

Annual Report 2021  
(Form 56-1 One Report )



**LEO GLOBAL LOGISTICS PUBLIC COMPANY LIMITED**



**THE SMART  
LOGISTICS  
SOLUTION**









## Vision

“To be Thailand’s leading end-to-end global logistics services provider with sustainable growth and the first company of choice for 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



## Board of Director and Independent Director



01

**Mr. Sanee Dangwung**

Chairman of the Board  
of Director and Independent Director

02



**Mr. Kettivit Sittisoontornwong**

Vice Chairman of the Board of Directors, Chairman of the  
Executive Committee and Chief Executive Officer

03



**Mr. Viwat Limsakdakul**

Chairman of the Audit Committee  
and Independent Director

04



**Mr. Woragan Xuto**

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

05



**Mr. Teerachai Chemnasiri**

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



06



**Mr. Paiboon Sumranputi**

Member of the Nomination and Remuneration  
Committee and Independent Director

07



**Mr. Apichart Lee-issaranukul**

Director

08



**Mr. Surasit Asavasakseri**

Director and Chief Operating Officer

09



**Miss Sripri Eakwichit**

Director and Chief Operating Officer



# CONTENT

Message from the Board of Directors	8
Message from the Chief Executive Officer	9
Audit Committee Report	11
Nomination and Remuneration Committee Report	13
Executive Committee Report	14
Risk Management Working Group Report	15

## Section 1 Business Operations and Operating Results 16

1. Organizational structure and operations of the group of companies	16
2. Risk Management	57
3. Business sustainability development	60
4. Management discussion and analysis (MD&A)	68
5. General Information and Other material facts	81

## Section 2 Corporate Governance 83

6. Corporate governance policy	83
7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others	89
8. Report on key operating results related to corporate governance	106
9. Internal control and related party transactions	114





## Section 3 Financial Statements

119

10. Statement of Board of Directors – Responsible for the Financial Statement	119
11. Independent Auditor's Report	121
12. Financial Statements	125
13. Notes to the Financial Statements	135

## Attachments:

183

Attachment 1: Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary	183
Attachment 2: Details of the directors of subsidiaries	202
Attachment 3: Details of the Heads of the Internal Audit and Compliance Units	204
Attachment 4: Assets for business undertaking and details of asset appraisal	206





# Message from the Board of Directors

Dear Shareholders:

The return of COVID-19 outbreak from late 2020 until 2021 has delayed Thailand's economic recovery. A large number of economic activities have been limited under the strict measures to slow down the spread of the disease for several months and thus causing the stagflation. Nevertheless, exportation was counted as a major economic drive during the year 2021, making a come back at a huge rate of 17.14% rising up from a shrink of 6.01% in 2020. And this has also resulted in higher Freight Rates.

The year 2021 was considered another challenging year in which all of the Executives and Employees was working very hard to create a better operation result than the preceding year. Due to a new wave of COVID-19 outbreak that occurred along with the challenges and limitations in Freight Forwarding, for example, the limited shipping space and the higher Freight Rates, the Company was thus making strategies to direct its business operations to conform with the ever-changing situations and in appropriate ways to serve the Customers' need in a more comprehensive fashion and was able to timely solve the Customers' problems. In 2021 we managed to grow with dynamic operating results, with a net profit of 199.66 million baht, a 246% increase compared to 2020, breaking the record for the highest profitability since the establishment of the Company.

On behalf of the Company's Board of Directors, the Executives and Employees of Leo Global Logistics Public Company Limited, we would like to thank our Shareholders for the trust and support you have constantly provided to us. The Company hereby affirms its intention to execute the Businesses under the principle of Good Corporate Governance taking into account the rights of all stakeholders and committed to achieving goals to further stride to become a leader in End-to-End logistics business in Thailand and ASEAN.



**Mr. Sanee Dangwung**

Chairman of the Board of Directors



# Message from the Chief Executive Officer

Dear Shareholders:

Leo Global Logistics Public Company Limited is an End-to-End Logistics Service Provider of Thai origin who has been standing in the Logistics Service Provider Industry for over 31 years with a team of professional Executives together with more than three decades of cultivated experiences and expertise.

