



The  
**SMART  
LOGISTICS**  
Solution







## Vision

"To be Thailand's leading end-to-end global logistics service provider with sustainable growth and the first company of choice in customer and employee's mind."



## LEO Core Values

**L**

**Leading** with ethics  
and integrity

**E**

**Excellence** teamwork  
with service mind

**O**

**Open** for continuous  
learning and improvement

## The Board of Directors



01

**Mr. Sanee Dangwung**

Chairman of the Board of Directors / Independent Director



02

**Mr. Kettivit Sittisoontornwong**

Vice Chairman of the Board of Directors / Chairman of the Executive Committee / Chief Executive Officer



03

**Mr. Viwat Limsakdakul**

Independent Director / Chairman of the Audit Committee



04

**Mr. Woragan Xuto**

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



05

**Mr. Teerachai Chemnasiri**

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



06

**Mr. Paiboon Sumranputi**

Independent Director / Member of the Nomination and Remuneration Committee



07

**Mr. Apichart Lee-issaranukul**

Independent Director / Member of the Nomination and Remuneration Committee



08

**Mr. Surasit Asavasakseri**

Director / Chief Operating Officer



09

**Miss Sripri Eakwichit**

Director / Chief Operating Officer





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# Message from the Board of Directors

Dear Shareholders:

The year 2020 we started facing the coronavirus (COVID-19) pandemic has made 2020 an extremely challenging year, affecting all sectors of the global economy, and Thailand's economy is no exception. After the COVID-19 spread has been curbed at a satisfactory level, Thailand's export sector has gradually picked up and expanded with better-than-expected positive results at the end of the year. However, the industry had to face problems concerning shortage of containers and higher freight charges both by sea and by air, including the appreciation of the baht which is another factor that directly affects international freight forwarders.

The Board of Directors of Leo Global Logistics Public Company Limited (LEO) has closely monitored the situation that may affect the Company's business operations and personnel, and has adjusted the business strategies to be appropriate and in line with the changing situation at all times, in order to cope with the changes that may occur and reduce the risks from the economic volatility. In addition, the Company has set up an innovative strategy to expand the Company's service business in order to respond to the needs of customers more comprehensively and inclusively. We enhanced our service for core customers, while expanding the service to new entrepreneurs among potential exporters and importers. Moreover, we have business partners both at home and abroad. Significantly, being listed on MAI will benefit the expansion of the Business Plan according to the IPO financial plan as disclosed in the prospectus.

The Company has turned the problems and obstacles into opportunities, and in 2020 we managed to grow with dynamic operating results, with a net profit of THB 57.8 million, a 24% increase compared to 2019, breaking the record for the highest profitability since the establishment of the Company.

On behalf of the Board of Directors, Executives and employees of Leo Global Logistics Public Company Limited, we would like to thank all our shareholders for the continued trust and support. We confirm our intention to operate business under the principles of environmental, social and good corporate governance (ESG) aspects towards sustainability, taking into consideration the rights of all stakeholders inclusively, and are committed to achieving the set goals so as to become a leader in integrated end-to-end logistics in Thailand and ASEAN.



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**Mr. Sanee Dangwung**

Chairman of the Board of Directors



# Message from the Chief Executive Officer

Dear Shareholders:

The year 2020 was an auspicious year for Leo Global Logistics Public Company Limited (LEO) as we became a listed company on Market for Alternative Investment (MAI), a subsidiary of The Stock Exchange of Thailand (SET) on November 5, 2020, significantly considered another landmark of success in LEO's growth, and then shortly after that we celebrated the 30th Anniversary in January 2021.

Throughout the past 30 years, the Company has been one of the pioneers committed to continuously developing and expanding various logistics services. At present the company is recognized as an End-to-End Global Logistics Service provider embracing business partners with the ability to provide one-stop logistics services and sea & air freight forwarding services in 190 countries around the world. Notably, since 2014 onwards continuously, LEO is the only End-to-End Logistics firm to receive the Prime Minister Export (PM) Award in the category of Best Service Enterprise-Logistics, and Excellent Logistics Management (ELMA) Award in the field of Third-Party Logistics Services (3PL), as well as in the field of International Freight Forwarding.

The multitude of problems faced by almost all industries globally in 2020 due to the spread of the coronavirus (COVID-19) pandemic is evident in all the supply chains. Never before have we seen higher freight and airline freight adjustments due to the limited number of vessels and airline flights, including the shortage of containers usage for transport. All these factors had direct impact on Thai importers and exporters, especially in the third and fourth quarters of 2020 and may continue to affect in Q1-Q2 of this year (2021).

In this trouble time, Leo do not view this effect to our business operations. We capitalized the opportunity to expand our business and services due to the continued demand for exports and imports of Thailand in 2020. The Company's strength in having good relationship with shipping lines and airlines has enabled us to negotiate with business partners until we have gained space for transportation to serve our customers satisfactorily. Our new customers increased at 10% mainly from exporters who could not find

available space from their own service providers. LEO can offer services and solutions, enabling customers to export and import their products continuously. We have gained trust from customers and have enlarged services significantly in response to their needs. The Company's operating results in 2020 recorded the highest profit since we started our business.

For the year 2021, the Company forecasts positive growth due to the continuous volume of shipping requirements of exporters and importers, especially exporting to countries in the zones of Asia, US and Europe, the trade lanes that we are strong in servicing. The quantity of imports and exports is expected to be increasingly higher until the end of 2021.

Moving forward into 2021, all LEO executives are well-prepared and well-equipped for the new normal way of life and doing a more challenging business. We have adjusted the strategy and business plans in sales and services, including risk assessment management to ensure business continuity. In addition, we operate business by adhering to the principles of good governance and best practice, placing importance on stakeholders, and taking into consideration the anti-corruption process and social responsibility.

On behalf of Leo Global Logistics Public Company Limited (LEO), I would like to thank our shareholders, customers, business partners and all benefactors for your trust and confidence in LEO. May I also thank all the Executives and employees for your inputs in overcoming the problems and obstacles together smoothly. We will grow stronger every year. The Company is committed to being a leading organization in the logistics business, in line with the corporate vision that LEO will be a leading End-to-End Logistics Service Provider in Thailand with networks globally, with sustainable growth, and the first company of choice for customers and employee's mind.



Mr. Kettivit Sittisoontornwong  
Chief Executive Officer

# Report of the Audit Committee

Dear Shareholders:

The Audit Committee is an independent committee set up with the objective to assist the Board of Directors in performing regulatory & supervisory duties regarding the accuracy of financial reports, internal control system efficiency, and compliance with laws, regulations including various codes of conduct in order to promote good corporate governance.

In 2020, the Audit Committee arranged a total of 6 meetings, with details of meeting attendance as follows:

Name / Last name	Position	Number of Attendances / Number of Meetings
1. Mr. Viwat Limsakdakul	Chairman of the Audit Committee	5/6
2. Mr. Woragan Xuto	Audit Committee Member	5/6
3. Mr. Teerachai Chemnasiri	Audit Committee Member	6/6

Details of the key operations can be summarized as follows:

## 1. Review of the financial reports

In reviewing the financial statements for the year 2019 and the quarterly financial statements for the year 2020, the Audit Committee expressed the opinion that the Company's financial report has been prepared in accordance with the financial reporting standards having accurate, complete and reliable disclosure of information, and that the auditor has performed his duties appropriately in compliance with the standards of the auditing profession.

## 2. Review of the internal control system and internal audit system

The Audit Committee rendered opinions that the Company has adequate internal control system that helps prevent and mitigate possible material risks, while operating in accordance with the specified internal control system. In addition, the Audit Committee has reviewed and approved the 2020 internal audit plan, which is in line with the Company's risk assessment, has arranged independent meetings with internal auditors in order to listen to explanations, answer questions and make observations & suggestions of benefits to the Company. Moreover, the Company has also followed up on the corrective actions according to the audit report on significant issues. The Audit Committee is of the opinion that the Company has a suitable internal audit system.

## 3. Compliance with relevant laws

The Audit Committee is of the opinion that the Company has appropriately complied with the law on securities and exchange, the regulations and notifications of The Stock Exchange of Thailand and other related laws, with no material deficiencies found.

## 4. Transactions that may have conflicts of interest

The Audit Committee has examined & reviewed the connected transactions, or items that may have conflicts of interest and expressed opinions that such transactions are reasonable in accordance with the normal business operations of the Company for utmost benefit of the Company, including the disclosure of information which is adequate and in accordance with the requirements of The Stock Exchange of Thailand.



## 5. Selection of Auditors and the remuneration for the year 2021

The Audit Committee, together with the management, considered the selection of the auditor by considering the performance, experience and understanding in logistics business, the independence & transparency of the company, the qualifications of the auditors as approved by the Securities and Exchange Commission, including the service fees. In 2021, the Audit Committee approved to propose to the Board of Directors, in order to propose to the shareholders' meeting for further consideration & approval, as follows:

It is deemed appropriate to propose the appointment of "KPMG Phoomchai Audit Company Limited"

- |                                 |   |
|---------------------------------|---|
| 1) Ms. Wilaiwan Pholprasert,    | Certified Public Accountant No. 8420 and / or |
| 2) Ms. Nawarat Nitikiatpong,    | Certified Public Accountant No. 7789 and / or |
| 3) Mr. Bundit Tangpakorn,       | Certified Public Accountant No. 8509 and / or |
| 4) Mr. Songchai Wongpiriyaporn, | Certified Public Accountant No. 10996         |

as auditor (auditors), and expressed an opinion on the Company's financial statements for the accounting period ended December 31, 2021 having the remuneration for the audit fee of Leo Global Logistics Public Company Limited for the amount of THB 1,475,000.

## 6. Review of the Audit Committee Charter

The Audit Committee reviews the Audit Committee Charter regularly every year and has organized the performance assessment of the audit committee as a group. The assessment results showed that the Audit Committee has performed the duties and responsibilities specified in the Audit Committee Charter by adhering to the principles of correctness, as well as creatively giving comments and suggestions for the benefit of all stakeholders.

In conclusion, the Audit Committee (AC) performs its duties committedly, by using knowledge and expertise with prudence, and renders opinions independently to the best interest of the organization without any restriction. In obtaining the Company's information, the AC has performed all duties as specified in the Audit Committee Charter. The AC has conducted the annual performance assessment for the development and enhancement of their duties continuously, efficiently and effectively. To achieve the objectives set by the Board of Directors, and to benefit all stakeholders, the AC is of the opinion that the Company's financial statements are accurate and reliable in accordance with financial reporting standards and generally accepted accounting standards. There is an appropriate internal control system. The performance is in compliance with the laws and related regulations appropriately. The connected transactions have rightfully been disclosed. The operations are in accordance with the good corporate governance system adequately, while the development and improvement of the operating system have been enhanced in terms of quality, continuously suitable for sustainable business environment.



**Mr. Viwat Limsakdakul**

Chairman of the Audit Committee

# Report of the Nomination and Remuneration Committee

Dear Shareholders:

The Nomination and Remuneration Committee has been set up to support the duties of the Board of Directors in determining the criteria and policies for the nomination and remuneration of the Company's directors, the Chairman of the Executive Committee, sub-committee members, Chief Executive Officer (CEO) and Company Secretary, to ensure specifics and transparency in compliance with good corporate governance.

**The Nomination and Remuneration Committee** consists of

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Teerachai Chemnasiri,     | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Woragan Xuto,             | Member of the Nomination and Remuneration Committee   |
| 3. Mr. Apichart Lee-issaranukul, | Member of the Nomination and Remuneration Committee   |
| 4. Mr. Paiboon Sumranputi,       | Member of the Nomination and Remuneration Committee   |

In 2020, the Nomination and Remuneration Committee held a total of 5 meetings. The details of key implementation can be summarized as follows:

1. Considered, recruited & selected persons to be directors of the Company to replace directors whose term of office expired. The Committee has considered and recruited persons with fully appropriate qualifications according to the regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand, without any prohibited characteristics under the law, taking into account the qualifications, knowledge and experience that will benefit the Company.
2. Determined the remuneration of the Board of Directors and the sub-committees.
3. Reviewed the self-assessment form of the Board of Directors, in groups and individually.
4. Set up criteria and formulated an appropriate management succession and management continuity plan for the position of Chief Executive Officer (CEO) in order to propose to the Board of Directors for approval.
5. Presented the annual assessment results of the CEO to the Board of Directors for consideration and approval regarding the annual salary increase and annual special payment.
6. Arranged the performance evaluation of the Nomination and Remuneration Committee and reported the assessment results to the Board of Directors.

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**Mr. Teerachai Chemnasiri**

Chairman of the Nomination and Remuneration  
Committee



# Report of the Executive Committee

Dear Shareholders:

The Executive Committee has been established to support the duties of the Board of Directors in managing of the Company's businesses in compliance with policies, plans, regulations, and any order, including goals set under the framework assigned by the Board of Directors.

**The Executive Committee** consists of

- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| 1. Mr. Kettivit Sittisoontornwong | Chairman of the Executive Committee |
| 2. Mr. Vises Sittisoontornwong    | Member of the Executive Committee   |
| 3. Miss Sripri Eakwichit          | Member of the Executive Committee   |
| 4. Mr. Surasit Asavasakseri       | Member of the Executive Committee   |
| 5. Mr. Manop Patjawit             | Member of the Executive Committee   |

In the year 2020, the Executive Committee held a total of 15 meetings. Details of important operations can be summarized as follows:

1. Operated & managed the Company's business in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the Board of Directors' meeting and / or the resolution of the shareholders' meeting.

2. Considered & set the policy, direction, and strategy of the Company's business operation, including setting the budgeting plan and human resource management, as well as managing investment, business expansion and public relations, based on the framework considered & approved by the Board of Directors. In addition, the Executive Committee has also controlled, regulated & supervised the operations of the appointed working group to achieve the set goals.

3. Monitored the Company's performance in accordance with the policy of the Board of Directors and the set goals, and regulate & supervise the operations to ensure quality and efficiency.

4. Considered & approved the operations that are the Company's normal business transactions according to the investment budget or the budget already approved by the Board of Directors. The credit limit for each transaction is as specified in the authority of approval chart as already approved by the Board of Directors, but not exceeding the annual budget approved by the Board of Directors, including entering into various contracts related to such matters.

5. Considered & approved the expenses for operating the company's normal business, according to the budget approved by the Board of Directors, and according to the authority of approval chart already approved by the Board of Directors.

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**Mr. Kettivit Sittisoontornwong**  
Chairman of the Executive Committee

# Report of the Risk Management Working Group

The Risk Management Working Group has been set up to support the duties of the Board of Directors (BoD) in formulating risk management policy to cover enterprise-wide, including regulating & supervising to ensure the risk management system or process is in place so as to reduce the impact on the Company's business appropriately. The BoD has specified the composition, scope of authority, duties and responsibilities of the Risk Management Working Group so that the working group can perform their duties efficiently.

**The Risk Management Working Group** consists of:

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Kettivit Sittisoontornwong, | Head of the Risk Management Working Group   |
| 2. Mr. Surasit Asavasakseri,       | Member of the Risk Management Working Group |
| 3. Miss Sripri Eakwichit,          | Member of the Risk Management Working Group |
| 4. Mr. Manop Patjawit,             | Member of the Risk Management Working Group |

In 2020, the Risk Management Working Group organized a total of four meetings. The details of key operations can be summarized as follows:

1. Set the overall risk management policy of the Company to cover the risks associated with business operations, while formulating the plan to manage and implement risk management in accordance with the risk management policy.
2. Examined & reviewed the risk management report and took steps to ensure that the risk management is adequate and appropriate, being able to manage the risks at an acceptable level, and to make sure that the risk management process has been carried out on an ongoing basis.
3. Coordinated regularly with the Audit Committee by exchanging knowledge and information on risks and internal controls that affected or might have impact on the Company.
4. Developed and reviewed the Company's risk management system to ensure continuous efficiency and effectiveness. The risk management process has been regularly assessed and monitored in accordance with the set policy.



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**Mr. Kettivit Sittisoontornwong**

Head of the Risk Management Working Group



## Section 1 Business Operations



# 1. Business policies and Overview



The establishment of Leo Global Logistics Public Company Limited (“The Company” or “LEO”), formerly known as Leo Group Company Limited, was registered on October 11, 1991 with an initial capital of 2.5 million Baht. This is with Mr.Kettivit Sittisoontornwong, Chief Executive Officer of the Company, together with Mr.Somsak Srisutuskul being among the main founders; they both have still been the Company’s major shareholders up until now. The initial objective to establish the Company was to hold other companies’ shares in the group of “Holding Company” and to support the expansion of the logistics business. At that time, the main business of the group was under Leo Transport Corporation Limited (“LEOT”), which operated Less than Container Load or “LCL” sea freight to major ports around the world, and which was later expanded to Full Container Load (FCL), currently the main business of the Company with the highest revenue contribution. (In the year 2008, the Company’s shareholding structure was changed and then in 2009 the business of Leo Transport Corporation Limited was transferred to the Company.)

Due to the fluctuating global economy during the financial crisis in 1997, countries around the world were facing their economic slowdown and thus affecting the international freight forwarder business. LEOT, therefore, needed to adjust its business strategies to respond to the competitive market situation, and that led to the start of integrated transportation business which is in addition to the existing business of ocean freight management. The Company also started providing air freight services in 1997. Moreover, in 2010, the Company was awarded a license and registered as a Multimodal Transport Operator (“MTO”) under the Multimodal Transport Act 2005. This is regarded as exhibiting the Company’s potential and ability to provide integrated services to customers and also to increase the opportunity and the readiness to compete in logistics business on a regional basis.

In the year 2008, the company changed its name from Leo Group Company Limited to Leo Global Logistics Company Limited in order to clearly communicate its business scope and to be able to



reflect the potential in providing end-to-end global logistics services.

The company established a subsidiary and invested in an associated company in order to support the main business of it. The main investment was in FPS Logistics (Thailand) Company Limited (“FPS”) in 2011, aiming to do the business as a full-service logistics service provider as well as a multimodal transport carrier, with the main focus on the customer groups in the Asian region. In 2002, the Company jointly established Sinokor Merchant Marine (Thailand) Company Limited (“SKRT”) with Sinokor Merchant Marine Company Limited, a shipping line from South Korea, to operate as a Sinokor’s shipping agent in Thailand. Moreover, the Company jointly established YJC Depot Services Company Limited (“YJCD”) in 2009 to operate the business of short-term and long-term container depot storage and container repair services, established World Connect Logistics Company Limited (“WCL”) in 2010 to operate as an agent offering customs formalities and customs clearance services, jointly established Aramex (Thailand) Company Limited (“ARM”) with the Aramex Group, the world’s leading company in the business of Courier and Express, to provide Courier and Small Parcel Express Services in Thailand, and also jointly established Leo Myanmar Logistics Company Limited (“LML”) with a local partner in Myanmar in 2014 to operate as an international freight forwarder in Myanmar, for example.

However, during the period from the year 2013 to 2015, the Company was passing through the process of restructuring its company group to meet all requirements in order to be listed on the Market for Alternative Investment (MAI). In 2015, the Company acquired the Entire Business Transfer from FPS and WCL, both of which having completed their liquidation process. As a result, it currently has two subsidiaries, YJCD and LML, which are still in operation and also has SKRT and ARM as its associated companies. Also, it has run Leo Self-Storage (“LSS”),

which provides rental services for storage space. The Company was finally incorporated into a public limited company on March 23, 2017 and has since changed its name to Leo Global Logistics Public Company Limited.

For the past 29 years, the Company has continued to focus on service quality, as evidenced by its first ISO certification acquired in 2000 and that for ISO 9001:2015 in 2016. What’s more, it has gained membership in various associations, for instance, The Thai International Freight Forwarders Association (“TIFFA”) (Mr. Ketivit Sittisoontornwong, Chief Executive Officer of the Company, is currently holding the position of honorary Chairman of “TIFFA”)., The International Federation of Freight Forwarders Associations (“FIATA”), International Air Transport Association (“IATA”), Thai Airfreight Forwarders Association (“TAFA”) and The Customs Broker and Transportation Association of Thailand (“CTAT”) etc. And it has become evident that the Company stands today as one of Thailand’s leading full-service logistics operators, as evidenced by the Excellent Logistics Management Award or “ELMA” 2016 for 3rd Party Logistics Services Provider category (3PL), received from Department of International Trade Promotion, Ministry of Commerce. Such an Award manifests how the Company has fostered its management potential and excellent logistics services which also include the reliability in the logistics management process and professionalism in its service provision.

Also in the year 2019, the Company won Excellent Logistics Management Award or “ELMA” in the category of International Freight Forwarding from Department of International Trade Promotion, Ministry of Commerce as well as Prime Minister’s Award 2019: PM Award 2019 for Best Service Enterprise category. Moreover, the Company was granted permission to become a customs broker and was awarded the Authorized Economic Operator (AEO) status from Customs Department.

## 1.1 Overview of the Company's operational Vision, Mission, Goal, and Strategies

### Vision

To be Thailand's Leading End – to – End Global Logistics Services Provider with **sustainable growth** and the first company of choice for customers and employee's mind.

### Mission

The Company has realized the principle of Good Governance and has thus established its mission to ensure sustainable growth and to earn trust from its customers, business partners as well as its staff with commitments to operate the business in an effective and quality-conscious manner and with continual improvements according to the 4 principles of Quality Policy as follow:

01

HIGH-CUSTOMER  
SATISFACTION : HCS

02

EXCELLENT WORKING  
SYSTEM : EWS

03

QUALITY HUMAN  
RESOURCE : QHR

04

HEALTHY GROUP OF  
COMPANIES : HGC



### Goal

The Company has committed to the business operation in order to gain acceptance as a Thai leading organization that provide end-to-end logistics services with the intention to conduct the efficient and effective business management according to the international standard for quality management system and with the continuous improvements to get the Company prepared for being a public organization.

## Strategies

01

Achieve continuous sales growth with strategies for Product Differentiation & Innovation, Market Concentration, and Service Excellence.

02

Focus on building good relationships and maintaining key customers.

03

Keep developing and enhancing the staff's knowledge and skills in order for them to become solution providers for customers.

04

Expand the business network by continuously recruiting business partners both domestically and internationally.

05

Focus on improvements and customer support at Key Accounts level to ensure they continuously receive good services. This is with service system improvement projects and continuous customer relationship management (CRM).

06

Run the business based on the principle of good corporate governance and social responsibility.

## Core Values

The company has set up LEO Core Values in order to create employees' common awareness at work in relation to working attitude and principles; the LEO values are as follows:

L

Leading with ethics and integrity



E

Excellence teamwork with service mind



O

Open for continuous learning and improvement



## Corporate culture

01

**Positive Attitude:** Create positive attitude among employees in relation to honesty, systematic thinking, leadership, creativity, service consciousness (to be able to fully serve customers), and also job responsibility.

03

**Empowerment and Delegation:** Promote empowerment and motivation among employees to enable them to elicit as much of their potential as possible through delegation and power distribution in order for the management and operations to achieve organizational goals.

02

**Knowledge-Based Organization:** Provide the employees with opportunities to always learn and create passion in learning new, valuable things and also encourage them to have opportunities to develop their abilities and to know how to transfer their knowledge to those in their teamwork.

04

**Modern and Agile Organization:** Create a modern organization with flexibility to adapt to changes in technologies and consumer behaviors.



## 1.2 Major changes and developments

Month/year	Events
November 1990	Mr. Kettivit Sittisoontornwong and Mr. Somsak Srisutuskul, together with other co-founders, jointly established Leo Transport Corporation Limit ("LEOT"), with Mr. Kettivit Sittisoontornwong and Mr. Somsak Srisutuskul having still been major shareholders until now. Initially, the Company's registered capital was 1.00 million baht, divided into 10,000 ordinary shares with a par value of 100 baht per share, with the business nature being to handle logistics to major ports around the world. (Leo Transport Corporation Limited transferred the whole business (EBT) to the company in 2008 and registered the dissolution and completed the liquidation in April 2016.)
October 1991	LEO Group Company Limited was established with registered capital of 2.50 million baht, divided to ordinary shares of 25,000 shares with a par value of 100 baht per share as the Holding company.
July 1992	The company jointly established Royaltainer Corporation Limited ("RYT") with other parties not related to the company, with a registered capital of 1.00 million baht, divided into 10,000 ordinary shares with a par value of 100.00 baht per share, to operate the business of providing services for international maritime transportation management, focusing on Europe and America route. The Company held 40.00 % of the shares. Later in the year 2012, the Company restructured the Group and reduced its stake in RYT to 19.00 percent by selling shares of RYT to other shareholders not related to the Company
May 1994 to August 1995	The company increased the registered capital 2 times, the first time increased by 1.50 million baht from 2.50 million baht to 4.00 million baht by issuing a total of 15,000 ordinary shares with a par value of 100.00 baht per share and the second time increased by 1.00 million baht, from 4.00 million baht to 5.00 million baht, by issuing 10,000 ordinary shares with a par value of 100 baht each and allocated to both existing shareholders and two new shareholders.
September 1996	The company joined in establishing TIFFA Company Limited with other persons not related to the Company, with a registered capital of 12.00 million baht to invest in other businesses in order to operate warehouses or packaging space for export and import; and also business that provides services related to computers and software used in the linking systems of International Transport and Business School (ITBS). TIFFA currently has a registered capital of 70.00 million baht, divided into 7.00 million ordinary shares with a par value of 10.00 baht each. The company holds 5.00% of the shares.
July 2001	Shareholders of the company co-established FPS Logistics (Thailand) Limited ("FPS"), with registered capital of 5.00 million baht divided into 500,000 ordinary shares with a par value of 10.00 baht per share, conducting business as a full-service logistics service provider, and recipients of multimodal transport management, focusing on Asian region, with the company and FPS Logistics (Thailand) dividing the sales zone according to the expertise of the network. (The Company later registered the dissolution in 2015 and completed the liquidation in April 2017)
August 2001	The Company increased its registered capital by 10.00 million baht, making its registered capital increase from 5.00 million baht to 15.00 million baht, by issuing 100,000 common shares with a par value of 100 baht each to be allocated to existing shareholders in proportion to their shareholding.
November 2002	Shareholders of the company Jointly established Sinokor Merchant Marine (Thailand) Co., Ltd. ("SKRT") with Sinokor Merchant Marine Co., Ltd. ("SKR"), a shipping line from South Korea in order to conduct the business as the representative of Sinokor Shipping Line in Thailand, providing container transportation services within the Asia Pacific Region, and providing bulk ships and container ship rental services, by holding 50.00 percent of the shares. Later, in 2008 and 2013, the Company purchased shares from this group of shareholders of the Company, in the proportions of 40.00% and 10.00% respectively. As a result, as of March 31, 2007, the Company purchased shares from this group of shareholders of the Company, in the proportions
December 2005	Leo Transport Corporation Limited expanded its business to Laem Chabang to support customers in the vicinity of the port.

Month/year	Events
July 2006	Leo Transport Corporation Limited invested in Kyungpyung Logistics Company Limited (“KPL”), Korea, joining with SKR and a South Korean legal entity to operate the business of storage warehouses and a container storage yard, by holding 30.00% of KPL’s paid-up capital.
August 2007	<p>The Company established All Logistics Center Company Limited (“ALC”) with a registered capital of 5.00 million baht, consisting of 50,000 ordinary shares with a par value of 100.00 baht per share. It operates a warehouse &amp; distribution service. (Distribution Management), the company holding 85.00 percent of the shares. Later, ALC increased capital by 5.00 million baht by issuing 50,000 shares, with a par value of 100 baht per share to the existing shareholders in proportion, resulting in an increase in the total registered capital of ALC to the amount of 10.00 million baht. Later, in 2009, the company reduced the shareholding proportion to 10% of the paid-up registered capital by selling shares to other shareholders who are not related to the company.</p> <p>The company established Leo Cool Logistics Company Limited with a registered capital of 3.00 million baht, divided into 30,000 ordinary shares with a par value of 100.00 baht per share. It operated the international freight forwarding business for special products. Later, in 2009 it changed its name to Leo Special Logistics Company Limited. After that, the company sold all shares to unrelated persons. Leo Specialty Logistics Company Limited changed its name again in 2015 to All Specialty Logistics Company Limited</p>
April 2008	The company has changed the shareholder structure. Two major shareholders sold all of their shares to the new shareholder and the Company held shares in Leo Transport Corporation Limited and FPS Logistics (Thailand) Company Limited in a proportion of 69.00 % and 80.00% respectively, and later increased the shareholding ratio to 100.00% of the 2 companies in 2009 (Later FPS registered the dissolution in 2015 and completed the liquidation in 2017)
May 2008	The company changed the name from Leo Group Limited to LEO Global Logistics Co., Ltd., so that the new name communicates more clearly the company's business scope.
August 2008	The company founded Leo Global Shipping Agency Company Limited with a registered capital of 3.00 million baht, divided into 30,000 ordinary shares with a par value of 100.00 baht per share, to operate the business as an international shipping agency with foreign line owners. However, since the aforementioned shipping company has changed its policy to do business by itself, not through a representative from Leo Global Shipping Agency Company Limited, it registered the dissolution at the end of 2014 and the liquidation was completed in June 2016.
May 2009	Leo Transport Corporation Limited transferred the entire business to the Company and registered the dissolution at the end of 2014 and completed the liquidation in April 2016.
July 2009	<p>The company co- established YJC Depot Services Ltd. with an initial capital of 1.00 million baht and increased to 15.00 million baht in December in the same year, divided into 150,000 ordinary shares with a par value of 100 baht per share, to handle short-term and long-term container storage services including ones for cleaning and repairing containers. The Company held 40% of the shares. (Afterwards the Company acquired 10% more of the shares from other shareholders, as a result, the stake of the company has become 50%, with people not related to the company holding 40% and a legal entity that are not related to the company holding the other 10%.)</p> <p>The company received the certificate of ISO 9001: 2008 from SGS (Thailand) Co., Ltd.</p>
November 2009	The company expanded another branch, namely the Suvannabhumi Branch, focusing on customs clearance and air freight business.
July 2010	The company established I2U Communication Company Limited (“I2U”) with registered capital of 3.00 million baht, divided into 30,000 ordinary shares with a par value of 100.00 baht per share. It operates a business of providing database services and online marketing services. Later in 2011, I2U increased its capital by 2.00 million baht by issuing 20,000 common shares with a par value of 100.00 baht each, allotted to existing shareholders, resulting in I2U having a total paid-up capital of 5.00 million baht. The company later sold all shares to unrelated parties: persons not related to the company.

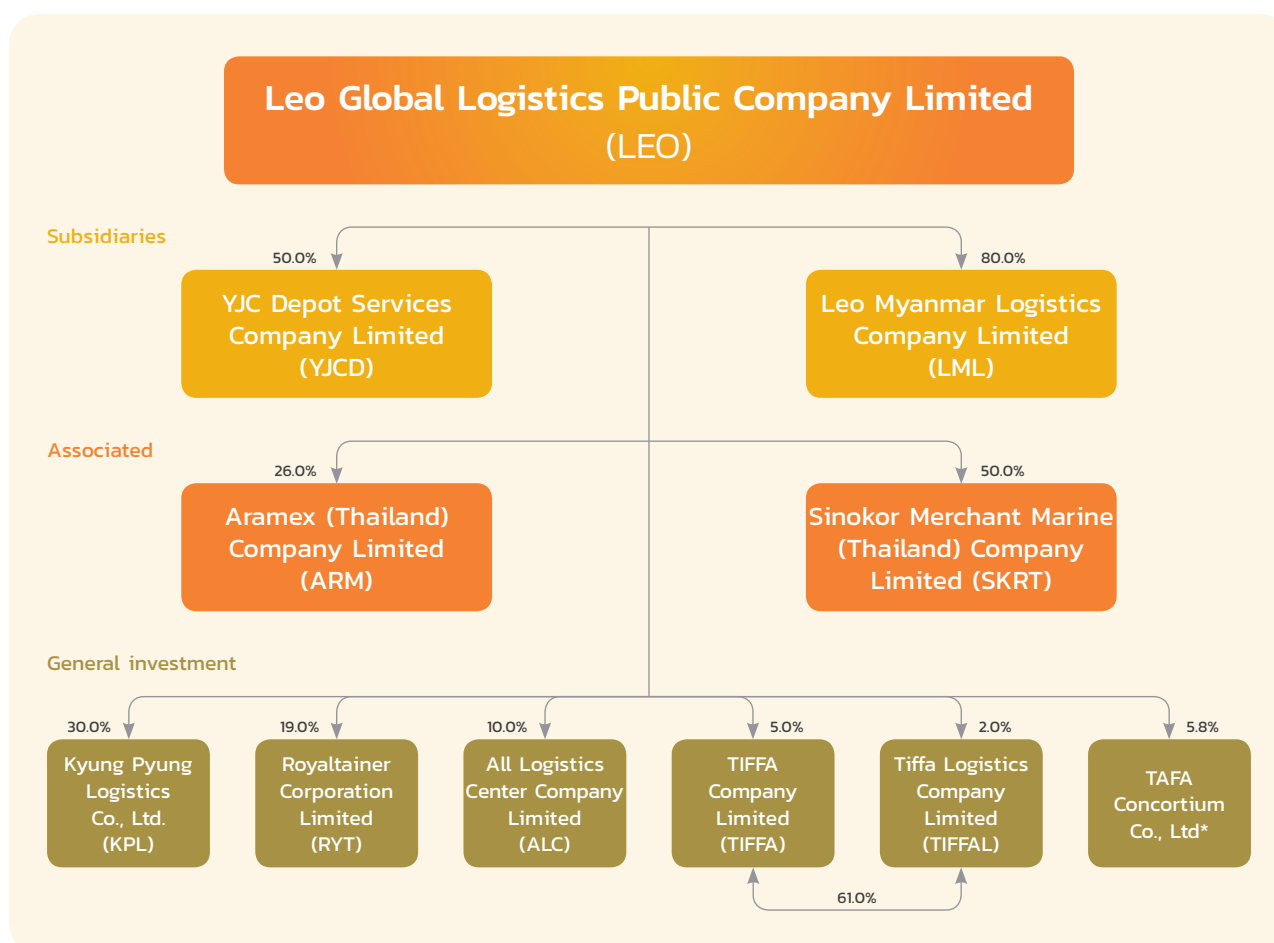
Month/year	Events
September 2010	The company established a World Connect Logistics Co., Ltd., with a registered capital of 13.00 million baht, divided into 130,000 ordinary shares with a par value of 100.00 baht per share, operating as customs clearance and release agents. The Company's shares is 100%. (Later, the Company registered the dissolution in 2015 and completed the liquidation in 2017.)
October 2012	The company increased the registered capital by 8.125 million baht to 23.125 million baht by issuing 81,250 common shares with a par value of 100 baht each to allocate to the existing shareholders.
March 2013	The company increased the registered capital by 1.875 million baht to 25.00 million baht by issuing 18,750 ordinary shares with a par value of 100.00 baht to allocate to the new shareholders, Sinokor Company Limited (Hong Kong.) at the price of 1,640.00 baht per share, which later transferred the shares to Sinokor Merchant Marine Company Limited (Korea) ("SKR") in April 2013, which results in SKR holding 7.50% of the company's paid-up capital.
June 2014	The company established Aramex (Thailand) Company Limited ("ARM") with Aramex Group, a leading global provider of Courier and Express services, with registered capital of 9.00 billion baht for business of international courier and express service. Later in the year 2015, year 2017 and year 2018, the registered capital was increased to 25.50 million baht, 32.50 million baht and 39.00 million baht respectively, with the company holding 26% of the shares, a company from Singapore holding 49% and other unrelated shareholders holding 25% of ARM's paid-up capital.
September 2014	The company established Leo Myanmar Logistics Company Limited ("LML") with local partners in Myanmar, with a registered capital of 50,000.00 US dollars, running the business of full-service International Logistics in the Union of Myanmar, with the Company holding 60 .00% of the shares and partners in Myanmar holding 40%. Later in 2016, LML increased the share capital to 100,000 0.00 US dollars, with the Company's holding 80% and partners in Myanmar holding a 20% of the paid-up capital of LML. (The Company was the single party for the capital increase.)
November 2015	FPS Logistics (Thailand) Company Limited transfers the entire business to the Company, and registered the dissolution of the company. Currently, the liquidation has been completed. (It was done in December 2017.)
December 2015	World Connect Logistics Company Limited transferred the entire business to the Company, and registered the dissolution of the company. Currently, the liquidation has been completed. (It was done in October 2017.)
August 2016	The Company received the Excellent Logistics Management Award ("ELMA") 2016 for the 3rd Party Logistics Services Provider (3PL) from the Department of International trade Promotion, Ministry of Commerce.
December 2016	The company increased the registered capital by 50.00 million baht to 75.00 million baht by issuing ordinary shares of 0.50 million shares with a par value of 100.00 baht to allocate to the existing shareholders in proportion.
March 2017	<p>The 2017 Annual General Meeting of Shareholders resolved to approve important issues as follows:</p> <ol style="list-style-type: none"> <li>1) Resolved to change from a limited company to a public limited company; and change the name to Leo Global Logistics Public Company Limited</li> <li>2) Resolved to change the par value from 100.00 baht per share to 0.50 baht per share</li> <li>3) Resolved to increase the registered capital of 25.00 million baht from 75.00 million baht to 100.00 million baht by issuing 50.00 million ordinary shares with a par value of 0.50 baht per share for the initial public offering.</li> </ol> <p>The company's ordinary shares were registered as listed securities in the "Market for Alternative Investment (MAI)" for the initial public listing. The Company was incorporated as a listed company on March 23, 2017.</p> <p>The company was registered as a public company on the date of 23 March 2017.</p>



Month/year	Events
May 2017	The company launched Leo Self-Storage service (“LSS”), with a total area of approximately 1,280 square meters on Rama 3 road, which is a new business for rental storage space. The main target customers are retail customers, including Those who are condominium residents or entrepreneurs of SMEs and E-commerce in the neighborhood.
February 2018	The company jointly established a TAFA Consortium Company Limited with a registered capital of 5.00 million baht, divided into 50,000 ordinary shares with a par value of 100 baht per share, to conduct the business of Free Zone management at Suvarnabhumi Airport, with the company holding 4.43% of the shares.
March 2019	The 2019 Annual General Meeting of Shareholders resolved to approve important issues as follows: <ol style="list-style-type: none"> <li>1) Resolved to reduce the registered capital of the company in the amount of 25.00 million baht by canceling the Company’s shares that have not been sold.</li> <li>2) Resolved to increase the registered capital from 75.00 million baht to 140.00 million baht by issuing 130.00 million new ordinary shares with a par value of 0.50 baht per share. <ul style="list-style-type: none"> <li>- Allocation of not more than 50.00 million new ordinary shares with a par value of 0.50 baht per share to the existing shareholders of the company in proportion to the number of shares held by each shareholder (Rights Offering) at the allocation ratio of 3 existing shares to 1 new ordinary share by offering to sell at a price not exceeding 0.50 baht per share</li> <li>- Allocation of not more than 80.00 million new ordinary shares, with a par value of 0.50 baht per share, for the initial public offering.</li> </ul> </li> </ol>
August 2019	The company was awarded Excellent logistics Management, Award; or “ELMA” for the year 2019 for International Freight Forwarding category from the Department of International Trade Promotion, Ministry of Commerce And also Prime Minister ‘s Export Award 2019 for Best Service Enterprise
September 2019	The 2019 Annual General Meeting of Shareholders resolved to approve important issues as follows: <ol style="list-style-type: none"> <li>1) Resolved to reduce the registered capital of the company by 40.00 million baht by canceling the shares that have not been issued by the company.</li> <li>2) Resolved to increase the registered capital from 100.00 million baht to 160.00 million baht by issuing 120.00 million new ordinary shares with a par value of 0.50 baht per share for the initial public offering of new shares. And the company’s ordinary shares are to be listed as listed securities in the Market for Alternative Investment (MAI).</li> </ol>
October 2019	The company has been announced to be an Authorized Economic Operator (AEO).
December 2019	The company made additional investment in 625 ordinary shares of TAFA Consortium Co., Ltd. at a price of 100.00 baht per share, totaling a total of 62,500 baht. After the capital increase, the company’s shareholding increased to 4.73 percent.
January 2020	The company made additional investment in ordinary shares of TAFTA Consortium Co., Ltd. in the amount of 8,000 shares at a price of 100.00 baht per share, totaling a total of 800,000 baht. The shareholding proportion of the company as of June 30, 2020 was 5.83%.
November 2020	The Company registered its ordinary shares as listed securities on MAI on November 5, 2020, with a registered capital of 160 million, totaling a total of 62,500 baht, divided into 320 million ordinary shares, with a par value of 0.50 baht per share.

### 1.3 Shareholding structure of the Company.

As of March 31, 2020, the Company has shareholding structure in subsidiaries, associates and general investments as follows:



With regard to the Company's shareholding structure, there are not found any persons with possible conflict against the Company who hold shares in its subsidiaries, associates, and general investments for the amount exceeding 10% of the paid-up capital except the investment in Aramex (Thailand) Company Limited, which Transpeed Company Limited taking the shareholding ratio of 25% of the registered capital. As of April 30, 2020, Transpeed's shares are held by major shareholders namely Ms. Suthasinee Maruttaman, elder sister of Mr. Kettivit Sittisoontornwong, and Mr. Vises Sittisoontornwong, holding 25% of the Company's registered capital.

The Company has categorized the investments in Sinokor Merchant Marine (Thailand) Company Limited ("SKRT") in which the Company has a 50% stake as an investment in an associated company since the Company do not have control over SKRT. The investment in SKRT takes the form of a joint venture with Sinokor Merchant Marine Co., Ltd. ("SKR") in South Korea, a shipping company represented by SKRT as a shipping agent in Thailand. At management level, the management and business operation policies have been jointly determined; in this, the Company has two representatives sitting on SKRT's six-member Board of Directors. And this is with no shareholder agreements made. Names of the Directors are as follows:

Names of Directors	Representation
Mr. Hyon Sol Koo	Representative of Sinokor
Mr. Min Kun Chin	Representative of Sinokor
Mr. Kettivit Sittisoontornwong	Representative of the Company
Mr. Surasit Asavasakseri	Representative of the Company
Miss Pannee Tunsataweerut*	-
Mr. Somboon Paisansinsakul*	-

**Note** : \* Miss Pannee Tunsataweerut and Mr. Somboon Paisansinsakul took the executive posts right from the establishment of SKRT and later became its shareholders and directors, with each holding 5% share of SKRT's paid-up capital. Before joining SKRT, Miss Pannee Tunsataweerut had over 15 years of experience in the field of logistics business management, both liners business and Freight Forwarder business. Likewise, Mr. Somboon Paisansinsakul had over 10-year background in sales management area with a focus on sea freight and logistics business. They have jointly made SKRT achieve continuous growth, and are currently taking the posts of General Manager and Deputy General Manager respectively.

As for the investments in Kyung Pyung Logistics Co., Ltd. (KPL), a South Korean incorporated company, the Company categorizes them as general investments. Despite holding 30% of shares, the Company has not appointed any representatives to join the KLP management team. One thing is the company has neither decision-making power in relation to its policies on finance and operations nor any representation on KPL Board of directors. Another thing is investments in KPL are from the recommendations by SKR Group in South Korea, which is a business partner; since to help KPL gain business benefits there need to be foreign co-investors. Therefore, to maintain business relationship, the Company decided to co-invest in KPL at the shareholding ratio of 30% of the total shares with voting rights, the minimum requirement in the Law of South Korea. And also, the Company views that KPL's business management is conducted by South Korean major shareholders who have sound expertise in this business area and that the co-investment has been made to keep each other's business relationship. The Company also considers that taking the investments in KPL as general investments is the categorization in a suitable and accurate manner, corresponding to the fact that the company has not had significant influence in KPL.

In this regard, the businesses of Leo Myanmar Logistics Company Limited ("LML") and Rayaltainer Corporation Company Limited ("RYT") resemble those of the Company. In other words, LML has the international freight forwarding business in Myanmar, in which major customers are Thai operators running their businesses in the country. The Company holds its shares totaling 80% of the registered capital. As for RYT, despite the similar type of business to the Company's, its revenues for the past three years (2017-2019) equal 76.35 million baht, 73.39 million baht, and 67.80 million baht respectively while the Company's revenues of the same period were 1,040.63 million baht, 1,052.68 million baht, and 1,044.01 million baht respectively. And the Company invests in RYT at 19.00% of the registered capital. Therefore, the investment in LML is regarded as the Company Group's business expansion to be able to achieve integrated customer services. The investment in RYT, despite conducting the similar type of business, is not considered as having conflict of interest with the Company due to the difference in business volume.

