

TQM

CORPORATION PUBLIC COMPANY LIMITED

"Insurance Leader"



TQM Corp

www.tqmcop.co.th

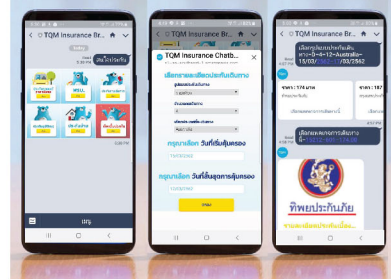


CORPORATION PUBLIC COMPANY LIMITED

“Insurance Technology Leader”

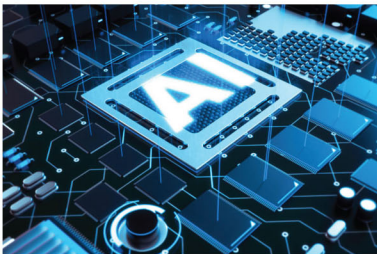
Chatbot

Investment in Chatbot to develop an online sales channel



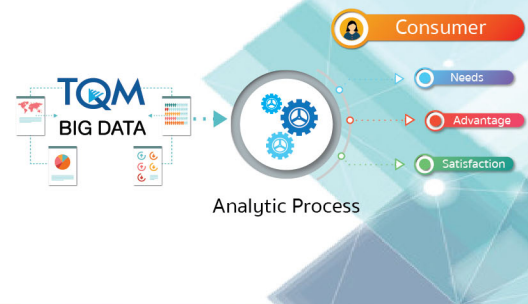
AI

Chatbot and Big Data will iterate and develop into Artificial intelligence (AI)



Big Data

Leverage existing data to identify and deliver suitable products to customers



InsurTech

InsurTech is the future of insurance brokerage



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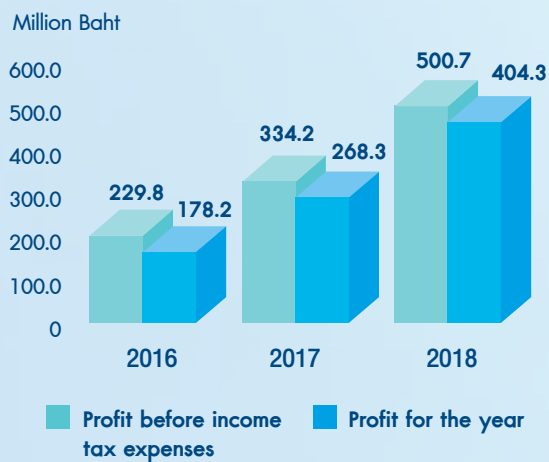
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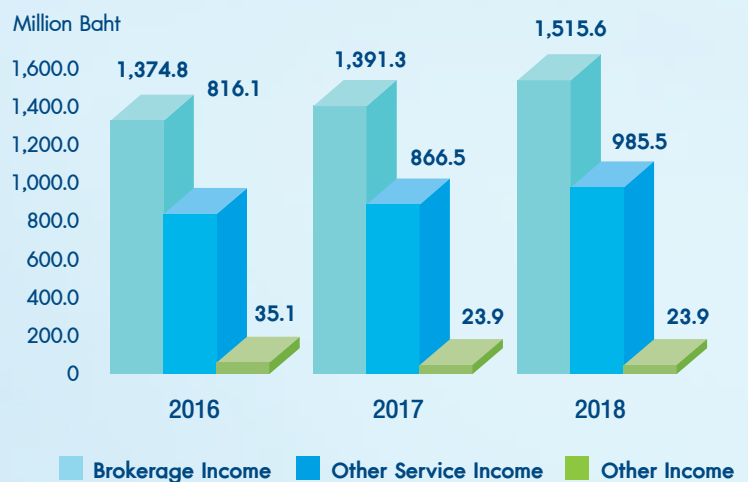
Financial Highlights

TQM Group Performance

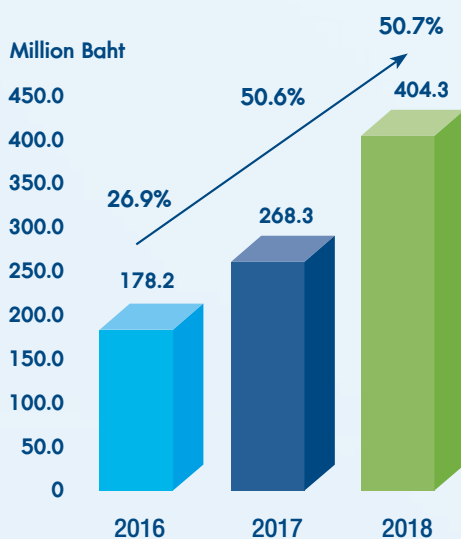
Net Profit



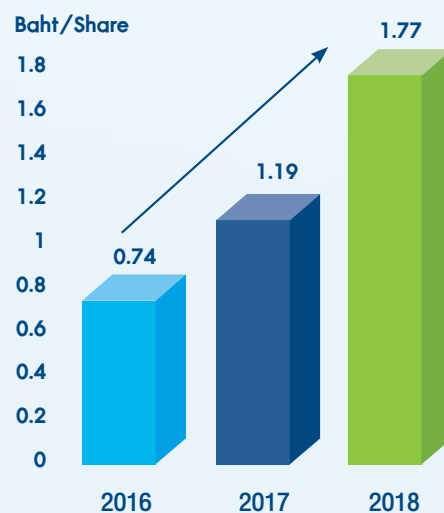
Total Income



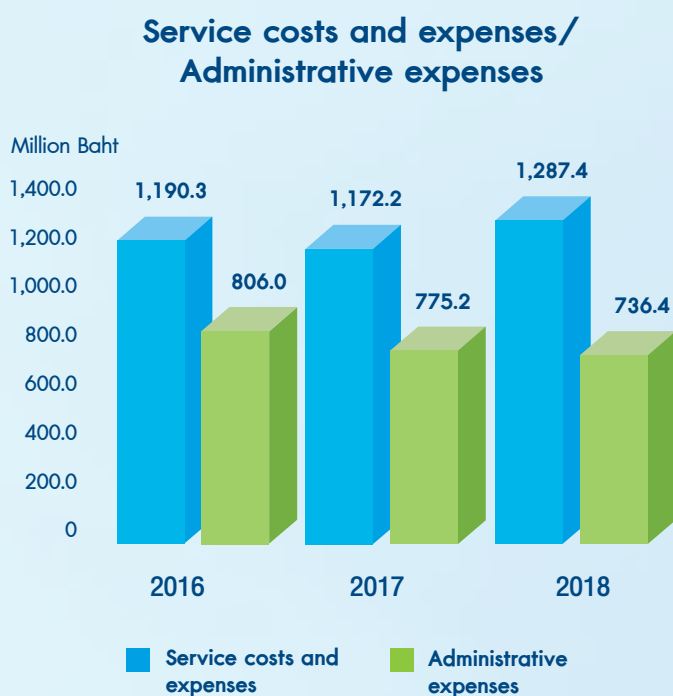
Profit for the year



Earnings per Share



Expenses

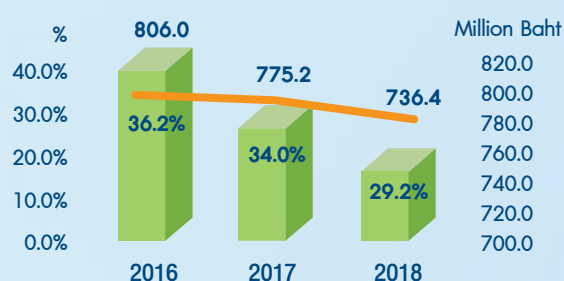


Service costs and expenses



Comparing Value 2017 to 2018 increased of 115.2 MB (9.83%)
Comparing Percentage 2017 to 2018 decreased of 0.4%

Administrative expenses



Comparing Value 2017 to 2018 decreased of 38.8 MB (5.01%)
Comparing Percentage 2017 to 2018 decreased of 4.8%

Key Performance Ratios

Financial Ratios	Y2016	Y2017	Y2018
D/E	4.6	4.1	0.8
Current Ratio	1.1	1.1	2.0
ROA	9.2%	14.2%	14.1%
ROE	48.0%	75.3%	32.1%
Dividend Payment per share	1.2	1.0	1.1
Gross Margin	45.7%	48.1%	48.5%
Operating Margin	10.2%	14.5%	19.8%
EBITDA Margin	12.6%	16.8%	21.8 %
Net Profit Margin	8.0%	11.8%	16.0%
Account Payable Days	39.6	53.5	45.7
Cash Cycle Days	(3.22)	(14.61)	(7.09)
Earnings Per Share	0.7	1.2	1.8
Book Value Per Share*	1.5	1.7	7.2

* Changing Company's Book Value per Share from 100.0 baht to 1.0 baht by the resolution of Extraordinary General Meeting of Shareholders No.2/2561 held on 27 June 2018, resolved that Company's Book Value per Share changed from 100.0 baht to 1.0 baht

Company Information



Policy and business overview

TQM Corporation Public Company Limited was established on July 4, 2011 by Punnipa family to engage in business by holding shares in other companies (Holding Company) that operate core businesses in providing insurance broker services. At present, the company has 2 main subsidiaries.

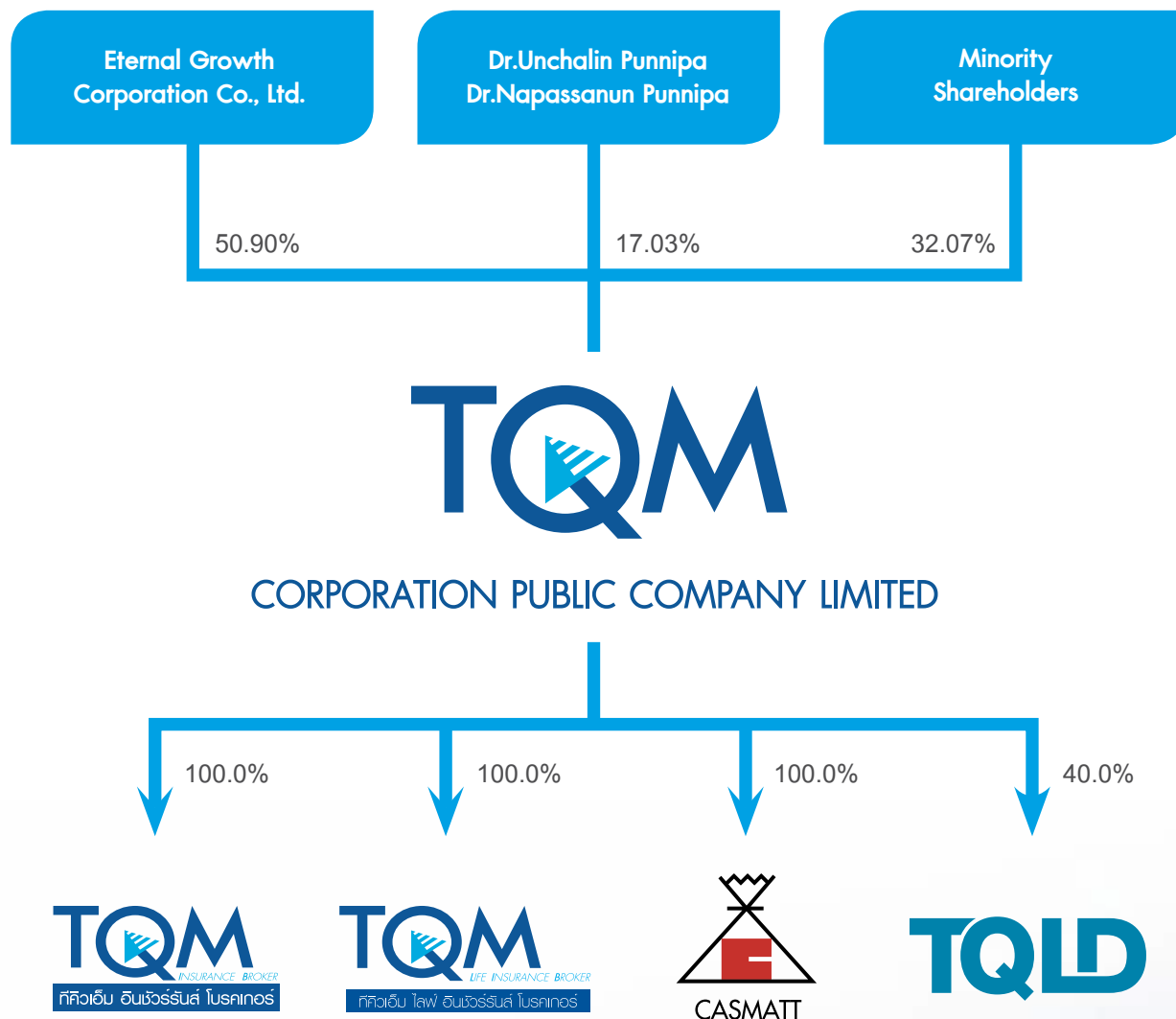
1. "TQM Insurance Broker Company Limited" operates as a non-life insurance broker.
2. "TQM Life Insurance Broker Company Limited" operates as a life insurance broker.

In addition, Company has a subsidiary supporting company's businesses named "Casmatt Company Limited". "Casmatt" is providing IT and software services. Company also has one associated company named "TQLD Company Limited". "TQLD" is servicing Insurance Advisory (collectively, called "Group of Companies")

As at 31 December 2018 TQM Broker and TQM Life together have over 150 both life and non-life insurance product-policies from business alliances which are 31 non-life insurance companies and 14 life insurance companies. Our Group of Companies shares the same vision to offer the various kind of insurances to target customers both individual and corporate customers i.e. cooperative and government bodies. There are multiple channels for sales staff utilizing on their sales e.g. Telemarketing, Online, Face to Face and Omni Channel.



Shareholders Structure



Proud award



Outstanding
quality insurance
broker award
4 years (2014-2017)



▶ Outstanding quality life
insurance broker award
3 years (2014-2016)

Insurance broker award, juristic person
with promotion of
insurance policies for
outstanding people
4 years (2014-2017) ◀



▶ Bronze

TQM ads, insurance brokers that sell sincerity to customers through
advertising, receive prizes.

- Bronze Winner In the category TV/Cinema/Online Film category
Banking/Financial/Insurance From the London International Awards
directed by The Leo Burnett Group Thailand
- Bronze Winner In the category TV/Cinema/Online Film category
Humor From the London International Awards directed by The Leo
Burnett Group Thailand



Congratulations!



▶ Award for Outstanding Establishment in Promoting Skill Development



2008

2011

2012

**Outstanding Enterprise Award
In the promotion of skill development**

2017

2016

2015

Vision Mission and Core Value

VISION

Leader of Insurance and Financial Consultant with Quality, Sustainability and Social Responsibility

MISSION

Being the best Insurance Broker providing the best choices to customers effectively. Developing for being an Excellent Organization in Operations and Management. Maintaining Costs Effectiveness and Promoting 'TQM' to be a premium brand in customers' hearts. Developing and Retaining Company's Staff to be Professional Insurance and Financial Consultants and growing together with 'TQM' as Corporate Good Governance and Social Responsibility.

CORE VALUE

Honesty
Equitability
Exclusive Services
Social Responsibility



Business Goals



1

Focusing on the growth of Sale Value and Profit as Company Target

3

Promoting and Developing new Sales Channels covering all groups of target customers and to be ready to utilize technologies to enhance Digital Marketing.



2

Branding the market to realize the company's differentiation and strength in services to gain trust from customers and increase number of success sales volumes.

4

Developing communications and Insurance Products with effective cost management, fast and measurable operations.

Message from the Chairman and Chief Executive Officer



Dear Shareholders,

TQM Corporation Public Company Limited ("the Company"), a subsidiary and associated company, has been very successful in business operations in every sector. The popularity and recognition of customers are known as the No. 1 insurance broker in Thailand. It has registered to be a public company and changed its name to TQM Corporation Public Company Limited on June 29, 2018 by increasing its registered capital of the company to support the registration with the Stock Exchange of Thailand. It also can enter into

trading in the Stock Exchange of Thailand on December 20, 2018. Regarding to this matter, the company is a leader in product innovation and expansion of insurance sales channels on all platforms as well as excellent service channels able to respond to the needs of customers. At the same time, the company also has branches and service centers that cover all over the country to facilitate customers and regularly organize projects to build relationships and closeness with customers. There are marketing policies that are successful and efficient in order to continue to be the number 1 leader in insurance broker, resulting in continuous growth in the

company's performance and financial status. During the year 2018, the company has developed communication channels and provided information services via "Chat Bot" and opened the service to provide knowledge in the presentation of the article and news via the website www.mheemhee.com. According to obvious step into the digital transformation, it is an important business opportunity for the company in the development of various sales and service systems in accordance with the innovative technology implementation to be applied to the business as well. The company creates readiness in all forms to meet customer needs in the digital transformation era. At the same time, the company has set up a business strategy to increase the growth rate of sales and profits to meet the goals as follows:

1. Create a trademark, market awareness in difference and the strengths of the company in terms of superior service for building confidence for consumers and increase the success rate of sales based on the target.
2. Develop new sales channels to cover all target customers and the preparation of the system structure of information technology to expand the market through digital marketing channels.
3. Develop communication channels and insurance products to the target customers with efficient cost management, fast and clear measurement.

The company has assessed the direction of the insurance brokerage business in 2019. It is likely to continue to expand under the growth direction of total insurance premiums, especially in the car insurance that will grow remarkably according to the expanding car sales increased in the past year based on data from the Federation of Thai Industries. It should be beneficial to the growth of the motor insurance business in 2019, resulting in increased demand for car insurance. Therefore, it is a good opportunity to present the insurance scheme that meets the customer needs. The company has many advantages in products, ability to respond to the needs of customers in a complete way, and has a wide variety of sales channels. In addition, there are more than 31 non-life insurance partners and 12 life insurance partners. So,

the company can select and offer the most comprehensive and suitable insurance for the needs of customers as much as possible. By the direction of sales in the future, the company focuses on the sales channel in the form of Omni channel. In addition, the company will be ready to join hands with insurance partners to expand the insurance market fully in the future in order to proactively market in providing services to insure new forms of sales channels to allow products to reach consumers quickly. Consumers can choose to purchase insurance with the company 24 hours online using channels of application, Line and Facebook 'TQM Insurance Broker' or website www.tqm.co.th. in order to meet the needs of consumers in the digital age society. The company will continue to invest and develop the service system with innovations that are convenient, fast and able to fully respond to customer needs. In addition, the company still has channels to choose to buy via offline Tel. 1737 for answering customers who do not buy insurance Online 24 hours a day as well.

Lastly, the most important thing for the growth of the company continues throughout the past period because has received excellent cooperation and good feedback from partners as well as various organizations. It is important parts that make the company grow continuously. On behalf of the Chairman and Chief Executive Officer, TQM Corporation Public Company Limited, would like to thank the shareholders, trade partners, partners, customers, financial institutions, executives and employees, including interested parties at all departments that provide support and trust resulting in the company being able to build the credibility of the brand. The advantage of being a market leader and the ability to innovate and modern technology result in the company has a stable financial position and strong growth that is part of a non-life insurance system development, a sustainable life insurance consulting in Thailand. The mission that the company has delivered with the quality of good service consistently and considered that benefits all sectors as well as promoted the society and environmental protection. The company is proud that the business is always part of delivering good things to customers.



Mr. Unchalin Punnipa
Chairman of the Board of Directors
TQM Corporation Public Company Limited



Mrs. Napassanun Punnipa
Chief Executive Officer
TQM Corporation Public Company Limited

Audit Committee Report



► **Mr. Marut Simasathien**
Chairman of the Audit Committee

Dear shareholders,

The Audit Committee has performed its duties as assigned by the Board of Directors. And according to the Charter of the Audit Committee, it is in accordance with the best practices of the Securities and Exchange Commission by reviewing and pushing the company to comply with good corporate governance principles. There are adequate risk management systems and internal controls, with efficient internal audits as well as generally accepted standards. It is summarized as follows:

1. **Review of financial statements.** The Audit Committee has reviewed the quarterly financial statements and the financial statements for the year 2018, including

related transactions, items that may have conflicts of interest with the management, internal auditor and the auditor by asking the auditor about the accuracy and completeness of the financial statements. Improvements in important accounting transactions include accounting estimates that affect the financial statements, the adequacy of accounting records and audit scope, correctly, completely and sufficiently disclosure of data and the independence of the auditor to ensure that the preparation of the financial statements is in accordance with the requirements of laws and accounting standards under the accounting principles. There is guaranteed to be reliable and timely including sufficient disclosure of information for the benefit of users of financial statements.

2. Review of risk management. The Audit Committee has reviewed efficiency and appropriateness of risk management processes arising from internal and external organizations including the risk management policies, plans and guidelines that affect the operating results on a regular basis every quarter with the management. Suggestions for improvement are provided.

3. Supervision and monitoring of internal control systems. The Audit Committee has reviewed the adequacy of the internal control system of the company, including subsidiaries and associated companies by following up on corrections to improve the work as suggested in the result report and opinions of the Audit Committee continuously, which the company has hired an internal audit who is an external agency, Chayot Company Limited. Also, there is the improvement of the internal control system to be in line with the situation is always changing. The Audit Committee is of the opinion that there is an adequate internal control system and effectiveness, according to COSO's good internal control principles.

4. Review of supervision and good business. The Audit Committee emphasizes the management policy to ensure good business supervision systematic and pushes for a positive attitude on internal control and reviews the operations in accordance with the laws, rules and regulations relating to the company's business operations. It ensures that the company operates in compliance with the reasonable business conditions.

5. Consideration of the appointment of an auditor for the year 2018. The Audit Committee has considered the selection of the auditor by considering the readiness, scope of services, independence of the auditor and the appropriateness of the audit fee. The resolution approved by the Board of Directors and the shareholders' meeting has appointed EY Company Limited as the auditor for the year 2018. Such auditor is the auditor according to the list of auditors received approval from the Securities and Exchange Commission.

In summary, the Audit Committee has complied with the duties and responsibilities by using knowledge and ability to care independently and maintained benefits for all stakeholders. The performance is consistent as specified in the charter of the Audit Committee, which the Audit Committee is of the opinion that the company has prepared financial reports showing material and reliable information in accordance with financial reporting standards. There is the disclosure of related transactions that may cause sufficient conflict of interest, a good corporate governance system, and a risk management system and internal control that sufficient and appropriate, including compliance with laws, rules and regulations relating to the business operations correctly and completely.

On behalf of the Audit Committee



Mr. Marut Simasathien

Chairman of the Audit Committee

TQM Corporation Public Company Limited

Nature of Business Operation

Overview of Business Operations : Revenue Structure

Business Group	Operated by	For the year ended 31 December					
		2016		2017		2018	
		Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
1. Non-life brokerage Income	TQM Broker	2,111.5	94.9	2,201.1	96.5	2,434.7	96.4
- Brokerage income		1,303.0	58.6	1,336.8	58.6	1,454.4	57.6
- Other service income		808.5	36.3	864.3	37.9	980.3	38.8
2. Life Insurance Brokerage Income	TQM Life	80.6	3.6	56.7	2.5	66.4	2.6
- Brokerage income		71.8	3.2	54.5	2.4	61.2	2.4
- Other service income		8.8	0.4	2.2	0.1	5.2	0.2
Total services income		2,192.1	98.5	2,257.8	99.0	2,501.1	99.0
Other income		33.9	1.5	23.9	1.0	23.9	1.0
Total		2,226.0	100.0	2,281.7	100.0	2,525.0	100.0

Nature of Business : Over 150 insurance products

1. Non-life insurance

- Motor Insurance Group (Motor)
 - (1) Compulsory Motor Insurance Group (Legal Act)
 - (2) Voluntary Motor Insurance Group
- Non-Motor Insurance Group
 - 1) Fire Insurance
 - 2) Marine Insurance
 - 3) Miscellaneous insurance
 - 3.1 Property Insurance
 - 3.2 Liability Insurance
 - 3.3 Engineering Insurance
 - 3.4 Financial Insurance
 - 3.5 Personal Accident: PA
 - 3.6 Personal Health Insurance
 - 3.7 Travel Insurance
 - 3.8 Miscellaneous

2. Life insurance

- Individual life insurance
 - 1) Endowment Insurance
 - 2) Whole Life Insurance
 - 3) Term Insurance
- Group life insurance

3. Information technology and software services

Providing information technology and software services operated by Casmatt supporting IT businesses

4. Insurance Advisory business

TQLD providing Digital Insurance Advisory through website www.noon.in.th where customers will be suggested the most suitable insurance customized to their needs

Insurance Partners

Non-life insurance



Life insurance



Marketing and Competition

Corporate Competitive Strategies

1. Products and Services Strategy



2. Pricing Strategy

The insurance premiums are priced by Insurance Companies as OIC's approvals.

3. Marketing and Business Promotion Strategies Online and Offline channels

- Over 16 Million followers on Line Application
- Over 80,000 followers on Facebook
- Number of followers on Instagram
- Television as a vast commercial channel
- Printing medias for Press and Magazines commercial
- Booth and Marketing activities



4. After Sales Service Strategy



TQM Application



24H Customer Service



Garage Searching Service



Car Check Up Point
Searching Service



Claiming Time Car Service



Complaint and Consult Center



Hospital Searching Service



Family Club

5. Sales Channels Strategy



Face to Face
Channel



Online Channel
Website & Line
TQM Insurance Broker



Telemarketing
Channel



Omni Channel

Business Industry

Insurance business overview both life insurance and non-life insurance in 2018 has been grown continuously due to various positive factors of economy occurred in 2018 such as improvement of investments in accordance with the trend of accelerating in government and private investment continuously, household expenditure trends, increased export growth rate and increasing of driven force from the tourism sector and etc.

From estimated GDP growth rate on 2018 is 4.2 percent (data on Nov 19, 2018) which had been grown 7.7 percent in 2017 (Source: <https://www.nesdb.go.th>)

For the Thai insurance industry business at the end of 2018, the entire insurance industry has insurance premiums for whole year was approximately 862,068 million baht with growth rate 5.30 percent and divided into

- Life insurance premium is 632,567 million baht with growth rate 5.38 percent
- Non-life insurance premium is 229,500 million baht, growth rate 5.07 percent

If analyzed from growth rate of the insurance industry from January to September 2018 that has direct premium of 630,422 million baht with extension at 5.22 percent compared to the same period last year can be divided as following

- Life insurance business valued 460,898 million baht with extension at 4.92 percent.
 - First year Life insurance premiums valued 77,348 million baht, with extension at 2.30 percent
 - Life insurance premiums for the next year valued 327,773 million baht, with extension at 3.47 percent.
 - One-time paid life insurance premium valued 50,720 million baht, with extension at 8.14 percent.
- Non-life insurance business valued 169,524 million baht, with extension 6.05 percent from
 - Fire insurance valued 7,850 million baht, with extension 5.79 percent
 - Marine and transportation insurance valued 4,192 million baht, with extension 4.39 percent
 - Car insurance valued 99,802 million baht, with extension 6.66 percent
 - Miscellaneous insurance valued 57,680 million baht, with extension 5.15 percent

The Office of Insurance Supervision and Promotion (OIC) forecasted that from the current situation there still has positive

support factors resulted to end of the year 2019, total insurance premium valued will be approximately 904,550 million baht with growth rate at 4.9 - 5.9 percent, estimated life insurance premiums valued 664,354 million baht with growth rate at 5 - 6 percent, and non-life insurance premiums valued 240,197 million baht with growth rate at 4.7 - 5.7 percent.

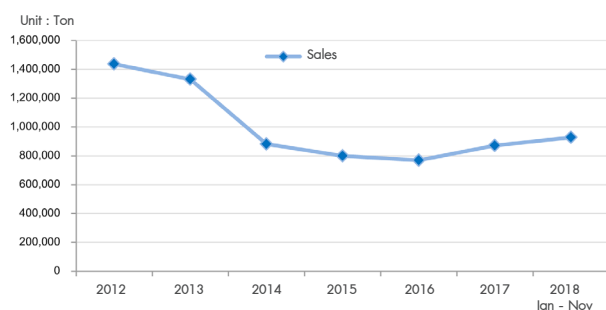
Factors affected the growth of insurance business in 2019, which is expected to grow about 4.9 - 5.9 percent from various positive factors as follows.

1. The growth of the country's economy from GDP growth forecast (%) on 2019 is at 3.5-4.5%. The main factor was an expansion of government investment in large-scale projects according to Action Plan of the year 59-61, lower unemployment rate and increase in the income base in the economic system, the recovery of tourists from Europe, Russia and China and the confidence of foreign investors after the election.
2. The rate of policy holders of Thailand was still low, based on data from Thai Life Insurance Association, statistics in 2017 shown rate of insurance policy holders in Thailand was only 39.5 percent of the population nationwide, indicated that the insurance business still has high opportunity to grow and expand.

For non-life insurance from the trend rate, number of policyholders in 2018 has an expansion rate at 18.19% compared to the same period in 2017 shown that public intends to buy insurance policy. Especially, in the category of fire insurance which extended at 10.43 percent and miscellaneous insurance increased at 92.30 percent. This miscellaneous insurance included Accident insurance, travel insurance which grew with the highest number of policy holders (Source: Business Insurance Quarterly Report, Quarter 3, 2018 of the Insurance Business Promotion and Promotion Office)

The opportunity for expansion of non-life insurance came from many factors included car insurance which depend on car sales volume of that year or the environment, natural disasters, epidemics may also affect the decision of insurance of people

Car sales statistics



Source : <http://www.headlightmag.com/sales-report-september-2018/>
<http://www.siaminside.com/2018/12/22/ppv-sales-november-2018-thailand/>

in the group of fire insurance (plus natural disaster) or accident insurance and health insurance, etc.