Over the period of 31 years, the Company has committed to continual service development and expansion. Even if the year 2021 saw ever-changing situations in which the COVID-19 outbreak had come with lots of Freight-Forwarding challenges and limitations, be it limited shipping space or the increasing of freight charges, LEO was, however, using the strength derived from its strong relationships with business alliances to allocate the shipping space and timely tackle the customers' problems. In other words, the Company has the ability to manage the Customers' requirements well in times of transportation crisis due to limited shipping space and increasing freight charges, for example. This is by taking the role of a Solution Provider who gives advices on and plans for the Customers' Import and Export to overcome the challenges in the New Normal approach to Freight Forwarding at global level, thus making the Company's new customer base expand up to 42% compared with that of 2020 given the bigger number of containers in every trade lanes, with the import and export balance rising up to 74,490 TEUS, total revenue amounting to 3,369.7 million baht, a total growth of 199% equaling a net profit (Owners of The Parent) of 198.8 million baht, which is a higher growth rate of 250% compared with that of 2020 and is considered an all-time high since the establishment of LEO and a creation of net profits from continuous growth for four consecutive years.

The Company still counts this year of 2022 as a favorable time for international Freight Forwarding and Logistics businesses including LEO's. According to the data from SCFI (Shanghai Containerized Freight Index) as well as some professional Analysts specializing in containerized transportation, the year 2022 will be another challenging year for the Importers and Exporters across the globe, and the shortages of containers will still exist or probably increase, making the Freight Rates remain high until at least the third quarter or throughout 2022. In this, the Company has been on high alert in providing services to the Customers. Our staff are supposed to seek for useful information and new solutions to offer the Customers the best and most appropriate option for their goods transportation; this includes sharing of information within the Company and looking for more business alliances. As a result, we have been able to maintain our strong relationship with Customers given that more than 90% of major customers in 2020 continued to use the Company's services in 2021; this is with the customer satisfaction score rising up to 92% (from the expected target of 89%). In addition, the Company has also implemented the Sales Force - Customer Relationship Management (CRM) Programs, the top rated and best CRM software in the world, to support the Customer Relationship Management and Sales Team Management. The Company, therefore, is able to make use of the information and various reports from the programs by analyzing and then making customer-service plans including plans to offer activities to the Customers to make impressions and build a strong relationship continuously.

In 2022, the Company is still reinforcing its business section of End-to-End services as evidenced by the opening of LEO Self-Storage#2 'China Town' located at Talat Noi Subdistrict, Chareonkrung Road, adjacent to Yaowarat area. This Branch No.2 is 2,000 square-meter larger in area, offering both normal and air-conditioned rooms fully equipped with facilities, with 24 hours security. The Company intends to make LEO Self-Storage#2 the Flagship Store of LEO Self Storage aiming to provide services that serve the lifestyles of those living in the urban areas. In addition to this, there is also the project called YJCD's Storage Yard#2, located on Bangna-Trad Road, km 21, currently in process of land improvement and will be ready for services during the second quarter of 2022. And still another one is the Project of China-Laos



High-Speed Railway with China Post, a Chinese State Enterprise Company and one of the five representatives running the Freight Forwarding through Lao-China-Europe high-speed trains. This further forwards a good results to LEO since it is the only Exclusive Partner of China Post in Thailand. Through shaking hands with China Post who provide services by way of China-Laos High-Speed Railway trains, LEO take the role as an agent for exporting products from Thailand to China and also importing products from China to Thailand. Moreover, there is still a plan to make Thailand as a logistic hub for E-Commerce in ASEAN, with a support of warehouses to deliver and distribute commodities. It is expected that this Project will help support the continuous growth in LEO's Logistics Business in 2022.

The Company has prepared to create its business growth through agreements for Merger and Acquisition (M&A). One of them is with World Air Logistics Company Limited (WA) with the notification submitted to the Stock Exchange of Thailand on January 24, 2022. The M&A agreement made with World Air Logistics Company Limited will help expand LEO's Air Freight Business in a rapid manner. The Company will likely expand the scope of its business alliances since WA has been in the Logistics Business for more than 18 years, thus making it possess experiences and expertise in the Freight Forwarding Business and have connections with more than 50 famous and reliable airlines. The benefit from such a network of airlines WA has will also result in LEO's more airline alliances promoting the ability to generate incomes and reduce costs. Also, being a business alliance with Freight Forwarders who are the main Customers of WA will further make the Company become a Logistics Operator with more various customer basis. The Company expects to recognize the revenue from the M&A agreement within the second quarter of 2022. In addition to WA, LEO still has more plans to M&A Logistics Business Operators in Asia such as Vietnam and Indonesia which are enjoying their continuous growth according to the working plan we once informed the Investors and to our intention to create a rapid and sustainable growth for LEO. In 2022, the Company has still committed to maintains international service quality standards and uses the Open for Continuous Learning and Improvement principles, which are LEO's core values to further expand the service effectiveness. Also, the Executives and Employees are committed to push for LEO's continual and sustainable growth abiding by and conducting the business according to the principle of Good Corporate Governance, giving importance to all Interested Parties, combating corruptions and taking social responsibilities.