## 1.4 Relationship with the businesses of major shareholders

None



## 2. Nature of Business

### 2.1 Structure of Revenues as categorized by service types

The Company and its subsidiaries have revenues from business operations as follows:

Revenue types	2018		2019		2020	
	million baht	%	million baht	%	million baht	%
Sea Freight <sup>1</sup>	767.42	72.73	723.68	69.11	778.96	68.99
Air Freight	92.48	8.76	137.69	13.15	174.51	15.46
Integrated Logistics Services “ILS”	189.08	17.92	176.53	16.86	165.79	14.68
- Domestic and cross-border transportation services by trucks and trailers	122.58	11.64	110.34	10.57	101.84	9.02
- Container Depot Service	31.81	3.02	28.21	2.70	28.72	2.54
- Customs formalities and clearance services	30.32	2.88	32.94	3.16	29.24	2.59
- Other services <sup>(1)</sup>	4.38	0.42	5.03	0.48	5.99	0.53
Leo Self Storage “LSS”	3.70	0.35	6.12	0.59	7.01	0.62
<b>Total service revenues</b>	<b>1,052.68</b>	<b>99.76</b>	<b>1,044.01</b>	<b>99.70</b>	<b>1,126.27</b>	<b>99.75</b>
Other revenues <sup>(2)</sup>	2.50	0.24	3.19	0.30	2.86	0.25
<b>Total revenues</b>	<b>1,055.18</b>	<b>100.00</b>	<b>1,047.21</b>	<b>100.00</b>	<b>1,129.13</b>	<b>100.00</b>

**Note** : <sup>(1)</sup> Other services, such as insurance procurement services and services for handling, storage and distribution of products

<sup>(2)</sup> Other revenues such as those from dividend, office rental and management, interest, profit (loss) from sales of assets

### 2.2 Details of products and services

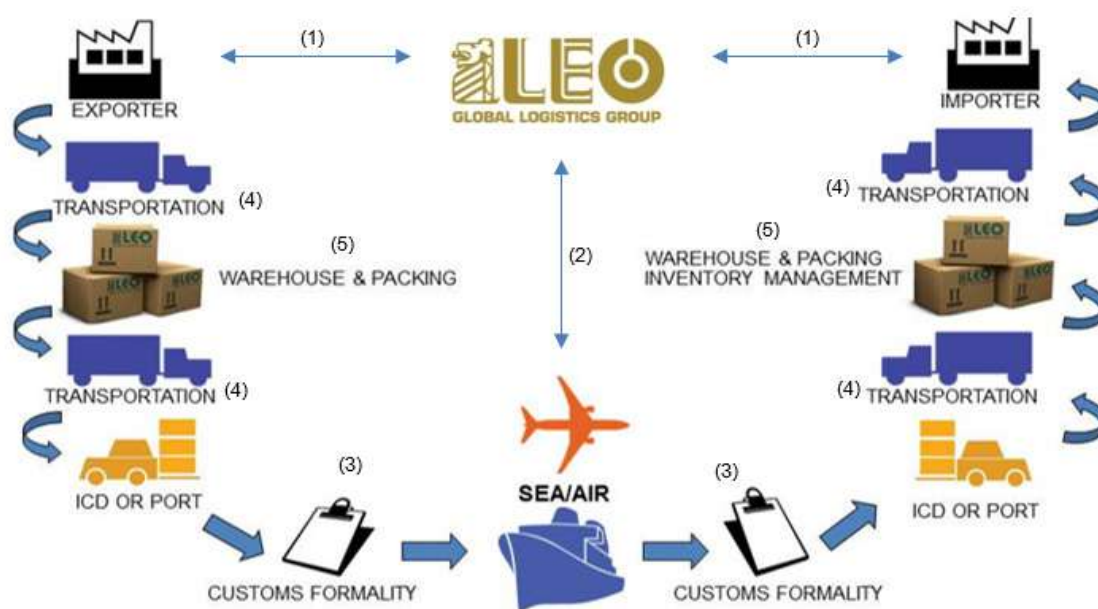
#### 2.2.1 Nature of services

Leo Global Logistics Public Company Limited (“the Company”) is one of the Thai logistics service providers that provides End-to-End Global Logistics Services. The main business of the Company is to provide services for international freight forwarding import and export services. The service channels are mainly Sea Freight, Full Container Load (FCL) or Less than Container Load (LCL), as well as Air Freight. It has overseas partner companies in more than 190 countries around the world making it possible to achieve efficient services in the area of international shipping. In addition to operating as an international freight forwarder, there are other products and services to help support its work towards integrated logistics services such as custom formalities and clearance services, land transportation management by truck and trailer, cargo insurance, storage and distribution of products, product packing services, project & heavy lift cargoes courier, and small parcel express services.

In this, the Company has been granted a license and registered as a multimodal transport operator (MTO) in accordance with The Multimodal Transport Act, B.E. 2548. Since 2010, it has become capable of providing services from its service spots to the target destinations in the form as suggested by the concept “End-to-End Global Logistics”. The Company also has alliances in a variety of businesses both domestically and internationally. They are such businesses as shipping lines, airlines, small parcel express, and domestic shipping. It has also gained membership in a number of federations and associations enabling it to meet various customer requirements and to render efficient services at both national and international levels.

Moreover, The Company also has 2 more subsidiary companies. YCJ Depot Services Company Limited (“YJCD”), which operates short-term and long-term container depot services, including container repair services for shipping lines. Leo Myanmar Logistics Company Limited (“LML”), which is a provider of integrated logistics services in Myanmar and also serve the growing transportation as a result of the inauguration of ASEAN Economics Community (“AEC”).

**The diagram showing an end-to-end logistics service**



The process of rendering an end-to-end logistics service are as follows:

1. Plan the route and proper transportation modes that meet the customer needs.
2. Manage freight with the shipping line, airline, or cross-border transportation.
3. Conduct customs formalities both at origin and destination countries.
4. Provide domestic transportation, cross-border international transportation.
5. Provide storage of cargoes (including sorting and packing) and distribution of cargoes both at origin and destination countries.

## 2.2.2 Types of service

According to the Company's revenue structure, types of services are categorized as follows:

- **Sea Freight**

The Company is a provider of international Sea freight forwarding services for both import and export. This type of the transportation is the main business given that it has the highest revenue proportion. From the year 2018 to 2020, the revenue proportions in this business were 72.73%, 69.10%, and 68.99% of the total revenue respectively.

As for how the service is rendered, the company acts as an intermediary between the customer and the shipping line, inquire about the needs of the customer before procuring containers, and procurement of shipping services from shipping lines, plan the routes, and time schedule to the needs of customer and as appropriate to the type of cargoes. The company will also handle tracking the status of the cargoes and keep notifying the customers throughout the service distance.

In addition, the company is also able to provide customs formalities and clearance services in both the origin and destination countries, and to coordinate with overseas agents to handle customers' cargoes. At present, the company provides services on many international shipping lines covering major ports in major trading areas around the world. The company has expertise in Asian tradelane linking China, Japan, and ASEAN countries including those countries with a large number of export products such as the United States, Canada and India.

Most sea freight, cargoes are packed into containers for convenient transportation and product safety. The containers are mainly classified into 2 groups on the basis of size, twenty-foot equivalent unit ("TEU") and forty-foot equivalent unit ("FEU"). They are also classified according to their functions, namely dry, reefer, Open Top, and flat rack. In general, Sea Freight are in two main forms as follows:

**1. Full Container Load ("FCL")** which means the transportation of cargoes by containers in which the cargoes in the container are products of only one customer. This is suitable for customers with a large enough volume of products for a full container load. The container will not be opened until delivered at the destination. Customers can pick up empty containers from the shipping lines' container yard ("CY") in order to pack their products either in front of the customer's plant or at the warehouse and then place the loaded containers at the container yard to be loaded onto a vessel.

**2. Less than Container Load or "LCL"** which means the transportation of cargoes by containers in which the cargoes to be loaded are products of various different customers. Since each of the customers does not have enough cargoes to fill up a container, the space will be shared among them according to the Company's allocation that ensures all LCL customers' utmost benefit. LCL products will then be loaded into containers at the container freight station ("CFS") as scheduled before being delivered and loaded again onto the container yard at the port for further vessel loading.

### The Company's cargo volume (tonnes) and revenues (million baht) from Air Freight for the years 2018-2020

Service types	Year 2018	Year 2019	Year 2020
	million baht	million baht	million baht
Export	588.79	560.06	595.73
Import	178.63	163.62	183.22
<b>Total</b>	<b>767.42</b>	<b>723.68</b>	<b>778.96</b>

**Note** : Data from the management's estimation

- **Air Freight**

The company is provider of international air freight forwarding: for both import and export. This type of transportation suits customers who need speedier transportation or ones whose products are high in value. However, air freight usually costs more than sea freight, so most cargos shipped via the air freight are small in number and are not too large in size.

In general, the nature of international air cargo handling is similar to international sea freight services. That is, the company acts as an intermediary between the customer and the airline. The company will inquire about the needs of Customers before procuring space and flights to meet the needs of customers. The company will also handle tracking the status of products and notifying customers throughout the service distance, providing customs clearance services and coordinating with Overseas agents to manage customers' products.

The company is currently a member in various associations: related to air transportation, for example, as a member of the Thai Airfreight Forwarders Association ("TAF") and the International Air Cargo Association ("IATA"). Since approved as a member of a global association such as this IATA, the company has been accepted and trusted by airlines around the world at the international level, including the trust of business partners in foreign countries and customers. The Company also receives useful information from IATA.

In addition, the company also provides international mail and parcel delivery services, with the main customer groups being mail service providers and E-Commerce freight forwarders who need speed in delivering products to consumers at a reasonable price

However, the company's revenue ratio from Air Freight Forwarding services for the years 2018-2020 were 8.76%, 13.15%, 15.46 % of the total revenues respectively.

**The Company's cargo volume (tonnes) and revenues (million baht) from Air Freight for the years 2018-2020**

Service types	Year 2018	Year 2019	Year 2020
	million baht	million baht	million baht
Export	75.63	116.05	159.27
Import	16.85	21.64	15.24
<b>Total</b>	<b>92.48</b>	<b>137.69</b>	<b>174.51</b>

**Note** : Data from the management's estimation

- **Integrated Logistics Services ("ILS")**

To meet the needs of customers, the company has expanded more supplementary services in various parts to support Integrated Logistics Services; value added services as follows:

**1. Customs Clearance Services** The Company acts as a representative of the customer in completing the customs clearance process which includes document preparation and consultation on tax benefits for import and export. Any company with intention to provide the said service is required to register as a customs clearance agent with the Customs Department. The company must also hold membership status in any association related to goods issuance and certified by the Customs Department. And it is required that the company have at least one staff or employee who has taken a Customs Clearance Training Course from the institution certified by the Customs Department (or the Customs Specialist Training Course offered by the Department) and has also passed a standardized test as required by the Department, to perform the duties related to the issuance of goods. As of December 31, the Company has 3 such specialists who have passed the above said training programs and standardized tests as stipulated by the Customs Department.



Customs agents are classified into 2 types: general customs agents and those certified by “AEO” standard (Authorized Economic Operator). A company with AEO certification by the Customs Department is able to perform more convenient and speedier customs procedures with more customs privileges. At present, the company has been certified as a Customs Clearance Agent of AEO Standard in order to increase more convenient and speedier transportation of goods and to enhance its competitiveness at world standard level since 2019.

**The Company’s revenues (million baht) and their proportions (%) from Customs Clearance Services for the years 2018-2020**

Service types	Year 2018		Year 2019		Year 2020	
	million baht	%	million baht	%	million baht	%
Export	17.48	57.65	18.75	56.90	17.11	58.52
Import	12.84	42.35	14.20	43.10	12.13	41.48
<b>Total</b>	<b>30.32</b>	<b>100.00</b>	<b>32.94</b>	<b>100.00</b>	<b>29.24</b>	<b>100.00</b>

**Note** : Data from the management’s estimation

**2. Domestic and Cross-Border Trucking** There are two main parts of transportation by truck or trailer, either within or across the country to neighboring countries; they are as follows:

- Transportation from the customer’s factory to the port/ airport and vice versa which is an integral part of the End-to-End logistics. In some cases, the port / airport may not be located in the importer’s / exporter’s country
- Transportation from one factory to another using a truck or trailer, both within and across the country, in case both the source and destination factories are not too far from each other and the infrastructure of both the exporter’s and importer’s countries facilitate the ground transportation. This part of transportation often meets the needs of customers because it is cheaper and faster than sea or air transportation. Therefore, if the company has alliances who are potential in transporting goods within the country and across borders to neighboring countries such as Malaysia, Myanmar and Laos, it will fully serve customers with business partners or branches located in such countries.

**The Company’s revenues (million baht) and their proportions (%) from Domestic and Cross-border Trucking for the years 2018-2020**

Service types	Year 2018		Year 2019		Year 2020	
	million baht	%	million baht	%	million baht	%
In the country	104.12	84.94	102.31	92.73	100.29	98.48
Cross borders	18.46	15.06	8.03	7.27	1.54	1.52
<b>Total</b>	<b>122.58</b>	<b>100.00</b>	<b>110.34</b>	<b>100.00</b>	<b>101.84</b>	<b>100.00</b>

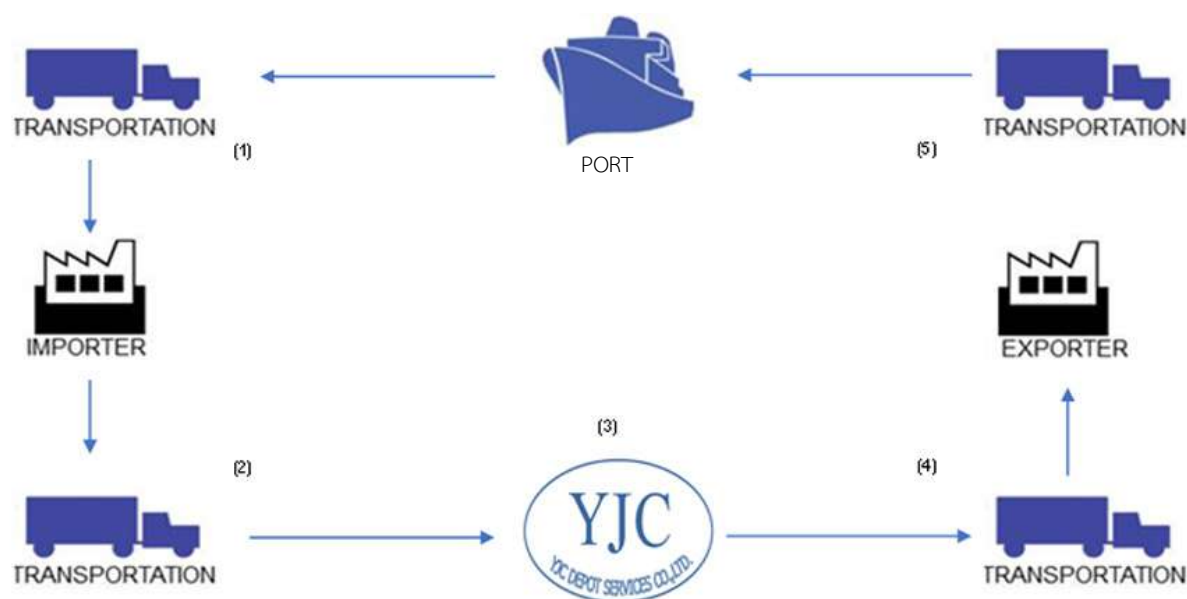
**Note** : Data from the management’s estimation

**3. Warehouse and Distribution Management, Packing, and Cargo Insurance** To provide customers with integrated service, the Company can provide more in other supportive services such as warehouse and distribution management for exporting customers who need to store their products during the transportation to the port/airport or importing customers who need the goods holding while transporting goods to the factory possibly due to inadequate factory space to place the products or to do the loading. And also, the company offers the packing services both inside and outside the premise to prevent damages arising from transportation, with packing materials including wooden crate and wood pallet, etc. In addition, the company also provides cargo insurance procurement to ensure compensation for damages in case cargoes are damaged during transit.

- **Container Depot Services**

YJC Depot Services Company Limited (“YJCD”) is a subsidiary providing container storage services for short and long terms including container repair service for shipping lines. In general, empty containers which the importer has unloaded the goods will be brought back to the container depot or container yard of that shipping line to hold the container and wait for an exporter to take the container out to load the goods. Therefore, YJCD’s main revenue comes from the lift on, lift off the container from the truck parking area to and from the container stack (Lift On - Lift Off). YJCD also provides container repair services for shipping lines in case of damage, including cleaning and getting the container ready according to the exporter’s requirement. In addition, YJCD also has other incomes such as Gate Fees, Storage Charges and rental fees.

**Diagram showing a service cycle at YJCD**



1. Importer or trailer truck supplier picks up a container at the port to his factory.
2. Importer or truck supplier, after unstuffing cargoes, delivers the empty container back at YJCD container yard.
3. YJCD receives the container, cleans, and repairs it to get it ready for exporters.
4. Exporter collects the empty container from the yard and takes it to the factory for stuffing.
5. Exporter takes the container with cargoes to the port waiting to be loaded onto the vessel.

In the past, YJCD revenues and the number of inbound and outbound containers were quite stable. For the years 2018 - 2020, YJCD revenues were equal to 29.87 million baht, 27.01 million baht and 27.80 million baht respectively. This makes YJCD become another logistics business that is now generating revenues for the Group, with the revenue proportion of YJCD equaling 2.83%, 2.58% and 2.46% of the total revenue respectively.

As of 31 December 2020, YJCD has 3 shareholders, namely the Company holding 50% of the shares, a natural person holding 40%, and a juristic person not related to the company holding the other 10% of the shares.

- **Logistics Service in Union Myanmar**

The opening of the ASEAN Economic Community “ the AEC “ as of December 2558, the increase logistics and transportation opportunities of goods transported between countries in this region increase resulting in continuous expansion in logistics business. The business that helps support in the manufacturing and exporting sectors of entrepreneurs who conduct international trade. Seeing the opportunities to expand the business to neighboring countries like Myanmar which is achieving high growth, the company and a Myanmar logistics service provider established Leo Myanmar Logistics Limited (“the Leo Myanmar Logistics or “ LML “), together with a local partner. Leo Myanmar Logistics is situated in Yangon, Myanmar, focusing on providing services to customers from Thailand who are expanding their business to Myanmar and oversea agents.

However, LML’s cross-border trucking is limited by Myanmar law: Thai trucks are allowed into Myanmar only up to Myawaddy, and the cargoes have to be transferred onto Myanmar trucks for transportation to their destinations, which means cargoes are likely to be damaged. As a result, in 2016 LML became the originator who initiated cross-border transportation by trucks into Myanmar using containerization to reduce cargo damage and loss. LML also introduced electronic seal or e-Seal for secured cross-border containerized trucks to enable shippers to track the locations and conditions of their containers at any time. In this way, shippers are ensured that the goods will arrive at the destination safely. The company’s service of cross-border transportation into Myanmar has been named “Secured Containerization Cross Border Transport” because it is one that ensures cargo safety and tracking visibility.

For the years 2018-2020, LML’s revenues were 2.82 million baht, 9.35 million baht, and 4.18 million baht respectively.

- **Leo Self Storage (“LSS”)**

The company started to provide storage rooms for general public in May 2017 with monthly rent according to the size of the room, ranging from 1 square meter to 30 square meters. The building that provides the services is located on Rama 3 Road and is a 6-booth, 4- storey commercial building with a total area of approximately 1,280 square meters. The company has entered into a 12- year lease of land and buildings with an unrelated individual. Users will receive a personal storage-room key and can go into and out of the room on a daily basis, with a 24-hour security guard service. The product items to be stored require signature certification to ensure they are neither prohibited nor illegal products. Most users are offices that need storage space for documents and condominium residents who need personal storage space.

For the years 2018-2020, revenues gaining from Leo Self- Storage services were equal to 3.70 million baht, 6.12 million baht, and 7.01 million baht respectively.

## 2.2.3 Associate Companies' Services

Apart from businesses of the company and its subsidiaries, the company also has two associated companies, namely Sinokor Merchant Marine (Thailand) Co., Ltd. and Aramex (Thailand) Co., Ltd., with their nature of business as detailed below:

- **Sinokor Merchant Marine (Thailand) Co., Ltd. ("SKRT").**

SKRT operates as a representative for the Korean shipping line agent of Sinokor Korea, providing container transportation services within the Asia-Pacific region, with the main routes linking countries such as South Korea, Japan, China, and ASEAN countries. And it provides long-term bulk charter services. SKRT acts as a freight sales agent for the Sinokor Shipping lines in Thailand. SKRT will oversee operations occurring in Thailand, such as coordination between customers and Shipping line, for freight booking, document preparation concerning transportation such as Marine Bill of Lading or "B / L" and Delivery Order or "D / O". For the years 2018-2020, the company's profit proportions from SKRT were equal to 9.69 million baht, 14.41 million baht, 10.19 million baht respectively.

**SKRT transportation route diagram**



- **Aramex (Thailand) Co., Ltd. ("ARM")**

ARM operates the business of International Courier and Express Service, both inbound and outbound, with the main routes linking the Middle East, Asia, and Europe. For the years 2018 – 2020, the company had a share of profits (losses) from investments in ARM in the amount of 1.57 million baht, 0.69 million baht, and 0.61 million baht, respectively. In the year 2020, ARM gained more service revenue due to the increase in transportation quantity, resulting especially from E-Commerce business. This makes the overall picture of business start to go in a better direction, with the Company expecting to see future operating results growing in a positive and continuous in the future.



## 2.3 Marketing and Competition

### 2.3.1 Business Strategy

- **Creation of continuous sales growth with Product Differentiation & Innovation Market Concentration and Service Excellence**

The company has a strategy to create revenue and increase product sales by selecting Products Champion, considering the business opportunities and industrial trends that the management and relevant sales departments analyze and formulate strategies together. The company places emphasis on marketing and sales strategy planning with this main product group in order to continuously generate sales growth. In addition, the company has combined technologies with service innovation through the application “Book Leoy” that allows customers to book shipping charges for the Sea Freight service with the type of service known as Less than Container Load (LCL), and to use the services of Courier Express, transport reservation, truck shipping on the mobile application which is considered as differentiation and creation of innovation for customers in order for them to be more convenient when using the services. That the Company has run its businesses for over 29 years, and has been a member of the world’s leading international freight forwarding network with more than 10 network groups and network agencies in 190 countries around the world makes the company an integrated logistics service provider that can provide its services worldwide with the understanding of various needs of customers.

- **Focus on building good relationships and maintaining key customers.**

The company places an importance to generating the highest customer satisfaction and maintaining relationships. The Company queries its major customers every year about their service satisfaction and bases its service improvement on their evaluation and suggestions to enhance quality. The company has a strategy to continually conduct customer relationship management as well. This takes forms of activities, for example, seminars to share knowledge and inform the customers of new regulations related to logistics business, CSR activity in which the customers are invited to participate in,

say, construction of a school building in wilderness area. However, the company has a total of 89 customers who have been using the company’s services for over 15 years.

- **Continuously develop and enhance knowledge and skills of staff in order to be solution providers for customers**

The Company’s staff have been considered another important factor that contributes to the company growth since most of our staff possess good knowledge and expertise in the logistics business and are capable of achieving customers satisfaction. In particular, at managerial level, most of our managers are more than 20 years of experience in the logistics business, and over 31% of its employees have worked with the Company for more than 10 years. Since the company is aware of the importance of maintaining human resources, which has been a policy on compensation and good welfare in order to build a stable foundation for the employees of the company in the long term.

The company has emphasized on recruiting employees into its workforce. Currently, over 80% of the company’s staff are holders of bachelor’s degree or higher, indicating how the company has been concerned about having staffs with knowledge and ability to work with it. The company has also cultivated a service-minded attitude and teamwork consciousness among employees in order to be able to serve the customers in full capacity and in an efficiency.

In addition, the company has also set up a plan to develop the staff of new generation by arranging training courses and seminars to continuously enhance their knowledge. And the company has created a training program named, “LEO Academy”, to provide logistics knowledge to the employees and customers of the company. As of March 31, 2020, there are a total of 40 persons in the company who have passed “The Occupation Standard Competency Test on Logistics Occupation” organized by Thailand Professional Qualification Institute (Public Organization) in cooperation with TIFFA.

- **Expand the network by way of continually recruiting business partners inside and outside of the country**

The Company also has a policy on building good relationship with business partners both in Thailand and in foreign countries, such as Shipping Lines, Airlines, Overseas Agents, Truck Transportation Operators, or even Business Operators who are more experienced in other services or having transport expertise in different routes. Having good relationship with those business alliances enables the Company to fulfill the accomplishment for global, integrated logistics services and also to get to know new customers through their introductions.

Since the Company has committed to expansion of alliance network both inside and outside of the country and become a member in International Freight Forwarding Network for example Famous Pacific Shipping or “FPS”, Global Ocean Agency Lines or “GOAL”, WCA Inter Global or “WCA”, Worldwide Project Consortium or “WWPC”, and CGLI Network.

- **Focus on the development and support of Key Accounts Customers to have them receive good services via Project of Customer Service Improvement and Customer Relationship Management (CRM).**

The company has emphasized and built relationship with key account customers. The management of the company regularly visit and meet top management of the key account customers, and continuously organize CRM activities to strengthen customer relationships and to encourage the current customers increase using more services and in other value added with the company.

- **Operate the business according to the principle of Good Corporate Governance with Social responsibility**

The Company operates the business that reflects the relationship with society and creates responsibilities for it through social activities such as activities for more educational opportunities, or ones that responsibly give the community benefits, or a campaign to encourage employees to save energy and protect the environment. The Company has also implemented a policy on combating and preventing corruption, and operated the business with

transparency, fairness, adherence to accuracy, not supporting work success with fraudulent ways, but encouraging employees to express their creativity, positive courage, and useful ideas.

## Target customers

The company’s major customers can be divided into different groups according to the types of services provided; they are as follows:

- **Business of Sea Freight**

- Customers who operate import-export business in a variety of categories such as vehicles and vehicle parts, petrochemicals, plastic products, food and agricultural products, building equipment and materials, chemicals, electronic equipment and components, equipment and parts of electrical appliances, home decors and kitchenware, rubber and plastic products, textiles and rubber.

- Co-Loader customers who are operators operating the similar kind of business to the company and operating it in Thailand, and which do not have services that cover all service areas, or do not have an overseas global Network.

- Customers from the Company’s overseas agents (Since the customers of the overseas agents have transactions with their business partners in Thailand, the overseas agents, therefore, use the company’s services in liaising with their customers’ business partners.)

- General Customers

- **Business of Air Freight**

- Customers who operate the import-export business in a variety of types such as vehicles and vehicle parts, petrochemical, plastic products, food and agricultural products, building equipment and materials, chemicals, electronic components and equipment, equipment and parts of electronic appliances, home decors and kitchen wares, rubber and plastic products, textiles, rubber

- Customers who are overseas agents/network (Since the customers of overseas agents have transactions with their business partners in Thailand, the overseas agents, therefore, use the Company’s services in liaising with their customers’ business partners who provide postal services.)

- Customers who provide transportation services for E-Commerce

- General Customers

- **Businesses supporting services by integrated logistics and shipping**
    - Customers who operate the import-export business in a variety of types such as vehicles and vehicle parts, petrochemical, plastic product, food and agricultural products, building equipment and materials, chemicals, electronic components and equipment, equipment and parts of electronic appliances, home decors and kitchen wares, rubber and plastic products, textiles, rubber
    - Customers who are overseas agents/network (Since the customers of the overseas agents have transactions with their business partners in Thailand, the overseas agents, therefore, the Company's services in liaising with other local business operators such as truck operators and customs clearance agents.)
  - Customers who are Liners Agency using the company's container storage services
  - Customers in Amata Nakorn Industrial Estate and nearby areas
  - General Customers.
- **Business of Self-Storage Services**
    - Customers who are offices including SME operators who need storage space to store goods, documents, or equipment and materials
    - Customers who are natural persons living in nearby condominiums, dormitories, or houses who need more storage space or those whose houses are during repair.

## Policy on pricing

The Company and its subsidiaries has the policy on appropriate pricing based on various factors corresponding to customer requirements. In general, prices are determined according to the service cost plus a reasonable management fee and also in line with the market demand and supply. In this, the company also considers having the possibility to compete with its market competitors. Factors to be considered when calculating service costs are, for example, service type, transportation route and time, the type, quantity and size of the goods. However, the company's determination of prices is according to the types of services as follows:

Service Types	Factors to be considered
FCL Sea Freight	freight rates, number and size of containers, shipping lines, shipping routes, duration of transit
LCL Sea Freight	freight rates, volume (CBM) or weight(ton) whichever is greater, shipping lines, and duration of transit
Air Freight	freight rates, actual weight or volume weight whichever is greater, airlines, airline routes, and duration of transit
Trucking	product quantity, product weight, transport routes, vehicle types
Customers Clearance	number of goods declarations, number of containers or quantity of products
Packing	product quantity, product size, product type, packing materials used
Warehouse and Distribution Management	Size of space used, storage period, quantity, size, and type of product, and transit routes
Cargo Insurance	Prices and conditions are as specified by the insurance company.

## 2.3.2 Sales and Distribution channels

The Company's sales distribution channels take two main forms as follows:

- **Direct contacts by the Company's sales team**

This method is viewed as the main selling channel that the Company takes in finding new customers with possibility to use its services and as an important competitive advantage because the company has a sales team of over 40 persons, a large team size compared to other companies in this business. In this, the sales team performs their functions in approaching the target customers designated by the company each year. The emphasis is put on planning the sales and marketing strategies that vary according to types of industries or as the company deems appropriate. The sales team also has a duty to contact the potential customers via e-mail or telephone calls in order to gain appointments for service presentations that suit them.

This group of customers is known as "direct customers" who operate import-export businesses and directly use the company's services. During the past three years, the company had more than 1,200 customers from this group, mostly business operators in Bangkok and suburban areas. The other customer group is from eastern industrial estates such as Amata Nakorn and Laem Chabang.

However, in each year, the Company sets up a plan in selecting target customer groups from types of industries, transport routes, new services as deemed suitable by the management to be taken as "Product Champions" which will be on the company's focus when determining sales and marketing strategies.

In addition, the Company has some Co-Loader customers who conduct the same service businesses as the company's but has no expertise in certain modes of transportation or not providing LCL services in some transport routes due to their small volume of products. Or it might be that they do not have Service Contracts with any shipping lines or lack overseas network. Using the company services gives the Co-Loader customers more service potential with more competitive prices and also generates a joint business between the two sides that indicates Win-Win Agreement, including customers who are recommended by "Sales Agents" to use the

company's services. In this regard, the company will pay commission to those who recommend its services to new customers, according to the criteria and conditions as required by the Company.

### Consideration and Selection of Sales Agent

The presence of business alliances who are sales agents or the Company's business recommenders gives the company more contact channels and is considered as expanding customer base group. By this, ones who desire to become sales agents of the company need to be capable of liaising and recommending customers using the company's services. Or in case they are already the company's customers the sales agents will have to recommend the use of services in larger quantities or more services than the existing ones, for example, a service of new route. This sometimes occurs because the company is not yet able to expand its service scope, so sales agents can increase good relationship with customers to get more work quantity. The company's sales agents are made up of either juristic or natural persons. In case they are juristic persons, most of their businesses are related to International Freight Forwarding, or they can be Customs Brokers or Shipping Brokers who also function as Co-Loader<sup>1</sup>. While the group of natural persons can be sub-grouped into those who have experience in freight forwarding area (for example, they might be an ex-employee in a company involved with logistics industry) and those who know both the company and an import-export operator and are able to get the job of liaising done and get the company to offer its service.

What's more, operators of import-export business interested in the company's services can make their contacts by phone, email, the company's website ([www.leogloballogistics.com](http://www.leogloballogistics.com)), Social Network ([www.facebook.com/LEOgloballogisticsGroup](https://www.facebook.com/LEOgloballogisticsGroup)). For the Leo Self Storage section contact can be via the website (<https://leoselfstorage.com>) Social Network ([www.facebook.com/LEOselfstorage](https://www.facebook.com/LEOselfstorage)). In the Book Leoy application, there is a social network ([www.facebook.com/BookLeoy](https://www.facebook.com/BookLeoy)). In addition, the company has other websites that provide channels for publicizing the company's PR ([www.logistics2day.com](http://www.logistics2day.com)), Online advertising media, and through various magazines such as Logistics Manager or "LM" and "Transport" handbook.



- **Overseas agents Customers**

This group of customers comes into existence because of the fact that the customers of the Company's overseas agents have transactions to deal with their business partners operating the business in Thailand. The overseas agents, thus, using the company's services liaising with their customers' business partners; this includes coordinating with other local service providers, for example, truck operators and customs agents. At the same time, the company using the overseas agents' services to help with transport coordination in such countries to contribute to the jobs of the company's sales team. This is characterized as reciprocal business between the company and the overseas agents. In this regard, the company has joined as an associate member in networks both inside and outside of the country, for example, FPS Network, WCA Network, CGLI, GOAL which is an important channel that the company is able to introduce itself to its future customers and business partners, especially the group of overseas customers and agents.

## 2.4 Industrial conditions and competition

### 2.4.1 Overview of Industry

The industry of logistics has a significant correlation with economic conditions in that it is one that contributes to the international trade and manufacturing sectors, both inbound and outbound, and is also an important factor that drives the country's economy. However, the major factors that have fostered the growth of logistics industry are the country's overall economic condition, importing and exporting value, and the expansion of E-Commerce.

According to the data from Information and Communication Technology Center (ICT), Office of the Permanent Secretary Ministry of Commerce in cooperation with Customs Department of Thailand, the statistics of export and import trade value during the past 5 years are as follows:

#### Thailand's export and import trade values for the years 2016–2020 and annual rates of change

Year	Trade Value	Rate of Change	Export Value	Rate of Change	Import Value	Rate of Change
	trillion	%	trillion	%	trillion	%
2016	14.44	2.17	7.55	4.50	6.89	-0.26
2017	15.59	8.00	8.01	6.03	7.59	10.15
2018	16.19	3.84	8.09	1.09	8.10	6.73
2019	15.05	-6.9	7.63	-5.93	7.44	-7.77
2020	13.68	-9.1	7.18	-5.9	6.50	-12.4

**Source :** Information and Communication Technology Center Office of the Permanent Secretary

In 2020, the export target country for Thailand with the highest export value is the United States, at 1.06 trillion baht or 14.76% of the market share, followed by China with an export value of 0.92 trillion baht or equivalent to a market share of 12.81 percent. The third place is Japan with an export value of 0.70 trillion baht or 9.74 percent of the market share, and ranking fourth and fifth are Hong Kong Special Administrative Region and Vietnam respectively.

### Export values and market shares sorted by country for the years 2017–2020

#	Export Targe	2017		2018		2019		2020	
		trillion baht	%	trillion baht	%	trillion baht	%	trillion baht	%
1	USA	0.90	11.23	0.90	11.10	0.97	12.73	1.06	14.76
2	China	1.00	12.47	0.97	11.95	0.90	11.83	0.92	12.81
3	Japan	0.75	9.32	0.80	9.88	0.76	9.97	0.70	9.74
4	Vietnam	0.39	4.89	0.42	5.14	0.38	4.92	0.34	4.73
5	Hong Kong	0.42	5.20	0.40	4.96	0.36	4.76	0.35	4.87

**Source :** Information and Communication Technology Center Office of the Permanent Secretary

As for the import values, China and Japan are shown as the two most important import markets for Thailand. In 2020, import value from China amounts to 1.56 trillion baht or 24.00% of the market share, while the import value from Japan equals 0.86 trillion baht or 13.23 percent of market share. The third, fourth and fifth places go to The United States, Malaysia, and South Korea respectively.

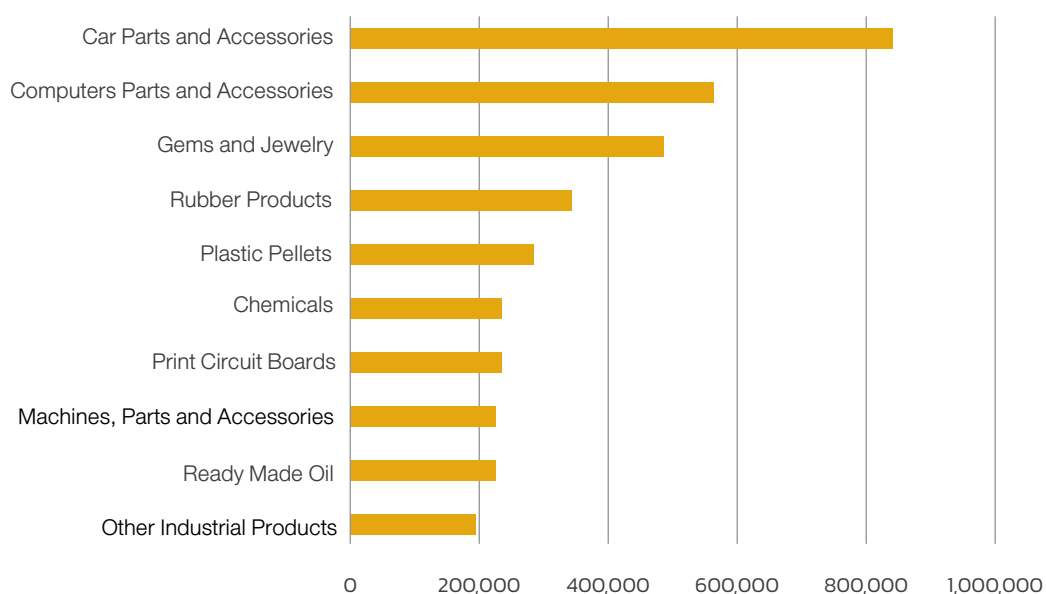
### Import values and market shares sorted by country for the years 2017–2020

#	Export Targe	2017		2018		2019		2020	
		trillion baht	%	trillion baht	%	trillion baht	%	trillion baht	%
1	USA	1.52	19.97	1.62	20.05	1.58	21.24	1.56	24.00
2	China	1.10	14.47	1.15	14.14	1.04	14.03	0.86	13.23
3	Japan	0.51	6.70	0.49	6.06	0.55	7.35	0.46	7.07
4	Vietnam	0.40	5.23	0.43	5.35	0.40	5.44	0.32	4.92
5	Hong Kong	0.25	3.34	0.35	4.30	0.27	3.65	0.24	3.69

**Source :** Information and Communication Technology Center Office of the Permanent Secretary

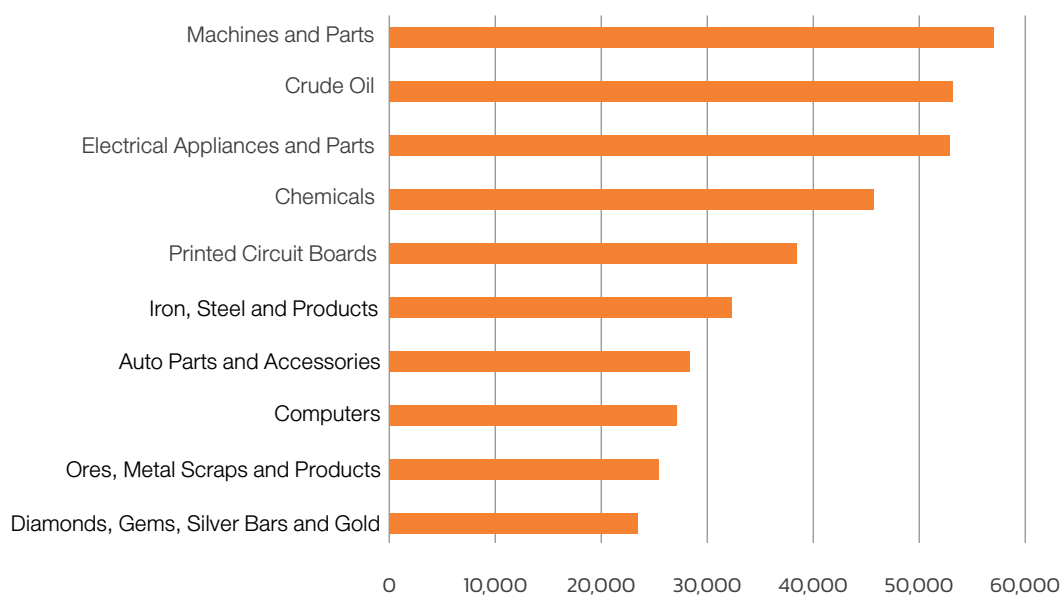
Given that the export values of the year 2020 are divided by product types, cars, equipment and components make up the highest value, amounting to 0.84 trillion baht. This is followed by computers equipment and components which altogether equaling 0.56 trillion baht. Gems and jewelry makes up a value of 0.48 trillion baht. As for the import side, Thailand needs to import machinery and components with a value at the amount of 0.56 trillion baht in addition to crude oil as well as electrical appliances and parts, which have values of 0.53 and 0.52 trillion baht respectively.

### Export values sorted by top ten product types in 2020 (million baht)



Source : Information and Communication Technology Center Office of the Permanent Secretary

### Import values sorted by top ten product types in 2020 (million baht)



Source : Information and Communication Technology Center Office of the Permanent Secretary

## 2.4.2 Logistics Business Trends

In relation to the positive result derived from the presence of ASEAN Economics Community (“AEC”) and the government promotion policies like the 3rd Strategic Plan for Logistics Development in Thailand (2017-2021) that has focuses on the development of infrastructure and facilities as well as logistic supporting factors in order to enhance competitiveness and to get ready to become the logistic hub in the Southeast Asian Region including the growth of E-Commerce, Thailand’s logistic business is expected to enjoy a high growth rate.

The trend of Transportation and Logistic “T&L” after the inauguration of ASEAN is also expected to change in several aspects such as the distribution of T&L demand. This is the change from having only demands in metropolitan areas and along the main transport routes, which results from the development of transport infrastructure giving birth to new economic zones and transit routes. The growing competition will result in groupings of small-and-medium-sized local service providers to enhance the service potential to be able to compete with big foreign companies that always come in the form of joint venture with local companies. The presence of such competition will also lead to higher quality services and operating standard among the local operators and to the level equivalent to foreign companies. This helps generate more diversity in T&L services, too. The small-and-medium-sized operators often try to avoid competing with large-sized business using niche market or small-sized market strategies that is without competition from large businesses. Moreover, operators with specific standards like Halal will gain competitive advantage due to the potential to provide the services for Halal goods deliveries to the Muslim populations in Malaysia and Indonesia, which make up the biggest population group in the countries.

Furthermore, the business of Logistics is also upheld by the government policy called Eastern Economic Corridor or “EEC” in an attempt to upgrade

the Eastern Sea Board Project into Super Eastern Sea Board to make it an important economic hub of the country in order to attract foreign investors. This is by ways of granting rights to land or real-estate ownership to them, allowing foreign artisans and executives with their families to stay in Thailand, and entitling them to tax reduction including other tax benefits, for example.

At the same time the government has approved the investment plan for construction of 62 connectivity networks projects in the eastern region, totaling 309,755 million baht, covering all forms of transportation; whether it be air, for example, the development of U-Tapao Airport to be a full commercial airport, water, for example, turning Sattahip Commercial Port into a ferry terminal and the development of Laem Chabang Port, road ways, for example, construction of motorways Bangkok - Chonburi - Pattaya - Map Ta Phut, the project for road improvement in Utapao and Map Ta Phut areas, the project for improvement of road along the coastal areas in Rayong and Chon Buri provinces and the project of road construction from Laem Chabang to Nakhon Ratchasima.

Another factor that largely contributes to the growth of the logistics business is the fast-growing business of E-Commerce because it needs to rely on a transport system in which products can be effectively transported right from the factory gate to the end consumers’ hands (B2C). In this, the Digital Council for Economy and Society revealed that the most important trend of the digital industry in 2020 is the high-growth e-commerce business with a value of 748,000 million baht, and ranked No. 1 given the total value of E-Commerce business in the Southeast Asian region, with an estimated average market growth rate of 20-30 percent during the period from the past 2017 to 2019. Moreover, not only did Thailand see the continuous growth rate of e-commerce business, but the online trading value of the world was also growing up quickly. As can be seen from the statistical figures, only the portion showing the value of e-commerce in B2C model from



2014 to projected for 2018, the collective growth rate for Western Europe, North America, Latin America, Central to Eastern Europe, Central Asia, the Middle East, and Africa dramatically increased to as high as 27.30 percent. China, whose E-Commerce value is the world's number one, is another stimulant for logistics business growth. According to a report from the National Bureau of Statistics of China in 2018, E-commerce (Physical goods) business total 7.02 trillion yuan, or 32.16 trillion baht, with market value growing 25 percent from a year earlier, or equivalent to 18 percent of the total retail business value. Therefore, logistics operators who are first to grab the e-commerce customer group will gain quite a lot of competitive advantage.

According to the data from Krungsri research article in August 2019, the freight service business during the years between 2019 and 2021 is expected to grow by an average of 1-2% per year, with a support of the manufacturing, trade and investment growth from the public and private sectors, including the amount of agricultural production that is likely to improve, resulting in the need for more transportation and distribution of products to the domestic markets. What's more, the business also gains benefits from the border trade that is continuously expanding including online trading transactions which are becoming more popular. In this regard, the important supporting factors to the domestic and cross-border transportation services by the company's trucks and trailers are trade liberalization and cooperation projects between ASEAN countries such as Greater Mekong Sub-region (GMS) and Indonesia-Malaysia-Thailand Economic Triangle (IMT-GT) and the ASEAN Economic Community (AEC). Moreover, there is an advantage of the country's location which brings about borders linking it to several neighboring countries, thus resulting in the ability to conduct further cross-border trade with five more countries, namely Vietnam, India, Bangladesh, China, and Singapore. Besides, there is more support from the development of transportation infrastructure generating connections through roads such as 9 Asian Highway routes , 23 ASEAN Highway

routes, 3 routes from GMS framework, 2 Highways linking between Thailand and Malaysia, as well as connections through 17 Border Checkpoints and the Border Bridges namely Thai-Lao Friendship Bridge, Thai-Myanmar Friendship Bridge, Thailand-Cambodia Friendship Bridge linking Ban Nong Ian, Aranyaprathet district, Sa Kaeo Province of Thailand with Ban Stung Bot, Ou Chrov district, Bantea Meanchey of Cambodia, which is expected to be opened in 2022.

However, under the global pandemic of COVID-19 that has a big impact on the global import and export sectors, the logistics business is among those which are directly affected by the epidemic. Also, the slowdown in economic conditions and the international trade has decreased the quantity of international goods transportation. In addition, the stoppage of flying in a lot of airlines has caused the logistics operators who are dependent on-air transportation to heavily suffer the impact. Nonetheless, cargo flights has still continued flying as usual, so the business sector has not been suddenly halted.