3. Aging Society: Thailand is considered the most elderly population in Southeast Asia. The proportion of population with age over 60 years on 2016 was 14.78%, will increase to 25.12% in 2030. Due to the modern society, people will pay attention to saving and concern to the Medical treatment cost occurred. As a result, health insurance is likely to grow considerably. Statistics for the past 5 years (2013-2017) shown life insurance business has increased the growth of health insurance premiums every year with average growth rate at 11.31% per year. People are more interested in buying health insurance due to they want to reduce the burden of increasing medical expenses every year. From the statistics from 2013-2017, the life insurance business has increased the growth of health insurance premiums every year or with average growth rate at 11.31% per year (Source: Thai Life Insurance Association). Moreover, to dealing with disease together the needs of convenient and fast medical services, medical specialists which made the existing welfare or benefits might not sufficient. In addition, Tax measures to encourage the insurer use premiums and health insurance to deduct personal income tax. The Revenue Department

offered insurers can request the deduction of their personal income tax with premium of 15,000 baht or with maximum deductible income tax at 100,000 baht. In addition, it is a response to the policy of the OIC that has a policy to support the elderly society is considered as one of new target and products that the Group has paid attention to (Source: <https://www.oic.or.th/th/consumer/news/releases/89005>)

4. Support from the government agencies by the Office of Insurance Supervision and Promotion (OIC) has supported the accessible to insurance and the development of work process systems in line with business changes. For example, new technology has applied to use in insurance industry both in procedure and methods for buying insurance. Those said method has been focused on consumer convenient and user friendly application provided to customer since the insurance comparison process until purchase of consumer insurance by providing support on technology and innovation. The establishment of a new unit included insurance technology promotion group which will be center for exchanging knowledge and information in developing technology to support Startup / SMEs in developing insurance innovations and support the use of technology to supervise the OIC insurance business (SupTech / RegTech) as well as create a form for public to access insurance through InsurTech Startup by using technology to help the insurance industry.

Competition in the insurance industry

Since considered distribution channels, shown Broker is still the top sales channel with total sales amount between January - December 2018 at 136,059 million baht or 58.37% , followed by agents and bancassurance respectively, car insurance products was top sales at 88,591 million baht

Non-Life Insurance Sales by Channels

Total Market

Cumulative January - December 2018

รายการ	Direct Premium (Thousand Baht)									
	Agent	Broker	Bancassurance	Direct Mail	Tele Marketing	Walkin	Worksite	Internet	Others	Grand Total
1. Fire Insurance										
1.1 Fire Insurance	1,082,457	3,128,325	4,528,864	-	6,525	319,467	754,018	3,659	-	9,823,314
1.2 Fire Micro Insurance for Residential	3,693	5,704	31,795	-	-	1,614	-	12	-	42,817
1.3 Other (s)	37,182	119,574	113,884	-	634	2,833	24,384	-	-	298,491
Sum (1.1+1.2+1.3)	1,123,332	3,253,603	4,674,544	-	7,159	323,914	778,402	3,670	-	10,164,623
2. Marine Insurance										
2.1 Ocean Liner Insurance	72,733	210,474	24,854	-	-	41,840	51,503	-	-	401,404
2.2 Goods Insurance	639,942	3,682,759	106,557	-	130	421,900	269,282	-	-	5,120,570
Sum (2.1+2.2)	712,675	3,893,233	131,410	-	130	463,740	320,785	-	-	5,521,974
3. Motor Insurance										
3.1 Compulsory Motor Insurance	3,730,547	12,262,076	327,735	-	52,740	1,288,690	397,542	3,772	-	18,063,101
3.2 Voluntary Motor Insurance	20,614,503	76,329,625	11,646,797	-	1,139,141	5,574,464	3,463,287	102,739	-	118,870,556
Sum (3.1+3.2)	24,345,050	88,591,701	11,974,531	-	1,191,881	6,863,154	3,860,829	106,511	-	136,933,657
4. Miscellaneous Insurance										
4.1 Property Insurance										
4.1.1 Industrial All Risks Insurance	1,236,958	15,115,739	1,777,104	-	5,106	940,679	1,836,575	-	-	20,912,161
4.1.2 All Risks Insurance	262,983	1,011,753	48,512	-	219	148,740	47,971	-	-	1,520,178
4.1.3 SMEs Insurance	22,656	77,396	6,976	-	31	2,156	651	14	-	109,879
4.1.4 Other (s)	106,340	1,554,626	372,676	-	87,018	212,478	174,920	252	-	2,508,310
Sum (4.1.1+4.1.2+4.1.3+4.1.4)	1,628,937	17,759,513	2,205,268	-	92,374	1,304,053	2,060,117	266	-	25,050,528
4.2 Liability Insurance										
4.2.1 Public Liability Insurance	138,885	1,344,594	56,017	-	92	149,298	133,400	4	-	1,822,291
4.2.2 Professional Liability Insurance	31,207	219,492	22,710	-	-	21,230	118,494	89	-	413,222
4.2.3 Directors' and Officers' Liability Insurance	6,595	173,966	7,184	-	-	13,687	42,509	-	-	243,941
4.2.4 Other (s)	18,560	469,201	1,651	-	65	36,423	15,984	-	-	541,885
Sum (4.2.1+4.2.2+4.2.3+4.2.4)	195,247	2,207,254	87,562	-	157	220,639	310,386	93	-	3,021,338
4.3 Engineering Insurance	224,218	2,022,579	213,476	-	379	164,772	348,151	26	-	2,973,602
4.4 Aviation Insurance	2,635	155,510	4,848	-	-	89,837	801,047	-	-	1,053,876
4.5 Accident Insurance										
4.5.1 Personal Accident Insurance	318,633	4,175,989	7,790,233	-	5,696,189	457,936	1,837,284	10,782	-	20,287,047
4.5.2 Group Insurance	324,692	2,093,389	2,904,038	-	13,542	140,688	157,223	475	-	5,634,046
4.5.3 Travel Insurance	470,348	1,261,670	121,388	-	1,452	312,546	61,065	108,531	-	2,337,001
4.5.4 PA for Public Motor-biker (Motor-cy-Yim)	2	28	-	-	-	-	-	-	-	30
4.5.5 Microinsurance										
4.5.5.1 Personal Accident for retail	2,668	141,173	5,979	-	-	161	-	11	-	149,991
4.5.5.2 Student Personal Accident for retail	46,012	172,689	1,159	-	-	246	35,236	-	-	255,341
4.5.5.3 Combined (4.5.5.1+4.5.5.2)	48,679	313,861	7,138	-	-	407	35,236	11	-	405,333
4.5.6 Other (s)	79,021	791,601	486,270	-	76,105	38,234	28,354	3	-	1,499,586
Sum (4.5.1+4.5.2+4.5.3+4.5.4+4.5.5+4.5.6)	1,241,375	8,636,538	11,309,066	-	5,787,289	949,811	2,119,162	119,802	-	30,163,043
4.6 Health Insurance	946,928	4,868,417	839,146	-	850,024	2,394,948	348,180	17,533	-	10,265,177
4.7 Corp Insurance	36,337	178,828	5,183	-	-	551,943	536,442	-	-	1,308,733
4.8 Other insurances apart from (4.1 - 4.7)	431,040	4,492,096	101,097	-	74,058	872,844	660,959	410	1,026	6,633,532
Miscellaneous Insurance Summary	4,706,718	40,320,737	14,765,646	-	6,804,280	6,548,848	7,184,445	138,129	1,026	80,469,830
All Insurances Summary	30,887,774	136,059,274	31,546,132	-	8,003,450	14,199,656	12,144,461	248,310	1,026	233,090,084



In 2018, many brokerage firms have played a role for expanding market with Digital Platforms, such as Line Facebook and other Social Platforms. The outstanding company called Rabbit Finance is subsidiary company under Rabbit Insurance Broker Company Limited, Direct Asia (Thailand) Co., Ltd., Frank Insurance Broker (Thailand) Co., Ltd., Silk Span Insurance Brokerage Company. Those mentioned companies have emerged in Digital marketing.

TQM also sees opportunities in this channel as well. TQM has marketing plan both in terms of sales and content marketing to create customer experience in various TQM Platform which is still in the process of searching the most suitable marketing model.

About other sales channels included Telemarketing and direct sales (Face-to-Face), the company plans to expand its market to the retail market with new marketing tools. For example, Company had used technology to support efficiency and tasks from different channels that will occur in the future and also create a community by marketing communication through various social media such as Facebook, Line and etc.

By the end of 2018, the company began to do data management (Big Data) which is important business operation. Due to it can continue to expand business both present and

future. Resulted to customer analysis of will be more accurate. Therefore, Big data is another important tool, company can meet customers requirement more efficiently.

In addition, the company also cooperates with partners both inside and outside the insurance business such as entertainment business groups by using DRTV and various media, Small and medium leasing business group by using the strength of the operation system to manage insurance policy as well as after sale service. The business model chosen will be appropriated for each partner. In order to manage costs for maximum efficiency

The company continues to focus on building relationships with customers through various marketing activities. Because the company wants to maintain its customer base by marketing communication as an important tool to support and achieve its goals, company has organized a marketing communication plan every year. Due to methods, tools and channels of marketing communication have changed at all time. Therefore, budget in each channel of marketing communication must be carefully planned. In 2018, the company has created a marketing communication plan in many dimensions but must be linked in each activity In order to make the TQM brand awareness to customer.



Management Structure / Board of Directors and Executives



CORPORATION PUBLIC COMPANY LIMITED



Directors



1. **Dr. Unchalin Punnipa** Chairman of the Board / Chairman of Risk Management Committee
2. **Mr. Marut Simasathien** Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee / Risk Management Committee
3. **Dr. Rutchaneeporn Pookayaporn** Independent Director / Chairman of the Nomination and Remuneration Committee / Member of The Audit Committee
4. **Mr. Chinnaphat Wisuthiphat** Independent Director / Nomination and Remuneration Committee / Risk Management Committee Member of The Audit Committee
5. **Ms. Suvabha Charoenying** Director



6. **Dr. Napassanun Punnipa** Director / Chairman of Executive Committee / Nomination and Remuneration Committee
7. **Ms. Ratana Punnipa** Director / Executive Director / Nomination and Remuneration Committee
8. **Mr. Ampon Oniam** Director / Executive Director
9. **Ms. Somporn Ampaisutthipong** Director / Executive Director
10. **Ms. Supichaya Theppitak** Company Secretary

Core Company Executives



Dr. Unchalin Punnipa
President



Dr. Napassanun Punnipa
Chief Executive Officer



Ms. Ratana Punnipa
Chief Risk Officer



Mr. Ampon Oniam
Chief Operating Officer



Ms. Somporn Ampaisutthipong
Chief Financial Officer



Mr. Komnate Nateprapai
Executive Vice President Marketing



Mr. Chaiyod Pornpongapisith
Executive Vice President Operations



Dr. Anukul Tamprasirt
Executive Vice President Information
Technology



Mr. Nikom Chankong
Executive Vice President Claim
and Legal Affairs



Dr. Peradech Anantanatarat
Executive Vice President
Executive Office

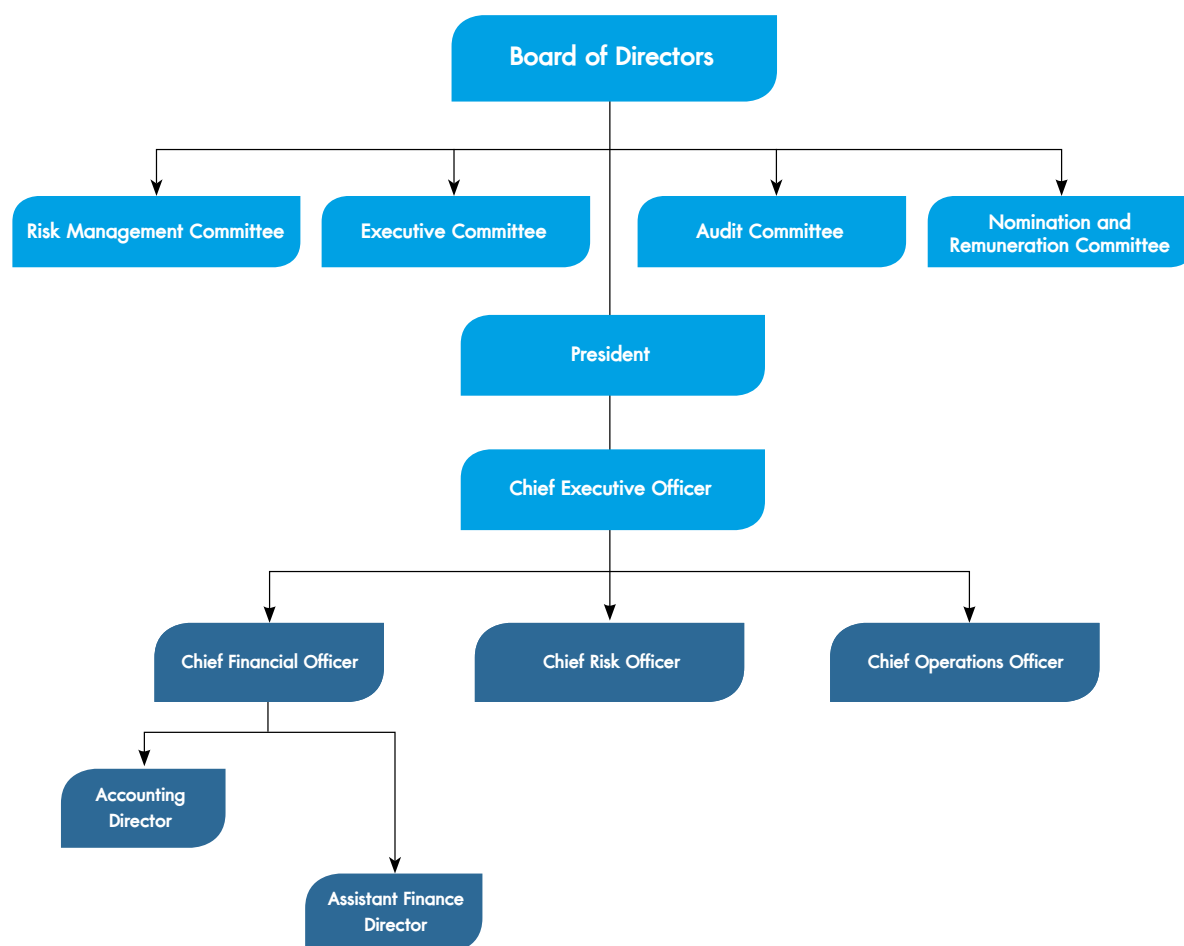


Mrs. Aumaraporn Vaiyavatjamai
Accounting Director



Ms. Kanjanee Kulsurakit
Assistant Finance Director

Management structure



Directors

1. Board of Directors

The company's Board of Directors consists of 9 directors as at 31 December 2018 are as follows:

Name	Position
1. Dr. Unchalin Punnipa ^{1/}	Chairman of the board
2. Mr. Marut Simasathien	Independent Director
3. Dr. Rutchaneeporn Pookayaporn	Independent Director
4. Mr. Chinnaphat Wisuthiphat	Independent Director
5. Ms. Suvabha Charoenying	Director
6. Dr. Napassanun Punnipa	Director
7. Ms. Ratana Punnipa	Director
8. Mr. Ampon Oniam	Director
9. Ms. Somporn Ampaisutthipong	Director

Remark: ^{1/}Dr. Unchalin Punnipa is the Chairman of Board of Directors, but is not Independent Director in accordance with Good Corporate Governance Policy for listed company. In Year 2018 the Board of Directors' Meeting No.3/2561 on April 2, 2018 has appointed Mr.Marut Simasathien to be Independent Director and Chairman of The Audit Committee, to consider agenda of Board of Directors' Meeting as mentioned.

By Ms. Supichaya Theppitak as Board of Directors' Secretary.

2. The Audit Committee

The company's Audit Committee consists of 3 members as at 31 December 2018 are as follows:

Name	Position
1. Mr. Marut Simasathien ^{1/}	Chairman of the Audit Committee
2. Mr. Chinnaphat Wisuthiphat	Member of the Audit Committee
3. Dr. Rutchaneeporn Pookayaporn	Member of the Audit Committee

Remark; ^{1/}Mr.Marut Simasathien is a qualified with proven experience for being in charge to review Company's financial statement.

By Ms. Ratana Pannipa as The Audit Committee's Secretary.

3. Executive Committee

The company's Executive Committee consists of 4 directors as at 31 December 2018 are as follows:

Name	Position
1. Dr. Napassanun Punnipa	Chairman of Executive Committee
2. Ms. Ratana Punnipa	Executive Director
3. Mr. Ampon Oniam	Executive Director
4. Ms. Somporn Ampaisutthipong	Executive Director

By Ms. Supichaya Theppitak as Executive Committee's Secretary.

4. Nomination and Remuneration Committee

The company's Nomination and Remuneration Committee consists of 5 directors as at 31 December 2018 are as follows:

Name	Position
1. Dr. Rutchaneeporn Pookayaporn	Chairman of Nomination and Remuneration Committee
2. Mr. Chinnaphat Wisuthiphat	Nomination and Remuneration Director
3. Mr. Marut Simasathien	Nomination and Remuneration Director
4. Dr. Napassanun Punnipa	Nomination and Remuneration Director
5. Ms. Ratana Punnipa	Nomination and Remuneration Director

By Ms. Supichaya Theppitak as Nomination and Remuneration Committee's Secretary.

5. Risk Management Committee

The company's Risk Committee consists of 3 directors as at 31 December 2018 are as follows:

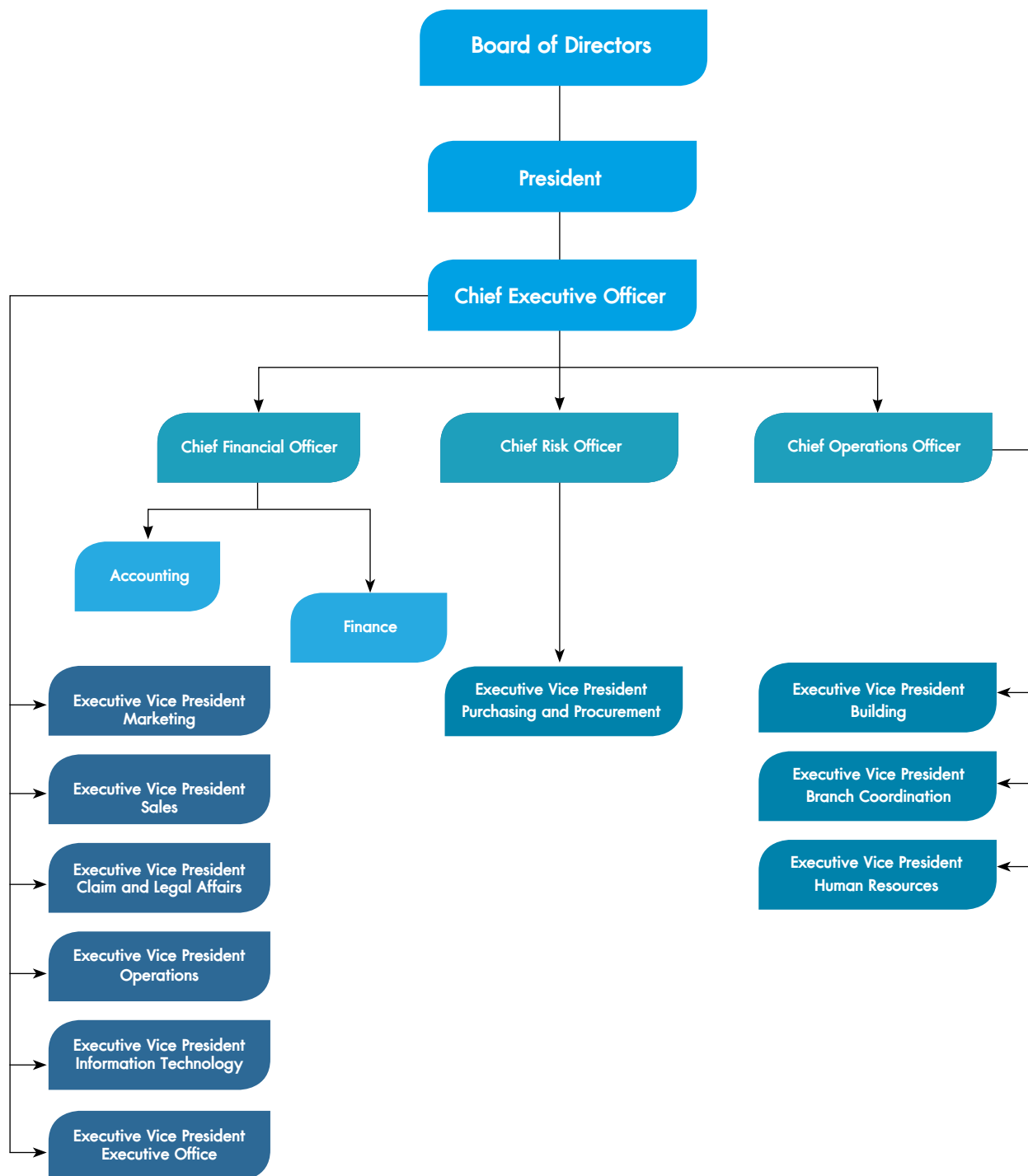
Name	Position
1. Dr. Unchalin Punnipa	Chairman of Risk Management Committee
2. Mr. Marut Simasathien	Risk Management Director
3. Mr. Chinnaphat Wisuthiphat	Risk Management Director

By Ms. Supichaya Theppitak as Nomination and Risk Management Committee's Secretary.

Core company structure

TQM Insurance broker Company Limited

TQM Life Insurance Company Limited



Directors Biography

Dr.Unchalin Punnipa

Age	57 yrs.
Nationality	Thai
Current Position	- Chairman of the Board - President - Chairman of Risk Management Committee



Education

1. Doctor of Philosophy in Public Administration, Eastern Asia University
2. Master of Business Administration, Kasetsart University
3. Bachelor of Political Science, Ramkhamhaeng University

Training

1. Director Certification Program, Class 146, 2011
2. Successful Formulation & Execution of Strategy, Class 8, 2010
3. Role of the Chairman Program, Class 23, 2010
4. Advanced Management Program, Capital Market Academy (CMA), Class 26, 2018
5. National Defense Course (NDC), Class 58, 2015
6. Advance Certificate Politics and Governance in Democracy System for Executive ,Class 18 King Prajadhipok's Institute
7. Thailand Insurance Leadership Program, Class 3, 2013
8. ACADEMY OF BUSINESS CREATIVITY (ABC), Class 1, 2013
9. Advanced Security Management Program (ASMP), Class 3, 2012

Working experience

TQM Corporation Public Company Limited and Subsidiaries

2011 – Present	Chairman of the Board / President Chairman of Risk Management Committee	TQM Corporation Public Company Limited
1997 – Present	Chairman of the Board / President	TQM Insurance Broker Company Limited
2008 – Present	Chairman of the Board / President	TQM Life Insurance Broker Company Limited
2007 – Present	President	Casmatt Company Limited

Other Companies

2017 – Present	Director	TQM Place Company Limited
2017 – Present	Director	Dara Daily Shopping Company Limited
2013 – Present	Director	The Consequence (Thailand) Company Limited
2013 – Present	Director	Beauty Lab Innovation (Thailand) Company Limited
2011 – Present	Director	The Billion Deal Trading Company Limited
2011 – Present	Director	The Perfect Group International Company
2006 – Present	Director	Ethanol Growth Corporation Company Limited

Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership

No. of Meeting Attendances	8 yrs. (2011 – Present) Board of Directors' Meeting 11 / 11 meetings Risk Management Committee Meeting 1 / 1 meeting
Retirement by Rotation	2018

Mr. Marut Simasathien

Age 70 yrs.
 Nationality Thai
 Current Position
 - Independent Director
 - Chairman of the Audit Committee
 - Nomination and Remuneration Committee
 - Risk Management Director



Education

1. Master of Business Administration Kasetsart University
2. Bachelor of Accounting, Thammasat University

Training

1. Director Accreditation Program (DAP) ,Class 17/2004 the Thai Institute of Directors
2. Thailand National Defense Course, 2002 the National Defense College of Thailand
3. Corporate Governance for Directors and Senior Executives Course of state Enterprises and Public Organizations ,Class 11

Working experience

TQM Corporation Public Company Limited and Subsidiaries

2018 – Present	Independent Director / Chairman of the Audit Committee	TQM Corporation Public Company Limited
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Other Companies

2016 – Present	Independent Director / Audit Committee	Thai National Product Public Company Limited
2003 – Present	Chairman of the Board of Directors / Independent Director / Chairman of the Audit Committee	NL Development Public Company Limited

Being Board Member / Executive of other companies

Other listed companies	1 as mentioned above
Other businesses which may cause conflict of interest	No

Company's Board Membership	1 yr. (2018 – Present)
No. of Meeting Attendances	Board of Directors' Meeting 7 / 10 meetings Audit Committee's Meeting 7 / 7 meetings Nomination and Remuneration committee's Meeting 2/2 meetings Risk Management Committee's Meeting 1 / 1 meeting
Retirement by Rotation	2018

Dr. Rutchaneeporn Pookayaporn

Age 60 yrs.
 Nationality Thai
 Current Position
 - Independent Director
 - Chairman of the Nomination and Remuneration Committee
 - Member of The Audit Committee



Education

1. Doctor of Philosophy in Psychology Management, Alliant International University, USA
2. Master's degree in School Administration, Mississippi state University, USA
3. Bachelor of Business Administration, Mississippi University for Women, USA

Training

1. Director Certification Program, Class 261, 2018
2. Business Reform and Innovation Network Course, Class 1 (BRAIN) organized by the Federation of Thai Industries
3. Advanced Insurance Program, Class 6, the Office of Insurance Commission (OIC)
4. Senior Executive Program, Class 5, the Energy Science Institute
5. Senior Executive Program, Capital Market Academy, Class 8
6. National Defense Course (Por Ror .Aor 19), 2006
7. Service Level Relationship Development Project, Class 3 (Por Sor Bor 3)

Working experience in the past 5 years

TQM Corporation Public Company Limited and Subsidiaries

2018 - Present	Independent Director /	TQM Corporation Public Company Limited
	Member of the Audit Committee	

Other Companies

2015 - Present	Director	Office of Convention and Exhibition Promotion
1987 - Present	Chancellor	Sriprathum University

Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership

No. of Meeting Attendances	1 yr. (2018 – Present) Board of Directors' Meeting 9 / 10 meetings Audit Committee's Meeting 6 / 7 meetings Nomination and Remuneration Committee's Meeting 2 / 2 meetings
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Mr. Chinnaphat Wisuthiphat

Age 51 yrs.
 Nationality Thai
 Current Position
 - Independent Director
 - Nomination and Remuneration Director
 - Risk Management Director
 - Member of The Audit Committee

**Education**

1. Master of Laws, Thammasat University
2. Bachelor of Laws, Thammasat University

Training

1. Graduate Diploma in Business Law, Thammasat University
2. Director Certification Program (DCP), Class 162, 2012
3. Director Diploma Examination, Class 36, 2013

Working experience**TQM Corporation Public Company Limited and Subsidiaries**

2018 - Present	Independent Director /	TQM Corporation Public Company Limited
	Member of the Audit Committee	

Other Companies in the past 5 years

2018 – Present	Director	ChocoToss Company Limited
2018 – Present	Director	Toon Tossakan Company Limited
2018 – Present	Director	OO One Branding Company Limited
2018 – Present	Director	Well Law Company Limited
2017 – Present	Director	Zarina Group Public Company Limited
2017 – Present	Independent Director/ Chairman of the Audit Committee	Abatek (Asia) Public Company Limited
2016 – Present	Director	Firm Company Limited
2016 – Present	Independent Director / Audit Committee	Origin Property Public Company Limited
2016 – Present	Independent Director / Audit Committee	Shera Public Company Limited
2014 – Present	Director	KHKP Limited
2014 – Present	Partner	Siam City Law Offices Limited
2010 – 2014	Partner	HNP Legal Limited

Being Board Member / Executive of other companies

Other listed companies	1 as mentioned above
Other businesses which may cause conflict of interest	No

Company's Board Membership

No. of Meeting Attendances	1 yr. (2018 – Present) Board of Directors' Meeting 10 / 10 meetings Audit Committee's Meeting 7 / 7 meetings Nomination and Remuneration Committee's Meeting 2 / 2 meetings Risk Management Committee's Meeting 1 / 1 meeting
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Ms. Suvabha Charoenying

Age 56 yrs.
 Nationality Thai
 Current Position - Director

**Education**

1. Master of Business Administration in Finance and Marketing, Assumption University
2. Bachelor of Business Administration in Finance and Banking, Assumption University

Training

1. Director Certificate Program, Class 1, 2000
2. Strategic Board Master Class, Class 2, IOD Institute, 2017
3. Program Board Success through Financing and Investment Institute, IOD, 2016
4. Corporate Governance for Capital Market Intermediaries Course, IOD Institute, 2014
5. Financial Institutions Governance Program, Class 5, IOD Institute, 2014
6. Audit Committee Program, IOD Institute, 2011
7. Successful Formulation & Execution of Strategy, Class 6, IOD Institute, 2011
8. Executive Development Program (EDP), Class 2, Thai Listed Companies Association (TLCA), 2009
9. Advanced Management Program, Capital Market Academic, Class 1, 2009
10. Families in Business from generation to Generation Harvard Business School, USA, 2004