Finally, on behalf of Leo Global Logistics Public Company Limited, I would like to sincerely thank all Investors, Customers, Business Partners and all Supporters for the trust and confidence you have kindly and constantly provided to LEO. And I would also like to thank all of the LEO's Executives and Employees to have helped in struggling with plenty of challenges and favorably passed through them and to have helped manage to drive LEO to stand as a reliable Company and to grow by leaps and bounds in every year. The Company will still commit to become a leading organization in the business of Logistics Service Provider in conformity with the Company's Vision that reflects LEO's commitment 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.



**Mr. Kettivit Sittisoontornwong**

Chief Executive Officer



# Audit Committee Report

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 2021, the Audit Committee arranged a total of 5 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	5/5
2. Mr. Woragan Xuto	Audit Committee Member	4/5
3. Mr. Teerachai Chemnasiri	Audit Committee Member	5/5

Details of the key operations can be summarized as follows:

## 1. Review of the financial reports

In reviewing the financial statements for the year 2020 and the quarterly financial statements for the year 2021, 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 2021 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, Internal Auditor and the remuneration for the year 2022

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 2022, 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, 2022 having the remuneration for the audit fee of Leo Global Logistics Public Company Limited for the amount of THB 1,475,000.

- It is deemed appropriate to propose the appointment of "Dharmniti Internal Audit Company Limited" with Miss Ruetaichanoke Supamong, Executive Director and Head of Internal Auditor, being the internal auditor, to verify the internal control system of the Company. The remuneration for the internal audit fee is THB 150,000 per time.

## 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. Paiboon Sumranputi,   | Member of the Nomination and Remuneration Committee   |

In 2021, the Nomination and Remuneration Committee held a total of 2 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.

Mr. Teerachai Chemnasiri

Chairman of the Nomination and Remuneration Committee



# Executive Committee Report

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. Viset 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 2021, the Executive Committee held a total of 13 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.

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



# Risk Management Working Group Report

The Risk Management Working Group has been set up to support the duties of the Board of Directors 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 Board of Directors 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 2021, 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.



**Mr. Kettivit Sittisoontornwong**

Head of the Risk Management Working Group



# Section 1

## Business Operations and Operating Results

### 1. Organizational structure and operations of the group of companies

#### 1.1 Policy and business 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; Mr.Kettivit Sittisoontornwong has 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 31 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.

### 1.1.1 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:

1. High customer satisfaction (HCS);
2. Excellent working system (EWS);
3. Quality human resources (QHR);
4. 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

1. Continuously generate sales growth in the business of Logistics Services and Non-Logistics which have growth and high margin potential.
2. Focus on building good relationship with business alliances, be it Shipping lines, Airlines, and other supporting service providers within the country and expand the business alliance network both in and outside of the country.
3. Develop and strengthen the staff's knowledge and skills of Outward Mindset in a continuous manner to achieve Service Excellence and to become a Solution Provider for customers.
4. Put an emphasis on taking care of Key Customers and developing to provide them good services by constantly implementing Customer Service System and Customer Relationship Management (CRM).
5. Abide by the principle of Good Corporate Governance with Social Responsibility and Sustainable Growth.

## 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:





## Corporate culture

### 1. 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.

### 2. 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.

### 3. 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.

### 4. Modern and Agile Organization:

Create a modern organization with flexibility to adapt to changes in technologies and consumer behaviors.

## 1.1.2 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 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.



Month/year	Events
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) ("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.
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.



Month/year	Events
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 Suvarnabhumi 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.
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.



Month/year	Events
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 3 <sup>rd</sup> 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.</p> <p>The Company was incorporated as a listed company on March 23, 2017.</p>
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	<p>The 2019 Annual General Meeting of Shareholders resolved to approve important issues as follows:</p> <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>



