------|--|
| 1. | Mr. Apichart Chirabandhu | Chairman of the Corporate Governance Committee<br>(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 2020, the Corporate Governance Committee held 2 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 committee considered the assessment results of Corporate Governance Report of Thai Listed Companies: CGR for the year 2020 organized by Thai Institute of Directors (IOD). The Company was rated "Excellent" 2 consecutive years 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.
2. 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 2021 Annual General Meeting of Shareholders in advance during 18 December 2020 - 31 January 2021. This is in line with Principles of Good Corporate Governance in relation to right of shareholders and equitable treatment of shareholders.
3. 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.
4. 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.
5. To organize the annual performance assessment of the Board of Directors, sub-committees and self-assessment. It has the objective to review performance in order to develop the performance of committee to be more effective.
6. The committee followed up the Company to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), a program organized by Thai Institute of Directors. The Company declared to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 23 February 2021.

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 inquiries in the meeting on matters relating to the Company including to provide opportunity to shareholders to provide their inquiries prior to the date of meeting by determining the rules on making inquiries in advance. The rules on making inquiries in advance shall be circulated together with the invitation letter of the meeting and shall be disclosed on the Company's website.
- 1.5 The shareholders shall have the right to proxy any other persons to attend the meeting and to vote on their behalf. The shareholders shall have the right to receive documents and suggestion on proxy. The proxy who complies with the laws and submits the proxy form to the directors at the meeting, such proxy shall have the right to attend the meeting and to vote like the shareholder. The shareholders may provide proxy to any Independent Directors to attend the meeting and to vote on their behalf. The shareholders have the right to receive the profile and working experiences of each Independent Director for consideration.

- 1.6 The shareholders shall have the right to vote for each agenda. The voting shall use process and equipment that is transparent, convenient, fast and effective. The resolution results can be quickly presented, and shareholders shall have the right to know the voting results in a timely manner.
- 1.7 All directors including sub-committees and company secretary shall attend the shareholders' meeting every time if it does not conflict with other significant matter in order to provide responses to inquiries and receive comments of shareholders. In addition, the senior management shall attend the shareholders' meeting to provide responses to inquiries as well.
- 1.8 After the shareholders' meeting, the Company shall prepare the accuracy and completeness minutes of the meeting and subsequently, submit such minutes to the Stock Exchange of Thailand or relevant regulatory bodies within the specified period including to disclose such minutes on the Company's website.
- 1.9 The Company's directors shall report the change in shareholding in the Company's securities pursuant to the rules of the Office of the Securities and Exchange Commission.

## SECTION 2: THE EQUITABLE TREATMENT OF SHAREHOLDERS

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

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

## SECTION 3: ROLE OF SHAREHOLDERS

The business operations of the Company and its subsidiaries will involve various parties such as shareholders, directors, executives, employees, creditors, customers, competitors, the community, country and the world. The Company recognizes the importance of caring for and taking into account all stakeholders. In addition to the business of the Company, the Company also takes into account the rights of all stakeholders under the following guidelines:

- 3.1 The Company and its subsidiaries divide the stakeholders into groups namely, creditors, customers, partners, companies in which the Company or its subsidiaries hold shares, personnel of the Company and its subsidiaries. The Company must provide sufficient channels for the communication with each stakeholder.
- 3.2 The Company and its subsidiaries operate in a competitive environment within their code of conduct and the scope of law. It also supports and promotes free and fair competition policies and will not violate the confidentiality or trade secrets of competitors by fraudulent means.
- 3.3 The Company and its subsidiaries have commitments to consumers to develop and continuously improve products and services, and to set prices/services to appropriately suit the situation without taking advantage of a consumer under the consumer protection laws and the antitrust laws in dealing with the Company and its subsidiaries. The Company and its subsidiaries must operate fairly and do not take advantage of their partners.

- 3.4 The Company and its subsidiaries will comply with terms, conditions or contract with creditors strictly if it cannot comply with, it will inform and negotiate with the counterparty without delay for amendment and remedy of damage fairly.
- 3.5 The Company and its subsidiaries must take into account the welfare of the employees and do not take advantage of them when entering into an employment contract. They also set appropriate compensation based on performance to motivate the employees of the Company and its subsidiaries to have incentives to work; train and provide additional education to increase the potential of its employees to have a good working environment; and set safety standards, working discipline, and a good compensation plan if there is a circumstance that causes an employee to cease his/her work for any reason.
- 3.6 The Company must have a department handling a social responsibility matter to provide aids, support, and benefit the community and society as a whole. The Company has a plan to protect the environment and security, especially the potential environmental impacts by the Company's business. The Company also has a good compensation plan in case of an accident, and have set a sustainable remedy plan.
- 3.7 The Board of Directors shall conduct public relations to convey awareness and continuous and consistent attention to stakeholders.

## SECTION 4: DISCLOSURE AND TRANSPARENCY

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

- 4.1 The Board of Directors is responsible for disclosing information, both financial and non-financial information, adequately, reliably and timely, to the shareholders and stakeholders of the Company so that they obtain equivalent information as prescribed by law and relevant government agencies, and the Company's regulations. The Company should regularly and promptly prepare and update complete information on the website. To ensure that shareholders are able to find additional information for consideration and contact the responsible department to 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 assests 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

Name – Surname		Position
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 Director.

#### 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 Management Committee.
- 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 2020 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

The appointment of the Chief Executive Officer is the authority of the Board of Directors. In this regard, the Board of Directors has a policy that the Chief Executive Officer is appointed to be a director in other companies outside the Group of Company must be approved by the Board of Directors before holding a position with realize to the interests of the company. The directors can hold director position in companies listed on the Stock Exchange of Thailand not more than 5 companies.

#### 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 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 set 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 Office shall chair the Management Committee.

## COMPOSITION AND NOMINATION OF THE RISK MANAGEMENT SUB-COMMITTEE

The Risk Management Sub-committee shall 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 Sub-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 clearly 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 2018 to 2020, the Company appointed the following auditor and provided the following fees to the auditor:

Financial year	Name of the Auditor	Audit fee (Baht)	Other fees (Baht)
2018	PricewaterhouseCoopers ABAS Ltd.	7,245,000	-
2019	PricewaterhouseCoopers ABAS Ltd.	7,659,000	-
2020	PricewaterhouseCoopers ABAS Ltd.	6,615,000	-



# 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.
- 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, 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 at 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.

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

## IMPLEMENTATION AND PREPARATION OF REPORTS

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

### 1. CONDUCT BUSINESS WITH FAIRNESS

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

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

### 2. ANTI-CORRUPTION

The Company conducts its business with transparency and adheres to moral principles. 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 conducted a study and prepared policy and work manual relating to anti-corruption. The Company has announced on 23 February 2021 that it will participate in Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) and will inform the shareholders in the 2021 Annual General Meeting of Shareholders. 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](http://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 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:

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

#### 4. RESPONSIBILITY TOWARDS CUSTOMERS AND CONSUMERS

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

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

#### 5. ENVIRONMENTAL CARE

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

- The Company promotes safety by preparing standard terms and conditions on quality, safety, health, and environment, having measures not less than those prescribed by laws and in accordance with the international standards. The Company's employees must study and strictly comply with laws, policies, and the standard terms and conditions on quality, safety, health, and environment;
- The Company will take measures to control and prevent losses of all forms from accidents, fire, injuries or illness from work, property lost or damages, security breach, work errors and mistakes occurred, and to provide safe working environment for the Company's employees and to regularly practice safety plans. The management and the Company's employees are responsible for reporting accidents in accordance with the prescribed procedures. In the year 2020, 2 staff was injured or experienced accident as a result of work.
- The Company will organize public relations activities and media to educate and provide information to its employees, employees of the contractors and stakeholders to acknowledge and understand the Company's policies, rules, regulations, procedures, practices and precautions in relation to quality, safety, health, and environment and to be able to correctly comply without causing harm to health, property and the environment;
- The Company's commitment is to have corporate social responsibilities, in terms of quality, safety, health, and environment, including utilizing natural resources for the optimal benefits by realizing the importance of environment and safety to stakeholders. The Company also promotes social activities to protect the environment and improve the quality of life of the people in the community according to the principle of sustainable development;
- If any action is found unsafe or fails to comply with the standard terms and conditions on quality, safety, health, and environment, or it is found that there is a serious environmental impact, the Company's employees shall temporarily cease their actions as much as possible and inform their colleagues, supervisors, and responsible agencies to remedy or plan further, and not allow to work strictly.



## 6. JOINT DEVELOPMENT FOR COMMUNITY OR SOCIETY

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

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

## INNOVATION AND DISSEMINATION OF INNOVATION FROM IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITIES

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

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

## CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY ACTIVITY

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

### 1. SOCIAL AND ENVIRONMENTAL ACTIVITIES THAT AFFECT THE STAKEHOLDERS AND THE ENVIRONMENT OF THE COMPANY (CSR IN PROCESS)

The 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:

- **Customers and Trade Partner of the Company, Public Sector, Private Sector, Associations and Training Institutes**

The 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.

- **Logistics Industry**

The Company has participated in moving the domestic and international logistic industries by having the Company's representative holding the secretary position of Thai International Freight Forwarders Association. In the previous year, the Company's representative has been appointed as the director of the Industry Competency Board in Logistics Area of Thailand Professional Qualification Institute (Public Organization) (TPQI).

- **Chemical Industry**

The Company representative has been appointed as the consultant in the chemical industry sector of The Federation of Thai Industries for another period. Our representative has participated in the strategic works of the group and has acted as the co-speaker in the seminar under the topic of "Chemical...Good or Bad". Our representative has been also nominated as the chairman of the group of Responsible Care® which is responsible for the chemical industry group of The Federation of Thai Industries. This group has driven the working plan of the unit through the cooperation of both domestic and international in various areas such as the organizing of the ASEAN Chemical Regulatory Cooperation Workshop (ARCP) through the Webinar online platform of which it had the representatives from public sector and private sector from 10 countries in the ASEAN Economic Community (ACE) participated in the meeting.

The implementation of the cooperative project in respect of the chemical management with the Association for Overseas Technical Scholarship (AOTS) under the support of the Ministry of Economic Trade and Industry, Japan together with the Hazardous Substances Control Bureau, Department of Industrial Works, Ministry of Industry, Thailand for the organizing of the seminar under the topic of Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

The implementation of the project with the public sector as the consultant of the National Chemical Substances and Dangerous Goods List System and the Chemical Substances and Dangerous Goods Prioritization System of the Department of Industrial Works, Ministry of Industry, and as the representative of the Department of Industrial Works in a forum on the GHS implementation and risk assessment of chemicals to health and environment.

The participation in providing opinions in the forum of the development of the secondary laws of the draft Chemicals Act. In addition, the Company's representative has been also nominated as the director of the Hazardous Substances Logistics Association (HASLA) and has participated in various activities such as the annual meeting, the seminar and training of the members of the HASLA. Our representative has competed an important role in policy and practice for new laws related to the handling of chemicals and dangerous goods.

- **Employee**

The 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 standard and procurement training, environmental sanitation training, air cargo security control training, rules and regulations of dangerous goods and radiation protection training, forklift training etc.

- **Educational Institutions and Universities**

The Company puts great importance on education and the Company has focused on the education therefore, in the previous year, the Company's representative has been appointed as the consultant of the Safety, Health and Environment Committee of Chulalongkorn University for another period. As the consultant, As the consultant, we have provided our suggestions to the implementation of strategic plan and policy on management of the Safety, Health and Environment Center of Chulalongkorn University including we have attended the meeting of the committee on monthly basis.

The Company has focused on the participation in providing the knowledge on logistics for the educational institutions, universities and the International Transport and Business School (ITBS) by having the Company's representative as lecturer for the training of logistic, supply chain and international trade such as the Logistics Management for Young Executive Program which was the cooperative project between the Logistics and Supply Chain College, Sripatum University and Thai International Freight Forwarders Association (TIFFA) whereby International Transport and Business School (ITBS) has provided the training on the warehouse management, the logistics of dangerous goods, the business plan and technical terms of the international freight forwarder and English for business communication.

## 2. SOCIAL AND ENVIRONMENTAL ACTIVITIES THAT AFFECT SOCIETY AND ENVIRONMENT THAT INDIRECT TO THE COMPANY'S BUSINESS (CSR AFTER PROCESS)

- **Social Activity and Public Benefit Activity**

“Triple i Fight Corona Virus Together” Activity

Triple i Logistics Public Company Limited and its associated companies have acknowledged the intensity of COVID-19 outbreak and the lack of face masks, alcohols, protection equipment and medical equipment of the medical facilities in Thailand.

In April 2020, the Company and its associated companies have donated the KN95 face masks in the number of 870 pieces, plastic aprons in the number of 4,000 pieces and alcohols to the medical personnel in 5 hospitals which were Sankamphaeng Hospital, Chiangmai, Sirithorn Hospital, Khon Kaen, Warinchamrab Hospital, Ubon Ratchathani, Fort Thanarat Hospital, Prachuap Khiri Khan and Galyani Vadhana Karun Hospital, Narathiwat, and have prepared picture messages to encourage medical personnel by providing opportunities for employees, executives, customers and business partners to send messages of encouragement through the company's Facebook fan page as well.





## 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. 5/2020 held on 12 May 2020, No. 7/2020 held on 13 August 2020, No. 10/2020 held on 3 November 2020 and No. 2/2021 held on 23 February 2021 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 2019 as information in preparing internal audit plan for the year 2020 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 by auditing the key systems such as Revenue Process (customer sales and services, sales management, customer procurement, order acceptance, payment receipt, credit control) Inventory Management Process Information Technology System (IT General

Control, IT Application Control, IT Security) and Contract Management Process. In addition, the internal auditor follows up on the annual assessment of operation risk which may cause corruptions as mentioned in the Anti-Corruption Policy. In addition, the Company conducts an evaluation and assessment of operational risks, which may cause corruptions, at least once a year according to its anti-corruption policy. Based on the evaluation by the Risk Management Sub-Committee, risk relating to operation and assets arising from non-compliance with the anti-corruption policy was not found. The Company also assessed risks which may arise from non-compliance with policies and business ethics and corruptions by giving an opportunity for its employees or third-party to report any misconduct against the anti-corruption policy in the year 2020. There was neither any report of misconduct nor claim of any kind. Therefore, the Company is confident that it has control over risks relating to anti-corruption that is in line with its anti-corruption policy and follows up on outstanding issues from internal audit during Quarter 1 – 3 of the year 2020. 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

Triple i Logistics Public Company Limited values corporate risk management as an essential tool for coping with risk factors from inside and outside the corporation, including the volatile world economy, assorted uncertainty, and emerging risks that are increasingly complex and severe. Since all these could jeopardize the Company's performance, risk management plays such an importance role in mitigating these impacts so as to steer the Company toward its business goals.

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. Chalerm Sak Karnchanawarin | Member of the Risk Management Sub-Committee   |
| 5. | Mr. Suchart Tanasoontrarat     | Member of the Risk Management Sub-Committee   |

In 2020, the Risk Management Sub-Committee had 5 meetings. The Risk Management Sub-Committee has performed its duties as assigned by the Board of Director and in accordance with the Risk Management Charter. The substances are summarized as follows:

1. To review the Risk Management framework, to determine level / change, impact and damage level precisely in order to adhere to as guide for assessing the severity of the risk and risk management. The risk identification for business operation of the Company and the Company Group are classified in 4 types as follows.
  - 1) Strategic Risk
  - 2) Financial Risk
  - 3) Organization and Operation Risk
  - 4) Technology Risk
2. To provide recommendations for the new investment of the company to ensure that the expansion of domestic investments and foreign investments have the opportunity to reach the goals and the investments have an appropriate risk management before proposing to the Board of Directors for approval.
3. To follow up operation, investment of new business projects of the Company to be in line with the direction and scope approved by the Board of Directors.

The Risk Management Sub-Committee thrives to perform its duties to cause the adequate supervision and risk management, to ensure that such risks are within an acceptable ranges and to promote the efficient and effective business operation of the Company Group.

**Mr. Viraj Nobnomtham**

Chairman of the Risk Management Sub-Committee



# RISK FACTORS

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

## 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.

From 2020 onwards, the group company has mitigated the risk of relying on major trade partner by entering into negotiation with AirAsia Group. The group company in cooperation with Teleport Everywhere Pte. Ltd. ("TLP"), a company under AirAsia Group, incorporated a joint venture company 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. This cooperation will reduce the Company's 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 and the group company does not rely on any particular airlines. In 2020, the group company's major trade partner was Thai Airways International Public Company Limited, of which costs of services accounted for only 4.2% of the Company's total costs.

## 2. RISK OF RELYING ON MAJOR CUSTOMER

In respect of logistics management business, the Group generated revenue from a single customer during the year 2019 - 2020 at 18.6% and 21.3% 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 during the year 2019-2020 at 1.2% and 2.3% 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 2019 - 2020, air freight charges were 88.4% and 62.4% of the total cost, while sea freight charges were 1.1% and 2.0% 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 the past, air freight cost for general sales agent for airlines business for Thai AirAsia X Co., Ltd. ("TAAX") and Thai Air Asia Co., Ltd. ("TAA") had been a fixed cost. However, since the year 2020, the group company has changed the business model from acting as representative for airlines under AirAsia Group to offering services through Teleport (Thailand) Co., Ltd. ("TLP-TH"), enabling the group company to reduce the risk of freight cost, which is a fixed cost. And the group company could provide air freight service through AirAsia Group at the cost that is competitive and in line with the market price.

In respect of air freight business, freight cost which varies based on the market price is a direct cost to the group company charged by airlines or airline's representatives without going through any other agents. 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.

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 28 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.

In the past year of 2020, the Group has realized the importance of developing digital technology side of the business. The group company has, therefore, invested in Galaxy Ventures Co., Ltd., a company that invests in start-up companies in E-Commerce and E-Logistics business, enabling the group company to expand into new business relating to E-Commerce and E-Logistics that has potential growth and enhancing its existing logistics business.

## 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 chemical and specialty logistics business unit acquired in the year 2018 and Around Logistics Management under air freight business unit 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 2019 and 2020, the Group incurred payment for damages to its customers in the amount of Baht 1.60 million and Baht 12.81 million respectively or representing 0.07% and 0.8% 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 chemical and specialty 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 specialty logistics business unit are all located in Frasers Property Logistics Park on Bangna-Trad Km.39 with a total area of 24,400 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 and six 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 ten 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, Triple i SupplyChain Company Limited leases warehouse located at Bangna Km.19 from Thriven Asset 2 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.

### 13. 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 2019 - 2020, the Group's revenues from services in foreign currencies accounted for 46.2% and 19.9% of total revenues from services respectively. The reason that the ratio of foreign currency income to the group company's total income in 2020 has reduced significantly was mainly due to the change of business model from conducting general sales agent for airlines business for AirAsia Group to co-investing in TLP-TH which conducts general sales agent for airlines business in respect of outbound flights from Thailand of all airlines under the AirAsia Group. Hence, revenues from sales of freight are mostly earned in Thai Baht. This has drastically reduced the risk of fluctuation in foreign exchange rates.

However, the Group has a business partner to service overseas customers, 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 has a plan to purchase 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 (Natural Hedge).

The abovementioned factors have mitigated the group company's risk. The group company presently has a low risk of fluctuation in foreign exchange rates, and the risk is at a manageable level. The group company's 2020 consolidated financial statements has a slight foreign exchange loss of Baht 0.8 million.

### 14. MANAGEMENT RISK

Risk of major shareholders having influence over determination of policies and business operations. As of 31 December 2020, the executives and management committee of the Group held shares of 63.8% 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 2020, 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 202,834,467, the details are as follows:

Type / Nature of Assets	Net Book Value (Baht)	Type of Ownership	Encumbrances
<b>Consolidated Financial Statements</b>			
Lands	33,432,000	Owner	-
Buildings and Building Improvements	57,552,671	Owner/Operating Lease	-
Machinery and Equipment	20,494,335	Owner	-
Vehicles and Equipment	19,179,136	Owner	-
Office Decorations	5,604,854	Owner	-
Stationaries	24,737,881	Owner	-
Construction in progress	41,833,590	Owner	-
<b>Total</b>	<b>202,834,467</b>		

Details of locations and purpose of possession of core assets for operating of business of the Group as of 31 December 2020 are as follows:

## LANDS AND LAND IMPROVEMENTS

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TLG	628 Triple i Building, 3 <sup>rd</sup> 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
<b>Total</b>		<b>3 Ngan 122.3 Sq. Wah</b>			



## BUILDING AND BUILDING IMPROVEMENTS

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
TLG	628 Triple i Building, 3 <sup>rd</sup> Floor Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	Improvement of Rama III Building	Office	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 <sup>th</sup> Floor Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	Improvement of Rama III Building	Office	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 <sup>th</sup> Floor Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	Improvement of Rama III Building	Office	Right to lease from TLG	None
TAC	Don Mueang Airport	Improvement of Storage Room, Don Mueang Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Don Mueang Airport	Improvement of Office Space, Don Mueang Airport	Office	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	Storage Room	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Hat Yai Airport	Improvement of Warehouse, Hat Yai Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None

## VEHICLES AND EQUIPMENT

Company	Location	Area	Purpose of Possession	Type of Ownership	Encumbrances
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	None
TAX	Cargo Terminal, Don Mueang Airport	2 Four-wheels Pick-up Trucks	Freight Services	Owner	None
TAX	628, Triple i Building, 6 <sup>th</sup> Floor, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 Sedan Car	For Business Operation	Owner	None
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
TAC	Don Mueang Airport	7 Trailers	Goods Transport at Airport	Owner	None
TMA	628, Triple i Building, 2 <sup>nd</sup> Floor, Soi Klab Chom, Nonsee Road, Chongnonsee Yannawa, Bangkok	1 sedan car	Leased by CKT	Owner	None
TMA	628 Triple i Building, 2 <sup>nd</sup> Floor, Soi Klab Chom Nonsee Road, Chongnonsee, Yannawa, Bangkok	1 sedan car	For Business Operation	Owner	None
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

## 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 2020, the Group had the insurance coverage amount under such insurances of Baht 2,301.12 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	126.4
TAC	Industrial All Risks Insurance	1. Buildings	TLG	1.20
		2. Inventories and Parcel Posts		5
		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
TSC	Industrial All Risks Insurance	Inventories and Furnitures	TSC	800
HLM	Transportation specialist legal liability insurance policy	1. Cargo Liability	HLM	10 per time
		2. Custom Liability	HLM	2.5 per time
		3. Third-party Liability	HLM	10 per time
		4. Errors and Omissions	HLM	2.5 per time
		Liability No.1-4	HLM	not exceed 20 per time
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	100
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	100% 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
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	Freight-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) Company Limited	ECA-KH	32% shares held by TLG
Teleport (Thailand) Company Limited	TLP	50% shares held by TLG
SAL Group (Thailand) Company Limited	SAL	25% shares held by TLG
Galaxy Ventures Company Limited	GV	30% 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) and (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 2020 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 the 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 Chairman of the Board (acting as the 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 of 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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TLG and ANI</b> ANI borrowed from TLG <ul style="list-style-type: none"> <li>• Loan</li> <li>• Interest received</li> <li>• Accrued interest receivable</li> </ul>	Beginning 2,250,000 Increase - Decrease - Ending 2,250,000 140,625 Beginning 11,944 Increase 140,625 Decrease (152,569) Ending -	Beginning 2,250,000 Increase - Decrease (900,000) Ending 1,350,000 117,750 Beginning - Increase 17,750 Decrease (111,496) Ending 6,254	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 - 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"> <li>• 8 August 2017</li> <li>• 7 November 2017</li> <li>• 20 February 2018</li> <li>• 8 May 2018</li> <li>• 7 August 2018</li> <li>• 13 November 2018</li> <li>• 26 February 2019</li> <li>• 7 May 2019</li> <li>• 6 August 2019</li> <li>• 5 November 2019</li> <li>• 25 February 2020</li> <li>• 12 May 2020</li> <li>• 13 August 2020</li> <li>• 3 November 2020</li> </ul> The current interest rate is reasonable.
<b>Transactions between TLG and ECU</b> ECU borrowed from TLG <ul style="list-style-type: none"> <li>• Loan</li> <li>• Interest received</li> </ul>	Beginning - Increase 9,000,000 Decrease - Ending 9,000,000 21,575	Beginning 9,000,000 Increase 5,000,000 Decrease (14,000,000) Ending - 9,714	On 23 September 2020, ECU has entered into the loan agreement with TLG as its working capital for short-term business in the amount of Baht 5,000,000 with MLR interest rate per year - the market interest rate. The loan amount is not proportioned with an investment amount due to it is a short-term loan.  On 5 October 2020, 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.