Working experience in past 5 years**TQM Corporation Public Company Limited and Subsidiaries**

2018 – Present	Director	TQM Corporation Public Company Limited
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Other Companies

2018 – Present	Independent Director	Minor International Public Company Limited
2018 – Present	Independent Director	SF Corporation Public Company Limited
2014 – Present	Vice President	Thai Financial Planners Association
2015 – 2018	Director / Executive Director	Thanachart Securities Public Company Limited
2001 – 2015	Managing Director	Thanachart Securities Public Company Limited
2015 – 2017	Independent Director	Big C Super Center Public Company Limited
2015 – 2017	Independent Director	Amarin Printing Public Company Limited
2015 – 2016	Independent Director	TKS Technology Public Company Limited
2010 – 2015	Independent Director	GMM Grammy Public Company Limited

Being Board Member / Executive of other companies

Other listed companies	2 as mentioned above
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Other businesses which may cause conflict of interest	No
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Company's Board Membership

1 yr. (2018 – present)

No. of Meeting Attendances

Board of Directors' Meeting 8 / 8 meetings

Dr. Napassanun Punnipa

Age 47 yrs.
 Nationality Thai
 Current Position
 - Director
 - Chairman of Executive Committee
 - Nomination and Remuneration Director
 - Chief Executive Officer

**Education**

1. Doctor of Philosophy in Public Administration, Eastern Asia University
2. Master of Business Administration, Kasetsart University
3. Bachelor of Business Administration, Sripatum University

Training

1. Director Certification Program, Class 147, 2011
2. Advanced Management Program, Capital Market Academy, Class 22, 2016
3. Real Estate / Real Deal course, Class 1, Institute for Business Creativity Development
4. Insurance Leadership Program, Class 2 of the Office of Insurance Commission (OIC)
5. Insurance Management Development Program of Chulalongkorn University
6. New Millennium Executive Program of Thammasat University

Working experience**TQM Corporation Public Company Limited and Subsidiaries**

2011 – Present	Director / Chief Executive Officer	TQM Corporation Public Company Limited
2008 – Present	Director / Chief Executive Officer	TQM Insurance Broker Company Limited
2008 – Present	Director Chief Executive Officer	TQM Life Insurance Broker Company Limited
2018 – Present	Director	Casmatt Company Limited
2007 – Present	Chief Executive Officer	Casmatt Company Limited
2016 – Present	Director	TQLD Company Limited

Other Companies

2017 – Present	Director	TQM Place Company Limited
2017 – Present	Director	Beauty Twenty Four Company Limited
2016 – Present	Director	The Perfect Group International Company Limited
2016 – Present	Director	Dara Daily Tour Company Limited
2013 – Present	Director	Dara Daily Shopping Company Limited
2013 – Present	Director	The Consequence (Thailand) Company Limited
2013 – Present	Director	Dara Daily Company Limited
2011 – Present	Director	The Billion Deal Trading Company Limited
2011 – Present	Director	Beauty Lab Innovation (Thailand) Company Limited

Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership

No. of Meeting Attendances	8 yrs. (2011 - Present) Board of Directors' Meeting 11 / 11 meetings Nomination and Remuneration 6 / 6 meetings Executive Committee Meeting 2 / 2 meetings
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Ms. Ratana Punnipa

Age 56 yrs.
Nationality Thai
Current Position
 - Director
 - Executive Director
 - Nomination and Remuneration Director
 - Chief Risk Officer

**Education**

1. Bachelor of Business Administration in Accounting, Ramkhamhaeng University

Training

1. Director Accreditation Program, Class 143, 2017
2. Director Certification Program, Class 254, 2018

Working experience**TQM Corporation Public Company Limited and Subsidiaries**

2018 – Present	Director / Chief Risk Officer	TQM Corporation Public Company Limited
2017 – Present	Director	TQM Insurance Broker Company Limited
2017 – Present	Chief Risk Officer	TQM Insurance Broker Company Limited
2002 – Present	Executive Vice President of Procurement	TQM Insurance Broker Company Limited
2017 – Present	Director	TQM Life Insurance Broker Company Limited
2017 – Present	Chief Risk Officer	TQM Life Insurance Broker Company Limited
2002 – Present	Executive Vice President of Procurement	TQM Life Insurance Broker Company Limited
2018 – Present	Director	Casmatt Company Limited
2007 – Present	Chief Risk Officer	Casmatt Company Limited
2008 – Present	Executive Vice President of Procurement	Casmatt Company Limited

Other Companies

2007 – present	Director	Dara Daily Shopping Company Limited
2017 – Present	Director	Dara Daily Tour Company Limited
2017 – Present	Director	Premier Consumer Company Limited
2013 – present	Director	The Billion Deal Trading Company Limited
2013 – present	Director	The Perfect Group International Company Limited

Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership

2 yrs. (2017 - Present)

No. of Meeting Attendances

Board of Directors' Meeting 11 / 11 meetings
 Nomination and Remuneration Committee Meeting 2 / 2 meetings
 Executive Committee Meeting 6 / 6 meetings

Mr. Ampon Oniam

Age 57 yrs.
 Nationality Thai
 Current Position
 - Director
 - Executive Director
 - Chief Operations Officer

**Training**

1. Director Certification Program, Class 254, 2018

Work experience in the past 5 years**TQM Corporation Public Company Limited and Subsidiaries**

2017 – Present	Director / Chief Operations Officer	TQM Corporation Public Company Limited
2017 – Present	Chief Operations Officer	TQM Insurance Broker Company Limited
2002 – Present	Executive Vice President Building, Executive Vice President Branch Coordination, Executive Vice President Human Resources	TQM Insurance Broker Company Limited
2017 – Present	Chief Operations Officer	TQM Life Insurance Broker Company Limited
2008 – Present	Executive Vice President Building Executive Vice President Branch Coordination, Executive Vice President Human Resources	TQM Life Insurance Broker Company Limited
2018 – Present	Director	Casmatt Company Limited
2017 – Present	Chief Operations Officer	Casmatt Company Limited
2007 – Present	Executive Vice President Building Executive Vice President Human Resources	Casmatt Company Limited

Other Companies

2017 – 2018	Managing Director	Dara Daily Company Limited
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Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership	2 yrs. (2017 - Present)
No. of Meeting Attendance	Board of Directors' Meeting 11 / 11 meetings Executive Committee meeting 6 / 6 meetings
Retirement by Rotation	2018

Ms. Somporn Ampaisutthipong

Age	55 yrs.
Nationality	Thai
Current Position	- Director - Executive Director - Chief Financial Officer



Education

1. Master of Finance and Marketing, Sriprathum university
2. Bachelor of Management Science, Sukhothai Thammathirat Open University
3. Vocational Certificate in Accountancy, Rajamangala University of Technology, Borpitpimuk Chakkawad Campus

Training

1. Director Accreditation Program, Class 143/2017
2. Director Certificate Program, Class 252/2018
3. CFO Certificate Program the Federation of Accounting Professions
4. Strategic CFO in Capital Market, Class 5, the Stock Exchange of Thailand
5. Executive Development Program, Class 7, the Stock Exchange of Thailand
6. Thailand Overseas Investment Center (TOISC) Class 7, the Office of the National Anti-Corruption Commission (BOI)

Work experience

TQM Corporation Public Company Limited and Subsidiaries

2017 – Present	Director	TQM Corporation Public Company Limited
2016 – Present	Chief Financial Officer	TQM Corporation Public Company Limited
2016 – Present	Chief Financial Officer	TQM Insurance Broker Company Limited
2016 – Present	Chief Financial Officer	TQM Life Insurance Broker Company Limited
2016 – Present	Chief Financial Officer	Casmatt Company Limited

Other Companies

2014 – 2016	Director	Finance and Investment Division, the Federation of Thai Industries
2014 – 2016	Chief Financial Officer	Synnex (Thailand) Public Company Limited
2013 – 2014	Executive Director	TKS Siampress Management Company Limited
2011 – 2014	Financial, Marketing / Management Director	TKS Technology Public Company Limited
	Operational Risk	
2011 – 2014	Corporate Governance Committee	TKS Technology Public Company Limited
2009 – 2014	Chief Financial Officer	TKS Technology Public Company Limited

Being Board Member / Executive of other companies

Other listed companies	No
Other businesses which may cause conflict of interest	No

Company's Board Membership

2 yrs. (2017 - Present)

No. of Meeting Attendances

Board of Directors' Meeting 11 / 11 meetings
Executive Committee Meeting 6 / 6 meetings

Accounting and Financial Executives

Mrs. Aumaraporn Vaiyavatjamai

Age 52 yrs.
Nationality Thai
Current Position - Accounting Director



Education

1. Bachelor of Business Administration in Accounting, Ramkhamhaeng University

Work experience in the past 5 years

TQM Corporation Public Company Limited and Subsidiaries

2016 – Present	Accounting Director	TQM Corporation Public Company Limited
2016 – Present	Accounting Director	TQM Insurance Broker Company Limited
2016 – Present	Accounting Director	TQM Life Insurance Broker Company Limited
2016 – Present	Accounting Director	Casmatt Company Limited

Other Companies

1993 – 2016	Accounting Manager	Synnex (Thailand) Public Company Limited
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Ms. Kanjane Kulsurakit

Age 57 yrs.
Nationality Thai
Current Position - Assistant Finance Director



Education

1. Master of Marketing, Ramkhamhaeng University
2. Bachelor of Finance, Assumption University

Work experience in the past 5 years

TQM Corporation Public Company Limited and Subsidiaries

2015 – Present	Assistant Finance Director	TQM Corporation Public Company Limited
2015 – Present	Assistant Finance Director	TQM Insurance Broker Company Limited
2015 – Present	Assistant Finance Director	TQM Life Insurance Broker Company Limited
2015 – Present	Assistant Finance Director	Casmatt Company Limited

Other Companies

2012 – 2015	Operation Manager	Nippon Express (Thailand) Company Limited
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Company Secretary Biography

Ms. Supichaya Theppitak

Age 46 yrs
 Nationality Thai
 Current Position - Company Secretary



Education

1. Master of Business Administration, Kasetsart University
2. Bachelor of Arts Burapha University

Training

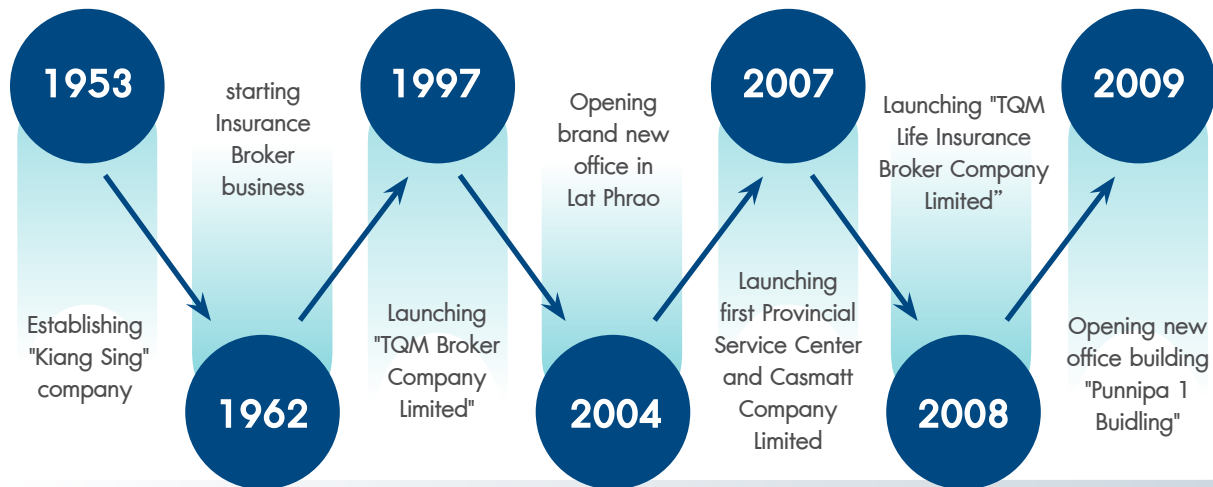
1. Company Secretary Program (CSP) Class 85/2018 Thai Institute of Directors 2018
2. Effective Minutes Taking (EMT) Class 40/2018 Thai Institute of Directors 2018

Work experience in the past 5 years

TQM Corporation Public Company Limited and Subsidiaries

2018 – Present	Company Secretary	TQM Corporation Public Company Limited
2018 – Present	Senior Director Operations	TQM Insurance Broker Company Limited
2004 – 2017	Director Operations	TQM Insurance Broker Company Limited

Important changes and developments



Significant changes and developments

1953 Start of running insurance broker business under the concept of "Kiang Sing"

- The Group of Companies was born by Khun Exziang Sae-Tae and Khun Kuang Sae-Tae, who are the grandfather and father of Khun Anchalin Punnipa, the major shareholder of the Company. It operated insurance broker business by selling non-life insurance products such as fire insurance to Muia Insurance Co., Ltd. or formerly a non-life insurance company in the group of AIA Company Limited at present by doing business under the concept of "Kiang Sing" which means stability and reliability.

1962 Having been an insurance broker for the leading insurance companies in Thailand

- Expansion of non-life insurance broker business for the leading, famous insurance companies at that time more, e.g. Bangkok Insurance Company Limited, Ayudhya Insurance Company Limited, Express Transportation Organization of Thailand Insurance Co., Ltd., Thai Phaiboon Insurance Company Limited and Khum Klao Insurance Company Limited, etc.

1997 Establishment of TQM Broker Company Limited to engage in non-life insurance broker business

- Punnipa family registered the establishment of TQM Broker to continue the business of Khun Kuang Sae Tae, the father for running non-life insurance broker business with a new concept of selling non-life insurance via phone (Telemarketing) with an initial registered capital of 1.0 million baht.

2004 Opening an office to support business expansion

- TQM Broker opened the office on an area of 2,000.0 square meters in Lat Phrao District, Bangkok Metropolis to support the expansion of non-life insurance broker business.

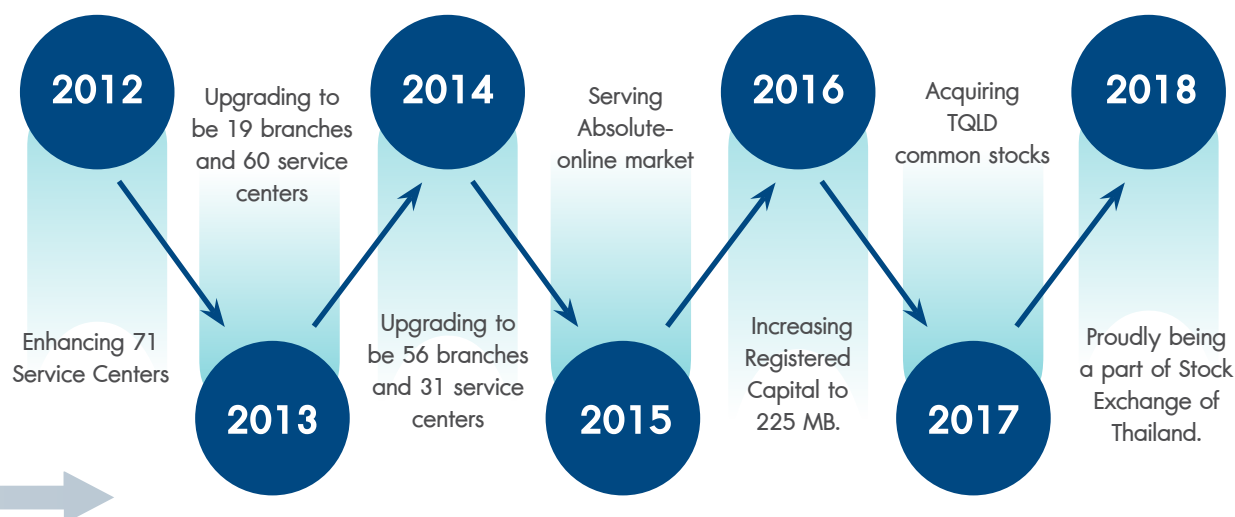
2007 Opening the first provincial service center and founding Casmatt Company Limited to provide information technology and software services

- TQM Broker opened the first service center in Mueang District, Nakhon Pathom Province to be a center for providing services to customers in the surrounding area of Bangkok more conveniently and faster.
- Punnipa family established Casmatt by holding 95.0% shares of registered and paid-up capital with a registered capital of 1.0 million baht to provide information technology and software services.

2008 Establishment of TQM Life Insurance Broker Company Limited to operate life insurance broker business

- Punnipa family established TQM Life by holding 98.0% shares of registered and paid-up capital with a registered capital of 3.0 million baht for business expansion to life insurance broker business.

2009 The Group of Companies opened a new office under the name of "Punnipa Building 1".



- The Group of Companies opened a 6-storey new office in Ladprao District, Bangkok Metropolis with an area of over 10,000 square meters so as to support the Group of Companies' growth and provide full services with more than 1,000 employees.

2012 Expansion of service centers

- Expansion of service centers, making a total of 71 service centers

2013 Modification and expansion of service centers into branches

- Modification, expansion of branches and service centers, making a total of 19 branches and 60 service centers

2014 Modification and expansion of service centers into branches

- Modification and expansion of branches and service centers, making a total of 56 branches and 31 service centers

2015 Launching the full online insurance selling services

- The Group of Companies launched the full insurance selling services through the Company's website www.tqm.co.th, including starting communication service via Line application system (Line) or telephone number 02-1508888 and starting the hotline number 1737 to provide 24-hour customer advisory service.
- Modification, expansion of branches and service centers, making a total of 66 branches and 29 service centers

2016 Increasing the registered capital and restructuring within the Group of Companies

- The Company increased its registered capital to 225.0 million baht to adjust the capital structure and the structure of the Group of Companies. The Company invested in ordinary shares of (1) TQM Broker (2) TQM Life and (3) Casmatt to allow the Company to hold shares in all 3 companies, representing 100.0% shareholding of registered and paid-up capital. After such restructuring, major shareholders of the Group of Companies had control over the Group of Companies through investment in the Company. This structuring was considered to be the structuring of the Group of Companies Under Common Control.

2017 Purchase of ordinary shares of TQLD Company Limited

- The Company acquired 40.0% of TQLD's ordinary shares. TQLD provides insurance-related advice services due to seeing the channel for the growth of such business.
- The Group of Companies developed communication through new communication channels via the application system for the Company (TQM Mobile Application) under the name of "TQM Beside".
- Modification, expansion of branches and service centers, making a total of 67 branches and 28 service centers

2018 1. Opening a new office under the name of "Punnipa Building 2",

- The Group of Companies opened a new office building under the name of "Punnipa Building 2," 7-storey with over 6,000 sq.m. in Ladprao, Bangkok to support business expansion
- The Group of Companies had 74 branches and 21 service centers nationwide.
- The Group of Companies launched online motor insurance information services, articles and news along with Online Motor Insurance Comparison Service through company's website: www.mheemhee.com
- The Group of Companies is Thailand's 1st to develop online communication and sales channel through "Chat Bot" on Line Application providing insurance information services and sales support.

2) Increasing the registered capital to be listed on the Stock Exchange of Thailand on 20 December 2018

- The Company registered transformation to be a Public Limited Company and was renamed TQM Corporation Public Company Limited on 29 June 2018.

- The Company increased its registered capital from 225.0 million baht to 300.0 million baht, representing the number of newly issued ordinary shares of 75.0 million shares for listing on the Stock Exchange of Thailand
- The meeting of the Board of Directors of subsidiaries No. 9/2561 on 14 November 2018 resolved to approve the increase of registered capital in the companies as follows.
 - 1) TQM Insurance Broker Company Limited increased another amount of 200,000,000 (two hundred million) baht from the original 200,000,000 (two hundred million) baht to be the registered capital of 400,000,000 (four hundred million) baht on 17/12/2018.
 - 2) TQM Life Insurance Broker Co., Ltd. increased another amount of 40,000,000 (forty million) baht from the original 10,000,000 (ten million) baht to be the registered capital of 50,000,000 (fifty million) baht on 17/12/2018.
- On 20 December 2018, TQM brought shares for trading on the first day in the Stock Exchange of Thailand after closing the subscription of 75 million IPO shares at the price of 23 baht per share by using initials for securities trading as "TQM".





Securities information and shareholders

Number of registered capital and paid-up capital

As of December 31, 2018, the company has a registered capital of 300,000,000 baht. Divided into 300,000,000 ordinary shares with a par value of 1.0 baht per share and a paid-up capital of 300,000,000 baht, divided into 300,000,000 ordinary shares with a par value of 1.0 baht

Shareholder

List of major shareholders of the company

The company has a list of shareholders of the company, and the highest 10 shareholding proportions as at 31 December 2018 with the following details:

No.	Name-surname	Number of shares	Percentage
1	Eternal Growth Corporation Co., Ltd.	152,700,100	50.90
2	Dr. Napassanun Punnipa	25,600,000	8.53
3	Dr. Unchalin Punnipa	25,500,000	8.50
4	Ms. Sulalita Thanburee	10,065,900	3.36
5	Mr. Sorasak Thanburee	9,500,000	3.17
6	Ms. Ratana Punnipa	7,999,900	2.67
7	Bangkok Insurance Public Co., Ltd.	4,250,000	1.42
8	Southeast Life Insurance Public Co., Ltd.	4,250,000	1.42
9	Muang Thai Life Assurance Public Co., Ltd.	4,035,900	1.35
10	Muang Thai Insurance Public Co., Ltd.	3,000,000	1.00
	Viriyah Insurance Public Co., Ltd.	3,000,000	1.00

Source: List of shareholders as at December 31, 2018, prepared by Thailand Securities Depository Co., Ltd.

List of major shareholders of main subsidiaries Shareholders' Structure of main subsidiaries as follows

TQM Broker

No.	List of Shareholders	Number of shares	Percentage
1	The company	3,999,998	100.0
2	Dr. Unchalin Punnipa	1	0.0
3	Dr. Napassanun Punnipa	1	0.0
Total		4,000,000	100.0

Source: copy of the list of shareholders of TQM Broker as of at December 31, 2018

TQM Life

No.	List of Shareholders	Number of shares	Percentage
1	The company	499,998	100.0
2	Dr. Unchalin Punnipa	1	0.0
3	Dr. Napassanun Punnipa	1	0.0
Total		500,000	100.0

Source: Copy of TQM Life shareholder list as of at December 31, 2018

Dividend Policy



CORPORATION PUBLIC COMPANY LIMITED



Dividend Policy of the company

The policy of TQM is to pay dividends not less than approximately 50% of its operating net profit from separate financial statement after income taxes and legal reserve of every year. The dividend payout rate may be changed concerning operating results, liquidity, needs of investment, working capital, additional investment, business expansion, conditions and restrictions of loan agreement and other management factors by the resolution of directors and/or shareholders which the said dividend shall not over the retained earnings stated in Company's separate financial statement.

Dividend Policy of Subsidiaries

The policy of subsidiaries is to pay dividends not less than approximately 50% of its operating net profit from separate financial statement after income taxes and legal reserve of every year. The dividend payout rate may be changed concerning operating results, liquidity, needs of investment, working capital, additional investment, business expansion, conditions and restrictions of loan agreement and other management factors by the resolution of directors and/or shareholders.

General information of the company and subsidiaries

1. Company

English company name	TQM Corporation Public Company Limited
Business type	Operate by holding shares in other companies (Holding Company) The main business is the insurance broker.
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0107561000307
Phone	0 2119 8888
Fax	0 2119 9000
Website / Company Homepage	www.tqmcop.co.th
Registered capital as at 31 December 2018	300.0 million baht
Paid-up capital as at 31 December 2018	300.0 million baht

2. Subsidiaries

2.1 TQM Insurance Company Limited	English company name Business type Head Office Company registration number Phone Fax Registered capital as at 31 December 2018 Paid-up capital on 31 December 2018	TQM Insurance Broker Company Limited Non-life insurance broker 123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 0105540084143 0 2119 8888 0 2119 9000 400.0 million baht 400.0 million baht
2.2 TQM Life Insurance Broker Company Limited	English company name Business type Head Office Company registration number Phone Fax Registered capital as at 31 December 2018 Paid-up capital as at 31 December 2018	TQM Life Insurance Broker Company Limited Life insurance broker 123/3 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 0105551106143 0 2119 8888 0 2119 9000 50.0 million baht 50.0 million baht
2.3 Casmatt Company Limited	English company name Business type Head Office Company registration number Phone Fax Website / Company Homepage Registered capital as at 31 December 2018 Paid-up capital as at 31 December 2018	Casmatt Company Limited Providing information technology and software services 123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 0105550075155 0 2119 8888 0 2119 9000 www.casmatt.co.th 5.0 million baht 5.0 million baht

3. Associated companies

3.1 TQLD Company Limited	English company name Business type Head Office Company registration number Phone Website / Company Homepage Registered capital as at 31 December 2018 Paid-up capital as at 31 December 2018	TQLD Company Limited Providing advice related to insurance 92/25 Sathorn Thani Building 2, 11th Floor, North Sathorn Road, Silom, Bang Rak District, Bangkok 0105559148619 063 065 6919 www.noon.in.th 3.0 million baht 3.0 million baht
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Corporate Governance

Corporate governance policy

The Board of Directors' work management is based on adherence to the principles of good corporate governance of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") by recognizing the importance of business operations and the improvement of existing corporate governance for good, sustainable business growth in the long run and supporting transparency. Such principles do not only build confidence for shareholders, investors or all stakeholders, but can also create the benefits and good business results for the Company and generate overall benefits for the Company's competitiveness and sustainable growth.

Additionally, the Company has attached importance to the shareholders' rights and responsibility to the Company's shareholders and stakeholders continuously, equitable treatment of shareholders, taking into account the role of stakeholders, disclosure of information and transparency. Moreover, the Board of Directors puts emphasis on responsibility for duties and compliance with the principles of good corporate governance so as to increase confidence of shareholders, investors and all parties involved. The Board of Directors resolved to approve and enforce the corporate governance policy of covering the main principles, ranging from the structure, roles, duties and responsibilities of the Board of Directors to the management principles of executives with transparency, clarity and verifiability by applying the principles and practices based on good corporate governance for listed companies 2017 of the Securities and Exchange Commission as guidelines for organizational management, resulting in confidence that any operation of the Company is fair and takes into account the best interests of shareholders and all stakeholders. The essence of the policy can be divided into 8 principles as follows.

Principle 1 Awareness of the roles and responsibilities of the Board as organizational leader that creates value for sustainable business

The Company has clearly determined the roles, duties and responsibilities of the Board in accordance with the Board of Directors Charter. The important duties include formulating major policies and strategies for business operations as well as allocating various resources. The Board of Directors understands the roles, duties, benefits and principles of good corporate governance to create value for business sustainably

and will monitor, evaluate and supervise the reporting of operating results of the Company and subsidiaries so as to meet the objectives and goals.

The Board of Directors will supervise the operations of the Company and subsidiaries by taking into account competitiveness and adaptability to support changes from various factors for good business profits in the long term by doing business beneficial to society and considering the environment ethically, respecting the rights and responsibility to shareholders and stakeholders of the Company continuously with equal treatment of shareholders, considering the roles of stakeholders, disclosure of information and transparency, emphasizes on creating value for business sustainably and promotion of innovations such as investment in Call Center system because of recognition that serving millions of small customers requires a good support system and viewing that such innovation helps to reach more customers due to changing behavior and needs of customers, the development of sales channels for electronic insurance (Online) through Application and insurance sales channel via Line (Chat bot) as the first.

Furthermore, the Board of Directors has clearly established the duties and the scope of responsibilities of various subcommittees as well as the President and will supervise the directors and executives to perform the specified duties with responsibility, carefulness and integrity and oversee the operations of the Company and subsidiaries in compliance with relevant laws, regulations, resolutions of the Board of Directors meeting, resolutions of the shareholders' meeting and various policies of the Company.

Principle 2 Determining the main objectives and goals of the business for sustainability

The Board attaches great importance to determination of major objectives and goals for the organization's business operations to be able to grow together with society sustainably, create value and be beneficial to the organization, customers, partners, employees, shareholders, stakeholders and society as a whole. Also, the Board will promote communication and encourage the main objectives and goals of the organization to be reflected in the decisions and operations of personnel at all levels until becoming a corporate culture under the good corporate governance principles.

The Company has set the main goals of business for sustainability by focusing on "integrity, fairness, excellent

services, rewarding the society" according to the corporate values of the Group, which have been adhered to for more than 60 years. That is to say, the Company is honest with customers and insurance companies, impartial, viz. impartiality in the insurance brokerage.

In this regard, the Board of Directors has formulated the strategies, plans, has monitored and evaluated the performance regularly to accord with achievement of major objectives and goals of the business by deploying innovation and technology appropriately and safely. Moreover, it is necessary to realize the risk of setting the goals that may lead to illegal or unethical conduct and supervise the passing on of objectives and goals via strategies and plans throughout the organization. Consideration is given to various business plans and corporate strategies by taking into account the creation of sustainable value for shareholders, stakeholders, society and the environment, including the selection of knowledgeable, competent personnel and awareness of the importance of personnel development, thus always organizing training and determining social activities, e.g. promotion of educating the community on insurance, giving accident insurance policies to police officers, support for scholarships, etc.

Principle 3 Strengthening the efficient Board of Directors

The Board of Directors consists of knowledgeable, competent people with expertise and experience, who can perform the duties for the benefit of the Company. The directors must have qualifications and do not have prohibited attributes as required by law. The Board of Directors is responsible for determining and reviewing the structure of the Board of Directors.