### 2.4.3 Competitive conditions

From the business opportunities mentioned above, the number of operators involved in the logistics business is continuously increasing. According to company registration statistics of the Department of Business Development, Ministry of Commerce, the number of newly registered legal entities in the category of transportation and storage in 2019 and 2020 are 3,374 and 1,790, respectively, showing an increase in competition each year. The National Research Council of Thailand and Burapha University found that most of the logistics service providers in Thailand are mainly local operators, about 70%, most of whom run small-sized businesses, with a registered capital of less than 5 million baht each while foreign operators make up the other 30%. But their overall registered capital is more than that of the local operators. The service nature of the logistics companies in Thailand can be divided into 5 categories as follows:

- 1) Freight Transportation and Forwarding which covers the logistic work related to the services of transporting goods both inside and outside of the country in various forms: by road, rail, sea, and air.
- 2) Storage of goods, warehouse management and supervision, product labeling and packing services, including product distribution
- 3) Non-Asset Based Logistics Services covering customs clearance documents related to importing or exporting goods
- 4) Logistics services concerning supplementary services such as information and communication technologies and logistic consultation
- 5) Courier and postal services

The logistic operators who are taken as direct competitors of the Company are those who give international freight forwarding services belonging to Group 1, which can, in general, be further divided into 2 types. The first type refers to a group of foreign companies that have their headquarters overseas but is running a business branch in Thailand, holding shares in local companies. Most of these companies are large in size and have an advantage in terms of capital and a wider network, but they are less flexible when it comes to giving services than those small-sized local companies. The examples of such companies are DHL Global Forwarding (Thailand) Limited, Mol Logistics (Thailand) Co., Ltd., and Yusen Logistics (Thailand) Co., Ltd. The other type from Group 1 are local operators who give similar services to those of the company. However, each of the companies sharing Group 1 have different aspects of expertise and strong points and probably have expertise on different transport routes; for example, some companies may have excellent skills on LCL; other companies may be keen on transporting by trucks and trails; still others may specialize in trade lane to America or Canada. Local providers of international logistics services whose companies are listed on the Stock Exchange of Thailand include Wice Logistic Public Company Limited (“WICE”), NCL International Logistics Public Company Limited (“NCL”) and Sonic Inter freight Public Company Limited (“SONIC”).

#### 2.4.4 Competitive Advantage

- 1) The Company was awarded the Excellent Logistics Management Award (“ELMA”) in the category of international carrier management agency from the Ministry of Commerce for a couple of times. The first time was in 2016 for Third Party Logistics Services category (3PL). The other time was in 2019 for International Freight Forwarding category. And it was also awarded Prime Minister’s Award 2019: PM Award 2019, for the category of Best Service Enterprise Award. Also, the company has been authorized to be a Customs Agent at AEO standards (Authorized Economic Operator: AEO) from the Customs Department making the company become more reliable and thus enabling customers to have more confidence in the service quality that meets high standards.
- 2) The company has a wide range of products and can provide complete end-to-end global logistics services. Customers can transport products to all destinations around the world by making contacts for all of the services with only the Company.
- 3) The company has an overseas network with more than 1,000 alliance agencies representing in over 190 countries. This not only enables the company to provide its services worldwide but the overseas alliances would also introduce new customers with import-export businesses in Thailand to the company.
- 4) The Company received the OTI License (Ocean Transport Intermediary) from the Federal Maritime Commission of USA (FMC), allowing it to enter into a service contract with any shipping line to transport goods to North America by itself. However, those who apply for an OTI License need to be qualified and also have to be certified by the Federal Maritime Commission of USA. While operators without such a contract with shipping lines still need to rely on their foreign partners to transport their products to the North American

region. At present, there are few operators in the country that have such a license.

- 5) The company is a member of various associations, such as the International Freight Forwarders Association (“TIFFA”), the Association of Air Cargo Forwarders of Thailand (“TAFA”), the International Freight Forwarders Association (“FIATA”). Moreover, Mr. Kettivit Sittisoontornwong, Chief Executive Officer of the company, has been the President of the TIFFA Association for 3 tenure terms, namely the first term from 2013-2015, the second term from 2015-2017, and the third from 2017-2019. Also, he is currently the Honorary President of the TIFFA Association, which has made the company become more trustworthy and has created more confidence among both customers and business partners, and thus acquiring an important role in driving the growth of the international logistics management business in Thailand.
- 6) The company is a member of the International Air transport Association (“IATA”), and thus it has acquired Direct Stock Air Way Bill from various airlines making it receive competitive air freight rates. This also brings the company acceptance from both Agent / Network customers and airlines since only companies that are specialized in air cargo are qualified to apply for IATA membership.
- 7) The company provides standard services by complying with the ISO 9001: 2015 system for quality management and control of operations. The company has found no defects at both Major / Minor Non-Compliance for 16 years since the implementation of the ISO 9001 system. In addition, from the company’s statistical records of customers’ complaints between 2012 and 2020, there found to be less than 1% of them given the total amount of work serviced by the company.
- 8) The company has a policy to provide liability insurance of multimodal transport operators; as a result, customers can be

confident that their products will be covered, by legal liability and liability with regard to Bill of Lading “B/L” for sea, land, and air transports, against losses or physical damages to products of customers using the Company’s services.

- 9) Due to the growth trend of the e-commerce business mentioned above, the company has a customer base that operates these businesses both domestically and internationally. This factor makes the company gain a competitive advantage and is an important part to increase the company’s sales in the long term.
- 10) The company performs a professional and modern business management by implementing the principles of strategic management in the organization such as Marketing & Sales Management. Business plans are annually prepared to set goals for each of the departments as well as the company’s holistic one. And the company has used Balanced Score Cards and KPI to set goals for and measure the annual work plans. The company also has a business management policy with an emphasis on empowering and delegating administrative tasks to executives at all levels, so that they are able to fully manage and supervise their working section under their own responsibilities.
- 11) The company has a management team with a long experience in the field of logistics service provision and has a strong sales team of more than 40 people
- 12) The company has implemented a project called Customer Focused Strategic Campaign which means placing an importance to strategic management, emphasizing on customer needs and new service offerings (Services/ Trade Lane Development) to meet the needs of customers continuously. This includes continuously building good relationships with customers and business partners (Customer & Partner Relationship Management).

## 2.5 Service Procurement

### 2.5.1 Procurement

The principal cost of global end-to-end logistics service is that for procurement paid by the service provider to experienced business partners (Strategic Partners) who have expertise in different areas of logistics services. The company's procurement can be divided into 3 groups as follows:

- **Purchasing Sea and Air Freight and Procurement of Master-loader**

Sea freight and Air freight cost are a major cost of international freight forwarder. Therefore, freight rate management is another important factor in the company's business operations. Since the Company received the OTI License from the Federal Maritime Commission or "FMC" as previously mentioned, the Company is able to enter into service contracts with shipping lines operating in North American region and have advantage of competitive rate. Under the service contract, shipping line service cost can be adjusted according to the market freight rates at that time, which the contract specifies the minimum freight rates and the minimum quantity commitment ("MQC") that the company must purchase within the time specified in the contract. Therefore, the operators who have entered into the service contract have the advantage in purchasing freight rate.

For the procurement of freight rate on other routes in the form of FCL and airline reservation, the company will purchase the freight only once the customer has accepted the company's quotation. However, for regular customers who use the service regularly, the company may make reservations in advance for convenience and to ensure that the customers receive desirable shipment schedules and shipping line. For transporting products in the form of LCL, the Company will book the freight in advance and manage the container space for sales offering.

The company has prepared an approved supplier list or "ASL" on a database in which the central agency overseeing prices and service standards has assessed the quality of the suppliers so that the sales team will make their choices using the information on the database.

- **Procurement of value added services (Integrated Logistics Services)**

Purchasing in this section is one that focuses on services that reinforce the completion of the company's Integrated Logistics Services which include the procurement from customs clearance services, packing & crating service providers, truck operators both domestic and cross-border transports, insurance companies, and carrier and express service providers, for example.:

- **Procurement of service from overseas agents**

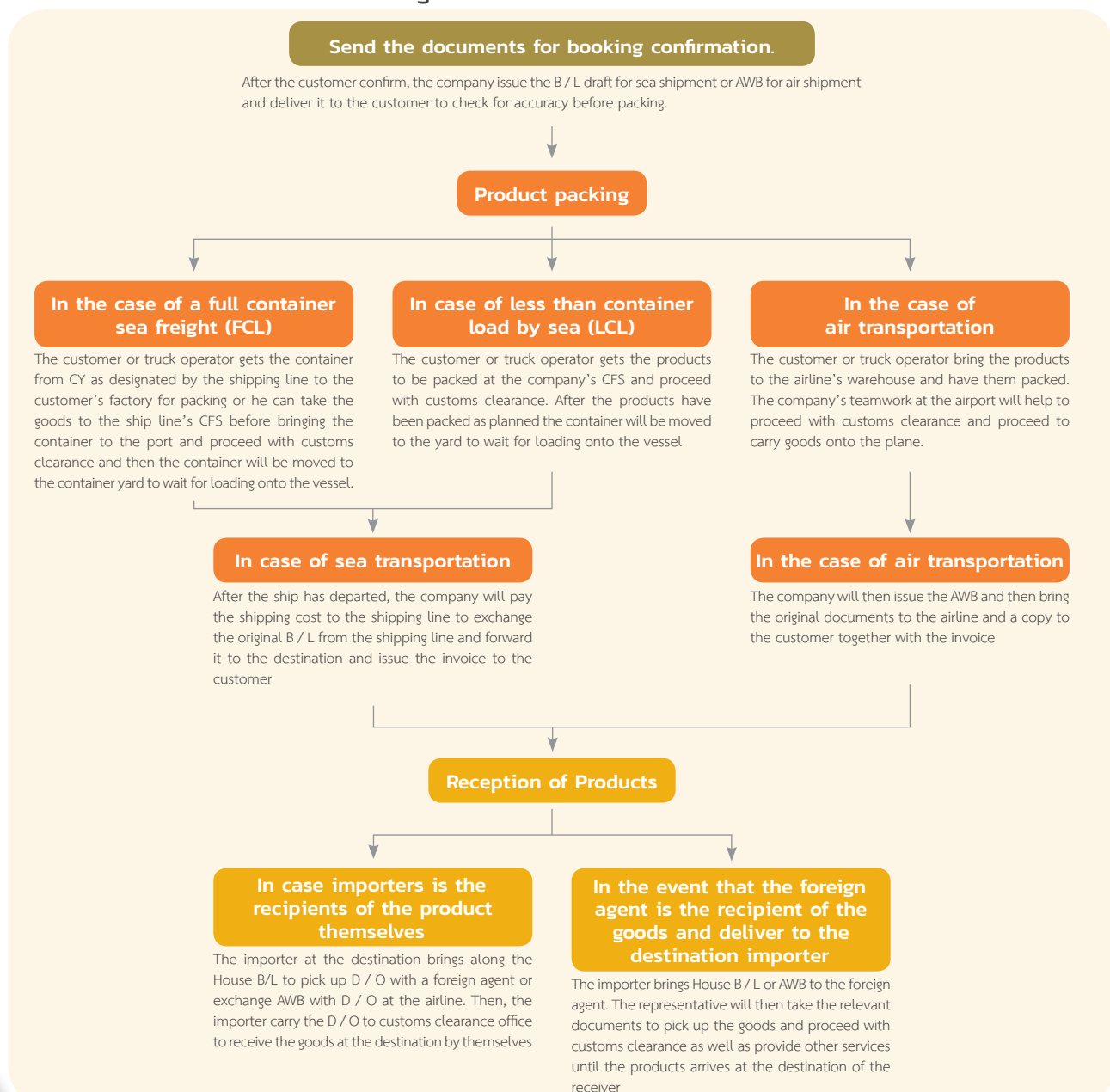
Doing global logistics business in the form of one-stop service requires the help of Overseas Agents in coordinating when it comes to deliveries of goods for both import and export shipping. Generally, the Company has two or more main agents in each country for such large countries as the United States, China, and India depending on the ability and expertise to provide services and the amount of reciprocal business such agents have with the company. The company has listed the names of the foreign agents including their levels of service quality for the sales team to make their choices. The list of overseas agents is mainly from the recommendations derived from members of International Freight Forwarding Network such as WCA Inter Global, FPS, or GOAL. These networks have a system to recruit professional, reliable members who are ensured financial stability, which allows the company to find an effective foreign representative who does not cause risks of substandard services or loss of payment.

## 2.5.2 Service operations procedures

### Definitions of documents and places related to services supporting end-to-end logistics services

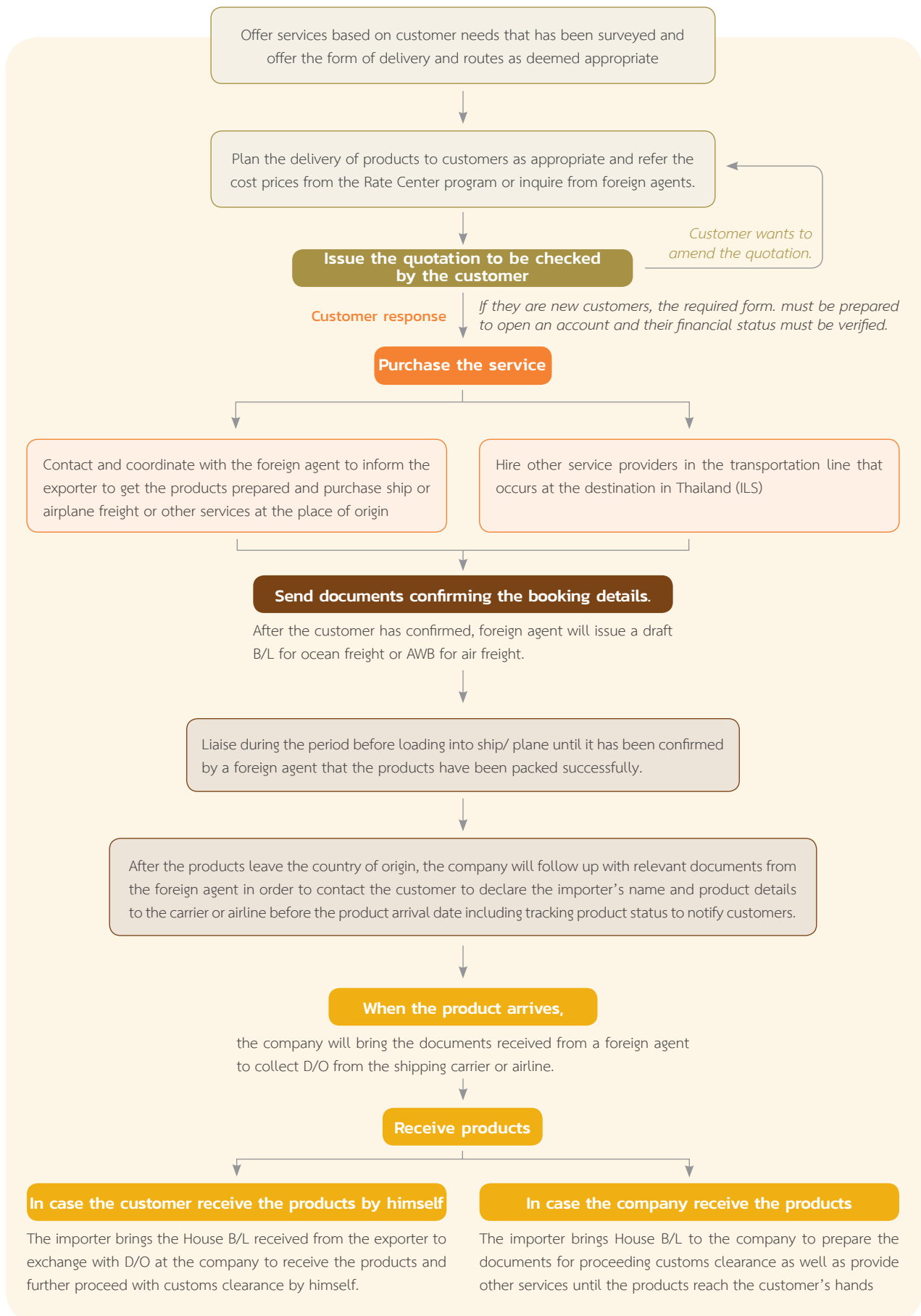
1. Bill of Lading or "B/L"	meaning	A legal document between a shipper and carrier detailing the type, quantity, and destination of goods being shipped.
2. House B/L	meaning	A bill of lading issued by a freight forwarder.
3. Master B/L	meaning	A bill of lading issued by a carrier to a freight forwarder.
4. Airway Bill or "AWB"	meaning	A document that accompanies goods shipped by an international air courier.
5. Delivery Order or "D/O"	meaning	A document from a consignee, an owner or his agent of freight carrier which orders the release of the transportation.
6. Container Yard or "CY"	meaning	A designated storage area for containers in a terminal or dry port before they are loaded or offloaded from a ship.
7. Container Freight Station or "CFS"	meaning	A distribution facility where import and export shipments are consolidated and de-consolidated.

### • Outbound end-to-end logistics services





## • Inbound End-to-End Logistics Services






## 2.5.3 Participating as a member of both domestic and international associations and networks

- **Association membership**

The membership the company gains can be separated into two levels: domestic associations and international associations. The benefits the company received is in the forms of information beneficial to its business operations and building relationships with both the private and government sectors in and outside of the country. For example, the company benefits from the information on trade from the associations, in addition to protection of interests, chances of presentations and participation in following up solutions to problems that hinder the overall members' business operations, including the opportunity to meet entrepreneurs or partners from seminars, the opportunity to advertise the company through various channels such as through publications or website pages. Moreover, joining the associations brings the company the opportunity to enhance its knowledge of the logistics service business organized by these associations. Also, being an international member in associations such as FIATA and IATA will enable the company to be trusted by both business partners and relevant agencies, because both associations are world-class associations that are recognized by public and private agencies around the world.

As of December 31, 2020, the company is a member of various associations as follows:

Order	List of associations	The symbol	category	inauguration date
<b>Domestic association</b>				
1.	Thai International Freight Forwarders Association or "TIFFA"		ordinary	17 January 2011
2.	Thai Airfreight Forwarders Association or "TAFE"		ordinary	28 December 2010
3.	The Customs Broker and Transportation Association or "CTAT"		ordinary	31 March 2017
4.	The Thai Chamber of Commerce		ordinary	19 October 2010
5.	Thailand - China Business Council or "TCBC"		ordinary	9 December 2010

Order	List of associations	The symbol	category	inauguration date
6.	The Federation of Thai Industries or “F.T.I.”		associate	15 December 2010
<b>International association</b>				
7.	International Federation of Freight Forwarders Association or “FIATA”		Individual Member	4 April 2011
8.	The International Air Transport Association or “IATA”		Cargo Agent	1 November 2553

Nevertheless, each of the above-mentioned associations generally collects the membership fee for joining them as a member on a yearly basis.

- **International Freight Forwarding Network**

The company is a member of the International Freight Forwarding Network such as WCA Inter Global Network, Famous Pacific Shipping Group (“FPS”), Global Ocean Agency Lines (“GOAL”) or Worldwide Project Consortium (“WWPC”). These networks were established to build up a network of alliances who operate their businesses as international logistics providers in order for them to expand the scope of business to more foreign countries and to help promote each other’s business between the Thai operators and their foreign business partners. These networks normally have a large number of members; for example, the WCA Inter Global Network currently has a total of 7,430 members, which are distributed in 190 countries.

## 2.6 Environmental impact

- none -

## 2.7 Benefits from investment promotion certificates from the Board of Investment.

- none -

## 2.8 Job not yet delivered

- none -

## 3. Risk Factors

There are major risk factors that are likely to affect the Company's business or the investors' investment return. The guidelines to minimize the effect or to protect from risks are to be summarized as follows:

### 3.1 Risks from business operations

#### 3.1.1 The risk from the fluctuation of freight rates

The freight cost is considered the principle cost of end-to-end logistics business. Given the records in 2018, 2019, and 2020, the freight rate costs were amount to 53.50 %, 48.61%, 50.54% of the revenues from the sea freight forwarding services respectively. As a result, the freight rate fluctuation is likely to give a significant impact on the Company's revenue. Generally, the freight rate varies according to the demand and supply of international freight forwarding services. This probably comes to a conclusion that the world's economy and trade has a correlation with freight rates. In this, most shipping lines would follow the Baltic Dry Index or "BDI" and Shanghai Containerized Freight Index or "SCFI" which reflect the freight rates of containerized sea freight forwarding from Shanghai, China, to major ports on various continents of the world.

Since the company's operating results depend on the management of gross profits derived from service fees and the freight rate margin, the fluctuation of freight rate has no direct effect to the company's operating results. In addition, the company also has an approach to determining the sales prices using the Cost Plus Margin model to protect from the fluctuation of freight rates, which are the company's principle costs as mentioned

#### 3.1.2 Risk from digital disruption: the use of IT Platform in businesses and the incoming new players of Tech Companies

The existing changes in economic situation, society, commerce and IT innovation have made people of all sectors think about them with understanding, and it is unavoidable to improve business operation forms as well as different strategies for the sake of organizational survival and

competitiveness in this era of "Digital Disruption". Therefore, the emphasis is put on change management from strategy-level organizational improvement to that of the operational level.

Nevertheless, it is necessary for the Company to find more employees with appropriate skills to fulfill the need as well as to educate the existing ones with knowledge of digital technologies to apply it to the business.

#### 3.1.3 Risk of made-in-Thailand products from competitiveness in the international trade arena

For Thailand, despite a group of products affected by the US's economic response to China, it does not cause much effect because the proportion of such a product group is not so large when compared to the overall Thailand's export value and also because of the product types.

"Logistic Strategy" is an important mechanism in driving Thailand's economy into an acceptance as the trade and service center for ASEAN according to Thailand's third Logistics Development Plan (B.E. 2560-2564), especially Strategy 1, which gives a focus to the Added-Value Development of Supply Chain that emphasizes on the improvement of the system for logistics and supply chain management and the elevation of it to an international standard.

Even if the Company has been little affected by the recent trade war between the US and China, it feels a negative consequence as well in the world's trade competition arena. Therefore, the company has to keep following up the world's economic situation, adjust the business strategies to be in line with the ever-changing situations, and get ready for possible changes to minimize the risk from the competitive business conditions. Besides, the company has also created strategies in developing its services to satisfy the customer needs and in

maintaining the existing customer groups and finding new ones whose businesses cover the areas from which the company can make the highest profits. Also, the company is trying to look for new business channels in which it can take to help reduce the business risk from the said competitions.

### **3.1.4 Risk from the fluctuation of foreign exchange rates**

The Company's conducting of business is concerning international freight forwarding service which is normally involved with payments made to and from other agencies through foreign currencies; this also includes its associate companies operating in foreign countries. It is, therefore, likely to take the risk of changes in foreign exchange rates. The main currency used in the company's operation of business is the US dollar which makes up a 90% proportion of overall foreign currency value.

The Company has conducted the risk management in relation to exchange rate according to its policy and guideline on risk management by methods of Net Settlement, Matching, and Forward Contract & Option contract totaling 89% of the USD amount received and paid in the year 2020.

## **3.2 Risk from management**

### **3.2.1 Risk from administration dependent upon the executives and major shareholders**

The Company also takes the risk of dependence on executives and major shareholders. This is because Mr. Kettivit Sittisoontornwong, who is one of the Company's founders, a major shareholder, and one who is holding the position of Vice Chairman of the Board and CEO, is the person who has been in the field of International Freight Forwarding for over 31 years ever since he started working and has been playing important managerial roles in making the Company become famous and accepted in the industry including the important roles in determining the Company's business policies and strategies resulting in continuously efficient operation results. Therefore, in the event that the Company loses such an executive, there may be effects in the Company

### **3.1.5 Risk from liability for damages arising during transportation**

In order to minimize the risk arising from losses and/or damages of products from the company freight forwarding services, there is a policy on Cargo Insurance or other Insurance Packages that include Cargo Insurance, together with the service-quality evaluation of suppliers at 6-month intervals to make them live up to the standard set and the implementation of case studies occurred during the year 2020 training the employees for more realization. This includes the discussion with those suppliers to find a joint approach to preventing problems before they occur.

Furthermore, the Company has entered into Liability Insurances to guarantee liabilities for damages that may arise during transportation, which the Insurance Company shall be the party liable for the damages in accordance with terms and conditions, and insurance limit as stipulated. In this 2021, the Company is during the negotiation with the Insurance Company to push for the coverage of Direct B/L.

and its subsidiaries' operations and business outcomes.

However, the Company has a continuous policy to promote and develop its employees at all levels to constantly receive more knowledge, expertise, and ability to work. This also means the development of the executive-level staff, focusing on management skills, leadership, including visions for organizational leaders in order to distribute managerial power to those who are subordinate executives. It also sets up committees such as the Audit Committee, The Recruitment and Remuneration Committee, The Risk Management Committee. All executive staff has participated in managing the company and in making decision on matters as authorized in order to reduce the dependence on such an Executive Officer.



## 4. General Information and Other Important Details

### 4.1 General information

#### 4.1.1 Details of company

Company name	: Leo Global Logistics Public Company Limited.
Short name of securities	: LEO
Head office location	: No.251-251/1 Soi Phakdi, Rama 3 Road, Bangkorlaem Subdistrict, Bangkorlaem District, Bangkok 10120
Nature of business	: A provider of end-to-end global logistics services and shareholder in other companies
Registration number	: 0107560000125
Phone number	: (662) 079-9888
Fax	(662) 079-9829
Company website	: www.leogloballogistics.com
Registered Capital	: 160,000,000 baht
Paid-up capital	: 160,000,000 baht
Number of ordinary shares	: 320,000,000 shares
Issued and paid-up shares	: 320,000,000 shares
Par value	: 0.50 baht per share

#### 4.1.2 Details of company branch

Branch	: Rama 3
Address	: No. 259/1 Soi Phakdi, Rama 3 Road, Bangkorlaem Sub-district, Bangkorlaem District, Bangkok
Phone number	: (662) 079-9888
Fax	: (662) 079-9829
Branch	: Suvarnabhumi
Address	: No. 294/18-19 Rom Klao Road, Khlong Sam Prawet Subdistrict, Ladkrabang District Bangkok
Phone number	: (662) 079-9888
Fax	: (662)184-9725
Branch	: Laem Chabang
Address	: No. 53, Talaythong Building 11 <sup>th</sup> Floor, Moo 9, Sukhumvit Road, Thungsukla Sub-district, Sriracha District, Chonburi Province
Phone number	: (662) 079-9888/ 038-492-889
Fax	: 038-492-892

### 4.1.3 Details of legal entities that the company directly holds 10 % or more of their paid-up capital

<b>(1) Company name</b>		<b>YJC Depot Services Company Limited</b>
Nature of business	:	A provider of short-term and long-term container storage services and container repair service
Location	:	84/10 moo 3, Bangna-Trad Road km.13 Bang Chalong Sub-district Bangpli District Samut Prakan Province
Registration number	:	0105552068296
Registered capital	:	15,000,000 baht
Paid-up capital	:	15,000,000 baht, divided into 150,000 ordinary shares with a par value of 100.00 baht per share
The Company's shareholding proportion	:	50.0 %
Phone number	:	02-730-7503
Fax	:	02-730-7504
<b>(2) Registration number</b>		<b>Leo Myanmar Logistics Company Limited</b>
Registered capital	:	A provider of end-to-end logistics services in Myanmar
Paid-up capital	:	422/426 Corner of strand road and botahtaung pagoda road, # 10-08, botahtaung township,
Registration number	:	YANGON, REPUBLIC OF THE UNION OF MYANMAR
Registered capital	:	NO. 632FC of 2014-2015
Paid-up capital	:	100,000 USD, or approximately 3,007,000 baht*
The Company's shareholding proportion	:	100,000 USD, or approximately 3,007,000 baht*, divided into 10,000 ordinary shares with a par value of 10.00 USD per share
Phone number	:	80.0 %
Fax	:	951-202092
*Referred to the exchange rate as of 29 December 2020 = 30.07 baht per USD		
<b>(3) Company name</b>		<b>Aramex (Thailand) Company Limited</b>
Nature of business	:	A provider of international courier and express services
Location	:	335 Phatthanakan Road, Prawet Sub-district, Prawet District, Bangkok
Registration number	:	0105557079725
Registered capital	:	39,000,000 baht
Paid-up capital	:	39,000,000 baht, divided into 390,000 ordinary shares with a par value of 100.0 baht per share
The Company's shareholding proportion	:	26.0 %
Phone number	:	02-022-7070
Fax	:	02-381-2397, 02-381-2398

<b>(4) Company name</b>		<b>Sinokor Merchant Marine (Thailand) Company Limited</b>
Nature of business	:	A representative of Sinokor Shipping Lines of South Korea in Thailand
Location	:	92/21 Sathorn Thani Building 10 <sup>th</sup> floor, North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok
Registration number	:	0105545124712
Registered capital	:	5,000,000 baht
Paid-up capital	:	5,000,000 baht, divided into 50,000 ordinary shares with a par value of 100.0 baht per share
The Company's shareholding proportion	:	50.0 %
Phone number	:	02-636-7299
Fax	:	02-636-7300
<b>(5) Company name</b>		<b>Kyung Pyung Logistics Co., Ltd.</b>
Nature of business	:	A service provider of container yard, warehouses, and transports in South Korea
Location	:	305 Pyeongtaek Hungmunkil, Poseungum, Pyeongtaek-si Gyeonggi-do, South Korea
Registration number	:	125-81-63716
Registered capital	:	3,000,000,000 won or approximately 89,700,000 baht*
Paid-up capital	:	3,000,000,000 won or approximately 89,700,000 baht*, divided into 300,000 ordinary shares with a par value of 10,000 won per share
The Company's shareholding proportion	:	30.0 %
Phone number	:	8231-612-6742
Fax	:	8231-612-6722
*Referred to the exchange rate as of 29 December 2020 = 0.0299 baht per won		
<b>(6) Company name</b>		<b>Royaltainer Corporation Company Limited</b>
Nature of business	:	A provider of international logistics services
Location	:	123/9 Nonsi Road, Chong Nonsi Sub-district Yannawa District, Bangkok
Registration number	:	0105535102783
Registered capital	:	5,000,000 baht
Paid-up capital	:	5,000,000 baht, divided into 50,000 ordinary shares with a par value of 100.0 baht per share
The Company's shareholding proportion	:	19.0 %
Phone number	:	02-681-0555
Fax	:	02-681-0566-8
<b>(7) Company name</b>		<b>All Logistics Center Company Limited</b>
Nature of business	:	Provider of warehouse and distribution management services
Location	:	700/488 moo 2, Ban Kao Sub-district, Pan Thong District, Chonburi Province
Registration number	:	0105550091282
Registered capital	:	10,000,000 baht
Paid-up capital	:	10,000,000 baht, divided into 100,000 ordinary shares with a par value of 100.0 baht per share
The Company's shareholding proportion	:	10.0 %
Phone number	:	038-468-648
Fax	:	038-468-675

#### 4.1.4 Securities Registrar

<b>Company</b>	<b>: Thailand Security Depository Company Limited</b>
Head office location	: No. 93 The Stock Exchange of Thailand Building 14 <sup>th</sup> floor, Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400
Phone number	: 02-229-2800
Fax	: 02-359-1259

#### 4.1.5 Auditor

<b>Company</b>	<b>: PRICEWATERHOUSECOOPERS ABAS Company Limited</b>
Head office location	: No. 179/74-80 Bangkok City Tower 15 <sup>th</sup> floor, South Sathorn Road, Bangkok 10120
Phone number	: 02-344-1000
Fax	: 02-286-5050

#### 4.1.6 Internal auditor

<b>Company</b>	<b>: DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT COMPANY LIMITED</b>
Head office location	: No.11/1 AIA Sathorn Tower 23-27 <sup>th</sup> floors, South Sathorn Road, Yannawa Sub-district, Sthron District, Bangkok 10120
Phone number	: 02-034-0000
Fax	02-034-0100

#### 4.1.7 Legal consultant

<b>Company</b>	<b>: Hunton Andrews Kurth (Thailand) Company Limited</b>
Head office location	: No. 1 Q HOUSE LUMPINI 34 <sup>th</sup> floor, South Sathorn Road, Thungmahamek Sub-district, Sathorn District, Bangkok 10120
Phone number	: 02-645-8800
Fax	: 02-645-8880

### 4.2 Other important details

- None -

## Section 2

# Administration and Corporate Governance





## 5. Securities and Shareholders Information

### 5.1 Amount of registered capital and paid-up capital

The Company, listed on Market for Alternative Investment (MAI), had registered capital as of December 31, 2020 in the amount of THB 160,000,000, divided into 320,000,000 ordinary shares with a par value of THB 0.50 per share. The issued shares and registered paid-up capital worth THB 160,000,000 consists of 320,000,000 ordinary shares.

### 5.2 Shareholders

List of the top 10 shareholders of the Company as of December 29, 2020 is as follows:

	Shareholders	Number of shares held (shares)	%
1.	Mr. Kettivit Sittisoontornwong	72,875,200	22.774
2.	Mr. Somsak Srisuthatkul	29,352,000	9.173
3.	TSC Holding Co., Ltd. <sup>1</sup>	27,632,000	8.635
4.	Khunying Pattama Leesawadtrakul	19,340,000	6.044
5.	Mr. Vises Sittisoontornwong	16,500,000	5.156
6.	Sinokor Merchant Marine (South Korea) Co., Ltd.	15,000,800	4.688
7.	Miss Sripri Eakwichit	10,300,000	3.219
8.	Mr. Surasit Asavasakseri	10,300,000	3.219
9.	Mr. Chotivat Danthanasarn	5,500,000	1.719
10.	Mr. Viboonpong Thitipunya	1,800,000	0.563
	<b>Total</b>	<b>208,600,000</b>	<b>65.190</b>
11.	Other shareholders	111,400,000	34.810
	<b>Total</b>	<b>320,000,000</b>	<b>100</b>

**Note** : <sup>1</sup> TSC Holding Company Limited engages in other businesses such as providing customs clearance services, shipping agent and real estate rental, etc.

### 5.3 Issuance of other securities

- None -

## 5.4 Dividend payment policy of the Company and subsidiaries

The Company and its subsidiaries have a policy to pay dividends at the rate of not less than 40.00% of the net profit from the separate statements after deducting corporate income tax and all other reserves of all types as specified in the laws and regulations of the Company and subsidiaries.

However, such dividend payment is subject to change depending on necessity and other suitability as the Board of Directors (BoD) deems appropriate. The annual dividend payment must be approved by the shareholders' meeting, except for an interim dividend payment where the Board of Directors may approve such payment occasionally in view that the Company and the subsidiary have sufficient profit for that. Correspondingly, the BoD shall report such interim dividend payment to the next shareholders' meeting

## 6. Organizational Structure

### 6.1 The Board of Directors

The Company's management structure consists of the Board of Directors and 3 sub-committees the Audit Committee, the Nomination and Remuneration Committee, and the Executive team. The details of each committee are as follows:

1) The Board of Directors as of December 31, 2020 has a total of 9 members, consisting of

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Sane Danguwong	Chairman of the BoD & Independent Director	6/6	7/7
2. Mr. Viwat Limsakdakul	Director / Independent Director / Chairman of the Audit Committee	6/6	5/7
3. Mr. Woragan Xuto	Director / Independent Director / Member of the Audit Committee	5/6	5/7
4. Mr. Teerachai Chemnasiri	Director / Independent Director / Member of the Audit Committee	6/6	7/7
5. Mr. Apichart Lee-issaranukul	Director / Independent Director	5/6	6/7
6. Mr. Paiboon Sumranputi	Director / Independent Director	6/6	7/7
7. Mr. Kettivit Sittisoontornwong	Vice Chairman of the BoD	6/6	7/7
8. Mr. Surasit Asavasakseri	Director	6/6	7/7
9. Miss Sripri Eakwichit	Director	6/6	7/7

**Note** : All company directors have passed training courses on roles, duties and skills of directors from the Thai Institute of Directors Association (IOD).

The director with signatory authority to bind according to the Company's certificate is Mr.Kettivit Sittisoontornwong, Ms.Sripri Eakwichit, Mr.Surasit Asavasakseri, two of these three directors jointly sign with the company's seal.

The Board of Directors' Meeting No. 1/2017 (after being listed) held on March 27, 2017, resolved to appoint Mr. Manop Patjhawit as the Company Secretary.

- 2) The 2017 Shareholders' AGM held on March 21, 2017, resolved to appoint independent directors and audit committee members fully qualified according to the Notification of the Capital Market Supervisory Board No. Tor Jor 39/2559 regarding the request and the approval of the offering of newly issued securities dated September 30, 2016 (including the revised version). As of December 31, 2020, the Audit Committee consists of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Viwat Limsakdakul	Chairman of the Audit Committee	4/4	5/6
2. Mr. Woragan Xuto	Member of the Audit Committee	3/4	5/6
3. Mr. Teerachai Chemnasiri	Member of the Audit Committee	4/4	6/6

The Audit Committee with sufficient knowledge and experience in accounting and finance to review the reliability of the Company's financial statements is Mr. Viwat Limsakdakul, with Mrs. Patsamon Preechasuth as the Secretary of the committee.

- 3) The Board of Directors' Meeting No. 1/2017 (after being listed) on March 27, 2017 resolved to appoint the Nomination and Remuneration Committee. As of December 31, 2020, the Nomination and Remuneration Committee consists of

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Teerachai Chemnasiri	Chairman of the Nomination and Remuneration Committee	-	5/5
2. Mr. Woragan Xuto	Member of the Nomination and Remuneration Committee	2/2	4/5
3. Mr. Apichart Lee-issaranukul	Member of the Nomination and Remuneration Committee	2/2	2/5
4. Mr. Paiboon Sumranputi	Member of the Nomination and Remuneration Committee	1/2	5/5

**Note** : Mrs. Nittaya Pruttipiboonthum is Secretary of the Nomination and Remuneration Committee.

- 4) The Board of Directors' Meeting No. 1/2017 (after being listed) on March 27, 2017 resolved to appoint the Executive Committee. As of December 31, 2020, the Executive Committee consisted of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Kettivit Sittisoontornwong	Chairman of the Executive Committee	11/11	15/15
2. Mr. Vises Sittisoontornwong	Member of the Executive Committee	11/11	15/15
3. Miss Sripri Eakwichit	Member of the Executive Committee	11/11	15/15
4. Mr. Surasit Asavasakseri	Member of the Executive Committee	11/11	15/15
5. Mr. Manop Patjawit	Member of the Executive Committee	11/11	15/15

**Note** : Mrs. Nittaya Pruttipiboonthum is Secretary of the Executive Committee.

## 6.2 Risk Management Working Group

The Board of Directors' Meeting No. 1/2017 (after being listed) on March 27, 2017 resolved to appoint the Risk Management Working Group as of December 31, 2020.

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Kettivit Sittisoontornwong	Head of the Risk Management Working Group	4/4	4/4
2. Miss Sripri Eakwichit	Member of the Risk Management Working Group	4/4	4/4
3. Mr. Surasit Asavasakseri	Member of the Risk Management Working Group	4/4	4/4
4. Mr. Manop Patjawit	Member of the Risk Management Working Group	4/4	4/4

**Note** : Mrs. Patsamon Preechasuth is Secretary of the Risk Management Working Group.

## 6.3 Management

As of December 31, 2020, the list of the Company's management is as follows:

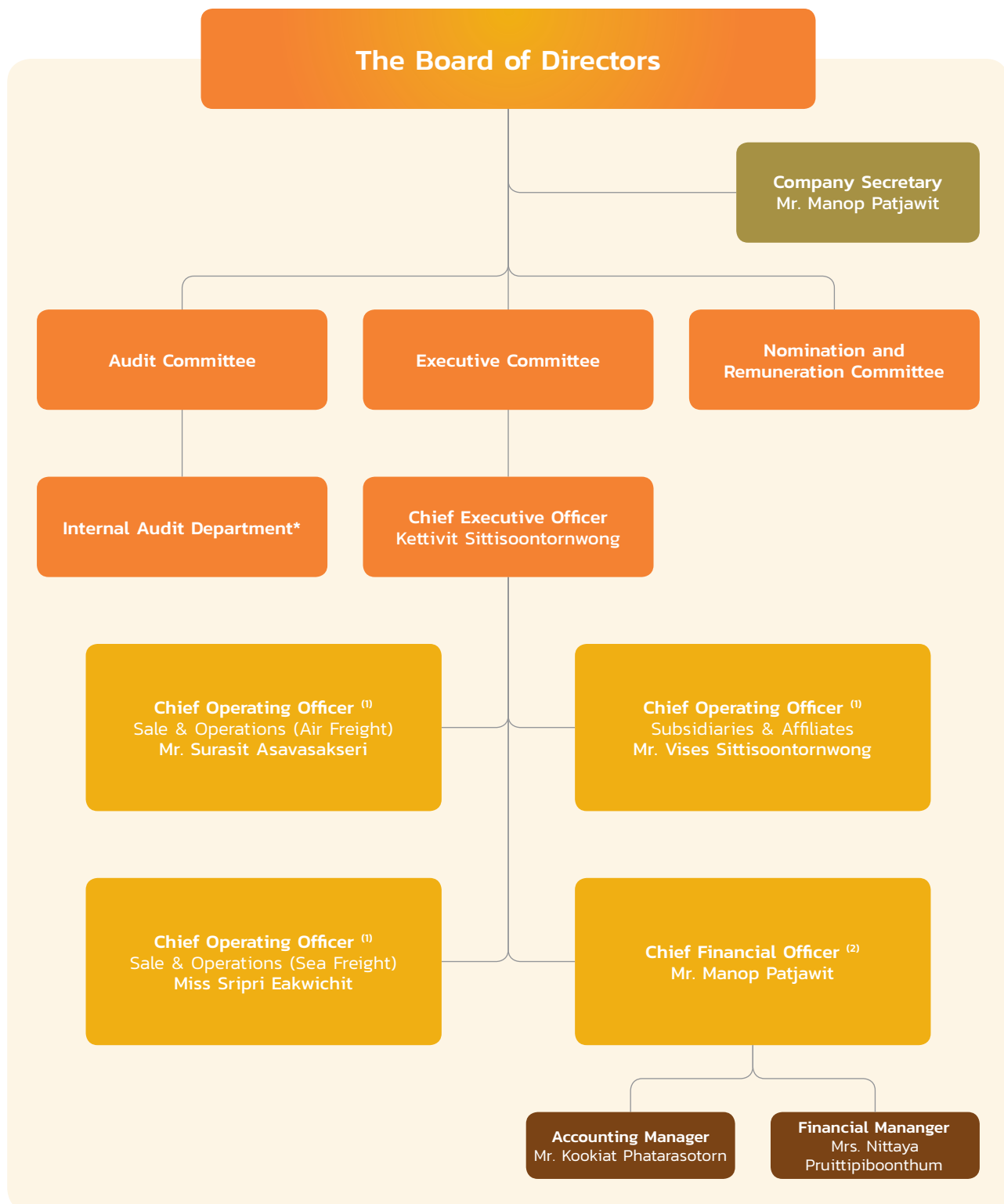
Name	Position
1. Mr. Kettivit Sittisoontornwong	Chief Executive Officer
2. Mr. Vises Sittisoontornwong	Chief Operation Officer – Subsidiaries & Affiliates <sup>(1)</sup>
3. Miss Sripri Eakwichit	Chief Operation Officer – Sales & Operations <sup>(1)</sup> (Sea freight)
4. Mr. Surasit Asavasakseri	Chief Operation Officer – Sales & Operations <sup>(1)</sup> (Air freight)
5. Mr. Manop Patjawit	Chief Financial Officer <sup>(2)</sup>

**Note** : <sup>(1)</sup> Change of the name of the position as of April 1, 2020

<sup>(2)</sup> Change of the name of the position as of April 1, 2020

## Organization structure of the Company

as of December 31, 2020



<sup>(1)</sup> Change of the name of the position as of April 1, 2020

<sup>(2)</sup> Change of name of the position as of April 1, 2020

\* The Company hired Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. to be the Company's internal auditor. Mr. Weerapong Kritsadaawat (Partner of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.) is the head of internal audit affairs.



## 6.4 Company Secretary

The Board of Directors' Meeting No. 1/2017 (after being listed) on March 27, 2017 resolved to appoint Mr. Manop Patjawit to be the Company Secretary starting from November 8, 2016. The Company Secretary has the scope, duties and responsibilities as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act B.E. 2535 (including the amendments), the legal duties of the Company Secretary are as follows:

- (1) Preparing and keep the registration of directors, invitation letters to attend the Board of Directors' meeting, meeting minutes of the Board of Directors' meeting, annual report of the Company, invitation letter to the shareholders' meeting, minutes of the shareholders' meetings, on behalf of the Company and / or Committee
- (2) Keeping reports of conflict of interest as reported by directors or executives on behalf of the Company and / or Committee
- (3) Performing any other tasks as specified in the notification of the Capital Market Supervisory Board and sending a copy of the report of conflict of interest under Section 89/14 prepared by the directors to the Chairman of the BoD and the chairman of the audit committee within 7 business days from the date the Company received that report on behalf of the Company and / or Committee

In addition, the company secretary has other duties as assigned by the Company as follows:

- (1) Providing basic advice on the law, Company policy and various regulations that the BoD needs to know and follow up to ensure that they are in compliance correctly and regularly, including reporting significant changes in requirements and / or laws to the BoD
- (2) Organizing shareholders' meetings and BoD's meetings in accordance with the laws, Company's Articles of Association and related practices
- (3) Recording the minutes of the shareholders' meetings and the BoD's meetings, including following up to ensure compliance with the resolutions of the shareholders' meeting and the BoD's meetings
- (4) Ensuring that the information is disclosed and reporting the information in the area of responsibility to the relevant departments according to their regulations and requirements
- (5) Taking care of the activities of the BoD and performing any other tasks in accordance with the law and / or as specified in the notification of the Capital Market Supervisory Board and / or as assigned by the BoD

Mr. Manop Patjawit attended training in Company Secretary Program (CSP) Class 79/2017 from the Thai Institute of Directors Association (IOD).

## 6.5 Remuneration for Directors and Management

### 6.5.1 Directors' remuneration

The 2020 Annual General Meeting of Shareholders on March 31, 2020 approved the directors' remuneration, Audit Committee members, and the Nomination and Remuneration Committee members for the year 2020, considering the roles, duties and responsibilities in regulating and supervising the Company's operations, and under consideration of suitability by comparing with those in the industry, experience, duties, scope of roles & responsibilities, as well as the more-than-expected benefits the Company gained from each director, with details as follows:

	Monthly remuneration in 2019 (THB/person/month)	Monthly remuneration in 2020 (THB/person/month)
Chairman of the BoD	60,000	60,000
Non-executive directors	20,000	20,000
Executive Director	-	-
Chairman of the Audit Committee	20,000	20,000
Audit Committee member	15,000	15,000
Chairman of the Nomination and Remuneration Committee	10,000	10,000
Nomination and Remuneration Committee member	8,000	8,000

**Note** : Executive directors will not receive monthly remuneration as they have received compensation in the form of salary.