## 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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TLG and JPK</b> JPK 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"> <li>• Fee for a letter of guarantee</li> </ul>	18,347	16,455	JPK entered into a letter of guarantee with a financial institution for a credit amount of Baht 1,633,560 by using TLG's credit of its letter of guarantee. JPK 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.
<b>Transaction between TLG and GCN-MM</b> 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"> <li>• Fee for a letter of guarantee</li> </ul>	151,059	31,010	GCN-MM entered into a letter of guarantee with a financial institution for a credit amount of Baht 2,121,000 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	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TLG and FW-HK</b> FW-HK 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"> <li>• Fee for a letter of guarantee</li> </ul>	-	156,344	FW-HK entered into a letter of guarantee with a financial institution for a credit amount of Baht 10,649,975 by using TLG's credit of its letter of guarantee. FW-HK 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.
<b>Transaction between TLG and ANI</b> 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"> <li>• Fee for a letter of guarantee</li> </ul>	-	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	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TLG and ECA-KH</b> 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"> <li>• Fee for a letter of guarantee</li> <li>• Fee receivable</li> </ul>	557,437  Beginning - Increase 975,535 Decrease - Ending 975,535	391,885  Beginning 975,535 Increase 685,819 Decrease (1,652,001) Ending 9,353	ECA-KH entered into a letter of guarantee with a financial institution for a credit amount of Baht 39,170,472 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.
<b>Transaction between TLG and ECA-GZ</b> ECA-GZ 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"> <li>• Fee for a letter of guarantee</li> </ul>	-	15,794	ECA-GZ entered into a letter of guarantee with a financial institution for a credit amount of Baht 5,240,840 by using TLG's credit of its letter of guarantee. ECA-GZ 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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TLG and ECA-HK</b> ECA-HK 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"> <li>• Fee for a letter of guarantee</li> </ul>	-	30,071	ECA-HK entered into a letter of guarantee with a financial institution for a credit amount of Baht 6,000,082 by using TLG's credit of its letter of guarantee. ECA-HK 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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TLG and ECU</b> ECU leases office space from TLG <ul style="list-style-type: none"> <li>• Office rental and service expenses</li> <li>• Rent receivable</li> </ul>	4,018,490  Beginning 503,247 Increase 4,203,440 Decrease (4,309,688) Ending 396,999	3,934,314  Beginning 396,999 Increase 4,170,655 Decrease (4,181,332) Ending 386,322	On 1 February 2020, 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 1 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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TLG and CKT</b> CKT leases office space from TLG <ul style="list-style-type: none"> <li>• Office rental and service expenses</li> <li>• Rent receivable</li> </ul>	2,222,631  Beginning 106,569 Increase 2,335,753 Decrease (2,413,255) Ending 29,067	2,196,162  Beginning 29,067 Increase 2,323,433 Decrease (2,327,122) Ending 25,378	On 1 January 2020, 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 1 year.	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.
<b>Transactions between TLG and TLP</b> TLP leases office space from TLG <ul style="list-style-type: none"> <li>• Office rental and service expenses</li> <li>• Rent receivable</li> </ul>	-  Beginning - Increase - Decrease - Ending -	2,107,478  Beginning - Increase 2,107,478 Decrease (2,212,005) Ending 16,957	On 1 January 2020, TLP 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 1 year.	The transaction has been considered and approved by the Audit Committee on 12 May 2020 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.
<b>Transactions between TLG and SAL</b> SAL leases office space from TLG <ul style="list-style-type: none"> <li>• Office rental and service expenses</li> </ul>	-	5,700	SAL used the car parking services of TLG at the rental and service rates based on the market mechanism.	The Audit Committee has resolved that the using of car parking lots is reasonable and the service rate is the normal rate.



## 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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between HLM and R&amp;K</b> Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> <li>• Service fees</li> <li>• Account payable</li> </ul>	30,761,171 Beginning 3,353,111 Increase 30,761,171 Decrease(30,466,844) Ending 3,647,438	28,038,952 Beginning 3,647,438 Increase 28,038,952 Decrease(28,443,524) Ending 3,242,867	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.
<b>Transactions between DGP and R&amp;K</b> Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> <li>• Service fees</li> </ul>	38,901	43,979	D G P 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 AND DISTRIBUTIONS OF CHEMICAL PRODUCTS AND DANGEROUS GOODS SERVICE TRANSACTIONS AND TRACTOR HEAD FOR CONTAINER TRAILER SERVICE WITH R&K

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TLG and ECU</b> Sea freight • Freight and other fee • Freight and other fee payable	1,501,742  Beginning 1,108,631 Increase 2,676,449 Decrease (3,723,046) Ending 62,034	1,818,399  Beginning 62,034 Increase 3,144,542 Decrease (3,045,967) Ending 160,609	TLG paid sea freight 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.
<b>Commission shares in referring customers</b> • Commission fee • Commission fee payable	5,751,773  Beginning 880,987 Increase 6,121,455 Decrease (4,623,494) Ending 2,378,948	5,691,637  Beginning 2,378,948 Increase 6,090,022 Decrease (6,611,527) Ending 1,857,443	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.
<b>Drinking Water Fees</b> • Drinking Water Fees	1,920	660	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.
<b>Transaction between TLG and CKT</b> Sea freight • Freight and other fee • Freight and other fee payable	55,388  Beginning - Increase 378,600 Decrease (376,000) Ending 2,600	91,247  Beginning 2,600 Increase 921,951 Decrease (923,251) Ending 1,300	TLG paid sea freight 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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
Drinking Water Fees • Drinking water fees	495	1,350	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.
<b>Transaction between TLG and Spring Mineral Water</b> Drinking Water Fees • Drinking water fees • Drinking water payable	89,250  Beginning - Increase 95,498 Decrease (73,830) Ending 21,668	77,250  Beginning 21,668 Increase 82,658 Decrease (81,855) Ending 22,471	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.
<b>Transaction between TLG and HTM</b> Drinking Water Fees • Drinking water fees	-	765	The price is the same price as the cost payable by TLG to supplier which is the average cost per bottle.	The Audit Committee has resolved that such transaction was the sale of drinking water that had the logo of the group's Company on the bottle and the fees were charged at the actual cost which considered as the normal business.
<b>Transaction between TLG and TLP</b> Drinking Water Fees • Drinking water fees	-	360	The price is the same price as the cost payable by TLG to supplier which is the average cost per bottle.	The Audit Committee has resolved that such transaction was the sale of drinking water that had the logo of the group's Company on the bottle 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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TLG and SAL</b> Drinking Water Fees • Drinking water fees	-	90	The price is the same price as the cost payable by TLG to supplier which is the average cost per bottle.	The Audit Committee has resolved that such transaction was the sale of drinking water that had the logo of the group's Company on the bottle and the fees were charged at the actual cost which considered as the normal business.
<b>Transactions between HLM and ECU</b> Forwarding fees • Fees	36,747	14,678	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.
<b>Transactions between HLM and CKT</b> Bill of lading paid by CK Line for HLM's customers • Service fee • Account Payable	Beginning 135,568 Increase - Decrease - Ending -	Beginning 110,481 Increase 110,481 Decrease (109,181) Ending 1,300	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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between HLM and HTM</b> Administrative services <ul style="list-style-type: none"> <li>Service income</li> </ul>	1,690,909	1,427,000	HLM provides administrative services 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"> <li>Service fee</li> <li>Service fee payable</li> </ul>	43,332,237 Beginning 3,618,026 Increase 43,332,237 Decrease (43,073,061) Ending 3,877,202	43,725,898 Beginning 3,877,202 Increase 43,725,898 Decrease (43,440,406) Ending 4,162,694	HTM 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.
<b>Transactions between HLM and HLM-SG</b> Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> <li>Service fee</li> <li>Service fee payable</li> </ul>	2,297,386 Beginning 665,889 Increase 2,297,386 Decrease (2,628,523) Ending 334,752	2,186,225 Beginning 334,752 Increase 2,186,225 Decrease (2,354,970) Ending 166,007	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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
Integrated logistics services for chemical and hazardous <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	7,507,954 Beginning 2,320,267 Increase 7,507,954 Decrease (7,337,572) Ending 2,490,649	1,391,272 Beginning 2,490,649 Increase 1,391,272 Decrease (3,484,843) Ending 397,078	This transaction is the service provided in the case where H L M - S G has customers who require integrated logistics 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.
<b>Transaction between HLM and DGPS</b> Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> <li>• Service fee</li> <li>• Service fee payable</li> </ul>	467,264 Beginning 7,849 Increase 467,264 Decrease (412,821) Ending 62,292	3,757,907 Beginning 62,292 Increase 3,757,907 Decrease (2,260,253) Ending 1,559,947	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.
<b>Transaction between DGP and DGPS</b> Hazardous and chemical goods box fee <ul style="list-style-type: none"> <li>• Cost of box</li> </ul>	1,957,998	2,538,818	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 2019	Fiscal year ending 31 December 2020		
Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> <li>• Service income</li> </ul>	91,356	18,291	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 <ul style="list-style-type: none"> <li>• Advertisement fees</li> </ul>	29,813	29,173	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.
<b>Transaction between DGP and HTM</b> Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> <li>• Transportation fees</li> <li>• Service fees payable</li> </ul>	37,100  Beginning - Increase - Decrease - Ending -	23,814  Beginning - Increase 23,814 Decrease (15,414) Ending 8,400	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

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
Packaging services for hazardous and chemical goods • Packaging service income • Packaging service receivable	192,698  Beginning - Increase - Decrease - Ending -	60,150  Beginning - Increase 60,150 Decrease (56,341) Ending 3,809	D G P 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 • Service income	360,000	360,000	D G P 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.
<b>Transaction between DGP and ECU</b> Documentation services • Service income	2,000	16,800	D G P charged documentation fees and 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.
<b>Packaging services</b> • Packaging service income	34,600	3,500	D G P 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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TAX and G3</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	102,921 Beginning 7,143 Increase 102,921 Decrease (110,064) Ending -	78,505 Beginning - Increase 78,505 Decrease (28,393) Ending 50,112	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.
<b>Transactions between TAX and ECU</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	8,067,544 Beginning 756,897 Increase 8,067,544 Decrease (7,088,753) Ending 1,735,687	3,814,205 Beginning 1,735,687 Increase 3,814,205 Decrease (3,907,508) Ending 1,642,384	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.
<b>Transactions between TAX and ANI</b> Lease and service <ul style="list-style-type: none"> <li>• Rental and service income</li> <li>• Rental and service fee receivable</li> </ul>	1,731,506 Beginning 1,355 Increase 1,731,506 Decrease (1,730,850) Ending 2,011	1,740,184 Beginning 2,011 Increase 1,740,184 Decrease (1,588,678) Ending 153,517	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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Air freight service</b> • Service income • Service fee receivable	29,526,695 Beginning 145,377 Increase 29,526,695 Decrease (26,906,286) Ending 2,765,786	5,984,647 Beginning 2,765,786 Increase 5,984,647 Decrease (8,137,816) Ending 612,617	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.
<b>Transactions between TAX and ECA-BKK</b> <b>Air freight service</b> • Service income • Service fee payable	16,495,528 Beginning 1,241,657 Increase 16,495,528 Decrease (15,884,177) Ending 1,853,008	54,125,035 Beginning 1,853,008 Increase 54,125,035 Decrease (48,552,422) Ending 7,425,621	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.
<b>Transaction between TAX and Nadine</b> <b>Food and beverage fees</b> • Service fees	73,449	97,924	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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TAX and TLP</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	Beginning Increase Decrease Ending	- - - - <div>             1,117,096              -              1,117,096              (504,480)              612,616           </div>	TLP is the customer of TAX in air freight service as a normal transaction of the Group. 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.
Air freight service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	Beginning Increase Decrease Ending	- - - - <div>             134,699,335              -              134,699,335              (121,418,636)              13,280,699           </div>	TAX is the customer of TLP in air freight service as a normal transaction of the Group. 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.
<b>Transactions between TAX and FW-HK</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> </ul>	-	774,501	TAX is the customer of FW-HK in air freight service as a normal transaction of the Group. 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.
Air freight service <ul style="list-style-type: none"> <li>• Service income</li> </ul>	-	801,580	TAX is the customer of FW-HK in air freight service as a normal transaction of the Group. 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 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TAX and SAL</b> Office space service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	Beginning - Increase - Decrease - Ending -	60,000 Beginning - Increase 60,000 Decrease (49,300) Ending 10,700	SAL is the customer of TAX in using office space service under the contract made on 15 June 2020. The price is 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.
<b>Transaction between TIL and GCN-MM</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> </ul>	28,022,096	10,704,035	GCN-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.
Air freight service <ul style="list-style-type: none"> <li>• Service income</li> </ul>	-	556,144	TIL is the customer of GCN-MM in air freight service as a normal transaction of the Group. 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.
<b>Transaction between TIL and TLP-SG</b> Air freight service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee payable</li> </ul>	Beginning - Increase - Decrease - Ending -	24,523,808 Beginning - Increase 24,523,808 Decrease (7,080,857) Ending 17,442,951	TIL is the customer of TLP-SG in air freight service as a normal transaction of the Group of which TLP-SG is the agent of Air Asia airline. 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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TIL and ECU</b> Sea freight service • Service income	-	12,042	TIL pays the sea freight service to ECU as a normal transaction. The price for wholesale sea 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.
<b>Transactions between TAC and ANI</b> Consulting fee • Consulting income • Consulting income receivable	1,884,000 Beginning - Increase - Decrease - Ending -	1,884,000 Beginning - Increase 1,884,400 Decrease (1,716,010) Ending 167,990	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.
<b>Transactions between TAC and ECA-BKK</b> Gasoline card income • Gasoline card income • Service fee receivable	52,105 Beginning 7,780 Increase 52,105 Decrease (52,625) Ending 7,260	46,440 Beginning 7,260 Increase 46,440 Decrease 44,850 Ending 8,850	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	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TAC and TLP</b> Supporting fees <ul style="list-style-type: none"> <li>• Service fees</li> <li>• Service fee receivable</li> </ul>	- Beginning Increase Decrease Ending	8,752,696 - Beginning Increase 8,752,696 Decrease (8,417,433) Ending 335,263	TAC is the ground service provider to TLP and TLP is the normal air freight service provider of the Group. 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.
<b>Warehouse fees (Domestic)</b> <ul style="list-style-type: none"> <li>• Service fees</li> <li>• Service fee receivable</li> </ul>	- Beginning Increase Decrease Ending	2,400,000 - Beginning Increase 2,400,000 Decrease (2,200,000) Ending 200,000	TAC provides domestic warehouse service to TLP. 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.
<b>Ramp service income</b> <ul style="list-style-type: none"> <li>• Service fees</li> <li>• Service fee receivable</li> </ul>	- Beginning Increase Decrease Ending	4,500,000 - Beginning Increase 4,500,00 Decrease (2,300,000) Ending 2,200,00	TAC provides the cargo towing service to TLP. 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.
<b>Transactions between TAC and ECU</b> Logistic service <ul style="list-style-type: none"> <li>• Logistic service income</li> </ul>	-	1,100	TAC provides the transportation service to ECU. The service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that it is an advance payment of air ticket fees. The transaction charged is based on the actual price which is considered as a normal commercial transaction.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Air ticket fees</b> • Air tickets income	-	6,338	The price is at cost paid by TAC to the supplier and the price is the average cost per ticket.	The Audit Committee considered this transaction and is of the view that it is an advance payment of air ticket fees. The transaction charged is based on the actual price which is considered as a normal commercial transaction.
<b>Transactions between TMA and CKT</b> <b>Administrative service</b> • Service income • Service fee receivable	2,479,338 Beginning 213,353 Increase 2,479,338 Decrease (2,471,670) Ending 221,021	2,413,807 Beginning 221,021 Increase 2,413,807 Decrease (2,426,118) Ending 208,710	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 TMA's Group. The service fee is charged at the reasonable rate.
<b>Trailer trucking services</b> • Service income • Service fee receivable	301,000 Beginning 18,200 Increase 301,000 Decrease (285,600) Ending 33,600	308,000 Beginning 33,600 Increase 308,000 Decrease (310,800) Ending 30,800	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.
<b>Imports and exports services of container by sea</b> • Service fee • Service fee payable	3,645 Beginning - Increase 3,645 Decrease (1,045) Ending 2,600	190,883 Beginning 2,600 Increase 190,883 Decrease (168,515) Ending 24,968	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.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>Transactions between TMA and ECU</b> Trailer trucking services <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	743,258 Beginning 66,740 Increase 734,258 Decrease (783,753) Ending 17,245	364,100 Beginning 17,245 Increase 364,100 Decrease (368,845) Ending 12,500	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.
Imports and exports services of container by sea <ul style="list-style-type: none"> <li>• Service fee</li> <li>• Service fee payable</li> </ul>	- Beginning - Increase - Decrease - Ending -	2,826,280 Beginning - Increase 2,826,280 Decrease (434,075) Ending 2,392,205	TMA provides imports and exports services of container by sea 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.
<b>Transactions between TMA and G3</b> Trailer trucking services <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	2,147,544 Beginning 461,509 Increase 2,147,544 Decrease (2,345,545) Ending 263,508	1,750,630 Beginning 263,508 Increase 1,750,630 Decrease (1,916,427) Ending 97,711	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.
<b>Transactions between TMA and CKL</b> Container transport service <ul style="list-style-type: none"> <li>• Service income</li> <li>• Service fee receivable</li> </ul>	- Beginning - Increase - Decrease - Ending -	1,758,682 Beginning - Increase 1,758,682 Decrease (1,708,282) Ending 50,400	TMA provide the container transport service to CKL. 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 2019	Fiscal year ending 31 December 2020		
<b>Sea port service</b> • Service income • Service fee receivable	- Beginning Increase Decrease Ending	2,866,418 - Beginning Increase 2,866,418 Decrease (2,723,418) Ending 143,000	TMA provide the towing service for ships including documents' management relating to TMA as the agent to CKL. 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.
<b>Import and export containers by sea</b> • Service income • Service fee payable	- Beginning Increase Decrease Ending	2,407,122 - Beginning Increase 2,407,122 Decrease (1,583,008) Ending 824,114	TMA used the sea freight services of CKL. 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.
<b>Transactions between TMA and BIZ</b> Container frame storage service • Service income	-	120,000	BIZ used the container frame storage service from TMA. 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.
<b>Transaction between TSC and BIZ</b> Income from warehouse storage service • Service income • Service fee receivable	273,571 Beginning 62,017 Increase 273,571 Decrease (335,588) Ending -	521,237 - Beginning 521,237 Increase 521,237 Decrease (500,563) Ending 20,674	Service fees charged to BIZ 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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between TSC and Mr. Viraj Nobnomtham</b> Income from warehouse storage service • Service income	54,800	11,290	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.
<b>Transaction between TSC and Mr. Tipp Dalal</b> Income from warehouse storage service • Service income	1,550	2,750	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.
<b>Transaction between TSC and HTM</b> Transport Service • Service income	11,000	23,018	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.
<b>Transaction between AGS and ANI</b> • Administrative service • Service fee receivable	924,000  Beginning - Increase - Decrease - Ending -	924,000  Beginning - Increase 924,000 Decrease (841,610) Ending 82,390	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 2019	Fiscal year ending 31 December 2020		
<b>Transaction between AGS and G3</b> Warehouse fees • Service income	51,589	1,500	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.
<b>Transaction between AGS and Symphony</b> High-speed Internet service • Service fee	522,000	319,220	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.
<b>Transaction between AGS and TLP</b> Warehouse fees • Service income	-	2,172,000	It is the service fee for using the international warehouse provided by TLP to AGS. 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.
<b>Transaction between AGS and ECA-BKK</b> Warehouse fees • Service income • Service fee receivable	Beginning Increase Decrease Ending	30,559 Beginning Increase Decrease Ending	It is the service fee for using the international warehouse provided by AGS to ECA-BKK. 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. SALE OF FIXED ASSETS TO TLP

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2019	Fiscal year ending 31 December 2020		
<b>TAC sold fixed assets to TLP</b> • Income from selling of assets of Purchasing price	-	309,700	On 18 May 2020, TLP sold fixed assets to TAC of which the fixed assets consisted of - office equipment of Baht 44,800, - computers of Baht 264,900, totaling Baht 309,700. This transaction was the sale and purchase of office equipment which TLP required to purchase them therefore, TLP purchased them from TAC which did not use such office equipment anymore.	The Audit Committee resolved that this transaction was the sale and purchase of office equipment whereby the price was able to compare with the market price.  This transaction has been approved in accordance with the Company's rules and good corporate governance principle.



# 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 INTERCOMPANY 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.

4

FINANCIAL  
**STATEMENT**



## RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR FINANCIAL REPORTING

The Board of Directors is responsible for the financial statements of Triple i Logistics Public Company Limited and its subsidiaries, including financial information disclosed under the Annual Report. The financial statements have been prepared in accordance with the 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 2020 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 the Audit Committee
2. Mr. Vipoota Trakulhoon\* Independent Director and Member of the Audit Committee
3. Mr. Apichart Chirabandhu Independent Director and Member of the Audit Committee

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

All members of the Audit Committee carried out their duties independently within the scope of responsibility stated in the Audit Committee Charter. The audit was performed, and the good corporate governance was promoted, while a risk management system was put in place, and the adequacy of the internal audit and internal control system was assured so as to ensure that the Company runs its operations with transparency and honesty to achieve sustainable development and enhance its value, which would be beneficial to shareholders. During the year 2020, 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 2020, 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 2020, 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. The Audit Committee approved internal audit plan for the year 2021 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 2020 and recommendations to 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 2020, 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

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## 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.

In conclusion, the Audit Committee fulfilled its duties and responsibilities as stated in the Audit Committee Charter by leveraging its knowledge, caution, prudence and independence, and provided opinions and recommendations which are constructive and in the interest of the stakeholders in an equitable manner. The Audit Committee was of the opinion that the Board of Directors, executives and employees of all levels of the Company are determined to perform their duty to achieve the goals of the Company in an efficient and professional manner, especially with regards to the importance placed on transparent and auditable operation, proper risk management, good corporate governance, and adequate, cautious and prudent internal control.



**Mr. Woodtipong Moleechad**  
Chairman of the Audit Committee



# FINANCIAL POSITIONS AND OPERATING PERFORMANCE

## KEY FINANCIAL INFORMATION

### STATEMENTS OF FINANCIAL POSITION

Item	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	731.8	38.5%	262.5	11.8%	110.5	4.6%
Trade and other receivables, net	419.8	22.1%	495.3	22.3%	433.2	18.0%
Short-term loans to related parties	2.3	0.1%	11.3	0.5%	1.3	0.1%
Current portion of finance lease receivables, net	0.8	0.0%	-	0.0%	-	0.0%
Inventories	1.6	0.1%	1.3	0.1%	1.4	0.1%
Other current assets	23.6	1.2%	6.0	0.3%	5.8	0.2%
Non-current assets classified as held-for-sale	-	0.0%	-	0.0%	32.8	1.4%
<b>Total current assets</b>	<b>1,180.0</b>	<b>62.1%</b>	<b>776.4</b>	<b>34.9%</b>	<b>585.0</b>	<b>24.3%</b>
<b>Non-current assets</b>						
Finance lease receivables, net	1.0	0.1%	-	0.0%	-	0.0%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investments in associates	32.6	1.7%	14.6	0.7%	87.0	3.6%
Investments in joint ventures	291.0	15.3%	877.9	39.4%	1,151.5	47.9%
Other long-term investments	0.0	0.0%	88.5	4.0%	-	0.0%
Financial assets measured at fair value through other comprehensive income	-	0.0%	-	0.0%	0.0	0.0%
Property, plant and equipment, net	239.2	12.6%	276.8	12.4%	202.8	8.4%
Right-of-use assets, net	-	0.0%	-	0.0%	219.8	9.1%
Intangible assets, net	13.7	0.7%	15.4	0.7%	13.9	0.6%
Deferred tax assets	15.5	0.8%	17.2	0.8%	18.7	0.8%
Retentions	41.4	2.2%	33.1	1.5%	14.7	0.6%
Other non-current assets	84.1	4.4%	125.7	5.6%	112.6	4.7%
<b>Total non-current assets</b>	<b>718.5</b>	<b>37.8%</b>	<b>1,449.3</b>	<b>65.1%</b>	<b>1,821.0</b>	<b>75.7%</b>
<b>Total assets</b>	<b>1,898.5</b>	<b>100.0%</b>	<b>2,225.7</b>	<b>100.0%</b>	<b>2,406.0</b>	<b>100.0%</b>

Item	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	-	0.0%	-	0.0%	130.0	5.4%
Trade and other payables	443.0	23.3%	414.2	18.6%	313.9	13.0%
Current portion of contingent consideration paid for investments in joint ventures, net	70.0	3.7%	131.5	5.9%	-	0.0%
Current portion of long-term loans from a financial institution, net	1.9	0.1%	60.0	2.7%	90.0	3.7%
Current portion of lease liabilities	-	0.0%	-	0.0%	64.1	2.7%
Current portion of finance lease liabilities, net	11.3	0.6%	9.6	0.4%	-	0.0%
Other current liabilities	39.2	2.1%	38.6	1.7%	22.1	0.9%
<b>Total current liabilities</b>	<b>565.3</b>	<b>29.8%</b>	<b>653.9</b>	<b>29.4%</b>	<b>620.1</b>	<b>25.8%</b>
<b>Non-current liabilities</b>						
Contingent consideration paid for investments in joint ventures, net	71.8	3.8%	-	0.0%	-	0.0%
Long-term loans from a financial institution	-	0.0%	240.0	10.8%	300.0	12.5%
Lease liabilities, net	-	0.0%	-	0.0%	148.6	6.2%
Finance lease liabilities, net	19.9	1.0%	13.4	0.6%	-	0.0%
Employee benefit obligations	31.6	1.7%	29.1	1.3%	27.4	1.1%
Decommissioning provision	-	0.0%	-	0.0%	6.8	0.3%
Derivatives liabilities	-	0.0%	-	0.0%	9.5	0.4%
Other non-current liabilities	9.0	0.5%	10.3	0.5%	2.5	0.1%
<b>Total non-current liabilities</b>	<b>132.3</b>	<b>7.0%</b>	<b>292.8</b>	<b>13.2%</b>	<b>494.8</b>	<b>20.6%</b>
<b>Total liabilities</b>	<b>697.6</b>	<b>36.7%</b>	<b>946.7</b>	<b>42.5%</b>	<b>1,114.9</b>	<b>46.3%</b>