The Board of Directors is composed of at least 1 in 3 independent directors of all directors and not less than 3 persons. The Company's independent directors must be qualified and do not have prohibited characteristics as specified by the Board of Directors, which are not less stringent than qualifications set by the Capital Market Supervisory Board and the Stock Exchange of Thailand. At present, the Company's Board of Directors comprises 4 non-executive directors and 3 independent directors to balance the power appropriately. Also, the subcommittees have been appointed to assist the Board in management according to the scope specified in the Charter of each group to promote the effective and efficient performance of the Board.

The Board of Directors will appoint a suitable person to be the Chairman of the Board. If the Chairman of the Board is not an independent director, the Board of Directors will appoint one independent director to join in considering and determining the agendas of the Board meeting. The purposes are to promote a balance of power between the Board of Directors and the management department and to conform to the

principles of good corporate governance for listed companies.

The Board of Directors has appointed the Nomination and Remuneration Committee to support the Board in nominating qualified directors with a transparent and clear process and has considered appropriate remuneration before presentation to the shareholders for approval.

The Board of Directors will supervise all directors to be responsible for their duties and allocation of sufficient time and oversee disclosure of the roles and duties of the Board as well as the subcommittees, the number of meetings and the number of times of each director attending the meetings in the previous year and reporting of the performance of all subcommittees. Besides, the Board of Directors has arranged for the Company secretary to support the Board's operations and coordinate compliance with the resolutions of the Board and deal with the meetings of the Board and the shareholders' meetings.

Principle 4 Selection and development of senior management and personnel management

The Company has determined the qualifications of directors and senior executives so as to ensure that the Company has selected the directors and senior executives suitable enough for the operations and complies with the business plans and guidelines for Succession Plan as specified in the Charter and code of conduct of the Company and subsidiaries according to the specified target. In addition, the Board of Directors has a policy to understand the structure and relationship of shareholders that may affect business management and the power to control business management so as not to hinder the performance of duties of the Board of Directors and will ensure disclosure of information with potential impact on the business control appropriately.

For such operation, the Board of Directors has formulated the remuneration structure for the directors and executives and the evaluation appropriate to the scope of responsibilities of assigned duties. The Nomination and Remuneration Committee helps to supervise compliance with the policies on personnel management and organizational development as well as the resolutions of shareholders. In this regard, the directors receive remuneration as meeting allowances while the executives will receive salaries and annual bonus. Consideration is based on the Company's operating results and the results of work evaluation according to assessment of the performance of the Board of Directors and guidelines for evaluating the performance of personnel as stipulated in the Charter and code of conduct mainly.

As to personnel development, the Board of Directors will monitor, supervise personnel development and management to have suitable knowledge, skills, experience and motivation for being able to effectively manage the business according to the good corporate governance policy and improve the operations continuously.

Principle 5 Promotion of innovations and responsible business operations

The Board emphasizes and promotes the creation of innovations that generate value for business, along with development of information system and the use of modern technology for supporting the capacity to meet the needs and the ability to provide services for the benefit of customers, which will help support the business's growth in the digital age. In this regard, Casmatt Co., Ltd., which is a subsidiary of the Company operating information technology consultancy business, has supported the operation and is responsible for the development of information technology system in various fields of the Company and subsidiaries for growth and expansion of the market in the future with the management of Business Continuity Plan (BCP).

Additionally, the Board of Directors will monitor and supervise the management department to run business alongside creation of benefits for all relevant stakeholders as well as social and environmental responsibility by promoting the operations to add value for the Company according to the environmental factors that are constantly changing. This may cover the establishment of Business Model, the way of thinking, viewpoint of designing and developing the products as well as services, research, improvement of production processes and work processes, including cooperation with business partners. The Company strives to run business with integrity, transparency, adherence to fairness as the basis and provision of excellent services for customers and visitors, willingness to compete in business fairly, neither exploiting nor seeking wrongful benefits, strict compliance with the good governance principles. The Board of Directors recognizes the importance of the stakeholders' role and treats all stakeholders with transparency, appropriateness, equality and fairness, including:

- **Employees:** Giving rewards to employees by adhering to the principles of considering the works with fairness and measurability under the specified rules and emphasis on promoting and developing personnel to be knowledgeable and competent continuously. Moreover, the Company mainly takes into account the employees' rights and allows employees to complain about the cases of not being treated fairly through various channels.
- **Customers:** Building long-term relationships and cooperation with customers by adhering to the principles of integrity, reliability and trust. The Company is charged with creating the highest satisfaction for customers with responsibility. Priority is also given to the problems and needs of customers by clinging to the principles of ethics as well as providing good and efficient services.
- **Creditors:** Building relationships and treating the creditors by adhering to the principles of integrity, reliability and trust as well as responsibility and focus on the conditions that have been agreed with the creditors in an optimal way.
- **Business partners:** Treatment of business partners with integrity and equality to ensure fair business operations and receive the benefits together, including sustainable development and long-term partnership with the Company by choosing to do business with partners from various conditions, e.g. price, quality, reliability, adherence to the right things as well as expertise in techniques, laws and environmental protection.
- **Community and environment:** Supervising the Company and employees to conduct business responsibly and be beneficial to society as well as the community, including a duty to behave toward nearby communities with friendliness, assistance and support to develop the community for good living.
- **Fair competition:** Supervising the Company to operate business openly, transparently and not create unfair competitive advantage.
- **Relevant government agencies:** Supervising the Company to comply with relevant laws and regulations and treat the government sector as well as the government agencies with impartiality as stated in the Charter and the code of conduct and the anti-corruption policy.

Principle 6 Ensuring the availability of appropriate risk management and internal control systems

The Board of Directors will ensure that the Company has the risk management and internal control systems to achieve the objectives efficiently in compliance with relevant laws and standards. The Board of Directors has appointed the Audit Committee. Everyone must be an independent director with no prohibited characteristics under the relevant laws and has qualifications and duties according to the SEC and SET's rules to be able to perform the duties efficiently and independently, to perform the duties as assigned by the Board of Directors, including a duty to review financial reports, internal control system, legal compliance, selection of the auditor, disclosure of the Company's information and reporting of the Audit Committee, etc. Furthermore, the Board of Directors has appointed the Risk Management Committee to support the Board of Directors in overseeing the risk management system as specified in the Risk Management policy.

So as to ensure the Board of Directors' ability to supervise the risk management and internal control systems effectively, the Board has established relevant policies to help in managing supervision as follows.

1. Code of conduct of personnel
2. Risk management policy
3. Conflict of interest policy or conflict of interests
4. Policy on supervising the use of internal information and securities trading, computer system security and information and categorization of the Company's information
5. Anti-Corruption Policy
6. Whistle Blower Policy
7. Policy on protection and use of the Company's property
8. Policy on investment and supervision of operations in subsidiaries and associate company
9. Delegation of Authority

The Board of Directors has specified a clear anti-corruption policy in the Charter and the code of conduct as well as the anti-corruption policy by communicating to all levels of the organization and third parties for the implementation. Besides, the Board of Directors has ensured the available mechanisms for receiving complaints and actions in the cases of whistle blowing. Moreover, the clear practices have been established in the whistleblowing policy with the rules for reporting, investigation, violations of the code of conduct, receiving complaints about corruption and offenses in case of the stakeholders' remarks about the operations of the Company and subsidiaries. It is possible to ask for details, report complaints or inform the authorities about offenses, inaccuracies of financial reports, defective internal control system or violation of business ethics via independent directors or the Audit Committee of the Company. Information on complaints and whistleblowing notified to the Company will be kept as confidential. Independent directors or the Audit Committee will order Compliance Officer to check information and find solutions (if any) and report to the Chairman and / or the Board further. The Company has provided the channels for receiving complaints and / or expressing comments and has added a channel to email the senior management directly at

Channels for contacting the Company

The stakeholders can express opinions via the channels for communicating with the Company as follows.

1. By mail
Sending to the Chairman of the Board of Directors or the Chairman of the Audit Committee
TQM Corporation Public Company Limited
123 Lat Pla Khao Road, Chorakhe Bua Sub-district,
Lat Phrao District, Bangkok 10230

2. By email

Chairman of the Audit Committee: Maruts211@gmail.com
Independent director / Audit Committee:
Rutchaneeporn.po@spu.ac.th
or chinapat@siamcitylaw.com
Company secretary: Supichaya.the@tqm.co.th

3. Via the Company's website <https://www.tqmcorp.co.th/>
4. Suggestion / comment / complaint boxes within the Company

Principle 7 Maintaining financial credibility and disclosure of information

The Board of Directors is responsible for ensuring that the systems of financial reporting and disclosure of important information are accurate, adequate, timely in conformity with relevant rules, standards and practices, including monitoring the adequacy of financial liquidity and debt repayment ability as well as corrective plans in case of experiencing financial problems by taking into account the rights of stakeholders.

In this regard, the Company has arranged for Investor Relations staff to communicate and publicize information beneficial to shareholders, investors, analysts and related persons in an appropriate, equitable and timely manner and help to deal with dissemination of the Company's information in accordance with the stipulated rules to the Securities and Exchange Commission, the Stock Exchange of Thailand and related agencies in the annual registration statement and the annual report and / or website of the Company, etc. as well as important information affecting the Company's securities price with impact on the decision-making process of investors and stakeholders of the Company and subsidiaries correctly with no mistakes and adequacy for the investors' decisions.

Principle 8 Promotion of participation and communication with the shareholders

The Board of Directors attaches importance to the shareholders of the Company. The Company takes action to ensure that the shareholders are equally treated and the shareholders can exercise the basic rights as shareholders fully such as (1) the right to trade or transfer shares (2) the right to share the Company's profits (3) the right to receive sufficient relevant information through the Company's website or the SET's website or by any other means (4) the right to attend the meeting to exercise voting rights in the shareholders' meeting independently for appointing or removing the directors, considering remuneration of directors, appointing the auditor, dividend payment, increasing the capital and issuing new shares, including the right to ask the Board of Directors questions about the Board of Directors' reports and any other matters presented to the meeting for consideration

and approval, the right to propose the agendas in advance and to nominate the persons to be elected as directors and participation in important decisions of the Company. All shareholders must have voting rights based on the number of shares held and each share has one vote.

In addition, the Board of Directors must also recognize and emphasize the rights of shareholders, not take any action of violating or depriving the shareholders of their rights by ensuring the shareholders' participation in making important decisions of the Company, ensuring that the operation on the shareholders' meeting date is orderly, transparent, effective and allows the shareholders to exercise their rights, ensuring that disclosure of the resolutions at the shareholders' meeting and creation of the minutes of the shareholders' meeting are accurate and complete.

Disclosure of information to the investors

The Board of Directors oversees disclosure of information on finance and other fields related to the business and operating results of the Company, which is true, complete, adequate, consistent, timely and shows the true status of operations and financial status of the Company as well as the future of business of the Company. Arrangements are made for strict compliance with the laws, rules and regulations relating to disclosure of information of the SEC and SET. Apart from disclosure of information as required by the SEC and SET, the Company will communicate to shareholders and investors through other channels. The Investor Relations Department acts to directly communicate with shareholders, investors and securities analysts at home and abroad. Meanwhile, the corporate communication department is responsible for disseminating information, news of the Company to shareholders, investors and the general public via mass media and other mediums domestically and abroad likewise to receive information of the Company thoroughly and punctually.

1. Subcommittees

The structure of the Board of Directors comprises the Board of Directors and 4 subcommittees, namely the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee. The Board of Directors resolved to approve the Charters of the Board of Directors and subcommittees with the objective of allowing the Company's directors to understand their roles and responsibility towards the shareholders, the Company and subsidiaries show the ability to perform such duties effectively, efficiently and transparently. The scope of authority and duties is as follows.

1.1 Scope of the authority and duties of the Board of Directors, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) The Board of Directors has the authority and duties to manage and operate the business of the Company and subsidiaries according to the laws, objectives, regulations and resolutions of the Board of Directors meeting as well as the resolutions of the shareholders' meeting with integrity and caution in order to safeguard the interests of the Company, subsidiaries and shareholders. Additional duty includes ensuring that the Company and its subsidiaries comply with various policies of the Company and subsidiaries, the laws relating to business operations of the Company and subsidiaries, including the laws on prohibiting payment of bribes or support for corruption.
- 2) Performance of the duties with responsibility and caution like a reasonable businessperson should act under the same circumstances for maximum benefit of the Company, subsidiaries and shareholders mainly.
- 3) Arranging the Board of Directors meeting at least 3 months per time, which should also be the plenary meeting unless there is unavoidable necessity when considering, resolving on significant matters or transactions. Significant transactions should include transactions required by law to be approved by the Board of Directors' meeting, i. e. acquisition or disposal of assets of the Company or subsidiaries with major impact on the Company or subsidiaries, expansion of investment projects, consideration and approval of entering into connected transactions according to relevant rules of the Securities and Exchange Commission and the SET, determination of the operational authority level and determination of financial management policy and risk management of the business of the Company and subsidiaries, etc.
- 4) Taking action for the Company and subsidiaries to use the appropriate and effective systems of accounting, financial reporting and auditing, including providing an internal control system and an internal audit system that are adequate and efficient as well as a process for evaluating the suitability of internal control system of the Company and subsidiaries regularly.
- 5) Arranging to make the balance sheet as well as the profit and loss account at the end of the calendar year, which is the Company's fiscal year so as to show the financial status and operating results in the past fiscal year to be true, complete, correct and consistent with generally accepted accounting standards for presentation to the shareholders' meeting at the annual general meeting of

shareholders for consideration and approval. The Board must arrange for the auditor approved by the Securities and Exchange Commission to check such balance sheet as well as profit and loss account to be completed before presentation to the shareholders' meeting. Also, arrangements must be made for creating and reviewing the quarterly financial statements.

- 6) Considering and approving the selection and appointment of the auditor and examining the appropriate remuneration as proposed by the Audit Committee before presentation to the shareholders' meeting at the annual general meeting for approval.
- 7) Examining, reviewing and approving the vision, policies, direction, strategies, plans for business operations of the Company and subsidiaries as prepared by the Executive Committee and the management department.
- 8) Determination of the main objectives and goals, guidelines, policies and important strategies by taking into account the ethics, impact on society and the environment mainly, financial objectives, various business plans and budgets of the Company and subsidiaries as well as arranging important resources so as to achieve the objectives and goals, including supervising the administration and management of the Executive Committee and the management department according to the stipulated policies, plans and budgets with efficiency and effectiveness for maximum benefit of the Company, subsidiaries and shareholders.
- 9) Considering and approving the operations of the Company and subsidiaries, which conform to the articles of association of each company.
- 10) Monitoring the operating results of the Company, subsidiaries and associate company continuously to accord with the goals, guidelines, policies, business plans and the budgets of the Company and subsidiaries and regularly evaluating the performance of the Executive Committee and the management department, including determination of remuneration and review of succession planning.
- 11) Considering, determining the risk management policy to cover the entire organization and ensuring the available system or process for risk management with support measures and control methods to reduce the impact on the business of the Company and subsidiaries appropriately.
- 12) Formulation of a supervisory mechanism to enable the Company to control the management and the operations of subsidiaries like being a unit of

the Company, including the available measures to monitor work management of subsidiaries in order to safeguard the interests of the Company's investments according to the announcement TorJor. 39/2559.

- 13) Arranging for and complying with the corporate governance policies of the Company and subsidiaries according to written good governance principles such as anti-corruption policy, whistleblowing policy and internal information use policy, etc. and the effective implementation of such policies to ensure the Company and subsidiaries' responsibility to all groups of stakeholders with fairness.
- 14) Approving the expenses for business operations of the Company and subsidiaries, including the Delegation of Authority
- 15) Providing written code of conduct and business ethics to be working standards of the directors, executives and employees of the Company. The Board of Directors should monitor strict compliance with the code of conduct and business ethics.
- 16) Establishing the Charters of the Board of Directors and sub-committees as well as amending the Board of Directors Charter and approving the proposals of subcommittees to modify the content of the Charter so as to be updated and appropriate for the rules, regulations and changing circumstances.
- 17) Determining the structure of work management, having the power to appoint the Executive Committee, the President, the Chief Executive Officer and other subcommittees as appropriate, including determining the scope of the authority, duties and remuneration of the Executive Committee, the President, the Chief Executive Officer and various subcommittees appointed. This empowerment based on that scope of authority, duties must not be characteristic of the authorization or delegation of authority enabling such Executive Committee, President, Chief Executive Officer and subcommittees to consider and approve transactions that may have conflicts, interests or any other conflict of interests with the Company or subsidiaries except approval for transactions according to the policies and criteria already approved by the shareholders' meeting or the Board of Directors meeting.
- 18) Determining and modifying the names of the directors authorized to sign and bind the Company. Besides, if the position of director is vacant for reasons other than expiration of the term,

the Board of Directors must select the person with qualifications and not having prohibited characteristics according to the Public Limited Companies Act as well as the Securities and Exchange Act, including relevant announcements, rules and / or regulations to be a replacement director in the next Board meeting unless the remaining term of the outgoing director is less than 2 months.

- 19) Appointment of the persons as directors or executives of subsidiaries and associate company at least in proportion to shareholding in subsidiaries and associate company. Determining remuneration and specifying the scope of authority and responsibilities of appointed directors and executives, including the framework of voting power in the Board of Directors' meetings of subsidiaries and associate company on important matters that must be approved by the Board of Directors before and supervising the administration and the management department of subsidiaries and associate company to accord with the Company's operational plans and policies and supervising various transactions to be correct according to relevant laws and rules, including monitoring the subsidiaries and associate company to disclose information about the financial status and operating results, connected transactions and acquisition or disposal of significant assets completely, accurately as well as monitoring, supervising the directors and executives of subsidiaries to comply with the duties and responsibilities as required by law.
- 20) Considering and proposing remuneration of the Board of Directors as presented by the Nomination and Remuneration Committee for the shareholders' meeting to approve. Examination of the Board of Directors' remuneration must take into account various factors, e.g. consistency with long-term strategies and goals of the Company, experience, obligations, scope and responsibilities, including the benefits expected to receive from each director, etc. The Company is prohibited from paying money or other assets to the directors unless paid as remuneration according to the Company's articles of association. If not stipulated by the Company's articles of association, payment of remuneration shall be in accordance with the resolution of the shareholders' meeting, which comprises the vote of not less than two-thirds of the total votes of the shareholders attending the meeting.
- 21) Appointment of the Company secretary to be responsible for various operations in the name of the Company or the Board of Directors, e.g. creation and storage of director registration, written notice of the scheduled Board meeting and the minutes of the Board of Directors meeting, written notice of the scheduled shareholders' meeting and the minutes of the shareholders' meeting and keeping the reports of interests, etc.
- 22) Considering and approving transactions on acquisition or disposal of assets of the Company or subsidiaries, investment in new businesses and necessary actions according to relevant laws, announcements and / or regulations of the SET and the Capital Market Supervisory Board, including other related rules.
- 23) Considering and / or commenting on connected transactions between the Company, subsidiaries, associate company and related parties as specified in the Securities and Exchange Act, including relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Also approving the principles of trade agreements with the general trade conditions for entering into transactions between the Company, subsidiaries, associate company and the directors, executives or related parties to set the operational framework of empowering the Executive Committee and the management department to execute such transactions under the framework and scope of relevant laws and rules. Also considering and / or commenting on entering into various transactions of the Company (for the value of transactions unconnected with the conditions that must be approved by the shareholders' meeting) in accordance with relevant laws, announcements, rules and regulations.
- 24) Supervising, controlling and preventing a conflict of interests between the stakeholders of the Company and of subsidiaries. Also managing to resolve a conflict of interests and the wrongful use of assets of the Company and subsidiaries as well as wrong actions in transactions between related parties with the Company and / or subsidiaries.
- 25) Ensuring that the existing structure and practices of the Board of Directors and various subcommittees support, are intended for supervision appropriately and can be changed when necessary.
- 26) Arranging for the shareholders' meeting to be the annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
- 27) Arranging for appropriate disclosure of information to stakeholders, persons with a conflict of interests and relevant persons. Also arranging for disclosure

of important information to shareholders in the financial statements and various reports prepared for shareholders appropriately. Such information should be published through a system of the Stock Exchange of Thailand before and may be disseminated additionally via the Company's website, including arranging for the responsible persons to provide information to investors. The Board of Directors should disseminate information correctly, completely, appropriately and punctually.

- 28) Preparing the annual report of the Board of Directors and responsibility for preparation and disclosure of financial statements to show the financial status and operating results in the past year and presentation to the shareholders' meeting for consideration and approval.
- 29) The Board of Directors may authorize one or several directors or any other person to perform any task on behalf of the Board under the control of the Board of Directors or may authorize such person (s) to have the power as the Board deems appropriate and within the time considered by the Board of Directors as suitable. The Board of Directors may cancel, revoke, change or modify such authorization when deemed appropriate. This empowerment must not be characteristic of authorization or delegation of authority of enabling such person (s) to consider and approve transactions to be done by such person (s) or the person with possible conflict, interests or conflict of interests in any other manner with the Company or subsidiaries (if any) (as defined by the announcements of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or any other announcements of the relevant authorities) unless such transactions are the Company's normal transactions and have the same rules as doing transactions with third parties (Arm's Length).
- 30) Requesting independent opinions from any other professional advisors when deemed necessary at the Company's or the subsidiaries' expense. Hiring must conform to the regulations of the Company or subsidiaries.
- 31) Joint responsibility to the persons trading securities of the Company for any damage arising from disclosure of information to shareholders or the general public by showing false statements in essence or concealing the true text that should be notified in essence as required by the Securities and Exchange Act unless such directors can prove, by their position, impossible awareness of

the truth of information or the lack of information that should be reported.

- 32) The directors and executives of the Company are obliged to inform the Company about relationship, holding shares or debentures in the Company, subsidiaries or associate company and transactions of directors and executives of the Company, including related parties of such directors and executives with the Company or subsidiaries in a manner that may cause a conflict of interests and avoid transactions of possibly causing a conflict of interests with the Company or subsidiaries correctly, completely, appropriately and punctually.
- 33) Joint liability for any damage happening to the Company according to the rules stipulated in the Public Limited Companies Act.
- 34) Approving the interim dividend payment according to the Company's articles of association when considering that the Company has adequate profits and reporting to the shareholders' meeting in case of interim dividend payment.
- 35) Performing any other duties relating to the Company's business as assigned by the shareholders
- 36) Reviewing the Board of Directors Charter at least once a year

1.2 Scope of the authority, duties of the Executive Committee, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) Operating and managing the business of the Company and subsidiaries according to the objectives, regulations, policies, rules, orders and resolutions of the Board of Directors' meeting
- 2) Screening and presenting the goals, policies, business plans as well as business strategies, financial goals and annual budget, business expansion, management structure, annual operational plan, human resource management policy, financial, public relations and budgetary plans of the Company and subsidiaries by considering business factors appropriately for the Board of Directors to approve. Also considering and screening the proposals of the management department for presentation to the Board of Directors for further approval.
- 3) Supervising, monitoring and controlling business operations of the Company and subsidiaries as well as monitoring the operating results of the Company and subsidiaries to accord with the

goals, policies and business plans specified, including controlling the spending based on the budget approved by the Board of Directors and reporting the operating results to the Board of Directors.

- 4) Appointing, supervising, coordinating and determining the authority, duties of special working group or the management team as well as considering and approving various proposals presented by the management team or special working group, including having the power to appoint the advisory chairman, advisor or advisory team of the Executive Committee as appropriate and having the authority to determine remuneration, allowances, welfare benefits, facilities and other expenses of such advisory chairman, advisor or advisory team as appropriate.
- 5) Determining the procedures and methods of doing transactions between the Company or subsidiaries and major shareholders, directors, executives of the Company and those related to such persons suitably to prevent the transfer of benefits and presenting to the Board of Directors for approval in principle, including controlling compliance with the principles and rules approved by the Board of Directors.
- 6) Approval for the operations that are normal business transactions of the Company, making the contracts, investment or selling assets of the Company and subsidiaries, human resource management, finance, general administration as well as the operations that are normal business support transactions of the Company with the general trade conditions in the amount not exceeding the budget approved by the Board of Directors or as approved by the Board of Directors' resolution in principle, subject to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand regarding connected transactions as well as acquisition and disposal of assets, including the Delegation of Authority stated by the Board of Directors. Also having the power to approve the opening and closing of bank accounts and financial institutions as well as the use of various financial services.
- 7) Considering the profit and loss of the Company and subsidiaries and proposing the interim dividend payment for presentation to the Board of Directors to approve as well as checking, providing advice on the dividend payment policy and considering the proposed annual dividend payment of the Company and subsidiaries for presentation to

the Board of Directors to approve before further presentation to the shareholders' meeting.

- 8) Studying the feasibility of investment in new projects by conducting technical and financial studies appropriately and completely for decision-making or considering cancellation of investment for presentation to the Board of Directors.
- 9) Monitoring the operating results and progress of each business investment project and reporting the results, including the problems or obstacles and guidelines for improvement, modification to the Board of Directors.
- 10) Providing important information of the Company for adequate presentation to the Board of Directors and shareholders for decision-making, including making reliable financial reports according to transparent and good standards.
- 11) Taking action to require the executives, employees and relevant persons to attend the Executive Committee meeting or provide information related to the matters discussed at the Executive Committee meeting, including having the power to request information from various departments of the Company and subsidiaries for further consideration on various matters.
- 12) Having the power to consider and approve financial transactions with financial institutions for account opening, borrowing, lending, withdrawing money from all accounts of the Company and using credit as well as using the Company's securities as collateral for such debts to be registered and unregistered for the benefit of business operations of the Company. Also entering into the contracts, submitting the requests, offerd, contacting, doing legal transactions with the government authorities in order to obtain the rights of the Company and/or any actions related to such matters until completion according to the specified amounts and / or according to the Delegation of Authority specified by the Board of Directors and / or relevant laws and rules and / or articles of association of the Company.
- 13) Having the power to request independent opinions from professional advisors when deemed necessary at the Company's expense. Hiring must conform to the Company's regulations.
- 14) Supervision to ensure the available procedure requiring the workers to report incidents or unusual actions or violation of the laws to the Executive Committee immediately. Besides, if such incidents have significant impact, the

Executive Committee must report to the Board of Directors for considering correction within a reasonable period of time.

- 15) Regularly reporting the results of performing the duties to the Board of Directors and reporting any other matters necessary and appropriate for presentation to the Board of Directors for acknowledgment, any important resolutions or actions under the scope of the Executive Committee's responsibilities to the Board of Directors for acknowledgement in the next Board of Directors meeting.
- 16) The Executive Committee has the power to authorize one or several persons to perform any task under the control of the Executive Committee or may authorize such person (s) to have the power that the Executive Committee deems appropriate and within the time considered suitable by the Executive Committee. The Executive Committee may cancel, revoke, change or modify such authorized person (s) or authorization as deemed appropriate.

This delegation of authority, duties and responsibilities of the Executive Committee must not be characteristic of empowerment or the delegation of authority enabling the person (s) authorized by the Executive Committee to approve transactions that the person or person with possible conflict (as defined by the announcements of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or relevant agencies) have interests or may have any other conflict of interests with the Company. The Executive Committee does not have the authority to approve actions on such matters. Those matters must be presented to the Board of Directors meeting and / or the shareholders' meeting (depending on the case) for further approval unless such transactions are normal transactions of the Company and have the same rules as doing transactions with third parties (Arm's Length).

- 17) Taking any action according to opinions of the Board of Directors or as authorized by the Board of Directors.
- 18) Assessing the performance of the President, the Chief Executive Officer, the entire Executive Committee, including evaluating the performance of individual executive directors to review the works, problems and obstacles each year to be able to use the evaluation results for developing and improving the operations in various aspects.

- 19) Checking and evaluating the adequacy of this Charter by comparing the performance of the Executive Committee to meet the requirements of the Charter so as to use the results from such evaluation for further improving their operations.

1.3 Scope of the authority and duties of the Audit Committee, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) Reviewing to ensure the Company's accurate and adequate financial reporting according to financial reporting standards by liaising with the external auditor and executives responsible for quarterly and annual financial reporting. The Audit Committee may suggest that the auditor review or check any transaction considered as important and necessary during the audit of the Company.
- 2) Reviewing to ensure the Company's suitable and efficient systems for internal control and internal audit and considering independence of the internal audit department as well as approving the appointment, transfer and dismissal of the head of internal audit department or any other department responsible for the internal audit.
- 3) Reviewing to ensure the Company's compliance with the Securities and Exchange Act, regulations of the SET and the Capital Market Supervisory Board and / or the laws related to the business of the Company and subsidiaries.
- 4) The Audit Committee should arrange a meeting to consider the following matters as assigned.
 - 4.1 Consideration of financial statements and related financial reports, accounting principles and accounting practices.
 - 4.2 Compliance with accounting standards, existence of the business, important accounting policy changes, including the reasons of the management department relating to determination of accounting policies before submission to the Board of Directors for dissemination to shareholders and general investors.
 - 4.3 Consideration of the systems for internal control and internal audit
 - 4.4 Reviewing the Company's annual internal audit plan (Audit Plan), the coordination process of related audit plans and evaluation of the audit results together with the internal auditor and the auditor. The Audit Committee should inquire about the planned audit scope

to ensure that such audit plan will help to detect corruption or defects of internal control system.