In the year 2019 and 2020, the Company paid remuneration to the Company's directors and committee members as follows:

List of Directors	Directors' remuneration for the year 2019 (THB)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1. Mr. Sanee Dangwung	720,000			720,000
2. Mr. Viwat Limsakdakul	240,000	240,000		480,000
3. Mr. Woragan Xuto	240,000	180,000	120,000	540,000
4. Mr. Teerachai Chemnasiri	240,000	180,000		420,000
5. Mr. Apichart Lee-issaranukul	240,000		96,000	336,000
6. Mr. Paiboon Sumranputi	240,000		96,000	336,000
7. Mr. Kettivit Sittisoontornwong	-			-
8. Miss Sripri Eakwichit	-			-
9. Mr. Surasit Asavasakseri	-			-
<b>Total</b>	<b>1,920,000</b>	<b>600,000</b>	<b>312,000</b>	<b>2,832,000</b>

List of Directors	Directors' remuneration for the year 2020 (THB)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1. Mr. Sane Danguwong	720,000			720,000
2. Mr. Viwat Limsakdakul	240,000	240,000		480,000
3. Mr. Woragan Xuto	240,000	180,000	96,000	516,000
4. Mr. Teerachai Chemnasiri	240,000	180,000	120,000	540,000
5. Mr. Apichart Lee-issaranukul	240,000		96,000	336,000
6. Mr. Paiboon Sumranputi	240,000		96,000	336,000
7. Mr. Kettivit Sittisoontornwong	-			-
8. Miss Sripri Eakwichit	-			-
9. Mr. Surasit Asavasakseri	-			-
<b>Total</b>	<b>1,920,000</b>	<b>600,000</b>	<b>408,000</b>	<b>2,928,000</b>

## 6.5.2 Management Compensation

The Company paid remuneration to executives in the year 2019 and 2020 with the details as follows:

	Year 2019	Year 2020
Number of executives (person)	5	5
Salary, bonus and other compensation <sup>(1)</sup> (THB million)	17.98	18.27
Provident Fund contribution (THB million)	0.71	0.76
<b>Total remuneration (THB million)</b>	<b>18.69</b>	<b>19.03</b>

**Note** : <sup>(1)</sup> Other compensations consist of Management Incentive according to the performance target that the Company has set annually, and social security amount.

In addition, the management also receives other compensations such as mobile phone cost/fee, gasoline bills and company car, etc. In 2019 and 2020, the Company has paid other compensations totaling THB 2.34 million and THB 2.68 million, respectively.

## 6.6 Personnel

The company prioritizes human resources management and development and has equipped personnel with knowledge, competence and experience. This will be the fundamentals to strengthen the Company's competitiveness and growth potential.

In 2019 and 2020, the number of employees of the company and subsidiaries (excluding the management) has a total of 264 and 261, respectively, embracing the remuneration of approximately THB 117.51 million and THB 118.34 million, respectively. Such compensation covers salary, overtime payment, incentives, bonus, allowance, social security, provident fund contributions and other welfare benefits, etc. The details of the number of employees by department and personnel compensation are as follows:

Department	of December 31, 2019	As of December 31, 2020
Sales Department	57	55
Sales Support & Operation Department	130	130
Accounting & Finance Department	24	22
Executive Office	5	6
IT Department	3	3
HR and Admin Department	32	31
Marketing Department	4	4
YJC Depot Services Co., Ltd.	6	7
Myanmar Logistics Co., Ltd.	3	3
<b>Total</b>	<b>264</b>	<b>261</b>

Personnel compensation	As of December 31, 2019	As of December 31, 2020
Salary, bonus and overtime	81.50	90.59
Other compensations e.g. provident fund, social security and other welfare	36.01	27.75
<b>Total</b>	<b>117.51</b>	<b>118.34</b>

The Company has established a provident fund under the management of SCB Asset Management Company Limited to be a fund management company, according to the Provident Fund Act, B.E. 2530, on February 5, 2008.

The Company and its subsidiaries have not had labor disputes in the past 3 years. Regarding human resource management, the Company has a policy to continuously develop and enhance personnel at each level to be equipped with knowledge, expertise and ability for better performance via internal and external training according to the annual training plan, to maximize efficiency for the benefit of the company, economy and society as a whole. The human resource development at different levels is categorized as follows:

**1. Director level:** The Company continuously supports training and knowledge & capability enhancement for directors, especially for new directors. The company regularly supports basic training courses for company directors.

**2. Management level:** The Company prioritizes the enhancement of management, leadership and visionary aspects of leaders.

**3. Supervisor level:** The Company focuses on the development of basic management, supervisory skills, team building, cooperation, and effective communication skills internally and externally, as well as developing and promoting knowledge specialties.

**4. Employee Level:** The Company focuses on creating knowledge, experience and expertise among employees in the work that they are responsible for. The company always motivates staff on self-development with positive attitude towards the management and the firm.

## 7. Corporate Governance

In order to comply with the Code of Best Practices policy, the Company has adopted the principles of good corporate governance for listed companies in 2017 set by The Stock Exchange of Thailand (SET) as a guideline for the operations. This will be a driving force for the company to achieve operational efficiency while illustrating transparency for investors, which will create confidence in the business operations among the general public as well.

### 7.1 Corporate Governance Policy

The Board of Directors Meeting No. 3/2019 held on August 14, 2019, resolved the approval of the corporate governance policy in accordance with good corporate governance principles for listed companies in the year 2017, in line with the principles set by The Stock Exchange of Thailand. The Company's good corporate governance policy covers 8 principles, as follows:

#### **Principle 1 : Recognize the roles and responsibilities of the Board of Directors as the corporate leader who creates sustainable value for the business**

The company clearly sets the roles, duties and responsibilities of the Board of Directors as detailed in the Board of Directors Charter. The Board of Directors has a key role in overseeing the organization's good management covering setting objectives and main goals in the business operations with operations policy, risk management and operating strategies, including allocating important resources to enable the company's personnel to perform their duties to achieve the set objectives and goals. The Board of Directors will appropriately monitor, evaluate and supervise the report on company's performance in compliance with the standards.

The Board of Directors will regulate and supervise the company's operations to be ethical, respectful to the rights, and responsible for shareholders and all stakeholders. The purpose is to benefit the society and take into account the environment aspect by enhancing the environment while reducing negative impact on the environment. In addition, the aim is also to enable the company to adapt to constant changes from various factors while maintaining its competitiveness so that the company can produce good operating results for long-term benefits of shareholders and all stakeholders.

Moreover, the Board of Directors has specified duties and responsibilities of the Chief Executive Officer (CEO) and will supervise the directors, CEO,

executives and employees to perform their duties with responsibility, prudence honesty and integrity, to the best interest of the company. Based on sufficient information, having no direct or indirect interest in the decision making, the Board of Directors will supervise the company's operations in compliance with the laws, regulations and resolutions of the shareholders' meeting.

#### **Principle 2 : Establish objectives and main goals of the business toward sustainability**

The Board of Directors will define the company's objectives and important goals that can sustainably create value for the Company, customers, stakeholders and the society as a whole in accordance with the vision, mission and corporate values. The strategies, goals and annual operation plans will be formulated in line with the objectives and important goals of the Company by applying innovation and technology suitably and safely based on the principles of social and environmental responsibility.

LEO has set the vision, mission and corporate values as follows:

#### **Vision**

To be Thailand's leading end-to-end global logistics service provider with sustainable growth and the first company of choice in customer and employee's mind.

#### **Mission**

Realizing good governance as key to success, our mission is to operate business with emphasis on quality & efficiency to achieve sustainable growth



and trust from our customers, partners and staffs. The company's quality & efficiency policy has been continuously developed based on 4 strategic success factors:

1. High Customer Satisfaction (HCS)
2. Excellent Working System (EWS)
3. Quality Human Resource (QHR)
4. Healthy Group of Companies (HGC)

### Core Values

LEO Core Values have been initiated to instill the same attitudes and ethics in the workplace:

- L Leading with ethics and integrity
- E Excellence in teamwork with service mind
- O Open for continuous learning and improvement

### Principle 3 : Strengthen effective committees

The Board of Directors consists of persons with expertise and experience capable of performing duties for the benefit of the Company, and well-received by all parties to take important role in policy-making and organizational visionary, on top of the main duties in regulating, supervising, auditing and evaluating the Company's performance according to plan.

The Board of Directors comprises 9 persons, comprising Executive Directors and Non-executive Directors, having directors with qualifications as independent directors accounted for not less than one-third of the total number of directors of the Company, which will create a balance of power in considering and voting on various matters appropriately. The details of the composition of the Board of Directors, the Chairman's qualifications, directors' qualifications, the tenure, the authority and responsibility, the performance appraisal, the selection, and the remuneration are in accordance with the regulations as specified in the charter of various committees. However, the Company's directors have a term of office for not more than 3 years in accordance with the relevant laws. An independent director shall have a term of office for a continuous period of not more than 9 years, unless the Board of Directors considers that such person should continue to serve as an independent director for the best interests of the Company. In addition, the Company's director or executive can take position as director or executive of the Company's

affiliates or other companies, but must comply with any applicable law or regulation and must also notify the Board of Directors' meeting for acknowledgment.

In addition, the Board of Directors has also appointed sub-committees to assist the director in each committee in formulating policies and strategies to meet the company's goals with quality and efficiency as follows:

(1) Audit Committee: consists of 3 independent directors to assist the Board of Directors in supervising and overseeing the management, internal control and compliance with applicable laws, including reviewing financial reports to ensure the transparency and credibility of the Company's operations and disclosure of information.

(2) Executive Committee: consists of 5 members to assist the Board of Directors in managing the Company's affairs in accordance with the policies, plans, regulations and any order, as well as the goals set under the framework assigned by the Board of Directors.

(3) Nomination and Remuneration Committee: consists of 3 members, more than half of whom are independent directors. The chairman of the Nomination and Compensation Committee shall be an independent director with the duty of recruiting qualified persons to hold positions of directors and senior management, and considering the form and criteria for the remuneration of the directors, committee members, Chairman of BoD, and company secretary to be proposed to the Board of Directors for approval and / or to the shareholders' meeting for further approval (depending on the case). The remuneration of directors consists of monthly remuneration and / or meeting allowance. The Company has set up a Nomination and Remuneration Committee to consider the format and criteria before submitting to the shareholders' meeting for approval. In this regard, the directors' remuneration must be in the average basis competitive to the same industry, taken into consideration the adequacy relating to the performance of duties and responsibilities of the Board of Directors.

The Board of Directors has regulated and supervised a framework and mechanism for governance of policies and operations of the subsidiaries and associated companies by providing investment policies and operational supervision, including taking the action to ensure that the subsidiaries and associated companies conduct the

business in compliance with the laws and regulations correspondingly.

The Board of Directors organizes a Board meeting at least every quarter with additional meetings as necessary. The agenda is set clearly in advance, having an agenda to monitor the performance on a regular basis. The company will send the meeting invitation letter to all directors at least 7 days in advance of the meeting date (except in an urgent case) and will deliver the meeting's supporting documents to all directors at least 5 days in advance of the meeting date (except in an urgent case) to allow the Board of Directors to have sufficient time to study the information before attending the meeting. There will be arrangements to record the meeting minutes and collect the certified documents for use in reference and can be examined. In every meeting, it is necessary to arrange executives and relevant persons to be present at the meeting to provide timely and accurate information and details for decision making.

To pass a resolution at a meeting of the Board of Directors, the resolution is based on the majority vote. In this regard, one director has 1 vote and a director who has conflict of interest in any agenda will not attend the meeting and not exercise the right to vote on that agenda. The chairman of the meeting shall have one more vote as a casting vote. In the event that there is any director who has conflict of interest in an agenda of the meeting, the Company will have the director report his/her interest in an agenda of any meeting at least before considering the agenda in the Board of Directors meeting and record such interest in the minutes of the BoD meeting. In addition, the director who has a significant interest in such a way that he or she will not be able to express independent opinions on the relevant agenda is prohibited from participating in the meeting on that agenda.

In addition, the Board of Directors encourages performance assessment at least once a year to improve and revise its operations. The topics to be discussed in the meeting are clearly defined before the assessment. The opinions will be gathered and presented to the meeting.

The Board of Directors has appointed the Company Secretary to perform duties in connection with the Board of Directors' meetings, shareholders'

meeting, and to support the work of the BoD by providing advice on relevant legal requirements and regulations concerning the duties of the BoD, including the coordination of the implementation according to the BoD's resolutions.

#### **Principle 4: Nominate and Develop Senior Executives and Management**

Apart from placing importance on the recruitment and appointment of the Board of Directors, the Company also places emphasis on recruiting and developing top executives and personnel management, as a major component to drive the organization in accordance with the policies and strategies set by the Board.

The Board of Directors has established qualifications and characteristics necessary for management and / or personnel in each area to be used as guideline for recruiting personnel with the knowledge, skills and experience that meet the needs of the company with ability to hold various positions.

The Management will receive an annual salary and bonus, mainly based on the company's performance as this will motivate their performance in line with the company's major objectives and goals, as well as the long-term benefit of the business. The annual remuneration of the BoD and the management combined must not be sky-high compared to the average remuneration of directors and executives of a SET-listed company, taking into consideration the best interest of shareholders.

The Board of Directors needs to understand the shareholders' structure and relationship, which may influence the management control power.

Regarding Human Resource Development, the BoD's policy is to promote and facilitate training and educating persons involved in the corporate governance system, such as directors, audit committee members, management, and company secretary, etc., to provide continuous improvement in operations. The training and knowledge sharing may be done internally or externally via services of other institutions. In case there is a change of director or a new director, the management will provide documents and information useful for performing their duties, including a session to present an overview of the company's business and operation guidelines for new directors.

Additionally, the BoD will arrange a rotation of the assignment to suit the skills of management and employees, mainly based on the suitability of the tasks and timing. The Chief Executive Officer will determine the suitable period of time to assess the performance as a development and succession plan for the company in order to enhance career for the executives and employees, further equipping them with knowledge and ability to work and to be able to rotate work effectively.

## Principle 5: Promote innovation and responsible business conduct

The Board of Directors places great importance to innovation development for the sustainable growth of the company, and therefore encouraging the management to create innovative products with modern technology to inclusively benefit the society and customer needs, while protecting the environment. In addition, the BoD also supports the use of advanced information technology (IT) by providing a framework for corporate governance and IT management appropriately to develop operational processes and manage business risks so that the company can sustainably achieve its objectives and main goals.

The BoD monitors and supervises the management to act responsibly to society and the environment. Such matters need to be reflected in the action plan in accordance with the objectives, goals and business strategies. As such the Company always complies with relevant laws and regulations to ensure the rights of such stakeholders are well-maintained. Significantly, the Company takes into account the rights of all stakeholders, in line with the following guidelines:

<b>Shareholders</b>	: Shareholders: The company will operate its business with transparency and efficiency, committed to good performance and stable growth to optimize the utmost benefits of shareholders in the long run, and to disclose information with transparency and credibility to the shareholders.
<b>Employees</b>	: The Company will treat all employees equally & fairly and provide compensation as appropriate. Moreover, the Company places great emphasis on the development of skills, knowledge, capabilities and potential of employees on a regular basis, such as training, seminars and workshops, etc. by providing opportunities for all employees inclusively and try to motivate highly competent employees to continue to further help enhance the organization. Importantly, the Company has also set out guidelines to combat corruption, while instilling all employees to comply with relevant laws and regulations, such as strictly prohibiting the use of inside information, among others
<b>Business partners</b>	: The Company has a process for selecting business partners by facilitating suppliers to compete on equal information with fair selection based on assessment & business partner selection criteria. In addition, the Company has also prepared a contract model that is appropriate and fair to all parties, with monitoring system in place to ensure that the contract conditions are fully followed. To prevent fraud and misconduct at all stages of the procurement process, the products are purchased from partners according to the business terms & conditions, strictly in compliance with the contract agreement.
<b>Customers</b>	: The Company has a process for selecting business partners by facilitating suppliers to compete on equal information with fair selection based on assessment & business partner selection criteria. In addition, the Company has also prepared a contract model that is appropriate and fair to all parties, with monitoring system in place to ensure that the contract conditions are fully followed. To prevent fraud and misconduct at all stages of the procurement process, the products are purchased from partners according to the business terms & conditions, strictly in compliance with the contract agreement.
<b>Creditors</b>	: The Company will strictly comply with the conditions of the contract with creditors, including repayment of principal, interests and care of various collaterals under the relevant contract.
<b>Competitors</b>	: The Company conducts business in a good competitive framework, with code of conduct and within the legal framework, as well as supporting and promoting free & fair competition policy.
<b>Society</b>	: The Company cares and has concern about social protection, environment and quality of life of the people involved in the company's operations, and encourages employees to feel responsible for the environment and society. The Company is committed to implementing in compliance with the laws and regulations. In addition, the Company also participates in various activities that create and preserve the environment and society, as well as promoting local cultures in the communities that the Company operates.

In addition, the Board of Directors also oversees that the management develops, allocates and manage resources efficiently and effectively to achieve the set objectives, goals and corporate strategies, taking into account the impact and resource development throughout the entire value chain.

### **Principle 6: Ensure appropriate risk management and internal control system**

The Board of Directors has established a risk management policy to cover the entire organization, including systematic regulatory control and supervision or risk management processes to appropriately reduce the impact on the Company's business. In addition, the BoD has also set up an internal control system for supervision and internal control at both management level and operational level with efficiency. The company hires an internal auditor from outside (outsourced) to audit and assess the sufficiency of the internal control system and report the results to the audit committee according to the set audit plan.

The Board of Directors has appointed an Audit Committee (AC), consisting of 3 independent directors to support the Board of Directors in conducting the Company's good governance system, and to oversee the managerial functions, internal control and operation in compliance with the standards and with integrity according to the policy set by the Company without any action in violation of the relevant laws. The AC also reviews financial reports in order to ensure the transparency and credibility of the Company's operations and disclosure of information. Regarding the review of financial reports, the meeting has to be attended by executive from accounting department and the auditor, and then the AC has to present financial reports to the BoD every quarter. The Board of Directors is responsible for the consolidated financial statements including financial information of the Company and subsidiaries.

The Company has a policy to prudently eliminate conflict of interest with honesty, reason and independence under the framework of good ethics for the benefit of the Company. The Company specifies that those who are involved or connected with the transaction to be considered disclose information about their interests and related persons to the Company, and must not participate in the consideration process, having no power to approve such transactions. The Company has a policy on

connected transactions and transactions with conflicts of interest in compliance with applicable laws or regulations.

Moreover, the Company and subsidiaries have a policy to conduct business with an emphasis on anti-wrongdoings or anti-corruption, while adhering to morality, ethics, transparent management and being responsible for all stakeholders.

In the event that the stakeholders have made observations about the operations of the company, the stakeholders can ask for details, report a complaint or the whereabouts of illegal acts, inaccuracy of financial reports defective internal control system or violation of the Company's business ethics. The Company has set channels for receiving whistleblowing or complaints through independent directors or the Audit Committee. The complaints and clues information reported to the Company will be kept confidential. The independent director or the AC will process the information review and find solutions (if any) and will report to the Board of Directors.

### **Principle 7: Maintain financial credibility and disclosure of information**

(1) The Company gives importance to the disclosure of information that is accurate, complete, adequate, transparent and timely, both financial and general information, as well as any other information that affects or may have an impact on the Company's securities price. All of these can affect the decision-making process of the Company's investors and stakeholders. The Company will disclose such information in accordance with the criteria of the Office of the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, and The Stock Exchange of Thailand (SET).

(2) The Company places importance on financial liquidity, debt repayment ability, the preparation of financial statements, and the Company's financial information appearing in the annual report. The Audit Committee will review the quality of financial reports and internal control system, including the disclosure of important information adequately in the notes to the financial statements and will report to the Board of Directors. The Board of Directors' responsibility report on financial reports will be presented along with the auditor's report in the annual report. Moreover, the BoD also encourages the preparation of the Management,

Discussion and Analysis (MD&A) to support the disclosure of financial statements every quarter.

(3) In the event that the Company has problems or is likely to encounter financial difficulties, the Board of Directors will ensure that the Company operates with caution, and that the Company has a plan to solve financial problems which is reasonably based on consideration of fairness to all stakeholders including creditors.

(4) The Board of Directors will arrange the preparation of the sustainability report as appropriate.

(5) The Company will arrange to disclose information about each director's roles and duties in the Board of Directors and each member of the committees, including the number of meetings and meeting attendance in the past year to be recorded at the company's headquarters. The Company will reveal in the annual report the opinions in assessing the performed duties, training, professional knowledge development, the annual report form, including the disclosure of the compensation policy, features and details of remuneration of directors and senior management in the Company.

(6) The Company will disclose the audit fees and other service fees that the auditor provides.

(7) The Company will prepare a report on the policy on corporate governance, business ethics, risk management policy and social & environmental responsibility policies, that has been approved in summary. This will include the results of the implementation of those policies, the cases that have not been implemented, with reasons. All these will be reported through various channels such as annual report, the company's website, etc.

### **Principle 8 : Encourage participation and communication with shareholders**

(1) The Board of Directors will ensure that shareholders participate in making decisions on important matters of the company.

The Company realizes and values the respect for the rights and equality of all shareholders with fairness, both as a securities investor and a company owner. The basic rights of shareholders will be equal, such as rights in shareholders' meetings, the right to express opinions, the right to make decisions on such important matters of the Company as the dividend allocation, the appointment or removal of directors, the appointment of auditor, the approval of important transactions that affect the direction of the Company's business operations, including the amendment of the memorandum of association and

the articles of association, among others. The Company also supports the participation of all shareholders, such as setting the criteria for minority shareholders to propose additional agenda items, and the criteria for minority shareholders to nominate qualified candidates for directors, etc.

Furthermore, the Company will send the meeting invitation letter, along with supporting information related to various agendas that are accurate, complete and sufficient for exercising the shareholders' rights, by specifying objectives and reasons, as well as the opinion of the BoD in each agenda. All these are to provide opportunities for shareholders to study all information in advance before the meeting. The company will send the meeting invitation letter together with the supporting documents for the various agendas in advance in a timely manner as specified by the relevant laws or regulations. In the event that the shareholders cannot attend the meeting by themselves, the shareholders can authorize independent directors or any other person to attend the meeting on their behalf.

(2) The Board of Directors will ensure that the shareholders' meeting is well-organized, transparent & efficient, and welcomes shareholders to exercise their rights.

The Company will select the venue at a location that is convenient to travel, the date and time that are suitable, and the duration that is sufficient for the meeting, in line with the Company's policy in facilitating the shareholders.

Before the start of the shareholders' meeting, the Chairperson of the meeting or the person assigned by the Chair of the meeting will explain how to exercise the rights to vote and methods for counting the votes on each agenda. During the shareholders' meeting, the Company will provide equal opportunities for all shareholders to express their opinions & suggestions or ask questions on various agendas freely before resolving any agenda within a reasonable and sufficient time. The chair of the meeting or the person who chairs the meeting will conduct the meeting in accordance with the set agenda. The Company will invite the directors and executives of related companies to participate in the shareholders' meeting to answer questions at every meeting.



As for the agenda to elect directors, the Company will allow the shareholders to exercise their rights to elect company directors one by one, and will provide opportunities for minority shareholders to nominate the candidates for directors in advance within a reasonable timeframe, together with supporting information regarding the nominee's qualifications and consent

(3) The Board of Directors will ensure that the disclosure of the resolutions of the shareholders' meeting and the preparation of the meeting minutes are accurate and complete.

After the meeting, the Company will inform the resolutions and the voting results of each agenda for the shareholders' acknowledgment via the news release dissemination of The Stock Exchange of Thailand so that the shareholders who attended the meeting and those who did not attend the meeting can be informed about the results of the meeting immediately and equally. The Company will prepare the minutes of the shareholders' meeting that are accurately recorded and complete in all material aspects, including issues, questions & answers at the meeting, as well as the full name of the questioner and respondent, opinions and important suggestions, so that the shareholders can examine. The Company will submit such report to The Stock Exchange of Thailand within 14 days of the shareholders' meeting or deliver it to relevant agencies such as the Ministry of Commerce, etc. within the timeframe as imposed by the law, or specified by related regulations.

## **7.2 Sub-committees**

Management structure of the Company consists of the Board of Directors and 3 sub-committees, namely the Audit Committee, Nomination and Remuneration Committee, and Management team.

The Company's directors, Audit Committee members and the management team are fully qualified and do not have any prohibited characteristics under Section 68 of the Public Limited Companies Act B.E. 2535, having no prohibited characteristics nor the characteristics indicating lack of suitability to be entrusted to manage publicly owned businesses in accordance with Section 89/3 and Section 89/6 of the Securities and Exchange Act B.E. 2535 and according to the relevant notification of The Capital Market Supervisory Board.

The Board of Directors has clearly specified the term of office of directors in the Company's Articles of Association and corporate governance policy at every annual general meeting (AGM), one-third of the total number of directors shall retire from office. If the number of directors cannot be divided into three parts, the number closest to one-third shall be used, provided that all directors who have been longest in office shall retire first. If unable to agree on the retirement, the drawing process will be used, which means the director who is supposed to retire may be re-elected. The term of office of the Audit Committee and the Nomination and Remuneration Committee is set for 3 years, in which the directors who retire by rotation can be re-elected.

## 7.2.1 Board of Directors

As of December 31, 2020, the Board of Directors (BoD) has a total of 9 members, consisting of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Sane Dangkum	Chairman of the BoD & Independent Director	6/6	7/7
2. Mr. Viwat Limtrakul	Director / Independent Director / Chairman of the Audit Committee	6/6	5/7
3. Mr. Woragan Xuto	Director / Independent Director / Member of the Audit Committee	5/6	5/7
4. Mr. Teerachai Chemnasiri	Director / Independent Director / Member of the Audit Committee	6/6	7/7
5. Mr. Apichart Lee-issaranukul	Director / Independent Director	5/6	6/7
6. Mr. Paiboon Sumranputi	Director / Independent Director	6/6	7/7
7. Mr. Kettivit Sittisoontornwong	Vice Chairman of the BoD	6/6	7/7
8. Mr. Surasit Asavasakseri	Director	6/6	7/7
9. Miss Sripri Eakwichit	Director	6/6	7/7

**Note** : All directors have attended training courses on roles, duties and skills of directors from the Thai Institute of Directors Association (IOD).

### Scope of Duties and Responsibilities of the Board of Directors

- Having the power, duties and responsibilities to manage the Company in accordance with the law, objectives, regulations of the Company, and resolutions of the BoD meeting, as well as the resolutions of the shareholders' meeting in accordance with the principles of "best practices for directors of listed companies" as prescribed by The Stock Exchange of Thailand
- Arranging a shareholders' meeting as an annual general meeting (AGM) within four (4) months from the end of the Company's accounting period
- Preparing a statement of financial position and statement of comprehensive income of the Company and subsidiaries at the end of the accounting period, verified by the auditor, and presenting to the shareholders' meeting for consideration and approval
- Defining the Company's vision, mission, goals, strategies, guidelines, policies, business plans and the budget. Regulate and supervise the administration and management of the executive team to be in accordance with the assigned policies. The exception is in the following matters which must be approved by the shareholders' meeting before taking action, such as matters required by law to be approved by the shareholders' meeting. Sample of these are: capital increase, capital reduction, issuance of debentures, sales or transfer of all or a significant portion of the Company's business to other persons, or purchase or acceptance of transfer of other firm's business, revision of the memorandum of association or regulations, etc.
- Continuously monitoring the performance in accordance with the plan and budget, including regular reviewing such policies, plans and budgets
- Formulating policies, goals, strategies and business directions of the subsidiaries (if any), as well as appointing persons with knowledge, competence and experience in connection with the operation of the subsidiary's business as a director and / or an executive, and / or

- associated companies at least in proportion to their shareholding in subsidiaries or associated companies. The exception is when there are restrictions by other laws or conditions of joint venture with the government, or any other event as specified by the securities and exchange laws, the Capital Market Supervisory Board's notifications or SET's regulations, or when approved by the Company's BoD on a case-by-case basis. The appointed and nominated director of a subsidiary must be a person with qualifications, roles, duties and responsibilities as indicated in the Company's Code of Conduct for management & employees and related laws, while having no untrustworthy characteristics according to the SEC's notification concerning the specification of untrustworthy characteristics of the Company's directors and executives.
- 7) Monitoring the Company to comply with the laws on securities and exchange, the notifications of the Capital Market Supervisory Board, regulations of The Stock Exchange of Thailand such as connected transactions, important assets' acquisition or disposition, related business laws, etc. The BoD has to consider and approve the principles of trade agreements with general trade conditions in entering into transactions between the Company & subsidiaries with directors, executives or related persons so as to establish a framework for the management to have the power to conduct such transactions within the framework and scope of relevant laws and regulations.
  - 8) Ensuring that the Company and subsidiaries adopt an appropriate and efficient accounting system, including an internal control system and an adequate and effective internal audit system.
  - 9) Considering, selecting and approving the nomination of the names of the auditors of the Company and subsidiaries, including considering appropriate compensation as proposed by the Audit Committee before presenting to the shareholders' AGM meeting for approval
  - 10) Initiating a policy on good corporate governance and the anti-corruption policies in the Company and subsidiaries in all written forms in accordance with the principles of good governance, at least in accordance with the guidelines set forth by SET and/or the SEC. The policies need to be applied efficiently to ensure that the Company is responsible for all groups of stakeholders in all fairness.
  - 11) Determining the risk management policy to cover enterprise-wide, and ensuring there is a risk management system or process with supporting measures and controlling methods to reduce the impact on the business of the Company and subsidiaries appropriately
  - 12) Determining the management structure with authority to appoint the management team, the various committees and the Chief Executive Officer (CEO) as appropriate, including the determination of the scope, power, duties and responsibilities of the management team, various committees and CEO, who have been appointed, as appropriate. The BoD has to determine the total compensation for Sub - committees and CEO, based on the budget proposed by the Nomination and Remuneration Committee.
  - 13) Considering and approving the payment of interim dividends to the shareholders, when the Company has enough profit, and reporting the payment of such dividends to the next shareholders' meeting
  - 14) Determining and amending the names of directors with binding signatory authorization
  - 15) Preparing the annual report of the Board of Directors, responsible for the preparation and disclosure of financial statements to reflect the financial status and operating results of the previous year and to present to the shareholders' meeting for consideration and approval.
  - 16) Authorizing one or more directors or any other person to perform any action on behalf of the BoD, under the control of the BoD, or being able to authorize such person to have the authority as the BoD deems appropriate and within the period that the BoD deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorization as appropriate. However, such authorization must not be in the manner of delegating power that enables such person to consider and approve any transaction in which he or the person who may have

disagreement, conflict of interest or other conflicts in any other manner with the Company or subsidiary (if any) as defined in the Notification of the Capital Market Supervisory Board, and / or SET, and / or any other relevant announcement from the relevant agencies, except for approving the transactions that are in accordance with the policies and criteria previously approved by the BoD.

- 17) Appointing a Company Secretary to be responsible for various operations on behalf of the Company or the BoD, for example, preparing and keeping the registration of directors, invitation letters for BoD meeting

and shareholders' meeting, and keeping the reports on conflict of interest, etc.

The Board of Directors has appointed directors with knowledge and expertise appropriate as sub-committee members to assist in studying and analyzing important matters that require close supervision in each area and then propose the opinions to the BoD. These are the Audit Committee, Nomination and Remuneration Committee, and the Executive Committee, having the composition and scope of authorization & duties as follows:

## 7.2.2 Audit Committee

The Audit Committee (AC) has been set up to help support the Board of Directors in regulating, supervising and auditing the preparation of financial reports, the internal control, the internal audit, including good corporate governance and good governance in order to ensure that the performance and disclosure of the Company's information are transparent and reliable/trustworthy. The Audit Committee consists of independent directors with knowledge competence and experience who are able to devote enough time to perform the task, at least 3 persons, with at least one member having sufficient knowledge and experience to perform the duties of reviewing the reliability of the financial statements. The audit committee selects 1 audit committee member to be the Chairman of the Audit Committee. The person who will serve as the Chairman of the AC must be carefully considered in terms of qualifications since this is the person who will exhibit / generate confidence in the overall efficiency of the Audit Committee.

The term of office of the Audit Committee (AC) member is three (3) years, with the expiration of the term of office at the shareholders' AGM, together with the expiration of the term of office of a Board director. After the expiration of the position, the AC member may be re-appointed.

As of December 31, 2020, the Audit Committee consists of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Viwat Limsakdakul	Chairman of the Audit Committee	4/4	5/6
2. Mr. Woragan Xuto	Member of the Audit Committee	3/4	5/6
3. Mr. Teerachai Chemnasiri	Member of the Audit	4/4	6/6

The Audit Committee member with sufficient knowledge and experience in accounting and finance to perform the duty of reviewing the reliability of the Company's financial statements is Mr. Viwat Limsakdakul (details and profiles of the Audit Committee members are in Attachment 1). Ms. Patsamon Preechasuth is the Secretary of the Audit Committee.

## Scope of Duties and Responsibilities of the Audit Committee (AC)

- 1) Review to ensure the Company has accurate financial reporting and adequate information disclosure, and being able to directly obtain information and / or explanations from the person responsible for such matter.
  - 2) Review to ensure the Company has suitable and effective internal control system and internal audit system; consider the independence aspect of the internal audit department; approve the appointment, transfer and termination of employment; assess the performance and remuneration of the head of internal audit department or any other units responsible for internal auditing; approve the internal audit plan; and assign tasks to the internal audit officers to support the Audit Committee's work.
  - 3) Review to ensure that the Company complies with the law on securities and exchange, regulations and notifications of The Stock Exchange of Thailand, and related laws regulating the Company and / or the Company's business.
  - 4) Consider, recruit, select, and nominate an independent person to act as the Company's external auditor, including proposing the compensation for that person, as well as attending a meeting with the Company's external auditors with no management's presence at least once (1) a year.
  - 5) Consider and give opinions on related-party transactions or transactions that may lead to conflict of interest in compliance with the law on securities and exchange, and the regulations and notifications of The Stock Exchange of Thailand or related/applicable laws imposing on the Company and / or the Company's business in order to ensure that such transactions are reasonable and
  - 6) Prepare the Audit Committee report and disclose it in the Company's annual report. This report must be signed by the Chairman of the Audit Committee and must contain the following information at the least:
    - A) Opinions on the accuracy, completeness and creditability of the Company's financial reports
    - B) Opinions on the adequacy of the Company's internal control system
    - C) Opinions on the compliance with the law on securities and exchange, regulations and notifications of The Stock Exchange of Thailand and other applicable laws and laws imposing on the Company and / or the Company's business
    - D) Opinions on the suitability of the auditor
    - E) Opinions on transactions that may lead to conflict of interest
    - F) The number of Audit Committee meetings and the attendance of each Audit Committee member
    - G) Opinions or overall remarks received by the Audit Committee on the performance of their duties in compliance with the Charter
    - H) Other transactions that the shareholders of the Company and general investors should know under the authority, duties and responsibilities assigned by the Board of Directors.
- 7) Review and propose to the Board of Directors to revise the scope, authority, duties and responsibilities of the Audit Committee in accordance with the circumstances.
  - 8) Inspect and investigate relevant parties under the authority and duty of the Audit Committee with the power to seek independent opinions from any other professional advisors when deemed necessary at the expense of the Company, in order to perform the work successfully.
  - 9) Consider and assess the audit results, review results, recommendations of the auditor and of the internal audit function, and follow up on the implementation of the management on such recommendations and then keep the Board of Directors well-informed.
  - 10) In performing the duties of the Audit Committee (AC), if in doubt that any of the following transactions or actions may have



significant impact on the Company's financial position and operating results, the Audit Committee shall report to the Board of Directors for consideration or improvement within the time the Audit Committee deems appropriate:

- A) Transaction that may cause conflict of interest
- B) Doubt or assumption that there may be fraud, irregularities, or material deficiencies in the internal control system
- C) Doubt that there may be violation of the laws governing securities and exchange, regulations and notifications of The Stock Exchange of Thailand or other applicable laws and are imposed on the Company and / or the Company's business
- D) Any other items that the Board of Directors should know.

If the BoD or executives do not take action to solve or improve the matter within the

specified time, any AC member may report concerning such transactions or actions to the Securities and Exchange Commission (SEC) or The Stock Exchange of Thailand (SET).

- 11) Examine and comment on policies related to the AC's authority, such as accounting policy, corporate governance policy and social responsibility policy, including anti-corruption, etc.
- 12) Review the corporate governance and social responsibility processes, including the Company's anti-corruption process.
- 13) Examine and comment on the assessment report of the corporate governance and social responsibility and the Company's annual anti-corruption activities.
- 14) Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.

### 7.2.3 Nomination and Remuneration Committee

The Board of Directors Meeting No. 1/2017 (after being listed) on March 27, 2017 resolved to appoint the Nomination and Remuneration Committee by selecting from the Board directors, having at least 3 members, and more than half of them must be independent directors who will be considered and appointed as Chairman of this committee.

As of December 31, 2020, the Nomination and Remuneration Committee consists of

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Teerachai Chemnasiri	Chairman of the Nomination and Remuneration Committee	-	5/5
2. Mr. Woragan Xuto	Member of the Nomination and Remuneration Committee	2/2	4/5
3. Mr. Apichart Lee-issaranukul	Member of the Nomination and Remuneration Committee	2/2	2/5
4. Mr. Paiboon Sumranputi	Member of the Nomination and Remuneration Committee	1/2	5/5

**Note** : Mrs. Nittaya Pruittipiboonthum is Secretary of the Nomination and Remuneration Committee

## Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

- **Recruiting**

- 1) Review the structure of the Board of Directors to make it suitable for the strategic needs of the Company.
- 2) Consider the qualifications of the persons to become independent directors to suit the Company's identity. The independence at the least must be as stipulated in the Charter of the Board of Directors and the Charter of the Audit Committee.
- 3) Set up criteria & methods of recruiting and then select persons to serve as Board directors, Chairman of Executive Committee, subcommittee members, CEO, and Corporate Secretary, to seek approval from the Board of Directors' meeting and / or the shareholders' meeting (depending on the case).
- 4) Consider, recruit, select and screen the names and profiles of the persons to be nominated as the Board directors, Chairman of Executive Committee, subcommittee members, CEO and Corporate Secretary in case of vacancy, to seek approval from the Board of Directors' meeting and / or the shareholders' meeting (depending on the case).
- 5) Prepare BoD development plan to develop knowledge of current Board directors and new directors to understand the Company's nature of business, roles and duties of the BoD and important ecosystem developments such as industrial conditions, rules or laws related to the Company's business, etc.
- 6) Disclose the policy and details of the recruiting process in the Company's annual report.
- 7) Set up rules and formulate a suitable management succession and management continuity plan for the position of Chief Executive Officer (CEO) to propose to the Board of Directors for approval once (1) a year.
- 8) Set up criteria and arrange for the performance assessment of the BoD, Chairman of Executive Committee, sub-

committees, CEO and Company Secretary annually, to report the assessment results to the BoD.

- 9) Arrange for performance self-evaluation of the Nomination and Remuneration Committee every year and report the assessment results to the BoD.
- 10) Perform any other tasks as assigned by the BoD with the approval of the Nomination and Remuneration Committee.

- **Compensation consideration**

- 1) To formulate policies and criteria for remuneration and other benefits for the Company's directors, Chairman of Executive Committee, subcommittee members, CEO and Company Secretary, to seek approval from the BoD's meeting and / or the shareholders' meeting (depending on the case), including the policy of salary increase and annual special payment of employees and executives enterprise-wide, with clear and transparent criteria, to be presented to the BoD's meeting for approval.
- 2) Present the annual assessment results of the Chief Executive Officer (CEO) to the Board of Directors for consideration and approval, concerning the annual salary increase and annual special payment.
- 3) Recommend the remuneration of the Board directors, Chairman of Executive Committee, Sub-committee members, CEO and Company Secretary to be granted remunerations that are appropriate to their duties and responsibilities.
- 4) Disclose the policy on remuneration and disclose compensation in various forms, and prepare a report on the remuneration structure in the annual report.
- 5) Arrange for performance self-evaluation of the Nomination and Remuneration Committee every year and report the assessment results to the BoD.
- 6) Perform any other activities as assigned by the BoD with the approval of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has a 3-year term of office and in accordance with the term of office of a director (in the case that the Nomination and Remuneration Committee is also a director). In addition, the Nomination and Remuneration Committee member whose term of office expires can be re-elected for this position.

## 7.2.4 Executive Committee

The management team was established to help support the Board of Directors in managing the Company's affairs, in accordance with policies, plans, regulations, and any order, including goals set under the framework assigned by the Board of Directors.

As of December 31, 2020, the Company's Executive Committee consists of

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Mr. Kettivit Sittisoontornwong	Chairman of the Executive Committee	11/11	15/15
2. Mr. Vises Sittisoontornwong	Member of the Executive Committee	11/11	15/15
3. Miss Sripri Eakwichit	Member of the Executive Committee	11/11	15/15
4. Mr. Surasit Asavasakseri	Member of the Executive Committee	11/11	15/15
5. Mr. Manop Patjawit	Member of the Executive Committee	11/11	15/15

**Note** : Mrs. Nittaya Pruittipiboonthum is Secretary of the Executive Committee.

### Scope of Duties and Responsibilities of the Executive Committee

- 1) Operate and manage the Company's business in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the Board meeting and / or the resolution of the shareholders' meeting.
- 2) Consider & set up policies, directions and strategies for the Company's business operations. Set financial & budgeting plans, human resource management, investment, business expansion and public relations, in line with the framework approved by the Board of Directors. Regulate and supervise to ensure the operations of the appointed working group can achieve the set goals.
- 3) Follow up on the performance of the Company in compliance with the BoD's policies and the goals set. Manage and supervise the operations aiming for quality and efficiency.
- 4) Consider & approve the operations that are the Company's normal business transactions, according to the investment budget or the corporate budget approved by the BoD. The amount limit for each item is as specified in the authorization chart as approved by the BoD, but not exceeding the annual budget approved by the BoD, including entering into various contracts related to such matters.
- 5) Possess the authority to consider & approve the cost of operating the Company's normal business according to the budget approved by the BoD and according to the authorization chart as approved by the BoD.
- 6) Specify the organizational structure, organizational management authority, including the appointment, hiring, transfer, determination of wages, compensation, bonus and termination of employees from the chief operating officer level to the Vice President level as assigned by the BoD.
- 7) Consider & approve the operation of financial transactions with banks or financial institutions to support normal business activities such as opening & closing of a bank account, borrowing, lending only to subsidiaries, credit lines, pledges, mortgages, guarantees, etc., including trading and any land ownership registration for normal business operations according to

- the authorization chart as approved by the BoD.
- 8) Possess the power to authorize any person or persons to perform any action under the control of the management team, or may delegate so that such person has the authority as the management team deems appropriate and within the period that the management team deems appropriate. The management team may cancel, revoke, change or amend the authorized person or the delegation of such authority as deemed appropriate.
  - 9) To perform any other tasks as assigned by the BoD from time to time.

In this regard, the delegation of authority, duties and responsibilities of the management team shall not be in the realm of the authorization or the

delegation of the power from the management team to approve transactions that such person or other persons may have conflict (according to the definition of the notifications of the Capital Market Supervisory Board and / or The Stock Exchange of Thailand and / or related agencies), conflict of interest or other benefit-oriented conflicts with the Company or subsidiaries and / or related companies, or other transactions that the management team has no power to approve such matters. Such matters must be proposed to the BoD's meeting and / or the shareholders' meeting (depending on the case) for further approval. The exception is for the approval of transactions that are in normal business and normal trading conditions in accordance with the notifications of the Capital Market Supervisory Board and / or The Stock Exchange of Thailand and / or related agencies.

## 7.2.5 The Risk Management Working Group

As of December 31, 2020, the Risk Management Working Group consists of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2019	Number of meetings attended / Total meetings after taking office in 2020
1. Kettivit Sittisoontornwong	Head of the Risk Management Working Group	4/4	4/4
2. Miss Sripri Eakwichit	Member of the Risk Management Working Group	4/4	4/4
3. Surasit Asavasakseri	Member of the Risk Management Working Group	4/4	4/4
4. Mr. Manop Patjawit	Member of the Risk Management Working Group	4/4	4/4

**Note** : Mrs.Patsamon Preechasuth is Secretary of the Risk Management Working Group.

### Scope of Authority, Duties and Responsibilities of the Risk Management Working Group

1. Set up the overall risk management policy covering the risks associated with the Company's business operations, and formulate an implementation plan and risk management plan in accordance with the risk management policy, including reporting the operating results to the Chief Executive Officer at least twice (2) a year.
2. Examine the risk management report and take steps to ensure that the risk management is adequate and appropriate, being able to manage the risks at an acceptable level and the risk management has been implemented continuously.
3. Coordinate regularly with the Audit Committee by exchanging knowledge and information on risks and internal controls that affect or may have an impact on the Company.
4. Continuously develop & review the Company's risk management system efficiently and

effectively by assessing and monitoring the risk management process regularly in accordance with the set policy.