Item	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Equity</b>						
<b>Share capital</b>						
Authorised share capital	307.5		307.5		383.7	15.9%
Issued and paid-up share capital	302.3	15.9%	304.7	13.7%	304.7	12.7%
Share premium, net	688.0	36.2%	708.6	31.8%	708.6	29.5%
Surplus from business combination under common control	30.7	1.6%	30.7	1.4%	30.7	1.3%
Surplus from share-based payments	20.5	1.1%	21.9	1.0%	22.8	0.9%
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	21.4	1.1%	30.5	1.4%	39.0	1.6%
Appropriated - Treasury share reserve	-	0.0%	-	0.0%	40.1	1.7%
Unappropriated	141.1	7.4%	189.8	8.5%	199.4	8.3%
Less Treasury shares	-	0.0%	-	0.0%	(40.1)	(1.7%)
Other components of equity	(2.9)	(0.2%)	(7.0)	(0.3%)	(13.9)	(0.6%)
Equity attributable to owners of the parent	1,200.9	63.3%	1,279.0	57.5%	1,291.1	53.7%
Non-controlling interests	-	0.0%	-	0.0%	-	0.0%
<b>Total equity</b>	<b>1,200.9</b>	<b>63.3%</b>	<b>1,279.0</b>	<b>57.5%</b>	<b>1,291.1</b>	<b>53.7%</b>
<b>Total liabilities and equity</b>	<b>1,898.5</b>	<b>100.0%</b>	<b>2,225.7</b>	<b>100.0%</b>	<b>2,406.0</b>	<b>100.0%</b>



## STATEMENTS OF COMPREHENSIVE INCOME

Item	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenues from services	2,759.0	99.6%	2,698.1	99.5%	1,590.0	98.9%
Revenues from sales	11.6	0.4%	14.4	0.5%	17.4	1.1%
Costs of services	(2,282.9)	(82.4%)	(2,271.2)	(83.7%)	(1,269.0)	(78.9%)
Costs of sales	(3.0)	(0.1%)	(3.3)	(0.1%)	(4.3)	(0.3%)
<b>Gross profit</b>	<b>484.6</b>	<b>17.5%</b>	<b>438.1</b>	<b>16.1%</b>	<b>334.1</b>	<b>20.8%</b>
Other income	18.4	0.7%	11.8	0.4%	57.0	3.5%
Selling expenses	(77.2)	(2.8%)	(80.9)	(3.0%)	(67.1)	(4.2%)
Administrative expenses	(295.0)	(10.6%)	(280.0)	(10.3%)	(254.4)	(15.8%)
Loss from impairment on financial assets	-	0.0%	-	0.0%	(11.7)	(0.7%)
Gain (loss) on exchange rates, net	7.0	0.3%	8.0	0.3%	(0.8)	(0.0%)
Finance costs	(1.9)	(0.1%)	(14.9)	(0.6%)	(31.4)	(2.0%)
Share of profits from investments in associates and joint ventures	32.1	1.2%	96.2	3.5%	135.4	8.4%
<b>Profit before income tax</b>	<b>168.1</b>	<b>6.1%</b>	<b>178.2</b>	<b>6.6%</b>	<b>161.1</b>	<b>10.0%</b>
Income tax	(18.4)	(0.7%)	(13.7)	(0.5%)	(12.7)	(0.8%)
<b>Profit for the year</b>	<b>149.7</b>	<b>5.4%</b>	<b>164.5</b>	<b>6.1%</b>	<b>148.4</b>	<b>9.2%</b>
<b>Other comprehensive income (expenses):</b>						
Items that will not be reclassified subsequently to profit or loss						
Loss on measurement of investment in equity instrument at fair value through other comprehensive income	-	0.0%	-	0.0%	(30.6)	(1.9%)
Remeasurement of post-employment benefit obligations	0.9	0.0%	(4.1)	(0.2%)		0.0%
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	0.7	0.0%	(0.3)	(0.0%)		0.0%
Income tax relating to items that will not be reclassified subsequently to profit or loss	(0.2)	0.0%	0.8	0.0%	6.1	0.4%
Total items that will not be reclassified subsequently to profit or loss	1.4	0.1%	(3.6)	(0.1%)	(24.5)	(1.5%)
Items that will be reclassified subsequently to profit or loss						
Loss from changes in fair value of cash flow hedge	-	0.0%	-	0.0%	(0.6)	(0.0%)

Item	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Currency translation differences on financial statements	0.0	0.0%	(3.7)	(0.1%)	(1.4)	(0.1%)
Share of other comprehensive income of joint ventures accounted for using the equity method	-	0.0%	(0.4)	(0.0%)	2.0	0.1%
Income tax relating on items that will be reclassified subsequently to profit and loss	-	0.0%	-	0.0%	0.1	0.0%
Total items that will be reclassified subsequently to profit or loss	0.0	0.0%	(4.1)	(0.2%)	0.2	0.0%
Other comprehensive income (expenses) for the year, net of tax	1.4	0.1%	(7.7)	(0.3%)	(24.3)	(1.5%)
<b>Total comprehensive income for the year</b>	<b>151.1</b>	<b>5.5%</b>	<b>156.8</b>	<b>5.8%</b>	<b>124.1</b>	<b>7.7%</b>
<b>Profit (loss) attributable to:</b>						
Owners of the parent	149.7	5.4%	164.5	6.1%	162.5	10.1%
Non-controlling interests	-	0.0%	-	0.0%	(14.1)	(0.9%)
	<b>149.7</b>	<b>5.4%</b>	<b>164.5</b>	<b>6.1%</b>	<b>148.4</b>	<b>9.2%</b>
<b>Total comprehensive income (expense) attributable to:</b>						
Owners of the parent	151.1	5.5%	156.8	5.8%	138.2	8.6%
Non-controlling interests	-	0.0%	-	0.0%	(14.1)	(0.9%)
	<b>151.1</b>	<b>5.5%</b>	<b>156.8</b>	<b>5.8%</b>	<b>124.1</b>	<b>7.7%</b>
<b>Earnings (loss) per share attributable to owners of the parent</b>						
Basic earnings (loss) per share (Baht) /1	0.248		0.271		0.273	

Remark : <sup>1/</sup> 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		
	2018	2019	2020
	Million Baht	Million Baht	Million Baht
<b>Cash flows from operating activities</b>			
Profit before income tax	168.1	178.2	161.1
<b>Adjustments for:</b>			
Depreciation and amortisation	48.1	48.8	101.2
Share of profit from investments in associates and joint ventures	(32.1)	(96.2)	(135.4)
Gain on disposal of investments in subsidiaries	-	-	(44.0)
Loss from disposal and written-off of equipment	(4.0)	0.1	0.6
Loss from write-offs of assets	0.4	0.0	-
(Reversal of) employment benefit obligations	9.8	(5.9)	(0.4)
Loss from impairment on financial assets	-	-	11.7
Allowance for doubtful accounts	(0.2)	0.2	-
(Gain) loss on foreign exchange rate	(3.3)	(7.8)	4.4
Loss from changes in fair value of derivatives	-	-	0.2
Gain on termination of lease contracts	-	-	(0.5)
Interest income	(6.2)	(2.0)	(0.8)
Dividend income	-	-	-
Expense on share-based payments	1.3	1.3	0.9
Finance costs	2.0	14.9	31.4
<b>Profit from operating activities before adjustment of changes in operating assets and liabilities</b>	<b>183.9</b>	<b>131.6</b>	<b>130.4</b>
<b>Changes in working capital</b>			
Operating assets decrease (increase)			
Trade and other receivables, net	(10.9)	(49.5)	49.7
Inventories	(0.4)	0.3	(0.1)
Other current assets	1.2	1.9	0.1
Retentions	(2.1)	8.3	18.3
Other non-current assets	(42.6)	(11.7)	20.9
Operating liabilities increase (decrease)			
Trade and other payables	114.4	(23.0)	(101.5)
Other current liabilities	0.3	8.0	(14.0)
Employee benefit obligations paid	(0.6)	(0.7)	(1.3)
Other non-current liabilities	2.9	1.4	(7.8)
<b>Cash flows from operations</b>	<b>246.1</b>	<b>66.6</b>	<b>94.7</b>
Income tax paid	(43.6)	(37.3)	(19.6)
<b>Net cash generated from (used in) operating activities</b>	<b>202.5</b>	<b>29.3</b>	<b>75.1</b>

Item	Consolidated financial statements		
	2018	2019	2020
	Million Baht	Million Baht	Million Baht
<b>Cash flows from investing activities</b>			
Interest received	6.5	2.2	0.9
Proceeds from sales of equipment	6.7	2.0	0.5
Payments for purchases of equipment and intangible assets	(35.0)	(81.9)	(29.0)
Proceeds from disposal of investments in a subsidiary, net of cash in a subsidiary	-	-	136.4
Payments for investments in subsidiaries	-	-	(163.5)
Payments for investments in associates and joint ventures	(126.1)	(546.0)	(273.9)
Payments for other long-term investments	-	(88.5)	-
Proceeds from short-term loans to related parties	-	-	14.9
Payments for short-term loans to related parties	-	(9.0)	(5.0)
Proceeds from short-term investments	4.1	-	-
Dividends received from subsidiaries, associates and joint ventures	16.8	29.7	87.9
<b>Net cash used in investing activities</b>	<b>(127.0)</b>	<b>(691.5)</b>	<b>(230.8)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(0.5)	(9.6)	(31.3)
Proceeds from short-term loans from financial institutions	(4.7)	-	485.0
Repayments of short-term loans from financial institutions	-	-	(355.0)
Payments for lease liabilities	-	-	(53.5)
Payments for finance lease liabilities	(11.8)	(12.9)	-
Proceeds from long-term loans from a financial institution	-	300.0	199.4
Repayments of long-term loans from a financial institution	(6.6)	(1.9)	(109.4)
Proceeds from share issued	-	23.1	-
Payments for treasury shares	-	-	(40.1)
Dividends paid	(66.4)	(103.1)	(91.4)
<b>Net cash generated from (used in) financing activities</b>	<b>(90.0)</b>	<b>195.6</b>	<b>3.7</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14.5)</b>	<b>(466.6)</b>	<b>(152.0)</b>
Cash and cash equivalents at the beginning of the year	<b>746.5</b>	<b>731.8</b>	<b>262.5</b>
Exchange losses on cash and cash equivalents	(0.2)	(2.7)	(0.0)
<b>Cash and cash equivalents at the end of the year</b>	<b>731.8</b>	<b>262.5</b>	<b>110.5</b>

## KEY FINANCIAL RATIOS

Key Financial Ratios	Unit	Consolidated financial statements		
		2018	2019	2020
<b>Liquidity Ratio</b>				
Current ratio	(times)	2.1	1.2	0.9
Quick ratio	(times)	2.0	1.2	0.9
Cash flow liquidity ratio	(times)	0.5	0.1	0.1
Account receivable turnover	(times)	8.6	7.8	4.6
Average collection period	(days)	42.1	45.9	80.0
Inventory turnover <sup>1/</sup>	(times)	1.9	2.3	3.2
Average inventory turnover <sup>1/</sup>	(days)	192.2	160.0	113.6
Account payable turnover	(times)	5.9	5.3	3.5
Payment period	(days)	61.1	67.8	104.4
Cash Cycle <sup>2/</sup>	(days)	(19.0)	(21.9)	(24.4)
<b>Profitability Ratio</b>				
Gross profit margin	%	17.5%	16.1%	20.8%
Operating profit margin	%	4.3%	3.1%	0.0%
EBITDA margin	%	7.8%	8.9%	18.3%
Other profit margin	%	0.7%	0.4%	3.4%
Cash to profit margin	%	206.0%	78.2%	50,383.5%
Net profit margin	%	5.4%	6.1%	10.1%
Return on equity <sup>3/</sup>	%	12.9%	13.3%	12.6%
<b>Efficiency Ratio</b>				
Return on assets	%	8.7%	8.0%	6.4%
Return on fixed assets	%	79.0%	81.4%	68.5%
Assets turnover	(times)	1.6	1.3	0.7
<b>Financial Policy Ratio</b>				
Debt to equity ratio	(times)	0.6	0.7	0.9
Interest coverage ratio	(times)	142.9	6.4	6.1
Debt service coverage ratio (Cash Basis)	(times)	1.0	0.1	0.1
Dividend payout ratio <sup>4/</sup>	%	68.5%	55.6%	37.0%

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

<sup>2/</sup> Exclusive of average inventory period which is not a significant item to the Group's business.

<sup>3/</sup> Return on equity

<sup>4/</sup> Calculated based on dividend paid from net profit in the same accounting period.



# MANAGEMENT DISCUSSION AND ANALYSIS

The Company generated consistent profit, particularly during the second half of the year 2020, its net profit increased by 48% compared to the same period of the year 2019. Particularly in Quarter 4/2020, the Company's net profit growth was 70% compared to the same period of the previous year, resulting in the year-end net profit in the year 2020 of Baht 162.5 million, a slight decrease from the year-end net profit in the year 2019 of Baht 164.5 million or 1.2% decrease amidst direct impacts from Covid-19 pandemic on the world's economy and logistics industry. International air freight by airlines worldwide could not provide normal services. Such 2020 operating performance was a result of modifying business strategy during the crisis and the Company's ability to adapt itself in terms of securing an alternative source of income and effective cost management. In addition, the Company manages risks according to its strategic plan by investing in related business locally and overseas, generating good returns in the form of direct operating performance, share of profit from investment in joint ventures and associates and sale of profitable investment.

## SUMMARY OF OPERATING PERFORMANCE IN THE YEAR 2020

Unit : Million Baht	2019	2020	% Change + / (-)
Revenues from sales and services	2,712.5	1,607.4	(40.7%)
Costs of sales and services	2,274.5	1,273.3	(44.0%)
<b>Gross profit</b>	<b>438.1</b>	<b>334.1</b>	<b>(23.7%)</b>
Gross profit margin (%)	16.1%	20.8%	4.6%
Other income	11.8	57.0	381.7%
Selling expenses	80.9	67.1	(17.0%)
Administrative expenses	280.0	266.1	(5.0%)
(Loss) gain on exchange rates - net	8.0	(0.8)	(109.6%)
Finance costs	14.9	31.4	110.5%
Share of profits from investments in associates and joint ventures	96.1	135.4	40.8%
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	<b>241.9</b>	<b>293.7</b>	<b>21.4%</b>
<b>Net profit for the period</b>	<b>164.5</b>	<b>162.5</b>	<b>(1.2%)</b>
Net profit margin (%)	6.1%	10.1%	4.0%

The Company's total revenues in the year 2020 was Baht 1,607.4 million, a decrease by 40.7% from the previous year. The decrease in revenues was mainly due to decrease in revenues from air freight business as a result of change in the Company's international air freight business model to operations by Teleport (Thailand) Co., Ltd. ("TLP-TH"), a joint venture company between the Company and Teleport Everywhere Pte., Ltd., a company within AirAsia Group. As a result, the Company did not record revenues from selling freight by TLP-TH, but recorded share of profits from investment in joint venture instead. In addition, air



freight business received direct impacts from COVID-19 outbreak as airlines have suspended international flights since March 2020. However, from Quarter 4/2020 onwards, the air freight business unit has started offering cargo flight service. The service has received a positive feedback and generated revenues to the Company. The Company's strategy included increasing profitability of other business units and focusing on services to e-commerce customers and local logistics business. Consequently, the Company was able to generate revenues from alternative sources in replace of normal revenues from the air freight business unit.

The Company's gross profit in the year 2020 was Baht 334.1 million, a decrease by 23.7 from the previous year. The decrease in gross profit was proportionately lower than the decrease in revenues partially due to cost management after Covid-19 outbreak. The Company's gross profit margin increased to 20.8% due to the aforementioned change in GSA business model. Since GSA business generates a low gross profit margin, the change in the Company's business model has resulted in a higher gross profit margin. The Company no longer have to provide a minimum guarantee to Thai AirAsia and Thai AirAsia X as it used to.

In Quarter 4/2020, the Company was able to generate a higher gross profit compared to the same period of the previous year and the previous quarter from its air freight business unit by providing cargo flight service and logistics management service to e-commerce customers. There has been a significant growth in fulfilment service and the increase in profitability of product distribution and warehouse services. The selling and administrative expenses decreased by 7.7% compared to the year 2019 due to the Company's reactive approach in adjustments during COVID-19 pandemic. The Company's strategy was cost management which has been carried out since the first quarter of this year. The Company also reduced employee benefit expenses during the pandemic in order to manage its costs.

Share of profits from investment in associates and joint ventures in the year 2020 was Baht 135.4 million or a 40.8% growth from the year 2019. This was in accordance with the Company's risk management strategy to invest in overseas companies. In the year 2020, the Company's investments, namely Around Logistics Management Co., Ltd. and DG Packaging Pte., Ltd. generated good returns in line with target performance.

Although there had been impacts on economy from COVID-19 outbreak since the beginning of the year, the Company's abilities to manage business risks through investment in overseas companies, cost management, and profits generated from disposal of investment have resulted in net profit in the year 2020 of Baht 162.5 million, a slight decrease by 1.2% from the previous year.

## OPERATING PERFORMANCE BY BUSINESS UNIT

Business Unit	Revenues (Million Baht)		% change	% Total Revenues	Gross Profit (Million Baht)		% change
	2019	2020	+ / (-)		2019	2020	+ / (-)
1. Air freight business	2,215.6	912.3	(58.8%)	54.5%	205.7	118.1	(42.6%)
2. Sea freight and inland transport business	84.9	48.8	(42.6%)	2.9%	60.1	23.1	(61.6%)
3. Logistics management business	181.8	176.3	(3.0%)	10.5%	51.6	59.3	14.9%
4. Chemical and specialty logistics business	526.9	523.0	(0.7%)	31.2%	126.8	137.9	8.7%
5. Other business	15.2	14.3	(5.8%)	0.9%	4.7	3.9	(16.2%)
<b>Total</b>	<b>3,024.3</b>	<b>1,674.7</b>	<b>(44.6%)</b>	<b>100.0%</b>	<b>448.9</b>	<b>342.3</b>	<b>(23.8%)</b>
intercompany transactions	311.8	67.3			10.8	8.2	
<b>Net of intercompany transactions</b>	<b>2,712.5</b>	<b>1,607.4</b>	<b>(40.7%)</b>		<b>438.1</b>	<b>334.1</b>	<b>(23.7%)</b>

## 1) AIR FREIGHT BUSINESS

During the year 2020, the Company's revenues from air freight business was Baht 912.3 million, a decrease by 58.8% compared to the year 2019. This was mainly due to change in revenue recognition from being the Company's revenues to revenues of the Company's joint venture, namely TLP-TH and impacts from COVID-19 outbreak. Airlines have continued to suspend international flight service from March 2020 which affected general sales agent for airline business and warehouse business at Don Mueang Airport. However, during Quarter 4/2020, air freight business adjusted its strategy by providing cargo flight service in order to secure an alternative source of revenues and profits.

The Company's gross profit for the year 2020 was Baht 118.1 million, a decrease by 42.6% compared to the previous year. The decrease in gross profit was proportionately lower than the decrease in revenues due to the change in business model in conducting international air freight business. The new business model yielded a higher gross profit margin.

## 2) SEA FREIGHT AND INLAND TRANSPORT BUSINESS

The Company's revenues from sea freight and inland transport business in the year 2020 was Baht 48.8 million, a decrease by 42.6% compared to the previous year. The decrease was mainly due to Rizhao Shipping, the Company's main shipping line, had ceased its business operations since January 2020. However, the sea freight and inland transport business unit had changed its business strategy by increasing its trailer service. Hence, revenues from trailer service had significantly increased.

The gross profit in the year 2020 decreased by 61.6% compared to the previous year to Baht 23.1 million as a result of the decrease in revenues.

## 3) LOGISTICS MANAGEMENT BUSINESS

The Company's revenues from logistics management business in the year 2020 was Baht 176.3 million, a decrease by 3.0% compared to the year 2019. The decrease was partially due to decrease in volume of international freight as some customers delayed their orders during COVID-19 outbreak. However, revenues and gross profit from local freight, distribution and e-fulfillment service increased due to a continuous increase in the number of e-commerce transactions.

As a result, the Company's gross profit from logistics management business was Baht 59.3 million, an increase of 14.9% compared to the same period of the previous year. This was due to profits from local freight and distribution service which had substituted for the lack of revenues from international freight.

## 4) CHEMICAL AND SPECIALTY LOGISTICS BUSINESS

The Company's revenues from chemical and specialty logistics business in the year 2020 was Baht 523.0 million, a slight decrease compared to the year 2019 due to decrease in the service volume of chemical and dangerous goods logistics via sea freight and ISO Tank. However, demand for dangerous goods warehouse services continued to increase and sale of chemical and dangerous goods packaging significantly increased.

The Company's gross profit in the year 2020 was Baht 137.9 million, an increase of 8.7% due to the increase in gross profit from service and sale of chemical and dangerous good packaging and chemical and dangerous goods warehouse service as a result of management of costs and expenses of chemical and dangerous goods warehouse.

## FINANCIAL POSITION ANALYSIS

Unit : Million Baht

Statement of Financial Position	31 December 2019	31 December 2020	Increase (Decrease)	%
Total assets	2,225.7	2,406.0	180.3	8.1%
Total liabilities	946.7	1,114.9	168.2	17.8%
Shareholders' equity	1,279.0	1,291.1	12.1	0.9%

### TOTAL ASSETS

As of 31 December 2020, the Company's total assets was Baht 2,406.0 million, an increase from that as of 31 December 2019 by Baht 180.3 million mainly due to increase in investment in associates of Baht 273.6 million from investment in SAL Group (Thailand) Co., Ltd. , a company holding shares in other companies, particularly AOT Ground Aviation Services Company Limited. At present, it has 25% shareholding at the cost of Baht 174.4 million and the right-of-use assets of Baht 219.8 million. The right-of-use assets arises due to the application of the International Financial Reporting Standard 16 – Leases from 1 January 2020 onwards. However, majority of the Company's assets consisted of cash, trade receivables, investments in joint ventures and associates in the amount of Baht 110.5 million, Baht 433.2 million, and Baht 1,238.5 million respectively.

### 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 2019 and 31 December 2020, the Company's net trade and other receivables was Baht 495.3 million and Baht 433.2 million respectively. The net trade and other receivables decreased by Baht 62.2 million compared to that of the previous year or a decrease of 12.5% 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 2019 and 31 December 2020, the average collection period was equivalent to 45.9 days and 78.9 days respectively. The reason for the increase in the Group's average collection period was due to the change in its air freight business model to conducting such business via Teleport (Thailand) Co., Ltd. ("TLP-TH"), a joint venture between the Group and Teleport Everywher Pte. Ltd., a company under AirAsia Group. Such business has an average collection period of 30 days and trade receivables of the business represented a high proportion of the Group's total trade receivables.

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 2019 and the year 2020, allowance for doubtful accounts was recorded at a low rate of 2.4% and 4.6% of trade receivables – other parties respectively.

During the year 2020, trade and other receivables of the Company had decreased due to decrease in trade receivables - related parties and accrued income in the amount of Baht 28.1 million and Baht 24.6 million respectively.

## INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As of 31 December 2019 and 31 December 2020, the Company's investments in associates and joint ventures was THB 892.5 million and THB 1,238.5 million respectively. In the year 2020, investments in associates and joint ventures significantly changed due to the Company's investment in 30% of the total capital of Galaxy Ventures Co., Ltd. ("GV") for the total consideration of THB 70.09 million and the increase in investment in SAL Group (Thailand) Co., Ltd. ("SAL") from 15.86% to 58.20% of the total capital of SAL by purchasing shares from the existing shareholders for the consideration of THB 188 million. Subsequently, the Company reduced its shareholding in SAL to 25% of the total capital.

### TOTAL LIABILITIES

As of 31 December 2020, the Company's total liabilities was Baht 1,114.9 million, an increase from that as of 31 December 2019 by Baht 168.2 million due to increase in lease liability in the amount of Baht 189.7 million in consistent with the right-of-use assets introduced by the International Financial Reporting Standard 16 – Leases, short-term loans from a financial institution of Baht 130 million, and long-term loans from a financial institution of Baht 90 million.

### LONG-TERM AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

As of 31 December 2020, the Company has long-term loans from financial institution in the amount of THB 390.0 million, consisting of 2 loans in the amount of THB 300.0 million and THB 150.0 million with a term of 5 years and 5 months

### EQUITY

As of 31 December 2020, the Company's shareholders' equity was Baht 1,291.1 million, an increase from that as of 31 December 2019 of Baht 12.1 million due to increase in retained earning from profit incurred in the previous year. In the year 2020, the Company paid dividend from its 2019 operating results of Baht 0.15 per share, totaling Baht 91.4 million. In the year 2020, the Company conducted a share repurchase program during 27 May 2020 to 26 November 2020 and repurchased 8,000,000 treasury shares through such program, totaling Baht 40.1 million.

## LIQUIDITY ANALYSIS

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

	Consolidated financial statements		
	2018	2019	2020
Net cash generated from (used in) operating activities	202.5	29.3	75.1
Net cash generated from (used in) investing activities	(127.0)	(691.5)	(230.8)
Net cash generated from (used in) financing activities	(90.0)	195.6	3.7
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14.5)</b>	<b>(466.6)</b>	<b>(152.0)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>746.5</b>	<b>731.8</b>	<b>262.5</b>
Currency translation differences	(0.2)	(2.7)	(0.0)
<b>Cash and cash equivalents at the ending of the year</b>	<b>731.8</b>	<b>262.5</b>	<b>110.5</b>

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## CASH FLOWS FROM OPERATING ACTIVITIES

In the year 2019 and 2020, the Company's net cash flows generated from operating activities was Baht 29.3 million and Baht 75.1 million respectively.