- 4.5 Consideration together with the internal auditor about the problems or limitations during the audit. Also reviewing the performance of the internal auditor.
- 4.6 Consideration together with the auditor about the problems or limitations arising from the audit of financial statements
- 4.7 Consideration together with the internal auditor and the auditor about planning to review the methods and control of electronic data processing and inquiring about a specific security project to prevent corruption or misuse of computers by employees of the Company or third parties.
- 4.8 Review of transactions that may cause a conflict of interests, e.g. connected transactions of the Company, etc.
- 4.9 Compliance with the Securities and Exchange Act or the SET's regulations and / or other relevant laws
- 4.10 Other actions as assigned by the Board of Directors
- 5) Considering, selecting, nominating an independent person to act as the Company's auditor and proposing remuneration of such person, including attending the meeting with the auditor without attendance of the management department at least once a year to acknowledge the results of reviewing the quarterly financial statements, the results of the annual financial statements audit and discuss the possible problems, obstacles from the operation of the auditor.
- 6) Considering connected transactions or transactions that may have a conflict of interests and examining the regulations and cancellation of transactions different from the regulations on cancellation of transactions considered before entering into transactions in essence. Also considering transactions on acquisition or disposal of the Company and subsidiaries according to the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and most beneficial to the Company. If the Audit Committee has no expertise in considering connected transactions that may occur or such transactions, the Company will arrange for the independent expert or the auditor of the Company to comment on connected transactions or such

transactions to be used for consideration and / or decision of the Audit Committee.

- 7) Reviewing and tracking the results of risk management, including evaluating risk management from the working group on risk management
- 8) Reviewing the Audit Committee Charter at least once a year for presentation to the Board of Directors to approve

1.4 Scope of the authority, duties of the Nomination and Remuneration Committee, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) Considering the structure and composition of the Board of Directors regarding the number of directors appropriate to the size, type, complexity of the business, including modifications to be consistent with the changing environment. Determining the qualifications of each individual committee, director in terms of knowledge, skills, experience as well as expertise in specific areas, which can be used to benefit the Company's business.
- 2) Establishing the policy, rules and procedure for nomination and remuneration and other benefits of the directors, senior management and the management authorities of the Company.
- 3) Considering the qualifications, establishing guidelines for nominating and selecting qualified persons as specified by relevant regulations and laws to be presented to the Board of Directors and / or the shareholders' meeting for considering occupying the following positions.
 - Directors
 - Directors in various subcommittees that are assigned the authority, duties and responsibilities directly from the Board
 - Senior management and management authorities
 Consideration and nomination must be open, transparent, impartial, unbiased.
- 4) Considering independence and qualifications of each independent director to ensure that the Company's independent directors are fully qualified according to criteria and / or requirements of relevant laws.
- 5) Nominating the right persons to hold the positions of director and senior management from the level of [executive vice president] up when completing the term or the position is vacant or other executive

positions as assigned by the Board of Directors for the Board of Directors to consider and present to the Board of Directors meeting and / or the shareholders' meeting (as the case may be).

- 6) Determination of guidelines for paying monetary and non-monetary remuneration of the directors, senior management and other benefits in consistency with the mission, duties, responsibilities and qualifications of appointed and hired persons and presenting to the Board of Directors' meeting for consideration and approval and / or presenting to the shareholders' meeting for further approval.

Also, probably taking part in considering the problems, obstacles presented by the resources development and administration department of the organization.

- 7) Establishing guidelines and evaluating the works of directors, senior management and the management authorities of the Company to adjust the annual rewards by taking into account the duties, responsibilities and risks related, including emphasis on increasing the value of shareholders' equity in the long run for evaluation as well.
- 8) Considering creation of the director development plan to strengthen and develop knowledge and skills for various committees of the Company so as to understand the roles of directors, business, economic conditions, technology, laws or regulations related to the Company's business.
- 9) Considering creation or taking action to require the creation of a succession plan for the posts of director, senior management so as to ensure operational continuity, substitution without interruption, disclosure of the policy and details of the nomination process, the remuneration policy and disclosure of remuneration in various forms, including creation of remuneration report, which at least requires the details about the goals, operations and opinions of the Nomination and Remuneration Committee in the Company's annual report too.
- 10) Considering the conditions of offering to sell new securities (or certificate of the right to purchase shares) to the directors and employees (if any).
- 11) Considering hiring the consultant as necessary at the Company's expense to be able to perform the duties according to the Charter efficiently.
- 12) Performing any other tasks as assigned by the Board of Directors and the Nomination and Remuneration Committee also agrees to.

1.5 Scope of the authority, duties of the Risk Management Committee, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) Considering and identifying major risks of the Company's business operations, which may arise from the internal and external environment, including analyzing and evaluating the likelihood of risk events and impacts compared to acceptable risk level (Risk Appetite) and prioritizing the risks by considering both internal and external factors that may result in the Company's inability to achieve the specified objectives, e.g. the risks related to investment, business operations, management, marketing, finance, operations, information security, laws and regulations as well as the risks with potential impact on the Company's reputation, etc., including suggesting the preventive methods and the ways to manage such risks to be in acceptable level by formulating a policy and suggesting the ways to manage the risks related to the Company's business operations appropriately and effectively and presenting to the Board of Directors for consideration.
- 2) Establishing the policy, guidelines on risk management in consistency with business strategies and goals for presentation to the Board of Directors.
- 3) Supervision of compliance with the risk management policy and the risk management framework for allowing the Company and subsidiaries to have an effective risk management system throughout the organization, which has been implemented continuously. The Risk Management Committee can consider the establishment of a unit responsible for risk management in every line of work or department of the subsidiaries operating core businesses as appropriate so that such unit monitors and reports compliance with the risk management policy of the Company to the Risk Management Committee. Also having the power to invite relevant employees of the Company and subsidiaries to explain, give opinions, attend the meeting or send the documents as deemed pertinent, necessary.
- 4) Establishing the strategies consistent with the risk management policy by being able to evaluate, monitor and supervise the organization's risk level to be in appropriate level.
- 5) Assessing the adequacy of risk management strategies and effectiveness of risk management to supervise the organization's risk level to be in appropriate level.
- 6) Monitoring the risk status and progress in risk

management, the issues that must be resolved, improved to be consistent with the framework of risk management policy and strategies. The report must be submitted to the Board of Directors every quarter.

- 7) Supervising and encouraging the risk management to be successful by emphasis on considering the risks of each factor for making appropriate decisions. The Risk Management Committee is responsible for monitoring and evaluating compliance with the risk management framework throughout the organization and improving the operational plan to reduce the risks continuously to be suitable for the Company's business operations.
- 8) Considering the risk report from the department responsible for risk management to monitor major risks at organizational level, including commenting on the potential risks, guidelines for determining control measures or risk management plan to ensure the Group's adequate and appropriate risk management.
- 9) Liaising with the Audit Committee about the important risk and internal control information for the Audit Committee to approve the internal audit plan so as to ensure reasonable confidence that the Company has a suitable internal control system for risk management, including the proper deployment of risk management system, which is also implemented throughout the organization.
- 10) Reporting the results of risk assessment and operating results to reduce the risks to the Board of Directors on a regular basis. In case of major issues with significant impact on the financial status and operating results of the Company, the Risk Management Committee must report to the Board of Directors for consideration as soon as possible.
- 11) Providing knowledge, understanding, cultivating a culture of risk management for the executives as well as employees in the Company and subsidiaries regularly.
- 12) Reviewing the adequacy, effectiveness of measures for risk management to manage or handle promptly so as to supervise the organization's risk level to be in appropriate level. Supervising the operations of the unit responsible for risk management of various departments.
- 13) Reviewing the Risk Management Committee Charter at least once a year for presentation to the Board of Directors to request approval.
- 14) Performing any other tasks as assigned by the Board of Directors and the Risk Management Committee agrees to as well.

- 15) The Risk Management Committee must notify the Company without delay in case of having interests in the contracts made by the Company, whether directly or indirectly, or holding shares, debentures increased or decreased in the Company or affiliated companies.

1.6 Scope of the authority, duties of the President, which was approved by the Board of Directors meeting No. 3/2561, held on 2 April 2018

- 1) Formulating the policies, vision, objectives, strategies as well as business and budget plans together with the Board of Directors.
- 2) Supervising the performance of duties of the management department for the benefit of the Company according to the policies, vision, objectives, strategies, business and budget plans as approved by the Board of Directors and / or the shareholders' meeting.
- 3) Communicating with the management department and senior management of the Company about business management of the Company according to the vision and mission as determined by the Board in accordance with business, budget plans and business strategies approved by the Board of Directors and / or the shareholders' meeting for use by the management department and senior management of the Company as a framework for planning and management.
- 4) Overseeing the overall management of finance, marketing, human resources, internal control system and other operations of the Company and subsidiaries to conform to the Company's policies and business plans as approved by the Board of Directors and / or the shareholders' meeting and to comply with the laws, rules, regulations and requirements of relevant agencies as well as the Company's rules and regulations.
- 5) Ordering, issuing the regulations, rules, announcements and memos for the operations of the Company so as to comply with the Company's policies and for the benefit of the Company and maintain good regulations within the organization.
- 6) Supervision to ensure that the management department and all executives participate in promoting a corporate culture with ethics and good corporate governance.
- 7) Organizational development to have good operating results and business profits with continuous improvement in order to make the organization grow sustainably in conformity with the Company's strategic plans.

- 8) Representing the Company to communicate with the shareholders and encouraging the Board of Directors to provide the channels for communicating with the shareholders appropriately, regularly and arranging for standard and transparent disclosure of information.
- 9) Representing the Company for publicizing the organization to the public, especially in terms of creating a network of relationships and a good image of the organization at national and international levels.
- 10) Performing any other tasks as assigned and authorized by the Board of Directors.
- 11) The Company's President can neither attend a meeting nor approve transactions that he or the person with potential conflict (as defined in the announcement of the Securities and Exchange Commission or the announcement of the Capital Market Supervisory Board) may have an interest or may receive the benefits in any manner or may have any other conflict of interests with the Company or subsidiaries.
- 12) Except approval for transactions according to the policies or criteria approved by the shareholders' meeting and / or the Board of Directors.
- 13) Approving the normal business operations as well as the operations of normal business support transactions of the Company with the general trade conditions in the amount not exceeding the budget approved by the Board of Directors, subject to the rules of the Securities and Exchange Commission, including the Stock Exchange of Thailand regarding connected transactions and acquisition, disposal of assets as well as the Delegation of Authority determined by the Board of Directors.

2. Nomination and appointment of the directors and the top management

2.1 Nomination of the Company's directors On 28 February 2018, the Board of Directors appointed the Nomination and Remuneration Committee to act to nominate the directors. The appointment and removal of directors shall conform to the rules and procedures specified in the Company's articles of association with the following essence.

- 1) The Board of Directors consists of not less than 5 directors and should not exceed 12 persons. Not less than half of the total number of directors must have residence in the Kingdom and must have qualifications as required by law.

- 2) The Board of Directors must comprise at least 1 in 3 independent directors of the total number of directors, but must not be less than 3 persons.
- 3) The directors must have qualifications according to the Public Limited Companies Act, the Securities and Exchange Act, other relevant laws and rules.
- 4) The shareholders' meeting shall be entitled to appoint the directors in accordance with the following rules and methods.
 - 4.1 One shareholder has one vote per share.
 - 4.2 Each shareholder may use all available votes to elect one or several persons as director (s). For electing several persons as directors, the votes can be distributed to any person in any number.
 - 4.3 The persons receiving the highest votes in descending order are selected as directors equaling the required number of directors. If the persons elected in the next descending order have equal votes more than the number of directors required, the selection must be done by the method of drawing lots in order to obtain the required number of directors.
- 5) At every annual general meeting of shareholders, 1 in 3 directors of all directors must leave the position. If the number of directors to leave cannot be divided into 3 parts, the number closest to 1 in 3 parts must leave. For the directors who must vacate office in the first year and the second year after registration of becoming a public limited company, the method of drawing lots must be used to determine the outgoing person. In the subsequent years, the longest-serving director must vacate office.
- 6) Apart from vacating office at the end of the term, the directors may vacate office in case of
 - 6.1 Death
 - 6.2 Resignation
 - 6.3 Lack of qualifications or having prohibited characteristics according to the Public Limited Companies Act and / or the Securities and Exchange Act
 - 6.4 The shareholders' meeting passes a resolution on leaving by the vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and having a total of not less than half of shares held by the shareholders attending the meeting and having the voting right.
 - 6.5 The court issues an order to vacate office.
- 7) In case that the position of director is vacant due to reasons other than expiration of the term,

the Board of Directors shall select any qualified person with no prohibited characteristics under the Public Limited Companies Act as well as the Securities and Exchange Act, including relevant announcements, rules and / or regulations as replacement director in the next board meeting. However, if the remaining term of the director is less than 2 months, that replacement director will be in the position of director only for the remaining term of the director replaced.

- 8) The directors have each 3-year term of office. The performance of each individual director must be evaluated 1 time per year.

2.2 Nomination of independent directors

The Company has established the qualifications of independent directors as specified in the announcement of the Capital Market Supervisory Board No. TorJor. 39/2559 on permission application and permission for offering to sell newly issued shares, which must have the following qualifications.

- 1) Holding shares not more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company, including shareholding of related parties.
- 2) Neither being nor having formerly been a director involved in work management, employee, consultant receiving regular salary or control authority of the Company, parent company, subsidiary, associate company, subsidiary in the same level, major shareholder or of control authority of the Company except having been excluded from the aforementioned characteristics for not less than 2 years before the date of submitting an application to the Office. Such prohibited characteristics do not include the case that an independent director used to be a government official or a consultant of government agencies which are major shareholders or the control authorities of the Company.
- 3) Not being a person with blood relationship or by legal registration in the forms of being father, mother, spouse, sibling and child as well as spouse of the child of another director, executive, major shareholder, control authority or the person to be nominated as director, executive or control authority of the Company or subsidiaries.
- 4) Neither having nor having formerly had a business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company in a manner

that may hinder the use of independent judgment, including neither being nor having formerly been a significant shareholder or control authority of the person having a business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of submitting a permission application to the Office of Business Relations under paragraph one, including normal commercial transactions for business operations, renting or renting real estate out, transactions related to assets or services or giving or receiving financial assistance by accepting or giving loans, guaranteeing, providing assets as collateral for debts, including other similar circumstances, resulting in the applicant or the contract party's debt obligation to pay to the other party from 3% of the net tangible assets of the Company or from 20 million baht or more, whichever amount will be lower. Calculation of such debt burden shall be based on the method of calculating the value of connected transactions according to the announcement of the Capital Market Supervisory Board on the rules for connected transactions *mutatis mutandis*. However, consideration of such debt burden must include the debt burden incurred during 1 year before the date of business relationship with the same person.

- 5) Neither being nor having formerly been an auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company and not being a significant shareholder, control authority or a partner of the audit office with affiliated auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of submitting a permission application to the Office.
- 6) Neither being nor having formerly been any professional service provider, including serving as a legal advisor or financial advisor receiving service fee of more than 2 million baht per year from the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company. Also not being a significant shareholder, control authority or a partner of that professional service provider except having been excluded from such characteristics for not

less than 2 years before the date of submitting a permission application to the Office.

- 7) Not being a director appointed as representative of the director of the Company, major shareholder or shareholder related to major shareholder.
- 8) Neither operating a business having the same conditions and significantly competing with the business of the Company or subsidiary nor being a significant partner in the partnership nor being a director involved in work management, employee, consultant receiving regular salary or holding more than 1% of the total number of shares with voting rights of another company running business with the same conditions and significantly competing with the business of the permission applicant or subsidiary.
- 9) Not having any other characteristics that cause the inability to give independent opinions about the operations of the Company. The rules and methods of appointing independent directors conform to the rules and procedures for appointing the directors. Each independent director can hold the position of independent director for a maximum of 9 consecutive years except that the shareholders' meeting will consider the reason and necessity as proposed by the Company and will approve the selection of such independent director having served as independent director for more than 9 consecutive years to continue being an independent director.

2.3 General rules for appointing the directors in various subcommittees of the Company

The components and qualifications of various subcommittees must conform to the rules prescribed by the SEC and the Stock Exchange of Thailand. The Audit Committee must have the following elements.

The Audit Committee has the components as follows.

- 1) The Audit Committee must be independent directors of the Company.
- 2) The Audit Committee must be appointed by the Board of Directors.
- 3) The Audit Committee must comprise the number of not less than 3 persons. At least 1 person must have knowledge, understanding and sufficient experience in accounting or finance to review the reliability of financial statements. The Board of Directors must assign the person to act as Chairman of the Audit Committee. The head of the internal audit department or the person approved by the Audit Committee must act as secretary of the Audit Committee.

Other subcommittees

- 1) It is necessary to consist of at least 1 independent director or it is advisable to consist mainly of independent directors to comply with good corporate governance principles for listed companies. However, the Executive Committee shall be as deemed appropriate by the Board of Directors of the Company.
- 2) Having knowledge, capabilities, experience and expertise appropriate to the mission assigned.
- 3) The Nomination and Remuneration Committee that are not independent directors must be non-executive directors. If the remuneration executive directors are required, this will be minority directors of the whole committee and does not take part in considering remuneration of the President and the Chief Executive Officer.

2.4 General rules for appointing the President, the Chief Executive Officer and senior management

For nominating the President, the Nomination and Remuneration Committee and the Board of Directors will select the person with complete knowledge, capabilities and qualifications as well as experience beneficial to the operations of the Company and subsidiaries and appropriate to the position for further presentation to the Board of Directors to approve.

To nominate the senior management next below, the President, the Chief Executive Officer and the Nomination and Remuneration Committee will consider qualifications and suitability of personnel with experience, knowledge, capabilities of managing related fields to hold senior management position in each department according to the power specified in the Delegation of Authority.

3. Supervising the operations of subsidiaries and associate company

To comply with the rules as well as the Securities and Exchange Act and the regulations, announcements, orders or requirements of the Stock Exchange of Thailand ("SET") and according to the announcement of the Capital Market Supervisory Board, the management department therefore proposed to the Board of TQM Corporation Public Company Limited ("the Company") to approve the policy on supervising and managing the subsidiaries and associate company of the Company. In this regard, the Company's subsidiaries and associate company must comply with the rules stated in the announcement of the Capital Market Supervisory Board, announcement of the Securities and Exchange Commission ("SEC") and relevant regulations, announcements, orders or requirements of the Stock Exchange of Thailand. The

objectives are to allow the Company to have mechanisms for supervising the subsidiaries and associate company directly and indirectly and control the management and take responsibility for the operations of subsidiaries and associate company like being a unit of the Company so as to safeguard the interests of the Company's investments and have measures to monitor work management of the subsidiaries and associate company effectively. In this regard, the Chief Executive Officer with the power to issue the orders or announcements about the Company's policies according to Delegation of Authority will consider creating and enforcing the Company's policy on supervising and managing the subsidiaries and associate company of the Company as further deemed appropriate.

In this regard, the "subsidiaries" and "associate company" mean the subsidiaries or associate company that operate core businesses as stated in Clause 24 of the announcement of the Capital Market Supervisory Board No. TorJor. 39/2559 on permission application for offering to sell newly issued shares (as amended) in conjunction with the SEC announcement No. KorJor. 17/2551 on determined definitions in the announcement about issuance and offering to sell securities (as amended).

3.1 For the following cases, the subsidiaries or associate company (as the case may be) must get approval from the Board of Directors meeting of the Company.

- 3.1.1 Appointment or nomination of the persons to be directors and executives in the subsidiaries or associate company at least in proportion to shareholding of the Company in such subsidiaries or associate company.
- Unless otherwise specified by this policy or the Board of Directors of the Company, the directors and executives appointed or nominated by the Company must have the discretion to vote in the Board of Directors' meetings of subsidiaries and associate company on the matters relating to general management and normal business operations of subsidiaries and associate company as such directors and executives will deem appropriate for maximum benefit of the Company and subsidiaries or associate company (as the case may be).
- In addition, the above appointed or nominated directors and executives must be named in the data system of listed directors and executives of securities - issuing companies (White

List) and have the qualifications, roles, duties and must not lack trustworthiness according to the SEC announcement on determined lack of trustworthiness of directors and executives of the company.

- 3.1.2 Capital increase by issuing capital increase shares of the subsidiaries and shares allocation, including reducing the registered capital and / or paid-up capital of the subsidiaries inconsistent with the original shareholding ratio of shareholders or any other actions of causing the proportion of using voting rights both directly and indirectly of the Company in the shareholders' meeting of subsidiary to decrease by more than 10 percent of the total number of votes of that subsidiary except the case in the business plan or annual budget of the subsidiary already approved by the Board of Directors.
- 3.1.3 Approval for the annual dividend and interim dividend payment (if any) of subsidiaries
- 3.1.4 Amendments to the subsidiaries' articles of association. However, amendments to the articles of association on significant matters under Clause 3.2.5 must be approved by the shareholders' meeting of the Company.
- 3.1.5 Approving the total annual budget of the Company and all subsidiaries of the Company except the case specified in the Delegation of Authority.
- 3.1.6 Appointment of the auditors of subsidiaries that are foreign companies only in the case of such auditors not being affiliated with the audit offices that are full members in the same network as the Company's auditor. This is not in accordance with the auditor appointment policy of the Company whereby the auditors of subsidiaries must be affiliated with the audit offices in the same network as the auditor of the Company.
- Transactions from Clause 3.1.7 to Clause 3.1.10 are considered to be important. Entering into transactions will have significant impact on the financial status and operating results of the subsidiaries. Therefore, before the Board

- of Directors' meetings of subsidiaries and the directors appointed by the Company to hold the position in the subsidiaries will vote on the following matters, such directors must get prior approval from the Board of Directors of the Company for such matters. This must apply to the case when calculating the size of transaction to be done by the subsidiary compared with the characteristics and /or the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors on connected transactions or acquisition, disposal of assets (as the case may be) mutatis mutandis) and must be approved by the Board of Directors of the Company. The following transactions, including:
- 3.1.7 The case that the subsidiary agrees to enter into transaction with related party of the Company or subsidiary or transaction relating to acquisition or disposal of assets of subsidiary, including but not limited to the following cases:
- Transferring or waiving the right to benefits and waiving the right to claims against people who cause damage to the subsidiary
 - Selling or transferring all or some important parts of business of subsidiary to another person
 - Purchasing or accepting transfer of business of another company to the subsidiary
 - Entering into, modifying or terminating the contract about renting out all or some important parts of the businesses of subsidiary, assigning another person to manage the business of subsidiary or the merger between the subsidiary and another person with the purpose of sharing profit and loss.
 - Renting or allowing purchasing by installments all or some important parts of the business or assets of subsidiary
- 3.1.8 Borrowing money, giving loans, providing credit, guarantee, legal transactions
- binding the subsidiaries to bear the increased financial burden or providing financial assistance in any other way to other persons in the significant amount and not being a normal business of the subsidiaries except borrowing, lending money between the Company and subsidiaries.
- 3.1.9 Close-down of subsidiaries
- 3.1.10 Any other transaction that is not a normal business transaction of the subsidiaries with significant impact on the subsidiaries.
- 3.2 For the following cases, the subsidiaries or associate company (as the case may be) must get approval from the shareholders' meeting of the Company with the vote of not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and having voting rights.**
- 3.2.1 The case that the subsidiary agrees to enter into transaction with related party of the Company or subsidiary or transaction relating to the acquisition or disposal of assets of subsidiary. This must apply to the case when calculating the size of transaction to be done by the subsidiary compared with the characteristics and / or the size of the Company (by applying the rules for calculating the sizes of transactions as stated in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors on connected transactions or acquisition, disposal of assets (as the case may be) mutatis mutandis) and must be approved by the shareholders' meeting of the Company.
- 3.2.2 Capital increase by issuing capital increase shares of the subsidiaries and shares allocation, including reducing the registered capital and / or paid-up capital of the subsidiaries inconsistent with the original shareholding ratio of shareholders or any other actions of causing the proportion of using voting rights directly and indirectly of the Company in the shareholders' meeting of subsidiary to be reduced to less than the proportion specified in the law applicable to the

subsidiaries, resulting in the Company's no authority to control that subsidiary. This must apply to the case when calculating the size of transaction compared with the size of the Company and must be approved by the shareholders' meeting of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcement of the Capital Market Supervisory Board and the announcement of the SET Board of Governors *mutatis mutandis*).

3.2.3 Close-down of the subsidiaries. This must be the case when calculating the business size of subsidiary to close down compared with the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors regarding the acquisition or disposal of assets *mutatis mutandis*) and must be approved by the shareholders' meeting of the Company.

3.2.4 Any other transactions that are not normal business transactions of the subsidiary and will have significant impact on the subsidiary. This must be the case when calculating the size of transaction to be done by the subsidiary compared with the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors regarding the acquisition or disposal of assets *mutatis mutandis*) and must be approved by the shareholders' meeting of the Company.

3.2.5 Amendments to the subsidiary's articles of association on the matters that may significantly affect the subsidiary's financial position and operating results. This includes, but is not limited to amendments to the subsidiary's articles of association with impact on the voting rights of the Company in the Board of Directors' meeting of the subsidiary and / or the shareholders' meeting of the subsidiary or dividend payment of the subsidiary etc.

Clause 1. The Board of Directors of the Company will monitor and supervise the Board of Directors and executives of subsidiaries and associate company, which are nominated or appointed by the Company, to comply with the duties and responsibilities according to the laws and the Company's policies.

Clause 2. The Board of Directors of the Company has monitored the operating results of subsidiaries according to the plans continuously and requires the subsidiaries to disclose information on the financial status and operating results, connected transactions and acquisition or disposal of assets and any other significant transactions to the Company. Also, various operations shall conform to the rules for supervision and management of subsidiaries and associate company completely and accurately according to the relevant announcement of the Capital Market Supervisory Board and the announcement of the SET Board of Governors (as the case may be).

Moreover, all directors and executives of all subsidiaries had already signed acknowledgement of the policy on supervising and managing the subsidiaries of operating core businesses and the associate company of operating core businesses for compliance with.

4. Supervising the use of internal information

The Company has the policy and methods of supervising the directors and executives to use internal information of the Company, which has not yet been disclosed to the public, for personal gain, including securities trading as follows.

- Educating the directors and executives of various departments on a duty to report securities holdings of themselves, spouses and underage children to the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 and penalties under Section 59 and penalties under Section 275 of the Securities and Exchange Act 1992 (B.E. 2535) (including amendments) and report the acquisition or disposal of securities of themselves, spouses and underage children to the Securities and Exchange Commission under Section 246 and the penalties under Section 298 of the Securities and Exchange Act 1992 (B.E. 2535) (including amendments).

- Requiring the directors and executives, including spouses and underage children to make and disclose the securities holdings report and have a duty to report changes in holding securities to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act 1992 within the next 3 business days from the change date and send a copy of this report to the Company on the same day of sending the report to the Securities and Exchange Commission.
- The Company requires the relevant directors, executives and workers informed about important internal information with impact on the securities price changes to stop the trading of the Company's securities for a period of at least 1 month before the financial statements or that internal information will be disclosed to the public and at least 24 hours after disclosure of information to the public. Besides, disclosure of that important information to other people is prohibited.

The Company has established disciplinary action in case of violation, use of internal information for personal gain, ranging from written admonition, cutting wages, temporary suspension from work without receiving wages or dismissal. The punishment will be determined by the intent of action and seriousness of the offense.

5. Remuneration of the auditor

5.1 Audit fee

The Company paid EY Office Ltd. for the audits of the Company and subsidiaries and the consolidated financial statements of the fiscal year 2018 in the amount of 5,550,000 baht for the audit fee of the Company's consolidated and separate financial statements and subsidiaries' financial statements.

The parties related to the auditor and the audit office of the above auditor's affiliation are not the parties related with the Company and subsidiaries according to accounting standards regarding disclosure of information about related parties.

5.2 Non-Audit Fee

The Company paid remuneration to EY Office Ltd. for preparing financial information and other documents related to Public offering of the fiscal year 2018 in the amount of 505,135 baht as service fee for checking general control of information system, preparing information, documents and other charges of the auditor.

Social responsibility



Overview of policy

The Company focuses on business operation for sustainable growth and running business as a good model for society with the principles of ethics and good corporate governance. The Company recognizes the importance of responsibility toward the stakeholders, economy, society and environment. Therefore, the guidelines for Corporate Social Responsibilities (CSR) are established according to the principles stipulated by the Stock Exchange of Thailand.

8 Principles

1. Business operation with fairness
2. Anti-corruption
3. Respect for human rights
4. Fair treatment of labor
5. Responsibility toward consumers
6. Environmental care
7. Participation in community or social development
8. Availability of innovation and dissemination of innovations derived from the operations with responsibility toward the environment, society and stakeholders



Activities for the benefit of society and the environment (After Process)



Over 1,000,000 Thai people received FREE Group-PA by “TQM”.

To align with Office of Insurance Commission's policy or "OIC": Educating Thai people for better understanding in Insurances. TQM supported such policy by promoting several activities throughout the year 2018; we offered over 1,000,000 people coming to join our activities 'FREE Group-PA insurance' (Microinsurance) with over 100,000 baht coverage by Bangkok Insurance Public Company Limited. TQM was also delighted to support Thailand Drive Safety Campaign by promoting the campaign for Songkran Festival and New Year with OIC. Concerning the safety, also, TQM got people realized to prepared themselves to lower the risk in the communities during the festive seasons to come as well as cooperated with the Tourism Authority of Thailand to promote Thailand excursion and at this event we opened our website www.tqm.co.th for people to scan QR and register for Group-PA insurance (Micorinsurance) "FREE" for traveling during Songkran and New Year.



TQM organized the National Children's Day event for the 6th consecutive year.

TQM held the National Children's Day event 2018 under the concept of "TQM Magic Day, 6th Year" Be blessed with happiness, creating smiles together with TQM family. Many activities and game booths were organized for children to join in the fun and win the prizes to the complete satisfaction and enjoy delicious meat dishes, desserts kiosks that were fully prepared.



Joining the activity to promote insurance knowledge with the OIC

Having been the representative for giving the helmets to children of the Child Development Center, Wat Prokhet Chettharam, Samut Prakarn Province with a booth to bring games for children to have fun and win the prizes on National Children's Day 2018.