5. Present the risk management report and recommendations to the Chief Executive Officer at least twice a year.

## 7.2.6 Management

As of December 31, 2020, the management of the Company consists of

รายชื่อ	ตำแหน่ง
1. Mr. Kettivit Sittisoontornwong	Chief Executive Officer
2. Mr. Vises Sittisoontornwong	Chief Operation Officer – Subsidiaries & Affiliates <sup>(1)</sup>
3. Miss Sripri Eakwichit	Chief Operation Officer – Sales & Operations <sup>(1)</sup> (Sea freight)
4. Mr. Surasit Asavasakseri	Chief Operation Officer – Sales & Operations <sup>(1)</sup> (Air freight)
5. Mr. Manop Patjawit	Chief Financial Officer <sup>(2)</sup>

**Note** : <sup>(1)</sup> Change of the name of the position as of April 1, 2020

<sup>(2)</sup> Change of the name of the position as of April 1, 2020

### Scope of Duties and Responsibilities of the CEO

- Regulate & supervise, manage and conduct daily business as usual in accordance with the Company's policy, direction, strategy, business operations, budget plan, human resource management, investment, business expansion and public relations as specified by the BoD and / or the management team.
- Present the Company's policy, direction, strategy, business operations, budget plan, human resource management, investment, business expansion and public relations to the management team which will benefit the preparation of such materials to be presented to the BoD; and participate in the consideration session of those matters with the management team and / or the BoD.
- Negotiate and enter into contracts and / or any transaction related to the Company's normal business operations within the authority and limit as specified in the authority chart approved by the BoD.
- Approve the borrowing & lending and loan application to financial institutions, lending as well as pledging, mortgage or being the guarantor for the Company and subsidiaries Company within the authority chart approved by the BoD.
- Approve the appointment of advisors in various areas necessary for the Company's operations within the authority chart approved by the BoD.
- Have the authority to hire, appoint, transfer, lay off and terminate the employment of the Company's executives and employees in the positions lower than Vice President.
- Has the authority to set wages, remuneration, gratuity, bonus and salary increase for the Company's executives and employees in the positions lower than the Vice President under the framework and policy as specified by the BoD.
- Issue internal orders, regulations, announcements and various records in order to ensure the operation of the Company in compliance with the policy and for the benefit of the Company, including maintaining discipline in the organization.
- Have the authority to consider & approve the appointment of the Risk Management Working Group with the authority to follow up the performance results, examine and report the results of the meeting of the Risk Management Working Group to the BoD's meeting at least twice a year.
- Perform other tasks as assigned by the BoD and / or the management team, including having the authority to perform any action necessary to perform such tasks.
- Authorize one or more persons to perform any task on behalf of the Chief Executive Officer.



The delegation of authority, duty and responsibility of the Chief Executive Officer (CEO) will not be in the realm that is a delegation of authority or the power of attorney from the CEO to approve transactions that such person or other persons may have conflict (according to the definition of the notifications of the Capital Market Supervisory Board and / or The Stock Exchange of Thailand and / or related agencies), conflict of interest or other benefit-oriented conflicts with the Company or subsidiaries and / or related companies, or other transactions that the CEO has no power to approve such matters. Such matters must be proposed to the BoD's meeting and / or the shareholders' meeting (depending on the case) for further approval. The exception is for the approval of transactions that are in normal business and normal trading conditions in accordance with the notifications of the Capital Market Supervisory Board and / or The Stock Exchange of Thailand and / or related agencies.

### **7.2.7 Establishment of credit approval authority**

In accordance with the resolution of the Board of Directors' Meeting No. 5/2020 held on August 13, 2020, significant credit limit approval authority was approved. The approval authority is set for various operations, as detailed in the Regulation of Authority to Operate.

However, if any transaction is a connected transaction, or the acquisition or disposition of assets of the Company or a subsidiary, the Company's Board of Directors and management have a duty to comply with the relevant rules and regulations of the SEC and The Stock Exchange of Thailand. Moreover, the person with authority cannot approve any transaction that he or she or related persons may have conflicts, conflict of interest or have any other benefits conflicting with the interests of the Company or subsidiaries.

## **7.3 Nomination and Appointment of Directors and Executives**

The selection of persons to serve as the Company's directors, sub-committee and the management team is carried out by the Nomination and Remuneration Committee that recruits & selects persons to hold such positions and then nominate qualified persons to the Board of Directors' meeting and / or the shareholders' meeting (depending on the case). The persons appointed to the positions of directors and executives must have suitable qualifications in accordance with Section 68 of the Public Limited Companies Act B.E. 2535 (including the amended version) and the Securities and Exchange Act, relevant notifications of the Capital Market Supervisory Board, including other relevant laws, as well as knowledge, expertise and working experience.

### **7.3.1 Selection of the Board of Directors**

The Board of Directors places importance on the selection and appointment of highly qualified company directors with experience, capable of performing duties with prudence, responsibility, integrity and honesty to take care of the interests of the Company and shareholders. The Nomination and Remuneration Committee shall recruit the candidates to be selected as the Company's directors. The Board of Directors may consider allowing minority shareholders to nominate candidates to be selected as directors to the Nomination and Remuneration Committee. Sufficient timeframe should be specified so that the Nomination and Remuneration Committee can have enough time to study the information of the candidates who will be elected as directors before they are presented to the Board of Directors' meeting and / or the shareholders' meeting for further approval.

The Company's directors must have the basic qualifications as follows:

- 1) Being a competent, honest and ethical person in conducting business, having sufficient time to devote knowledge and capability in performing duties for the Company
- 2) Having qualifications and not having any prohibited characteristics under the Public Limited Company law, Securities and Exchange law and other relevant laws. In addition, they must not have characteristics indicating a lack of suitability to be entrusted to manage a publicly owned business as specified in the notification of the Capital Market Supervisory Board.
- 3) Being able to hold director positions in other companies. However, being a director in such other companies must not be an obstacle to the performance of duties of a director, and must comply with the guidelines of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).
- 4) Must not operate a business with the same nature, and in competition with the business of the Company, or becoming a partner in an ordinary partnership firm, or being a partner with unlimited liability in a limited partnership firm, or being a director of a private company or other companies operating the same business and in competition with the business of the Company, whether it is done for one's own benefit or for the benefit of others. The exception is in case they have notified the shareholders' meeting before the appointment resolution.

The Board of Directors shall comprise independent directors of at least one third of the total number of directors, but not less than 3 persons, having full qualifications for being an independent director in accordance with the criteria and conditions prescribed by the Securities and Exchange Commission (SEC), Capital Market Supervisory Board, and The Stock Exchange of Thailand.

#### **Appointment of Directors**

The Nomination and Remuneration Committee will recruit, select and nominate persons with all the qualifications as specified in this Charter to be directors of the Company. The names of such persons will be presented to the Board of Directors' meeting and / or the shareholders' meeting (depending on the case) to propose to the shareholders' meeting for further election.

The shareholders' meeting shall appoint the Company's directors. As for the case of an appointment of a member to replace the vacant position due to reasons other than the expiration of the term, the Nomination and Remuneration Committee shall select a person who has all the qualifications as specified in this Charter in order to present such person to the BoD's meeting for appointment as a director as replacement in the next meeting, unless the remaining term of that director is less than 2 months. In such case, the person taking office as a director shall hold office only for the remaining term of the director who vacates office.

At every shareholders' AGM, one-third of the total number of directors shall retire from office. If the number of directors cannot be divided into three parts, the number closest to one-third shall be used. The director who is supposed to retire may be re-elected. The drawing process will be used for the directors who are supposed to leave the directorship in the first and second year after the listing. As for the following years, the director who has been longest in office shall retire first. In addition, the term of office of the independent directors shall not be over 9 years in a row, except when the BoD views that such person is suitable for continuing to be an independent director for the utmost benefit of the Company.

### 7.3.2 Selection of Independent Directors and Audit Committee Members

The Company has a policy in determining qualifications and recruiting independent directors / audit committee members that is in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 (2016) Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated September 30, 2016. The number of independent directors must not be less than 1/3 (one-third) of the total number of directors, and there must be at least 3 persons. As for the Audit Committee, it consists of at least 3 independent directors who have qualifications as specified by law, notification of The Stock Exchange of Thailand, and notification of the Capital Market Supervisory Board, as stipulated, as follows:

#### Qualifications of Independent Directors

Independent directors must have qualifications regarding independence as prescribed in the notification of the Capital Market Supervisory Board, and in accordance with the same guidelines as the qualifications of the Audit Committee members according to the notification of the Capital Market Supervisory Board and / or the notification of the BoD of The Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee. The independent directors must be able to look after the interests of all shareholders equally and avoid conflict of interest. In addition, they must also be able to attend the Board of Directors' meetings by giving independent opinions.

After being appointed as independent directors with the required qualifications, the independent directors may be assigned by the BoD to make operational decisions of the Company, parent company, subsidiaries, associated companies, same-level subsidiaries, and major shareholders with controlling power. The decisions can be made in the form of collective decision.

#### Qualifications of the Audit Committee

- 1) The Audit Committee must be appointed by the BoD and / or the shareholders' meeting (depending on the case).
- 2) Being a director of the Company and being fully qualified as an independent director in accordance with the criteria and conditions set by the Securities and Exchange Commission, Capital Market Supervisory Board, and The Stock Exchange of Thailand
- 3) Not being a director who has been assigned by the BoD to have the authority to make decisions in the business operations of the Company, parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholders or the Company's controlling persons
- 4) Not being a director of the parent company, subsidiaries or same-level subsidiaries, only for companies whose shares are listed on the stock exchange
- 5) Having sufficient knowledge and experience to be able to serve as an audit committee member in accordance with the assigned mission. The audit committee member must be able to devote sufficient time to the work of the audit committee

## Appointment of Independent Director / Audit Committee

The Nomination and Remuneration Committee will recruit, select and nominate qualified persons to hold the position of Audit Committee (AC) members by presenting such person's name to the BoD's meeting and / or the shareholders' meeting (depending on the case) to consider, approve and further appoint. The BoD or the shareholders' meeting shall appoint the Company's independent directors as Audit Committee members. The AC members has a 3-year term of office and in line with the director's term of office. An AC member who vacates office upon the expiration of the term may be re-appointed as an AC member. At least one AC member must have sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of financial statements.

### **7.3.3 Selection of the Nomination and Remuneration Committee**

The Board of Directors appoints the Nomination and Remuneration Committee members by selecting from the Company's directors of at least 3 members, and more than half of them must be independent directors.

### **7.3.4 Selection of the Executive Committee Members**

The Board of Directors appoints the Executive Committee and appoints a member of the Executive Committee to be the Chief Executive Officer (CEO). The Nomination and Remuneration Committee selects persons with knowledge & abilities, honesty, integrity, ethics in business operation, and having sufficient time to devote expertise and perform duties for the Company. The composition of the Executive Committee consists of at least 4 members.

### **7.3.5 Recruitment of Risk Management Working Group**

The Board of Directors has assigned the Chief Executive Officer to appoint competent persons with experience and expertise to manage risks for the Company's business operations such as risk management, investment management, etc., and having sufficient time to devote knowledge & capabilities and to perform duties for the Company in order to serve as members of the Risk Management Working Group.

### **7.3.6 Recruitment of "Executives"**

The Nomination and Remuneration Committee is responsible for considering the qualifications and suitability of personnel with knowledge, experience, and management capability with corporate governance to ensure that such persons are able to perform their duties as executives with prudence, caution, responsibility and integrity, and then propose to the Board of Directors to appoint the Chief Executive Officer (CEO).

## 7.4 Supervision of Operations of Subsidiaries and Associated Companies

The Company has a policy of investing in and managing subsidiaries and / or associates by investing in businesses that are related or that are beneficial and supportive to the Company's business operations, in order to strengthen the stability and performance of the Company.

In addition, to regulate & supervise the operations of subsidiaries and associated companies, the Board of Directors will consider sending a representative of the Company who has qualifications and experiences suitable for the business that the company is investing in as a director in such subsidiary and associated company of that company. The representative may be the chairman of the committee, CEO, director, senior management or any person in the Company who is free from conflicts of interest with the businesses of those subsidiaries and associated companies in order to enable the Company to control and supervise the operations of subsidiaries and associated companies as a unit of the company. They must manage the business of subsidiaries and associates in the best interest of the Company and in compliance with the laws related to the business operation of that subsidiary and / or associated company. In this regard, sending a representative to act as a director in such subsidiary and associated company is in accordance with the Company's shareholding proportion, except in the case of investing in subsidiaries or associates prior to the effective date of this policy. The withdrawal of investment funds or reduction of shareholding in such subsidiaries and / or associated companies may have a material adverse effect on the overall business of the Company.

In this regard, the Company has set up a mechanism to regulate & supervise subsidiaries and / or associated companies, both directly and indirectly, including measures to monitor the management of subsidiaries and / or associated companies. All these are in order to protect the interests of the Company's investments and able to control, manage and be responsible for the operations of subsidiaries and / or associated companies as if they are one of the Company's units, as follows:

1. The Board of Directors is responsible for monitoring and supervising the management and operations of subsidiaries and / or affiliated companies in accordance with the Company's policies, laws related to business operations, including the law on securities and exchange, notification of the Capital Market Supervisory Board, regulations of The Stock Exchange of Thailand mutatis mutandis to the extent that it is not against or inconsistent with other laws.
2. The Board of Directors is responsible for monitoring the disclosure of important information of subsidiaries and / or associated companies to The Stock Exchange of Thailand, the Securities and Exchange Commission and general investors, such as information about financial status and operating results, Entering into connected transactions and transactions that may lead to conflicts of interest of subsidiaries and / or associated companies, transaction of acquisition or disposition of significant assets, and any other significant transactions which are not normal business transactions of subsidiaries and / or associated companies, among others. Significantly, such disclosure must provide sufficient, complete and correct information, within an appropriate timeframe and in accordance with the criteria of the relevant agencies.
3. In the event that a subsidiary agrees to enter into a connected transaction with its connected person or transactions relating to the acquisition or disposition of assets of such subsidiary in accordance with the specified criteria according to the notification of the Capital Market Supervisory Board and / or notification of The Stock Exchange of Thailand (depending on the case), the Company and such subsidiary must comply with the criteria and procedures as specified in the notification before entering into such transactions mutatis mutandis. The subsidiary company must comply with the criteria and procedures as specified in the notification in the same manner as the Company does. In the event that such type of transaction needs to be approved by the Board of Directors'

meeting and / or the Company shareholders' meeting according to the notification of the Capital Market Supervisory Board and / or the notification of the SET Board of Directors and / or related laws, the Company & subsidiary shall consider the size of the transaction compared with the consolidated financial statements of the Company.

4. The matter on any transaction or activity with significance or effect on the financial status and operating results of subsidiaries and affiliates must be approved by the Company's Board of Directors' or the shareholders' meeting (depending on the case). The Company's directors are responsible for arranging the BoD's meeting and / or the shareholders' meeting (depending on the case) to consider and approve such matter before the subsidiary and associated company hold their own board meeting and / or shareholders' meeting (depending on the case), seeking approval before such transaction or procedure is carried out. Regarding this matter, the Company shall disclose information and comply with the criteria, conditions, procedures and methods related to the matter to be approved as specified in the public company law, securities law, including various notifications, regulations and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), the SEC Board, and SET, with mutatis mutandis (as far as it does not conflict) completely and correctly.

## 7.5 Supervision of the use of internal information

The Company places importance to the precautions of the use of internal information of the Company. The Company has a policy to prohibit directors, executives, employees and workers of the Company from taking the Company's confidential (insider) information and / or internal information that have not been disclosed to the public to disclose or seek benefits for oneself or others, either directly or indirectly, and whether or not it will be rewarded whatsoever. Moreover, the Company's securities must not be traded by using the insider information. The Company has established guidelines to prevent the use of insider information, as approved by the Board of Directors Meeting No. 10/2016 on November 8, 2016, which can be summarized as follows:

- 1) Educate the Company's directors and executives regarding the duty to report the securities holdings of himself/herself, their spouses and underage children to the Office of the Securities and Exchange Commission (SEC) in accordance with the guidelines set forth in Section 59 and the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including amendments).
- 2) Regulate the Company's directors and executives, including spouses and underage children to disclose the securities holdings report and to report the change in the holding of the Company's securities to the Office of the Securities and Exchange Commission (SEC) under Section 59 and the Penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535 (including amendments) and submit a photocopy of this report to the Company Secretary on the same day as the submission of the report to the Office of the Securities and Exchange Commission (SEC).
- 3) Regulate the directors, executives, employees and workers of the Company and subsidiaries who have received material insider information that affect or may affect the change in securities' price must refrain from trading the Company's securities from the last day of each quarter or the end of the Company's accounting period (depending on the case) up to the date when the financial statements or the relevant internal information are disclosed to the public.
- 4) In addition, during the 24 hours after such information of the Company has already been disclosed to the public, those related to such information must not disclose such information to others until such information has been notified to The Stock Exchange of Thailand.
- 5) If there is any violation of such rules & regulations, the Company shall consider it as a disciplinary misconduct according to the work regulations and shall order a punishment as appropriate, starting from verbal reprimand, written reprimand, probation, including termination of employment as an employee.



## 7.6 Investor Relations

The company has set up an investor relations unit which is a center that connects the Company with the stakeholders such as shareholders, analysts, investors, business partners, regulators and the media, etc. to ensure all related stakeholders understand the Company's information accurately and communicate it efficiently.

In 2020, the management of the Company had the opportunity to meet with shareholders, securities analysts and investors through various activities to present the Company's information and performance which can be summarized as follows:

Meeting with investors and securities analysts

Meeting with investors and securities analysts	
Opportunity Day	1 time
Meetings at the Company	5 times
Teleconference/Online meetings	4 times
Disclosure of information via SET's channels and Company's website	12 times

Investors or interested persons can inquire about the Company's information via the following channels:

- 1) By mail: Investor Relations  
Leo Global Logistics Public Company Limited  
251-251 / 1 Soi Phakdi, Rama 3 Road Bangkorlaem Subdistrict, Bangkorlaem District, Bangkok 10120
- 2) By phone: 66 (0) 2079 9888 ext. 1403
- 3) By fax: 66 (0) 2079 9829
- 4) By email: [ir@leogloballogistics.com](mailto:ir@leogloballogistics.com)  
website: [www.leogloballogistics.com](http://www.leogloballogistics.com)

## 7.7 Auditor's remuneration

### 7.7.1 Audit Fee

The Company and its subsidiaries paid remuneration for the annual audit fees and the review of interim financial statements to PricewaterhouseCoopers ABAS Co., Ltd., the auditing firm for the Company and subsidiaries for the fiscal year ended December 31, 2020 totaling THB 2,150,000.

At the 2020 Annual General Meeting of Shareholders on March 31, 2020, it was resolved to approve the appointment of any of the following auditors: (1) Ms. Sukumaporn Wongriyaporn, Certified Public Accountant No. 4843 (2) Ms. Waraporn Worathitikul, Certified Public Accountant No. 4474, and (3) Mr. Chaisiri Ruangritchai Certified Public Accountant No. 4526 of PricewaterhouseCoopers ABAS Co., Ltd. as the auditor of the Company and subsidiaries, for the audit and review of the interim financial statements for the fiscal year ended December 31, 2020, for the total amount of THB 2,150,000.

### 7.7.2 Other service fees (Non-audit Fee)

- None -

## 8. Corporate Social Responsibility

### 8.1 Overall Policy

The Company realizes the importance of operating the business to grow sustainably under Corporate Social Responsibilities by focusing on business operations that inclusively benefit stakeholders, economy, society and environment with virtue, code of conduct, and ethics. The company believes that running business under social responsibility will benefit the public while strengthening the Company's growth, hand in hand.

### 8.2 Operations and Corporate Social Responsibility Report

#### 8.2.1 The Company has established a corporate social responsibility policy, categorized into 7 parts as follows:

##### 1. Fair Business Operations

The Company focuses on conducting business with honesty, integrity, fairness, ethics and is committed to competing in accordance with the ethics of trade, law and the principles of competition equally. The Company denies any behavior that obstructs fair competition, such as acquiring competitors' confidential information, acquiring & accepting benefits, and not involving benefit fraud, etc. In addition, the Company respects the intellectual property rights of others, whereby the Company has a policy for personnel to comply with the laws or regulations on intellectual property rights, such as using copyrighted computer programs, etc. In addition, the Company also has a campaign to promote and cultivate the subconsciousness for the Company's personnel at all levels to instill social responsibility.

##### 2. Anti-corruption

The Company manages business on the basis of transparency, ethics, adhering to corporate governance principles, and in compliance with the laws related to the prevention and anti-corruption. Regarding giving or receiving bribes to government officials or the private sector, the Company has set up an organizational structure that is clearly classified in terms of duties & responsibilities, working process and chain of command in each department, in order to achieve balance of power with conciseness and appropriateness in cross-checking.

##### 3. Respect for Human Rights

The company has a policy to support and respect the protection of human rights by treating all stakeholders, whether they are employees, communities and the surrounding society, with respect for human values, taking into account equality and equal freedom, not violating basic rights and not discriminating regarding race, nationality, religion, language, skin color, sex, age, education, physical condition or social status. The Company makes sure not to let our businesses get involved with human rights violations, such as child labor and sexual harassment, etc. In addition, the Company has also promoted surveillance of human rights compliance by arranging participation in expressing opinions and channels for complaints for those who have been damaged by rights violations arising from the Company's business operations, and will take appropriate steps to remedy.

In order to efficiently implement respect of human rights, the Company has compiled human rights knowledge and instilled awareness among the personnel to practice in compliance with the principles. In embracing the less fortunate people, the Company has collaborated with the Social Innovation Foundation and Redeemer Foundation (Pattaya) to jointly organize the Document Center (Key Operator) project for disabled persons to work in data processing. This project can help to reduce the workflow of the operating department and also extend to becoming a Document Center in the future. The Company has received a certificate after participating in the "Creating A Better Life for the Disabled" project organized by the Ministry of Labour and synergized by 200 leading companies that help reduce inequality for 10,000 people with disabilities living in remote rural areas to have opportunities to work and benefit society.

#### 4. Fair labor practices

The Company realizes the importance of human resource development and fair treatment of workers in the workplace which is a value-added factor that will strengthen the competitiveness and sustainable growth of the Company in the future. The Company's policy and practice guidelines are as follows:

1. Respect the rights of employees according to human rights principles and in compliance with labor laws.
2. Provide an employment process with fair employment terms & conditions, including the compensation structure and consideration of employees' contributions under a fair performance appraisal process.
3. Promote human resource development by organizing training, seminars, workshops, as well as sending personnel to attend seminars and academic training in a variety of relevant fields in order to enhance knowledge, capability, talent potential of personnel, while cultivating positive attitudes, morality, ethics and teamworking spirit.
4. Provide welfare in various fields for employees as required by law, such as social security, etc. and beyond those required by law, such as health insurance, accident insurance, etc., as well as providing numerous types of assistance to employees, such as scholarships for their children, financial aid for cremation purpose, etc.
5. Provide an annual health check-up service to personnel at all levels of the Company by considering the risk factors according to the age, gender and work environment of each individual.
6. Ensure employees' work safely, equipped with good workplace hygiene by providing measures to prevent accidents, and strengthen employees to have a sense of safety. Moreover, training & seminar on healthcare tips will be arranged to encourage employees to have good health on top of the annual health checkups. The workplace shall always be hygienic and safe.
7. Provide opportunities for employees to express their opinions or complaints about unfair practices or improper actions in the Company, including providing protection to employees who report such matters.

In 2020, the company organized various activities as follows:

- Training staff to be knowledgeable about the products & services, both inside and outside the office



- Fire evacuation drills, and primary First Aid training



- Annual health check-up, and influenza vaccination



## 5. Responsibility for Customers

The Company is committed to improving the services of the Company and subsidiaries to ensure satisfaction for the best interest of customers and to adhere to servicing customers with responsibility and honesty. We take care of our customers as if they were family members according to the following principles:

1. Take into account the quality and efficiency of the Company's services. In addition to developing quality service management system, the Company also cares about occupational health and safety management in order to provide customers with the highest quality and efficiency services.
2. Adhere to fair marketing. The policy is to ensure that customers receive accurate information about the Company's services without distortion, ambiguity, or over-advertising, so as to provide customers with correct and sufficient information for making decisions.
3. Take into account the safety of the product and is committed to providing customers with quality service and safety in accordance with international safety standards and regulations and as required by law. We constantly develop and improve the services to ensure customer confidence in quality and standard.
4. Set up customer relations system to communicate with customers, equipped with efficient handling of complaints about the quality of service via phone or website to ensure immediate response.
5. Keep customer information confidential and will not use such information in an unlawful way.
6. Arrange various activities to strengthen the relationship among customers, and between customers and the Company toward sustainability.

## 6. Caring for the Environment

The Company realizes the importance of social responsibility in caring for, protecting and preserving the environment and has therefore strictly groomed the employees and geared the services of the Company and affiliates in compliance with the laws related to environmental conservation. We aim to maintain & protect and avoid destroying the environment, so we initiate environment protection systems to use as both guidelines and useful business tools, such as sorting paper or various office equipment to be recycled or to be destroyed properly without polluting the environment, etc.

In addition, the company supports environmental protection in favor of environmentally friendly materials. We have expanded the "paper pallet" product, as most of the pallets used today are made of wood and plastic. This will create waste that can take years to destroy or pollute the environment. The company supports the use of paper pallets. There are many benefits to customers, such as helping customers reduce the cost of fumigation (in order to kill insects for wooden packaging to prevent the spread of insects in case of shipping abroad). After the paper pallets are worn out, the paper can be recycled again, or if we want to destroy, it can be done easily and quickly, leaving no toxic waste to harm the environment, based on the circular economy concept.



## 7. Community/Social Development

The Company prioritizes the responsibility towards the community and society, having a policy to provide assistance and social development. The Company has joined rural communities as a committee member, responsible for helping and supporting the community, such as using the Company's premises for holding village committee meetings, helping communities in the event of an emergency, such as installing a water pump during the flood, among other activities.

In 2020, the Company, together with the Mechai Pattana Foundation, set up farm enterprises and agricultural plots in schools in the project called "Agricultural Plot to Eradicate Poverty" for Ban Salaeng Phan Krachao School in Buriram province to integrate basic education with professional agricultural skills training for students, while increasing income opportunities for schools, students and parents, as well as helping improve the quality of life of the community.



### 8.2.2 Preparing the Social Responsibility Report

The Company has principles and guidelines for preparing the Social Responsibility Report to disclose information on corporate social responsibility that the Company has carried out and the activities that have been organized for social development, including activities to create participation of employees.

## 8.3 Business operations that affect social responsibility

- None -

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

The company has continuously been conducting social contribution activities by organizing activities for the benefit of society and the environment via various activities, such as the donation of essential items and assistance to the victims affected by natural disasters; project to help the underprivileged and disabled children; "This school is for kids" project to upgrade schools in the rural areas (helped renovating 3 schools); the reforestation project; the sea turtle conservation & coral return to the Thai sea project, among others.





BEFORE



AFTER



BEFORE



AFTER



In addition, the Company also realizes the importance of Human Resource Development in the logistics business line. At present the industry still lacks employees with knowledge of logistics and supply chain to meet the demand. The Company has therefore contributed to a Human Resource Development project at university level in Logistics and Maritime business, a project under collaboration between the Thai International Freight Forwarders Association (TIFFA) and Suan Sunandha Rajabhat University. It aims to develop and produce the undergrad students for a bachelor's degree, to be knowledgeable with ability to work in the field of logistics and maritime management. In the year 2019, the Company awarded scholarships to 8 students who met the set criteria, with internships opportunity at the Company to gain practical experience in logistics management.



## 8.5 Prevention of involvement in corruption

At the Board of Directors' Meeting No. 1/2017 on March 27, 2017, the Company set up guidelines for the prevention of involvement with corruption for directors, executives and employees of the Company & subsidiaries, as follows:

1. Directors, executives and employees of the Company are not allowed to conduct or accept any form of corruption, directly or indirectly. This covers all relevant departments and the implementation of this anti-corruption policy shall be reviewed regularly.
2. Directors, executives and employees of the Company have the duty to report to the Company to keep the Company informed about the corruption-related actions by notifying the supervisor or the person responsible for, and shall cooperate in investigating various facts.
3. The Company will provide fairness and protect complainants (whistleblowers) who report the corruption matter, including those who cooperate in reporting and in the corruption investigation process.
4. The Board of Directors, Executive Committee, and Management Team must act as a role model in combating corruption, with duty to promote and support the anti-corruption policy so as to communicate to all employees and related parties; and to review the suitability of policies and measures in line with changes in business conditions, regulations and legal requirements.
5. Those who commit corruption must be subject to disciplinary action in accordance with the Company's regulations and may be punished according to the law if the action is illegal.
6. The Company provides training and knowledge dissemination to directors, management team and employees to have an understanding of the anti-corruption policy, and promotes morality, honesty and responsibility and their obligations.
7. The company encourages counterparties, trade partners or other persons who are required to perform duties involving the Company to report the violation of the Company's anti-corruption policy.
8. The company has a policy of recruiting or selecting personnel, promotion, training, performance appraisal and determination of compensation for employees and workers fairly and adequately in order to prevent corruption within the organization and to create security for staff and workers.
9. To make it clear in the practice on matters of high risk and corruption in the following matters, the Company's directors, executives and employees must practice and examine carefully:
  - 9.1 Giving, presenting or receiving gifts and entertainment must be transparent, legitimate, in line with the normal commercial or traditional practice of reasonable value.
  - 9.2 Giving or receiving donations or funding must be transparent and legitimate by ensuring that such item/amount is not a disguise of bribery. In conducting business, dealing, negotiating, bidding and other actions with government agencies or private sectors, it must be transparent and legitimate.
  - 9.3 In addition, the Company's directors, executives, employees and workers must not give or accept a bribe in every step of the business operation.

## 9. Internal Audit and Risk Management

### 9.1 Opinions of the Board of Directors on the Company's internal control system

At the Board of Directors' Meeting No. 2/2020 on March 31, 2020, in which independent directors and Audit Committee members attended the meeting, the BoD reviewed the adequacy of the Company's internal control system according to the internal control system adequacy assessment form of the Securities and Exchange Commission (Attachment 4) by inquiring additional information from executives in various areas, consisting of 5 elements:

- 1) Organization and Control Environment
- 2) Risk Assessment
- 3) Control Activities of the Management
- 4) Information and Communication system and
- 5) Monitoring Activities

The Board of Directors was of the opinion that the Company had provided adequate management, administration and internal control systems. The management encouraged employees to realize the importance of internal control and provide sufficient personnel to operate the Company's internal control system adequately and appropriately to ensure the Company could achieve the set objectives in compliance with applicable laws and regulations, and in accordance with the principles of good corporate governance. The Company has clearly defined duties and responsibilities, including written rules, regulations, policies, management authority levels and appropriate item approval levels.

In addition, the Company has also provided an internal audit unit that is independent in monitoring and evaluating the internal control results by hiring an internal control system auditor who is an external unit (Outsource) reporting directly to the Audit Committee. The purpose is to review the operating system of various activities to achieve the overall objectives and goals of the Company and be able to supervise transactions with persons who may have conflicts or connected persons, who are major shareholders, directors, executives or those related to such persons who may make use improperly or without authority. As for other topics of internal control, the BoD viewed that the Company had sufficient internal control as well.

## 9.2 Opinion on the internal control system, internal audit results, and internal auditors' follow-up results

The Company hired an internal auditor who was an outsource by appointing Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. to be the Company's internal auditor ("Internal Auditor") according to the Audit Committee's resolution No. 1/2015 on November 17, 2015. Mr. Weerapong Kritsadawat was the Head of Internal Audit to perform an audit of the internal control system and the compliance with the system of the Company & subsidiaries, with details as follows:

### Conclusion of the audit and the follow-up results from the audit of the Company's internal control system in 2020

#	Report	Details	The date the Audit Committee acknowledged the report
1	Report on follow-up of internal control, improvement, sales process and revenue recognition (audit)	Monitor the progress of resolving issues identified by auditing the sales process and revenue recognition	Mar 31, 20
2	Internal Audit Report cash management process	Internal audit for cash management processes	Aug 13, 20
3	Report on the follow-up results of internal control improvement, cash management processes (auditing)	Monitor the progress of resolving issues identified by auditing the cash management process.	Nov 12, 20

In the past, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd., as the Company's internal auditor, has carried out audits of the internal control system of various processes and followed up the revision of the detected issues and then presented to the Audit Committee meeting for further acknowledgment continuously. The internal auditors have performed the audit of the Company's internal control process during Q3/2019. They examined the sales process and revenue recognition. The operations covered the duration of the sale and the items involved in the audit from August 1, 2018 to August 31, 2019 and presented the audit report to the Audit Committee Meeting No. 4/2019 on November 14, 2019. Later they conducted an audit on the improvement results follow-up of the internal control for such process and presented to the Audit Committee Meeting No. 2/2020 on March 31, 2020, with the summary of the audit results as follows:

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation	Audit follow-up results as reported
<b>1. Control over the insufficient payment of commissions to third parties</b>		
<p><u>Findings :</u></p> <ol style="list-style-type: none"> <li>1. Found the commission payment to an employee in the form of cheque /check. (Check payable to employee's name) because the salesperson uses personal money to pay to third party in advance in the amount of 9,461 baht by transferring to the third party account on December 25, 2018 and preparing a report to pay the commission in January 2019. The company repays the salesperson by issuing a check made payable to the said salesperson. The COO who has the authority acknowledged and signed the supporting documents on January 8, 2019, where, according to the Company's policy regarding the Commission Disbursement System (FIA13), employees must prepare a report for the payment according to the specified cycle and the finance department will issue checks payable on behalf of third parties who receive the commission.</li> <li>2. There was no review of third parties who are entitled to receive commission by cycle.</li> <li>3. There was no auditing of third parties who are registered as eligible to receive the commission as employees of the Company. The sales manager shall review the information and approve the commission document (CFC) by sending to the Finance Department for recording in the system. However, the audit findings revealed that no employees were eligible for the commission.</li> </ol> <p><u>Effects :</u></p> <p>The lack of a system for reviewing the list of applicants to be eligible to receive commissions compared to the list of employees or their family members may create a risk of corruption (conflicts of Interest). In addition, when the salesperson can pay personally to the person entitled to the commission first, this may also cause corruption risks as well. It may be to create a relationship that is not business relations, but personal-related. Moreover, the personal payment made beforehand when it has not been approved by the authorized person, is a violation of the policy set by the Company.</p> <p><u>Priority :</u></p> <p>Low</p>	<p><u>Recommendations :</u></p> <ol style="list-style-type: none"> <li>1. Specify employees not to make personal payments to those who are entitled to receive commission and in case of urgency or other necessity, the process must be set with approval from the person with authority before any action is taken.</li> <li>2. Determine the list of eligible commission receivers compared to the list of employees.</li> <li>3. Establish regular rounds for reviewing eligible commission receivers.</li> </ol> <p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>1. To practice strictly to pay commissions directly to the recipient. In the event of an urgent need, employee shall request approval of management from COO level and above before proceeding.</li> <li>2. The review of the list of eligible persons to receive commission with the list of employees of the company In the past practice, the applicants for approval, the person to approve and those who control the list of creditors have strictly checked but not specified or specified in the relevant regulations. The Company will take the recommendations further to add this in such regulations.</li> <li>3. Arrange to regularly check the information of those who are entitled to receive the commission as appropriate.</li> </ol>	<p><u>Follow-up results :</u></p> <ol style="list-style-type: none"> <li>1. From randomly examining 10 commission payment items from the transactions that occurred between December 2019 and February 2020, it was found that all 10 items were paid to those who were entitled to receive the commission. must On time And complete documents for payment</li> <li>2. From the examination of the registration of those who are eligible to receive the commission (Individuals) Between December 2019 and January 2020, it was found that there were 5 new registered users. Has assigned the Finance Department to examine the list of applicants for registration with the Human Resources Department first, all of which are not listed as employees of the Company. And complete documents for registration of those who are entitled to receive the commission</li> <li>3. The company requires a review of the list of eligible commissioners once a year (the latest on February 21, 2020), after which the review will create a list of those who are eligible to receive the commission. Steep that is present From the examination, it was found that There is a list of people who are entitled to receive the commission. The latest update in February 2020 includes a total of 61 eligible voters (natural persons), a total of five in addition to the previous year.</li> </ol> <p><u>Status :</u></p> <p>Correction has been made.</p>

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation	Audit follow-up results as reported
<b>2. Inappropriate use of petty cash ledger and segregation of duties</b>		
<p><u>Findings :</u></p> <p>From the review of the rights in the Cyber Freight Software Package (CFSP), it was found that the sales staff were entitled to make invoices. Causing salespeople to level up the manager Able to set sales prices until invoice Which is not in accordance with the proper separation of duties principle The operating department is now responsible for making invoices to send to the sales manager for review and approval</p> <p>From the review of the invoice list from August 1, 2018 to September 30, 2019, it was found that two sales managers at the level of sales managers had made 3 invoices totaling 47,433 baht by both sales managers. Used to work in an operating position Before being re-positioned as Sales Manager in March 2016 and 2017, respectively, the invoice right was not canceled after the position change.</p> <p>Inquiring about improving rights in the system when employees change positions, it was found that the Company did not require review and correction of rights in the system when employees changed positions and the Company did not find such inappropriate rights in the system. Annual Rights Review In December 2018</p> <p><u>Effects :</u></p> <p>Improper separation of duties and rights in the system to set sales prices and make invoices. It may cause an error in the invoice preparation. And may be helpful to some customers The sales manager can invoice higher or lower than the price stated in the agreed quotation. In addition, failure to review access rights to information in the system when employees change positions. This makes it a risk that the employees have rights that are inappropriate for their position, duties and responsibilities.</p> <p><u>Priority:</u></p> <p>Low</p>	<p><u>Recommendations :</u></p> <ol style="list-style-type: none"> <li>1. Immediately cancel the right to prepare invoice for 2 sales manager level sales staff</li> <li>2. Require reviews of rights in various systems. When an employee changes his position</li> <li>3. Provides an annual review of the right assignment for all sales and operations personnel. To comply with duties in accordance with the principle of separation of duties By comparing from the scope of work of each employee position</li> </ol> <p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>1. Revoke the rights of the sales manager with improper rights.</li> <li>2. Change the rights of the user to suit the duty that has changed immediately.</li> <li>3. The IT department will review and protest improper authorization in accordance with the separation of duties in the annual review of rights.</li> </ol>	<p><u>Follow-up results :</u></p> <ol style="list-style-type: none"> <li>1. From auditing the rights to access the CFSP system of employees in the sales department, to make sure no employee at manager level or above has the right to create invoices. Currently, in the department, there are only 2 officer-level employees who can prepare invoices.</li> <li>2. From auditing the rights of employees who have changed positions, such as resignation, promotion or transfer department, it was found that the rights in the system of such employees have been adjusted according to their current position. The company has established a process that if there are employees meeting such conditions, the HR department will send email to notify all departments to acknowledge. The IT department will update the rights in the system when notified by the HR department. However, at that period cycle of improvement follow-up, there was no employee promotion and department transfer.)</li> <li>3. From the audit of the annual review of rights for sales personnel and the system operations department, it was found that it was implemented according to the latest IT policy in December 2019 by downloading the rights of all employees from the system then sent to various departments to confirm the validity within the specified time. The policy requires that the company has to review the rights in the system at least once a year.</li> </ol> <p><u>Status :</u></p> <p>Correction has been made.</p>

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation	Audit follow-up results as reported
<b>3. Control on the insufficient credit limit given to customers</b>		
<p><u>Findings :</u></p> <ol style="list-style-type: none"> <li>1. The review of the annual credit limit was not prepared completely. The Finance Department reviews the credit limit once a year to assess that there are no customers with higher credit balance than necessary. The review is performed only for customers who have outstanding balances. From the audit, it was found that some customers have a credit line limit higher than the service fee during August 2018 - August 2019.</li> <li>2. The temporary credit limit extension was not readjusted in due time. From the review of temporary credit limit adjustments, there were 3 customer credit limits which have not been readjusted for a specified period.</li> </ol> <p><u>Effects :</u></p> <ol style="list-style-type: none"> <li>1. Granting a credit limit, credit limit assessment and improper credit limit adjustments may be a risk of default and bad debt.</li> <li>2. The specified credit line limit does not prevent the Company from providing services to customers whose credit balance is overdue. This may result in the customer receiving the service that is higher than the Company has set and may result in the risk of debt repayment of the customer.</li> </ol> <p><u>Priority :</u> Low</p>	<p><u>Recommendations :</u></p> <ol style="list-style-type: none"> <li>1. The review of the annual credit line of the company should consider based on customers who served in the assessment year and previous year to ensure that such assessments are complete.</li> <li>2. The reverse of temporary limits for finance department employees should be regularly reviewed by supervisors to ensure that the temporary credit limit has been reversed in a timely and complete manner. The Company should consider setting an alert in the operating system when the deadline is near.</li> </ol> <p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>1. Review the customer's credit limit for the year thoroughly and appropriately, in accordance with the amount that the customer spent on the service according to the data in the previous and assessed year.</li> <li>2. Assign employees who work for temporary credit line/limit expansion to prepare a summary report of customers who temporarily extend the credit limit on a monthly basis at the end of each month in order for the supervisor to review the requested period for extension and end to ensure that the credit limit has been adjusted back to the normal limit correctly</li> </ol>	<p><u>Follow-up results :</u></p> <ol style="list-style-type: none"> <li>1. From the audit of the review of the credit limit to customers by comparing the current credit limit with the amount of customer service usage for the past 2 years, including the method and completeness of the audit. The latest time at the end of January 2020 had a total of 184 revised and reviewed customers with sales transactions within the year. The finance department proposed to adjust the amount of the credit line according to the monthly average sales volume of each customer, using the historical data of the past 2 years to the sales department to consider. After that, record the new credit limit into the system.</li> <li>2. From the audit of the temporary credit limit expansion summary report prepared by the employee responsible for the limit expansion. The list of limit expansions for the previous month and the current month will be prepared by the beginning of the following month and verified by the supervisor. Has been prepared and fully verified by supervisors.</li> </ol> <p><u>Status :</u> Correction has been made.</p>



In addition, the Company's internal auditor has conducted the audit of the internal control process. The latest one was in Q2/2020 by examining the cash management process, covering the period during June 22 - 26, 2020 and presented the audit report to the Audit Committee Meeting No. 5/2020 on August 13, 2020. Later on, the internal auditor conducted the audit and followed up on the improvement of internal control for such process, and presented to the Audit Committee Meeting No. 6/2020 on November 12, 2020, with a summary of the audit results as follows:

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
<p><b>1. Specifying the petty cash approval of maximum value and the general advance limit inconsistent with the operating value</b></p> <p><u>Findings :</u>            Authority to approve the operation on the topic of petty cash and general advances is set to be able to approve the setting up of petty cash lines of more than 3,000,000 baht and more than 5,000,000 baht for general advances. From the review of the management of all 11 petty cash lines, it was found that the petty cash line with the highest value was only 150,000 baht for the FIAF department, a container deposit. In addition, the maximum amount of cash withdrawal per item is 3,000 baht only. The average amount and quantity of reimbursement per month between June 2019 and May 2020 as follows:</p> <ul style="list-style-type: none"> <li>• Petty cash average amount: from 72,677 to 210,108 baht per month.</li> <li>• Advance payment average amount: from 25,890 to 67,524 baht per month. It can be seen that the approval value to set the petty cash line according to the operating authorization authority is inconsistent with the general nature of the Company's petty cash expenditures and advances.</li> </ul> <p><u>Effects :</u>            In specifying the authority for petty cash and general advances limits that are excessive and greater than the average volume of petty cash and advances, it allows for the use of petty cash and general advances that are not in accordance with the objectives of petty cash and advances.</p> <p><u>Priority :</u>            Low</p>	
<p><u>Recommendations :</u>            The Company should regularly review the petty cash limit and general advance limit and consider reducing the maximum amount that can be set for the petty cash limit and general advance limit to comply with the nature of the operation and the average amount of real use.</p> <p><u>Implementation of the Company :</u>            The Board of Directors Meeting No. 5/2020 on August 13, 2020 approved the amendment of the petty cash line and the general advance payment limit in the approval power to be in line with the operations.</p> <p><u>Management adjustment and enhancement guidelines :</u>            On August 13, 2020, the Company proposed to the Board of Directors for consideration.</p> <ul style="list-style-type: none"> <li>• To amend the authority by revising the approval limit as follows:              Article 6 Setting up a petty cash line              Assign the management team to have the power to approve not more than 500,000 baht and to specify the COO / CFO and CEO to have the power to approve not more than 300,000 baht.</li> <li>• To modify the authority to approve the advance payment as follows:              Additional clause 7.2 Advances for special projects The initial authorized person for approval from COO / CFO and CEO has the power to approve not more than 1,000,000 baht and the management team has the power to approve not more than 3,000,000 baht. Add clause 7.3 general advances Revised to allow COO / CFO and CEO to approve no more than 300,000 baht, general advance payment that exceeds 300,000 baht is the approval of the Board of Directors.</li> </ul> <p><u>Follow-up results :</u>            From the review of MP Regulations No. 09/2020 on the power to approve operations, effective from August 24, 2020, it was found that the Company revised its authority to approve operations related to petty cash and general advances, as specified in the management's revision guidelines.</p>	

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
<b>2 Inappropriate use of petty cash ledger and segregation of duties</b>	
<p><u>Findings :</u> <i>Head office</i></p> <ol style="list-style-type: none"> <li>1. There are transactions recorded through the petty cash account, but their values are inconsistent with the petty cash policy which is used to record other types of expenses, making it impossible to separate the actual petty cash. <ul style="list-style-type: none"> <li>• Transactions that are check payments or transfer expenses that the Company advances payments to customers in combination with a total value of more than 3,000 baht, such as deposit for cargo and other shipping charges, etc. Such check or transfer transactions are tied to the petty cash account (100000), not specifying the details of expenses in the general ledger account book. In addition, the company does not specify category or document code for petty cash records.</li> <li>• Multiple recurring petty cash items of transactions are recorded as one item in the accounting system, which is paid by cashier's check and the Company uses to withdraw cash from the bank to pay the customer, making each item worth more than 3,000 baht, and not having specified details of the expense, by specifying the name of the petty cash withdrawer or customer's name instead.</li> </ul> </li> </ol>	<p><u>Recommendations :</u> <i>Head office</i></p> <ol style="list-style-type: none"> <li>1. Should clearly separate accounts for petty cash from expenses paid by check or transfer.</li> <li>2. Should specify the type of documents used for petty cash withdrawals.</li> <li>3. Should separate each petty cash item record, and should specify the details of expenses in the general ledger account book.</li> </ol>
<p><i>Branch office</i></p> <ol style="list-style-type: none"> <li>1. Petty cash keeper and advance payment is Accounting Manager responsible for approving petty cash form, prepare documents for payment and record the accounts in the system which is the same accounting system as in the head office. Accounting Manager is authorized to pay checks in conjunction with the Assistant to Management, which improperly separates the duties of recording petty cash transactions and advances. As inquiring the Manager of Finance Department and Manager of Accounting Department at the Head office, it was informed that the said office has staff who are responsible for accounting: 1 person under the Accounting and Finance Department, which is the current Accounting Manager from previously 3 persons. Therefore, there are limitations in the separation of duties appropriately.</li> <li>2. The accounting of cash transactions does not provide details of expenses paid through petty cash and advances in the general ledger, and did not send supporting documents to the cash transaction to the Head office to check the transaction. Therefore, the recorded transactions cannot be verified as correct as compared to the supporting documents, or the period of this audit cycle.</li> </ol>	<p><i>Branch office</i></p> <ol style="list-style-type: none"> <li>1. Guidelines for accounting records should be in accordance with accounting standards. The General Ledger should specify the details of expenses incurred in accordance with the supporting documents for accounting records.</li> <li>2. Should require a person to review the accuracy. It is separated from the person responsible for accounting records between the accounting records and the accounting documentation for cash-related transactions. The review should be scheduled at the end of every month.</li> </ol>