During the year 2020, the net cash flows generated from operating activities increased. The increase was mainly due to decrease in trade and other receivables by Baht 49.7 million and decrease in other non-current liabilities by Baht 20.9 million. Earning before tax decreased from Baht 178.2 million in the year 2019 to Baht 161.1 million in the year 2020.

## CASH FLOWS FROM INVESTING ACTIVITIES

In the year 2019 and 2020, the Company's net cash flows used in investing activities was Baht 691.5 million and Baht 230.8 million respectively.

During the year 2020, the net cash flows from investing activities was used in investments in associates and joint ventures in the amount of Baht 273.9 million, investment in subsidiaries in the amount of Baht 163.5 million, purchase of equipment and intangible assets in the amount of Baht 29.0 million and dividends from associates and joint ventures in the amount of Baht 87.9 million.

## CASH FLOWS FROM FINANCING ACTIVITIES

In the year 2019 and 2020, the Company's net cash flows generated from financing activities was Baht 195.6 million and Baht 3.7 million respectively.

During the year 2020, the net cash flows generated from financing activities significantly decreased. The decrease was mainly due to repayment of short-term and long-term loans from financial institutions in the amount of Baht 355.0 million and Baht 109.4 million respectively. The Company received proceeds from short-term loans and long-term loans from financial institutions in the amount of Baht 485.0 million and Baht 199.4 million. In the year 2020, the Company paid dividends in the amount of Baht 91.4 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 and the separate financial statements present fairly, in all material respects, the consolidated financial position of Triple i Logistics Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company as at 31 December 2020, 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 (TFRS).

### 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 2020;
- 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 significant accounting policies and other explanatory information.

### Basis for opinion

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

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### Key audit matters

Key audit matters are those matters that, in my professional judgement, 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><b>Revenue recognition for service income</b></p> <p>Refer to Note 6.21 'Accounting policy for revenue recognition' to the consolidated and separate financial statements.</p> <p>The Group provides domestic and international freight forwarding services, and integrated logistics services. The Group's aggregate revenues from services are Baht 1,589.97 million, representing 99% of total revenues in the consolidated financial statements.</p> <p>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. The Group determines whether each performance obligation is satisfied over time or satisfied at a point in time, depending on the terms of the arrangement.</p> <p>I focused on the audit of revenue recognition for service income because the revenue amount was material to the consolidated financial statements and the recognition depends on the conditions stipulated in each contract. I examined whether the revenue transactions were valid and occurred 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"> <li>- evaluated and validated the key controls over the Group's revenue cycle, by enquiring with 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. This validation included examining invoices and supporting documents, such as bills of lading or airway bills, and quotations, 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.</li> <li>- 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. I also examined invoices and the bills of lading or airway bills to determine whether the transactions were valid and occurred in the relevant period. For revenue transactions that had been collected, the cash receipts from customers were traced to invoices and transactions in the bank statements.</li> <li>- sent account receivable confirmations, on a sampling basis, to check that the Group's revenues represented valid revenue transactions and that the accounts receivable existed. For non-responses, an alternative audit procedure will be performed i.e. examining subsequent cash receipts.</li> <li>- 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.</li> </ul> <p>As a result of these procedures, I determined that revenue recognition for service income was appropriate in accordance with the available evidence.</p>



Key audit matter	How my audit addressed the key audit matter
<p><b>Purchase price allocation for an acquisition of investment in a joint venture</b></p> <p>Refer to Note 17.2 'Investments 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. (Around) which operated an international freight forwarding business. The cost of this investment in a joint venture was Baht 536.80 million. As at 31 December 2019, the Company was in the process of determining the fair value of the net assets acquired and reviewing the purchase price allocation for this acquisition of investment in a joint venture.</p> <p>In 2020, management engaged an external 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 21.70 million. Based on the external valuation expert's consideration of the net assets acquired, there were no identifiable intangible assets acquired in this acquisition. The Group, therefore, recognised goodwill of Baht 515.10 million as part of the investment in the joint venture in the consolidated financial statements.</p> <p>I focused on the purchase price allocation for the acquisition of this investment because the fair value of net assets acquired involved significant judgement by management and the external valuation expert, especially regarding the identification of the assets acquired from the business combination.</p>	<p>I carried out the following procedures to evaluate the purchase price allocation for the acquisition of investment in a joint venture:</p> <ul style="list-style-type: none"> <li>- assessed the competence, knowledge and experience of the external valuation expert engaged by management.</li> <li>- assessed the appropriateness of the procedures for determining the fair value of the net assets acquired from the business combination.</li> <li>- assessed the appropriateness of the identifiable assets acquired from the business combination by performing the following procedures: <ul style="list-style-type: none"> <li>• understanding Around's business and reading the external valuation expert's report to determine that management and the external valuation expert appropriately and completely identified the assets acquired from the business combination</li> <li>• enquiring with management and the external valuation expert about the analysis of identifiable assets acquired from the business combination, especially the determination that no intangible assets should be recognised separately</li> <li>• analysing the information received from management, such as the nature of business, character of customers and significant agreements, to assess that no items meet the definition of intangible assets</li> </ul> </li> <li>- tested the calculation of the purchase price allocation and goodwill arising from the business combination, the goodwill being the difference between the total net consideration transferred and the fair value of net assets.</li> </ul> <p>As a result of these procedures, I determined that the purchase price allocation for the acquisition of investment in a joint venture was reasonable according to the supporting evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Business combination</b></p> <p>Refer to Note 16 'Investments in subsidiaries' to the consolidated and separate financial statements.</p> <p>In May 2020, the Company made an additional investment in SAL Group (Thailand) Co., Ltd. (SAL) by purchasing Baht 188.00 million of shares from existing shareholder. The Company's shareholding proportion increased from 15.86% to 58.20% and the Company gained control over SAL. Therefore, the Company classified the investment in SAL as investment in a subsidiary. This additional investment qualified as a business combination. Management measured the total consideration transferred which comprised cash of Baht 188.00 million and the fair value of previously held equity interest in SAL before the business combination of Baht 74.05 million, totalling Baht 262.05 million, then compared this with fair value of net assets acquired of Baht 153.27 million. As a result, goodwill was recognised of Baht 108.78 million.</p> <p>In September 2020, the Company sold 33.20% of SAL shares, totalling Baht 157.72 million, to a buyer. The sale resulted in a decrease in the Company's shareholding proportion from 58.20 % to 25.00% and the Company lost control over SAL. However, the Company and the buyer now jointly control SAL. Because of this, the Company reclassified its investment in SAL from a subsidiary to a joint venture. The Group derecognised net assets of SAL at the carrying amount of Baht 243.29 million in the consolidated financial statements and recognised fair value of the consideration received as cash of Baht 157.72 million and fair value of investment retained in SAL at the date when control was lost of Baht 129.55 million, totalling 287.27 million. As a result, the gain on disposal of the investment was Baht 43.98 million in the consolidated financial statements.</p> <p>As at 31 December 2020, the Company was in the process of determining the fair value of the net assets acquired as part of the purchase price allocation (PPA) at the date of acquiring SAL to be a subsidiary and at the date when control was lost to be a joint venture.</p> <p>I focused on the measurement of fair value of the investment in SAL at the date before the business combination and the date when control was lost where the fair value was based on discounted cash flows. These measurements involved significant judgement by management. The key assumptions of the valuation were revenue growth rate, number of years for estimation and discount rate.</p>	<p>I carried out the following procedures to obtain evidence of the measurement of the fair value of investment in SAL at the date before the business combination and the date when control was lost:</p> <ul style="list-style-type: none"> <li>- read the share purchase agreement to understand the key terms and conditions and confirmed my understanding of the transaction with the management.</li> <li>- evaluated management's assessment of the classification of the investment in SAL under the relevant financial reporting standards.</li> <li>- assessed the appropriateness of the fair value of previously held equity interest in SAL before the business combination and the fair value of investment retained in SAL at the date when control was lost by testing the key assumptions with the following procedures:             <ul style="list-style-type: none"> <li>• comparing the revenue growth rate against the actual historical performance and estimated industry growth.</li> <li>• comparing the number of years used for the estimation with the underlying agreement.</li> <li>• engaging my firm's valuation expert to support the assessment of the reasonableness of the valuation technique and discount rate.</li> </ul> </li> </ul> <p>As a result of these procedures, I determined that the measurement of the fair value of the investment in SAL at the date before the business combination and the date when control was lost was reasonable according to the supporting evidence.</p>



### **Emphasis of matter**

I draw attention to note 4.4 of the consolidated and separate the financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact of COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter

### **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 TFRS, 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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's and the Company's financial reporting process.

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

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

As part of an audit in accordance with TSAs, I exercise professional judgement 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's and the Company's internal control.



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

I communicate with 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  
 23 February 2021



# CONSOLIDATED AND **SEPARATE FINANCIAL STATEMENTS**



## STATEMENTS OF FINANCIAL POSITION

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
AS AT 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	11	110,488,033	262,472,916	34,021,248	71,468,881
Trade and other receivables, net	12	433,190,953	495,348,292	116,391,419	126,709,757
Short-term loans to related parties	38.5	1,350,000	11,250,000	233,566,300	287,066,300
Inventories		1,390,321	1,297,231	-	-
Other current assets	14	5,771,421	6,041,668	424,652	504,024
Non-current assets classified as held-for-sale	15	32,754,206	-	-	-
<b>Total current assets</b>		<b>584,944,934</b>	<b>776,410,107</b>	<b>384,403,619</b>	<b>485,748,962</b>
<b>Non-current assets</b>					
Investments in subsidiaries	16	-	-	152,948,570	152,948,570
Investments in associates	17.1	87,001,158	14,627,442	75,522,563	5,437,563
Investments in joint ventures	17.2	1,151,461,632	877,897,397	989,926,124	810,488,416
Other long-term investments	18	-	88,487,760	-	88,474,510
Financial assets measured at fair value through other comprehensive income	18	13,250	-	-	-
Investment properties, net	19	-	-	77,456,255	81,877,545
Property, plant and equipment, net	20	202,834,467	276,813,645	22,099,177	16,471,964
Right-of-use assets, net	21	219,777,421	-	11,011,833	-
Intangible assets, net	22	13,929,246	15,435,965	594,978	986,055
Deferred tax assets	23	18,651,544	17,197,611	8,217,117	5,595,421
Retentions		14,739,551	33,075,627	1,878,270	1,890,970
Other non-current assets	24	112,600,399	125,718,895	13,152,309	10,250,425
<b>Total non-current assets</b>		<b>1,821,008,668</b>	<b>1,449,254,342</b>	<b>1,352,807,196</b>	<b>1,174,421,439</b>
<b>Total assets</b>		<b>2,405,953,602</b>	<b>2,225,664,449</b>	<b>1,737,210,815</b>	<b>1,660,170,401</b>

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF FINANCIAL POSITION

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
AS AT 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	26.1	130,000,000	-	130,000,000	-
Trade and other payables	25	313,913,813	414,246,390	23,749,256	24,111,910
Current portion of contingent consideration paid for investments in joint ventures, net		-	131,468,026	-	131,468,026
Current portion of long-term loans from a financial institution, net	26.2	90,000,000	60,000,000	90,000,000	60,000,000
Current portion of lease liabilities	21	64,124,415	-	2,909,340	-
Current portion of finance lease liabilities, net	26.3	-	9,562,085	-	3,704,317
Other current liabilities	27	22,146,109	38,617,438	3,602,569	2,795,188
<b>Total current liabilities</b>		<b>620,184,337</b>	<b>653,893,939</b>	<b>250,261,165</b>	<b>222,079,441</b>
<b>Non-current liabilities</b>					
Long-term loans from a financial institution	26.2	300,000,000	240,000,000	300,000,000	240,000,000
Lease liabilities, net	21	148,564,144	-	4,184,606	-
Finance lease liabilities, net	26.3	-	13,407,761	-	3,096,401
Employee benefit obligations	28	27,406,885	29,105,997	5,081,538	4,489,053
Decommissioning provision		6,761,270	-	59,240	-
Derivatives liabilities	8	9,461,871	-	9,461,871	-
Other non-current liabilities		2,536,486	10,289,624	843,382	822,379
<b>Total non-current liabilities</b>		<b>494,730,656</b>	<b>292,803,382</b>	<b>319,630,637</b>	<b>248,407,833</b>
<b>Total liabilities</b>		<b>1,114,914,993</b>	<b>946,697,321</b>	<b>569,891,802</b>	<b>470,487,274</b>

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF FINANCIAL POSITION

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
AS AT 31 DECEMBER 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	29				
Authorised share capital					
767,326,944 ordinary shares at a par value of Baht 0.50 each					
(2019 : 615,000,000 ordinary shares at a par value of Baht 0.50 each)		383,663,472	307,500,000	383,663,472	307,500,000
Issued and paid-up share capital					
609,307,775 ordinary shares at a par value of Baht 0.50 each		304,653,888	304,653,888	304,653,888	304,653,888
Share premium	29	708,639,327	708,639,327	708,639,327	708,639,327
Surplus arising from business combination under common control		30,726,984	30,726,984	-	-
Surplus arising from share-based payments		22,755,038	21,869,586	22,755,038	21,869,586
Discount from changes in shareholding of subsidiary		(187,500)	(187,500)	-	-
Retained earnings					
Appropriated					
- Legal reserve	32	39,000,000	30,500,000	28,900,000	22,400,000
- Treasury share reserve	29	40,089,186	-	40,089,186	-
Unappropriated		199,357,830	189,757,560	109,940,258	132,120,326
Less Treasury shares	29	(40,089,186)	-	(40,089,186)	-
Other components of equity		(13,906,958)	(6,992,717)	(7,569,498)	-
Equity attributable to owners of the parent		1,291,038,609	1,278,967,128	1,167,319,013	1,189,683,127
Non-controlling interests		-	-	-	-
Total equity		1,291,038,609	1,278,967,128	1,167,319,013	1,189,683,127
Total liabilities and equity		2,405,953,602	2,225,664,449	1,737,210,815	1,660,170,401

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenues from services		1,589,971,271	2,698,120,623	107,614,897	111,202,333
Revenues from sales		17,402,386	14,421,367	-	-
Costs of services		(1,268,946,912)	(2,271,164,353)	(63,615,377)	(66,168,917)
Costs of sales		(4,315,805)	(3,311,596)	-	-
<b>Gross profit</b>		<b>334,110,940</b>	<b>438,066,041</b>	<b>43,999,520</b>	<b>45,033,416</b>
Dividend income		-	-	126,089,891	102,540,883
Other income	33	56,952,762	11,822,265	68,921,289	62,641,829
Selling expenses		(67,092,217)	(80,853,111)	(9,318,337)	(11,244,648)
Administrative expenses		(254,318,630)	(280,017,563)	(76,773,673)	(72,341,380)
Loss from impairment on financial assets		(11,747,036)	-	(173,273)	-
Other gain (loss), net		(765,162)	7,952,905	(3,522,056)	7,055,271
Finance costs	34	(31,433,849)	(14,930,479)	(19,671,348)	(14,110,071)
Share of profits from investments in associates and joint ventures	17	135,427,017	96,172,698	-	-
<b>Profit before income tax</b>		<b>161,133,825</b>	<b>178,212,756</b>	<b>129,552,013</b>	<b>119,575,300</b>
Income tax	36	(12,709,013)	(13,702,677)	(2,165,891)	874,239
<b>Profit for the year</b>		<b>148,424,812</b>	<b>164,510,079</b>	<b>127,386,122</b>	<b>120,449,539</b>
<b>Other comprehensive income (expenses):</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on measurement of investment in equity instrument at fair value through other comprehensive income	18	(30,612,001)	-	(30,612,001)	-
Remeasurement of post-employment benefit obligations	28	-	(4,110,386)	-	(318,147)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	(318,064)	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		6,122,400	822,077	6,122,400	63,629
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(24,489,601)</b>	<b>(3,606,373)</b>	<b>(24,489,601)</b>	<b>(254,518)</b>
<i>Items that will be reclassified subsequently to profit and loss</i>					
Loss from changes in fair value of cash flow hedge		(580,910)	-	(580,910)	-
Currency translation differences on financial statements		(1,358,570)	(3,737,008)	-	-
Share of other comprehensive income of joint ventures accounted for using the equity method		2,013,827	(362,347)	-	-
Income tax relating on items that will be reclassified subsequently to profit and loss		116,182	-	116,182	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>190,529</b>	<b>(4,099,355)</b>	<b>(464,728)</b>	<b>-</b>
Other comprehensive income (expenses) for the year, net of tax		(24,299,072)	(7,705,728)	(24,954,329)	(254,518)
<b>Total comprehensive income for the year</b>		<b>124,125,740</b>	<b>156,804,351</b>	<b>102,431,793</b>	<b>120,195,021</b>

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
<b>Profit (loss) attributable to:</b>				
Owners of the parent	162,491,422	164,510,079	127,386,122	120,449,539
Non-controlling interests	(14,066,610)	-	-	-
	<u>148,424,812</u>	<u>164,510,079</u>	<u>127,386,122</u>	<u>120,449,539</u>
<b>Total comprehensive income</b>				
<b>(expense) attributable to:</b>				
Owners of the parent	138,192,350	156,804,351	102,431,793	120,195,021
Non-controlling interests	(14,066,610)	-	-	-
	<u>124,125,740</u>	<u>156,804,351</u>	<u>102,431,793</u>	<u>120,195,021</u>
<b>Earnings per share</b>				
Basic earnings per share	37.1 0.2732	0.2709	0.2142	0.1984
Diluted earnings per share	37.2 0.2732	0.2704	0.2142	0.1979

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.



## STATEMENTS OF CHANGES IN EQUITY

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Consolidated financial statements																	
		Other components of equity															
		Other comprehensive income (expense)										Measurement of investment in equity instrument at fair value through other comprehensive income					
		Surplus arising from business combination		Retained earnings		Discount from changes in shareholding of subsidiary		Treasury shares		Currency translation differences on financial statements		Share of other comprehensive income from joint ventures		Loss from changes in fair value of cash flow hedge		Total equity attributable to owners of the parent	
Notes	Issued and paid-up ordinary shares	Share premium	under common control	Surplus arising from share-based payments	Shareholding of subsidiary	Appropriated - Legal reserve	Appropriated - Treasury share reserve	Unappropriated	Treasury shares	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balances as at 31 December 2019																	
- previously reported	304,653,888	708,639,327	30,726,984	21,869,586	(187,500)	30,500,000	-	189,757,560	-	(6,630,370)	(382,347)	-	-	(6,982,717)	1,278,967,128	-	1,278,967,128
Impact of first-time adoption of new financial reporting standards	-	-	-	-	-	-	-	(1,366,539)	-	-	-	-	-	12,950,325	5,846,555	-	4,479,016
Opening balances as at 1 January 2020																	
- restated	304,653,888	708,639,327	30,726,984	21,869,586	(187,500)	30,500,000	-	188,391,021	-	(6,630,370)	(382,347)	(7,104,770)	12,950,325	(1,147,162)	1,283,446,144	-	1,283,446,144
Acquisition of non-controlling interests through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,254,760	115,254,760
Non-controlling interests decrease from losing control in a subsidiary	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101,188,150)	(101,188,150)
Treasury shares	29	-	-	-	-	-	-	(40,089,186)	-	-	-	-	-	-	(40,089,186)	-	(40,089,186)
Treasury share reserve	40	-	-	-	885,452	-	-	-	-	-	-	-	-	-	885,452	-	885,452
Share-based payments	31	-	-	-	-	6,500,000	-	(91,396,151)	-	-	-	-	-	-	(91,396,151)	-	(91,396,151)
Dividends paid	32	-	-	-	-	2,000,000	-	(2,000,000)	-	-	-	-	-	-	-	-	-
Legal reserve	32	-	-	-	-	-	-	-	-	(1,356,570)	2,013,827	(464,728)	(24,488,601)	(24,269,072)	138,192,350	(14,066,610)	124,125,740
Legal reserve of subsidiaries	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	-	-	11,539,276	11,539,276	-	-	-
Transfer loss on fair value measurement of investment in equity instrument through other comprehensive income to retained earnings	16	-	-	-	-	-	-	(11,539,276)	-	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2020																	
	304,653,888	708,639,327	30,726,984	22,755,038	(187,500)	30,000,000	40,089,186	189,357,830	(40,089,186)	(7,988,940)	1,651,480	(7,589,498)	-	(13,966,958)	1,291,038,609	-	1,291,038,609
Opening balances as at 1 January 2019																	
Proceeds from share issued	302,250,000	687,965,894	30,726,984	20,539,586	(187,500)	21,400,000	-	141,113,762	-	(2,893,362)	-	-	-	(2,893,362)	1,200,915,364	-	1,200,915,364
- employee share option scheme	29	-	-	-	-	-	-	-	-	-	-	-	-	-	23,077,321	-	23,077,321
Dividends paid	31	-	-	-	-	-	-	(103,159,908)	-	-	-	-	-	-	(103,159,908)	-	(103,159,908)
Legal reserve	32	-	-	-	-	6,100,000	-	(6,100,000)	-	-	-	-	-	-	-	-	-
Legal reserve of subsidiaries	32	-	-	-	-	3,000,000	-	(3,000,000)	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	1,330,000	-	-	-	-	-	-	-	-	-	-	1,330,000	-	1,330,000
Total comprehensive income for the year		-	-	-	-	-	-	-	-	(3,737,088)	(382,347)	-	-	(4,069,355)	156,804,351	-	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	-	189,757,560	-	(6,630,370)	(382,347)	-	-	(6,982,717)	1,278,967,128	-	1,278,967,128

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

# STATEMENTS OF CHANGES IN EQUITY

## TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

Separate financial statements														
Other components of equity														
Other comprehensive income (expense)														
Measurement of														
Investment in														
Equity instrument														
at fair value through														
other comprehensive														
income														
Baht														
Total														
Baht														
Total equity														
Baht														
Opening balances as at 31 December 2019														
- as previously reported														
Impact of first-time adoption of														
new financial reporting standards														
5		304,653,888	708,639,327	21,869,586	22,400,000	-	132,120,326	-	-	-	-	-	-	1,189,683,127
		-	-	-	-	-	(41,577)	-	(7,104,770)	12,950,325	5,845,555	-	-	5,803,978
Opening balance as at 1 January 2020														
- restated														
29	Treasury shares	304,653,888	708,639,327	21,869,586	22,400,000	-	132,078,749	-	(7,104,770)	12,950,325	5,845,555	-	-	1,195,487,105
		-	-	-	-	-	-	(40,089,186)	-	-	-	-	-	(40,089,186)
40	Treasury share reserve	-	-	-	-	40,089,186	(40,089,186)	-	-	-	-	-	-	-
	Share-based payments	-	-	885,452	-	-	-	-	-	-	-	-	-	885,452
31	Dividends paid	-	-	-	-	-	(91,396,151)	-	-	-	-	-	-	(91,396,151)
	Legal reserve	-	-	-	6,500,000	-	(6,500,000)	-	-	-	-	-	-	-
32	Total comprehensive income for the year	-	-	-	-	-	127,386,122	-	(464,728)	(24,489,601)	(24,954,329)	-	-	102,431,793
	Transfer loss on fair value measurement of													
	investment in equity instrument through other													
16	comprehensive income to retained earnings	-	-	-	-	-	(11,539,276)	-	-	11,539,276	11,539,276	-	-	-
Closing balance as at 31 December 2020														
		304,653,888	708,639,327	22,755,038	28,900,000	40,089,186	109,940,258	(40,089,186)	(7,569,498)	-	(7,569,498)	-	-	1,167,319,013
Opening balance as at 1 January 2019														
	Proceeds from share issued	302,250,000	687,965,894	20,539,586	16,300,000	-	121,185,213	-	-	-	-	-	-	1,148,240,693
29	- employee share option scheme	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Dividends paid	2,403,888	20,673,433	-	-	-	(103,159,908)	-	-	-	-	-	-	23,077,321
		-	-	-	-	-	-	-	-	-	-	-	-	(103,159,908)
32	Legal reserve	-	-	-	6,100,000	-	(6,100,000)	-	-	-	-	-	-	-
	Share-based payments	-	-	1,330,000	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	-	120,195,021	-	-	-	-	-	-	1,330,000
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

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF CASH FLOWS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		161,133,825	178,212,756	129,552,013	119,575,300
Adjustments for:					
Depreciation and amortisation		101,161,984	48,774,905	9,779,944	8,769,682
Share of profit from investments in associates and joint ventures	17	(135,427,017)	(96,172,698)	-	-
Gain on disposal of investments in subsidiaries	16	(43,983,971)	-	(8,228,282)	-
Loss from disposal and written-off of equipment		641,047	85,080	-	-
(Reversal of) employment benefit obligations	28	(396,176)	(5,900,875)	592,485	(6,549,153)
Loss from impairment on financial assets		11,747,036	-	173,273	-
Allowance for doubtful accounts		-	181,190	-	181,190
(Gain) loss on foreign exchange rate		4,424,225	(7,811,650)	4,102,065	(7,811,650)
Loss from changes in fair value of derivatives		161,552	-	122,724	-
Gain on termination of lease contracts		(616,385)	-	-	-
Interest income	33	(801,256)	(2,016,819)	(10,427,259)	(12,669,722)
Dividend income		-	-	(126,089,891)	(102,540,883)
Expense on share-based payments	40	885,452	1,330,000	885,452	1,330,000
Finance costs	34	31,433,849	14,930,479	19,671,348	14,110,071
		130,364,165	131,612,368	20,133,872	14,394,835
<b>Changes in working capital</b>					
Operating assets decrease (increase)					
Trade and other receivables		49,730,682	(49,509,792)	(7,783,315)	(15,459,552)
Inventories		(93,091)	348,323	-	-
Other current assets		128,688	1,861,028	79,372	23,538
Retentions		18,345,253	8,349,490	12,700	(132,840)
Other non-current assets		20,936,183	(11,666,044)	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(101,678,374)	(23,139,493)	1,213,763	(778,583)
Other current liabilities		(13,984,835)	8,034,175	807,382	596,184
Employee benefit obligations paid	28	(1,302,936)	(685,244)	-	-
Other non-current liabilities		(7,778,096)	1,386,904	21,000	-
<b>Cash flows from operations</b>		94,667,639	66,591,715	14,484,774	(1,356,418)
Income tax paid		(19,614,503)	(37,253,095)	(2,901,884)	(3,678,047)
<b>Net cash generated from (used in) operating activities</b>		75,053,136	29,338,620	11,582,890	(5,034,465)