TQM organized "Happy People Festival 4th Years."

TQM Insurance Broker Co., Ltd., together with insurance partners and Bangkok Pattaya Hospital organized "Happy People Festival 4th Years" No.1 with the concept of "Good physical health, good car health" to encourage people in Pattaya City and nearby provinces to be healthy, receive the benefits, knowledge from participation in the project and to develop the reputation and image of the organization. A young actor, "Mike Phatradetch" from Channel 7 was invited for giving color in a singing show and doing activities, playing games, distributing the prizes to the attendees at Bangkok Pattaya Hospital.



TQM joined the booth in 7 See concert in Udon Thani Province.

TQM Insurance Broker Co., Ltd. joined the booth activity in 7 See concert on tour to provide the benefit, i.e. 10 Baht Songkran heart-warming insurance policy for people attending the event gratis at Central Plaza Udon Thani Shopping Center.



TQM added more smiles to children.

The MB branch business sales team, the North and Central Region organized an activity to build a relationship between employees within the organization and help the society by providing support for scholarships and supplies for Thammanurak Foundation, Karnchanaburi Province, including organizing recreational activities and hosting a lunch for underprivileged children.



Blood donation to the National Blood Center, Thai Red Cross Society

The Company led by the directors, executives and employees joined in donating blood for the National Blood Center, Thai Red Cross Society under the project: "Ruamjai Rakpakdee Blood Donation for Father of the Land" for 10 consecutive years from 2008 until the present. A total of 4,680 employees were interested in donating blood and 10,131,500 cc of blood had already been donated and will continue to donate blood under this project.



Activity: Songkran Safe travel, insurance caring for you together with the OIC

The OIC, together with the insurance industry sector and the Company co-organized the event "Songkran Safe travel, insurance caring for you" so as to provide care for people. The helmets were given to students and motorcycle taxi riders in Bangkok Metropolis. Also, services were provided to check, change engine oil and replace the motorcycle light bulbs free of charge. Boy Pakorn Chatborirak, little Wan Mai and the mother joined this event in a warm atmosphere.



TQM provided support for the scholarships.

Delivering the certificate of working in cooperative education and granting the scholarships totaling 100,000 baht to 12 students from the Faculty of Business Administration, Sripatum University who participated in the project: "The Success Insurance Talent (SIT # 1) SPU-TQM" with attendance of the Dean of the Faculty of Business Administration, Sripatum University, along with the teachers and TQM executives.



Activities: Coral planting, diving, restoring abundance to Samaesan Sea

Coral planting, diving activities were organized by collaboration with customers of the Company totaling 60 pairs that were selected from the activity: TQM Family Trip to help plant coral together without using nut, by using the chewing of PVC pipes through cooperation of Samaesan Marine Science Camp in giving a lecture so as to provide knowledge about coral planting and basic diving methods. After that, Snorkel would be practiced, including going to see the coral plots that had been planted 4-5 years ago. This coral planting project is aimed at planting eighty thousand trees and 50,000 trees have already been planted. The Company is another part of planting together with customers for planting about another 100 branches.





TQM delivered the accident insurance policies to police officers.

The accident insurance policies were given to a total of 434 staff members of Chokchai Metropolitan Police Station and Khok Kham Metropolitan Police Station to support and build morale for performing the duties of all police officers with attendance of TQM executives at TQM headquarters.



TQM activities artificial breasts in Koh Kret trip.

The customers are taken to travel free every month. On 20 October 2018, TQM invited customers of 59 pairs to travel and pay respect to the Buddha at 3 temples in Koh Kret, Nonthaburi Province for luck and enjoy shopping, tasting, chilling activities. They also joined in making 124 artificial breasts on the occasion of the international cancer month for further giving to cancer patients.



TQM supported the adults for children management from friends for the 15th years.

Support for the adults for children management from fellow insurance people and business friends for society for the 15th year in 2018, which was an integrated activity of agencies in the fields of insurance, banking and financial institutions, mass media as well as other businesses to co-host the event together with 3 schools and communities. There were a total of 200 students. This was organized by Thailand Insurance Magazine at Wat Don Ping Daed School, Phetchaburi Province. TQM granted the scholarships in the amount of 20,000 baht.



TQM joined in organizing health check-up activity of customers.

TQM Insurance Broker Co., Ltd. participated in 2018 annual health check-up activity of Pruksa Real Estate Public Company Limited, which is an important customer by providing souvenirs and snacks for customers taking part in this health check-up activity.



TQM provided support for 7 baht insurance and 10 baht plus insurance of the OIC.

TQM joined in giving New Year gifts to people with 7 baht insurance and 10 baht plus insurance issued by the Office of Insurance Commission (OIC). Seven baht insurance covers 3 cases as follows: for the case of death, loss of organs, hands, feet, loss of sight or total permanent disability due to accident, coverage of 100,000 baht will be received; in case of death, loss of organs, hands, feet, loss of sight or total permanent disability from murder, coverage of 50,000 baht will be received, including the cost of funeral management in case of death from illness (except the case of death from illness within the first 15 days from the start date of insurance period) in the amount of 5,000 baht. As for 10 baht plus insurance policy, apart from providing coverage like 7 baht insurance policy, there is additional coverage for medical expenses due to accident as actually paid not more than 5,000 baht.

Risk Factors



1. Risk from changes in rules and regulations from related agencies

- 1.1 If the subsidiary is unable to comply with relevant laws, regulations, and announcements applicable to the business operation of the subsidiary, which is accurate, complete, and in accordance with the laws, regulations, and announcements currently available, as well as further amendments in the future, may have negative impact on the business, financial condition, financial performance, and business opportunities of the Group.
- 1.2 Risks relating to compliance with the Privacy Protection Laws



3. Risk in information technology system

- 3.1 Risk from damage to information technology systems
- 3.2 Risk from technology development
- 3.3 Risk from relying on information technology personnel



2. Business Risks of the Company

- 2.1 Having a major partner (the partner that the Company has commission income and other service income received that is more than 10% of commission income and other service income combined)
- 2.2 Risk in Recruitment
- 2.3 Risk from changes of consumer behavior
- 2.4 Risks from competition in the insurance broker industry and new competitors
- 2.5 Risk from policy changes of non-life insurance companies and life insurance companies
- 2.6 Reputation Risk



4. Financial Risk

- 4.1 Risk from collection of unpaid premiums
- 4.2 Risk from Losing Customers
- 4.3 The Company does not operate the main business and the Company's revenue mainly depends on dividends from its subsidiaries

Internal control and risk management

Board of Directors Realized the importance of having a good internal control system to ensure that the company having an appropriate and adequate internal control system to oversee the operation in accordance with laws and relevant regulations effectively to protect assets from corruption, including accounting and financial reports that are accurate, reliable and the disclosure of information is complete, adequate and in the appropriate timeframe

The Internal Audit Department is an independent unit that is regulated by the Audit Committee. The Internal Audit Department is responsible for supporting the work of the Audit Committee. and the Board of Directors by assessing the adequacy and suitability of the internal control system of the company including monitoring and supervising various departments within the company's Conducting corrections and improving the defects in the internal control systems that are detected. To ensure that the internal control system is appropriate by the resolution of the Audit Committee Meeting No. 1/2561 on 28 February 2018, the Company appointed Chayot Company Limited to inspect and evaluated the internal control system of the company. Chayot Company Limited has assigned Mr. Dhitiwat Subhanabhong to be the head of the internal audit of the company and evaluated the internal control system of the company work history, education and the training of Mr. Dhitiwat Subhanabhong as shown in Attachment 3

According to the scope of authority, duties and responsibilities of the Audit Committee The Audit Committee has the authority to approve the appointment, transfer and dismissal of the head of the internal audit department of the company.

Based on the work history and education history of Mr. Dhitiwat Subhanabhong, the Audit Committee agreed that Mr. Dhitiwat Subhanabhong has sufficient qualifications to perform the audit and evaluate the internal control system of the company effectively by considering education history and work experience

From the internal control system audit report No. Sor. 3/2561 dated February 15, 2019, regarding the management of parcel and purchasing system.

Inspection objectives

1) To review the internal control system Policy compliance and how the company operates to ensure that the procurement system is in compliance with the procedures specified in the operation manual regularly and have approved the documents according to the various steps from the authority completely in accordance with the COSO principles of good internal control

2) To follow up the progress of solving the head office observations issue 4 for warehouse and procurement management systems including understanding and follow up the progress of the application system for purchasing and ordering (Procurement) used in the process of requesting the purchase order (PR) and purchase request (PO)

Inspection scope

- TQM Corporation Public Company Limited
- TQM Insurance Broker Company Limited
- TQM Life Insurance Broker Company Limited
- Casmatt Company Limited

Results from the examination

Found that the internal control system of the overall procurement system is still sufficient and work in accordance with the policy and the operation manual of the company both in the signing of approvals in the documents according to the procedures from the authorized person in full according to good internal control principles Of COSO (Committee of Sponsoring Organization of the Treadway Commission)

By resolution of the meeting of the Audit Committee Meeting No. 1/2562, held on 25 February 2019, acknowledged and requested Chayot Company Limited to conduct the audit according to the plan presented



Related Party transactions

Related Party policy

The Board of Directors meeting No. 5/2561 on 11 June 2018 resolved to approve the Related transaction policy. In the event that the Company or its subsidiaries enter into a transaction with related party, the Company or its subsidiaries shall comply with the measures and procedures for approving transactions according to the rules and laws on securities and Stock Exchange of Thailand regulations, announcements, orders or requirements of the Stock Exchange of Thailand and the announcements of the Capital Market Supervisory Board on the rules of related transactions, including compliance with the regulations relating to disclosure of related transactions.

Disclosure of related transactions of the Company shall comply with the laws and regulations stipulated by the SEC and the Stock Exchange of Thailand as well as in accordance with the accounting standards pertaining to related parties of the Federation of Accounting Professions. Information will be disclosed in the notes of the audited or reviewed financial statements of the Company, annual registration statement and the annual report of the Company.

Measures and procedures for approving related party transactions

As to measures for entering into related transactions, in case that the Company or the subsidiaries have transactions with related parties, the Audit Committee will consider and comment on the necessity and reasonableness of entering into transactions as well as the appropriateness in terms of price and conditions of transactions to be in accordance with normal business operations in the industry by comparing the prices and conditions of transactions for doing with third parties or market prices before submitting to the Board of Directors or the Company's shareholders' meeting, as the case may be. Moreover, if the Audit Committee does not have expertise in considering related transactions that may occur, the Company will provide the independent expert or the Company's auditor to comment on such related transactions so as to be used for consideration and / or decisions of the Audit Committee, the Board of Directors and / or the shareholders' meeting, as the case may be. The stakeholders will not have the right to vote in such transactions. The Company will disclose related transaction in the

notes of financial statements audited or reviewed by the Company's auditor.

If related transaction are commercial transactions normally done by the Company or the subsidiaries for business operation or are commercial transactions of general business with the same characteristics done by the Company or the subsidiaries to support normal business transactions of the company and having the trade conditions with the fair prices and conditions and not causing transfer of benefits, including the trade conditions with the prices and conditions as follows:

1. Transaction with the prices and conditions that the Company or the subsidiaries have received or given to the general public
2. Transaction with the prices and conditions given by related parties to the general public
3. Transaction with the prices and conditions that can be shown by the Company as the prices and conditions given by business operator in the same way to the general public
4. Transaction with related parties only, but related products or services have the characteristics and prices of clear standards in the market and there are many buyers, sellers with no different prices, conditions and other agreements.

The Company has established the guidelines for related transactions of normal business transactions or supporting normal businesses with trade agreements in the same manner that ordinary people should do with general contract parties in the same situations by the trade bargaining power without influence in that the approver has the status of a director, executive or related party. The Audit Committee considered, gave opinions and presented to the Board of Directors for approval as principles. It is stated that the management department can approve such transactions under the operational guidelines and financial amounts specified. Approval for transactions shall be in accordance with the Delegation of Authority or DOA manual, which requires the original department to present the reasons, necessity for doing transactions and comparison of market prices or general trade conditions under the framework determined by the Board of Directors. That is to say, for a related transaction with

a clear contract, specified price and conditions equivalent to general trade conditions, the management department must comply with the contract throughout the term thereof such as making a lease agreement equivalent to the cost estimate from an independent appraiser, etc. Or, for a related transaction with required process of requesting approval to buy or place a purchase order, e.g. purchasing goods, organizing activities, buying advertisements, etc., the management department must compare the prices, trade conditions with a general trade agreement of the market price and general conditions with no difference in essence and for actual transactions with clear service rates equivalent to service charges given by related party to the general public. It is necessary to prepare and present for approval according to administrative hierarchy of the unit in line with the Delegation of Authority or DOA manual. Also, arrangements must be made for reviewing transactions and signing in the final step by the management with positions from the level EVP up with no interest or the representative authorized by such executive with no interest before doing the transaction.

Additionally, the Board of Directors has assigned the management department to prepare and present an estimate of the financial amounts of related transactions for each transaction on an annual basis and present to the Board of Directors for approval. If it is necessary to change the type or amount of the annual related transaction of

requested approval in principle, the management department must present to request approval from the Audit Committee and the Board of Directors every time. The Audit Committee has required the chief financial officer to track related transactions and prepare a summary report of related transactions to report in the Audit Committee meeting of the Company or the Board of Directors meeting every quarter and has required the internal audit department or the internal auditor to review related transactions and present them to the Audit Committee every year.

If the Audit Committee and the Board of Directors have found that the operation does not conform to the specified policy, the Audit Committee and the Board of Directors will work together in order to find solutions.

However, if the Company or its subsidiaries will enter into related transactions that are other types of transactions, the Company and its subsidiaries will comply with the stipulated policy, measures and procedures for related transactions and must follow the rules and procedures of the SEC, the Capital Market Supervisory Board and the SET relating to related transactions so as to ensure that such transactions will be neither removal nor transfer of benefits between the Company or subsidiaries and the persons that may have a conflict of interest, but they are transactions that the Company and subsidiaries take into account the benefits of all shareholders.



Analysis and explanation of the management

Analysis of operations and financial status

Revenues

Table showing the Group of Companies' revenue structure according to consolidated financial statements by business type for the years ended on 31 December 2016, 2017 and 2018 as the following details.

Business group	Operation by	For the years ending on 31 December					
		2016		2017		2018	
		Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenues from non - life insurance brokerage	TQM Broker	2,111.5	94.9	2,201.1	96.5	2,434.7	96.4
- Brokerage income		1,303.0	58.6	1,336.8	58.6	1,454.4	57.6
- Other service income		808.5	36.3	864.3	37.9	980.3	38.8
Revenues from life insurance brokerage	TQM Life	80.6	3.6	56.7	2.5	66.4	2.6
- Brokerage income		71.8	3.2	54.5	2.4	61.2	2.4
- Other service income		8.8	0.4	2.2	0.1	5.2	0.2
Total service income		2,192.1	98.5	2,257.8	99.0	2,501.1	99.0
Other income		33.9	1.5	23.9	1.0	23.9	1.0
Total		2,226.0	100.0	2,281.7	100.0	2,525.0	100.0

The Group's revenues consist of incomes from non-life insurance brokerage, life insurance brokerage, information technology and software business and other incomes, i.e. interest received, profit from investments in other companies, services and consultancy, compensation for damages, etc. Revenues from non-life insurance brokerage and revenues from life insurance brokerage comprise Brokerage income and other service income received by the Company from partner insurance companies of the Group. Other service income is both the financial amount and the ratio determined by insurance premiums that the Group can sell to customers, e.g. fees for services, printing the policies and delivering the policies, coordination fee for customers, i.e. disaster victims or service fee for data storage, etc. Other service incomes are additional services with job description other than the works related to suggesting or persuading to enter into insurance contracts of the Company providing services to customers and partners who are the real insurance companies, depending on the scope of services, good relationship and negotiation. Such service income is not under the control of government agencies. Other service

income in amounts is not certain, depending on the negotiation with insurance companies.

For the years ending on 31 December 2016, 2017 and 2018, the Group had the total revenues of 2,226 million baht, 2,281.70 million baht and 2,525 million baht, respectively, representing an increased revenue of 55.7 million baht or 2.5% growth rate in 2017 and an increased revenue of 243.3 million baht or 10.7% growth rate in 2018. More than 96.4% of the Group's revenue was an income from non-life insurance brokerage.

Non-life insurance broker business

The Group of Companies sells 2 types of non-life insurance. The main revenue from non-life insurance brokerage comes from commissions, accounting for approximately 57.6% of the total revenue while other service income represents about 38.8% of the total revenue. TQM Broker will receive commissions on non-life insurance from non-life insurance brokerage from non-life insurance companies at the rates jointly agreed between TQM Broker and non-life insurance companies. For Motor insurance

group, the rate is not more than 12.0% of the premiums for compulsory motor insurance group, and the rate not exceeding 18.0% of the premiums for voluntary motor insurance group by law. The said rates are in accordance with the highest rate as announced by the Office of Insurance Commission. For the years ended on 31 December 2016, 2017 and 2018, the Group had the revenues from non-life insurance brokerage equaling 2,111.5 million baht, 2,201.1 million baht and 2,434.7 million baht, accounting for 94.9%, 96.5% and 96.4% of the Group's total revenue, respectively.

This was an increase in both commission income and other service income with continuous growth in consistency with the growth of net premiums from selling non-life insurance to customers. The main cause was the increased number of policies sold, making the Group receive increased commissions on non-life insurance from increased insurance premiums according to the number of policies, especially the sale of voluntary motor insurance policies due to the expansion of sale channels to the provincial branches to cover more customers, advertising for publicity as well as more payment channels to accommodate the customers.

In 2018, the Group had the increased revenue from non-life insurance brokerage from 2,201.1 million baht in 2017 to 2,434.7 million baht in 2018, representing a growth rate of 10.6 percent, which was an increase in both commission income and other service income. In particular, other service income increased by 116 million baht from 864.3 million baht in 2017 to 980.3 million baht in 2018, representing a growth rate of 13.4% as a result of the increase in the value of premiums from selling non-life insurance policies. Considering the revenue from non-life insurance brokerage according to insurance system, it will be found that the increased revenue mainly came from commissions and other service charges from selling voluntary motor insurance policies (Motor).

Life insurance broker business

The Group of Companies operates life insurance broker business through TQM Life, which has been licensed to engage in life insurance brokerage and can sell various types of life insurance. TQM Life sells 2 types of life insurance, including (1) individual life insurance and (2) group life insurance. TQM Life will receive commissions at the rates jointly agreed between TQM Life and life insurance companies at the rate of not exceeding 40 percent of life insurance premiums in the first year, which is the highest rate. The life insurance commission rate will decrease as the number of years increases. Such life insurance commission rates are in accordance with the announcement of OIC. For the years ended on 31 December 2016, 2017 and 2018, the Group had the revenues from life insurance brokerage equaling 80.6 million baht, 56.7 million baht and 66.4 million baht, representing 3.6%, 2.5% and 2.6 % of the Group's total revenue, respectively.

For the year 2017, the revenue from life insurance brokerage decreased from 80.6 million baht in 2016 to 56.7 million baht in 2017, representing a decrease of 29.7 percent due to decreased commission income and other service income. The commission income decreased from 71.8 in 2016 to 54.5 million baht in 2017, representing a reduction rate of 24.1% while other service income decreased from 8.8 million baht in 2016 to 2.2 million baht in 2017, representing a decrease rate of 75.0 percent due to decreased commission income and other service fees from selling individual life insurance policies mainly. The Group did not have new individual life insurance policy customers as the previous year to compensate for the decrease in such revenue. The ratio of commissions to net insurance premiums from individual life insurance sale of the first year increased in 2017 significantly because in 2016, the Company received a commission rate from selling life insurance to such large customer group at lower level than selling to general small individuals.

Other incomes

For the years ended on 31 December 2016, 2017 and 2018, the Group had other incomes which mainly consisted of interest received, profit from selling investments in other companies for business restructuring.

In 2016, the revenues from providing services and consultancy, compensation for damages from building contractors and income from information technology and software service fees from Casmatt, etc. equaling 33.9 million baht, 23.9 million baht and 23.9 million baht, respectively. Other incomes of the Group decreased in 2017 and 2018 because of the Group's decreased interest received.

Costs and expenses of services

The costs and expenses of the Group's services include employee-related expenses, commissions and incentive costs, promotion fee, expenses related to delivery of insurance policies, advertising and publicity expenses and other costs. For the years ending on 31 December 2016, 2017 and 2018, the Group had the costs and expenses of services equaling 1,190.3 million baht, 1,172.2 million baht and 1,287.4 million baht, representing 54.3 %, 51.9% and 51.5% of revenue from services.

The costs and expenses of the Group's services are mainly sales staff-related expenses, including salaries, bonuses and other employee benefits, e.g. contributions to social security and employee provident fund as well as other employee welfare fees, etc., which accounted for 36.9%, 39.3%, 43.1% of the costs and expenses of services for the years ending on 31 December 2016, 2017 and 2018. The second main costs were commissions and incentive costs, which represented 21.8%, 26.0% and 25.7% of the costs and expenses of services, respectively. Sale promotion and

advertising expenses in 2018 represented 16.4% of the costs and expenses of services.

The Group has been marketing to create more awareness of the Company such as online advertising via Facebook Line and organizing marketing activities to strengthen relationships with customers, including promotional program in order to stimulate the customers' decisions more.

Gross profit

For the years ended on 31 December 2016, 2017 and 2018, the Group of Companies' gross profit increased from 1,000.6 million baht in 2016 to 1,085.6 million baht in 2017 and increased to 1,213.8 million baht in 2018, respectively, or representing the gross profit margin of 45.7%, 48.1% and 48.5% of revenue from services, respectively. The Group had the increased gross profit margin as a result of effective cost management.

Administrative expenses

Administrative expenses mainly include expenses related to staff in the support unit, which consist of salaries, overtime, bonuses and other employee benefits, e.g. contributions to social security and employee provident fund as well as other employee welfare fees, etc. Administrative expenses of the Group decreased from 805.9 million baht in 2016 to 775.2 million baht in 2017 and 736.4 million baht in 2018, accounting for 36.2%, 34.0% and 29.2% of total revenue for the years ended on 31 December 2016, 2017 and 2018, respectively. Administrative expenses decreased continuously mainly due to significant decrease in other administrative expenses, including office expenses, miscellaneous expenses, e.g. the costs of organizing activities and telephone service fees, etc. owing to the Group's more effective cost management and classification of some administrative expenses as the costs and expenses for providing services.

Income tax expenses

For the years ended on 31 December 2016, 2017 and 2018, the Group's income tax expenses increased according to the Group's increased profits equaling 51.6 million baht, 65.9 million baht and 96.4 million baht, respectively, or representing the income tax rates per profit before income tax expenses equaling 22.5%, 19.7% and 19.3%, respectively.

Net profit and net profit margin

Due to the continued growth of Brokerage income and other service income from the Group of Companies' services as a result of the Group's ability to meet the needs of customers and excellent services, together with the available distribution channels, service centers and branches nationwide as well as effective cost management and marketing, therefore the Group's net profit increased continuously from 178.2 million baht in 2016 to 268.3 million

baht in 2017 and to 404.3 million baht in 2018 with stronger profitability from 8.0% net profit margin in 2016 to 11.8% in 2017 and 16.0% in 2018, respectively.

Financial status analysis

Assets

As at 31 December 2018, the main assets of the Group of Companies comprised cash and cash equivalents, restricted bank deposits, temporary investments, accrued service income and other receivables, long-term investments as well as buildings and equipment. As at 31 December 2016, 2017 and 2018, the Group of Companies had the total assets of 1,870.7 million baht, 1,906.5 million baht and 3,824.9 million baht, respectively. In 2017, the total assets increased by 35.8 million baht or 1.9% mainly due to the increase in cash and cash equivalents and the decrease in accrued service income and other receivables because of the Group's effective debt collection management. In the year 2018, the total assets increased by 1,918.4 million baht or 100.6% mainly due to the increase in cash and cash equivalents as well as restricted bank deposits, accrued service income and other receivables due to business expansion as well as the increase in temporary investments and long-term investments due to share premium that the Group had shares listed on the Stock Exchange.

- Cash and cash equivalents

As at 31 December 2016, 2017 and 2018, cash and cash equivalents were 295.1 million baht, 539.5 million baht and 848.3 million baht, respectively, representing 15.8 percent, 28.3% and 22.2% of total assets, respectively. Cash and cash equivalents as at 31 December 2018 increased from as at 31 December 2017 mainly due to higher sales volume and receiving share premium by the Initial Public Offering (IPO) on 20 December 2018.

- Restricted bank deposits

The Group of Companies have had the restricted bank deposits, which are the balance of bank deposits for insurance premiums received by the Group from the insured, but it is not time to deliver to insurance companies yet. The Group can neither use nor take advantage of such insurance premiums as specified in the broker agreement, except interest or other benefits arising from depositing money. As at 31 December 2016, 2017 and 2018, the Group had the restricted bank deposits amounting to 413.7 million baht, 510.5 million baht and 782.50 million baht, respectively, which accounted for 22.1%, 26.8% and 20.50% of total assets, respectively.

- Accrued service income and other receivables

As at 31 December 2016, 2017 and 2018, the Group

of Companies had the accrued service income and other receivables totaling 551.9 million baht, 508.3 million baht and 598.3 million baht, respectively, or representing 29.5%, 26.7% and 15.6% of total assets respectively.

- Accrued service income

The Group of Companies operates business by non-life insurance brokerage and life insurance brokerage through Telemarketing, Online and direct sales (Face to Face) and receiving returns in the forms of commissions and other service income. The Group will receive commission income and other service income from insurance companies at the rates jointly agreed with insurance companies, but not exceeding the maximum rates as prescribed by the Office of Insurance Commission for commission income from non-life insurance brokerage and life insurance brokerage. The Group would recognize and record commission income and other service income generally after the policies become effective. As at 31 December 2016, 2017 and 2018, the Group had the accrued service income of 256.7 million baht, 231.4 million baht and 304.8 million baht, respectively, which accounted for 46.5 percent, 45.5 percent and 50.9 percent of accrued service income and other receivables, respectively. In the year 2018, the accrued service income increased significantly according to the increase in net insurance premiums sold by the Group and slightly decreased in 2017 because of the Group having sold insurance and delivered insurance premiums to insurance companies by the delivery time. The Group would record the clearing account of accrued service income when the Group has sent insurance premiums to insurance companies and received commissions and other service income from such insurance companies. There are both the case that the Group sends insurance premiums to insurance companies by deducting commissions as agreed and the case that the Group delivers the total insurance premiums and the insurance companies will pay commissions and other service income later, which will depend on the conditions as agreed with insurance companies.

Furthermore, the Group of Companies has set the Write-off policy to cut the value of premiums receivable, premiums payable and other payables to record as expenses or income as the case may be.

- Insurance premiums receivable

The Group of Companies will record the premiums receivable when the new policies become effective whereas the customers have not paid the premiums or have paid the premiums to the Group incompletely. This is because small customers choose the premium payment method by paying the Group in installments without interest to stimulate the decision to purchase insurance with the Company faster. The Group will not allow payment by installments more than the time agreed by the Company with each non-life insurance company

and life insurance company. This is the period during which the insured can exercise the right to cancel the policy (Free look period) and is caused by corporate customers probably receiving a credit term for premium payment from the Group in order to maintain long-term relationships with the Group. The Group has a system for considering and evaluating the risk of customers paying in installments by determining the qualifications of customers with installments on the premiums such as the customer who has already purchased insurance with the Company for at least 1 year, the customer with debt repayment ability and a good payment history, etc.

As at 31 December 2016, 2017 and 2018, the Group had the insurance premiums receivable of 282.7 million baht, 269.5 million baht and 286.1 million baht, respectively, representing 51.2%, 53.0% and 47.8% of accrued service income and other receivables, respectively.

The premiums receivable increased from 269.5 million baht as at 31 December 2017 to 286.1 million baht in 2018 mainly due to the increase in non-life insurance policy sales.

From the overview, it was found that most outstanding premiums receivable were not yet due for payment and were not more than 90 days overdue, accounting for 99.5% present of total net premiums receivable, which shows that most premiums receivable were still within the period agreed by the Company with each non-life insurance company and life insurance company. During this period, the insured could exercise the right to cancel the policy (Free look period). The Group has had effective management and monitoring of premium collection from debtors.

The Group has recorded allowances for doubtful accounts for estimated losses potentially arising from the impossible collection of receivables. This is generally based on past collection experience as well as debt analysis and taking into account the amounts expected to be refunded according to the policy expropriation rate for each period, the number of insurance days. According to the policy of fixing allowances for doubtful accounts, for accounts receivable more than 91-180 days overdue, the Group will set 50% allowance for doubtful accounts.

As to accounts receivable more than 181-365 days overdue, the Group will fix 75% allowance for doubtful accounts. About accounts receivable more than 365 days overdue, the Group will set an allowance for doubtful accounts in full amount. In addition, the Company has information on the insurance premium receivable for each policy. If the Company considers the said receivable and sees that the debt cannot be paid until the end, the Company may consider fixing an allowance for bad debts from the impossible collection of such debt at the rate of 100%.

- Other receivables

As at 31 December 2016, 2017 and 2018, the Group of Companies had other receivables of 10 million

baht, 4.3 million baht and 4.6 million baht, respectively, representing 1.8 %, 0.9 % and 0.8 % of accrued service income and other receivables, respectively. Other receivables of the Group comprise accrued interest receivable, withholding tax receivables and advances, etc.