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
<p><u>Effects :</u> For the recording of expenses paid by check or transfer in petty cash accounts and general ledger without specifying details of the expenses, the Company is unable to verify the accuracy, analyze petty cash items, including various unusual items that may occur, and the non-review of accounting records and supporting documents for accounting records may result in accounting recording errors, or may cause fraud by recording expenses that are not actual, or the value is not as stated in the document.</p> <p><u>Priority level :</u> Low</p>	<p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>Initially, the classification between petty cash and check or transfer is clear</li> <li>The types of petty cash documents will be clearly defined and will be adjusted in the computer software system that will be installed in the future.</li> <li>An auditor to review the accuracy of the Romklao Office's documents and records relating to cash at the end of every month Which has started operations since the accounting period in July 2020 onwards</li> </ol> <p><u>Follow-up results</u></p> <ul style="list-style-type: none"> <li>From the examination of the General Ledger, petty cash account (100000) in September 2020, it was found that there were no transactions that were check payments or transfer of expenses of the company included in the said account, and from randomly reviewing 6 of the petty cash items recorded as one item in the September 2020 accounting system, it was found that petty cash keepers had a control registration specifying details of each petty cash item completely.</li> <li>From randomly reviewing 6 out of 6 of the Romklao office's petty cash reimbursement documents, it was found that petty cash reimbursement documents and accounting records were signed by Accounting Department Manager, head office in its entirety.</li> </ul>

### 3 Petty cash handling that doesn't follow the set policy

<p><u>Findings :</u></p> <ol style="list-style-type: none"> <li>From reviewing guarantee documents of petty cash holders which at present the Company has assigned a total of 10 petty cash holders, it was found that there were 7 employees who did not have any document of guarantee.</li> <li>From the review of petty cash, the credit limit of 10,000 baht stored at the branch office, it was found that it was not randomly counted on a regular basis by the accounting department or the designated person as stated in the WI-FIA24 policy, setting a petty cash amount and a method for verifying the remaining cash on hand (Petty Cash).</li> </ol> <p><u>Effects :</u></p> <ol style="list-style-type: none"> <li>Failure to comply with the policies set by the Company may cause the Company a risk of losing cash maintained by related or designated employees, and unable to follow up from the guarantor.</li> <li>Not randomly counting petty cash on a regular basis may cause the loss of petty cash or being used not in accordance with the objectives set by the Company.</li> </ol> <p><u>Priority :</u> Low</p>	<p><u>Recommendations :</u></p> <ol style="list-style-type: none"> <li>The Company should follow the set policy or revise such policy to be in line with the current working conditions and risks assessed by the management to be in the same direction.</li> <li>The Company should randomly count every petty cash line on a regular basis. In the event of petty cash arrangements that are far from the head office, the Company should assign it to someone who is not involved in petty cash management, without having to be the accounting department. Do regular counting to ensure that the petty cash has been withdrawn and take care of it in accordance with the objectives of the Company.</li> </ol> <p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>The Company will review the policy and revise such policy to be in line with the current working conditions and risks.</li> <li>The Company will randomly count the petty cash line at the branch office once every quarter.</li> </ol>
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Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
	<p><u>Follow-up results</u></p> <ul style="list-style-type: none"> <li>- The Company has reviewed and revised the MP Regulation No. 11/2020 regarding work guarantees in accordance with current working conditions and risks, with details as follows:             <ol style="list-style-type: none"> <li>1. Work insurance is required for employees who have the following types or conditions of work                 <ol style="list-style-type: none"> <li>1.1 Only employees who hold cash (petty cash / advances) or</li> <li>1.2 Employees assigned to take care of the Company's assets</li> </ol> </li> <li>2. An exception is required for employees under Clause 1 who do not require guarantees in the event of an assignment to hold cash or other assets that qualify to be guaranteed as follows:                 <ol style="list-style-type: none"> <li>2.1 Employees with at least 2 years of service as of the date this Regulation comes into force, or</li> <li>2.2 Management (Level 8-9) resolved to waive the guarantees for that person. Based on the review of the working period of 7 petty cash holders without guarantees, it was found that all petty cash holders had more than 2 years of service as of the latest version of the regulations, which meets condition No. 2, which is exempt from the need for working guarantees - For the Laem Chabang Office, the Company stated that the petty cash line at Laem Chabang office will be randomly counted once every quarter. The random document audit found out that the random counting of petty cash line for the third quarter of 2020 was on September 21, 2020.</li> </ol> </li> </ol> </li> </ul>

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
<b>4 Expenses that do not qualify for advances are recorded in the Advance Payment account</b>	
<p><u>Findings :</u></p> <p>From reviewing the transactions recorded in the advances account for employees and the trading partner's advance account, it was found that there are items that do not fall into the category of the advance payment account without meeting the objectives or regulatory authority of the advance payment as follows:</p> <ol style="list-style-type: none"> <li>1. Transactions that appear as advances paid to affiliates which are recorded in the account of Advance payment to suppliers and not deducted according to the period of payment for services based on the nature of the advance payment to the trading partner. The item was approved for disbursement by the Chief Executive Officer. There was no advance refund or deduction of the said amount in June 2020, contrary to the 7-day advance clearing policy.</li> <li>2. Transactions that are characterized as employee expenses, the advance account is used as a break account and to deduct from salary.</li> </ol> <p>Transactions requesting advance payment to buy gifts for customers: the Company recorded such transactions as entertainment expenses, which is the accounting record for the wrong type of expenses.</p> <p><u>Effects :</u></p> <ol style="list-style-type: none"> <li>1. The Company may use the advances that are not suitable for the purpose, regulation of the approval authority of the advance payment, and the Company's Code of Business Conduct</li> <li>2. The Company may not receive any financial benefit or may take risk of not receiving a refund, and the account recording not correct according to the nature of the transaction which may affect the analysis of correct transactions and expenses at the correct cycle.</li> </ol> <p><u>Priority level :</u> Medium</p>	<p><u>Recommendations :</u></p> <ol style="list-style-type: none"> <li>1. The Company should review the objectives, conditions and approval authority of advances for employees and suppliers clearly and appropriately.</li> <li>2. The company should comply with the regulations of the company's approval authority appropriately. Any request for approval other than the approval authority regulations should be presented to the Board of Directors, to consider case by case.</li> <li>3. The company should record the advance payment for employee expenses as employee receivables or other receivables in the financial report, and record advances to buy gifts in the correct account category.</li> </ol> <p><u>Implementation of the Company :</u></p> <ol style="list-style-type: none"> <li>1. The company will review the objectives, conditions and authorization power of advances for employees and suppliers clearly and appropriately.</li> <li>2. The Company will record the advance for employee expenses as employee receivables or other receivables in the financial report.</li> <li>3. The Company has improved the recording of entertainment fee correctly according to the type of expense, by recording as taxable expenditures</li> </ol> <p><u>Follow-up results</u> <u>The operation has been completed.</u></p> <ul style="list-style-type: none"> <li>- Transactions that appear as advances paid to affiliates which is recorded in the account of Advance payment to suppliers</li> <li>&gt; The Company revised MP Regulation No. 08/2020 regarding the authority to approve operations on August 24, 2020 by adding a type of advance payment for special projects to accommodate the case of paying advances other than general advances.</li> </ul>

Issues detected, impact/effects and risks in the report	Recommendations and the Company's implementation
	<ul style="list-style-type: none"> <li>&gt; The company received a complete refund of advance payment from All Logistics Company on September 30, 2020.</li> <li>&gt; Items that are characterized as employee expenses, the advance account is used as a suspense account and to deduct from salary. The random review of employee advances accounts (140000) between July - September 2020 found that there was no deduction of employee salaries for payment of employee loan installments with the Government Housing Bank in advance payments. In addition, there was no incentive payment to employees in such account.</li> <li>&gt; List of requesting advances for the purchase of gifts for customers, the Company has already revised and revised the accounting record to be correct according to the type of expense on August 1, 2020.</li> </ul> <p><u>In process</u></p> <ul style="list-style-type: none"> <li>- Transactions appearing as advances paid to its affiliated Leo Myanmar Logistics Co., Ltd. and recorded in Advance payment to suppliers account. The random review of USD 105,000 amount found that the management team (Exe-Com) No.10 / 2020 on September 21, 2020 approved a short-term loan in the form of USD 150,000 promissory note to Leo Myanmar to repay the advance payment of USD 105,000 and the remaining USD 45,000 as revolving reserves, by setting the floating interest rate equal to the MOR baht rate as announced by Kasikorn Bank Public Company Limited. However, from an inquiry of the Chief Financial Officer, it was informed that the current document is in the process of processing with the Burmese government. Therefore, no accounting adjustments have been recorded. It is expected to be completed within April 2021</li> </ul>

### 9.3 Head of Internal Audit (Outsource)

The Audit Committee Meeting No. 1/2015 on November 17, 2015 resolved to appoint Deloitte Touche Tohmatsu Jaiyos Advisor Co., Ltd. to perform the duties of the Company's internal auditors and subsidiaries since November 17, 2015. Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. has assigned Mr. Weerapong Kritsadawat, a partner, as the internal audit supervisor.

The Audit Committee has considered the qualifications of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. and Mr. Weerapong Kritsadawat and viewed that it is appropriate and adequate for the performance of such duties due to the fact that it is independent and has experience in internal auditing for more than 10 years.

In this regard, the consideration & approval, the appointment, and the removal, transfer of the person holding the position of the internal audit supervisor of the Company and subsidiaries must be approved by or must have received consent from the Audit Committee only.



## 10. Connected Transactions

### 10.1 Connected transactions

Connected Transactions of the Company With persons who may have conflicts in the fiscal year ended 31 December 2019 and 31 December 2020 can be summarized as follows:

Individuals / entities who may have conflicts	Relationship Characteristics	Transaction Value	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Necessity and Justification
1. Thai Stanley Electric Public Company Limited	Mr. Apichart Lee-issaranukul, the Company's Director and Independent Director, and Chairman of the Board & major shareholders (including close relatives' shareholding) of Thai Stanley Electric Public Company Limited	The company provides logistics services to Thai Stanley Electric Public Company Limited	0.0041	0.0038	The Company provides freight forwarding services to Thai Stanley Electric Public Company Limited, all of which are inbound work from foreign agents. The Company provides services with prices and trading conditions comparable to market rates.
		Freight and service revenues			<b>Opinion of the Audit Committee</b> Such transaction is appropriate since it is the transaction that the Company provides freight forwarding services for customers in accordance with the company's normal business.
		Account receivable (b/f)	-	-	
		Account receivable (c/f)	-	-	
2. Inoue Rubber (Thailand) Public Company Limited	Mr. Apichart Lee-issaranukul, the Company's Director and Independent Director, and Chairman of the Board & major shareholders (including close relatives' shareholding) of Inoue Rubber (Thailand) Public Company Limited	The company provides logistics services to Inoue Rubber (Thailand) Public Company Limited	0.0091	0.0133	The Company provides freight forwarding services to Inoue Rubber (Thailand) Public Company Limited, all of which are inbound work from foreign agents. The Company provides services with prices and trading conditions comparable to market rates.
		Freight and service revenues			<b>Opinion of the Audit Committee</b> Such transaction is appropriate since it is the transaction that the Company provides freight forwarding services for customers in accordance with the company's normal business.
		Account receivable (b/f)	-	-	
		Account receivable (c/f)	-	-	
3. Ocean Glass Public Company Limited	Mr. Woragan Xuto, the Company's Director & Independent Director, and Independent Director of Ocean Glass Public Company Limited	The company provides logistics services to Ocean Glass Public Company Limited	0.0640	0.1059	The Company provides freight forwarding services to Ocean Glass Public Company Limited, all of which are inbound work from foreign agents. The Company provides services with prices and trading conditions comparable to market rates.
		Freight and service revenues			<b>Opinion of the Audit Committee</b> Such transaction is appropriate since it is the transaction that the Company provides freight forwarding services for customers in accordance with the company's normal business
		Account receivable (b/f)	-	-	
		Account receivable (c/f)	-	-	

As of December 31, 2020, the Company received loans from 5 financial institutions, some of which are guaranteed by directors and management, with the following details.

Individuals / entities who may have conflicts	Relationship Characteristics	Transaction Value	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Necessity and Justification
4. Mr. Kettivit Sittisoontornwong	Vice Chairman of the Board of Directors, Chief Executive Officer, and major shareholder of the Company	<b>Joint guarantee of the Company's loan with the 1<sup>st</sup> financial institution by being</b>			The financial institution requested Mr. Kettivit Sittisoontornwong to be a guarantor. The guarantor did not charge any guarantee fee. The Company has negotiated a request for the financial institution to release personal guarantee on the condition that the Company must become a listed company on mai1, which will result in no connected transactions on this matter any longer.
		Overdraft limit	20.00	20.00	
		Outstanding	-	-	
		Bank Guarantee	8.50	8.50	
		Outstanding	3.43	3.37	
		<b>Joint guarantee of the Company's loan with the 2<sup>nd</sup> financial institution by being</b>			
		Overdraft limit	30.00	30.00	
		Outstanding	-	-	
		Bank Guarantee	60.00	60.00	
		Outstanding	36.32	31.91	
		Promissory Note	40.00	40.00	
		Outstanding	-	-	
		Forward Contract	4.50	10.00	
		<b>Joint guarantee of the Company's loan with the 3<sup>rd</sup> financial institution by being</b>			
		Overdraft limit	5.00	5.00	
		Outstanding	-	-	
		Letter of guarantee	35.00	35.00	
		Outstanding	-	-	
		<b>Joint guarantee of the Company's loan with the 4<sup>th</sup> financial institution by being</b>			
		Overdraft limit	4.00	4.00	
		Outstanding	-	-	
		Letter of guarantee	20.00	20.00	
		Outstanding	3.80	3.80	
		<b>Joint guarantee of the Company's loan with the 5<sup>th</sup> financial institution by being</b>			
		Pre-Shipment Summary Financing (PSS)	50.00	50.00	
		Outstanding	-	-	

#### Opinion of the Audit Committee

The transaction is beneficial to the Company's business operations. The transaction is necessary and reasonable, which is to secure the Company's loan without charging fee.

Individuals / entities who may have conflicts	Relationship Characteristics	Transaction Value	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Necessity and Justification
5. Mr.Vises Sittisoontornwong	Chief Operating Officer	<b>Joint guarantee of the Company's loan with the 1<sup>st</sup> financial institution by being</b>			The financial institution requested Mr.Vises Sittisoontornwong to be a guarantor. The guarantor did not charge any guarantee fee. The Company has negotiated a request for the financial institution to release personal guarantee on the condition that the Company must become a listed company on mail1, which will result in no connected transactions on this matter any longer.
		Overdraft limit	20.00	20.00	
		Outstanding	-	-	
		Bank Guarantee	8.50	8.50	
		Outstanding	3.43	3.37	
		<b>Joint guarantee of the Company's loan with the 2<sup>nd</sup> financial institution by being</b>			The Company has repaid the loan amount of THB 11.50 million and the amount of THB 10.00 million before maturity date since the Company has cash on hand and in order to reduce the loan interests at the end of June 2019, with the payment to close both credit lines for the amount of THB 3.93 million.
		Overdraft limit	30.00	30.00	
		Outstanding	-	-	
		Bank Guarantee	60.00	60.00	
		Outstanding	36.32	31.91	
		Promissory Note	40.00	40.00	
		Outstanding	-	-	
		Forward Contract	4.50	10.00	
		<b>Joint guarantee of the Company's loan with the 4<sup>th</sup> financial institution by being</b>			<b>Opinion of the Audit Committee</b> The transaction is beneficial to the Company's business operations. The transaction is necessary and reasonable, which is to secure the Company's loan without charging fee.
		Overdraft limit	4.00	4.00	
		Outstanding	-	-	
		Letter of guarantee	20.00	20.00	
		Outstanding	3.80	3.80	

**Note** : <sup>1</sup> The company has received a letter informing the conditions for releasing the guarantee obligation of Mr. Kettvit Sittisoontornwong and Mr. Vises Sittisoontornwong from the 2nd financial institution when the Company's shares have been trading on the first day on the stock market. As for other financial institutions, the negotiations are in process to release such guarantees.

<sup>2</sup> The Company has already released the guarantee obligation with the 2nd financial institution and the 5th financial institution.

## 10.2 Measures or procedures for approval of related party transactions

The Board of Directors' Meeting No. 1/2017 on March 27, 2017 has approved the Company's policy of entering into related transactions. It can be summarized as follows:

The Company will comply with the law on securities and exchange and regulations, notifications, orders or regulations of the Capital Market Supervisory Board and The Stock Exchange of Thailand. However, the management or stakeholders will not be able to take part in approving such transactions.

In the event that the law stipulates that such transactions must be approved by the Board of Directors' meeting, the Company will arrange for the Audit Committee to attend the meeting to consider and give opinions on the necessity of the transactions and the reasonableness/rationality/sensibleness of such transactions. In entering into a trade agreement transaction in general commercial terms, and a trade agreement not in general commercial terms, the following principles shall be used:

### **(A) Making transactions when entering into a trade agreement with general commercial terms**

An inter-company transaction that is a trade agreement with general commercial terms between the Company and / or subsidiaries and directors, executives or connected persons: when the management team proposes for approval in principle from the Board of Directors, the Executive Committee can approve such transaction in the case that such transaction has a trade agreement in the same manner as a normal person will carry out with the contract partner in the same situation with trade bargaining power without influence in his/her position as a director, executive or related person. The executive with conflict of interest shall not attend the meeting

to approve such transaction. The management will prepare a summary report of such transaction to report to the Audit Committee meeting and the Board of Directors' meeting every quarter.

### **(B) Making transactions when entering into a trade agreement not with general commercial terms**

A transaction that is a trade agreement not with general commercial terms must be considered with opinions by the Audit Committee before presenting to the Board of Directors' and / or the shareholders' meeting for consideration and further approval. It has to comply with the law on securities and exchange and regulations, notifications, orders or requirements of the Capital Market Supervisory Board and The Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

In the event that the Audit Committee does not have expertise in considering possible connected transactions, the Company will appoint an independent expert or the Company's auditor at the expense of the Company to provide opinions on such related transactions to be used in decision-making by the Audit Committee and / or the Board of Directors and / or shareholders, depending on the case, to ensure that such transactions are necessary and reasonable, taking into account the interests of the Company. The Company will disclose the connected transactions in the annual registration statement and notes to the financial statements that have been audited by the Company's auditor.

## 10.3 Policy or future trend of transactions

Considering the nature of the business at present, the Company and its subsidiaries still have the guarantees for the loans of the Company & subsidiaries by directors and management team (executives) for the benefit of seeking financial support from financial institutions as necessary. After the Company has become a listed company, the Company plans to withdraw the guarantees of the Company & subsidiaries by directors or executives. Currently, the Company has been approved by two financial institutions for the guarantee obligation of directors and executives to be lifted when the Company's securities are trading in the stock market. It is in the process of negotiating with the rest of the financial institutions to release such guarantees. In addition, the Company & subsidiaries will be having transactions of the purchase, sale, service providing and service

receiving in normal business practice using general trade terms & conditions with connected persons, such as using Namsung shipping service and / or providing freight forwarding services to persons who may have conflict with the Company, etc.

In this regard, the related transactions that may occur in the future, the Board of Directors must comply with the law on securities and exchange and the regulations, announcements, orders or requirements of the Capital Market Supervisory Board and The Stock Exchange of Thailand, as well as the requirements on the disclosure of the Company's connected transactions or subsidiaries in accordance with the accounting standards set by the Association of Certified Accountants and Auditors of Thailand.

## Statement of Board of Directors – Responsible for the Financial Statement

The Board of directors has realized the importance of its role and responsibility on implanting the corporate governance principle into the company's management. This also means to ensure that the company's financial statement and financial information in the annual report is accurate, complete and in line with Thai Financial Reporting Standards; thus, reflecting the actual financial status and operational results of the company and disclosing adequate important information to stakeholders and investors.

In this regard, the Board of directors has focused on improving the management structure and internal control systems to boost the creditability of the company's financial statement. Such improvement also helps guarantee that the company is equipped with an effective system to monitor its assets and to prevent serious misconducts and other operational irregularities of the company.

The Board of directors has appointed the Audit Committee comprising of a number of independent directors, who are fully qualified under the requirements by the Stock Exchange of Thailand. The Audit Committee is mainly responsible for maintaining the quality of the financial report and internal control systems. It is also responsible for any disclosure of connected transactions. The Committee's reviews on such matters will appear in this Annual Report and form 56-1 under the Audit Committee's Report.

The Board of directors is of the opinion that the overall internal control systems of the company can be regarded as "satisfying". Therefore, the Board is confident that the company's financial statement as of 31 December 2020 reliable and is audited in line with Thai Standards on Auditing by the company's auditor so it reflects an accurate financial status and operational results of the company as required by Thai Financial Reporting Standards



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**Mr. Sane Dangwung**

Chairman of the Board of Directors



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**Mr. Kettivit Sittisoontornwong**

Chief Executive Officer

## Section 3

# FINANCIAL POSITION AND OPERATING PERFORMANCE





# 11. Financial Highlights

## Statement of Financial Position

(Unit : Million Baht)

	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	62.34	12.97	89.73	18.81	37.84	3.85
Short term investment	-	-	-	-	200.00	20.33
Financial assets measured at fair value through profit or loss	-	-	-	-	180.31	18.32
Trade and other receivables, net	221.41	46.09	180.14	37.77	288.19	29.29
Other current assets	2.26	0.47	2.43	0.51	3.07	0.31
<b>Total current assets</b>	<b>286.01</b>	<b>59.53</b>	<b>272.30</b>	<b>57.09</b>	<b>709.41</b>	<b>72.10</b>
<b>Non-current assets</b>						
Restricted deposits at financial institutions	18.17	3.78	15.10	3.17	15.28	1.55
Investments in associates, net	30.79	6.41	44.96	9.42	55.95	5.69
Financial assets measured at fair value through other comprehensive income	-	-	-	-	47.80	4.86
General investments, net	34.28	7.14	34.34	7.20	-	-
Other receivable - Revenue department	19.61	4.08	6.15	1.29	6.20	0.63
Investment property, net	14.78	3.08	14.28	2.99	24.49	2.49
Property, plant and equipment, net	42.89	8.93	46.63	9.78	36.89	3.75
Right-of-use assets, net	-	-	-	-	60.95	6.19
Intangible assets, net	0.66	0.14	3.67	0.77	4.80	0.49
Deferred tax assets, net	7.54	1.57	10.19	2.14	9.36	0.95
Other non-current assets	25.68	5.34	29.33	6.15	12.83	1.30
<b>Total non-current assets</b>	<b>194.41</b>	<b>40.47</b>	<b>204.66</b>	<b>42.91</b>	<b>274.56</b>	<b>27.90</b>
<b>Total assets</b>	<b>480.42</b>	<b>100.00</b>	<b>476.96</b>	<b>100.00</b>	<b>983.97</b>	<b>100.00</b>
<b>Liabilities and Equity</b>						
<b>Current liabilities</b>						
Bank overdrafts	11.34	2.36	2.96	0.62	1.38	0.14
Trade and other payables	219.48	45.69	177.09	37.13	196.55	19.98
Current portion of long-term borrowing from financial institutions	5.18	1.08	-	-	-	-

## Statement of Financial Position (Cont.)

(Unit : Million Baht)

	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Current portion of finance lease liabilities	1.20	0.25	2.81	0.59	-	-
Current portion of lease liabilities					5.85	0.59
Derivative liabilities					0.23	0.02
Income tax payable	0.00	0.00	0.40	0.08	0.49	0.05
Other current liabilities	28.74	5.98	27.31	5.73	23.95	2.43
<b>Total current liabilities</b>	<b>265.94</b>	<b>55.36</b>	<b>210.57</b>	<b>44.15</b>	<b>228.45</b>	<b>23.21</b>
<b>Non-current liabilities</b>						
Long-term borrowing from a financial institution	0.82	0.17	-	-	20.00	2.03
Finance lease liabilities	1.88	0.39	8.21	1.72	-	-
Lease liabilities					62.55	6.36
Employee benefit obligations	32.77	6.82	42.40	8.89	46.02	4.68
Other non-current liabilities	7.50	1.56	5.63	1.18	-	-
<b>Total non-current liabilities</b>	<b>42.97</b>	<b>8.94</b>	<b>56.24</b>	<b>11.79</b>	<b>128.56</b>	<b>13.07</b>
<b>Total liabilities</b>	<b>308.91</b>	<b>64.30</b>	<b>266.81</b>	<b>55.94</b>	<b>357.01</b>	<b>36.28</b>
<b>Equity</b>						
Authorized share capital, 320,000,000 ordinary shares of par BAHT 0.50 each (Year 2018 : 200,000,000 ordinary shares of par BAHT 0.50 each)	100.00	20.81	160.00	33.55	160.00	16.26
Issued and paid-up share capital, 320,000,000 ordinary shares of par BAHT 0.50 each (Year 2018 : 150,000,000 ordinary shares of par BAHT 0.50 each, Year 2019 : 200,000,000 ordinary shares of par BAHT 0.50 each)	75.00	15.61	100.00	20.97	160.00	16.26
Premium on ordinary shares	28.88	6.01	28.88	6.05	361.42	36.73
Retained earnings - appropriated – legal reserve	5.90	1.23	7.60	1.59	10.10	1.03
Retained earnings - unappropriated	46.91	9.76	60.80	12.75	73.94	7.51
Other component of equity	(1.02)	(0.21)	(1.07)	(0.23)	9.10	0.93
Equity attributable to owners of the parent	155.66	32.40	196.20	41.14	614.57	62.46
Non-controlling interests	15.85	3.30	13.95	2.92	12.39	1.26
<b>Total equity</b>	<b>171.51</b>	<b>35.70</b>	<b>210.15</b>	<b>44.06</b>	<b>626.96</b>	<b>63.72</b>
<b>Total liabilities and equity</b>	<b>480.42</b>	<b>100.00</b>	<b>476.96</b>	<b>100.00</b>	<b>983.97</b>	<b>100.00</b>

## Statement of Comprehensive Income

(Unit : Million Baht)

	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Service income	1,052.68	99.76	1,044.01	99.70	1,126.27	99.75
Other income	2.50	0.24	3.19	0.30	2.86	0.25
<b>Total revenues</b>	<b>1,055.18</b>	<b>100.00</b>	<b>1,047.20</b>	<b>100.00</b>	<b>1,129.13</b>	<b>100.00</b>
Cost of services	(769.98)	(72.97)	(731.58)	(69.86)	(795.98)	(70.49)
Selling expenses	(87.52)	(8.29)	(90.97)	(8.69)	(87.70)	(7.77)
Administrative expenses	(171.67)	(16.27)	(182.16)	(17.40)	(181.03)	(16.03)
Loss on impairment of financial assets	-	-	-	-	(0.43)	(0.04)
Other gains (losses), net	0.76	0.07	(2.73)	(0.26)	(1.78)	(0.16)
Finance costs	(2.93)	(0.28)	(0.56)	(0.05)	(3.95)	(0.35)
<b>Total expenses</b>	<b>(1,031.34)</b>	<b>(97.74)</b>	<b>(1,007.99)</b>	<b>(96.26)</b>	<b>(1,070.88)</b>	<b>(94.84)</b>
Profit before share of profit from associates	23.84	2.26	39.21	3.74	58.25	5.16
Share of profit from associates	8.12	0.77	15.10	1.44	10.81	0.96
Profit before income tax	31.96	3.03	54.31	5.19	69.06	6.12
Income tax	(5.10)	(0.48)	(7.28)	(0.70)	(11.29)	(1.00)
<b>Profit for the year</b>	<b>26.86</b>	<b>2.55</b>	<b>47.03</b>	<b>4.49</b>	<b>57.77</b>	<b>5.12</b>
<b>Other comprehensive income</b>						
Item that will not be reclassified subsequently to profit or loss :						
Remeasurement of post-employment benefit obligations	(0.12)	(0.01)	(1.12)	(0.11)	0.08	0.01
Share of other comprehensive income of associates	(0.02)	(0.00)	(0.93)	(0.09)	0.19	0.01
Income tax of items that will not be reclassified subsequently to profit or loss	0.02	0.00	0.22	0.02	(0.02)	(0.00)
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>(0.11)</b>	<b>(0.01)</b>	<b>(1.83)</b>	<b>(0.17)</b>	<b>0.25</b>	<b>0.02</b>
Item that will be reclassified subsequently to profit or loss :						
Currency translation differences	(0.49)	(0.04)	(0.06)	(0.01)	0.06	0.01
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(0.49)</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>(0.01)</b>	<b>0.06</b>	<b>0.01</b>
Other comprehensive income for the year, net of tax	(0.61)	(0.05)	(1.89)	(0.18)	0.32	0.03
<b>Total comprehensive income for the year</b>	<b>26.25</b>	<b>2.35</b>	<b>45.14</b>	<b>4.31</b>	<b>58.09</b>	<b>5.15</b>
<b>Profit attributable to</b>						
Owners of the parent	26.50	2.37	45.88	4.38	56.88	5.04
Non-controlling interests	0.36	0.03	1.15	0.11	0.90	0.08
<b>Total comprehensive income attributable to</b>						
Owners of the parent	26.04	2.33	44.04	4.21	57.14	5.06
Non-controlling interests	0.21	0.02	1.10	0.11	0.94	0.09

## Statement of Cash Flows

(Unit : Million Baht)

	Consolidated financial statements		
	31 December 2018	31 December 2019	31 December 2020
	Amount	Amount	Amount
<b>Cash flows from operating activities:</b>			
Profit before income tax	31.96	54.31	69.06
<b>Adjustments to reconcile profit before income tax to net cash provided by operating activities:</b>			
Share of profit from associates	(8.12)	(15.10)	(10.81)
Depreciation and amortisation	6.84	7.37	13.59
Loss on impairment of financial assets	-	-	0.53
(Gains) losses on disposal and write-off of fixed assets	0.37	(0.20)	0.01
Allowance for doubtful accounts	1.17	0.02	-
Employee benefit obligations	5.94	9.32	4.34
Dividend income	(1.93)	(1.23)	(1.05)
(Gains) losses from changes in fair value of derivatives	-	-	(0.50)
(Gains) losses from changes in fair value of financial assets	-	-	(0.24)
Interest income	(0.52)	(0.44)	(0.48)
Finance costs	2.93	0.56	3.95
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>38.64</b>	<b>54.62</b>	<b>78.41</b>
<b>Operating assets decreased (increased)</b>			
Trade and other receivables, net	(26.42)	41.21	(115.06)
Other receivables – Revenue Department	1.15	-	-
Other current assets	(0.49)	(0.17)	(0.80)
Other non-current assets	3.15	(3.66)	16.52
<b>Operating liabilities decreased (increased)</b>			
Trade and other payables	64.20	(42.59)	16.37
Other current liabilities	4.06	(1.43)	(3.36)
Payment for employee benefit obligations	(0.43)	(0.81)	(0.64)
Other non-current liabilities	-	(1.88)	(5.63)
<b>Cash flows generated from (used in) operations</b>	<b>83.86</b>	<b>45.29</b>	<b>(14.18)</b>
Income tax received	6.15	14.61	-
Income tax paid	(13.16)	(10.45)	(12.97)
<b>Net cash generated from (used in) operating activities</b>	<b>76.85</b>	<b>49.45</b>	<b>(27.15)</b>

## Statement of Cash Flows (Cont.)

(Unit : Million Baht)

	Consolidated financial statements		
	31 December 2018	31 December 2019	31 December 2020
	Amount	Amount	Amount
<b>Cash flows from investing activities</b>			
Restricted deposits at financial institutions	(0.21)	3.06	(0.17)
Payment for short term investment	-	-	(200.00)
Purchase of financial assets measured at fair value through profit or loss	-	-	(180.07)
Payment for an equity instrument	(0.22)	(0.06)	(0.80)
Payment for investments in an associate	(1.69)	-	-
Payment for investment property	(0.04)	(0.46)	(0.50)
Payment for fixed assets	(1.22)	(2.04)	(6.61)
Payment for intangible assets	(0.71)	(3.33)	(1.53)
Proceeds from disposal of fixed assets	0.44	2.14	-
Interest received	0.37	0.44	0.40
Dividend received	1.93	1.23	1.05
<b>Net cash generated from (used in) investing activities</b>	<b>(1.36)</b>	<b>0.98</b>	<b>(388.23)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings from financial institutions	120.00	10.00	-
Proceeds (Payment) for bank overdrafts	(172.30)	(18.38)	(1.58)
Proceeds from long-term borrowings from financial institutions	-	-	20.00
Payment for long-term borrowings from financial institutions	(4.93)	(6.00)	-
Payment for finance lease liabilities	(1.75)	(1.81)	-
Payment for lease liabilities	-	-	(4.60)
Interest paid	(2.71)	(0.30)	(0.74)
Dividend paid	-	(31.50)	(42.50)
Proceeds from an increase of share capital	-	25.00	392.55
<b>Net cash generated from (used in) financing activities</b>	<b>(61.69)</b>	<b>(22.99)</b>	<b>363.14</b>
<b>Net increase in cash and cash equivalents</b>	<b>13.80</b>	<b>27.44</b>	<b>(52.24)</b>
Exchange gain (loss) on cash and cash equivalents	(0.39)	(0.05)	0.35
<b>Cash and cash equivalents at the beginning of the year</b>	<b>48.94</b>	<b>62.34</b>	<b>89.73</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>62.34</b>	<b>89.73</b>	<b>37.84</b>

## Key Financial Ratios

	Unit	Consolidated financial statements		
		31 December 2018	31 December 2019	31 December 2020
Liquidity Ratio				
Current ratio	(times)	1.08	1.29	3.11
Quick ratio	(times)	1.07	1.28	3.09
Cash flow liquidity ratio	(times)	0.31	0.21	-0.12
Account receivable turnover	(times)	6.61	6.29	5.66
Average collection period	(days)	55.25	58.07	64.51
Account payable turnover	(times)	5.33	4.51	5.26
Payment Period	(days)	68.46	81.01	69.45
Cash cycle	(days)	-13.21	-22.95	-4.95
Profitability Ratios				
Gross profit margin	%	26.86	29.93	29.33
Operating profit margin	%	2.23	3.77	5.43
Cash to profit margin	%	173.53	143.18	130.77
Net profit margin	%	2.55	4.49	5.12
Return on equity	%	16.96	24.64	13.80
Efficiency Ratio				
Return on assets	%	6.04	9.82	7.91
Ratio return on fixed assets	%	73.36	121.52	170.89
Assets turnover	(times)	2.37	2.19	1.55
Financial Policy Ratio				
Debt to equity ratio	(times)	1.80	1.27	0.57
Interest coverage ratio	(times)	11.90	98.05	18.47
Dividend payout ratio	%	-	66.98	73.57



## 12. Management Discussion and Analysis

### Summary of Financial Performance

High Light: In 2020 the company and its subsidiaries achieved their revenue, gross profit and net profit which were higher 2019. Net profit in 2020 increased 23% from 2019. Overall business performance was not impacted by virus outbreak.

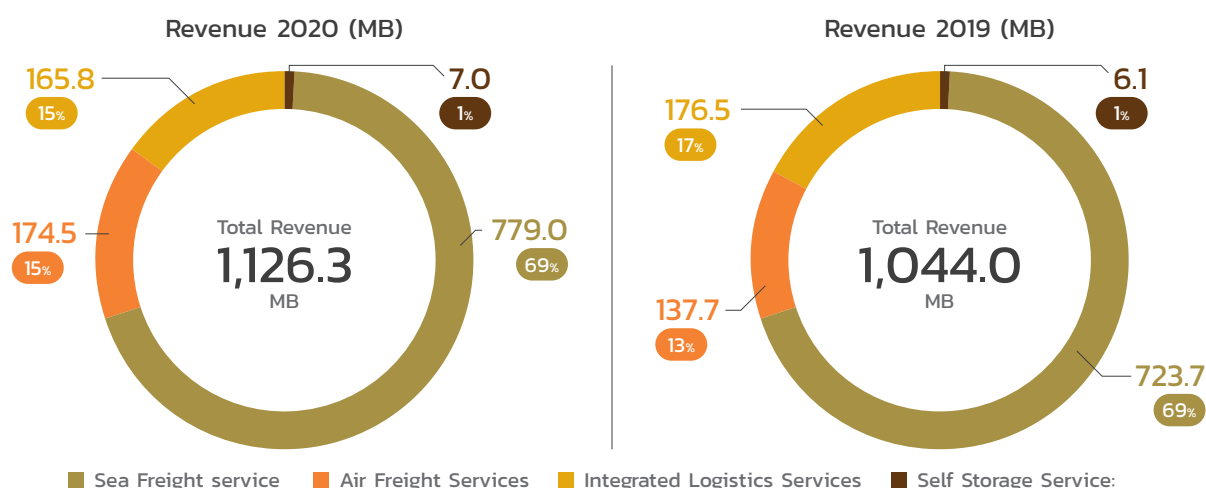
(Unit : Million Baht)

	2020	2019	% Change
	12 Months	12 Months	
Revenues-Service and Other income	1,129.1	1,047.2	8%
Gross Profit (GP)	330.3	312.4	6%
Gross Profit Margin (%)	29%	30%	
Net Profit (NP)	57.8	47.0	23%
Net Profit Margin (%)	5.1%	4.5%	

In 2020, The Company's total revenues were 1,129.1 MB. increased by 8% from 2019. The Company's gross profit in 2020 was 330.3 MB. increased 6% from 2019 The gross profit margin for 2020 was 29% which a little bit lower than 2019 because sea freight charges in 2020 were dramatic higher but gross profit could not be increased in the same ratio. For net profit in 2020, the Company earned 57.8 MB. increased 23% from 2019.

### Service income and Gross profit by segment

Segment	Revenue (MB)	Portion % Total Revenue	Revenue (MB)	Portion % Total Revenue
	2020		2019	
1. Sea Freight	779.0	69%	723.7	69%
2. Air Freight	174.5	15%	137.7	13%
3. Integrated Logistic Service	165.8	15%	176.5	17%
4. Self Storage	7.0	1%	6.1	1%
<b>Total</b>	<b>1,126.3</b>	<b>100%</b>	<b>1,044.0</b>	<b>100%</b>



In 2020, the service income was 1,126.3 MB. which comprised with 4 segments of business unit as the following;

- 1) **Sea Freight service:** the company's revenues from sea freight was 779.0 MB. or 69% of total service income.
- 2) **Air Freight Services:** the company's revenues from air freight was 174.5 MB. or 15% of total service income.
- 3) **Integrated Logistics Services:** the income from these services including local transportation, container depot and container repair service, custom clearance service and others were 165.8 MB. or equivalent to 15% of total service income.
- 4) **Self Storage Service:** the Company's income from this business was 7.0 MB. or about 1% of total service income.

## Performance Analysis

### Sea Freight Service

In 2020, the income from sea freight service increased about 8% from 2019 because of increasing of the freight rate and the volume of containers which were imported to or exported from Thailand.

### Air Freight Service

In 2020, the income from air freight service was 27% more than 2019. The reason of this significant increase from limited of air line service after Covid-19 crisis and the air freight charge increased a lot. The Company arranged special charter flights to fulfill air transportation demand so the air freight revenue of company was highly growing up.

### Transportation Services

The income from transportation services in 2020 was decreased 5% from 2019 due to Covid-19 effect.

### Container Depot and Container Repair Services

The income from container depot and container repair services in 2020 was increased 2% from 2019 due to the shortage of containers back to Thailand. The volume of containers delivered to the yard were lower than normal. So these services revenue were not increase at much.

## Customs Clearance & other Services

The income from customs clearance and other services in 2020 was decreased 15% from 2019 due to Covid-19 effect.

## Self Storage

The occupancy rate of self storage in 2020 was increased. The revenue from this business was increased by 6% when compared to 2019.

## Other income

Mainly from dividend and normal other income. It's not significant change.

## Selling and Administrative expenses

The selling and administrative expenses for 2020 was decreased 1.6% from 2019 due to the effective cost control program and suspension of overseas travelling by Covid-19 situation. These SG&A also included the expenses for IPO promotion about 2.2 MB.

## Financial Cost

The Company's financial cost in 2020 was increased from 2019 due to the adjustment of financial cost accordance with TFRS 16.

## Net Profit

Net profit in 2020 was 57.77 MB. which was 10.7 MB. more than 2019 or 22.8% increased positive impact from covid-19 situation and LEO has a lot of e-commerce, electronics and food customers which have a lot of growth in 2020 while the sea freight export also drastically increase during Q3-Q4 2020 and ability to improve gross profit and effective cost control program.

## Financial Analysis

Unit: Million Baht



## Assets

As 31st December 2020, the Company had total assets 984.0 MB. increased 507.0 MB. or 106.3% from 31st December 2019. The increase of assets came from current assets 437.1 MB. such as short term bank deposit 200 MB. and investment in mutual fund 180.3 MB. Additional account receivable increased 108.1 MB. But cash and cash equivalent was decreased 51.9 MB. For the rest of net assets increasing came from non-current assets amount 69.9 MB. as details below;

- Investments in associated companies and long term financial assets increased 24.5 MB. from additional profit sharing from associates companies 11.0 MB. and increased from TFRS 9 adoption by changing the general investment amount 34.3 MB. to financial assets measured at fair value through other comprehensive income amount 47.8 MB.

- Property and equipment-net, decreased 9.7 MB. as a result of adjustments in accordance with TFRS 16 related to Lease agreements which transferred financial lease for vehicles to the right-of-use assets.

- Investment property-net, increased 10.2 MB. from adjustment of TFRS 16 adoption.

- Right-of-use assets-net, increased 61.0 MB. from the operating lease and financial lease which previously classified as non-assets and property respectively. The right-of-use assets were the lease agreements for land and vehicles.

- Other non-current assets reduced by 16.5 MB. from advance payment of rental fee for YJCD which transferred to right-of -use assets and IPO expenses which adjusted to premium on shares.

## Liabilities

The Company has the total liabilities at 31st December 2020 amount 357.0 MB. increased 90.2 MB. or 34% from 31st December 2019 as details below;

- Account payable increased 19.5 MB.
- Long term loan from one of financial institution under Government support due to Covid-19 virus outbreak amount 20 MB.

- Lease liabilities increased 57.4 MB. from the items which previously classified as financial lease and operating lease and had been adjusted according to TFRS 16.

- Other non-current liabilities decreased 5.6 MB.

## Equity

Total equity at 31st December 2020 was 626.9 MB. increased from 31st December 2019 amount 416.8 MB.as the following;

- Increasing from initial public offering by issued new 120,000,000 shares at 0.50 Baht/share par value and 3.42 Baht/share IPO price. 60 MB. added to paid-up capital and 332.5 MB added to premium on ordinary shares.

- Unappropriated retained earnings increased 15.6 MB.net from yearly net profit and dividend payment during 2020.

- Other component of equity increased 10.2 MB.as a result of the recognition of fair value adjustments for equity investments through other comprehensive income accordance with TAS 32 and TFRS 9.

## Liquidity

Unit : Million Baht

	For Year 2020
Cash at the beginning of the period	89.7
Net cash flows from operating activities	-27.2
Net cash flows from investing activities	-388.2
Net cash flows from financing activities	363.1
Net decrease in cash	-51.9
Cash at the end of the period	37.8

### Cash flows from operating activities

The Company and subsidiaries has net cash flow used in operating activities for 2020 equal to 27.2 MB. Generated from net profit before tax 69.1 MB. Used in account receivable increased 115.0 MB. from more sales revenue and freight charge stepped up. Account payable increased 16.4 MB.

### Cash flows from investing activities

Net cash flows used in investing activities for 2020 were 388.2 MB. Invested 380 MB. in short term bank deposit and mutual fund. And paid 6.6 MB. for additional fixed assets.

### Cash flows from financing activities

Net generated cash flows from financing activities 2020 were 363.1 MB. mainly form IPO amount 392.5 MB. and dividend payment 42.5 MB.