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF CASH FLOWS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest income received		816,577	2,259,883	9,578,620	12,810,647
Proceeds from disposal of equipment		547,964	2,025,437	-	-
Payments for purchases of equipment and intangible assets		(28,963,001)	(81,908,710)	(18,078,813)	(947,537)
Proceeds from disposal of investments in a subsidiary, net of cash in a subsidiary	16	136,361,469	-	157,715,979	-
Payments for investments in subsidiaries	16	(163,540,435)	-	(188,000,000)	(7,500,000)
Payments for investments in associates and joint ventures		(273,882,990)	(546,049,495)	(273,882,990)	(546,049,495)
Payments for other long-term investments		-	(88,474,510)	-	(88,474,510)
Proceeds from short-term loans to related parties	38.5	14,900,000	-	145,900,000	91,500,000
Payments for short-term loans to related parties	38.5	(5,000,000)	(9,000,000)	(92,400,000)	(56,000,000)
Dividends received from subsidiaries		-	-	61,836,000	34,386,430
Dividends received from associates and joint ventures		87,918,730	29,695,365	83,322,250	22,442,408
<b>Net cash used in investing activities</b>		<b>(230,841,686)</b>	<b>(691,452,030)</b>	<b>(114,008,954)</b>	<b>(537,832,057)</b>

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## STATEMENTS OF CASH FLOWS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from financing activities</b>					
Interest paid		(31,188,988)	(9,678,714)	(18,781,891)	(9,642,904)
Proceeds from short-term loans					
from financial institutions		485,000,000	-	485,000,000	-
Repayments of short-term loans					
from financial institutions		(355,000,000)	-	(355,000,000)	-
Payments for lease liabilities		(53,506,746)	-	(4,787,924)	-
Payments for finance lease liabilities		-	(12,941,738)	-	(4,244,635)
Proceeds from long-term loans					
from a financial institution	26.2	199,398,691	300,000,000	150,000,000	300,000,000
Repayments of long-term loans					
from a financial institution	26.2	(109,398,691)	(1,875,996)	(60,000,000)	-
Proceeds from share issued	29	-	23,077,321	-	23,077,321
Payments for treasury shares	29	(40,089,186)	-	(40,089,186)	-
Dividends paid		(91,362,568)	(103,084,211)	(91,362,568)	(103,084,211)
<b>Net cash generated from financing activities</b>		<b>3,852,512</b>	<b>195,496,662</b>	<b>64,978,431</b>	<b>206,105,571</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(151,936,038)</b>	<b>(466,616,748)</b>	<b>(37,447,633)</b>	<b>(336,760,951)</b>
Cash and cash equivalents at the beginning of the year		262,472,916	731,821,620	71,468,881	408,229,832
Exchange losses on cash and cash equivalents		(48,845)	(2,731,956)	-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>110,488,033</b>	<b>262,472,916</b>	<b>34,021,248</b>	<b>71,468,881</b>
<b>Non-cash transactions</b>					
Acquisition of right-of-use assets under lease liabilities	39	14,628,587	3,505,700	-	-
Dividends payable		212,041	178,458	212,041	178,458
Dividends receivable		32,666,010	34,698,355	61,495,463	80,098,745
Payables from purchasing of fixed assets		1,708,100	3,302,342	1,600,000	3,210,000
Receivables from disposal of assets					
under finance lease agreement		-	1,950,000	-	-
Contingent consideration paid for investments in a joint venture		-	63,805,406	-	63,805,406
Share-based payments		885,452	1,330,000	885,452	1,330,000
Increase in investment in a joint venture from					
changing status from subsidiary	17.2	129,552,500	-	-	-

The accompanying notes on pages 17 to 95 are an integral part of these consolidated and separate financial statements.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### 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)	
			2020 %	2019 %
<b><u>Direct subsidiaries</u></b>				
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
<b><u>Indirect subsidiary</u></b>				
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 23 February 2021.

#### 2 Significant events during the current period

Since the beginning of 2020, the COVID-19 outbreak impacted the Group’s business operations for the year ended 31 December 2020, especially regarding its air freight business and related operations. Also, due to regulations issued by many countries to cope with the spread of COVID-19 domestically and internationally, trade volumes and air freight demands decreased. As a result, the Group’s overall revenue, which mainly comes from its air freight business, decreased significantly. However, the Group has taken this impact into account and has been employing passenger planes to serve air freight demands since mid-March 2020. This would help stabilise the Group’s overall operational results.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 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 except financial assets measured at fair value through other comprehensive income and derivative instrument as described in the related accounting policies.

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 9.

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.

### 4 New and amended financial reporting standards and the temporary exemption guidance to relieve the impact from COVID-19

#### 4.1 New financial reporting standards that are effective for accounting period beginning on or after 1 January 2020. These standards are relevant and have significant impacts to the Group.

##### a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

##### b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet 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.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 that are relevant to the Group. The Group has not yet early adopted these standards.

#### a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

#### b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

#### c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

#### d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

#### e) Amendment to TFRS 16, Leases amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group's management is currently assessing the impact of these financial reporting standards to the financial statements.

### 4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 that are relevant to the Group. The Group has not yet early adopted these standards.

#### a) Amendment to TFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Group's management is currently assessing the impact of this financial reporting standard to the financial statements.

### 4.4 The temporary exemption guidance to relieve the impact from COVID-19

On 22 April 2020, the Federation of Accounting Professions (TFAC) announced the temporary exemption guidance to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. The Group selects the exemptions below:

- 1) Expected credit loss measurement under the simplified approach
- 2) Impairment of assets
- 3) Lease modification
- 4) Reversal of deferred tax assets

The details of accounting policies of these exemptions are disclosed in Note 6.7, 6.12, 6.13, and 6.16.

The Group is currently assessing the impact to the financial statements for 2021 after these exemptions expires.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's and the Company's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.7, 6.13, and 6.14.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

Consolidated financial statements					
		As at 31 December 2019 Previously reported Baht	TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Notes					
Statement of financial position (extract)					
Assets					
Trade and other receivables, net	1a)	495,348,292	(1,865,710)	-	493,482,582
Derivatives assets	1b)	-	161,552	-	161,552
Investments in joint ventures		877,897,397	(3,212)	-	877,894,185
Other long-term investments	1c)	88,487,760	(88,487,760)	-	-
Financial assets measured at fair value through other comprehensive income	1c)	-	104,675,666	-	104,675,666
Property, plant and equipment, net	2)	276,813,645	-	(30,697,496)	246,116,149
Right-of-use assets, net	2)	-	-	265,978,238	265,978,238
Deferred tax assets	1e)	17,197,611	(1,120,558)	-	16,077,053
Consolidated financial statements					
		As at 31 December 2019 Previously reported Baht	TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Liabilities					
Current portion of lease liabilities	2)	-	-	59,212,385	59,212,385
Current portion of finance lease liabilities	2)	9,562,085	-	(9,562,085)	-
Derivatives liabilities	1d)	-	8,880,962	-	8,880,962
Lease liabilities, net	2)	-	-	192,354,333	192,354,333
Finance lease liabilities, net	2)	13,407,761	-	(13,407,761)	-
Decommissioning provisions	2)	-	-	6,683,870	6,683,870
Equity					
Retained earnings		189,757,560	(1,366,539)	-	188,391,021
Other components of equity		(6,992,717)	5,845,555	-	(1,147,162)

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

		Separate financial statements			
		As at 31 December 2019 Previously reported Baht	TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassification s and adjustments Baht	As at 1 January 2020 Restated Baht
Notes					
<b>Statement of financial position (extract)</b>					
<b>Assets</b>					
Trade and other receivables, net	1a)	126,709,757	(174,695)	-	126,535,062
Derivatives assets	1b)	-	122,724	-	122,724
Other long-term investments	1c)	88,474,510	(88,474,510)	-	-
Financial assets measured at fair value through other comprehensive income	1c)	-	104,662,416	-	104,662,416
Property, plant and equipment, net	2)	16,471,964	-	(9,583,255)	6,888,709
Right-of-use assets, net	2)	-	-	14,721,064	14,721,064
Deferred tax assets	1e)	5,595,421	(1,450,995)	-	4,144,426
<b>Liabilities</b>					
Current portion of lease liabilities	2)	-	-	4,595,004	4,595,004
Current portion of finance lease liabilities	2)	3,704,317	-	(3,704,317)	-
Derivatives liabilities	1d)	-	8,880,962	-	8,880,962
Lease liabilities, net	2)	-	-	7,286,866	7,286,866
Finance lease liabilities, net	2)	3,096,401	-	(3,096,401)	-
Decommissioning provisions	2)	-	-	56,657	56,657
<b>Equity</b>					
Retained earnings		132,120,326	(41,577)	-	132,078,749
Other components of equity		-	5,845,555	-	5,845,555

#### Notes

The adjustments and reclassifications above are summarised as follow;

- 1) The adjustments and reclassifications from the adoption of the new financial reporting standards on financial instruments
  - a) Adjusted impairments on trade and other receivables through the opening balance of retained earnings on consolidated financial statements and separate financial statements of Baht 1,865,710 and Baht 174,695, respectively.
  - b) Recognised foreign currency forward contracts to derivatives assets at fair value through profit or loss and recognised through the opening retained earnings on consolidated financial statements and separate financial statements of Baht 161,552 and Baht 122,724, respectively.
  - c) Reclassified other long-term investments to financial assets measured at fair value through other comprehensive income and recognised fair value adjustments at the beginning period on consolidated financial statements and separate financial statements of Baht 16,187,906 in other components of equity.
  - d) Recognised interest rate swap to derivatives liabilities measured at fair value through other comprehensive income and recognised through the opening other components of equity on consolidated financial statements and separate financial statements of Baht 8,880,962.
  - e) Adjusted deferred tax assets/liabilities resulted from the above adjustments through retained earnings on consolidated financial statements and separate financial statements of Baht 340,833 and Baht 10,396, respectively. And through other components of equity on consolidated financial statements and separate financial statements of Baht 1,461,391.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2) The adjustments and reclassifications from the adoption of the new financial reporting standards on leases standard

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities at the date of initial application were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

The Group measured right-of-use assets at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The reconciliation of lease liabilities as at 1 January 2020:

	Consolidated financial statements Baht	Separate financial statements Baht
Operating lease commitments disclosed as at 31 December 2019	54,534,947	1,245,000
(Less): short-term leases recognised on a straight-line basis as expense	(3,077,520)	-
(Less): low-value leases recognised on a straight-line basis as expense	(914,430)	(81,000)
(Less): service portion included in leases	(7,377,152)	(1,164,000)
Add: adjustments as a result of a different treatment of extension options	210,521,873	5,646,960
(Less): discounted using the lessee's incremental borrowing rate of at the date of initial application	(25,090,846)	(565,808)
Add: finance lease liabilities recognised as at 31 December 2019	22,969,846	6,800,718
<b>Lease liabilities recognised as at 1 January 2020</b>	<b>251,566,718</b>	<b>11,881,870</b>
Current lease liabilities	59,212,385	4,595,004
Non-current lease liabilities	192,354,333	7,286,866
	251,566,718	11,881,870

The recognised right-of-use assets related to the following types of assets:

	Consolidated financial statements 1 January 2020 Baht	Separate financial statements 1 January 2020 Baht
Buildings	195,558,993	5,137,809
Equipment	41,659,442	4,579,842
Vehicles	28,759,803	5,003,413
<b>Total right-of-use assets</b>	<b>265,978,238</b>	<b>14,721,064</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Practical expedients applied

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4, Determining whether an Arrangement contains a Lease.

### 6 Accounting policies

#### 6.1 Principles for consolidation

##### 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.

##### 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

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

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

### f) 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.

## 6.2 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 consolidated financial statements

### *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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 6.3 Foreign currency translation

#### a) Functional and presentation currency

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

### 6.4 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.

### 6.5 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 unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 6.7(f).

### 6.6 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 6.7 Financial asset

For the year ended 31 December 2020

#### a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

#### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

#### d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income is included in finance income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains (losses) in the period in which it arises.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

### f) Impairment

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and accrued income which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. The Group applied historical credit adjusted with the management's judgement in estimating the expected credit loss as disclosed in note 9.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.

For the year ended 31 December 2019

### *Investments in debt and equity securities*

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

### *General investments*

General investments are carried at cost less impairment.

### *Disposal of investments*

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.

## 6.8 Non-current assets held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 6.9 Investment property

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

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

### 6.10 Property, plant and equipment

Land is stated at historical cost less any accumulated impairment losses (if any). Other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses (if any). 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 benefit. 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.

### 6.11 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 6.12 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 will be reversed. Goodwill included in investments in associates and joint ventures is a part of investment. Hence, there is no separate impairment test, but the impairment will be tested when there is an indication of impairment for investment.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

### 6.13 Leases

For the year ended 31 December 2020

#### Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise copy machine.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

During the reporting period, the Group received reduction in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all reductions in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in other gains (losses) instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

### 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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

### 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 period.

### 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.

## 6.14 Financial liabilities

For the year ended 31 December 2020

### a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

### c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains (losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains (losses) in profit or loss.

For the year ended 31 December 2019

### *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.

### 6.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take long time to get ready for its intended use or sale) 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.

### 6.16 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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

### **6.17 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### 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.

### 6.18 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.

### 6.19 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.

### 6.20 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.

#### Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity, presented next to retained earnings, until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 6.21 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 fulfilment 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 is recognised by effective interest rate and other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised upon entitlement.

### 6.22 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.

### 6.23 Derivatives and hedging activities

#### a) Derivatives that do not qualify for hedge accounting

Before 1 January 2020, the Group and the Company did not recognise derivatives as assets or liabilities in the financial statements. The derivative contracts and related fair values were disclosed in the note. From 1 January 2020, derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in profit or loss.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### b) Interest rate swap and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 13.

The Group didn't apply hedge accounting in fair value hedges and net investment hedges

#### 6.24 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 7 Financial risk management

### 7.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, 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. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and used as the key communication and control tools for Treasury team of the Group.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 7.1.1 Market risk

#### a) Foreign exchange risk

The Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations, and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

##### *Exposure*

The Group's and the Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	2020		
	Consolidated financial statements		Separate financial statements
	US Dollar Thousand Baht	Singapore Dollar Thousand Baht	US Dollar Thousand Baht
Cash and cash equivalents	2	768	2
Trade and other receivables, net	6,069	-	1,596
Trade and other payables	(8,810)	(619)	(2,479)

The changes in exchange rate do not have significant impact to the Group's net profit.

#### b) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using interest rate swaps converting borrowings from floating rate to fixed rate.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instruments will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swaps which have the effect of converting borrowings from fixed rate to floating rate, to maintain the Group's fixed rate instruments within the Group's guideline.

##### *Instruments used by the Group*

The Company entered into interest rate swaps covering the principal of loans with floating rate. The fixed interest rate of the swaps is 4.1% and the variable rates of the loans are 1.6% above THBFIX 6M. At the end of the reporting period, the interest rate is 1.86%.

The swap contracts require settlement of net interest receivable or payable every 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### *Effect of hedge accounting on the financial position and performance*

The effects of the interest rate-related hedging instruments on the Group and the Company's financial position and performance are as follows:

	Consolidated and Separate financial statements
	2020 Baht
<i>Interest rate swaps</i>	
Carrying amount (liability)	9,461,871
Notional amount	300,000,000
Maturity date	2024
Hedge ratio	1:1
Change in fair value of outstanding hedge instruments since 1 January	(580,910)
Change in value of hedged item used to determine hedge effectiveness	580,910
Weighted average strike rate for outstanding hedging instruments	4.1%

The reconciliations of cash flow hedge reserves for the year ended 31 December 2020 are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Opening balance 1 January 2020	(7,104,770)	(7,104,770)
Less: Change in fair value of hedging instrument recognised in OCI	(5,800,405)	(5,800,405)
Add: Reclassified from OCI to profit or loss	5,219,495	5,219,495
Add: Deferred tax	116,182	116,182
<b>Closing balance 31 December 2020</b>	<b>(7,569,498)</b>	<b>(7,569,498)</b>

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	Consolidated financial statements								
	Fixed interest rates			Floating interest rates			Non- Interest bearing	Total	Interest rate (% p.a.)
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht			
<b>As at 31 December 2020</b>									
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	107,259	-	-	3,240	110,499	0.05 - 0.50
Short-term loans to related parties	-	-	-	1,424	-	-	-	1,424	5.47
	-	-	-	108,683	-	-	3,240	111,923	
<b>Financial liabilities</b>									
Short-term loans from financial institutions	-	-	-	130,717	-	-	-	130,717	2.34 - 2.35
Long-term loans from a financial institution	68,504	190,754	-	35,542	129,960	-	-	424,760	4.07 - 4.10
Lease liabilities	64,028	139,448	-	-	-	-	-	203,476	4.10
	132,532	330,202	-	166,259	129,960	-	-	758,953	

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Consolidated financial statements									
As at 31 December 2019	Fixed interest rates			Floating interest rates			Non-Interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	259,173	-	-	3,300	262,473	0.20 - 0.50
Short-term loans to related parties	-	-	-	11,953	-	-	-	11,953	6.25
	-	-	-	271,126	-	-	3,300	274,426	
<b>Financial liabilities</b>									
Long-term loans from a financial institution	70,969	259,257	-	-	-	-	-	330,226	4.10
Finance lease liabilities	-	-	-	9,561	13,409	-	-	22,970	
	70,969	259,257	-	9,561	13,409	-	-	353,196	
Separate financial statements									
As at 31 December 2020	Fixed interest rates			Floating interest rates			Non-Interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	34,021	-	-	-	34,021	0.05 - 0.10
Short-term loans to related parties	241,737	-	-	1,424	-	-	-	243,161	4.10 - 5.47
	241,737	-	-	35,445	-	-	-	277,182	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans from financial institutions	-	-	-	130,717	-	-	-	130,717	2.34 - 2.35
Long-term loans from a financial institution	68,504	190,754	-	35,542	129,960	-	-	424,760	4.07 - 4.10
Lease liabilities	2,272	4,822	-	-	-	-	-	7,094	3.40 - 5.70
	70,776	195,576	-	166,259	129,960	-	-	562,571	
Separate financial statements									
As at 31 December 2019	Fixed interest rates			Floating interest rates			Non-Interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	71,469	-	-	-	71,469	0.22 - 0.38
Short-term loans to related parties	288,504	-	-	11,953	-	-	-	300,457	4.60 - 6.25
	288,504	-	-	83,422	-	-	-	371,926	
<b>Financial liabilities</b>									
Long-term loans from a financial institution	70,969	259,257	-	-	-	-	-	330,226	4.10
Lease liabilities	-	-	-	3,704	3,096	-	-	6,800	3.40 - 4.11
	70,969	259,257	-	3,704	3,096	-	-	337,026	

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### Sensitivity

Profit or loss is sensitive as a result of changes in interest rates as follows:

	Impact to net profit			
	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Interest rate - increase 1% (2019: 1%) *	(1,528)	1,179	(2,078)	(45)
Interest rate - decrease 1% (2019: 1%) *	1,528	(1,179)	2,078	45
* Holding all other variables constant				

### c) Price risk

The Group is exposed to risk of fluctuation in freight charges which are major operating costs. In respect of air freight business, the air freight charge is a fixed cost. The Group pays to airlines in a fixed lump sum. If the freight charges are variable depending on market price, the Group will determine the price as a cost-plus method. Hence, the Group is able to pass through part of fluctuation in freight charge to customers. 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.

### 7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

#### a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group makes transactions with the creditable financial institutions.

For transaction with customers, the Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

#### b) Impairment of financial assets

The Group and the Company have financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Loan to related parties
- Retentions

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The Group and the Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted for a long time.

Expected credit losses on trade receivables are presented as net expected credit losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The recognition of expected credit loss is disclosed in note 12

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The purpose is to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding at the end of reporting period by maintaining availability under committed credit lines.

#### a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Floating rate</b>				
Expiring within one year				
- Bank overdraft	47,000	47,000	5,000	5,000
- Promissory note	160,000	290,000	160,000	290,000
	207,000	337,000	165,000	295,000

#### b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements				
	On demand Thousand Baht	Within 1 year Thousand Baht	1 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
<b>As at 31 December 2020</b>					
Short-term loans from financial institutions	-	130,000	-	-	130,000
Trade and other payables	143,881	144,284	26,285	180	314,630
Lease liabilities	-	71,356	151,213	9,343	231,912
Long-term loans from a financial institution	-	104,046	320,714	-	424,760
Other non-current liabilities	-	-	-	2,536	2,536
<b>Total financial liabilities that is not derivatives</b>	<b>143,881</b>	<b>449,686</b>	<b>498,212</b>	<b>12,059</b>	<b>1,103,838</b>
<b>Total</b>	<b>143,881</b>	<b>449,686</b>	<b>498,212</b>	<b>12,059</b>	<b>1,103,838</b>
<b>Derivative financial instruments</b>					
Foreign currency forwards - cash flow hedge					
(Cash inflows)	-	(3,766)	(4,600)	-	(8,366)
Cash outflows	-	8,297	10,135	-	18,432
<b>Total derivatives</b>	<b>-</b>	<b>4,531</b>	<b>5,535</b>	<b>-</b>	<b>10,066</b>
<b>Total</b>	<b>143,881</b>	<b>454,217</b>	<b>503,747</b>	<b>12,059</b>	<b>1,113,904</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### As at 31 December 2019

Short-term loans from financial institutions  
Trade and other payables  
Long-term loans from a financial institution  
Other non-current liabilities

### Total financial liabilities that is not derivatives

Consolidated financial statements					
On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Net book amount Thousand Baht
211,860	185,388	16,859	140	414,247	414,247
6,801	5,858	10,311	-	22,970	22,970
-	70,969	259,257	-	330,226	300,000
-	-	-	10,290	10,290	10,290
218,661	262,215	286,427	10,430	777,733	747,507

### As at 31 December 2020

Short-term loans from financial institutions  
Trade and other payables  
Lease liabilities  
Long-term loans from a financial institution  
Other non-current liabilities

### Total financial liabilities that is not derivatives

Separate financial statements					
On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Net book amount Thousand Baht
-	130,000	-	-	130,000	130,000
14,954	8,595	-	-	23,549	23,549
-	3,145	4,417	-	7,562	7,094
-	104,046	320,714	-	424,760	390,000
-	-	-	843	843	843
14,954	245,786	325,131	843	586,714	551,486
14,954	245,786	325,131	843	586,714	551,486

### Total

### Derivative financial instruments

Foreign currency forwards - cash flow  
hedge

(Cash inflows)

Cash outflows

### Total derivatives

-	(3,766)	(4,600)	-	(8,366)	-
-	8,297	10,135	-	18,432	9,462
-	4,531	5,535	-	10,066	9,462
143,881	250,317	330,666	843	596,780	560,948

### Total

### As at 31 December 2019

Short-term loans from financial institutions  
Trade and other payables  
Long-term loans from a financial institution  
Other non-current liabilities

### Total financial liabilities that is not derivatives

Separate financial statements					
On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Net book amount Thousand Baht
18,773	5,339	-	-	24,112	24,112
6,801	-	-	-	6,801	6,801
-	70,969	259,257	-	330,226	300,000
-	-	-	822	822	822
25,574	76,308	259,257	822	361,961	331,735



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 7.2 Capital management

#### 7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

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

#### Loan covenants

Under the terms of the major borrowing facilities, the Group is required to maintain the debt service coverage ratio (DSCR) on consolidated financial statements must be not less than 1.25, and the interest bearing debt to equity (IBDE) on consolidated financial statements must be not more than 1.25. The Group has complied with these covenants.

## 8 Fair value

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of the asset or liability is based on the current bid price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of the asset or liability is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of asset or liability is not based on observable market data.

The following table shows fair values of financial assets and liabilities by category.

	Consolidated financial statements					
	Level 1		Level 2		Level 3	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020	31 December 2020	1 January 2020
<b>Assets</b>						
Foreign currency forward contracts	-	-	-	161,552	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	13,250	104,675,666
<b>Liabilities</b>						
Interest rate swap	-	-	9,461,871	8,880,962	-	-
	Separate financial statements					
	Level 1		Level 2		Level 3	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020	31 December 2020	1 January 2020
<b>Assets</b>						
Foreign currency forward contracts	-	-	-	122,724	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	104,662,416
<b>Liabilities</b>						
Interest rate swap	-	-	9,461,871	8,880,962	-	-

There was no transfer between such levels during the period.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### Valuation techniques used to measure fair value level 2

Fair value of foreign currency forward contracts is determined using forward exchange rates that are quoted in an active market. Fair value of interest rate swaps is determined using forward interests extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

### Valuation techniques used to measure fair value level 3

#### The Group's valuation processes

Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. The group could not find the comparable financial position with the counterparty in the contract. It is estimated based on the Group's weighted average cost of capital.