Month/year	Events
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	<p>The Extraordinary General Meeting of Shareholders No. 1/2019 resolved to approve important issues as follows:</p> <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 TAFE 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 TAFE 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.
April 2021	The 2021 Annual General Meeting of Shareholders resolved to approve renting a piece of land with a building on Chareonkrung Road and an investment budget to support the Project “Leo Self Storage 2” to develop the personal-storage-room lease project (Leo Self Storage) which is in accordance with one objective set for capital expenditures acquired from Initial Public Offering (IPO) as declared in the Company’s Prospectus.
May 2021	The Board of Directors Meeting No. 4/2021 resolved to approve a long-term land lease agreement entered into between the Company and YJC Depot Services Company Limited, one of the Company’s Subsidiaries, the land comprising 7 plots with the total area of 31 Rai to be used in the business of Container Depot (Area 2)
May 2021	The Company has been appointed as an alliance and Thailand’s representative for China Post Yunnan (China Post), affiliated with China Post Group Peking, a China’s state-owned enterprise, in developing and expanding the business of Postal and Air Parcel Freight, especially the development of International Air Freight Business for E-commerce, offering transportation of goods from China to Thailand and the other way around. Also, it has been appointed as General Sales Agent (GSA) for China Postal Airlines, which is China’s national airline for goods transportation, operating a fleet of airplanes specifically used for goods transportation (Freighters). The airline provide Air Freight service from Bangkok to Kunming city, China, with Boeing 757 freighters and plan to provide such a service not less than 3 flights per week.
August 2021	The Company co-established Cardinal Maritime (Thailand) Company Limited with a registered capital of 10.00 million baht, divided into 100,000 ordinary shares with a par value of 100.00 baht per share, to operate Logistics and international freight forwarding business focusing on markets in the UK, Northern Europe and those in other countries around the world, with the company holding 50.997% of the shares.



### 1.1.3 Spending of the money obtained from Initial Public Offering

The report of the utilization of increased capital as of December 31, 2021 as follows:

*Unit : Million Baht*

Purpose	Estimated use of net proceeds	Timing of use	Outstanding Amount as of JUN 30, 2021	Actual use of net proceeds (JUL-DEC 2021)	Outstanding Amount as of DEC 31, 2021
1. To invest in Leo Self-Storage & E-Fulfillment Center for two projects	80	Within 2022	76.61	22.77	53.84
2. To develop the border transit system to Myanmar	10	Within 2022	10	-	10
3. To expand the container depot services business	60	Within 2022	60	-	60
4. To be used as working capital and funds for joint investments with business partners both in the country and ASEAN countries	239.23	Within 2021	62.89	62.89	-
Total	389.23		209.50	85.66	123.84



## 1.2 Nature of Business

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

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

Revenue types	2019		2020		2021	
	million baht	%	million baht	%	million baht	%
Sea Freight	723.68	69.11	778.96	68.99	2,922.29	86.72
Air Freight	137.69	13.15	174.51	15.46	226.92	6.73
Integrated Logistics Services “ILS”	149.51	14.28	137.99	12.22	185.39	5.50
- Domestic and cross-border transportation services by trucks and trailers	110.34	73.80	101.84	73.80	124.49	67.15
- Customs formalities and clearance services and other services	39.17	26.20	36.15	26.20	60.89	32.85
Self Storage and Container Depot Service	33.13	3.16	34.81	3.08	30.83	0.92
- Leo Self Storage “LSS”	6.12	18.46	7.01	20.13	6.53	21.18
- Container Depot Service	27.01	81.54	27.80	79.87	24.30	78.82
Total service revenues	1,044.01	99.70	1,126.27	99.75	3,365.43	99.87
Other revenues <sup>(1)</sup>	3.19	0.30	2.86	0.25	4.23	0.13
<b>Total revenues</b>	<b>1,047.21</b>	<b>100.00</b>	<b>1,129.13</b>	<b>100.00</b>	<b>3,369.66</b>	<b>100.00</b>

Note: <sup>(1)</sup> Other revenues such as those from dividend, office rental and management, interest, profit (loss) from sales of assets