**LEO GLOBAL LOGISTICS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**





## Independent Auditor's Report

To the shareholders of Leo Global Logistics Public Company Limited

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Leo Global Logistics Public Company Limited (the Company) and its subsidiaries (the Group) and separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine "Revenue recognition" is a key audit matter. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group provides domestic and international freight forwarding services, and integrated logistics services. The Group's aggregate service revenues totalled Baht 1,126 million, representing 99% of total revenue. Revenue is recognised when the Group satisfies a performance obligation by transferring services to customers. The services are transferred when customers obtain control of the service. For each performance obligation, the Group determines whether it satisfies the performance obligation over time or at a point in time in accordance with the accounting policy for revenue recognition as disclosed in Note 6.17.</p> <p>I focused on revenue recognition because the revenue amounts are significant to the consolidated financial statements and the several services and performance obligations in each contract. This results in a risk in determining whether revenue recognition satisfies the performance obligation over time or at a point in time. And it involves management judgement in determining revenue recognition for each identified performance obligation.</p>	<p>I tested the revenue recognition of the Group through the following procedures:</p> <ul style="list-style-type: none"> <li>- Evaluated and validated the key controls over the Group's revenue cycle, by understanding the internal control of revenue cycle and sampling revenue transactions and testing key controls.</li> <li>- Read and understood the substance of sample contracts to evaluate whether the appropriation of revenue recognition was in accordance with financial reporting standards and applied consistently.</li> <li>- Performed substantive tests on a sample of service revenue transactions to check whether the Group provided the services to customers and recorded revenue at the appropriate recognition point as per the service conditions, and examined invoices against bills of lading or airway bills to check whether the transactions are accurate and that they occurred in the related accounting period. This included, examining cash receipts with invoices and transactions in bank statements.</li> <li>- Performed tests on revenue transactions that occurred close to period end and credit notes issued after the accounting period by examining supporting documents to evaluate whether the transactions were accurately recorded in proper accounting period.</li> <li>- Sent the account receivables' confirmation to a sample of customers to check whether the Group's revenues represent valid revenue transactions and that the account receivables existed.</li> <li>- Performed analytical review procedures on the Group's revenue for each revenue type to determine whether there were any irregularities in revenues fluctuations.</li> <li>- Performed tests journal entries related to revenues, including other related adjusting entries, to assess whether revenues were properly recorded.</li> </ul> <p>I found no material exceptions from the above procedures. Revenue recognition was in accordance with the available evidence.</p>

#### Emphasis of matter

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



### Other information

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

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

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

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

### Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



**Sukhumaporn Wong-ariyaporn**  
 Certified Public Accountant (Thailand) No. 4843  
 Bangkok  
 25 February 2021

Leo Global Logistics Public Company Limited  
Statement of Financial Position  
As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	37,835,673	89,732,441	14,538,776	68,406,686
Short term investment	12	200,000,000	-	200,000,000	-
Financial assets measured at fair value through profit or loss	13	180,309,356	-	180,309,356	-
Trade and other receivables, net	14	288,194,486	180,135,078	289,645,027	178,118,870
Other current assets		3,071,289	2,427,914	2,545,220	1,692,725
<b>Total current assets</b>		<b>709,410,804</b>	<b>272,295,433</b>	<b>687,038,379</b>	<b>248,218,281</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	16	15,279,233	15,105,275	15,279,233	15,105,275
Investments in subsidiaries	17.1	-	-	10,232,600	10,232,600
Investments in associates, net	17.2	55,953,763	44,958,427	12,885,614	12,885,614
General investments, net	18	-	34,344,000	-	34,344,000
Financial assets measured at fair value through other comprehensive income	18	47,801,000	-	47,801,000	-
Other receivable - Revenue department		6,198,793	6,149,184	6,198,793	6,149,183
Property, plant and equipment, net	19	36,890,074	46,633,822	32,135,499	40,694,108
Investment property, net	20	24,494,346	14,283,958	24,494,346	14,283,958
Right-of-use assets, net	21	60,952,806	-	10,635,742	-
Intangible assets, net	22	4,800,302	3,673,315	4,618,585	3,439,110
Deferred tax assets, net	23	9,359,414	10,187,287	8,238,117	10,008,518
Other non-current assets	24	12,833,109	29,329,706	11,622,153	17,956,018
<b>Total non-current assets</b>		<b>274,562,840</b>	<b>204,664,974</b>	<b>184,141,682</b>	<b>165,098,384</b>
<b>Total assets</b>		<b>983,973,644</b>	<b>476,960,407</b>	<b>871,180,061</b>	<b>413,316,665</b>

Director




Director



The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

Leo Global Logistics Public Company Limited  
Statement of Financial Position (continued)  
As at 31 December 2020

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Bank overdrafts	26.1	1,382,480	2,957,949	1,382,480	2,957,949
Trade and other payables	25	196,550,373	177,094,812	192,377,597	172,341,020
Current portion of finance lease liabilities		-	2,810,920	-	2,810,920
Current portion of lease liabilities	26.3	5,847,675	-	3,481,850	-
Derivative liabilities	28	226,448	-	226,448	-
Income tax payable		492,667	403,584	-	-
Other current liabilities	29	23,950,112	27,306,954	23,728,562	26,281,777
<b>Total current liabilities</b>		<b>228,449,755</b>	<b>210,574,219</b>	<b>221,196,937</b>	<b>204,391,666</b>
<b>Non-current liabilities</b>					
Long-term borrowing from a financial institution	26.2	20,000,000	-	20,000,000	-
Finance lease liabilities		-	8,208,273	-	8,208,273
Lease liabilities	26.3	62,546,783	-	16,284,209	-
Employee benefit obligations	30	46,016,472	42,402,607	44,993,257	41,508,765
Other non-current liabilities		-	5,625,000	-	-
<b>Total non-current liabilities</b>		<b>128,563,255</b>	<b>56,235,880</b>	<b>81,277,466</b>	<b>49,717,038</b>
<b>Total liabilities</b>		<b>357,013,010</b>	<b>266,810,099</b>	<b>302,474,403</b>	<b>254,108,704</b>

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.



Leo Global Logistics Public Company Limited  
Statement of Financial Position (continued)  
As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and Equity</b> (continued)					
<b>Equity</b>					
Share capital	31				
Authorised share capital					
320,000,000 ordinary shares					
of par Baht 0.50 each		160,000,000	160,000,000	160,000,000	160,000,000
Issued and paid-up share capital					
320,000,000 ordinary shares					
of par Baht 0.50 each					
(2019 : 200,000,000 ordinary shares					
of par Baht 0.50 each)		160,000,000	100,000,000	160,000,000	100,000,000
Premium on ordinary shares		361,424,198	28,875,000	361,424,198	28,875,000
Retained earnings					
Appropriated - legal reserve	32	10,100,000	7,600,000	10,100,000	7,600,000
Unappropriated		73,942,501	60,797,773	27,055,860	22,732,961
Other component of equity		9,101,786	(1,073,285)	10,125,600	-
Equity attributable to owners of the parent		614,568,485	196,199,488	568,705,658	159,207,961
Non-controlling interests		12,392,149	13,950,820	-	-
<b>Total equity</b>		626,960,634	210,150,308	568,705,658	159,207,961
<b>Total liabilities and equity</b>		983,973,644	476,960,407	871,180,061	413,316,665

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

**Leo Global Logistics Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Service income		1,126,267,496	1,044,014,342	1,094,586,332	1,008,326,187
Other income	34	2,860,230	3,193,385	5,090,746	5,938,331
<b>Total revenues</b>		<b>1,129,127,726</b>	<b>1,047,207,727</b>	<b>1,099,677,078</b>	<b>1,014,264,518</b>
<b>Expenses</b>					
Cost of services		(795,980,101)	(731,575,572)	(780,877,603)	(713,245,861)
Selling expenses		(87,698,839)	(90,970,486)	(87,698,839)	(90,857,215)
Administrative expenses		(181,034,751)	(182,160,460)	(168,832,826)	(167,026,215)
Loss on impairment of financial assets		(426,116)	-	(447,837)	-
Other gains (losses), net		(1,781,842)	(2,727,956)	(1,828,459)	(2,934,761)
Finance costs	36	(3,953,659)	(559,615)	(850,448)	(599,170)
<b>Total expenses</b>		<b>(1,070,875,308)</b>	<b>(1,007,994,089)</b>	<b>(1,040,536,012)</b>	<b>(974,663,222)</b>
<b>Profit before share of profit from associates</b>		<b>58,252,418</b>	<b>39,213,638</b>	<b>59,141,066</b>	<b>39,601,296</b>
Share of profit from associates	17.2	10,809,120	15,098,319	-	-
<b>Profit before income tax</b>		<b>69,061,538</b>	<b>54,311,957</b>	<b>59,141,066</b>	<b>39,601,296</b>
Income tax	37	(11,290,403)	(7,282,350)	(10,971,375)	(7,046,213)
<b>Profit for the year</b>		<b>57,771,135</b>	<b>47,029,607</b>	<b>48,169,691</b>	<b>32,555,083</b>

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

**Leo Global Logistics Public Company Limited**  
**Statement of Comprehensive Income (continued)**  
**For the year ended 31 December 2020**

		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
	Notes	Baht	Baht	Baht	Baht
<b>Other comprehensive income:</b>					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of post-employment benefit obligations	30.1	83,707	(1,120,244)	-	(1,030,927)
Share of other comprehensive income of associates	17.2	186,216	(931,413)	-	-
Income tax of items that will not be reclassified subsequently to profit or loss	23	(16,741)	224,049	-	206,185
Total item that will not be reclassified subsequently to profit or loss		253,182	(1,827,608)	-	(824,742)
<i>Item that will be reclassified subsequently to profit or loss</i>					
Currency translation differences		61,838	(61,409)	-	-
Total item that will be reclassified subsequently to profit or loss		61,838	(61,409)	-	-
<b>Other comprehensive income for the year, net of tax</b>		315,020	(1,889,017)	-	(824,742)
<b>Total comprehensive income for the year</b>		58,086,155	45,140,590	48,169,691	31,730,341
<b>Profit attributable to:</b>					
Owners of the parent		56,875,656	45,877,766	48,169,691	32,555,083
Non-controlling interests		895,479	1,151,841	-	-
		57,771,135	47,029,607	48,169,691	32,555,083
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		57,144,826	44,036,757	48,169,691	31,730,341
Non-controlling interests		941,329	1,103,833	-	-
		58,086,155	45,140,590	48,169,691	31,730,341
<b>Earnings per share</b>					
Basic earnings per share	38	0.2601	0.2581	0.2203	0.1831

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

Leo Global Logistics Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2020

Consolidated financial statements													
Attributable to owners of the parent													
				Other component of equity									
				Retained earnings			Other comprehensive income						
				Issued and paid-up share capital	Premium on ordinary shares	Appropriated - legal reserve	Unappropriated	Currency translation differences	equity investments at fair value through other comprehensive income	Total other component of equity	Total owners of the parent	Non-controlling interests	Total equity
Notes	Baht	Baht	Baht										
<b>Opening balance as at 1 January 2019</b>													
Total comprehensive income for the year	75,000,000	28,875,000	5,900,000	46,911,888	(1,024,157)	-	-	(1,024,157)	-	(1,024,157)	155,662,731	15,846,987	171,509,718
Increase of share capital	-	-	-	44,085,885	(49,128)	-	-	(49,128)	-	(49,128)	44,036,757	1,103,833	45,140,590
Dividend paid	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	-	25,000,000
Appropriation of legal reserve	-	-	-	(28,500,000)	-	-	-	-	-	-	(28,500,000)	(3,000,000)	(31,500,000)
	-	-	1,700,000	(1,700,000)	-	-	-	-	-	-	-	-	-
<b>Closing balance as at 31 December 2019</b>	100,000,000	28,875,000	7,600,000	60,797,773	(1,073,285)	-	-	(1,073,285)	-	(1,073,285)	196,199,488	13,950,820	210,150,308
<b>Closing balance as at 31 December 2019</b>	100,000,000	28,875,000	7,600,000	60,797,773	(1,073,285)	-	-	(1,073,285)	-	(1,073,285)	196,199,488	13,950,820	210,150,308
<b>- previously reported</b>													
Impact of changes in accounting policies	100,000,000	28,875,000	7,600,000	60,797,773	(1,073,285)	-	-	(1,073,285)	-	(1,073,285)	196,199,488	13,950,820	210,150,308
	-	-	-	(1,450,627)	-	-	-	-	10,125,600	10,125,600	8,674,973	-	8,674,973
<b>Opening balance as at 1 January 2020</b>													
<b>- restated</b>													
Total comprehensive income for the year	100,000,000	28,875,000	7,600,000	59,347,146	(1,073,285)	-	-	(1,073,285)	10,125,600	9,052,315	204,874,461	13,950,820	218,825,281
Increase of share capital	-	-	-	57,095,355	49,471	-	-	49,471	-	49,471	57,144,826	941,329	58,086,155
Dividend paid	60,000,000	332,549,198	-	-	-	-	-	-	-	-	392,549,198	-	392,549,198
Appropriation of legal reserve	-	-	-	(40,000,000)	-	-	-	-	-	-	(40,000,000)	(2,500,000)	(42,500,000)
	-	-	2,500,000	(2,500,000)	-	-	-	-	-	-	-	-	-
<b>Closing balance as at 31 December 2020</b>	160,000,000	361,424,198	10,100,000	73,942,501	(1,023,814)	-	-	(1,023,814)	10,125,600	9,101,786	614,568,485	12,392,149	626,960,634

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

Leo Global Logistics Public Company Limited  
Statement of Changes in Equity (continued)  
For the year ended 31 December 2020

		Separate financial statements					
		Retained earnings			Other component of equity		
					Other comprehensive income		
					Measurement of		
					equity investments		
					at fair value through		
					other comprehensive		
					income		
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The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

**Leo Global Logistics Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		69,061,538	54,311,957	59,141,066	39,601,296
Adjustments to reconcile profit before income tax to net cash provided by operating activities:					
Share of profit from associates	17.2	(10,809,120)	(15,098,319)	-	-
Depreciation and amortisation	19, 20, 21, 22	13,594,146	7,365,403	7,231,684	5,429,048
Loss on impairment of financial assets		528,337	-	453,986	-
(Gains) losses on disposal and write-off of fixed assets		8,849	(200,412)	5,615	(210,949)
Allowance for doubtful accounts		-	21,692	-	21,692
Employee benefit obligations	30	4,341,672	9,320,546	4,128,592	8,935,085
Dividend income	34	(1,050,000)	(1,225,000)	(3,550,000)	(4,225,000)
(Gains) losses from changes in fair value of derivatives		(497,635)	-	(497,635)	-
(Gains) losses from changes in fair value of financial assets		(243,656)	-	(243,656)	-
Interest income	34	(475,493)	(436,618)	(437,179)	(350,344)
Finance costs	36	3,953,659	559,615	850,448	599,170
<b>Profit from operating activities before changes in operating assets and liabilities</b>		78,412,297	54,618,864	67,082,921	49,799,998
Operating assets decreased (increased)					
Trade and other receivables, net		(115,061,801)	41,205,728	(112,517,853)	39,244,872
Other current assets		(803,266)	(174,783)	(852,495)	(191,218)
Other non-current assets		16,524,612	(3,655,926)	6,333,865	(6,902,680)
Operating liabilities increased (decreased)					
Trade and other payables		16,372,807	(42,589,161)	19,890,852	(40,586,212)
Other current liabilities		(3,357,648)	(1,429,501)	(2,553,215)	(2,031,873)
Other non-current liabilities		(5,625,000)	(1,875,000)	-	-
Payment for employee benefit obligations		(644,100)	(812,300)	(644,100)	(812,300)
<b>Cash flows generated from (used in) operations</b>		(14,182,099)	45,287,921	(23,260,025)	38,520,587
Income tax received		-	14,614,210	-	14,614,210
Income tax paid		(12,971,196)	(10,454,505)	(11,781,982)	(10,021,696)
<b>Net cash generated from (used in) operating activities</b>		(27,153,295)	49,447,626	(35,042,007)	43,113,101

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.



**Leo Global Logistics Public Company Limited**  
**Statement of Cash Flows** (continued)  
**For the year ended 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Restricted deposits at financial institutions		(173,958)	3,061,006	(173,958)	(171,852)
Payment for short term investment		(200,000,000)	-	(200,000,000)	
Purchase of financial assets measured at fair value					
through profit or loss		(180,065,700)	-	(180,065,700)	-
Payment for an equity instrument	18	(800,000)	(62,500)	(800,000)	(62,500)
Payment for fixed assets		(6,606,971)	(2,035,862)	(6,585,503)	(2,007,951)
Proceeds from disposal of fixed assets		-	2,143,458	-	2,143,458
Payment for investment property		(502,302)	(463,847)	(502,302)	(463,847)
Payment for intangible assets		(1,525,000)	(3,331,702)	(1,525,000)	(3,132,700)
Interest received		395,931	440,154	352,179	353,910
Dividend received		1,050,000	1,225,000	3,550,000	4,225,000
<b>Net cash generated from (used in) investing activities</b>					
		(388,228,000)	975,707	(385,750,284)	883,518
<b>Cash flows from financing activities</b>					
Proceeds (Payment) for bank overdrafts	26.1	(1,575,469)	(8,378,929)	(1,575,469)	(8,378,929)
Payment for short-term borrowings from a subsidiary		-	-	-	(7,500,000)
Proceeds from short-term borrowings from financial institutions		-	10,000,000	-	10,000,000
Payment for short-term borrowings from financial institutions		-	(10,000,000)	-	(10,000,000)
Proceeds from long-term borrowings from financial institutions	26.2	20,000,000	-	20,000,000	-
Payment for long-term borrowings from financial institutions	26.2	-	(6,000,360)	-	(6,000,360)
Payment for finance lease liabilities		-	(1,810,516)	-	(1,810,516)
Payment for lease liabilities		(4,600,650)	-	(3,769,875)	-
Proceeds from an increase of share capital	31	392,549,198	25,000,000	392,549,198	25,000,000
Interest paid		(736,724)	(295,482)	(279,473)	(382,297)
Dividend paid	33	(42,500,000)	(31,500,000)	(40,000,000)	(28,500,000)
<b>Net cash generated from (used in) financing activities</b>		363,136,355	(22,985,287)	366,924,381	(27,572,102)

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

**Leo Global Logistics Public Company Limited**  
**Statement of Cash Flows** (continued)  
**For the year ended 31 December 2020**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Net increase in cash and cash equivalents</b>	(52,244,940)	27,438,046	(53,867,910)	16,424,517
Exchange gain (loss) on cash and cash equivalents	348,172	(47,747)	-	-
Cash and cash equivalents at the beginning of the year	89,732,441	62,342,142	68,406,686	51,982,169
<b>Cash and cash equivalents at the end of the year</b>	<b>37,835,673</b>	<b>89,732,441</b>	<b>14,538,776</b>	<b>68,406,686</b>
<b>Supplemental cash flow information</b>				
Non-cash transaction:				
Acquisition of assets under lease liabilities	2,013,729	-	-	-
Acquisition of assets under finance lease liabilities	-	9,746,221	-	9,746,221

The accompanying notes on pages 138 to 185 are an integral part of these consolidated and separate financial statement.

## **1 General information**

Leo Global Logistics Public Company Limited ("the Company") was incorporated in Thailand on 11 October 1991. It registered to be a public company limited on 23 March 2017. The Company has begun trading as a listed stock in the Stock Exchange of Thailand on 5 November 2020. The address of head office and branch office is as follows:

Head office : 251 - 251/1 Soi Pakdee, Rama 3 Road, Bangkorlaem Sub-district, Bangkorlaem District, Bangkok, Thailand.  
Branch office 1 : 53 11<sup>st</sup> floor Talay Thong Tower, Tungsukla Sub-district, Siracha District, Chonburi, Thailand.  
Branch office 2 : 259/1 Soi Pakdee, Rama 3 Road, Bangkorlaem Sub-district, Bangkorlaem District, Bangkok, Thailand.  
Branch office 3 : 294/18-19 Romklao Road, Khlong Sam Prawet Sub-district, Lat Krabang District, Bangkok, Thailand.  
Branch office 4 : 571/1-571/6 Rama 3 Road, Bang Phong Phang Sub-district, Yan Nawa District, Bangkok, Thailand.

The principal business operations of the Company are international freight forwarding and integrated logistic services provider.

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

These financial statements were authorised for issue by the Board of Directors on 25 February 2021.

## **2 Significant events during the current period**

The outbreak of COVID-19 in early 2020 has adverse effects on operating results of the Group. In February 2020, imports and exports from China began to slow down and was significant impact in March 2020. However, after that the Group has better operating results. As a result, the Group's total income and net profit increased when compared to the year ended 2019. The Group is paying close attention to the COVID-19 outbreak and its impact on the business and performing relevant assessment and taking proactive measures for remediation.

## **3 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

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

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

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

**a) TFRS 16 Leases**

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

**b) Financial instruments**

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

On 1 January 2020, the Group adopts TFRS 16 and Financial instruments. The new accounting policies are described in Note 6 and the impact of the changes in accounting policies is disclosed in Note 5.

**4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and relevant to the Group. The Group has not early adopted these standards.**

**a) Revised Conceptual Framework for Financial Reporting** adds the following key principals and guidance:

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

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

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

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

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

The Group's management assessed that these standards do not have a material impact to the Group.

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

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

The Group has chosen not to early apply the exemption for the current reporting period.

The Group's management currently assesses the impact of the revised standard.

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

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

**1. Measurement of expected credit losses under simplified approach - TFRS 9**

The Group will not use forward-looking information in estimating the credit loss. In doing this, the Group applies historical credit loss or other method in which results are similar, and also take into consideration of management judgement to estimate credit loss, based on an available information without excessive effort. Apart from this, the Group still has to comply with other requirements under TFRS 9.

**2. Fair Value Measurement - TFRS 9**

The Group will measure fair value of the hold non-marketable equity security at the end of the reporting period at fair value on 1 January 2020 (measure the security at fair value on 1 January 2020 for each period ending) Apart from this, the Group still has to comply with other requirements under TFRS 9.

**3. Reversal of deferred tax assets - TAS 12**

The Group has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it is not probable that the future taxable profit will be available for utilising the deductible temporary differences. Apart from this, the Group still has to comply with other requirements under TAS 12.

**4. Impairment of assets - TAS 36**

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets. Apart from this, the Group still has to comply with other requirements under TAS 36.

**5 Impacts from initial application of the new financial reporting standards**

**5.1 Adjustments recognised on adoption of TFRS 16**

On adoption of TFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which has previously been reclassified as 'operating lease' under the previous standard TAS 17. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initial applying the new standards as of 1 January 2020.

### Measurement of right-of-use assets

The right-of-use assets were measured on a retrospective basis and recognised the cumulative effect of initial applying the new standards on 1 January 2020. As a result, right-of-use assets were measured at the amount equal to the lease liabilities at the initial recognition as of 1 January 2020, adjusted by the amount of any prepaid or accrued lease payment.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liabilities immediately before transition as the carrying amount of the right-of-use assets and the lease liabilities at the date of TFRS 16 initial application.

### Practical expedients applied

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

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

A reconciliation of lease liabilities recognised as at 1 January 2020 is as follows:

	Consolidated financial statement Baht	Separate financial statement Baht
Operating lease commitments disclosed as at 31 December 2019	71,844,517	18,278,960
(Less): discount using the lessee's incremental borrowing rate at the date of initial application of TFRS 16	(21,339,485)	(3,926,260)
Add: finance lease liabilities recognised as at 31 December 2019	11,019,194	11,019,194
(Less): short-term leases recognised on a straight-line basis as expense	(1,674,680)	(1,674,680)
(Less): contracts reassessed as service agreements	(161,280)	(161,280)
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	3,793,113	-
Add: other non-current liabilities which related to lease	5,625,000	-
Add: underrecorded of lease liabilities as at the end of the year	1,875,000	-
<b>Lease liability recognised as at 1 January 2020</b>	<b>70,981,379</b>	<b>23,535,934</b>
Current lease liabilities	5,522,025	3,769,875
Non-current lease liabilities	65,459,354	19,766,059

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

	Consolidated financial statement 1 January 2020 Baht	Separate financial statement 1 January 2020 Baht
Land	52,697,955	-
Vehicles	13,086,732	13,086,732
Investment properties	12,091,491	12,091,491
<b>Total right-of-use assets, net</b>	<b>77,876,178</b>	<b>25,178,223</b>



## 5.2 Adjustments recognised on adoption of financial instruments

The Group has applied the financial reporting standards relating to financial instruments from 1 January 2020. The Group adopts the new rules retrospectively but recognises the cumulative effect of initial applying the new standards (modified retrospective) as of 1 January 2020.

The impact on the adoption of financial instruments is as follows:

### *Classification and measurement of investments in equity instruments (previously called as general investments)*

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

The Group has investments in equity instruments at cost of Baht 34,344,000. These investments are remeasured at fair value through other comprehensive income. The fair value adjustment of Baht 12,657,000 is recorded in other comprehensive income in equity as of 1 January 2020.

### *Impairment*

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Group applied the simplified approach for trade receivables. The transition adjustment as loss of Baht 726,544 will be recognised as an adjustment to the opening balance of retained earnings as of 1 January 2020.

### *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other gains/losses. The Group has derivatives which subsequently measured to fair value through profit or loss. The transitional adjustment as loss of Baht 724,083 is recognised as an adjustment to the opening balance of retained earnings as of 1 January 2020.

### 5.3 Impact on the statement of financial position resulting from the adoption of TFRS 16 and financial instruments.

The adjustments to each transaction in the statement of financial position from the adoption of TFRS 16 and financial instrument are as follows:

	Consolidated financial statements			
	As at 31 December 2019 Previously reported Baht	TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
<b>Assets</b>				
<b>Current assets</b>				
Trade and other receivables, net	180,135,078	(726,544)	(1,371,753)	178,036,781
<b>Non-current assets</b>				
Financial assets measured at fair value through other comprehensive income	-	47,001,000	-	47,001,000
General investments, net	34,344,000	(34,344,000)	-	-
Property, plant and equipment, net	46,633,822	-	(13,086,732)	33,547,090
Investment property, net	14,283,958	-	12,091,491	26,375,449
Right-of-use assets, net	-	-	65,784,687	65,784,687
Deferred tax assets, net	10,187,287	(2,531,400)	-	7,655,887
Other current assets	29,329,706	-	(10,190,747)	19,138,959
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other payables	177,094,812	-	(425,250)	176,669,562
Current portion of finance lease liabilities	2,810,920	-	(2,810,920)	-
Current portion of lease liabilities	-	-	5,522,025	5,522,025
Derivative liabilities	-	724,083	-	724,083
Other current liabilities	27,306,954	-	(684,990)	26,621,964
<b>Non-current liabilities</b>				
Finance lease liabilities	8,208,273	-	(8,208,273)	-
Lease liabilities	-	-	65,459,354	65,459,354
Other non-current liabilities	5,625,000	-	(5,625,000)	-
<b>Equity</b>				
Retained earnings - unappropriated	60,797,773	(1,450,627)	-	59,347,146
Other component of equity	(1,073,285)	10,125,600	-	9,052,315

	Separate financial statement			As at 1 January 2020 Restated Baht
	As at 31 December 2019 Previously reported Baht	TFRS 9 Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	
<b>Assets</b>				
<b>Current assets</b>				
Trade and other receivables, net	178,118,870	(622,709)	-	177,496,161
<b>Non-current assets</b>				
Financial assets measured at fair value through other comprehensive income	-	47,001,000	-	47,001,000
General investments, net	34,344,000	(34,344,000)	-	-
Property, plant and equipment, net	40,694,108	-	(13,086,732)	27,607,376
Investment property, net	14,283,958	-	12,091,491	26,375,449
Right-of-use assets, net	-	-	13,086,732	13,086,732
Deferred tax assets, net	10,008,518	(2,531,400)	-	7,477,118
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other payables	172,341,020	-	(425,250)	171,915,770
Current portion of finance lease liabilities	2,810,920	-	(2,810,920)	-
Current portion of lease liabilities	-	-	3,769,875	3,769,875
Derivative liabilities	-	724,083	-	724,083
<b>Non-current liabilities</b>				
Finance lease liabilities	8,208,273	-	(8,208,273)	-
Lease liabilities	-	-	19,766,059	19,766,059
<b>Equity</b>				
Retained earnings unappropriated	22,732,961	(1,346,792)	-	21,386,169
Other component of equity	-	10,125,600	-	10,125,600

The impact from the adoption of these standards do not have a material impact to the disclosure of operating segment information, statement of comprehensive income and statement of cash flows as previously presented.

## 6 Accounting policies

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

### 6.1 Principles of consolidation

#### a) Subsidiaries

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

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Direct costs are recorded as cost of initial investment. Dividend income is recognised as revenue in profit or loss.

**b) Associates**

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

In the separate financial statements, investments in associates are accounted for using cost method. Dividend income is recognised as revenue in profit or loss.

**c) Equity method**

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

The Group's subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

**d) Changes in ownership interests**

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

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

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

**e) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**6.2 Foreign currency translation**

**a) Functional and presentation currency**

The financial statements are stated in Thai Baht which is the Company's functional currency.

**b) Transactions and balances**

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

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

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

c) **Group companies**

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

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

**6.3 Cash and cash equivalents**

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

In the statements of financial position, bank overdrafts are shown in current liabilities.

**6.4 Trade receivables**

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 6.5 f).

**6.5 Financial asset**

a) **Classification**

Previously 2020, the Group reclassifies investments into 4 types following i) Trading investments ii) available-for-sale investments iii) Held-to-maturity investments and vi) General investments. From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

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

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

b) **Recognition and derecognition**

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

c) **Measurement**

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

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

d) Debt instruments

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

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

e) Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses and reversal of impairment losses on equity investments are reported together with changes in fair value.

f) Impairment

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

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

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

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



## 6.6 Property, plant and equipment

Land is stated at cost less any accumulated impairment loss. Other assets are stated at cost less accumulated depreciation and any accumulated impairment loss.

Initial cost includes expenditure that is directly attributable to the acquisition of the items.

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

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Buildings	20 years
Building improvement	5 years
Furniture fixtures and office equipment	5 years
Vehicles	5 years

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

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

## 6.7 Investment property

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

Investment property is measured initially at its cost, including related transaction costs.

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment property is calculated using the straight line method to allocate cost over the estimated useful lives, as follows:

Building improvement	12 years
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## 6.8 Intangible assets

### Computer software

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

## 6.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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

## 6.10 Leases

### Leases - where the Group is the lessee

The Group has changed its accounting policies for leases where the Group is the lessee. Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2020, leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

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

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or the cost of the right-of-use asset reflecting that the lessee will use the purchase right. The lessee has to depreciate the right-of-use assets from the effective date of the lease until the end of underlying asset's useful life.

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

### Leases - where the Group is the lessor

In the case of a lessor, the Group will classify each lease as an operating lease or a finance lease.

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

## 6.11 Financial liabilities

### a) Classification

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

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

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

### b) Recognition and measurement

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

### c) Derecognition and modification

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

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

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

## 6.12 Borrowing costs

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

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

## 6.13 Current and deferred income tax

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

### Current tax

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

#### Deferred income tax

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

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

#### 6.14 Employee benefits

##### (a) Short-term benefits

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

##### (b) Defined contribution plan

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

##### (c) Retirement benefits

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

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximate to the terms of the related retirement liability.

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

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

##### (d) Other long-term benefits

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

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

#### 6.15 Provisions

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

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

#### 6.16 Share capital

Ordinary shares are classified as equity.

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

#### 6.17 Revenue recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the rendering of services in the course of the ordinary activities is also presented as revenue.

Revenue is recognised when the Group satisfies a performance obligation by transferring services to customers. The services are transferred when the customers obtain control of that services. For each performance obligation, the Group shall determine whether it satisfies the performance obligation over time or at a point in time. A receivable is recognised when services are delivered. Where services delivered have yet to be invoiced, these transactions will be presented as accrued income.

The Group is a principal if it controls the service before transferring the service to the customers. The Group controls the specified service before it is transferred to the customers when the Group is primarily responsible for fulfilling the promise to provide the specified service, the Group has inventory risk and the Group has discretion in establishing the price for the specified service. The Company is an agent if the performance obligation is to arrange the provision of the specified service by another party. An agent does not control the specified service by another party before that service is transferred to the customers.

Revenue is recognised based on the price specified in the contract, net of value-added tax, rebates and discounts. Accumulated experience is used to estimate and provide for the discounts and rebates. An amount of variable consideration is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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

#### 6.18 Dividend distribution

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

#### 6.19 Accounting for derivative financial instruments and hedging activities

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

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

The hedge accounting is not applied

## 6.20 Financial guarantee contracts

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

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

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

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

## 7 Financial risk management

### 7.1 Financial risk management

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

#### 7.1.1 Market risk

##### a) Foreign exchange risk

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

The Group uses forward foreign exchange contracts to manage foreign exchange risk arising from future commercial transactions. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss of the Group.

#### Exposure

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

	Consolidated financial statements							
	As at 31 December 2020							
	US Dollar Thousand Baht	Swiss Franc Thousand Baht	Euro Thousand Baht	Pound Sterling Thousand Baht	Rupiah Thousand Baht	Malaysian Ringgit Thousand Baht	Singapore Dollar Thousand Baht	Burmese kyat Thousand Baht
Cash and cash equivalents	834	-	-	-	-	-	-	303
Trade and other receivables, net	94,848	-	-	-	-	-	-	47
Trade and other payables	(61,592)	(13)	(17,124)	(132)	(11)	(3,520)	(0.7)	(3)



**Leo Global Logistics Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

<b>Consolidated financial statements</b>									
<b>As at 31 December 2019</b>									
	<b>US Dollar Thousand Baht</b>	<b>Swiss Franc Thousand Baht</b>	<b>Danish Krone Thousand Baht</b>	<b>Euro Thousand Baht</b>	<b>Pound Sterling Thousand Baht</b>	<b>Rupiah Thousand Baht</b>	<b>Malaysian Ringgit Thousand Baht</b>	<b>Philippine peso Thousand Baht</b>	<b>Burmese kyat Thousand Baht</b>
Cash and cash equivalents	1,465	-	-	-	-	144	-	-	161
Trade and other receivables, net	57,543	-	-	6	-	-	-	-	10
Trade and other payables	(73,890)	(54)	(32)	(3,811)	(115)	(816)	(30)	(114)	(79)
<b>Separate financial statements</b>									
<b>As at 31 December 2020</b>									
	<b>US Dollar Thousand Baht</b>	<b>Swiss Franc Thousand Baht</b>	<b>Euro Thousand Baht</b>	<b>Pound Sterling Thousand Baht</b>	<b>Rupiah Thousand Baht</b>	<b>Malaysian Ringgit Thousand Baht</b>	<b>Singapore Dollar Thousand Baht</b>		
Cash and cash equivalents	183	-	-	-	-	-	-	-	-
Trade and other receivables, net	93,471	-	-	-	-	-	-	-	-
Trade and other payables	(60,159)	(13)	(17,124)	(132)	(11)	(3,520)			(0.7)
<b>Separate financial statements</b>									
<b>As at 31 December 2019</b>									
	<b>US Dollar Thousand Baht</b>	<b>Swiss Franc Thousand Baht</b>	<b>Danish Krone Thousand Baht</b>	<b>Euro Thousand Baht</b>	<b>Pound Sterling Thousand Baht</b>	<b>Rupiah Thousand Baht</b>	<b>Malaysian Ringgit Thousand Baht</b>	<b>Philippine peso Thousand Baht</b>	
Cash and cash equivalents	183	-	-	-	-	144	-	-	-
Trade and other receivables, net	56,636	-	-	6	-	-	-	-	-
Trade and other payables	(73,102)	(54)	(32)	(3,811)	(115)	(816)	(30)	(114)	

**Sensitivity**

The Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

<b>Consolidated financial statements</b>		
<b>Impact to net profit</b>		
	<b>Year 2020 Baht</b>	<b>Year 2019 Baht</b>
US Dollar to Baht exchange rate - increase 5% (2019: 5%) *	1,701,659	796,212
US Dollar to Baht exchange rate - decrease 5% (2019: 5%)*	(1,701,659)	(796,212)
* Holding all other variables constant		
<b>Separate financial statements</b>		
<b>Impact to net profit</b>		
	<b>Year 2020 Baht</b>	<b>Year 2019 Baht</b>
US Dollar to Baht exchange rate - increase 5% (2019: 5%) *	1,699,422	789,828
US Dollar to Baht exchange rate - decrease 5% (2019: 5%)*	(1,699,422)	(789,828)
* Holding all other variables constant		

**b) Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates to borrowings with interest charged at fixed rates. However, The Group does not use interest rate swaps to hedge certain exposures because the management considers that the fluctuation of interest rate will not have material impact to the Group.

**c) Price risk**

The Group's exposure to debt securities which is classified at fair value through profit or loss (FVPL) and equity securities which is classified at fair value through other comprehensive income (FVOCI). To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the policy set by the Group.

*Sensitivity*

The table below summarises the impact of increases/decreases of the index on equity and net profit for the year.

	Impact on post tax profit		Impact on other components of equity	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
	Baht	Baht	Baht	Baht
<b>Year 2020</b>				
Thailand Stock Exchange 100	9,015,468	9,015,468	2,390,050	2,390,050
- Increase 5%*				
- Decrease 5%*	(9,015,468)	(9,015,468)	(2,390,050)	(2,390,050)

\* Holding all other variables constant and all the Group's equity instruments moved in line with the index

**7.1.2 Credit risk**

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

**i) Risk management**

The Group manages credit risk by a group of risks. For cash at banks and financial institutions, the Group makes transactions with financial institutions that have high credit rating.

The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by credit committee. The compliance with credit limits by customers is regularly monitored by line management. Sales to retail customers and high credit risk customers are required to be settled in cash to mitigate credit risk.

**ii) Security**

For some trade receivables, the Group may obtain security in the form of guarantees which can be called upon if the counterparty is in default under the terms of the agreement.

**iii) Impairment of financial assets**

The Group has financial assets that are subject to the expected credit loss model as follows:

- Trade and other receivables

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

### 7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities); and ii) cash and cash equivalents. In addition, the Group considers the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans. The outstanding credit facilities and contractual maturities of long-term borrowings from financial institutions are disclosed in Note 26.

For bank overdrafts, trade and other payables and derivative liabilities, their contractual maturities are due not later than 1 year.

## 7.2 Capital management

### Risk management

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

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

## 8 Fair value

Fair value is categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of the asset or liability is based on the quoted prices in active markets for identical assets or liabilities.
- Level 2: The fair value of the asset or liability is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of the asset or liability is not based on observable market data.

The following table presents financial assets and liabilities that are measured at fair value.

	Consolidated financial statement							
	Level 1		Level 2		Level 3		Total	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Assets</b>								
<b>Financial assets at fair value through profit or loss</b>								
Investment in debt instruments	180,309,356	-	-	-	-	-	180,309,356	-
<b>Financial assets at fair value through other comprehensive income</b>								
Investment in equity instruments	-	-	-	-	47,801,000	-	47,801,000	-
<b>Liabilities</b>								
<b>Financial liabilities at fair value through profit or loss</b>								
Forward foreign exchange contracts	-	-	226,448	724,083	-	-	226,448	724,083
	Separate financial statement							
	Level 1		Level 2		Level 3		Total	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Assets</b>								
<b>Financial assets at fair value through profit or loss</b>								
Investment in debt instruments	180,309,356	-	-	-	-	-	180,309,356	-
<b>Financial assets at fair value through other comprehensive income</b>								
Investment in equity instruments	-	-	-	-	47,801,000	-	47,801,000	-
<b>Liabilities</b>								
<b>Financial liabilities at fair value through profit or loss</b>								
Forward foreign exchange contracts	-	-	226,448	724,083	-	-	226,448	724,083

The fair value of the Group's financial assets and liabilities are approximately to the carrying values due to most of them are short-term financial instruments, except long-term borrowing from a financial institution which is disclosed in Note 26.

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

	Consolidated financial statements			
	Level 3		Total	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Assets</b>				
Investment properties	30,723,062	18,309,121	24,494,346	14,283,958
<b>Total non-financial assets measured at fair value</b>	<b>30,723,062</b>	<b>18,309,121</b>	<b>24,494,346</b>	<b>14,283,958</b>
	Separate financial statements			
	Level 3		Total	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Assets</b>				
Investment properties	30,723,062	18,309,121	24,494,346	14,283,958
<b>Total non-financial assets measured at fair value</b>	<b>30,723,062</b>	<b>18,309,121</b>	<b>24,494,346</b>	<b>14,283,958</b>

## 9 Critical accounting estimates, assumptions and judgements

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

### a) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 30.

### b) Determination of lease terms

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

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

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

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

### c) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### d) Impairment of financial assets

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

## 10 Operating segment information

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

Operating segment information is reviewed by the chief operating decision maker. Similar segment is combined. The chief operating decision maker evaluates performance on gross profit of each segment. The reportable segments comprise the sea freight, air freight, integrated logistic services (land transportation, storage platform for containers) and self storage.

	Consolidated financial statements									
	For the year ended 31 December									
	Sea freight		Air freight		Integrated logistic services		Self storage		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Revenues</b>										
Service income	778,957,473	723,675,599	174,508,948	137,694,489	165,791,083	176,528,347	7,009,992	6,115,907	1,126,267,496	1,044,014,342
<b>Cost</b>										
Cost of services	(607,843,825)	(555,419,056)	(70,895,680)	(51,711,373)	(113,216,198)	(120,825,085)	(4,024,398)	(3,620,058)	(795,980,101)	(731,575,572)
<b>Gross profit</b>	171,113,648	168,256,543	103,613,268	85,983,116	52,574,885	55,703,262	2,985,594	2,495,849	330,287,395	312,438,770
Other income									2,860,230	3,193,385
Selling expenses									(87,698,839)	(90,970,486)
Administrative expenses									(181,034,751)	(182,160,460)
Loss on impairment of financial assets									(426,116)	-
Other gains (losses), net									(1,781,842)	(2,727,956)
Finance costs									(3,953,659)	(559,615)
Share of profit from associates									10,809,120	15,098,319
Profit before income tax									69,061,538	54,311,957
Income tax									(11,290,403)	(7,282,350)
Net profit for the year									57,771,135	47,029,607
<b>Timing of revenue recognition</b>										
- At a point in time	234,737,569	245,503,035	174,508,948	137,694,489	55,878,868	57,262,208	93,467	80,361	465,218,852	440,540,093
- Over time	544,219,904	478,172,564	-	-	109,912,215	119,266,139	6,916,525	6,035,546	661,048,644	603,474,249
	778,957,473	723,675,599	174,508,948	137,694,489	165,791,083	176,528,347	7,009,992	6,115,907	1,126,267,496	1,044,014,342

The Group has revenues of foreign operation from Leo Myanmar Logistics Co., Ltd. of Baht 4.13 million (2019: Baht 5.64 million). The Group has no revenues from transactions with a single external customer amount to 10% or more of total revenues.

## 11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	2,646,184	1,945,961	2,252,897	1,629,403
Deposits at financial institutions				
- current accounts	4,074,493	2,540,912	3,208,607	1,458,446
- savings accounts	31,114,996	85,245,568	9,077,272	65,318,837
Total	37,835,673	89,732,441	14,538,776	68,406,686

As at 31 December 2020, the savings accounts carry interest at the rate of 0.05% - 0.25% per annum (2019 : 0.22% - 0.30% per annum).

## 12 Short term investment

As at 31 December 2020, short term investment is fixed deposits at a bank for a period of 7 months carries interest at the rate of 0.625% per annum.

## 13 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss (FVPL) is the investment in debt instrument fund. The movement is as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht	2020 Baht
As at 1 January	-	-
Addition during the year	180,065,700	180,065,700
Gain from fair value measurement recognised in profit loss	243,656	243,656
As at 31 December	180,309,356	180,309,356

Investment in debt instrument fund is measured at fair value level 1 by using net asset value (NAV) as at 31 December 2020 as announced by the financial institution.



**14 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - other companies	237,904,482	158,015,021	236,504,474	157,444,178
- related parties (Note 39.3)	796,032	1,377,876	817,300	535,431
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts)	(9,742,919)	(8,586,459)	(9,564,734)	(8,494,187)
Trade receivables, net	228,957,595	150,806,438	227,757,040	149,485,422
Accrued income - other companies	46,279,170	19,830,253	46,279,170	19,826,927
- related parties (Note 39.3)	506,164	944,998	-	-
Other receivables - other companies	1,180,152	1,386,564	1,144,909	1,363,261
- related parties (Note 39.3)	107	10,123	107	10,123
Advance payments - other companies	428,160	984,552	417,532	958,114
- related parties (Note 39.3)	-	-	3,305,650	1,765,650
Prepayments	10,658,731	6,072,743	10,556,212	4,609,966
Others	184,407	99,407	184,407	99,407
Total	288,194,486	180,135,078	289,645,027	178,118,870

**Impairments of trade receivables**

Aging of trade receivables can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not yet due	167,345,311	98,519,673	167,816,519	98,661,192
Overdue:				
Not over 3 months	58,670,852	47,459,528	56,969,528	46,105,763
3 - 6 months	212,935	4,226,169	199,882	4,126,695
6 - 12 months	3,220,602	460,011	3,194,397	450,715
Over 12 months	9,250,814	8,727,516	9,141,448	8,635,244
Total	238,700,514	159,392,897	237,321,774	157,979,609
<u>Less</u> Loss allowance	(9,742,919)	(8,586,459)	(9,564,734)	(8,494,187)
Trade receivables, net	228,957,595	150,806,438	227,757,040	149,485,422

Loss allowance is mainly of trade receivables in which aging over 300 days.

The reconciliation of loss allowance for trade receivables and contract assets for the year ended 31 December is as follows:

<b>Consolidated financial statements</b>	
	<b>2020</b>
	<b>Baht</b>
	<b>2019</b>
	<b>Baht</b>
<b>1 January</b>	<b>8,586,459</b>
Amounts restated through opening retained earnings under TFRS 9	726,544
Opening loss allowance as at 1 January	9,313,003
Increase in loss allowance recognised in profit or loss during the year	436,065
Receivable written off during the year as uncollectible	(6,149)
Reversal of loss allowance	-
<b>As of 31 December</b>	<b>9,742,919</b>
	<b>8,586,459</b>
<b>Separate financial statements</b>	
	<b>2020</b>
	<b>Baht</b>
	<b>2019</b>
	<b>Baht</b>
<b>1 January</b>	<b>8,494,187</b>
Amounts restated through opening retained earnings under TFRS 9	622,710
Opening loss allowance as at 1 January	9,116,897
Increase in loss allowance recognised in profit or loss during the year	453,986
Receivables written off during the year as uncollectible	(6,149)
<b>As of 31 December</b>	<b>9,564,734</b>
	<b>8,494,187</b>

## 15 Financial assets and liabilities

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

<b>Consolidated financial statements</b>			
	<b>FVPL</b>	<b>FVOCI</b>	<b>Amortised cost</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	-	37,835,673
Short term investment	-	-	200,000,000
Financial assets measured at fair value through profit or loss	180,309,356	-	-
Trade and other receivables, net	-	-	288,194,486
Financial assets measured at fair value through other comprehensive income	-	47,801,000	-
Deposit	-	-	12,833,109
Restricted deposits at financial institutions	-	-	15,279,233
<b>Consolidated financial statements</b>			
	<b>FVPL</b>	<b>Amortised cost</b>	
	<b>Baht</b>	<b>Baht</b>	
<b>Financial liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	-	1,382,480	
Trade and other payables	-	196,550,373	
Lease liabilities	-	68,394,458	
Forward foreign exchange contracts	226,448	-	
Long-term borrowings from financial institutions	-	20,000,000	

	Separate financial statements		
	FVPL Baht	FVOCI Baht	Amortised cost Baht
<b>Financial assets</b>			
Cash and cash equivalents	-	-	14,538,776
Short term investment	-	-	200,000,000
Financial assets measured at fair value through profit or loss	180,309,356	-	-
Trade and other receivables, net	-	-	289,645,027
Financial assets measured at fair value through other comprehensive income	-	47,801,000	-
Deposit	-	-	11,622,153
Restricted deposits at financial institutions	-	-	15,279,233
	Separate financial statements		
	FVPL Baht	Amortised cost Baht	
<b>Financial liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	-	-	1,382,480
Trade and other payables	-	-	192,377,597
Lease liabilities	-	-	19,766,059
Forward foreign exchange contracts	226,448	-	-
Long-term borrowings from financial institutions	-	-	20,000,000

## 16 Restricted deposits at financial institutions

The fixed deposits at financial institutions of Baht 15.28 million are pledged as a collateral for bank guarantees issued by financial institutions and for bank overdrafts (2019: Baht 15.11 million).