The following table presents non-financial assets that are disclosed at fair value:

	Separate financial statements					
	Level 1		Level 2		Level 3	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020	31 December 2020	1 January 2020
<b>Assets</b>						
Investment properties	-	-	133,897,172	133,897,172	-	-

Fair value of financial assets and liabilities of the Group approximates the carrying value because most of them are short-term financial instruments and long-term loans from a financial institution with floating rates which are close to the market rate.

## 9 Critical accounting estimates and judgements

Estimates 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) Recognition of deferred tax assets

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

#### b) Defined retirement benefit obligations

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 28.

#### c) Estimate of the fair value of the net identifiable assets acquired from the acquisition of investment in an associate and 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".

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.

#### d) Classification of joint ventures

The Group holds less than and more than 50% of the voting right in some joint ventures (Note 17.2). 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### e) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

### f) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions at the end of each reporting period.

## 10 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Consolidated financial statements						
	For the year ended 31 December 2020						
	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 services	912,281,540	48,771,146	176,260,843	523,036,016	14,301,279	1,674,650,824	1,607,373,657
Costs of sales and services	(794,150,887)	(25,713,932)	(116,966,411)	(385,182,691)	(10,384,446)	(1,332,398,367)	(1,273,262,717)
<b>Segment profit</b>	<b>118,130,653</b>	<b>23,057,214</b>	<b>59,294,432</b>	<b>137,853,325</b>	<b>3,916,833</b>	<b>342,252,457</b>	<b>334,110,940</b>
Other income							56,952,762
Selling expenses							(67,092,217)
Administrative expenses							(254,318,630)
Loss from impairment on financial assets							(11,747,036)
Other gain (loss), net							(765,162)
Finance costs							(31,433,849)
Share of profits from associates and joint ventures							135,427,017
<b>Profit before income tax</b>							<b>161,133,825</b>
Income tax							(12,709,013)
<b>Profit for the year</b>							<b>148,424,812</b>
<b>Timing of revenue recognition</b>							
At a point in time	-	-	70,598,538	207,235,732	-	277,834,270	275,323,873
Over time	912,281,540	48,771,146	105,662,305	315,800,284	14,301,279	1,396,816,554	1,332,049,784
<b>Total revenue</b>	<b>912,281,540</b>	<b>48,771,146</b>	<b>176,260,843</b>	<b>523,036,016</b>	<b>14,301,279</b>	<b>1,674,650,824</b>	<b>1,607,373,657</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	Consolidated financial statements						
	For the year ended 31 December 2019						
	Air freight Baht	Sea and in-land freight Baht	Logistics management Baht	Hazardous goods logistics Baht	Chemical and management services Baht	Other Baht	Total before elimination Baht
Revenue from sales and services	2,215,597,902	84,903,597	181,788,180	526,875,003	15,179,565	-	3,024,344,247
Costs of sales and services	(2,009,865,141)	(24,823,420)	(130,174,236)	(400,061,193)	(10,507,351)	-	(2,575,431,341)
<b>Segment profit</b>	205,732,761	60,080,177	51,613,944	126,813,810	4,672,214	-	448,912,906
Other income							
Selling expenses							
Administrative expenses							
Other gain (loss), net							
Finance costs							
Share of profits from associates and joint ventures							
<b>Profit before income tax</b>							438,066,041
Income tax							11,822,265
<b>Profit for the year</b>							(80,853,111)
<b>Timing of revenue recognition</b>							(280,017,563)
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
<b>Total revenue</b>	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
							178,212,756
							(13,702,677)
							164,510,079
							284,411,998
							2,428,129,992
							2,712,541,990

The Group had aggregate revenues overseas from company incorporated in Singapore, amounting to Baht 63.82 million. (2019 : Baht 606.90 million).

#### Major customers of the Group

In 2020 and 2019, the Group had no revenue with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	232,486	230,935	-	-
Cheques on hand	2,996,263	3,069,050	-	-
Deposits at financial institutions				
- current accounts	33,025,137	35,288,847	900,081	2,105,038
- savings accounts	74,234,147	223,884,084	33,121,167	69,363,843
	110,488,033	262,472,916	34,021,248	71,468,881

As at 31 December 2020, deposits at financial institutions - savings accounts bear an interest rate of 0.05% - 0.50% per annum (2019: 0.20% - 0.50% per annum).

### 12 Trade and other receivables, net

#### 12.1 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - other parties	326,612,165	325,026,919	24,973,453	21,463,600
<u>Less</u> Expected credit loss (2019: Allowance for doubtful accounts)	(15,154,824)	(7,721,011)	(909,360)	(656,697)
Trade receivables - other parties, net	311,457,341	317,305,908	24,064,093	20,806,903
Prepaid expenses	8,349,491	9,650,166	1,500,980	946,935
Accrued income	62,266,383	86,824,267	5,396,355	4,830,103
Other receivables	6,218,501	6,561,376	663,240	503,754
Trade receivables - related parties (Note 38.3)	12,233,227	40,308,220	23,270,600	19,523,587
Dividends receivable - related parties (Note 38.4)	32,666,010	34,698,355	61,496,151	80,098,475
	433,190,953	495,348,292	116,391,419	126,709,757

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<u>Trade receivables - other parties</u>				
Less than 3 months	293,096,113	302,802,472	23,141,487	19,064,794
3 - 6 months	4,316,743	6,028,540	609,957	1,072,376
6 - 12 months	23,455,659	8,304,180	756,415	672,505
Over 12 months	5,743,650	7,891,727	465,594	653,925
	326,612,165	325,026,919	24,973,453	21,463,600
<u>Less</u> Expected credit loss (2019: Allowance for doubtful accounts)	(15,154,824)	(7,721,011)	(909,360)	(656,697)
	311,457,341	317,305,908	24,064,093	20,806,903
<u>Trade receivables - related parties</u>				
Less than 3 months	12,233,227	39,973,215	21,082,450	18,445,830
3 - 6 months	-	335,005	2,188,150	1,077,757
	12,233,227	40,308,220	23,270,600	19,523,587



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 12.2 Impairments of trade receivables

The loss allowance for trade receivables was determined as follows:

	Consolidated financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As of 1 January 2020</b>						
Gross carrying amount						
- trade receivables						
- other parties	189,347,423	113,455,049	6,028,540	8,304,180	7,891,727	325,026,919
Loss allowance	276,648	1,007,417	140,517	506,035	7,656,104	9,586,721
	Consolidated financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As 31 December 2020</b>						
Gross carrying amount						
- trade receivables						
- other parties	226,616,941	66,479,172	4,316,743	23,455,659	5,743,650	326,612,165
Loss allowance	88,195	223,031	156,992	9,473,539	5,213,067	15,154,824
	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As of 1 January 2020</b>						
Gross carrying amount						
- trade receivables						
- other parties	10,050,401	9,014,393	1,072,376	672,505	653,925	21,463,600
Loss allowance	25,245	159,019	81,074	-	556,054	831,392
	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As of 31 December 2020</b>						
Gross carrying amount						
- trade receivables						
- other parties	16,437,828	6,703,659	609,957	756,415	465,594	24,973,453
Loss allowance	40,993	95,218	42,351	265,204	465,594	909,360

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

The reconciliations of loss allowance for the year ended 31 December are as follow:

	Consolidated financial statements		Separate financial statements	
	Trade receivables		Trade receivables	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Opening net book amount</b>	<b>7,721,011</b>	<b>7,603,271</b>	<b>656,697</b>	<b>475,507</b>
Amounts restated under TFRS 9 through opening retained earnings	1,865,710	-	174,695	-
Loss allowance as at 1 January	9,586,721	7,603,271	831,392	475,507
Increase in loss allowance recognised in profit or loss during the year	11,747,036	181,190	173,273	181,190
Receivable written off during the year as uncollectible	(6,178,933)	(63,450)	(95,305)	-
<b>As of 31 December</b>	<b>15,154,824</b>	<b>7,721,011</b>	<b>909,360</b>	<b>656,697</b>

### 13 Financial assets and financial liabilities

As at 31 December 2020, classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		
	FVPL Baht	FVOCI Baht	Amortised cost Baht
<b>Financial assets</b>			
Cash and cash equivalents	-	-	110,488,033
Trade and other receivables, net	-	-	424,841,462
Short-term loans to related parties	-	-	1,350,000
Retentions	-	-	14,739,551
Other non-current assets	-	-	30,205,769
	Consolidated financial statements		
	FVPL Baht	FVOCI Baht	Amortised cost Baht
<b>Financial liabilities</b>			
Short-term loans from financial institutions	-	-	130,000,000
Trade and other payables	-	-	313,913,813
Other current liabilities	-	-	2,480,998
Long-term loans from a financial institution	-	-	390,000,000
Lease liabilities, net	-	-	212,688,559
Derivative liabilities	-	9,461,871	-
Other non-current liabilities	-	-	2,536,486
	Separate financial statements		
	FVPL Baht	FVOCI Baht	Amortised cost Baht
<b>Financial assets</b>			
Cash and cash equivalents	-	-	34,021,248
Trade and other receivables, net	-	-	114,890,439
Short-term loans to related parties	-	-	233,566,300
Retentions	-	-	1,878,270

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Separate financial statements		
	FVPL	FVOCI	Amortised cost
	Baht	Baht	Baht
<b>Financial liabilities</b>			
Short-term loans from financial institutions	-	-	130,000,000
Trade and other payables	-	-	23,749,256
Long-term loans from a financial institution	-	-	390,000,000
Lease liabilities, net	-	-	7,093,946
Derivative liabilities	-	9,461,871	-
Other non-current liabilities	-	-	843,382

### Amounts recognised in profit or loss and other comprehensive income

	2020			
	Consolidated financial statements		Separate financial statements	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
	Baht	Baht	Baht	Baht
Fair value losses on equity investments at FVOCI recognised in other income (losses)	-	(30,612,001)	-	(30,612,001)
Loss from changes in fair value of cash flow hedges	-	(580,910)	-	(580,910)

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Undue input value added tax	5,328,819	5,853,979	424,652	504,024
Refundable value added tax	10,058	-	-	-
Others	432,544	187,689	-	-
	5,771,421	6,041,668	424,652	504,024

### 15 Non-current assets classified as held-for-sale

The following assets were reclassified as held for sale :

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Tool and equipment	32,754,206	-	-	-
<b>Total assets</b>	<b>32,754,206</b>	<b>-</b>	<b>-</b>	<b>-</b>

On 15 October 2020, the tool and equipment of the subsidiary were classified as held for sale because the subsidiary has entered into an agreement to sell these tool and equipment with a private company.

### 16 Investments in subsidiaries

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

	Nature Business	Country of incorporation	Shareholding		Separate financial statements	
			Direct and indirect		Cost	
			2020 %	2019 %	2020 Baht	2019 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	4,999,900
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	10,299,780
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	152,948,570

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Separate financial statements	
	2020 Baht	2019 Baht
Net book value as at 1 January	152,948,570	145,448,570
Change from investment in equity instrument measured at fair value through other comprehensive income	74,050,405	-
Addition	188,000,000	7,500,000
Proceeds from disposal of investment in a subsidiary	(149,487,697)	-
Change from investment in a subsidiary to investment in a joint venture	(112,562,708)	-
Net book value as at 31 December	152,948,570	152,948,570

### The additional investment and change of investment status in SAL Group (Thailand) Co., Ltd. ("SAL")

On 12 May 2020, the Company made additional investments in SAL for 1,164,449 shares (comprising 1,124,449 ordinary shares and 40,000 preferred shares), totalling Baht 188.00 million. The Company got the approval from Airports of Thailand Public Co., Ltd. for the change in SAL's major shareholders. The investment resulted in an increase in the Company's shareholding proportion from 15.86% to 58.20% of registered share capital and the Company had voting rights and control over SAL. Thus, the investment has been changed from financial assets measured at fair value through other comprehensive income to investments in subsidiaries, totalling Baht 74.05 million. Therefore, measurement of investment in equity instrument at fair value through other comprehensive income reserve presented in other components of equity of Baht 11.54 million were transferred to retained earnings.

Recognised amounts of identifiable assets acquired and liabilities assumed from business combination in the consolidated financial statements are as follow:

	12 May 2020 Thousand Baht
Cash and cash equivalents	24,460
Trade and other receivables	520
Investment in associate (Note 17.1)	223,004
Property, plant and equipment, net	21,318
Other assets	2,847
Trade and other payables	(736)
Other liabilities	(2,887)
Carrying value of net assets	268,526
<u>Less</u> Non-controlling interests	(115,255)
Carrying value of net assets acquired	153,271
The consideration comprises of	
Consideration paid - cash	188,000
Fair value of equity interest in SAL held before the business combination (Note 18)	74,050
Total	262,050
Goodwill (estimate)	108,779

As at 31 December 2020, 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, which is expected to be finalised within 12 months from the acquisition date.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### *Reconciliation of cash out flow from investing in SAL*

	12 May 2020 Thousand Baht
Consideration paid - cash	188,000
<u>Less</u> Asset acquired - cash	<u>(24,460)</u>
Payments for investments in SAL - investing activities	163,540

### *Revenue and profit contribution in SAL*

SAL contributed revenue of Baht 0.18 million and loss of Baht 37.97 million in the consolidated comprehensive income for the period from 12 May 2020 to 29 September 2020 (the date when control was lost).

Had SAL been consolidated from 1 January 2020, the consolidated revenues and loss for the year ended 31 December 2020 would be Baht 1,090.81 million and Baht 94.68 million, respectively.

### Losing control in SAL Group (Thailand) Co., Ltd. ("SAL")

On 29 September 2020, the Company entered into an agreement to sell 33.20% of SAL shares to a listed company in Thailand (buyer), totalling Baht 157.72 million. The sales resulted in a decrease in the Company's shareholding proportion from 58.20 % to 25.00%. The status of investment in SAL has been changed from subsidiary to joint venture. According to the agreement, the decision of relevant activities of SAL must be approved by both the Company's and buyer's directors. The Group deconsolidated SAL and recognised as the investment under equity method from 29 September 2020. The Group had gain on disposal of investment in a subsidiary Baht 43.99 million and Baht 8.23 million in the consolidated financial statements and separate financial statements, respectively presented as the other income. However, the Company was under the process of determining fair value of net assets acquired as at the acquisition date. If the assessment is complete, there will be change in gain on disposal of investment in a subsidiary.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

Details of disposal of investment in a subsidiary are as follows:

	<b>Consolidated financial statements</b>
	<b>Thousand Baht</b>
Investment selling price consideration	157,716
Fair value of interest retained 25.00%	129,553
	287,269
<u>Less</u> Net assets of SAL at the date when control was lost in consolidated financial statements	(344,473)
Carrying value of non-controlling interest 41.80%	101,188
	(243,285)
Gain on disposal of investment in a subsidiary	43,984
	<b>Separated financial statements</b>
	<b>Thousand Baht</b>
Investment selling price consideration	157,716
Carrying value of investment in a subsidiary for disposed portion	(149,488)
Gain on disposal of investment in a subsidiary	8,228

Details of net assets disposed from losing control in SAL are as follows:

	<b>Consolidated financial statements</b>
	<b>29 September 2020</b>
	<b>Thousand Baht</b>
Cash and cash equivalents	21,355
Trade and other receivables	517
Investment in associate (Note 17.1)	193,595
Property, plant and equipment, net	20,369
Other assets	2,977
Trade and other payables	(620)
Other liabilities	(2,499)
Decrease in net assets	235,694
<u>Add</u> Goodwill	108,779
Total net assets disposed from losing control in a subsidiary	344,473

As at 31 December 2020, the Company was under the process of determining fair value of the net assets acquired and reviewing purchase price allocation ("PPA") from changing status of the investment to a joint venture.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

The reconciliation of cash received from disposal of investment in a subsidiary:

	<b>Consolidated financial statements Thousand Baht</b>
Consideration received - Cash	157,716
<u>Less</u> cash and cash equivalents of investment a subsidiary	<u>(21,355)</u>
Proceeds from disposal of investment in a subsidiary	136,361

#### Dividends paid

The Board of Director's Meeting No. 1/2020 on 31 March 2020 of Triple i International Pte. Ltd. approved the interim dividend payment to the shareholders of USD 4 per share for 100,000 shares, totalling USD 400,000 or Baht 12.51 million approximately. The subsidiary paid the dividends on 11 May 2020.

The Board of Director's Meeting No. 2/2020 on 16 December 2020 of Triple i International Pte. Ltd. approved the interim dividend payment to the shareholders of USD 2 per share for 100,000 shares, totalling USD 200,000 or Baht 6.23 million approximately. The subsidiary will pay the dividends in 2021.

The Board of Director's Meeting No. 1/2020 on 23 December 2020 of HazChem Logistics Management Co., Ltd. approved the interim dividend payment to the shareholders of Baht 32 per share for 500,000 shares, totalling Baht 16.00 million. The subsidiary will pay the dividends in 2021.

The Board of Director's Meeting No. 1/2020 on 23 December 2020 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 2021.

The Board of Director's Meeting No. 1/2020 on 25 December 2020 of Triple i Air Express Co., Ltd. approved the interim dividend payment to the shareholders of Baht 12 per share for 500,000 shares, totalling Baht 6.00 million. The subsidiary will pay the dividends in 2021.

## 17 Investments in associates and joint ventures

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

As at 31 December	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Associates	87,001,158	14,627,442	75,522,563	5,437,563
Joint ventures	1,151,461,632	877,897,397	989,926,124	810,488,416
	1,238,462,790	892,524,839	1,065,448,687	815,925,979

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

Share of profits (losses) from investments in associates and joint ventures

For the year ended 31 December	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Associates	(21,327,134)	7,153,294	-	-
Joint ventures	156,754,151	89,019,404	-	-
	135,427,017	96,172,698	-	-

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Associates	-	(292,393)	-	-
Joint ventures	2,013,827	(388,018)	-	-
	2,013,827	(680,411)	-	-

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 17.1 Investments in associates

	Nature of business	Country of incorporation	Shareholding Direct and indirect		Consolidated financial statements				Separate financial statements			
					Investment value		(Direct investment)		Cost			
			2020 %	2019 %	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<u>Direct associates</u>												
CK Line (Thailand) Co., Ltd	International maritime shipping agency	Thailand	42.00	42.00	7,032,638	7,071,883	2,100,000	2,100,000	2,100,000	2,100,000		
ECU Worldwide (Thailand) Co., Ltd.	International freight forwarding	Thailand	43.00	43.00	4,457,088	3,817,171	2,365,215	2,365,215	2,365,215	2,365,215		
Excel Air (Cambodia) Limited	Air freight agency	Cambodia	32.00	32.00	805,061	916,678	972,348	972,348	972,348	972,348		
Galaxy Ventures Co., Ltd.	Holding company	Thailand	30.00	-	71,254,972	-	70,085,000	-	70,085,000	-		
<u>Indirect associate</u>												
Excel Air Limited (held by Triple i International Pte. Ltd.)	Air freight agency	Hong Kong	20.00	20.00	3,451,399	2,821,710	-	-	-	-		
					87,001,158	14,627,442	75,522,563	5,437,563				

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## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening net book value	14,627,442	32,569,704	5,437,563	5,065,215
Reclassification to investment in a joint venture	-	(13,400,654)	-	(600,000)
Increase from acquisition of a subsidiary (Note 16)	223,004,406	-	-	-
Decrease from losing control in a subsidiary (Note 16)	(193,594,858)	-	-	-
Investments in associate	67,085,000	972,348	67,085,000	972,348
Additional investments in associate	3,000,000	-	3,000,000	-
Share of profit (loss)	(21,327,134)	7,153,294	-	-
Share of other comprehensive income	-	(292,393)	-	-
Dividends received	(5,770,000)	(12,153,006)	-	-
Currency translation differences	(23,698)	(221,851)	-	-
Closing net book value	87,001,158	14,627,442	75,522,563	5,437,563

### Investments in associate

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved the purchase of shares in Galaxy Ventures Co., Ltd. ("GV") from the previous shareholders of 600,000 shares, representing 30.00% of the total registered and paid-up share capital. On 27 March 2020, the Company paid for the investment of Baht 65.00 million and 30.00% of share capital were transferred to the Company. Transaction cost relating to investment in this associate of Baht 2.09 million was presented included in cost of investments in associate.

The Company completed purchase price allocation for an acquisition of investment. The details of the cost of investment in GV and the Group's portion of carrying value of net assets acquired and recognised at the acquisition date are as follows:

	27 March 2020 Thousand Baht
Cash and cash equivalents	105
Investments in associates and joint ventures	223,458
Trade and other payables	(18)
Other current liabilities	(62)
Fair value of net assets	223,483
Less Non-controlling interests of GV	(156,438)
Fair value of net assets	67,045
Cost of investment comprises of	
Payment on acquisition date	65,000
Transaction costs	2,085
Total	67,085
Goodwill – included in investment in an associate	40

### Additional investments in associate

On 29 April 2020, the Company increased its investment in Galaxy Ventures Co., Ltd. by purchasing 300,000 new ordinary shares at Baht 10 per share, totalling Baht 3.00 million. The Company's shareholding proportion of 30% had not been changed.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### Dividends received from associate

On 13 March 2020, the Extraordinary Meeting of Shareholders No. 1/2020 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's proportion is Baht 2.10 million. However, on 13 May 2020, the Board of Directors' Meeting No. 2/2020 of CK Line (Thailand) Co., Ltd. approved the adjustment of the interim dividend payment to Baht 70 per share for 50,000 ordinary shares, totalling Baht 3.50 million. The Company received the interim dividend of their portion amounting to Baht 1.47 million. The dividend was paid on 29 May 2020.

On 15 December 2020, the Board of Directors' Meeting No. 1/2020 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 received the dividend in the proportion of 43% shareholding, totalling Baht 2.15 million on 30 December 2020. The Company will receive Baht 2.15 million in 2021.

#### Summary of financial information of significant associates

Set out below are the summarised financial information for significant associates which are accounted for using the equity method.

#### Summarised statements of financial position

As at 31 December	ECU Worldwide (Thailand) Co., Ltd.		Galaxy Ventures Co., Ltd.	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Current portion</b>				
Cash and cash equivalents	13,876,408	21,135,001	6,336,930	-
Other current assets (exclude cash)	62,658,682	77,473,893	34	-
Total current assets	76,535,090	98,608,894	6,336,964	-
Other current liabilities (include accounts payable)	62,608,276	87,138,381	64,500	-
Total current liabilities	62,608,276	87,138,381	64,500	-
<b>Non-current portion</b>				
Investments in associates and joint ventures	-	-	231,499,210	-
Non-current assets	7,645,634	7,277,563	3,635,692	-
Total non-current assets	7,645,634	7,277,563	235,134,902	-
Other non-current liabilities	11,207,126	9,870,934	4,193,639	-
<b>Net assets</b>	10,365,322	8,877,142	237,213,727	-

#### Summarised statements of comprehensive income

For the year ended 31 December	AOT Ground Aviation Services Co., Ltd. *		ECU Worldwide (Thailand) Co., Ltd.		Galaxy Ventures Co., Ltd.**	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenue	9,842,184	-	372,390,680	292,440,946	-	-
Net profit (loss) for the year	(57,665,770)	-	11,488,180	10,253,216	3,899,907	-
Other comprehensive income (loss)	-	-	-	(776,960)	-	-
Total comprehensive income	(57,665,770)	-	11,488,180	9,476,256	3,899,907	-
Dividend received	-	-	4,300,000	4,300,000	-	-

\* For the year ended 31 December 2020, summarised statements of comprehensive income of AOT Ground Aviation Services Co., Ltd. represents the information for the period from 12 May 2020 to 29 September 2020 because acquire and dispose during the year (Note 16).

\*\* For the year ended 31 December 2020, summarised statements of comprehensive income of Galaxy Ventures Co., Ltd. represents the information for the period from 27 March 2020 (date of acquisition) to 31 December 2020.

This information is 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

As at 31 December	AOT Ground Aviation Services Co., Ltd. *		ECU Worldwide (Thailand) Co., Ltd.		Galaxy Ventures Co., Ltd. **	
	As at 31 December		As at 31 December		As at 31 December	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening net assets	437,263,533	-	8,877,142	9,400,886	223,483,159	-
Net profit (loss) for the year	(57,665,770)	-	11,488,180	10,253,216	3,899,907	-
Other comprehensive income (loss)	-	-	-	(776,960)	-	-
Dividend paid	-	-	(10,000,000)	(10,000,000)	-	-
Increase in share capital	-	-	-	-	10,000,000	-
Decrease from losing control in a subsidiary	(379,597,763)	-	-	-	-	-
Net assets as at year end	-	-	10,365,322	8,877,142	237,383,066	-
Interest in associates (%)	-	-	43	43	30	-
Carrying value	-	-	4,457,088	3,817,171	71,214,920	-
Goodwill from purchase of investment	-	-	-	-	40,052	-
<b>Total</b>	-	-	4,457,088	3,817,171	71,254,972	-

\* The opening net assets of AOT Ground Aviation Services Co., Ltd. represents the information as at 12 May 2020.

\*\*The opening net assets of Galaxy Ventures Co., Ltd. represents the information as at 27 March 2020.

### Individually immaterial associates

In addition to the interest in associates as disclosed above, the Group also has interests in immaterial associates that are accounted for using the equity method.