- Employee loans

The Group of Companies has loan welfare for employees so as to help and lighten the burden of employees. The Group has determined the persons entitled to request loan benefits, including the rules and conditions for this loan welfare clearly in writing. As at 31 December 2016, 2017 and 2018, the Group had employee loans of 2.5 million baht, 3.1 million baht and 2.8 million baht, representing 0.5%, 0.6% and 0.5% of accrued service income and other receivables, respectively.

- Long-term investments

The Group of Companies has long-term investments, which consist of government bonds and debentures. As at 31 December 2018, the Group had long-term investments totaling 289.6 million baht with interest rates between 2.13% to 4.80% per annum and due in December 2026. As at 31 December 2018, the Group used government bonds in the amount of 50.0 million baht to maintain the fund for non-life insurance brokerage as specified by the Non-Life Insurance Act 1992 (B.E. 2535).

- Restricted bank deposits

TQM Broker has the restricted bank deposits, which maintain the fund for non-life insurance brokerage as specified in the Non-life Insurance Act 1992 (B.E. 2535) and uses savings deposits to guarantee the issuance of guarantee letter. As at 31 December 2018, TQM Broker used government bonds in the amount of 50 million baht so as to maintain the fund instead of such bank deposits.

TQM Life has the restricted bank deposits, which maintain the fund according to the OIC's announcement on the rules and conditions for licensing and renewal of the license for a juristic person to be a life insurance broker 2011. This requires the subsidiaries as life insurance broker companies of the Company to maintain the fund all the time of receiving a life insurance broker license not less than 0.25% of net brokerage income for the previous fiscal year and not less than one million baht. As at 31 December 2018, TQM Life had the restricted fixed deposits of 1 million baht, representing 0.1% of the Group's total assets.

- Buildings and equipment

As at 31 December 2016, 2017 and 2018, the Group of Companies had net buildings and equipment of 116.1 million baht, 125.0 million baht and 92.3 million baht, respectively, which accounted for 6.2%, 6.6% and 2.4% of total assets, respectively.

In 2017 and 2018, the net value of buildings and equipment decreased by 32.7 million baht because of investment in building improvements, decorations and office supplies and investment in buying vehicles for operations to support the growth of the Group. Besides, in 2017, the Group opened Punnipa Building 2, which has more equipment, decorations and office supplies in 2017 and began to cut the depreciation as soon as the building was opened. As a result, in 2018, the net value of buildings and equipment significantly decreased.

The Group has a policy to calculate the depreciation from the costs of assets by the straight-line method according to the estimated useful life, which calculates the life of buildings at 20 years, building improvements at 3, 5 and 10 years, decorations and office supplies at 5 years, computer equipment and systems at 3 and vehicles at 5 years.

Liabilities

As at 31 December 2016, 2017 and 2018, the Group of Companies' most liabilities were insurance premiums payable and other payables as well as advanced insurance premiums. The Group had total liabilities of 1,535.0 million baht, 1,530.0 million baht and 1,679.6 million baht, respectively. The increase in total liabilities was mainly due to the rise in insurance premiums payable and other payables as well as advanced insurance premiums because of increased sales.

- Premiums payable and other payables

As at 31 December 2016, 2017 and 2018, the Group of Companies had the premiums payable and other payables in the amounts of 1,112.8 million baht, 1,089.3 million baht and 1,170.8 million baht, respectively, representing 72.5%, 71.2 % and 69.7% of total liabilities, respectively.

The premiums payable are insurance premiums received by the Group from insurance-buying customers when the policies are effective and the Group has not yet delivered such insurance premiums to insurance companies because of not being due for delivery yet. The Group will deliver insurance premiums every 15th day and last day of each month. This is in accordance with the credit term received from insurance companies, i.e. 15-30 days. At the end of the years 2017 and 2018, insurance premiums payable of the Group increased in line with the increase in accrued service income and other receivables due to the Group's increased sales.

- Advanced insurance premiums

Advanced insurance premiums are insurance premiums received by the Group in advance from insurance-buying customers in case of paying the premiums to the Group before the policies become effective. As at 31 December 2016, 2017 and 2018, the Group's advanced premiums were 339.1 million baht, 363.0 million baht and 385.1 million baht,

respectively, which accounted for 22.1%, 23.7% and 22.9% of total liabilities, respectively. The Company would deposit such advanced insurance premiums in the deposit accounts of the banks regulated by the OIC, which are the restricted bank deposits and will be recognized as income when the insurance policies become effective.

Shareholders' equity

As at 31 December 2016, 2017 and 2018, the Company had the shareholders' equity of 335.7 million baht, 376.5 million baht and 2,145.2 million baht, respectively when comparing the shareholders' increased equity from the years 2016-2018 due to the unappropriated retained earnings according to the Company's operating results and the increase in paid-up registered capital from 500,000 baht to 300,000,000 baht. Moreover, from the restructuring in 2016, the Company recorded the difference between the cost of merger under the same control and the net book value of assets and liabilities of the subsidiaries as of the date of merger amounting to 67.9 million baht as capital surplus from merger under the same control as separate item in the shareholders' equity as at 31 December 2017.

On 25 February 2019, the Board of Directors meeting resolved to approve payment of annual dividends from the operating results since 1 January 2018 to 31 December 2018 to the shareholders at the rate of 0.30 baht per share, amounting to 90 million baht by closing the registration book stating the list of shareholders entitled to receive the dividends on 12 March 2019 and paying dividends on 10 May 2019 for further presentation to the shareholders' meeting.

Cash flow analysis

Due to cash flow from operating activities, investment activities and financing activities, as a result, in the years 2016, 2017 and 2018, the Company had cash and cash equivalents equal to 295.1 million baht, 539.5 million baht and 848.3 million baht, respectively. The details of important cash flow changes are as follows.

- Cash flow from operating activities

Cash flow from operating activities for the years 2017 and 2018 was net cash from operating activities equaling 222.7 million baht and 246.5 million baht, respectively. The main cause of increase was the rise in profit before income tax of the Company in consistency with the growing operating results and the decrease in accrued service income and other receivables.

- Cash flow from investment activities

Cash flow (used in) from investment activities for the years 2017 and 2018 was 246.7 million baht and (1,324) million baht, respectively. In 2018, the Company had cash flow used in investment activities mainly from investment in temporary investments and long-term investments.

- Cash flow from financing activities

Cash flow used in financing activities for the years 2017 and 2018 was (225.0) million baht and 1,386.4 million baht, respectively. In 2017, the Company had cash flow used in financing activities, mainly from dividend payment of 225 million baht in total. For the year 2018, the Group had cash flow from financing activities mainly due to cash received from capital increase of 1,725 million baht, deducting direct expenses for offering to sell shares of 21.3 million baht, including dividend payment of 317.3 million baht in total.

Liquidity and debt repayment ability

Liquidity

The Group of Companies had constant liquidity. In 2016, 2017 and 2018, the Company had liquidity ratios of 1.1 times, 1.1 times and 2 times, respectively as well as the quick ratio at 0.6 times, 0.7 times and 0.9 times, respectively. Liquidity in 2016, 2017 and 2018 was in higher levels, respectively due to the significant increase in current assets of the types: cash and cash equivalents, restricted bank deposits and temporary investments, along with accrued service income and other receivables. Meanwhile, the premiums payable and other payables increased at the rate less than the rate of increase in current assets as mentioned above. As a result, liquidity changed, increased significantly.

Debt repayment ability

For the years ended on 31 December 2016, 2017 and 2018, the ratios of debt to the shareholders' equity of the Company were 4.6 times, 4.1 times and 0.8 times, respectively. The debt repayment ability was much better because of major factors as follows. The Company received the capital increase and recorded more share premium and unappropriated retained earnings, resulting in significantly increased capital ratio. At present, the Group of Companies has no interest expenses due to the Group's no liabilities with financial institutions and no financial lease.

Remark : For more information, the investor shall study the Company's information from the Annual Registration Statement (Form 56-1) at <http://www.sec.or.th> or <http://www.tqmcop.co.th>

Report of the Board of Directors' Responsibility for Financial Reports

The Board of Directors is responsible for the separate financial statements and the consolidated financial statements of the Company and its subsidiaries as well as information shown in the annual report. The financial statements for the year ended on 31 December 2018 were made according to generally certified accounting standards in Thailand. The appropriate accounting policy has been chosen for use and has been adhered to regularly. Also, discretion has been used carefully and reasonably in the preparation, including disclosure of adequate information in the notes of the separate financial statements and the consolidated financial statements to be able to reflect the operating results, financial status and cash flow, including connected transactions potentially causing a conflict of interest accurately, completely and transparently, which is beneficial to shareholders, investors and the general public with interests. They were audited by the Certified Public Accountant, EY Office Limited that has already provided comments unconditionally.

The Board of Directors has provided and maintained an internal control system, an internal audit system and

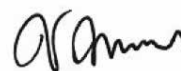
supervision system with effectiveness to ensure the reliability of financial statements that are completed, accurate and sufficient to take care of the Company's property relating to the availability of a good protection system, neither fraudulent transactions nor significant irregular operations.

The Board of Directors has appointed the Audit Committee that consists of 3 independent directors charged with reviewing the accounting policy and responsible for the quality of financial reports, internal control system, internal audit system and risk management system as well as considering complete, adequate and appropriate disclosure of connected transactions. The Audit Committee's opinions appear in the annual report.

The Board of Directors has opined that the Company's internal control system is overall at satisfactory level and can give reasonable assurance about the reliability of the Group's financial statements as at 31 December 2018 by adherence to generally certified accounting standards and compliance with relevant laws and regulations.



(Mr.Unchalin Punnipa)
Chairman of the board



(Mrs.Napassanun Punnipa)
Chief Executive Officer



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Report of Independent Auditor

To the Shareholders of TQM Corporation Public Company Limited

(Formerly known as “TQM Corporation Company Limited”)

Opinion

I have audited the accompanying consolidated financial statements of TQM Corporation Company Public Limited and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2018 and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TQM Corporation Company Public Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TQM Corporation Public Company Limited and its subsidiaries and of TQM Corporation Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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



I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of service income

The Group recognises brokerage income and other service income in accordance with accounting policy as discussed in Note 4.1 to the financial statements. The amount of revenue received depends on the commission rate, which is specified in the agent agreements made with insurance companies, and the premiums that are specified in each type of non-life insurance and life insurance policy. There are a variety of commission rates, other service income rates and types of policy. Moreover, there is uncertainty regarding cancellation of insurance policies during the coverage period. Therefore, there are risks with respect revenue being recognised at an inappropriate amount or earlier than appropriate.

I have examined the revenue recognition of the Group by

- Assessing and testing the effectiveness of the Group internal controls with respect to the recognition of brokerage income and other service income by making enquiry of responsible executives, gaining an understanding of controls and selecting representative samples to test the operation of designed controls of the Group.
- Applying a sampling method to select service agreements made between the Group and insurance companies to assess whether revenue recognition was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- Sending confirmation request to major insurance companies regarding brokerage income and other service income.
- On a sampling basis, examining supporting documents for revenue transactions occurring near the end of the accounting period.
- Performing analytical review of the brokerage income and other service income accounts with the rate specified in the agreements to detect any irregularities in revenue transactions throughout the period.



Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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



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

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

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

I am responsible for the audit resulting in this independent auditor's report.

A handwritten signature in black ink, which appears to read "Rosan J". The signature is written in a cursive, flowing style.

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 25 February 2019

Financial Statements **2018**

TQM Corporation Public Company Limited and its subsidiaries**(Formerly known as “TQM Corporation Company Limited”)****Statement of financial position****As at 31 December 2018**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets					
Current assets					
Cash and cash equivalents	7	848,332,394	539,470,194	280,103,992	20,466,911
Deposits at banks with restrictions	8	682,502,505	510,523,809	-	-
Current investments	9	1,120,089,070	5,195,089	1,100,087,252	-
Accrued service income and other receivables	6, 10	598,300,719	508,339,720	1,955,257	-
Dividend receivables		-	-	84,999,915	-
Other current assets	6, 11	37,392,595	51,262,849	269,199	46,167
Total current assets		3,286,617,283	1,614,791,661	1,467,415,615	20,513,078
Non-current assets					
Deposits at banks with restrictions	8	100,000,000	-	-	-
Deposits at banks - pledge as collateral	12	1,000,000	3,001,973	-	-
Long-term investments	13	289,552,224	85,090,281	123,646,325	-
Investment in subsidiaries	14	-	-	465,452,322	225,452,322
Investment in associate	15	645,075	1,200,000	1,200,000	1,200,000
Buildings and equipment	16	92,343,218	125,048,250	272,167	-
Intangible assets	17	9,216,737	10,606,578	153,168	-
Deferred tax assets	24	14,068,216	12,379,341	-	-
Other non-current assets	6	31,451,899	54,334,286	-	-
Total non-current assets		538,277,369	291,660,709	590,723,982	226,652,322
Total assets		3,824,894,652	1,906,452,370	2,058,139,597	247,165,400

The accompanying notes are an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
(Formerly known as “TQM Corporation Company Limited”)
Statements of financial position (continued)
As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Insurance premium payables and other payables	6, 18	1,170,781,431	1,089,348,942	22,752,212	501,217
Insurance premium received in advance		385,108,392	363,024,218	-	-
Income tax payable		20,949,212	-	-	-
Provision for short-term liabilities	19	10,457,973	6,226,290	-	-
Other current liabilities	6	34,278,875	19,680,631	1,057,328	20,326
Total current liabilities		1,621,575,883	1,478,280,081	23,809,540	521,543
Non-current liabilities					
Provision for long-term employee benefits	20	58,069,492	51,694,345	-	-
Total non-current liabilities		58,069,492	51,694,345	-	-
Total liabilities		1,679,645,375	1,529,974,426	23,809,540	521,543
Shareholders' equity					
Share capital	21				
Registered					
300,000,000 ordinary shares of Baht 1 each		300,000,000	225,000,000	300,000,000	225,000,000
(2017: 2,250,000 ordinary shares of Baht 100 each)					
Issued and fully paid-up					
300,000,000 ordinary shares of Baht 1 each		300,000,000	225,000,000	300,000,000	225,000,000
(2017: 2,250,000 ordinary shares of Baht 100 each)					
Premium on ordinary shares		1,606,753,420	-	1,606,753,420	-
Surplus on business combination under common control		67,932,017	67,932,017	-	-
Retained earnings					
Appropriated - statutory reserve	22	30,000,000	22,500,000	30,000,000	22,500,000
Unappropriated (deficit)		140,562,902	61,045,927	97,576,637	(856,143)
Equity attributable to owners of the Company		2,145,248,339	376,477,944	2,034,330,057	246,643,857
Non-controlling interest of the subsidiaries		938	-	-	-
Total shareholders' equity		2,145,249,277	376,477,944	2,034,330,057	246,643,857
Total liabilities and shareholders' equity		3,824,894,652	1,906,452,370	2,058,139,597	247,165,400

The accompanying notes are an integral part of the financial statements.

Directors

TQM Corporation Public Company Limited and its subsidiaries

(Formerly known as "TQM Corporation Company Limited")

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Service income					
Brokerage income		1,515,639,102	1,391,318,763	-	-
Other service income		985,474,567	866,488,928	-	-
Other income					
Dividend income	14	-	-	428,499,139	226,499,291
Interest income		18,536,116	17,770,315	690,633	158,165
Others		5,386,283	6,090,909	87,253	-
Total revenues		2,525,036,068	2,281,668,915	429,277,025	226,657,456
Expenses					
Service costs and expenses		1,287,356,352	1,172,209,502	-	-
Administrative expenses		736,420,194	775,210,972	6,094,245	2,527,015
Total expenses		2,023,776,546	1,947,420,474	6,094,245	2,527,015
Profit before share of loss from investment in associate and income tax expenses					
		501,259,522	334,248,441	423,182,780	224,130,441
Share of loss from investment in associate	15	(554,925)	-	-	-
Profit before income tax expenses		500,704,597	334,248,441	423,182,780	224,130,441
Income tax expenses	24	(96,435,823)	(65,941,438)	-	-
Profit for the year		404,268,774	268,307,003	423,182,780	224,130,441
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	20	-	(3,177,766)	-	-
Less: Income tax effect	24	-	635,553	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(2,542,213)	-	-
Other comprehensive income for the year		-	(2,542,213)	-	-
Total comprehensive income for the year					
		404,268,774	265,764,790	423,182,780	224,130,441
Profit attributable to:					
Equity attributable to owners of the Company		404,266,266	268,307,003	423,182,780	224,130,441
Non-controlling interests of the subsidiaries		2,508	-		
		404,268,774	268,307,003		
Total comprehensive income attributable to:					
Equity attributable to owners of the Company		404,266,266	265,764,790	423,182,780	224,130,441
Non-controlling interest of the subsidiaries		2,508	-		
		404,268,774	265,764,790		
Earnings per share	25		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		1.77	1.19	1.86	1.00
Weighted average number of ordinary shares (shares)		228,082,192	225,000,000	228,082,192	225,000,000

The accompanying notes are an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

(Formerly known as "TQM Corporation Company Limited")

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements								
	Equity attributable to owners of the Company					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Premium on ordinary shares	Surplus on business combination under common control	Retained earnings				
				Appropriated	Unappropriated			
Balance as at 1 January 2017	225,000,000	-	67,932,017	22,500,000	20,281,846	335,713,863	-	335,713,863
Net profit for the year	-	-	-	-	268,307,003	268,307,003	-	268,307,003
Other comprehensive income for the year	-	-	-	-	(2,542,213)	(2,542,213)	-	(2,542,213)
Total comprehensive income for the year	-	-	-	-	265,764,790	265,764,790	-	265,764,790
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	(709)	(709)
Dividend paid (Note 28)	-	-	-	-	(225,000,000)	(225,000,000)	-	(225,000,000)
Balance as at 31 December 2017	225,000,000	-	67,932,017	22,500,000	61,046,636	376,478,653	(709)	376,477,944
Balance as at 1 January 2018	225,000,000	-	67,932,017	22,500,000	61,046,636	376,478,653	(709)	376,477,944
Net profit for the year	-	-	-	-	404,266,266	404,266,266	2,508	404,268,774
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	404,266,266	404,266,266	2,508	404,268,774
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	(861)	(861)
Increase in share capital (Note 21)	75,000,000	1,606,753,420	-	-	-	1,681,753,420	-	1,681,753,420
Appropriated retained earnings to statutory reserve (Note 22)	-	-	-	7,500,000	(7,500,000)	-	-	-
Dividend paid (Note 28)	-	-	-	-	(317,250,000)	(317,250,000)	-	(317,250,000)
Balance as at 31 December 2018	300,000,000	1,606,753,420	67,932,017	30,000,000	140,562,902	2,145,248,339	938	2,145,249,277

The accompanying notes are an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries**(Formerly known as “TQM Corporation Company Limited”)****Statement of changes in shareholders' equity****For the year ended 31 December 2018**

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2017	225,000,000	-	22,500,000	13,416	247,513,416
Profit for the year	-	-	-	224,130,441	224,130,441
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	224,130,441	224,130,441
Dividend paid (Note 28)	-	-	-	(225,000,000)	(225,000,000)
Balance as at 31 December 2017	<u>225,000,000</u>	<u>-</u>	<u>22,500,000</u>	<u>(856,143)</u>	<u>246,643,857</u>
Balance as at 1 January 2018	225,000,000	-	22,500,000	(856,143)	246,643,857
Profit for the year	-	-	-	423,182,780	423,182,780
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	423,182,780	423,182,780
Increase in share capital (Note 21)	75,000,000	1,606,753,420	-	-	1,681,753,420
Appropriated retained earnings to statutory reserve (Note 22)	-	-	7,500,000	(7,500,000)	-
Dividend paid (Note 28)	-	-	-	(317,250,000)	(317,250,000)
Balance as at 31 December 2018	<u>300,000,000</u>	<u>1,606,753,420</u>	<u>30,000,000</u>	<u>97,576,637</u>	<u>2,034,330,057</u>

The accompanying notes are an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

(Formerly known as "TQM Corporation Company Limited")

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	500,704,597	334,248,441	423,182,780	224,130,441
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	49,822,634	49,646,157	28,960	-
Change in short-term provision	4,231,682	6,226,290	-	-
Doubtful debts accounts - insurance premium receivables (reversal)	(2,162,453)	3,976,069	-	-
Written-off bad debts	283,400	271,416	-	-
Doubtful debts accounts - other receivables	710,116	-	-	-
Long-term employee benefits expenses	8,327,707	6,555,778	-	-
Gains on disposal of equipment	(488,247)	(484,371)	-	-
Losses on written off equipment	222,083	4,469,490	-	-
Losses on written off withholding tax	4,582	1,335,549	4,582	321
Gains on change in fair value of trading securities	(87,252)	-	(87,252)	-
Share of loss from investment in associate	554,925	-	-	-
Dividend income	-	-	(428,499,139)	(226,499,291)
Interest income	(18,536,116)	(17,770,315)	(690,633)	(158,165)
Profit (loss) from operating activities before changes in operating assets and liabilities	543,587,658	388,474,504	(6,060,702)	(2,526,694)
Operating assets (increase) decrease				
Deposits at banks with restrictions	(271,978,696)	(96,786,226)	-	-
Accrued service income and other receivables	(87,820,984)	34,372,026	(42)	100,000
Other current assets	15,272,329	(17,386,844)	(223,872)	(46,167)
Other non-current assets	22,882,387	(18,886,093)	-	-
Operating liabilities increase (decrease)				
Insurance premium payables and other payables	68,388,882	(28,829,709)	349,878	277,842
Insurance premium received in advance	22,084,174	23,904,411	-	-
Other current liabilities	14,598,244	(17,963,243)	1,037,002	(11,603,855)
Cash paid for long-term employee benefits	(1,952,560)	-	-	-
Cash flows from (used in) operating activities	325,061,434	266,898,826	(4,897,736)	(13,798,874)
Cash received from withholding tax	-	30,831,941	-	-
Cash paid for income tax	(78,582,143)	(75,041,908)	(3,742)	-
Net cash flows from (used in) operating activities	246,479,291	222,688,859	(4,901,478)	(13,798,874)

The accompanying notes are an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
(Formerly known as “TQM Corporation Company Limited”)
Cash flow statement (continued)
For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments	(1,114,806,729)	20,330,784	(1,100,000,000)	-
Decrease in deposits at banks - pledge as collateral	2,001,973	2,092,695	-	-
Cash paid for long-term investments	(206,823,271)	(85,205,666)	(125,285,125)	-
Cash received from short-term loans to individual and related parties	-	341,343,050	-	-
Cash paid for purchase of investments in subsidiaries	-	-	(240,000,000)	-
Cash paid for purchases of investments in associate	-	(1,200,000)	-	(1,200,000)
Cash paid for acquisitions of building and equipment	(20,652,676)	(50,939,400)	(293,260)	-
Cash paid for acquisitions of intangible assets	(4,272,233)	(3,127,936)	(161,035)	-
Proceeds from disposal of equipment	605,803	619,467	-	-
Cash received from dividend income	-	-	343,499,224	226,499,291
Cash received from interest income	19,926,366	22,801,459	374,218	158,165
Net cash flows from (used in) investing activities	(1,324,020,767)	246,714,453	(1,121,865,978)	225,457,456
Cash flows from financing activities				
Proceeds from increase in share capital	1,725,000,000	-	1,725,000,000	-
Cash paid for direct costs related to the share offering	(21,345,463)	-	(21,345,463)	-
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	(861)	(709)	-	-
Cash paid for dividend	(317,250,000)	(225,000,000)	(317,250,000)	(225,000,000)
Net cash flows from (used in) financing activities	1,386,403,676	(225,000,709)	1,386,404,537	(225,000,000)
Net increase (decrease) in cash and cash equivalents	308,862,200	244,402,603	259,637,081	(13,341,418)
Cash and cash equivalents at beginning of year	539,470,194	295,067,591	20,466,911	33,808,329
Cash and cash equivalents at end of year (Note 7)	848,332,394	539,470,194	280,103,992	20,466,911
	-	-	-	-
Supplemental cash flows information				
Non cash transactions				
Increase (decrease) in payables from acquisition of equipment	(8,857,510)	6,025,003	-	-
Dividend receivables	-	-	84,999,915	-
Payables for direct costs related to the share offering	21,901,118	-	21,901,118	-

The accompanying notes are an integral part of the financial statements.

**TQM Corporation Public Company Limited and its subsidiaries
(Formerly known as “TQM Corporation Company Limited”)**

Notes to consolidated financial statements

For the year ended 31 December 2018

1. General information

TQM Corporation Public Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its parent company is Eternal Growth Corporation Company Limited, which was incorporated in Thailand

On 29 June 2018, TQM Corporation Company Limited registered as a Public Company Limited with the Ministry of Commerce and changed its name from “TQM Corporation Company Limited” to “TQM Corporation Public Company Limited”.

The Company is principally engaged in investment in companies that engaged in non-life insurance broker, life insurance broker, and provision of services as a manager, caregiver, collect benefits and property management for related parties. It also provides procurement and consulting services for computer software and hardware. The registered office of the Company is at No. 123, Soi Ladplakao 25, Ladplakao Road, Jorkaebua, Ladprao, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TQM Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> (Percent)	<u>2017</u> (Percent)
<u>Held by the Company</u>				
TQM Insurance Broker Company Limited	Non-life insurance broker	Thailand	100.00	100.00
TQM Life Insurance Broker Company Limited	Life insurance broker	Thailand	100.00	100.00
Casmatt Company Limited	Provision of services as a manager, caregiver, collect benefits and property management for related parties and provision of procurement and consulting services for computer software and hardware	Thailand	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standard that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the financial statements when it is initially applied.

c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Brokerage income

Brokerage income is recognised on the date the insurance policy comes into effect, net of discount, and services have been completed.

Other service income

Other service income is recognised when services have been rendered taking into account the stage of completion. In this regards, the Company and its subsidiaries recognised such income when there is highly certainty to receive the money.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividend income

Dividend income are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Accrued service income and other receivables

Accrued service income and other receivables are stated at the net realisable value. Allowance for doubtful debts accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The Company and its subsidiaries used weighted average method for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.5 Buildings and equipment/Depreciation

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Leasehold improvements	-	3,5,10 years
Furniture, fixtures and office equipment	-	5 years
Equipment and computer system	-	3,10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The Company and its subsidiaries amortised computer software as expenses in the comprehensive income using the straight-line method 3 years.

4.7 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company.

4.8 Long-term leases

Leases of land, building, and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.9 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the buildings and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments and they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.11 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Buildings and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review buildings and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Provision for the insurance policy cancellation

The subsidiary set up the provision for the insurance policy cancellation based on the percentage of the insurer whom terminate the insurance policy after it was effective. The subsidiary estimates the provision for cancellation of insurance policy from insured persons who are eligible for the cancellation during the effective period. The provision has been made based on the management past experience and/or currently available information regarding the cancellation of insurance policy by the eligible insured persons.

6. Related party transactions

The relationships between the Company and related parties are summarised below.

Name	Relationship
Eternal Growth Corporation Co., Ltd.	Parent company
TQM Insurance Broker Co., Ltd.	Subsidiary
TQM Life Insurance Broker Co., Ltd.	Subsidiary
Casmatt Co., Ltd.	Subsidiary
TQLD Co., Ltd.	Associate
Bangkok Insurance Public Co., Ltd.*	Shareholders
Assets Insurance Public Co., Ltd.*	Shareholders
Thaivivat Insurance Public Co., Ltd. *	Shareholders
The Viriyah Insurance Public Co., Ltd. *	Shareholders
Bangkok Life Insurance Public Co., Ltd. *	Shareholders
Muang Thai Insurance Public Co., Ltd.*	Shareholders
Muang Thai Life Insurance Public Co., Ltd.*	Shareholders
Brilliant Survey Co., Ltd.	Common shareholders and/or directors
Daradaily Co., Ltd.	Common shareholders and/or directors
Daradaily Tour Co., Ltd.	Common shareholders and/or directors
Daradaily Shopping Co., Ltd	Common shareholders and/or directors
The Perfect Group International Co., Ltd.	Common shareholders and/or directors
Beauty Lab Innovation (Thailand) Co., Ltd.	Common shareholders and/or directors
The Brilliant Deal Trading Co., Ltd.	Common shareholders and/or directors
The Premier Consumer Co., Ltd.	Common shareholders and/or directors
TQR Insurance Broker Co., Ltd.	Common shareholders and/or directors
Sripatum Education Co., Ltd.	Common directors

* Shareholders of the Company since 17 December 2018

During the years, the Company and its subsidiaries had significant business transactions with persons or related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

					(Unit: Million Baht)
	Consolidated		Separate		Transfer
	financial statements		financial statements		pricing policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with parent company</u>					
Interest income	-	0.1	-	-	2% per annum
Other income	0.1	-	-	-	Mutually agreed basis
Rental and service expenses	96.1	81.8	-	-	Contract price
Purchase of fixed assets	-	8.4	-	-	Mutually agreed basis
Dividend payment	215.3	-	215.3	-	As declared
<u>Transactions with related companies</u>					
Dividend received	-	-	428.5	226.5	As declared
Brokerage income	74.6	-	-	-	Mutually agreed basis
Other service income	68.1	-	-	-	Mutually agreed basis
Rental income	0.1	0.2	-	-	Contract price
Information technology service income	0.2	-	-	-	Contract price
Other income	0.9	0.2	-	-	Mutually agreed basis
Interest income	-	2.4	-	-	2% per annum
Purchase of fixed assets	-	-	0.1	-	Mutually agreed basis
Sales promotion expenses	22.1	51.6	-	-	Mutually agreed basis
Advertising expenses	11.0	6.3	-	-	Mutually agreed basis
Service expenses	3.0	16.8	0.2	-	Contract price
Training fee	0.1	-	-	-	Market price
<u>Transactions with related individual</u>					
Interest income	-	0.1	-	-	2% per annum
Dividend payment	101.9	-	101.9	-	As declared
Purchase of investment	-	1.2	-	1.2	Note 15.1

As at 31 December 2018 and 2017, the balances of the accounts between the Company and related parties are as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accrued other income - related parties (Presented as accrued service income and other receivables)					
Related companies (Shareholders)		245,705	-	-	-
Total		245,705	-	-	-
Other receivables - related parties (Presented as accrued service income and other receivables)					
Related companies (related by share holders and/or directors)		-	224	-	-
Total		-	224	-	-
Advances - related parties (Presented as other current assets)					
Related companies (related by share holders and/or directors)		-	58	-	-
Total		-	58	-	-
Prepayment - related parties (Presented as other current assets)					
Related companies (related by share holders and/or directors)		130	-	-	-
Total		130	-	-	-
Dividend receivables - related parties (Presented as dividend receivable)					
Subsidiary		-	-	85,000	-
Total		-	-	85,000	-
Rental deposit - related parties (Presented as other non-current assets)					
Parent company		19,071	40,707	-	-
Total		19,071	40,707	-	-
Insurance premium payables - related parties (Presented as insurance premium and other payables)					
Related companies (Shareholders)		665,837	-	-	-
Total		665,837	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Other payables - related parties (Presented as insurance premium and other payables)				
Parent company	1,254	1,328	-	-
Related companies (related by share holders and/or directors)	2,442	2,931	-	-
Total	3,696	4,259	-	-
Payables from purchase of asset - related parties (Presented as insurance premium and other payables)				
Parent company	-	8,420	-	-
Total	-	8,420	-	-
Accrued expenses - related parties (Presented as insurance premium and other payables)				
Related companies (related by share holders and/or directors)	2,475	35,981	-	-
Total	2,475	35,981	-	-
Deposits - related parties (Presented as other current liabilities)				
Related companies (related by share holders and/or directors)	-	150	-	-
Total	-	150	-	-

Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Seperated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	49,645	33,759	3,480	-
Post-employment benefits	4,122	3,062	-	-
Total	53,767	36,821	3,480	-

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	1,556	1,429	-	-
Banks deposits	846,776	538,041	280,104	20,467
Total cash and cash equivalents	848,332	539,470	280,104	20,467

As at 31 December 2018, banks deposits in saving accounts of the Company and its subsidiaries carried interests at rates between 0.10% and 1.35% per annum (2017: between 0.13% and 1.60% per annum).