## 1.2.2 Details of products and services

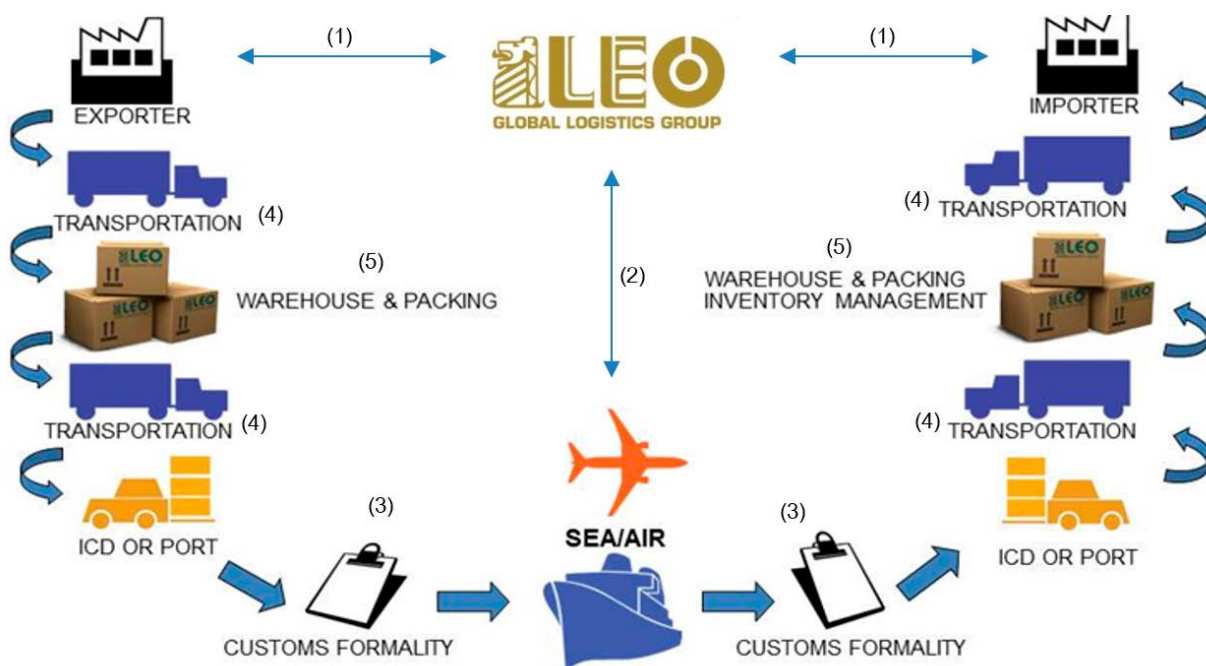
### 1.2.2.1 Nature of services

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.

## Types of service

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

### A) 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 2019 to 2021, the revenue proportions in this business were 69.11%, 68.99%, and 86.72% 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 trade lanes 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 revenue (million baht) from Sea Freight for the years 2019-2021

Service types	2019	2020	2021
	million baht	million baht	million baht
Export	560.06	595.73	2,762.28
Import	163.62	183.22	160.01
<b>Total</b>	<b>723.68</b>	<b>778.96</b>	<b>2,922.29</b>

Note: Data from the management's estimation

#### B) 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 2019-2021 were 13.15%, 15.46% and 6.73% of the total revenues respectively.

### The Company's revenues (million baht) from Air Freight for the years 2019-2021

Service types	2019	2020	2021
	million baht	million baht	million baht
Export	116.05	159.27	168.60
Import	21.64	15.24	58.32
<b>Total</b>	<b>137.69</b>	<b>174.51</b>	<b>226.92</b>

Note: Data from the management's estimation



### C) 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

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 2019-2021

Service types	2019		2020		2021	
	million baht	%	million baht	%	million baht	%
Export	22.29	56.89	21.15	58.52	38.17	62.69
Import	16.89	43.11	15.00	41.48	22.72	37.31
Total	39.17	100.00	36.15	100.00	60.89	100.00

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 2019-2021

Service types	2019		2020		2021	
	million baht	%	million baht	%	million baht	%
In the country	102.31	92.73	100.29	98.48	121.72	97.77
Cross borders	8.03	7.27	1.54	1.52	2.77	2.23
<b>Total</b>	<b>110.34</b>	<b>100.00</b>	<b>101.84</b>	<b>100.00</b>	<b>124.49</b>	<b>100.00</b>