	2020 Baht	2019 Baht
Aggregate carrying amount of individually immaterial associates	11,289,098	10,810,271
Aggregate amounts of the group's share of:		
Net profit	1,972,520	2,744,411
Other comprehensive income	-	41,700
Total comprehensive income	1,972,520	2,786,111

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17.2 Investments in joint ventures

	Nature of business	Country of incorporation	Shareholding		Consolidated financial statements		Separate financial statements	
					Investment value		Cost	
			2020	2019	2020	2019	2020	2019
			%	%	Baht	Baht	Baht	Baht
<b>Direct joint ventures</b>								
Asia Network International Co., Ltd.	Air freight forwarding	Thailand	60.00	60.00	2,602,724	4,852,157	187,494	187,494
Excel Air Co., Ltd.	Air freight agency	Thailand	30.00	30.00	34,342,676	17,603,548	600,000	600,000
DG Packaging Pte. Ltd.	Package and packaging services	Singapore	50.00	50.00	271,722,746	273,670,677	271,198,344	271,198,344
JPK Asia (Thailand) Co., Ltd.	Air freight agency	Thailand	34.00	34.00	2,104,472	1,886,828	1,700,000	1,700,000
Around Logistics Management Co., Ltd.	International freight forwarding	Hong Kong	50.00	50.00	627,693,922	562,193,881	536,802,578	536,802,578
Teleport (Thailand) Co., Ltd. (*)	Air freight forwarding	Thailand	50.00	-	4,196,360	-	5,000,000	-
SAL Group (Thailand) Co., Ltd. (**)	Holding company	Thailand	25.00	-	186,900,241	-	174,437,708	-
<b>Indirect joint ventures</b>								
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	4,166,210	4,280,854	-	-
GSA Cargo Network (Myanmar) Co., Ltd. (held by Triple i International Pte Ltd.)	Air freight agency	Myanmar	50.00	50.00	3,125,033	2,069,959	-	-
HazChem Logistics Management Pte. Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Air freight forwarding for chemical goods	Singapore	55.00	55.00	3,776,016	3,656,367	-	-
Freightworks GSA (HK) Limited (held by Triple i International Pte Ltd.)	Air freight agency	Hong Kong	20.00	20.00	8,066,770	4,442,054	-	-
Excel Air (Guangzhou) Limited (held by Triple i International Pte Ltd.)	Air freight agency	China	25.00	25.00	843,970	1,320,580	-	-
					1,151,461,632	877,897,397	989,926,124	810,488,416

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 investment in Teleport (Thailand) Co., Ltd. was changed from financial assets measured at fair value through other comprehensive income to investments in joint ventures.

(\*\*) During the year, the investment in SAL Group (Thailand) Co., Ltd. was changed from investments in subsidiaries to investments in joint ventures.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening net book value	877,897,397	290,992,662	810,488,416	217,385,837
Impact from adoption of the financial reporting standards in joint ventures (Note 5)	(3,212)	-	-	-
Net book value as at 1 January 2020	877,894,185	290,992,662	810,488,416	217,385,837
Reclassification from investment in associate	-	13,400,654	-	600,000
Change from investment in equity instrument measured at fair value through other comprehensive income (Note 18)	10	-	10	-
Change from investment in subsidiaries to investment in joint ventures (Note 16)	129,552,500	-	112,562,708	-
Addition	66,874,990	538,502,579	66,874,990	538,502,579
Share of profit	156,754,151	89,019,404	-	-
Share of other comprehensive income (loss)	2,013,827	(388,018)	-	-
Dividends received	(79,972,510)	(50,740,764)	-	-
Currency translation differences	(1,655,521)	(2,889,120)	-	-
Closing net book value	1,151,461,632	877,897,397	989,926,124	810,488,416

### The change of investment status and additional investment in Teleport (Thailand) Co., Ltd. ("Teleport")

At 1 January 2020, the Company had the investment in Teleport for 1 ordinary share at a par value of Baht 10, totalling Baht 10, which was classified as financial assets measured at fair value through other comprehensive income. On 16 January 2020, the Company made additional investments in Teleport for 499,999 ordinary shares at a par value of Baht 10, totalling Baht 4,999,990. The proportion of shares increased to 50.00% of the registered capital. The Company has voting right and joint control, thus the investment has been changed from financial assets measured at fair value through other comprehensive income to investments in joint ventures.

### Investment in joint ventures

On 19 October 2020, the Extraordinary Shareholders' Meeting of SAL Group (Thailand) Co., Ltd. approved a 3,042,400 ordinary share and 257,600 preferred share increase at par value of Baht 100 per share, totalling Baht 330.00 million and call for payment of share increase at 25%. The Company increase its investment in proportion to 25.00% shareholding, totalling Baht 61.89 million. The Company's shareholding proportion had not been changed.

### Dividend received from joint ventures

#### DG Packaging Pte. Ltd.

On 30 April 2020, the Extraordinary Shareholders' Meeting of DG Packaging Pte. Ltd. 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 dividend as proportion of 50.00% shareholding, amounting to SGD 225,000 or approximately of Baht 5.10 million on 29 May 2020.

On 8 July 2020, the Extraordinary Shareholders' Meeting of DG Packaging Pte. Ltd. approved the interim dividend payment to the shareholders of SGD 2.75 per share for 200,000 shares, totalling SGD 550,000. The Company received the dividend as proportion of 50.00% shareholding, amounting to SGD 275,000 or approximately of Baht 6.22 million on 29 July 2020.

On 1 September 2020, the Extraordinary Shareholders' Meeting of DG Packaging Pte. Ltd. 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 dividend as proportion of 50.00% shareholding, amounting to SGD 225,000 or approximately of Baht 5.10 million on 30 September 2020.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2020

On 8 October 2020, the Extraordinary Shareholders' Meeting of DG Packaging Pte. Ltd. approved the interim dividend payment to the shareholders of SGD 3.50 per share for 200,000 shares, totalling SGD 700,000. The Company will receive the dividend as proportion of 50.00% shareholding, amounting to SGD 350,000 or approximately of Baht 7.94 million in 2021.

#### Hazchem Logistics Management Pte. Ltd.

On 1 August 2020, the Extraordinary Shareholders' Meeting of Hazchem Logistics Management Pte. Ltd. approved the interim dividend payment to the shareholders of SGD 0.80 per share for 100,000 shares, totalling SGD 80,000. The Company received the dividend as proportion of 55.00% shareholding, amounting to SGD 44,000 or approximately of Baht 1.00 million on 20 August 2020.

#### Around Logistics Management Co., Ltd.

On 9 November 2020, the Board of Directors' Meeting of Around Logistics Management Co., Ltd. approved the interim dividend payment to the shareholders of SGD 3.20 per share for 250,000 shares, totalling SGD 800,000. The Company received the dividend as proportion of 50.00% shareholding, amounting to SGD 400,000 or approximately of Baht 8.97 million on 2 December 2020.

On 24 December 2020, the Board of Directors' Meeting of Around Logistics Management Co., Ltd. approved the interim dividend payment to the shareholders of SGD 7.20 per share for 250,000 shares, totalling SGD 1,800,000. The Company will receive the dividend as proportion of 50.00% shareholding, amounting to SGD 900,000 or approximately of Baht 20.17 million in 2021.

#### Excel Air Co., Ltd.

The Board of Directors' Meeting No. 1/2020 on 15 October 2020 of Excel Air Co., Ltd. approved the interim dividend payment to the shareholders of Baht 1,350 per share for 20,000 shares, totalling Baht 27.00 million. The Company received the dividend as proportion of 30.00% shareholding, amounting to Baht 8.10 million on 28 October 2020.

The Board of Directors' Meeting No. 2/2020 on 18 December 2020 of Excel Air Co., Ltd. approved the interim dividend payment to the shareholders of Baht 2,500 per share for 20,000 shares, totalling Baht 50.00 million. The Company received the dividend as proportion of 30.00% shareholding, amounting to Baht 15.00 million on 30 December 2020.

#### Hazchem Transmanagement Co., Ltd.

The Board of Directors' Meeting No. 1/2020 on 23 December 2020 of Hazchem Transmanagement Co., Ltd. approved the interim dividend payment to the shareholders of Baht 80 per share for 50,000 shares, totalling Baht 4.00 million. The Company will receive the dividend as proportion of 60.00% shareholding, amounting to Baht 2.40 million in 2021.

### **Purchase price allocation of an acquisition of investment in a joint venture**

In first quarter of 2020, the Company measured the fair value of the identifiable assets acquired and completed purchase price allocation on investment in Around Logistics Management Co., Ltd. ("Around"). Details of purchase price allocation and fair value of net assets acquired at the date of acquisition does not change from previously presented.

	11 March 2020 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)
Fair value of net assets	33,952
Less Non-controlling interests of Around	(12,248)
Fair value of net assets	21,704
Cost of investment comprises of	
Payment on acquisition date	448,800
Fair value of contingent consideration	64,456
Transaction costs	23,547
Total	536,803
Goodwill	515,099

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

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	Excel Air Co., Ltd.		DG Packaging Pte. Ltd.		Around Logistics Management Co., Ltd.		Teleport (Thailand) Co., Ltd.		SAL Group (Thailand) Co., Ltd.	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Current</b>										
Cash and cash equivalents	156,411,755	55,038,850	20,496,603	16,073,640	457,302,345	222,399,901	37,527,135	-	18,774,137	-
Other current assets (not including cash)	164,118,286	64,758,108	76,781,646	48,801,357	395,576,338	172,571,098	49,760,410	-	1,846,952	-
Total current assets	320,530,041	119,796,958	97,278,249	64,874,997	852,869,683	394,970,999	87,287,545	-	20,621,089	-
Other current liabilities (including trade payable)	206,078,763	61,250,558	79,259,402	51,324,026	558,309,909	256,016,578	76,367,263	-	188,743	-
Total current liabilities	206,078,763	61,250,558	79,259,402	51,324,026	558,309,909	256,016,578	76,367,263	-	188,743	-
<b>Non-current</b>										
Non-current assets	24,310	132,092	88,016,965	98,104,504	2,256,392	2,272,158	3,132,633	-	444,040,437	-
Other non-current liabilities	-	-	41,283,704	43,007,505	-	-	5,660,195	-	-	-
Total non-current liabilities	-	-	41,283,704	43,007,505	-	-	5,660,195	-	-	-
<b>Net assets</b>	114,475,588	58,678,492	64,752,108	68,647,970	296,816,166	141,226,579	8,392,720	-	464,472,783	-
Less Non-controlling interest	-	-	-	-	71,627,067	47,037,560	-	-	3,977,411	-
<b>Net assets of owners of the parent</b>	114,475,588	58,678,492	64,752,108	68,647,970	225,189,099	94,189,019	8,392,720	-	460,495,372	-

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### Summarised statements of comprehensive income

For the year ended 31 December	Excel Air Co., Ltd.				DG Packaging Pte. Ltd.				Around Logistics Management Co., Ltd.				Teleport (Thailand) Co., Ltd.				SAL Group (Thailand) Co., Ltd.			
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	
	Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht	
Revenue	1,373,671,947		371,215,038		293,834,281		234,313,794		2,995,973,842		1,296,712,851		570,720,127		-		-		(9,619)	
Depreciation and amortisation expenses	(120,494)		-		(4,879,053)		(9,021,468)		(1,128,515)		(330,348)		(627,714)		-		(733,790)		-	
Interest income	-		-		-		-		461,042		2,351,364		10,533		-		11,986		-	
Interest expense	-		-		-		(877,728)		-		-		(36,731)		-		-		-	
<b>Profit before income tax</b>	<b>166,023,543</b>		<b>56,456,321</b>		<b>50,322,188</b>		<b>58,587,964</b>		<b>340,492,965</b>		<b>123,454,017</b>		<b>(2,002,924)</b>		<b>-</b>		<b>(18,720,833)</b>		<b>-</b>	
Income tax expense	(33,226,447)		(12,204,164)		(7,868,150)		(9,703,263)		(68,261,501)		(30,524,821)		395,644		-		-		-	
<b>Profit for the year</b>	<b>132,797,096</b>		<b>44,252,157</b>		<b>42,454,038</b>		<b>48,884,701</b>		<b>272,231,464</b>		<b>92,929,196</b>		<b>(1,607,280)</b>		<b>-</b>		<b>(18,720,833)</b>		<b>-</b>	
<b>Profit for the year - owners of the parent</b>	<b>132,797,096</b>		<b>44,252,157</b>		<b>42,454,038</b>		<b>48,884,701</b>		<b>191,027,713</b>		<b>87,851,348</b>		<b>(1,607,280)</b>		<b>-</b>		<b>(18,109,037)</b>		<b>-</b>	
<b>Total comprehensive income</b>	<b>132,797,096</b>		<b>44,252,157</b>		<b>44,769,418</b>		<b>48,640,659</b>		<b>276,259,119</b>		<b>92,204,502</b>		<b>(1,607,280)</b>		<b>-</b>		<b>(18,720,833)</b>		<b>-</b>	
<b>Total comprehensive income - owners of the parent</b>	<b>132,797,096</b>		<b>44,252,157</b>		<b>44,769,418</b>		<b>48,640,659</b>		<b>195,055,368</b>		<b>87,126,654</b>		<b>(1,607,280)</b>		<b>-</b>		<b>(18,720,833)</b>		<b>-</b>	
<b>Dividend received from joint ventures</b>	<b>23,100,000</b>		<b>7,500,000</b>		<b>24,332,640</b>		<b>25,304,873</b>		<b>29,143,350</b>		<b>14,336,010</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	

\* Summarised 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.

\*\* Summarised statements of comprehensive income for the year ended 31 December 2020 of SAL Group (Thailand) Co., Ltd. represents the information for the period from 29 September to 31 December 2020.

The above information is 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.

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Reconciliation of summarised financial information

	Excel Air Co., Ltd.		DG Packaging Pte. Ltd.		Around Logistics Management Co., Ltd.		Teleport (Thailand) Co., Ltd.		SAL Group (Thailand) Co., Ltd.	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019* Baht	2020 Baht	2019 Baht	2020** Baht	2019 Baht
<b>As at 31 December</b>										
Opening net assets	58,678,492	39,426,335	68,647,970	72,920,250	94,189,019	43,406,413	100,000	-	231,104,409	-
Profit for the year	132,797,096	44,252,157	42,454,038	48,884,701	191,027,713	87,851,348	(1,607,280)	-	(18,109,037)	-
Other comprehensive income (expense)	-	-	-	-	4,027,655	(724,694)	-	-	-	-
Dividends paid	(77,000,000)	(25,000,000)	(48,665,280)	(52,912,939)	(58,286,700)	(33,043,896)	-	-	-	-
Share increase	-	-	-	-	-	-	9,900,000	-	247,500,000	-
Currency translation difference	-	-	2,315,380	(244,042)	(5,768,588)	(3,300,152)	-	-	-	-
Net assets at the year end	<b>114,475,588</b>	<b>58,678,492</b>	<b>64,752,108</b>	<b>68,647,970</b>	<b>225,189,099</b>	<b>94,189,019</b>	<b>8,392,720</b>	-	<b>460,495,372</b>	-
Interest in joint ventures (%)										
<b>Carrying value</b>	34,342,676	17,603,548	32,376,054	34,323,985	112,594,550	47,094,509	50	50	25	-
Goodwill from investment	-	-	239,346,692	239,346,692	515,099,372	515,099,372	-	-	115,123,843	-
<b>Total</b>	<b>34,342,676</b>	<b>17,603,548</b>	<b>271,722,746</b>	<b>273,670,677</b>	<b>627,693,922</b>	<b>562,193,881</b>	<b>4,196,360</b>	-	<b>186,900,241</b>	-

\* For Around Logistics Management Co., Ltd., opening net assets balance is on 11 March 2019.

\*\* For SAL Group (Thailand) Co., Ltd., opening net assets balance is on 29 September 2020.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

Besides the interest in joint ventures as disclosed above, the Group also has interests in individually immaterial joint ventures that are accounted for by using the equity method as follows:

	2020 Baht	2019 Baht
Aggregate carrying amount of individually immaterial joint ventures	26,605,687	24,429,291
Aggregate amounts of the group's share of:		
Net profit	5,505,047	7,375,848
Other comprehensive income	-	(25,671)
Total comprehensive income	5,505,407	7,350,177

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Financial assets measured at fair value through other comprehensive income / Other long-term investments

The details of financial assets measured at fair value through other comprehensive income as at 31 December 2020 (2019 : Other long-term investments) are as follows:

Company	Nature of business	Country of incorporation	Shareholding, both direct and indirect		Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019	2020	2019
			%	%	Baht	Baht	Baht	Baht
<u>Direct investments</u>								
SAL Group (Thailand) Co., Ltd. (*)	Holding company	Thailand	-	15.86	-	88,474,500	-	88,474,500
Teleport (Thailand) Co., Ltd. (**)	Air freight forwarding	Thailand	-	0.01	-	10	-	10
<u>Indirect investment</u>								
Tiffa Logistics (2008) Co., Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Providing warehouse services and packaging	Thailand	0.27	0.27	13,250	13,250	-	-
					13,250	88,487,760	-	88,474,510

(\*) During the year, the investment in SAL Group (Thailand) Co., Ltd. was changed from financial assets measured at fair value through other comprehensive income to investments in subsidiaries, then changed to investments in joint ventures (Note 17)

(\*\*) During the year, the investment in Teleport (Thailand) Co., Ltd. was changed from financial assets measured at fair value through other comprehensive income to investments in joint ventures (Note 17)

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

The movements of financial assets measured at fair value through other comprehensive income during the year ended 31 December 2020 are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Net book value as at 31 December 2019 (presented as other long-term investments measured at cost)	88,487,760	88,474,510
Impact from adoption of the financial reporting standards	16,187,906	16,187,906
Net book value as at 1 January 2020	104,675,666	104,662,416
Fair value adjustment during the year	(30,612,001)	(30,612,001)
Change to investments in joint ventures (Note 17.2)	(10)	(10)
Change to investments in subsidiaries (Note 16)	(74,050,405)	(74,050,405)
Net book value as at 31 December 2020	13,250	-

#### 19 Investment properties, net

	Separate financial statements				
	Land Baht	Building improvement Baht	Buildings Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2019</b>					
Cost	32,517,000	51,490,772	15,785,531	217,320	100,010,623
<u>Less</u> 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
<b>For the year ended 31 December 2019</b>					
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
<b>As at 31 December 2019</b>					
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
<b>For the year ended 31 December 2020</b>					
Opening net book amount	32,517,000	36,787,698	12,495,527	77,320	81,877,545
Reclassify to property, plant, and equipment	-	-	-	(77,320)	(77,320)
Depreciation charges	-	(3,355,349)	(988,621)	-	(4,343,970)
Closing net book amount	32,517,000	33,432,349	11,506,906	-	77,456,255
<b>As at 31 December 2020</b>					
Cost	32,517,000	51,670,772	15,785,531	-	99,973,303
<u>Less</u> Accumulated depreciation	-	(18,238,423)	(4,278,625)	-	(22,517,048)
Net book amount	32,517,000	33,432,349	11,506,906	-	77,456,255

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

As at 31 December 2020 and 2019, fair value of investment properties is as follows:

	Separate financial statement	
	2020 Baht	2019 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 of both approaches is within level 2 of the fair value hierarchy.

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

	Separate financial statement	
	2020 Baht	2019 Baht
Rental income	4,310,945	4,686,000
Direct operating expense arise from investment properties that generated rental income	4,918,119	4,914,836

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 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 2019									
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
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

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

	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
<b>For the year ended 31 December 2020</b>									
Opening 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
Adjustment from the first-time adoption of TFRS 16 (Note 5)	-	-	-	(5,636,589)	(20,481,065)	-	(4,579,842)	-	(30,697,496)
Opening net book amount as at 1 January 2020	33,432,000	20,627,562	43,541,603	56,064,278	23,798,901	7,837,417	33,367,410	27,446,978	246,116,149
Reclassification	-	-	-	-	188,300	-	(188,300)	-	-
Additions	-	-	-	3,295,166	619,260	613,869	1,492,612	19,713,715	25,734,622
Assets classified as held for sale (Note 15)	-	-	-	(32,754,206)	-	-	-	-	(32,754,206)
Disposals, net	-	-	-	-	(33,027)	(86,567)	(1,018,136)	-	(1,137,730)
Write-offs, net	-	-	-	(870)	-	(23,969)	(26,442)	-	(51,281)
Depreciation charges	-	(1,544,008)	(5,072,486)	(11,437,136)	(5,394,298)	(2,735,896)	(8,889,263)	-	(35,073,087)
Transfers in (out)	-	-	-	5,327,103	-	-	-	(5,327,103)	-
Closing net book amount	33,432,000	19,083,554	38,469,117	20,494,335	19,179,136	5,604,854	24,737,881	41,833,590	202,834,467
<b>As at 31 December 2020</b>									
Cost	33,432,000	26,870,531	69,036,492	59,057,926	57,186,589	29,251,877	86,235,360	41,833,590	402,904,365
Less Accumulated depreciation	-	(7,786,977)	(30,567,375)	(38,563,591)	(38,007,453)	(23,647,023)	(61,497,479)	-	(200,069,898)
Net book amount	33,432,000	19,083,554	38,469,117	20,494,335	19,179,136	5,604,854	24,737,881	41,833,590	202,834,467

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Separate financial statements				Total Baht
	Office equipment Baht	Furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	
<b>As at 1 January 2019</b>					
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
<b>For the year ended 31 December 2019</b>					
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
<b>As at 31 December 2019</b>					
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
<b>For the year ended 31 December 2020</b>					
Opening net book amount	7,487,551	948,529	5,035,884	3,000,000	16,471,964
Adjustment from the first-time adoption of TFRS 16 (Note 5)	(4,579,843)	-	(5,003,412)	-	(9,583,255)
Opening book amount as at 1 January 2020	2,907,708	948,529	32,472	3,000,000	6,888,709
Reclassify from investment properties	-	-	-	77,320	77,320
Additions	36,301	214,769	-	16,217,744	16,468,814
Depreciation charges	(906,852)	(418,594)	(10,220)	-	(1,335,666)
Closing net book amount	2,037,157	744,704	22,252	19,295,064	22,099,177
<b>As at 31 December 2020</b>					
Cost	5,377,796	4,379,068	50,982	19,295,064	29,102,910
<u>Less</u> Accumulated depreciation	(3,340,639)	(3,634,364)	(28,730)	-	(7,003,733)
Net book amount	2,037,157	744,704	22,252	19,295,064	22,099,177

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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost - capitalised finance leases	-	57,773,481	-	16,869,699
<u>Less</u> Accumulated depreciation	-	(26,485,079)	-	(7,286,444)
Net book amount	-	31,288,402	-	9,583,255



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 21 Right-of-use assets

As at 31 December, the statements of financial position show the following amounts relating to leases:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Right-of-use assets</b>				
Land	5,453,639	-	4,140,758	-
Building	157,439,706	-	-	-
Machinery and equipment	31,103,316	-	-	-
Vehicles	19,993,247	-	2,960,383	-
Others	5,787,513	-	3,910,692	-
<b>Total</b>	<b>219,777,421</b>	<b>-</b>	<b>11,011,833</b>	<b>-</b>
<b>Lease liabilities</b>				
Current portion	64,124,415	-	2,909,340	-
Non-current portion	148,564,144	-	4,184,606	-
<b>Total</b>	<b>212,688,559</b>	<b>-</b>	<b>7,093,946</b>	<b>-</b>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Depreciation charge of right-of-use assets:				
Land	2,235,023	-	-	-
Building	39,340,705	-	997,051	-
Machinery and equipment	14,726,606	-	-	-
Vehicles	9,177,426	-	2,043,029	-
Others	1,610,333	-	669,150	-
<b>Total</b>	<b>67,090,093</b>	<b>-</b>	<b>3,709,230</b>	<b>-</b>
Addition to the right-of-use assets during the year	14,628,587	-	-	-
Total cash outflow for leases	53,506,746	-	4,787,924	-
Expense relating to short-term leases	1,091,909	-	-	-
Expense relating to leases of low-value assets	545,445	-	44,600	-
Gains or losses from lease contracts termination	598,248	-	-	-

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 22 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Assets under installation Baht	Total Baht
<b>As at 1 January 2019</b>			
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
<b>For the year ended 31 December 2019</b>			
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
<b>As at 31 December 2019</b>			
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
<b>For the year ended 31 December 2020</b>			
Opening net book amount	12,884,315	2,551,650	15,435,965
Additions	913,000	1,341,838	2,254,838
Amortisation charges	(3,761,557)	-	(3,761,557)
Transfer in (out)	644,250	(644,250)	-
Closing net book amount	10,680,008	3,249,238	13,929,246
<b>As at 31 December 2020</b>			
Cost	25,372,985	3,249,238	28,622,223
<u>Less</u> Accumulated amortisation	(14,692,977)	-	(14,692,977)
Net book amount	10,680,008	3,249,238	13,929,246

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Separate financial statements Computer software Baht
<b>As at 1 January 2019</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(575,965)
Net book amount	1,376,940
<b>For the year ended 31 December 2019</b>	
Opening net book amount	1,376,940
Amortisation charges	(390,885)
Closing net book amount	986,055
<b>As at 31 December 2019</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(966,850)
Net book amount	986,055
<b>For the year ended 31 December 2020</b>	
Opening net book amount	986,055
Amortisation charges	(391,077)
Closing net book amount	594,978
<b>As at 31 December 2020</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(1,357,927)
Net book amount	594,978

### 23 Deferred tax assets

Deferred tax assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Deferred tax assets</b>				
Deferred tax assets to be recovered within 12 months	2,328,412	5,011,479	1,163,974	1,465,282
Deferred tax assets to be recovered more than 12 months	16,323,132	12,186,132	7,053,143	4,130,139
	18,651,544	17,197,611	8,217,117	5,595,421

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 31 December	17,197,611	15,497,692	5,595,421	4,657,553
Adjustment from the first-time adoption of new financial reporting standards (Note 5)	(1,120,558)	-	(1,450,995)	-
As at 1 January	16,077,053	15,497,692	4,144,426	4,657,553
Recognised in other comprehensive income	6,238,582	822,077	6,238,582	63,629
Recognised in profit or loss (Note 36)	(3,664,091)	877,842	(2,165,891)	874,239
As at 31 December	18,651,544	17,197,611	8,217,117	5,595,421

The movements of deferred tax assets are as follows:

	Consolidated financial statements					
	As at 31 December 2019 Baht	Adjustment from the first-time adoption of the new financial reporting standards (Note 5) Baht	As at 1 January 2020 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2020 Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	950,022	373,142	1,323,164	-	1,682,714	3,005,878
Employee benefit obligations	5,821,199	-	5,821,199	-	(339,822)	5,481,377
Taxable loss carried forward	10,426,390	-	10,426,390	-	(3,504,642)	6,921,748
Derivative financial instrument	-	1,743,881	1,743,881	116,182	16,779	1,876,842
Fair value measurement of investments	-	(3,237,581)	(3,237,581)	6,122,400	(1,519,120)	1,365,699
Total	17,197,611	(1,120,558)	16,077,053	6,238,582	(3,664,091)	18,651,544

	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
<b>Deferred tax assets</b>				
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

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Separate financial statements					
	As at 31 December 2019 Baht	Adjustment from the first-time adoption of the new financial reporting standards (Note 5) Baht	As at 1 January 2020 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2020 Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	131,339	34,939	166,278	-	15,594	181,872
Employee benefit obligations	897,810	-	897,810	-	118,497	1,016,307
Taxable loss carried forward	4,566,272	-	4,566,272	-	(805,408)	3,760,863
Derivative financial instrument	-	1,751,647	1,751,647	116,182	24,545	1,892,374
Fair value measurement of investments	-	(3,237,581)	(3,237,581)	6,122,400	(1,519,119)	1,365,700
<b>Total</b>	<b>5,595,421</b>	<b>(1,450,995)</b>	<b>4,144,426</b>	<b>6,238,582</b>	<b>(2,165,891)</b>	<b>8,217,117</b>

	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
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>4,657,553</b>	<b>63,629</b>	<b>874,239</b>	<b>5,595,421</b>

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 11,891,894 (2019: Baht 374,706) in respect of taxable losses amounting to Baht 59,459,469 (2019: Baht 1,873,531) that can be carried forward against future taxable income.