8. Deposits at banks with restrictions

The outstanding balance represents deposits at banks with restrictions for premiums that the subsidiaries received from policy holders. The subsidiaries must submit these premiums to insurers, and not use or exploit from premiums or deduct any expenses as stated in the brokerage contracts, except for interest or other benefits arising from deposits.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
<u>Deposits at banks with restrictions within 1 year</u>		
Saving and current accounts	376,502	204,523
Fixed deposits	306,001	306,001
Total	682,503	510,524
<u>Deposits at banks with restrictions over 1 year</u>		
Fixed deposits	100,000	-
Total	100,000	-
Total deposits at banks with restrictions	782,503	510,524

9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Current investments</u>				
Fixed deposits with an original maturity over three months but less than one year	400,002	-	5,195	-
Trading securities				
Unit trusts	700,000	700,087	-	-
Add: Unrealised gain	87	-	-	-
Total trading securities	700,087	700,087	-	-
Held-to-maturity investments				
Debts securities due within 1 year	20,000		-	
Total held-to-maturity investments	20,000		-	
Total current investments	1,120,089		5,195	

(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Current investments</u>				
Fixed deposits with an original maturity over three months but less than one year	400,000	-	-	-
Trading securities				
Unit trusts	700,000	700,087	-	-
Add: Unrealised gain	87	-	-	-
Total trading securities	700,087	700,087	-	-
Total current investments	1,100,087		-	

As at 31 December 2018, current investments of the Company and its subsidiaries carried interests at rates between 0.80% and 3.20% per annum (2017: between 0.80% and 1.60% per annum).

10. Accrued service income and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Accrued service income - related parties</u>				
Aged on the basis of due dates				
Not yet due	209,536	-	-	-
Past due				
1 - 90 days	34,536	-	-	-
91 - 180 days	720	-	-	-
181 - 365 days	294	-	-	-
Over 365 days	619	-	-	-
Total accrued service income - related parties	<u>245,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Accrued service income - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	52,157	203,922	-	-
Past due				
1 - 90 days	6,538	23,077	-	-
91 - 180 days	165	1,174	-	-
181 - 365 days	56	2,119	-	-
Over 365 days	170	1,061	-	-
Total accrued service income - unrelated parties	<u>59,086</u>	<u>231,353</u>	<u>-</u>	<u>-</u>
Total accrued service income	<u>304,791</u>	<u>231,353</u>	<u>-</u>	<u>-</u>
<u>Insurance premium receivables - unrelated parties</u>				
Aged on the basis of effective dates in policy				
Not yet due	62,887	39,992	-	-
Past due				
1 - 45 days	214,774	212,656	-	-
46 - 90 days	7,086	11,649	-	-
91 - 180 days	1,326	7,845	-	-
181 - 365 days	1,141	864	-	-
Over 365 days	665	525	-	-
Total insurance premium receivables	<u>287,879</u>	<u>273,531</u>		-
Less: Allowance for doubtful debts accounts	<u>(1,814)</u>	<u>(3,976)</u>	<u>-</u>	<u>-</u>
Total insurance premium receivables, net	<u>286,065</u>	<u>269,555</u>	<u>-</u>	<u>-</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Other receivables</u>				
Interest receivables - unrelated parties	3,976	3,005	1,955	-
Other receivables - related parties	-	224	-	-
Other receivables - unrelated parties	1,371	1,085	-	-
Total other receivables	5,347	4,314	1,955	-
Less: Allowance for doubtful debts accounts	(710)	-	-	-
Total other receivables - net	4,637	4,314	1,955	-
Loan to employee	2,808	3,117	-	-
Total accrued service income and other receivables	598,301	508,339	1,955	-

As at 31 December 2018 and 2017, Loan to employee of the Company and its subsidiary carried interest at rate 12% per annum. The contract period is effective for one year.

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Prepaid expenses - related parties	130	-	-	-
Prepaid expenses - unrelated parties	24,904	35,392	265	-
Advances - related parties	-	57	-	-
Advances - unrelated parties	1,101	5,862	-	-
Supplies	5,041	5,215	-	-
Revenue Department receivables	6,217	4,737	4	46
Total other current assets	37,393	51,263	269	46

12. Deposits at banks - pledge as collateral

12.1 As at 31 December 2017, the subsidiary used fixed deposits amounting to Baht 1.5 million (2018: Nil) to maintain the required capital for its non-life insurance broker business under the Insurance Act B.E. 2535.

12.2 As at 31 December 2018 and 2017, the subsidiary used fixed deposits amounting to Baht 1 million to maintain capital in accordance with the Notification of the Office of Insurance Commission B.E. 2554 regarding the rules and conditions for the issue and renewal of a license to operate as a life insurance broker, whereby the subsidiary is required to maintain capital equal to not less than 0.25% of net brokerage revenues of the preceding fiscal year and not less than Baht one million throughout the time that it is licensed as a life insurance broker.

12.3 As at 31 December 2017, the subsidiary has saving deposits amounting Baht 0.5 million (2018: Nil) to secure letters of guarantee issued by banks on behalf of the subsidiary.

13. Long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Seperated financial statements	
	Amortised cost		Amortised cost	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Investments in held-to-maturity debt securities				
Government bonds	50,387	50,435	-	-
Debentures	239,165	34,655	123,646	-
Total long-term investments	289,552	85,090	123,646	-

As at 31 December 2018, long-term investments consist of debentures and government bonds, carried interests at rates between 2.13% and 4.80% per annum (2017: between 2.13% and 3.95% per annum) which matured within December 2026.

As at 31 December 2018, the subsidiary had government bonds amounting to Baht 50 million (2017: Nil) to maintain the required capital for its non-life insurance broker business under the Insurance Act B.E. 2535.

As at 31 December 2017, debentures amounting to Baht 20 million (2018: Nil) have restricted to use for the insurance premiums that the subsidiary received from policy holders. The subsidiary must submit these premiums to insurers, and not use or exploit from premiums or deduct any expenses as stated in the brokerage contracts.

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during	
							the year	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
TQM Insurance Broker								
Company Limited	400,000	200,000	100	100	410,000	210,000	411,000	209,000
TQM Life Insurance Broker								
Company Limited	50,000	10,000	100	100	50,301	10,301	12,500	10,000
Casmatt Company Limited	5,000	5,000	100	100	5,151	5,151	4,999	7,499
Total					465,452	225,452	428,499	226,499

TQM Insurance Broker Company Limited

On 6 December 2018, the Extraordinary General Meeting of shareholders of TQM Insurance Broker Company Limited passed a resolution to approve an increase in the registered share capital from Baht 200 million to Baht 400 million, through the issuance of additional 2 million ordinary shares with a par value of Baht 100 each. The Company made full payment of such shares and TQM Insurance Broker Company Limited registered the increase of its share capital with the Ministry of Commerce on 17 December 2018.

TQM Life Insurance Broker Company Limited

On 6 December 2018, the Extraordinary General Meeting of shareholders of TQM Life Insurance Broker Company Limited passed a resolution to approve an increase in the registered share capital from Baht 10 million to Baht 50 million, through the issuance of additional 0.4 million ordinary shares with a par value of Baht 100 each. The Company made full payment of such shares and TQM Life Insurance Broker Company Limited registered with the increase of its share capital the Ministry of Commerce on 17 December 2018.

15. Investments in associates

15.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
TQLD Company Limited	Provide advice or services by using electronic media through the internet	Thailand	40	40	1,200	1,200	645	1,200
Total					1,200	1,200	645	1,200

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
TQLD Company Limited	Provide advice or services by using electronic media through the internet	Thailand	40	40	1,200	1,200	1,200	1,200
Total					1,200	1,200	1,200	1,200

As at 27 December 2017, the Company purchased 12,000 ordinary shares of TQLD Company Limited at a price of Baht 100 per share from the related individual, or a total of Baht 1.2 million, representing 40% of the registered share capital of such company.

15.2 Share of comprehensive income and dividend received

During the year, the Company recognised its share of loss from investment in associated company in the consolidated financial statements as follows:

		(Unit: Thousand Baht)	
		Consolidated	
		financial statements	
		Share loss from investment	
		in associated company	
		For the year ended 31 December	
		<u>2018</u>	<u>2017</u>
Associated company			
TQLD Company Limited		555	-
Total		555	-

During the years 2018 and 2017, the Company did not receive dividend income from its associated company.

16. Buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Buildings	Building improvement	Furniture, fixtures and office equipment	Equipment and computer system	Motor vehicles	Assets under installation	Total
Cost							
1 January 2017	8,234	102,354	185,745	129,665	39,957	6,956	472,911
Additions	-	7,218	6,982	8,737	8,420	25,683	57,040
Disposals/Write-off	(6,475)	(7,617)	(6,808)	(697)	(7,290)	-	(28,887)
Transfers in (out)	-	29,930	2,396	-	-	(32,326)	-
31 December 2017	1,759	131,885	188,315	137,705	41,087	313	501,064
Additions	-	838	3,584	4,698	1,669	1,006	11,795
Disposals/Write-off	-	-	(4,442)	(3,311)	(1,595)	-	(9,348)
Transfers in (out)	-	613	93	-	-	(706)	-
31 December 2018	1,759	133,336	187,550	139,092	41,161	613	503,511
Accumulated depreciation:							
1 January 2017	3,969	59,231	146,951	110,508	36,130	-	356,789
Depreciation for the year	475	16,130	12,760	11,298	2,174	-	42,837
Depreciation on disposals/Write-off	(3,307)	(6,474)	(5,847)	(692)	(7,290)	-	(23,610)
31 December 2017	1,137	68,887	153,864	121,114	31,014	-	376,016
Depreciation for the year	352	17,147	11,935	10,021	4,706	-	44,161
Depreciation on disposals/Write-off	-	-	(4,109)	(3,305)	(1,595)	-	(9,009)
31 December 2018	1,489	86,034	161,690	127,830	34,125	-	411,168
Net book value:							
31 December 2017	622	62,998	34,451	16,591	10,073	313	125,048
31 December 2018	270	47,302	25,860	11,262	7,036	613	92,343
Depreciation for the year							
2017 (Included in administrative expenses)							42,837
2018 (Included in administrative expenses)							44,161

(Unit: Thousand Baht)

	Separate financial statements		
	Furniture, fixtures and office equipment	Equipment and computer system	Total
Cost			
31 December 2017	-	-	-
Additions	20	273	293
31 December 2018	20	273	293
Accumulated depreciation:			
31 December 2017	-	-	-
Depreciation for the year	1	20	21
31 December 2018	1	20	21
Net book value:			
31 December 2017	-	-	-
31 December 2018	19	253	272
Depreciation for the year			
2017 (Included in administrative expenses)			-
2018 (Included in administrative expenses)			21

As at 31 December 2018, certain buildings and equipment items of the subsidiaries were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 278.1 million (2017: Baht 250.6 million).

17. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Computer software - at cost	62,341	58,069	161	-
Amortisation expense	(53,124)	(47,462)	(8)	-
Net book value at end of year	9,217	10,607	153	-

A reconciliation of the net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	10,607	14,288	-	-
Addition	4,272	3,128	161	-
Amortisation expense	(5,662)	(6,809)	(8)	-
Net book value at end of year	9,217	10,607	153	-

18. Insurance premium and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Insurance premium payables - related parties	665,837	-	-	-
Insurance premium payables - unrelated parties	233,163	823,867	-	-
Other payables - related parties	3,696	4,259	-	-
Other payables - unrelated parties	104,413	77,778	22,247	6
Payables from purchase of assets - related parties	-	8,420	-	-
Payables from purchase of assets - unrelated parties	322	765	-	-
Accrued expenses - related parties	2,475	35,981	-	-
Accrued expenses - unrelated parties	160,876	138,278	505	495
Total insurance premium and other payables	1,170,781	1,089,349	22,752	501

19. Short-term provision

	(Unit: Thousand Baht)
	Provision for
	cancellation of insurance policy
As at 1 January 2018	<u>6,226</u>
Change during the year	<u>4,232</u>
As at 31 December 2018	<u>10,458</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Defined benefit obligation at beginning of year	51,694	41,961
Included in profit or loss:		
Current service cost	6,542	4,991
Interest cost	1,785	1,564
Included in other comprehensive income:		
Actuarial losses arising from		
Demographic assumptions changes	-	1,055
Financial assumptions changes	-	(4,098)
Experience adjustments	-	6,221
Benefit paid during the year	(1,952)	-
Provision for long-term employee benefits at end of year	<u>58,069</u>	<u>51,694</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Cost and expenses of services	2,365	1,650
Administrative expenses	5,962	4,905
Total expenses included in the profit or loss	<u>8,327</u>	<u>6,555</u>

As at 31 December 2018, the subsidiaries expect to pay Baht 4.2 million of long-term employee benefits during the next year (2017: Baht 2.1 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 3 - 23 years (2017: 3 - 23 years).

Significant actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)
Discount rate	1.6 - 3.1	1.6 - 3.1
Salary increase rate	5.1 - 7.6	5.1 - 7.6
Turnover rate	0.0 - 49.0	0.0 - 49.0

The results of sensitivity analysis for significant assumptions that affect the present value of long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	As at 31 December 2018	
	<u>Increase</u>	<u>Decrease</u>
Discount rate (+/- 0.5%)	(2,750)	2,968
Salary increase rate (+/- 0.5%)	3,094	(2,894)
Turnover rate (+/- 0.5%)	(3,339)	1,304

	(Unit: Thousand Baht)	
	Consolidated	
	financial	
	statements	
	As at 31 December 2017	
	<u>Increase</u>	<u>Increase</u>
Discount rate (+/- 0.5%)	(2,567)	2,776
Salary increase rate (+/- 0.5%)	2,629	(2,462)
Turnover rate (+/- 0.5%)	(2,838)	1,089

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 13 million (The Company only: Nil). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective

21. Share capital

21.1 On 27 June 2018, the Extraordinary General Meeting of the Company's shareholders No. 2/2018 passed the following resolutions.

- a) Approval of the conversion of the Company to a public limited company and the change of the Company's name to "TQM Corporation Public Company Limited".
- b) Approval of a change in the par value of the Company's ordinary shares from Baht 100 per share to Baht 1 per share, such that the Company's registered share capital of Baht 225 million would comprise 225 million ordinary shares at par value of Baht 1 each.
- c) Approval of an increase in the Company's registered capital, from Baht 225 million to Baht 300 million, through the issuance of 75 million additional ordinary shares with a par value of Baht 1 each. The allocations of the new shares are as follows.
 - Allocation of 63.75 million ordinary shares to an initial public offering (IPO)
 - Allocation of 11.25 million ordinary shares to be offered to the Company's management and/or employees according to the Company's employee stock option plan (ESOP) at a price equal to the IPO price.
- d) Approval of the listing of the Company's shares on the Stock Exchange of Thailand.

The Company registered the conversion of the Company, the change in the par value of ordinary shares, and the increase in its registered capital with the Ministry of Commerce on 29 June 2018.

21.2 During 12 - 14 December 2018, the Company offered 75.0 million new ordinary shares at a price of Baht 23.0 per share to the public, the Company's management and/or employees. The Company received full payment for the shares on 17 December 2018. In addition, direct expenses related to the offering of shares, amount of Baht 43.2 million has been shown by deducting from the premium on ordinary shares.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 17 December 2018.

The Stock Exchange of Thailand approved the Company's ordinary shares as listed securities on the Stock Exchange of Thailand and permitted their trading on 20 December 2018.

Reconciliation of registered share capital and issued and fully paid-up share capital

(Unit: Share)

	Consolidated and Separate financial statements
Share capital as at 1 January 2018	2,250,000
Increase due to change in par value	222,750,000
Increase in share capital during the year	75,000,000
Share capital as at 31 December 2018	300,000,000

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	913,829	849,360	-	-
Sales commission and sale promotion expenses	542,867	516,861	-	1
Depreciation and amortisation expenses	49,823	49,646	29	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Rental expenses from operating lease agreements	61,377	59,726	-	-
Service expenses	44,573	40,216	45	-
Repair & maintenance expenses	11,692	13,255	-	-
IT consulting expenses	1,362	-	-	-

24. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	98,125	69,293	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,689)	(3,352)	-	-
Income tax expense reported in the statement of comprehensive income	<u>96,436</u>	<u>65,941</u>	<u>-</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial losses	-	(636)
Income tax revenue reported in the statement of comprehensive income	<u>-</u>	<u>(636)</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>500,705</u>	<u>334,248</u>	<u>423,183</u>	<u>224,130</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	100,141	66,850	84,637	44,826
Temporary differences and unused tax losses which deferred tax assets have not been recognised	9,887	-	9,776	474
Effects of:				
Exempt dividend income	-	-	(85,700)	(45,300)
Non-deductible expenses	3,703	7,926	14	-
Additional expense deductions allowed	<u>(17,295)</u>	<u>(8,835)</u>	<u>(8,727)</u>	<u>-</u>
Income tax expense reported in the statement of comprehensive income	<u>96,436</u>	<u>65,941</u>	<u>-</u>	<u>-</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Provision for long-term employee benefits	11,614	10,339
Allowance for doubtful debts accounts	363	795
Provision for the cancellation of insurance policy	<u>2,091</u>	<u>1,245</u>
Total	<u>14,068</u>	<u>12,379</u>

As at 31 December 2018, the Company has temporary differences and unused tax losses totaling Baht 52.17 million (2017: Baht 2.74 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of temporary differences and unused tax losses.

The unused tax losses amounting to Baht 51.62 million will expire by year of 2023.

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the years attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The Company adjusted the number of ordinary shares of the previous periods, presented herein as comparative purpose, for earnings per share calculation purpose as a result of the change in the par value as discussed in Note 21, as if such change in the par value had occurred at the beginning of the reporting period.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		(Restated)
Profit attributable to equity holders				
of the Company (Thousand Baht)	404,266	268,307	423,183	224,130
Weighted average number of				
ordinary shares (Thousand shares)	228,082	225,000	228,082	225,000
Earnings per share (Baht/share)	1.77	1.19	1.86	1.00

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Non-life insurance broker
- Life insurance broker
- Consulting service for computer business

The Company and its subsidiaries have not aggregated the above operating segments.

The chief operating decision maker monitors the operating results of the business units separately for making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017.

(Unit: Thousand Baht)

For the year ended 31 December 2018	Non-life insurance broker	Life insurance broker	Consulting service for computer business	Others	Total segments	Elimination	Consolidated financial statements
Revenue from external customers	2,434,445	66,371	298	-	2,501,114	-	2,501,114
Inter-segment revenue	-	-	54,199	-	54,199	(54,199)	-
Interest income	17,505	297	50	691	18,543	(7)	18,536
Depreciation and amortisation	49,487	65	242	29	49,823	-	49,823
Income tax expense	93,487	1,778	1,171	-	96,436	-	96,436
Segment profit (loss)	398,372	6,963	4,805	(5,316)	404,824	(555)	404,269
Segment total assets	2,212,861	88,230	18,710	1,592,687	3,912,488	(87,593)	3,824,895
Addition to non-current assets other than financial instruments and deferred tax assets	15,151	10	452	454	16,067	-	16,067
Investment in associate accounted for by the equity method	-	-	-	645	645	-	645
Segment total liabilities	1,705,937	29,463	7,475	23,809	1,766,684	(87,039)	1,679,645

(Unit: Thousand Baht)

For the year ended 31 December 2017	Non-life insurance broker	Life insurance broker	Consulting service for computer business	Others	Total segments	Elimination	Consolidated financial statements
Revenue from external customers	2,153,141	56,723	47,944	-	2,257,808	-	2,257,808
Inter-segment revenue	-	-	5,632	-	5,632	(5,632)	-
Interest income	17,138	383	91	158	17,770	-	17,770
Depreciation and amortisation	49,150	272	224	-	49,646	-	49,646
Income tax expense	62,863	1,837	1,241	-	65,941	-	65,941
Segment profit (loss)	258,791	6,954	4,931	(2,369)	268,307	-	268,307
Segment total assets	1,811,240	63,216	18,801	21,713	1,914,970	(8,518)	1,906,452
Addition to non-current assets other than financial instruments and deferred tax assets	21,861	1,039	1,231	-	24,131	-	24,131
Investment in associate accounted for by the equity method	-	-	-	1,200	1,200	-	1,200
Segment total liabilities	1,491,687	38,913	7,371	521	1,538,492	(8,518)	1,529,974

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year ended 31 December 2018, the Company and its subsidiaries have revenue from major customers (the amount of revenue is equal or over 10%) in amount of Baht 1,455 million derived from 4 major customers (2017: 2 major customer in amount of Baht 1,000 million), arising from revenue by the non-life insurance segment.

27. Provident fund

During the current year, the subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the subsidiaries and employees contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 December 2018, the subsidiaries contributed Baht 17.1 million (2017: Baht 15.2 million).

28. Dividends

Dividends	Approved by	Total dividend paid (Thousand Baht)	Dividend per share (Baht per share)
Interim dividends from operating results up to 30 June 2017	Extraordinary General Meeting of the shareholders on 14 September 2017	225,000	100.00
Total dividend for year 2017		<u>225,000</u>	
Interim dividends from operating results for 1 January 2018 to 31 March 2018	Annual General Meeting of shareholder on 30 April 2018	101,250	45.00
Interim dividends from operating results for 1 January 2018 to 14 August 2018	Board of Directors' meeting on 14 August 2018	114,750	0.51

Dividends	Approved by	Total dividend paid (Thousand Baht)	Dividend per share (Baht per share)
Interim dividends from operating results for 1 January 2018 to 14 November 2018	Board of Directors' meeting on 14 November 2018	101,250	0.45
Total dividend for year 2018		317,250	

29. Commitments and contingent liabilities

29.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of land, office building space, motor vehicles and equipments. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under operating lease agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
Payment				
Within 1 year	56	60	-	-
In over 1 and up to 5 years	39	85	-	-

During the year 2018, the Company and its subsidiaries recognised rental expenses of Baht 61.4 million. (2017: Baht 59.2 million)

29.2 Buildings service agreements commitments

The subsidiaries have entered into buildings service agreements with a related party. Under these agreements, the subsidiaries are committed to pay monthly service fee on the basis as specified in the agreements. During the year 2018, the subsidiaries recognised the service fee under these agreements as expenses amounting to Baht 38.2 million (2017: Baht 29.1 million).

29.3 Other service commitments

As at 31 December 2018, the subsidiaries has entered other service agreements. Future minimum lease payments required under these service agreements were amounting to Baht 4.5 million (the Company only: Baht 0.2 million) (2017: Baht 1.2 million, the Company only: Nil).

29.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 10.1 million (2017: Baht 2.6 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.

30. Litigations

As at 31 December 2018, a subsidiary has the legal case with ordinary person sued the subsidiary as a co-defendant for damages relating to a failure to comply with insurance agent agreements. The amount in dispute under this case totaled Baht 0.6 million. This case is currently under consideration of the Court of First Instance. The subsidiary is conducting a negotiation with the plaintiff.

The management of the subsidiary believes that there will be no material effects arising from the above case. The subsidiary therefore did not set aside a provision for liability arising from legal case in the financial statements. The subsidiary has insured the liability with an insurance company and has claimed for compensation from the insurance company.

31. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets that measured or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair values				
Current investments				
Unit trusts	-	700.1	-	700.1
Assets disclosed at fair values				
Current investments				
Debts securities - maturity within				
1 year	-	20.1	-	20.1
Long-term investments				
Debts securities	-	287.9	-	287.9

Separated financial statements				
31 December 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair values				
Current investments				
Unit trusts	-	700.1	-	700.1
Assets disclosed at fair values				
Long-term investments				
Debts securities	-	124.1	-	124.1

(Unit: Million Baht)

Consolidated financial statements				
31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets disclosed at fair values				
Long-term investments				
Debts securities	-	86.1	-	86.1

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at banks with restrictions, current investment, accrued service income and other receivables, deposits at banks – pledge as collateral, long-term investments, insurance premium payables and other payables, and insurance premium received in advance. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to accrued service income and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of accrued service income and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits at financial institutions, current investments and long-term investments. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2018						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	844	4	848	Note 7
Deposits at banks with restrictions	406	-	-	377	-	783	0.10 - 1.90
Current investments	420	-	-	-	700	1,120	Note 9
Accrued service income and other receivables	-	-	-	-	598	598	-
Bank deposits - pledge as collateral	1	-	-	-	-	1	1.65
Long-term investments	-	75	215	-	-	290	Note 13
Financial liabilities							
Insurance premium and other payables	-	-	-	-	1,171	1,171	-
Insurance premium received in advance	-	-	-	-	385	385	-

(Unit: Million Baht)

Consolidated financial statements							
31 December 2017							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	533	6	539	Note 7
Deposits at banks with restrictions	306	-	-	205	-	511	0.13 - 1.70
Current investments	5	-	-	-	-	5	Note 9
Accrued service income and other receivables	-	-	-	-	508	508	-
Bank deposits - pledge as collateral	2.5	-	-	0.5	-	3	0.13 - 1.60
Long-term investments	-	24	61	-	-	85	Note 13

Financial liabilities

Insurance premium and other payables	-	-	-	-	1,089	1,089	-
Insurance premium received in advance	-	-	-	-	363	363	-

(Unit: Million Baht)

Separate financial statements							
31 December 2018							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	280	-	280	Note 7
Current investments	400	-	-	-	700	1,100	Note 9
Accrued service income and other receivables	-	-	-	-	2	2	-
Long-term investments	-	-	124	-	-	124	Note 13
Financial liabilities							
Insurance premium and other payables	-	-	-	-	23	23	-

(Unit: Million Baht)

	Separate financial statements						
	31 December 2017						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	20	-	20	Note 7

Foreign currency risk

The Company and its subsidiaries have no exposure to foreign currency risk because their financial transactions are in Baht currency.

32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position, except investments which fair value are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2018		As at 31 December 2017	
	Book Value	Fair Value	Book Value	Fair Value
Current investments				
Unit trusts	700.1	700.1	-	-
Debts securities - maturity				
within 1 year	20.0	20.1	-	-
Long-term investments				
Debts securities	289.5	287.9	85.1	86.1

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018		As at 31 December 2017	
	Book Value	Fair Value	Book Value	Fair Value
Current investments				
Unit trusts	700.1	700.1	-	-
Long-term investments				
Debts securities	123.6	124.1	-	-

The methods and assumptions used by the Company and subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at banks with restrictions, current investments, accrued service income and other receivables, deposits at banks – pledge as collateral, insurance premium payables and other payables and insurance premium received in advance, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For unit trusts, their fair value is determined by using the net asset value announced by asset management company.

During the current year, there were no transfers within the fair value hierarchy.

33. Capital management

The primary objective of the Company and its subsidiaries capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.783:1 (2017: 4.064:1) and the Company's was 0.012:1 (2017: 0.002:1).

34. Event after the reporting period

On 25 February 2019, the meeting of Board of Directors passed a resolution to approve a dividend payment from operating results from 1 January 2018 to 31 December 2018 at Baht 0.30 per share, or a total of Baht 90 million, by determining the list of shareholders whom entitled to receive dividends on 12 March 2019, and dividends payment on 10 May 2019. The dividend is to be proposed to to the Annual General Meeting of shareholders for approval.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2019.

Insurance Leader



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