Note: Data from the management's estimation

### 3. Warehouse and Distribution Management, Packing, and Cargo Insurance

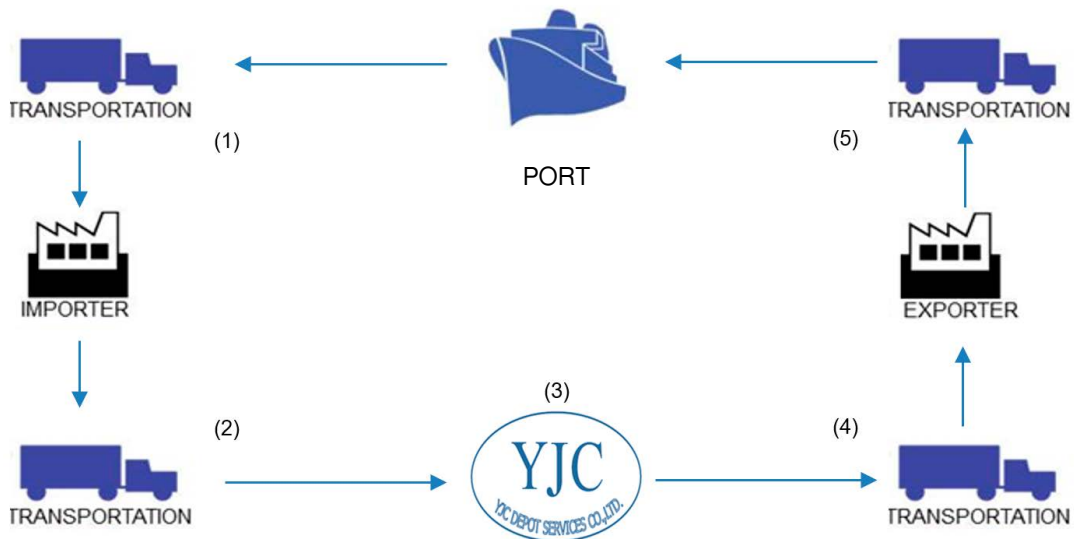
To provide customers with integrated service, the Company can provide more in other supportive services such as warehouse and distribution management for exporting customers who need to store their products during the transportation to the port/airport or importing customers who need the goods holding 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.

### D) 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 2019 - 2021, YJCD revenues were equal to 27.01 million baht, 27.80 million baht and 24.30 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 2.58%, 2.46% and 0.72% of the total revenue respectively.

As of 31 December 2021, 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.

#### E) 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 2019-2021, LML's revenues were 5.64 million baht, 4.13 million baht, and 4.38 million baht respectively

#### F) 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.

In 2021, the 2021 Annual General Meeting of Shareholders resolved to approve renting a piece of land with a building on Chareonkrung Road and an investment budget to support the Project "Leo Self Storage -Area 2" to develop the personal-storage-room lease project (Leo Self Storage) which is in accordance with one objective set for capital expenditures acquired from Initial Public Offering (IPO) as declared in the Company's Prospectus.

For the years 2019-2021, revenues gaining from Leo Self-Storage services were equal to 6.12 million baht, 7.01 million baht, and 6.53 million baht respectively.

### Associate Companies' Services

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

#### 1. Sinokor Merchant Marine (Thailand) Company Limited ("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 2019-2021, the company's profit proportions from SKRT were equal to 14.41 million baht, 10.19 million baht, 6.75 million baht respectively.



## SKRT transportation route diagram



## 2. 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 2019 - 2021, the company had a share of profits (losses) from investments in ARM in the amount of 0.69 million baht, 0.61 million baht, and 18.67 million baht, respectively. In the year 2021, 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.

### 1.2.2.2 Marketing and Competition

#### (A) 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 31 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 30% 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 83% 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 December 31, 2021, there are a total of 36 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 periodw, quantity, size, and type of product, and transit routes
Cargo Insurance	Prices and conditions are as specified by the insurance company.



## Sales and Distribution channels

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

- **Direct contacts by the Company's sales team (By Sales)**

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

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<sup>1</sup> Co-Loader refers to a group of customers who conducts the same service businesses as the company's but has no expertise in certain modes of transportation or not providing services in some transport routes due to their small volume of products, or they do not have service contracts with any shipping lines or lack overseas network that expands worldwide like that of the company.



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/LEO\\_globallogisticsGroup](https://www.facebook.com/LEO_globallogisticsGroup)). 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 (By Agent)

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.

### (B) Industrial conditions and competition

#### • Overview of Industry

Logistics is one of the main businesses in driving the country's economy. The need for consumption of goods has expanded in every area both in the country and overseas. Since the service of transportation to transfer goods from one place to another is a major business procedure, operators of various businesses always look for someone who can offer the services that are quick, complete, accessible, responsible to transport the goods right to the destination, with the service charge compatible with the production cost so that they can determine competitive prices.

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 2017-2021 and annual rates of change

Year	Trade Value trillion	Rate of Change %	Export Value trillion	Rate of Change %	Import Value trillion	Rate of Change %
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
2021	17.09	25.12	8.54	18.9	8.54	32

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

In 2021, the export target country for Thailand with the highest export value is the United States, at 1.31 trillion baht or 15.41% of the market share, followed by China with an export value of 1.17 trillion baht or equivalent to a market share of 13.71 percent. The third place is Japan with an export value of 0.78 trillion baht or 9.20 percent of the market share, and ranking fourth and fifth are Vietnam and Hong Kong Special Administrative Region respectively.