## 17 Investments in subsidiaries and associates

### 17.1 Investments in subsidiaries

Investments in subsidiaries are as follows:

Company's name	Nature of business	Incorporated country	Ownership of interest		Separate financial statements	
			2020 %	2019 %	2020 Baht	2019 Baht
YJC Depot Services Co., Ltd.	Container depot and repair services	Thailand	50.00	50.00	7,500,000	7,500,000
Leo Myanmar Logistics Co., Ltd.	International freight forwarding and integrated logistic services provider	Myanmar	80.00	80.00	2,732,600	2,732,600
Total					10,232,600	10,232,600

The Company classifies its investment in YJC Depot Services Co., Ltd. (YJCD), in which the Company holds 50% of interest, as a subsidiary because the Company has power to control and govern the relevant activities of YJCD and has voting right exceeding 50% in the board of directors.

As at 31 December 2020, non-controlling interests arise from investments in YJC Depot Services Co., Ltd. and Leo Myanmar Logistics Co., Ltd. YJC Depot Services Co., Ltd. have total revenues of Baht 28.07 million, total assets of Baht 78.07 million and total liabilities of Baht 51.78 million. Leo Myanmar Logistics Co., Ltd. has total revenue of Baht 4.44 million, total assets of Baht 5.00 million and total liabilities of Baht 7.17 million.

## 17.2 Investments in associates, net

Investments in associates are as follows:

Company	Nature of business	Incorporated country	Ownership of interest	
			2020 %	2019 %
Aramex (Thailand) Co., Ltd.	Logistic management services and warehouse	Thailand	26.00	26.00
Sinokor Merchant Marine (Thailand) Co., Ltd.	Agent of vessel company in South Korea providing container services	Thailand	50.00	50.00

The Company classifies its investment in Sinokor Merchant Marine (Thailand) Co., Ltd. (SKRT), in which the Company holds 50% of interest, as an associate because the Company has significant influence over SKRT's financial and operating policies but does not have control over SKRT.

The investment in SKRT is made between the Company and Sinokor Merchant Marine Co., Ltd. (SKR), South Korea. SKR is the vessels' owner that SKRT acts as agent in Thailand. SKRT is operated under the business and management policies agreed together by the Company and SKR. The Company has two in six of SKRT's board of directors. The investors have decided to manage the associate together without shareholder agreement.

The detail of investments in associates is as follows:

Company	Equity method		Cost method	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Aramex (Thailand) Co., Ltd	3,499,855	2,885,295	10,140,000	10,140,000
Sinokor Merchant Marine (Thailand) Co., Ltd.	52,453,908	42,073,132	9,745,614	9,745,614
Less Allowance for impairment	-	-	(7,000,000)	(7,000,000)
Total	55,953,763	44,958,427	12,885,614	12,885,614

The movement of investments in associates is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening net book value	44,958,427	30,791,521	12,885,614	12,885,614
Share of profit	10,809,120	15,098,319	-	-
Share of other comprehensive income	186,216	(931,413)	-	-
Closing net book value	55,953,763	44,958,427	12,885,614	12,885,614

The Group will not recognise losses over investments in associates.

### Summarised financial information for a material associate

Set out below is the summarised financial information for an associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the associate (not the Group's shares of those amounts). The figures have been amended to reflect adjustments made using the equity method and modification for differences in accounting policy between the Group and the associate.

The financial information of Sinokor Merchant Marine (Thailand) Co., Ltd. which is accounted for using the equity method is as follows:

**Summarised statement of financial position**

	<b>As at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Cash and cash equivalent	124,804,735	80,649,945
Current assets	58,466,302	51,623,436
Non-current assets	102,150,812	100,982,181
<b>Total assets</b>	<b>285,421,849</b>	<b>233,255,562</b>
Short-term loan	4,293,776	4,673,032
Other current liabilities	90,596,747	79,101,905
Financial liabilities	18,339,256	9,247,534
Non-current liabilities	18,193,450	16,513,340
<b>Total liabilities</b>	<b>131,423,229</b>	<b>109,535,811</b>
<b>Net assets</b>	<b>153,998,620</b>	<b>123,719,751</b>

**Summarised statement of comprehensive income**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Service income	151,003,696	185,967,659
Cost of services	(55,846,384)	(71,981,205)
Administrative expenses	(55,697,404)	(60,477,659)
Interest expenses	(836,802)	(2,854,480)
<b>Profit before income tax</b>	<b>38,623,106</b>	<b>50,654,315</b>
Income tax	(8,765,722)	(11,536,844)
<b>Net profit</b>	<b>29,857,384</b>	<b>39,117,471</b>
Other comprehensive income	435,303	(1,950,298)
<b>Total comprehensive income</b>	<b>30,292,687</b>	<b>37,167,173</b>

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information to the carrying amount of the Group's interest in associate:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
<b>Summarised financial information</b>		
Net assets as at 1 January	123,705,933	86,552,578
Net profit for the year	29,857,384	39,117,471
Other comprehensive income for the year	435,303	(1,950,298)
<b>Closing net assets</b>	<b>153,998,620</b>	<b>123,719,751</b>
<u>Less</u> Non-controlling interests of an associate	(49,090,804)	(39,573,487)
Net assets for sharing interest	104,907,816	84,146,264
Interest in an associate	50.00%	50.00%
<b>Carrying value</b>	<b>52,453,908</b>	<b>42,073,132</b>

#### Individually immaterial associate

In addition to the interest in an associate disclosed above, the Group also has interest in immaterial associate, Aramex (Thailand) Co., Ltd., that is accounted for using the equity method.

	2020 Baht	2019 Baht
Aggregate carrying amount of individual immaterial associate	3,499,855	2,885,295
Total share of profit (loss) from an associate	614,560	687,222

#### 18 Financial assets measured at fair value through other comprehensive income (previously presented as general investments, net)

Financial assets measured at fair value through other comprehensive income are as follows:

Company's name	Nature Business	Ownership of interest		Consolidated and separate financial statements			
		31 December 2020	31 December 2019	Fair value		Cost	
		%	%	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	31 December 2019 Baht
Kyung Pyung Logistics Co., Ltd.	Transportation business and logistic services in Korea	30.00	30.00	31,642,000	31,642,000	29,510,000	29,510,000
Royaltainer Corporation Ltd.	Providing international freight forwarding services	19.00	19.00	2,570,000	2,570,000	950,000	950,000
All Logistics Center Co., Ltd.	Providing logistic services and warehousing services	10.00	10.00	1,000,000	1,000,000	1,000,000	1,000,000
Tiffa Co., Ltd	Providing training services	5.00	5.00	12,405,000	12,405,000	3,500,000	3,500,000
Tiffa logistics (2008) Co., Ltd	Providing warehousing services and packaging	2.00	2.00	100,000	100,000	100,000	100,000
Tafa Consortium Co., Ltd.	Multimodal transport operator	5.83	4.73	1,084,000	284,000	1,084,000	284,000
Less Allowance for impairment				(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total				47,801,000	47,001,000	35,144,000	34,344,000

On 20 January 2020, the Executive Committee's meeting No. 1/2020 approved an additional investment in 8,000 ordinary shares of Tafa Consortium Co., Ltd. at Baht 100 per share, totalling Baht 800,000. This resolution follows the approval of the Board of Directors on 19 December 2019, meeting no.6/2019. The shareholding proportion, therefore, changes from 4.73% to 9.34%. The Company paid on 11 February 2020.

During June 2020, Tafa Consortium Co., Ltd. registered to increase its capital of 70,000 shares at Baht 100 per share, totalling Baht 7,000,000. The authorised share capital increased from Baht 11,600,000 to Baht 18,600,000. The Company did not participate in the increase of share capital, so the shareholding proportion changes from 9.34% to 5.83%.

The Company classifies its investment in Kyung Pyung Logistics Co., Ltd. (KPL) as a financial assets at fair value through other comprehensive income (previously present as general investment) although the Company holds 30.00% of interest because the Company does not have significant influence over financial and operating policies of KPL. The Company does not have representative on KPL's board of directors.

Sinokor Group in South Korea, which is the Company's trading partner, facilitated the investment in KPL. The investment was made because one of the criteria for business operation privileges is that one of the investors must be a foreigner. To maintain its business relationship with Sinokor Group, the Company invested in KPL at the proportion requested by Sinokor Group. KPL is managed by the majority shareholder, a South Korean company, who is expert in this business. The purpose of the Company's investment is purely to maintain a good business relationship with the trading partner. The Company has no any representatives to work at KPL. The Company considers that the classification of the investment in KPL as a general investment is appropriate because the Company does not have significant influence over KPL.

19 Property, plant and equipment, net

	Consolidated financial statements					
	Land Baht	Buildings and building improvement Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2019</b>						
Cost	10,215,811	36,620,603	39,998,537	12,172,377	54,000	99,061,328
<u>Less</u> Accumulated depreciation	-	(23,662,156)	(27,002,182)	(5,506,099)	-	(56,170,437)
<b>Net book amount</b>	<b>10,215,811</b>	<b>12,958,447</b>	<b>12,996,355</b>	<b>6,666,278</b>	<b>54,000</b>	<b>42,890,891</b>
<b>For the year ended 31 December 2019</b>						
Opening net book amount	10,215,811	12,958,447	12,996,355	6,666,278	54,000	42,890,891
Addition	-	379,188	1,286,972	9,746,221	369,703	11,782,084
Disposal/ Write-off, net	-	(8,974)	(5,952)	(1,926,558)	-	(1,941,484)
Depreciation charged	-	(1,293,367)	(3,523,194)	(1,268,935)	-	(6,085,496)
Exchange differences	-	(6,155)	(6,018)	-	-	(12,173)
<b>Closing net book amount</b>	<b>10,215,811</b>	<b>12,029,139</b>	<b>10,748,163</b>	<b>13,217,006</b>	<b>423,703</b>	<b>46,633,822</b>
<b>As at 31 December 2019</b>						
Cost	10,215,811	36,989,388	40,994,173	16,934,598	423,703	105,557,673
<u>Less</u> Accumulated depreciation	-	(24,960,249)	(30,246,010)	(3,717,592)	-	(58,923,851)
<b>Net book amount</b>	<b>10,215,811</b>	<b>12,029,139</b>	<b>10,748,163</b>	<b>13,217,006</b>	<b>423,703</b>	<b>46,633,822</b>
<b>For the year ended 31 December 2020</b>						
Opening net book amount	10,215,811	12,029,139	10,748,163	13,217,006	423,703	46,633,822
Impact of changes in accounting policies (Note 5.3)	-	-	-	(13,086,732)	-	(13,086,732)
Addition	-	76,815	1,756,643	-	5,143,374	6,976,832
Transfer in (out)	-	822,232	10,900	-	(1,202,835)	(369,703)
Transfer in from Right-of-Use (Note 21)	-	-	-	764,850	-	764,850
Disposal/ Write-off, net	-	-	(7,781)	-	-	(7,781)
Depreciation charged	-	(1,279,332)	(2,722,726)	(53,507)	-	(4,055,565)
Exchange differences	-	14,490	19,861	-	-	34,351
<b>Closing net book amount</b>	<b>10,215,811</b>	<b>11,663,344</b>	<b>9,805,060</b>	<b>841,617</b>	<b>4,364,242</b>	<b>36,890,074</b>
<b>As at 31 December 2020</b>						
Cost	10,215,811	37,912,290	42,610,935	3,412,210	4,364,242	98,515,488
<u>Less</u> Accumulated depreciation	-	(26,248,946)	(32,805,875)	(2,570,593)	-	(61,625,414)
<b>Net book amount</b>	<b>10,215,811</b>	<b>11,663,344</b>	<b>9,805,060</b>	<b>841,617</b>	<b>4,364,242</b>	<b>36,890,074</b>



**Leo Global Logistics Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	Separate financial statements					
	Land Baht	Buildings and building improvement Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2019</b>						
Cost	10,215,811	36,363,037	18,636,947	12,172,377	54,000	77,442,172
<u>Less</u> Accumulated depreciation	-	(23,589,701)	(13,299,875)	(5,506,099)	-	(42,395,675)
<b>Net book amount</b>	<b>10,215,811</b>	<b>12,773,336</b>	<b>5,337,072</b>	<b>6,666,278</b>	<b>54,000</b>	<b>35,046,497</b>
<b>For the year ended 31 December 2019</b>						
Opening net book amount	10,215,811	12,773,336	5,337,072	6,666,278	54,000	35,046,497
Addition	-	379,188	1,259,061	9,746,221	369,703	11,754,173
Disposal/ Write-off, net	-	-	(5,952)	(1,926,558)	-	(1,932,510)
Depreciation charged	-	(1,252,264)	(1,652,853)	(1,268,935)	-	(4,174,052)
<b>Closing net book amount</b>	<b>10,215,811</b>	<b>11,900,260</b>	<b>4,937,328</b>	<b>13,217,006</b>	<b>423,703</b>	<b>40,694,108</b>
<b>As at 31 December 2019</b> <b>- previously reported</b>						
Cost	10,215,811	36,742,225	19,604,671	16,934,598	423,703	83,921,008
<u>Less</u> Accumulated depreciation	-	(24,841,965)	(14,667,343)	(3,717,592)	-	(43,226,900)
<b>Net book amount</b>	<b>10,215,811</b>	<b>11,900,260</b>	<b>4,937,328</b>	<b>13,217,006</b>	<b>423,703</b>	<b>40,694,108</b>
<b>For the year ended 31 December 2020</b>						
Opening net book amount	10,215,811	11,900,260	4,937,328	13,217,006	423,703	40,694,108
Impact of changes in accounting policies (Note 5.3)	-	-	-	(13,086,732)	-	(13,086,732)
Addition	-	76,815	1,735,017	-	5,143,374	6,955,206
Transfer in (out)	-	822,232	10,900	-	(1,202,835)	(369,703)
Transfer in from right-of-use (Note 19)	-	-	-	764,850	-	764,850
Disposal/ Write-off, net	-	-	(4,548)	-	-	(4,548)
Depreciation charged	-	(1,232,053)	(1,532,122)	(53,507)	-	(2,817,682)
<b>Closing net book amount</b>	<b>10,215,811</b>	<b>11,567,254</b>	<b>5,146,575</b>	<b>841,617</b>	<b>4,364,242</b>	<b>32,135,499</b>
<b>As at 31 December 2020</b>						
Cost	10,215,811	37,641,272	21,209,989	3,412,210	4,364,242	76,843,524
<u>Less</u> Accumulated depreciation	-	(26,074,018)	(16,063,414)	(2,570,593)	-	(44,708,025)
<b>Net book amount</b>	<b>10,215,811</b>	<b>11,567,254</b>	<b>5,146,575</b>	<b>841,617</b>	<b>4,364,242</b>	<b>32,135,499</b>

All lands and some buildings of the Company have been pledged as collateral for bank overdrafts and long-term borrowings from financial institutions.

20 Investment property, net

	<b>Consolidated and separate financial statements</b>
	<b>Building improvement Baht</b>
<b>As at 1 January 2019</b>	
Cost	16,294,946
<u>Less</u> Accumulated depreciation	<u>(1,513,598)</u>
<b>Net book value</b>	<b>14,781,348</b>
<b>For the year ended 31 December 2019</b>	
Opening net book value	14,781,348
Addition	463,847
Depreciation charged	<u>(961,237)</u>
<b>Closing net book value</b>	<b>14,283,958</b>
<b>As at 31 December 2019</b>	
Cost	16,758,793
<u>Less</u> Accumulated depreciation	<u>(2,474,835)</u>
<b>Net book value</b>	<b>14,283,958</b>
<b>For the year ended 31 December 2020</b>	
Opening net book value	14,283,958
Impact of changes in accounting policies (Note 5.3)	12,091,491
Addition	132,598
Transfer in (out)	369,703
Write-off	(1,067)
Depreciation charged	<u>(2,382,337)</u>
<b>Closing net book value</b>	<b>24,494,346</b>
<b>As at 31 December 2020</b>	
Cost	29,350,395
<u>Less</u> Accumulated depreciation	<u>(4,856,049)</u>
<b>Net book value</b>	<b>24,494,346</b>
Fair value as at 31 December 2019	18,309,121
Fair value as at 31 December 2020	30,723,062

The fair value of investment property is valued by income approach which is level 3 of fair value hierarchy (Note 8) due to the use of significant unobservable inputs such as rental rate per metres and estimated future profits.

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental income	7,009,992	6,115,907	7,009,992	6,115,907
Direct operating expense arising from investment property that generated rental income	(4,024,398)	(3,620,058)	(4,024,398)	(3,620,058)
	2,985,594	2,495,849	2,985,594	2,495,849

As at 31 December, the Group has right-of-use assets for the leases of office buildings that are classified as investment properties as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Office building	10,784,302	-	10,784,302	-

## 21 Right-of-use assets, net

As at 31 December, right-of-use asset balance are as follows:

	Consolidated financial statement		Separate financial statement	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Right-of-use assets				
Land	48,415,209	52,697,955	-	-
Office	1,901,855	-	-	-
Vehicles	10,635,742	13,086,732	10,635,742	13,086,732
Total right-of-use assets, net	60,952,806	65,784,687	10,635,742	13,086,732

The movement of right-of-use, net for the nine-month period ended 31 December 2020 is as follows:

	Consolidated financial statement Baht	Separate financial statement Baht
Opening net book amount	-	-
Adjustment for changes in accounting policy (Note 5.1)	52,697,955	-
Reclassification for changes in accounting policy (Note 5.1)	13,086,732	13,086,732
Opening net book amount - restated	65,784,687	13,086,732
Addition	2,013,729	-
Transfer out to property, plant and equipment, net (Note 19)	(764,850)	(764,850)
Depreciation	(6,083,246)	(1,686,140)
Exchange differences	2,486	-
Closing net book amount	60,952,806	10,635,742

Recognised amount in the statement of comprehensive income is as follows:

For the year ended 31 December	Consolidated financial information		Separate financial information	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Depreciation for right-of-use assets				
Land	4,282,746	-	-	-
Office	114,360	-	-	-
Vehicles	1,686,140	-	1,686,140	-
Total	6,083,246	-	1,686,140	-
Exchange differences				
Office	(2,486)	-	-	-
Interest expense of lease liabilities	3,215,839	-	569,879	-
Expense relating to short-term leases	3,240,185	-	1,800,185	-
Expense relating to leases of low-value assets	156,627	-	156,627	-

Total cash payment of the lease is Baht 11.09 million and Baht 5.34 million in the consolidated and separate financial statements, respectively.

## 22 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Computer Software in progress Baht	Total Baht
<b>As at 1 January 2019</b>			
Cost	3,166,260	-	3,166,260
<u>Less</u> Accumulated amortisation	(2,505,864)	-	(2,505,864)
<b>Net book amount</b>	660,396	-	660,396
<b>For the year ended 31 December 2019</b>			
Opening net book amount	660,396	-	660,396
Addition	703,700	2,628,000	3,331,700
Amortisation charged	(318,670)	-	(318,670)
Exchange differences	(111)	-	(111)
<b>Closing net book amount</b>	1,045,315	2,628,000	3,673,315
<b>As at 31 December 2019</b>			
Cost	3,869,811	2,628,000	6,497,811
<u>Less</u> Accumulated amortisation	(2,824,496)	-	(2,824,496)
<b>Net book amount</b>	1,045,315	2,628,000	3,673,315
<b>For the year ended 31 December 2020</b>			
Opening net book amount	1,045,315	2,628,000	3,673,315
Addition	119,000	1,406,000	1,525,000
Amortisation charged	(398,410)	-	(398,410)
Exchange differences	397	-	397
<b>Closing net book amount</b>	766,302	4,034,000	4,800,302
<b>As at 31 December 2020</b>			
Cost	3,989,381	4,034,000	8,023,381
<u>Less</u> Accumulated amortisation	(3,223,079)	-	(3,223,079)
<b>Net book amount</b>	766,302	4,034,000	4,800,302

	Separate financial statements		
	Computer software Baht	Computer Software in progress Baht	Total Baht
<b>As at 1 January 2019</b>			
Cost	3,079,503	-	3,079,503
<u>Less</u> Accumulated amortisation	(2,479,334)	-	(2,479,334)
<b>Net book amount</b>	600,169	-	600,169
<b>For the year ended 31 December 2019</b>			
Opening net book amount	600,169	-	600,169
Addition	504,700	2,628,000	3,132,700
Amortisation charged	(293,759)	-	(293,759)
<b>Closing net book amount</b>	811,110	2,628,000	3,439,110
<b>As at 31 December 2019</b>			
Cost	3,584,203	2,628,000	6,212,203
<u>Less</u> Accumulated amortisation	(2,773,093)	-	(2,773,093)
<b>Net book amount</b>	811,110	2,628,000	3,439,110
<b>For the year ended 31 December 2020</b>			
Opening net book amount	811,110	2,628,000	3,439,110
Addition	119,000	1,406,000	1,525,000
Amortisation charged	(345,525)	-	(345,525)
<b>Closing net book amount</b>	584,585	4,034,000	4,618,585
<b>As at 31 December 2020</b>			
Cost	3,703,203	4,034,000	7,737,203
<u>Less</u> Accumulated amortisation	(3,118,618)	-	(3,118,618)
<b>Net book amount</b>	584,585	4,034,000	4,618,585

## 23 Deferred tax assets, net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Deferred tax assets</b>				
Deferred tax assets to be recovered within 12 months	1,114,646	562,184	641,480	562,184
Deferred tax assets to be recovered more than 12 months	7,705,832	9,819,268	7,938,718	9,640,499
<b>Total</b>	8,820,478	10,381,452	8,580,198	10,202,683
<b>Deferred tax liabilities</b>				
Deferred tax liabilities to be settled more than 12 months	538,936	(194,165)	(342,081)	(194,165)
<b>Total</b>	538,936	(194,165)	(342,081)	(194,165)
<b>Deferred income tax, net</b>	9,359,414	10,187,287	8,238,117	10,008,518

The movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	10,187,287	7,541,449	10,008,518	7,977,250
Increase/(decrease) in profit or loss (Note 37)	1,720,268	2,421,789	760,999	1,825,083
Increase/(decrease) in other comprehensive income	(2,548,141)	224,049	(2,531,400)	206,185
As at 31 December	9,359,414	10,187,287	8,238,117	10,008,518

The movement of deferred tax assets is as follows:

	Consolidated financial statements			
	Loss allowance Baht	Allowance for impairment of investment Baht	Employee benefit obligations Baht	Total Baht
<b>Deferred tax assets</b>				
<b>As at 1 January 2019</b>	1,714,015	200,000	6,554,824	8,468,839
Charged to profit or loss	(13,084)	-	1,701,648	1,688,564
Charged to other comprehensive income	-	-	224,049	224,049
<b>As at 31 December 2019</b>	1,700,931	200,000	8,480,521	10,381,452
Charged to profit or loss	247,653	-	739,514	987,167
Charged to other comprehensive income	-	(2,531,400)	(16,741)	(2,548,141)
<b>As at 31 December 2020</b>	1,948,584	(2,331,400)	9,203,294	8,820,478
	Separate financial statements			
	Loss allowance Baht	Allowance for impairment of investment Baht	Employee benefit obligations Baht	Total Baht
<b>Deferred tax assets</b>				
<b>As at 1 January 2019</b>	1,714,015	200,000	6,471,011	8,385,026
Charged to profit or loss	(13,084)	-	1,624,556	1,611,472
Charged to other comprehensive income	-	-	206,185	206,185
<b>As at 31 December 2019</b>	1,700,931	200,000	8,301,752	10,202,683
Charged to profit or loss	212,016	-	696,899	908,915
Charged to other comprehensive income	-	(2,531,400)	-	(2,531,400)
<b>As at 31 December 2020</b>	1,912,947	(2,331,400)	8,998,651	8,580,198

The movement of deferred tax liabilities is as follows:

	Consolidated financial statements	Separate financial statements
	Lease agreements Baht	Lease agreements Baht
<b>Deferred tax liabilities</b>		
<b>As at 1 January 2019</b>	927,390	407,776
Charged to profit or loss	(733,225)	(213,611)
<b>As at 31 December 2019</b>	194,165	194,165
Charged to profit or loss	(733,101)	147,916
<b>As at 31 December 2020</b>	(538,936)	342,081

## 24 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Right to use of land	-	10,190,747	-	-
Deposit	12,833,109	13,680,297	11,622,153	12,497,356
Others	-	5,458,662	-	5,458,662
<b>Total</b>	<b>12,833,109</b>	<b>29,329,706</b>	<b>11,622,153</b>	<b>17,956,018</b>

## 25 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade payables - other companies	121,777,417	123,816,796	119,192,277	120,321,504
- related parties (Note 39.3)	467,114	108,468	496,581	271,112
Accrued service cost - other companies	36,711,444	19,895,859	36,711,501	20,272,710
- related parties (Note 39.3)	25,496	119,231	28,996	119,839
Other payables	29,774	78,622	18,079	25,039
Advance received	2,598,334	4,066,963	2,680,652	4,137,716
Accrued expenses - other companies	34,940,794	29,008,873	33,249,511	27,193,100
<b>Total</b>	<b>196,550,373</b>	<b>177,094,812</b>	<b>192,377,597</b>	<b>172,341,020</b>



## 26 Borrowings

### 26.1 Bank overdrafts

On 31 December 2020, bank overdrafts bear interest at the rate of MOR per annum (2019: MOR-1% and MOR per annum).

The movement of bank overdrafts is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	2,957,949	11,336,878	2,957,949	11,336,878
Addition during the year	2,277,450,497	1,822,769,567	2,277,450,497	1,822,769,567
Repayment during the year	(2,279,025,966)	(1,831,148,496)	(2,279,025,966)	(1,831,148,496)
As at 31 December	1,382,480	2,957,949	1,382,480	2,957,949

As at 31 December 2020, the Company has outstanding credit facilities for bank overdrafts and short-term borrowings of Baht 184 million.

### 26.2 Long-term borrowings from financial institutions

The movement of long-term borrowings from financial institutions is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	-	6,000,360	-	6,000,360
Addition during the year	20,000,000	-	20,000,000	-
Repayment during the year	-	(6,000,360)	-	(6,000,360)
As at 31 December	20,000,000	-	20,000,000	-

	Principle	Outstanding as at 31 December		Interest rate	%	Repayment		
		2020 Baht	2019 Baht			Term payment	Period	Amount (Baht)
Loan 1	20,000,000	20,000,000	-	Low interest rate	2.00	Principle and interest instalments 24 instalments, last instalments in March 2024	Monthly	834,000

The table below analyses the maturity of long-term borrowings from financial institutions grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements			
	Not later than 1 year Baht	Later than 1 year but not later than 5 years Baht	Total Baht	Total carrying amount Baht
As at 31 December 2020				
Long-term borrowings from financial institutions	400,000	20,515,583	20,915,583	20,000,000

	Separate financial statements			Total carrying amount Baht
	Not later than 1 year Baht	Later than 1 year but not later than 5 years Baht	Total Baht	
<b>As at 31 December 2020</b>				
Long-term borrowings from financial institutions	400,000	20,515,583	20,915,583	20,000,000

In April 2020, the Company entered into a borrowing agreement with a local financial institution for the loan of Baht 20 million under the low interest rate measures to help entrepreneurs affected directly and indirectly from the COVID-19 outbreak. The agreement requires the Company to make the first principal payment in the next 25 months after the borrowing is withdrawn and paid in monthly instalments for a total of 24 instalments.

The long-term borrowing of the Company is guaranteed by the Company's director. The Company is required to comply with various financial conditions, including maintaining a debt-to-equity ratio not more than 2 times and maintaining a debt coverage ratio not less than 1.2 times.

Fair value of long-term borrowing from financial institutions is Baht 19,999,217 which calculated from discounted future cash flows, discount rate is market interest rate and is in the 2 level of the fair value hierarchy.

As at 31 December 2020, land and buildings are pledged for credit facilities with financial institution together with guarantee by directors, persons related to directors and assets of persons related to directors (Note 19).

### 26.3 Lease liabilities

Minimum lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Not later than one year	9,800,996	9,310,022	4,549,916	5,000,799
Later than 1 year but not later than 5 years	42,637,282	42,564,258	13,080,807	15,848,723
Later than 5 years	35,471,965	41,893,412	6,277,500	8,059,500
<u>Less Future finance charges on leases</u>	<u>(19,515,785)</u>	<u>(22,786,313)</u>	<u>(4,142,164)</u>	<u>(5,373,088)</u>
Present value of finance lease liabilities	68,394,458	70,981,379	19,766,059	23,535,934
Lease liabilities:				
- current	5,847,675	5,522,025	3,481,850	3,769,875
- non current	62,546,783	65,459,354	16,284,209	19,766,059
Total	68,394,458	70,981,379	19,766,059	23,535,934

The present value of lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Not later than one year	5,847,675	5,522,025	3,481,850	3,769,875
Later than 1 year but not later than 5 years	31,595,162	29,949,131	10,596,948	12,683,536
Later than 5 years	30,951,621	35,510,223	5,687,261	7,082,523
Total	68,394,458	70,981,379	19,766,059	23,535,934

## 27 Reconciliation of liabilities arising from financing activities

	1 January 2019	Cash flows		Non-cash transactions	31 December 2019
		In	Out		
<b>Consolidated financial statements</b>					
Bank overdrafts	11,336,878	-	(8,378,929)	-	2,957,949
Short-term borrowings from financial institutions	-	10,000,000	(10,000,000)	-	-
Long-term borrowings from financial institutions	6,000,360	-	(6,000,360)	-	-
Finance lease liabilities	3,083,488	-	(1,810,516)	9,746,221	11,019,193
<b>Separate financial statements</b>					
Bank overdrafts	11,336,878	-	(8,378,929)	-	2,957,949
Short-term borrowings from financial institutions	-	10,000,000	(10,000,000)	-	-
Short-term borrowing from a subsidiary	7,500,000	-	(7,500,000)	-	-
Long-term borrowings from financial institutions	6,000,360	-	(6,000,360)	-	-
Finance lease liabilities	3,083,488	-	(1,810,516)	9,746,221	11,019,193
	1 January 2020	Cash flows		Non-cash transactions	31 December 2020
		In	Out		
<b>Consolidated financial statements</b>					
Bank overdrafts	2,957,949	-	(1,575,469)	-	1,382,480
Long-term borrowings from financial institutions	-	20,000,000	-	-	20,000,000
Lease liabilities	70,981,379	-	(4,600,650)	2,013,729	68,394,458
<b>Separate financial statements</b>					
Bank overdrafts	2,957,949	-	(1,575,469)	-	1,382,480
Long-term borrowings from financial institutions	-	20,000,000	-	-	20,000,000
Lease liabilities	23,535,934	-	(3,769,875)	-	19,766,059

## 28 Derivative liabilities

Derivative liabilities are forward foreign currency contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability be settled. The Group recognises derivative assets and liabilities at fair value through profit or loss.

The hedge accounting is not applied

The following table presents fair value of the derivative.

	Consolidated financial statements		Separate financial statements	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
<b>Liabilities</b>				
Foreign currency forward contracts	226,448	724,083	226,448	724,083

## 29 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deposits	12,424,819	18,457,141	12,424,818	18,457,141
Withholding tax payable	2,470,140	1,463,574	2,423,066	1,416,973
Value added tax payable	3,053,245	2,898,416	2,979,968	2,774,239
Undue output tax	5,606,226	3,406,807	5,515,238	3,247,608
Social security payable	395,682	396,026	385,472	385,816
Others	-	684,990	-	-
Total	23,950,112	27,306,954	23,728,562	26,281,777

## 30 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Statement of financial position				
Post-employment benefits	43,332,847	39,564,909	42,309,632	38,671,067
Other long-term benefits	2,683,625	2,837,698	2,683,625	2,837,698
Liability in the statement of financial position	46,016,472	42,402,607	44,993,257	41,508,765
Profit or loss				
Post-employment benefits	4,020,745	8,806,134	3,807,665	8,420,673
Other long-term benefits	320,927	514,412	320,927	514,412
Total	4,341,672	9,320,546	4,128,592	8,935,085
Other comprehensive income				
Remeasurement for:				
Post-employment benefits	(83,707)	1,120,244	-	1,030,927
Total	(83,707)	1,120,244	-	1,030,927

### 30.1 Post-employment benefits

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of post-employment benefits	43,332,847	39,564,909	42,309,632	38,671,067
Net liability in the statement of financial position	43,332,847	39,564,909	42,309,632	38,671,067

The movement of the defined benefit obligation during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	39,564,909	30,300,831	38,671,067	29,881,767
Current service cost	3,384,730	3,911,729	3,188,633	3,657,896
Past service cost	-	4,091,357	-	3,975,710
Interest expense	636,015	803,048	619,032	787,067
	4,020,745	8,806,134	3,807,665	8,420,673
Remeasurement:				
(Gain)/Loss from change in demographic assumptions	337	4,660,826	-	4,660,568
(Gain)/Loss from change in financial assumptions	14,670	2,779,214	-	2,664,009
Experience (gain)/loss	(98,714)	(6,319,796)	-	(6,293,650)
	(83,707)	1,120,244	-	1,030,927
Benefits paid	(169,100)	(662,300)	(169,100)	(662,300)
As at 31 December	43,332,847	39,564,909	42,309,632	38,671,067

The principal of actuarial assumptions used is as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate (%)	1.61 - 1.79%	1.61 - 1.90%	1.61	1.61%
Salary growth rate (%)	4.00 - 5.00%	4.00 - 5.00%	4.00	4.00%

	Change in assumptions		Impact on defined benefit obligation Increase/ (decrease) in obligation (Baht)	
	2020	2019	2020	2019
Discount rate	Increase 1%	Increase 1%	(2,962,992)	(3,026,342)
	Decrease 1%	Decrease 1%	3,396,370	3,475,947
Salary growth rate	Increase 1%	Increase 1%	3,688,220	3,339,983
	Decrease 1%	Decrease 1%	(3,276,246)	(2,973,446)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation, the same method has been applied as when calculating the pension liability recognised within the statement of financial position which is the projected unit credit method.

The method and type of assumptions used in preparing the sensitivity analysis did not change from the previous period.

The weighted average duration of the obligations under the defined benefit plan is 11.74 years (2019 : 11.47 years).

### 30.2 Other long-term benefits

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of other long-term benefits obligations	2,683,625	2,837,698	2,683,625	2,837,698
Net liability in the statement of financial position	2,683,625	2,837,698	2,683,625	2,837,698

The movement of the defined benefit obligation during the year is as follow:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
As at 1 January	2,837,698	2,473,286	2,837,698	2,473,286
Current service cost	285,788	457,479	285,788	457,479
Interest expense	35,139	56,933	35,139	56,933
Benefits paid	320,927 (475,000)	514,412 (150,000)	320,927 (475,000)	514,412 (150,000)
As at 31 December	2,683,625	2,837,698	2,683,625	2,837,698

The principal of actuarial assumption is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Discount rate (%)	1.36%	1.36%	1.36%	1.36%

### 31 Share capital

	<b>Number of shares</b>	<b>Ordinary shares Baht</b>	<b>Premium on ordinary shares Baht</b>	<b>Total Baht</b>
As at 1 January 2019	150,000,000	75,000,000	28,875,000	103,875,000
Issue of ordinary shares	50,000,000	25,000,000	-	25,000,000
As at 31 December 2019	200,000,000	100,000,000	28,875,000	128,875,000
Issue of ordinary shares	120,000,000	60,000,000	332,549,198	392,549,198
As at 31 December 2020	320,000,000	160,000,000	361,424,198	521,424,198

On 14 March 2019, the Annual General Shareholders' meeting passed a resolution to approve following matters:

- 1) To decrease authorised share capital of the Company by decreasing 50 million ordinary shares, of Baht 0.50 each, totalling Baht 25 million. This portion is used to aim for initial public offering.
- 2) To increase authorised share capital of the Company by issuing 130 million ordinary shares of Baht 0.50 each, totalling Baht 65 million. This is for right offering not more than 50 million shares of Baht 0.50 each, totalling Baht 25 million and for initial public offering not more than 80 million shares of Baht 0.50 each, totalling Baht 40 million.

The Company registered the change of authorised share capital with the Ministry of Commerce on 26 March 2019.

On 27 May 2019, the Company called for paid-up share capital of 50 million ordinary shares of Baht 0.50 each, totalling Baht 25 million for right offering. Cash is received in June 2019. The Company registered the change of paid-up share capital with the Ministry of Commerce on 27 June 2019.

On 2 September 2019, the Extraordinary General Shareholders' meeting no.1/2019 passed a resolution to approve following matters:

- 1) To decrease authorised share capital of the Company by decreasing 80 million ordinary shares, of Baht 0.50 each, totalling Baht 40 million. This portion is used to aim for initial public offering.
- 2) To increase authorised share capital of the Company by issuing 120 million ordinary shares of Baht 0.50 each, totalling Baht 60 million. This is for initial public offering.

The Company registered the change of authorised share capital with the Ministry of Commerce on 10 September 2019.

In November 2020, the Company received cash from initially public offering for 120 million shares with par value of Baht 0.50 each, at the price of Baht 3.42 per share, totalling to Baht 410.40 million. Expenses related to issuance of shares, net of tax were presented by netting with premium on paid-up share capital.

### 32 Legal reserve

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	7,600,000	5,900,000	7,600,000	5,900,000
Appropriation during the year	2,500,000	1,700,000	2,500,000	1,700,000
At 31 December	10,100,000	7,600,000	10,100,000	7,600,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

### 33 Dividends

#### Company

On 13 May 2019, the Board of Directors' meeting no.2/2019 passed a resolution to approve the payment of interim dividend from net profit for the year ended 2018 and the first quarter of 2019 at Baht 0.19 per share, totalling Baht 28.50 million. The interim dividend was paid on 4 June 2019.

On 31 March 2020, the Annual Shareholders' meeting of 2020 passed a resolution to approve the annual dividend payment from net profit for the year ended 31 December 2020 at Baht 0.05 per share, totalling Baht 10 million. The Company fully paid dividends on 30 April 2020.

On 15 September 2020, the Board of Directors' meeting no.6/2020 passed a resolution to approve the payment of interim dividend from net profit for the year ended 2020 at Baht 0.15 per share for 200 million shares, totalling Baht 30 million. The interim dividend was paid on 14 October 2020.

#### Subsidiary

On 26 March 2019, the Board of Directors' meeting of YJC Depot Services Co., Ltd. passed a resolution to approve the dividend payment to the shareholders of Baht 40.00 per share for 300,000 shares, totalling Baht 6 million. The dividend of Baht 3 million was paid to the Company and of Baht 3 million was paid to non-controlling interests. The Company received this dividend on 28 March 2019.

On 12 May 2020, the Board of Directors' meeting of YJC Depot Services Co., Ltd. passed a resolution to approve the payment of interim dividend of Baht 33.33 per share for 150,000 shares, totalling Baht 5 million. The dividend of Baht 2.5 million was paid to the Company and of Baht 2.5 million was paid to non-controlling interests. The Company received this dividend on 28 May 2020.



### 34 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Dividend income	1,050,000	1,225,000	3,550,000	4,225,000
Rental and office income	159,600	259,600	159,600	259,600
Interest income	475,493	436,618	437,179	350,345
Others	1,175,137	1,272,167	943,967	1,103,386
Total	2,860,230	3,193,385	5,090,746	5,938,331

### 35 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of sea and air freight	678,739,506	607,130,429	676,704,218	605,280,177
Staff cost	140,050,758	138,532,308	135,811,516	134,047,996
Consulting expenses	7,549,344	6,184,100	7,056,449	5,683,868
Depreciation and amortisation	8,450,977	7,365,403	3,163,207	5,429,048
Rental expenses	4,484,660	9,536,364	3,748,505	3,015,256
Utility expenses	10,389,583	9,946,432	9,621,422	9,151,470
Marketing expenses	8,534,377	7,308,172	8,534,177	7,194,701

### 36 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest expenses				
- Borrowings from financial institutions	280,569	295,482	280,569	335,037
- Lease liabilities	3,673,090	264,133	569,879	264,133
Total	3,953,659	559,615	850,448	599,170

### 37 Income tax

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Current tax:</b>				
Current tax on profit for the year	13,010,671	9,704,139	11,732,374	8,871,296
	13,010,671	9,704,139	11,732,374	8,871,296
<b>Deferred tax:</b>				
Items related to temporary differences (Note 23)	(1,720,268)	(2,421,789)	(760,999)	(1,825,083)
	(1,720,268)	(2,421,789)	(760,999)	(1,825,083)
Total	11,290,403	7,282,350	10,971,375	7,046,213

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the country of the parent company as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Profit before income tax	69,061,538	54,311,957	59,141,066	39,601,296
Tax calculated at a tax rate of 20% (2019 : 20%)	13,812,308	10,862,391	11,828,213	7,920,259
Tax effect of:				
Income not subject to tax	(436,887)	(432,253)	(1,221,766)	(1,157,215)
Profit sharing from associates	(2,161,824)	(3,019,664)	-	-
Expenses not deductible for tax purpose	76,806	(128,124)	364,928	283,169
Tax charged	11,290,403	7,282,350	10,971,375	7,046,213

The Group's effective tax rate is 16.35% (2019 : 13.41%). The Company's effective tax rate is 18.55% (2019 : 17.79%). The effective tax rate changes from prior year because income not subject to tax and expenses not deductible for tax purpose are inconsistently occurred and are material.

### 38 Earnings per shares

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Profit attributable to shareholders of the parent (Baht)	56,875,656	45,877,766	48,169,691	32,555,083
Weighted average number of ordinary shares (Shares)	218,688,525	177,759,126	218,688,525	177,759,126
Basic earnings per share (Baht per share)	0.2601	0.2581	0.2203	0.1831

### 39 Related party transactions

As at 31 December 2020, the major shareholders of the Company are Mr. Kettivit Sittisoontornwong, Mr. Somsak Srisutadkul and T.S.C. Holding Co., Ltd., who hold 22.77%, 9.17% and 8.64%, respectively.

The following transactions were carried out with related parties:

#### 39.1 Service income

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Service income				
- subsidiaries	-	-	251,943	1,509,310
- associates	11,609,726	10,180,839	849,064	13,785
Total	11,609,726	10,180,839	1,101,007	1,523,095
Consulting income				
- associates	15,000	180,000	15,000	180,000
Total	15,000	180,000	15,000	180,000
Utilities income				
- associates	1,180	1,195	1,180	1,195
Total	1,180	1,195	1,180	1,195
Dividend income				
- subsidiaries	-	-	2,500,000	3,000,000
Total	-	-	2,500,000	3,000,000

#### 39.2 Cost of services

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of services				
- subsidiaries	-	-	280,273	3,892,582
- associates	5,847,565	5,458,689	5,847,565	5,458,689
Total	5,847,565	5,458,689	6,127,838	9,351,271
Interest expense				
- subsidiaries	-	-	-	39,555
Total	-	-	-	39,555

### 39.3 Outstanding balances

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables				
- subsidiaries	-	-	817,300	535,431
- associates	796,032	1,377,876	-	-
Total	796,032	1,377,876	817,300	535,431
Accrued income				
- associates	506,164	944,998	-	-
Total	506,164	944,998	-	-
Other receivables				
- associates	107	10,123	107	10,123
Total	107	10,123	107	10,123
Advance				
- subsidiaries	-	-	3,305,650	1,765,650
Total	-	-	3,305,650	1,765,650
Trade payables				
- subsidiaries	-	-	29,467	162,644
- associates	467,114	108,468	467,114	108,468
Total	467,114	108,468	496,581	271,112
Accrued cost of services				
- subsidiaries	-	-	3,500	608
- associates	25,496	119,231	25,496	119,231
Total	25,496	119,231	28,996	119,839

### 39.4 Key management compensation

Key management compensation is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salaries and other short-term employee benefits	21,788,730	21,603,610	21,158,730	20,763,610
Post-employment benefits	2,150,177	2,523,294	2,073,545	2,449,643
Other long-term benefits	3,462	6,866	3,462	6,866
Total	23,942,369	24,133,770	23,235,737	23,220,119

## 40 Commitments

### 40.1 Bank guarantees

The Group has letters of guarantee issued by banks for freight charge, electricity and others as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Bank guarantees	49,210,468	45,353,298	49,210,468	45,353,298

### 40.2 Capital expenditure commitments

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Property, plant and equipment	676,856	-	676,856	-
Intangible assets	453,000	1,859,000	453,000	1,859,000
Investment property	1,540,000	-	1,540,000	-
<b>Total</b>	<b>2,669,856</b>	<b>1,859,000</b>	<b>2,669,856</b>	<b>1,859,000</b>

## 41 Events occurring after the statement of financial position

On 25 February 2021, the Board of Directors' meeting no.1/2021 approved:

1. An additional investment in Leo Myanmar Logistics Co., Ltd., totalling USD 200,000.
2. The annual dividend payment from net profit in 2020. The dividend payment will be Baht 0.07 per share, totalling Baht 22.40 million. This matter will be proposed to the shareholders' meeting for further approval on 9 April 2021.











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