The expiry dates of unused taxable losses are as follows:

	Consolidated financial statements	
	2020 Baht	2019 Baht
Expiring in 2020	-	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	9,153,815	54,289
Expiring in 2025	49,438,007	-
	<b>59,459,469</b>	<b>1,873,531</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 24 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Corporate income tax withheld	46,697,346	51,341,227	13,152,309	10,250,425
Receivables from the Revenue Department	291,048	785,303	-	-
Value added tax receivable	35,406,236	35,603,998	-	-
Other advance	30,205,769	37,988,367	-	-
	112,600,399	125,718,895	13,152,309	10,250,425

### 25 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade payables - other parties	148,029,879	173,119,621	10,390,046	8,814,897
- related parties (Note 38.3)	43,722,971	7,915,667	855,546	517,283
Other payables - other parties	21,142,004	21,911,121	4,935,036	5,047,613
- related parties (Note 38.3)	16,857	-	-	-
Accrued expenses - other parties	101,002,102	210,648,483	7,553,281	9,723,328
- related parties (Note 38.3)	-	651,498	15,347	8,789
	313,913,813	414,246,390	23,749,256	24,111,910

### 26 Borrowings

#### 26.1 Short-term loans from financial institutions

As at 31 December 2020, short-term loans of Baht 130.00 million represent promissory notes from financial institutions, which denominated in Thai Baht and no collateral. The loans bear interest at the rate of 2.34% - 2.35% per annum and are due to payment in 3 months.

#### 26.2 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current portion of long-term loans from a financial institution	90,000,000	60,000,000	90,000,000	60,000,000
Non-current portion of long-term loans from a financial institution	300,000,000	240,000,000	300,000,000	240,000,000
Total	390,000,000	300,000,000	390,000,000	300,000,000

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	300,000,000	1,875,996	300,000,000	-
Increase during the year	199,398,691	300,000,000	150,000,000	300,000,000
Repayments during the year	(109,398,691)	(1,875,996)	(60,000,000)	-
As at 31 December	390,000,000	300,000,000	390,000,000	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 2020 and 2019 are as follows:

	Principle (Baht)	Objective	2020	2019	Interest rate	Repayment terms	
			Baht	Baht		Principal repayment	Interest repayment
Loan 1	300,000,000	Purchasing other company's shares	240,000,000	300,000,000	THBFIX6M plus margin	20 periods (every 3 month) first repayment on January 2020	Monthly
Loan 2	150,000,000	Purchasing other company's shares	150,000,000	-	MLR - 1.40%	20 periods (every 3 months) first repayment on February 2021	Monthly
			390,000,000	300,000,000			

The Company's credit facilities of Baht 300 million and Baht 150 million are clean-loan.

### 26.3 Finance lease liabilities

Minimum lease payments under finance leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than 1 year	-	10,315,588	-	3,909,554
Later than 1 year but not later than 5 years	-	14,079,700	-	3,189,670
	-	24,395,288	-	7,099,224
<u>Less</u> Future finance charges on finance leases	-	(1,425,442)	-	(298,506)
Present value of finance lease liabilities	-	22,969,846	-	6,800,718
Finance lease liabilities:				
- Current	-	9,562,085	-	3,704,317
- Non-current	-	13,407,761	-	3,096,401
	-	22,969,846	-	6,800,718



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 27 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Withholding taxes payable	3,428,341	4,438,975	773,884	544,099
Value added tax payable	3,993,142	5,956,475	749,299	492,794
Undue output value added tax	11,769,007	10,446,535	2,079,386	1,758,295
Corporate income tax payable	474,621	7,750,599	-	-
Guarantees	2,445,256	9,983,856	-	-
Others	35,742	40,998	-	-
	22,146,109	38,617,438	3,602,569	2,795,188

### 28 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>As at 31 December</b>				
Statement of financial position				
Retirement benefits	25,544,747	26,807,888	5,081,538	4,489,053
Other long-term benefits	1,862,138	2,298,109	-	-
	27,406,885	29,105,997	5,081,538	4,489,053
Profit or loss				
Retirement benefits	(364,741)	(6,452,029)	592,485	(6,549,153)
Other long-term benefits	(31,435)	552,006	-	-
	(396,176)	(5,900,875)	592,485	(6,549,153)
Other comprehensive income				
Remeasurement for retirement benefits	-	4,110,386	-	318,147

#### 28.1 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 amount recognised in the statement of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of funded obligations	25,544,747	26,807,888	5,081,538	4,489,053
Liability in the statement of financial position	25,544,747	26,807,888	5,081,538	4,489,053

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	26,807,888	29,675,627	4,489,053	10,508,823
Current service cost	3,030,055	3,683,084	520,855	491,659
Past service cost	-	2,923,688	-	442,803
Interest cost	378,640	526,616	71,630	97,955
Reversal of employee benefit obligation	-	(13,586,269)	-	(7,370,334)
Staff transfer	(3,773,436)	-	-	-
	(364,741)	(6,452,881)	592,485	(6,337,917)
Remeasurements:				
Loss from change in financial assumptions	-	2,945,595	-	111,111
Experience loss	-	1,164,791	-	207,036
	-	4,110,386	-	318,147
Benefit payments	(898,400)	(525,244)	-	-
As at 31 December	25,544,747	26,807,888	5,081,538	4,489,053

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:

	2020	2019
Discount rate (%)	1.19% - 2.51%	1.19% - 2.51%
Salary increment rate (%)	6.00% - 7.00%	6.00% - 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%
Mortality rate	100.00%	100.00%
Adjusted mortality rate	3.00%	3.00%

### Sensitivity analysis

	Consolidated financial statements			
	Change in assumption		Impact on defined benefit obligation	
			Increase (decrease) in obligation	
	2020	2019	2020 Baht	2019 Baht
Discount rate	Increase 1%	Increase 1%	(4,663,576)	(4,320,226)
	Decrease 1%	Decrease 1%	5,500,474	5,113,643
Salary increment rate	Increase 1%	Increase 1%	5,635,050	4,817,311
	Decrease 1%	Decrease 1%	(4,871,801)	(4,177,941)
Staff turnover rate	Increase 20%	Increase 20%	(6,386,215)	(5,407,627)
	Decrease 20%	Decrease 20%	8,600,721	7,207,434

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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

The weighted average duration of the employee benefit obligations for the consolidated and separate financial statements was 15.2 years (2019: 16.2 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<u>Maturity within</u>				
Less than 1 year	1,438,731	1,189,087	-	-
Between 1 - 2 years	209,670	1,438,731	-	-
Between 2 - 5 years	5,607,333	5,475,852	966,062	966,062
Over 5 years	88,022,129	88,363,280	13,676,881	13,676,881
	95,277,863	96,466,950	14,642,943	14,642,943

### 28.2 Other long-term benefits

The amount recognised in the statement of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of funded obligations	1,862,138	2,298,109	-	-
Liability in the statement of financial position	1,862,138	2,298,109	-	-

Change in other long-term benefit obligation for the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 1 January	2,298,109	1,906,103	-	-
Current service cost	330,025	352,298	-	-
Interest cost	22,054	37,879	-	-
Staff transfer	(383,514)	(240,023)	-	-
Remeasurement:				
Loss from change in financial assumptions	-	397,702	-	-
Experience loss	-	4,148	-	-
	(31,435)	552,006	-	-
Benefit payments	404,536	(160,000)	-	-
At 31 December	1,862,138	2,298,109	-	-

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

	2020	2019
Discount rate (%)	1.19% - 2.51%	1.19% - 2.51%
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%

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### Sensitivity analysis

	Consolidated financial statements			
	Change in assumption		Impact on defined benefit obligation	
			Increase (decrease) in obligation	
	2020	2019	2020 Baht	2019 Baht
Discount rate	Increase 1%	Increase 1%	(150,246)	(142,903)
	Decrease 1%	Decrease 1%	166,076	158,113
Staff turnover rate	Increase 20%	Increase 20%	(456,495)	(553,873)
	Decrease 20%	Decrease 20%	577,637	706,440

## 29 Share capital

Movements of share capital for the year ended 31 December 2020 and 2019 are as follows:

	Authorised shares		Issued and paid-up share capital		Share premium Baht	Treasury shares Baht	Total Baht
	Number of shares Share	Amount Baht	Number of shares Share	Amount Baht			
As at 1 January 2019	615,000,000	307,500,000	604,500,000	302,250,000	687,965,894	-	990,215,894
Proceeds from share issued - employee share option scheme	-	-	4,807,775	2,403,888	20,673,433	-	23,077,321
As at 31 December 2019	615,000,000	307,500,000	609,307,775	304,653,888	708,639,327	-	1,013,293,215
Increase registered capital	152,326,944	76,163,472	-	-	-	-	-
Less Treasury shares	-	-	-	-	-	(40,089,186)	(40,089,186)
As at 31 December 2020	767,326,944	383,663,472	609,307,775	304,653,888	708,639,327	(40,089,186)	973,204,029

The Company issued the warrants to employees in 2017 as described in Note 40. 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.

On 20 April 2020, the 2020 Annual General Meeting of Shareholders approved a 152,326,944 share increase in the Company's registered capital at par value of 0.50 Baht per share, totalling Baht 76,163,472. The Company registered the increase of share capital with the Ministry of Commerce on 27 April 2020.

On 12 May 2020, the Board of Directors' Meeting approved the treasury stock program for management purposes to repurchase shares not exceeding 10,000,000 shares, or up to 1.64% of paid-up shares. The maximum budget of the program is Baht 50 million. The program will be conducted from 27 May 2020 to 26 November 2020, the Company has purchased the 8,000,000 treasury shares during the third quarter of 2020 in an amount of Baht 40.09 million. The Company sets aside treasury share reserve from retained earnings with the cost of treasury shares.

## 30 Warrants to purchase ordinary shares

On 28 May 2020, the Company issued warrants (III-W1) to its existing shareholders. The details are as follows:

Type of warrants	:	Issued in the names of respective holder and negotiable
Term of warrants	:	3 years from the issuing and offering date
Number of warrants	:	152,326,837 units
Offering ratio	:	1 unit per 1 offered ordinary share
Offering price	:	Baht 0.00 per unit (Nil)
Exercise ratio	:	1 warrant can be exercised for a purchase of 1 ordinary share
Exercise price	:	Baht 6.00 per a new ordinary share
Exercise date	:	On the last business day of each 6 months from the issuing and offering date (November and May) in each year, throughout the term of warrants
Initial exercise date	:	30 November 2020
Last exercise date	:	13 May 2023

During the year ended 31 December 2020, there was no any exercise the right.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 31 Dividends paid

On 20 April 2020, the Annual General Meeting of Shareholders of 2020 approved appropriate legal reserve of Baht 6.10 million and approved the dividend payment at the rate of Baht 0.15 per share for the fiscal year ended 31 December 2019. The number of ordinary shares eligible to receive dividend was 609,307,775 shares, totalling Baht 91.40 million. The dividends were paid to the shareholders on 18 May 2020.

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.

### 32 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.

### 33 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental income	518,384	385,965	-	-
Interest income	801,256	2,016,819	10,427,259	12,669,722
Management fee	4,656,000	-	48,320,000	47,680,000
Gain on disposal of investment (Note 16)	43,983,971	-	8,228,282	-
Others	6,993,151	9,419,481	1,945,748	2,292,107
	56,952,762	11,822,265	68,921,289	62,641,829

### 34 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest expense on:				
- Loans from a financial institution	21,824,991	9,678,715	18,385,140	9,642,904
- Lease liabilities	8,436,624	-	396,751	-
- Finance lease liabilities	-	1,175,919	-	391,322
- Contingent consideration paid for investments in joint ventures	886,874	4,075,845	886,874	4,075,845
- Others	285,360	-	2,583	-
	31,433,849	14,930,479	19,671,348	14,110,071

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 35 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Freight cost	866,723,297	1,578,222,029	17,775,689	55,661,566
Employee benefit expenses	285,858,611	365,476,312	54,482,587	50,150,221
Depreciation and amortisation	101,161,984	48,774,905	9,779,943	8,769,682
Losses on write-off of assets (Note 20)	51,281	25,886	-	-
Loss from impairment of financial assets (Note 12)	11,747,036	-	77,968	-
Share-based payments (Note 39)	885,452	1,330,000	885,452	1,330,000
Expenses related to leases	27,830,378	105,085,757	32,550	232,908
Utility expenses	31,397,753	46,573,055	10,243,489	10,457,227
Professional and other fees	44,994,161	61,444,889	19,263,662	19,797,776
Repair and maintenance expenses	12,048,350	14,926,566	1,511,371	908,769

### 36 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax on profit for the year	9,044,922	14,580,519	-	-
Deferred income taxes (Note 23)	3,664,091	(877,842)	2,165,891	(874,239)
	12,709,013	13,702,677	2,165,891	(874,239)

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	
	2020 Baht	Restated 2019 Baht	2020 Baht	2019 Baht
Profit before income tax	161,133,825	178,212,756	129,552,013	119,575,300
Tax calculated at a tax rate of 17% or 20% (2019 : 17% or 20%)	31,992,608	35,326,746	25,910,403	23,915,060
Tax effects of:				
Share of profit from investments in subsidiaries and joint ventures	(27,085,403)	(19,234,540)	-	-
Revenues exempted from income tax	(6,577,631)	-	(25,217,978)	(20,508,177)
Expenses additionally deductible for tax purpose	(2,059,631)	(5,523,917)	(1,079,599)	(5,176,190)
Non-tax deductible expenses	4,731,564	2,877,047	2,553,065	779,231
Current period's tax loss for which deferred tax asset had not been recognised	9,887,601	20,077	-	-
Prior period's tax loss for which reversed (recognised) deferred tax asset in this year	1,819,905	237,264	-	115,837
Income tax expense	12,709,013	13,702,677	2,165,891	(874,239)

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020

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The weighted average applicable tax rate for the year ended 31 December 2020 for the consolidated financial statements was 7.87% (2019: 7.69%) and for the separate financial statements was 1.67% (2019: -0.73%). The income tax rate of the separate financial statements changed from the prior year due to changes in expenses additionally deductible for tax purpose.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 37 Earnings per share

#### 37.1 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	
	2020 Baht	Restated 2019 Baht	2020 Baht	2019 Baht
Net profit attributable to owners of the parent (Baht)	162,491,422	164,510,079	127,386,122	120,449,539
Weighted average number of ordinary shares (shares)	594,713,290	607,213,189	594,713,290	607,213,189
Basic earnings per share (Baht per share)	0.2732	0.2709	0.2142	0.1984

#### 37.2 Diluted earnings per share

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	
	2020 Baht	Restated 2019 Baht	2020 Baht	2019 Baht
Net profit attributable to owners of the parent (Baht)	162,491,422	164,510,079	127,386,122	120,449,539
Total number of ordinary shares for basic earnings per share calculation (shares)	594,713,290	607,213,189	594,713,290	607,213,189
Add weighted average number of shares to be issued as if warrants were exercised (shares)	-	1,282,868	-	1,282,868
Number of ordinary shares for diluted earnings per share calculation (shares)	594,713,290	608,496,057	594,713,290	608,496,057
Diluted earnings per share (Baht per share)	0.2732	0.2704	0.2142	0.1979

For the year ended 31 December 2020, the weighted average market price of the shares was less than the exercise price. So, there's no weighted average number of shares to be issued as if warrants were exercised. Diluted earnings per share is equal to basic earnings per share

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 38 Related party transactions

There are 2 major shareholders which are directors of the Company whose aggregate shareholding was 35.64% (2019 : 35.55%)

The following transactions were carried out with related parties:

#### 38.1 Service income

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Service income</b>				
Subsidiaries	-	-	10,447,619	12,301,027
Associates	13,748,514	46,720,575	6,214,384	6,356,110
Joint ventures	34,520,617	139,410,085	367,569	684,096
	48,269,131	186,130,660	17,029,572	19,341,233
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Rental income and related services:</b>				
Subsidiaries	-	-	5,716,692	-
Associates	6,130,475	6,241,121	6,130,475	8,735,744
Joint ventures	2,113,178	-	2,113,178	6,241,121
	8,243,653	6,241,121	13,960,345	14,976,865
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Management fee:</b>				
Subsidiaries	-	-	48,320,000	47,680,000
Associates	2,220,000	2,220,000	-	-
Joint ventures	2,436,000	2,436,000	-	-
	4,656,000	4,656,000	48,320,000	47,680,000
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Dividend income:</b>				
Subsidiaries	-	-	43,743,901	49,000,000
Associates	-	-	5,770,000	6,400,000
Joint ventures	-	-	76,575,990	47,140,883
	-	-	126,089,891	102,540,883

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 38.2 Purchases of services

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Purchases of services from:</b>				
Subsidiaries	-	-	5,378,553	6,492,964
Associates	2,342,549	1,758,228	1,998,712	1,580,039
Joint ventures	267,209,527	91,489,219	-	-
	269,552,076	93,247,447	7,377,265	8,073,003

### 38.3 Outstanding balances from service income and purchase of services

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Trade receivables</b>				
Subsidiaries	-	-	20,965,633	15,339,802
Associates	6,568,354	8,082,676	2,281,756	3,806,060
Joint ventures	5,664,873	32,225,544	23,211	377,725
	12,233,227	40,308,220	23,270,600	19,523,587
<b>Trade payables</b>				
Subsidiaries	-	-	690,377	448,713
Associates	191,436	71,170	165,169	68,570
Joint ventures	43,531,535	7,844,497	-	-
	43,722,971	7,915,667	855,546	517,283
<b>Other payables</b>				
Associates	16,857	-	-	-
<b>Accrued expenses</b>				
Subsidiaries	-	-	15,347	8,789
Joint ventures	-	651,498	-	-
	-	651,498	15,347	8,789

### 38.4 Dividends receivable

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Dividends receivable</b>				
Subsidiaries	-	-	31,230,061	49,000,000
Associates	2,150,000	4,300,000	2,150,000	4,300,000
Joint ventures	30,516,010	30,398,355	28,116,090	26,798,475
	32,666,010	34,698,355	61,496,151	80,098,475

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 38.5 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Subsidiaries	-	-	232,216,300	275,816,300
Associates	-	9,000,000	-	9,000,000
Joint ventures	1,350,000	2,250,000	1,350,000	2,250,000
	1,350,000	11,250,000	233,566,300	287,066,300

Short-term loans to related parties bear interest rates of 4.10% - 6.25% per annum (2019: 4.60% - 6.25% per annum) and are repayable at call.

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	11,250,000	2,250,000	287,066,300	322,566,300
Additions during the year	5,000,000	9,000,000	92,400,000	56,000,000
Repayments during the year	(14,900,000)	-	(145,900,000)	(91,500,000)
As at 31 December	1,350,000	11,250,000	233,566,300	287,066,300

### 38.6 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salaries and other short-term benefits	48,971,158	49,137,038	17,466,556	17,780,870
Share-based payments	885,452	1,330,000	885,452	1,330,000
	49,856,610	50,467,038	18,352,008	19,110,870

### 38.7 Guarantee

1) The Company has bank guarantees of Baht 379.71 million for related parties (Note 41.1).

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 39 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities is as follow:

	1 January 2020 Baht	Cash flows (net) Baht	Non-cash transactions Addition Baht	31 December 2020 Baht
<b>Consolidated financial statements</b>				
Short-term loans from financial institutions	-	130,000,000	-	130,000,000
Long-term loans from a financial institution	300,000,000	90,000,000	-	390,000,000
Lease liabilities	251,566,718	(53,506,746)	14,628,587	212,688,599

#### Separate financial statements

Short-term loans from financial institutions	-	130,000,000	-	130,000,000
Long-term loans from a financial institution	300,000,000	90,000,000	-	390,000,000
Lease liabilities	11,881,870	(4,787,924)	-	7,093,046

	1 January 2019 Baht	Cash flows (net) Baht	Non-cash transactions Finance Cost Baht	Addition Baht	31 December 2019 Baht
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#### Consolidated financial statements

Long-term loans from a financial institution	1,875,996	298,124,004	-	-	300,000,000
Finance lease liabilities	31,229,965	(12,941,738)	1,175,919	3,505,700	22,969,846

#### Separate financial statements

Long-term loans from a financial institution	-	300,000,000	-	-	300,000,000
Finance lease liabilities	10,654,031	(4,244,635)	391,322	-	6,800,718

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 40 Share-based payment

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. 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.

The warrants expired on 2 September 2020.

During the year ended 31 December 2020 and 2019, the Company recognised the share-based payment expense of Baht 885,452 and 1,330,000 respectively.

### 41 Commitments

#### 41.1 Bank guarantees

The Company has bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Guarantee for air services	163,558,032	192,651,176	123,096,346	120,189,426
Guarantee for air freight	139,007,372	122,587,140	115,259,105	82,245,884
Guarantee for damage of TANK, liabilities from ports	3,500,000	10,700,000	100,000	100,000
Right to operate warehouse business at Don Muang Airport	32,709,916	35,487,840	-	-
Guarantees for electricity, fuel for vehicles and other expenses at Port Authorities of Thailand	21,954,380	7,284,983	20,851,280	384,000
Guarantee for damage of goods	18,976,188	8,460,400	-	-
	379,705,888	377,171,539	259,306,731	202,919,310

#### 41.2 Financial instruments

##### 41.2.1 Foreign exchange forward contracts

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

As at 31 December 2020 and 2019, the settlement period on open forward contracts is within 1 year.

Fair values of derivative instruments are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Foreign exchange forward contracts - assets	-	161,552	-	122,724

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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 41.2.2 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 2020 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 plus 1.6%	Fixed rate 4.1%	31 October 2024

Fair values of derivative instruments are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest rate swap contracts - asset (liabilities)	(9,461,871)	(8,880,962)	(9,461,871)	(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.

### 41.3 Operating lease commitments

As at 31 December 2019, 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
- Within 1 year	-	22,009,006	-	1,212,600
- Later than 1 year but not later than 5 years	-	32,525,940	-	32,400
	-	54,534,946	-	1,245,000

### 41.4 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Building and parking car	3,050,000	14,000,000	3,050,000	14,000,000



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

**TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED**  
FOR THE YEAR ENDED 31 DECEMBER 2020

### 42 Events after the reporting period

#### 42.1 Dividend received from a joint venture

On 11 January 2021, the Board of Directors' Meeting of Around Logistics Management Co., Ltd.. approved the interim dividend payment to the shareholders of SGD 4.80 per share for 250,000 shares, totalling SGD 1,200,000. The Company will receive the dividend as proportion of 50.00% shareholding, amounting to SGD 600,000 or approximately of Baht 13.43 million in 2021.

#### 42.2 Dividend payment

The Board of Directors' Meeting No. 2/2021 on 23 February 2021 approved a proposal to the Annual Shareholders' meeting for the year 2021, to consider dividend payment from operating result of 2020 for shareholders of 601,307,775 ordinary shares at Baht 0.10 per share, totalling to Baht 60.13 million.



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