## Export values and market shares sorted by country for the years 2018-2021

#	Export Target	2018		2019		2020		2021	
		trillion baht	%	trillion baht	%	trillion baht	%	trillion baht	%
1	USA	0.90	11.10	0.97	12.73	1.06	14.76	1.31	15.41
2	China	0.97	11.95	0.90	11.83	0.92	12.81	1.17	13.71
3	Japan	0.80	9.88	0.76	9.97	0.70	9.74	0.78	9.20
4	Vietnam	0.42	5.14	0.38	4.92	0.34	4.73	0.39	4.60
5	Hong Kong	0.40	4.96	0.36	4.76	0.35	4.87	0.38	4.27

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 2021, import value from China amounts to 2.12 trillion baht or 24.88% of the market share, while the import value from Japan equals 1.13 trillion baht or 13.30 percent of market share. The third, fourth and fifth places go to The United States, Malaysia, and South Korea respectively.



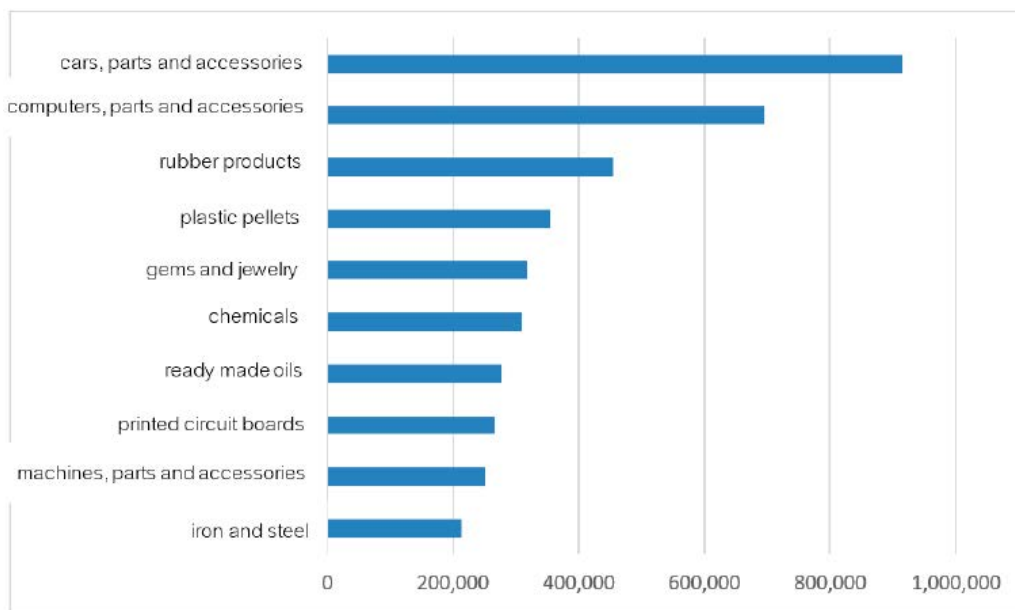
### Import values and market shares sorted by country for the years 2018-2021

#	Export Target	2018		2019		2020		2021	
		trillion baht	%	trillion baht	%	trillion baht	%	trillion baht	%
1	China	1.62	20.05	1.58	21.24	1.56	24.00	2.12	24.88
2	Japan	1.15	14.14	1.04	14.03	0.86	13.23	1.13	13.30
3	USA	0.49	6.06	0.55	7.35	0.46	7.07	0.46	-5.38
4	Malaysia	0.43	5.35	0.40	5.44	0.32	4.92	0.38	4.49
5	South Korea	0.35	4.30	0.27	3.65	0.24	3.69	0.33	3.70

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

Given that the export values of the year 2021 are divided by product types, cars, equipment and components make up the highest value, amounting to 0.91 trillion baht. This is followed by computers equipment and components which altogether equaling 0.69 trillion baht. The rubber products makes up a value of 0.45 trillion baht. As for the import side, Thailand needs to import crude oil with a value at the amount of 0.77 trillion baht, followed by machines and parts at 0.66 trillion baht, and chemicals at 0.65 trillion baht.

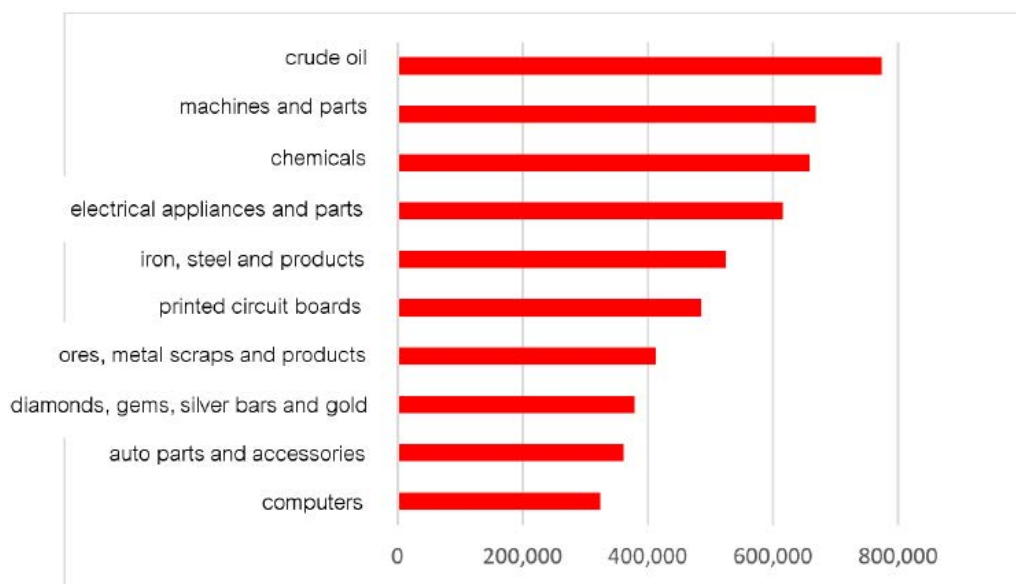
### Export values sorted by top ten product types in 2021 (million baht)



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



## Import values sorted by top ten product types in 2021 (million baht)



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

### • Trend of Logistics Business

Due to auxiliary factors from opening ASEAN Economics Community or “AEC” and the promotional policies from the Government sector such as the Strategic Plan on the Developing Thailand’s Logistics System, Third Edition, (2017-2021) that focuses on the development of the infrastructure and facilities as well as logistics-related supportive factors to enhance competitiveness and to make a preparation for becoming the Logistics hub in ASEAN and for the growing magnitude of E-Commerce. In 2021, the Logistics Industry enjoyed its higher trend rate of growth, especially in the areas of E-Commerce. According to the consumers changing behaviors caused by COVID-19 pandemic, stimulating the growing trend of online sale and purchase in Consumer Products Group since the consumers have changed their lifestyle, the Logistics business related to transportation of goods, is therefore growing along by leaps and bounds.

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 important factor that greatly contributes to the growth in the Logistics business is the rapid development of E-Commerce since it requires the transportation system that effectively gives product delivery service right from the factory gate to customer's hand (B2C). Thailand's E-Commerce market in the year 2021 in between the COVID-19 pandemic was continuously growing with the total value of 356,000 million baht, a 21% increase from 2020. Not only Thailand but the whole world has seen the rapid growth in the value of online trading as can be seen from the numeric data gained from the Asia and Pacific Region, Western Europe, North America, Latin America, Central-Eastern Europe, to Central Asia, the Middle East, and Africa. The global value of E-Commerce from 2014 to 2021 was at the huge rate of 269%. As for China which is ranked first in the world for the value of E-Commerce Business, its market value of E-Commerce has constantly grown, as can be seen from the year 2020 in which online retail sales had a value of 9.8 trillion Yuan, increased by 14.8% from the preceding year, making it still hold the first rank as the biggest online retail market for the eighth consecutive year. It is also estimated that China's E-Commerce market will still outstandingly expand; thus, any operators of Logisticians Business who can be first to grab the E-Commerce operators will greatly gain their competitive advantages.

#### • 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 2020 and 2021 are 1,790 and 3,147, 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").

#### • 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 17 years since the implementation of the ISO 9001 system. In addition, from the company's statistical records of customers' complaints between 2012 and 2021, 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) In relation to the growth trend in the E-Commerce Business mentioned above, the Company has a customer base in such business both inside and outside of the country, and it is also the representative in Thailand for China Post Yunnan (China Post), affiliated with China Post Group Peking, a China's state-owned enterprise, in developing and expanding the business of Postal and Air Parcel Freight, especially the development of International Air Freight Business for E-Commerce, offering both transportation of goods from China to Thailand and the other way around. These factors earn the Company some competitive advantages and contribute to the Company's sales growth in the long run.
- 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).

### 1.2.2.3 Service Procurement

#### 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.

## **Service operations procedures**

documents and places related to services supporting end-to-end logistics services

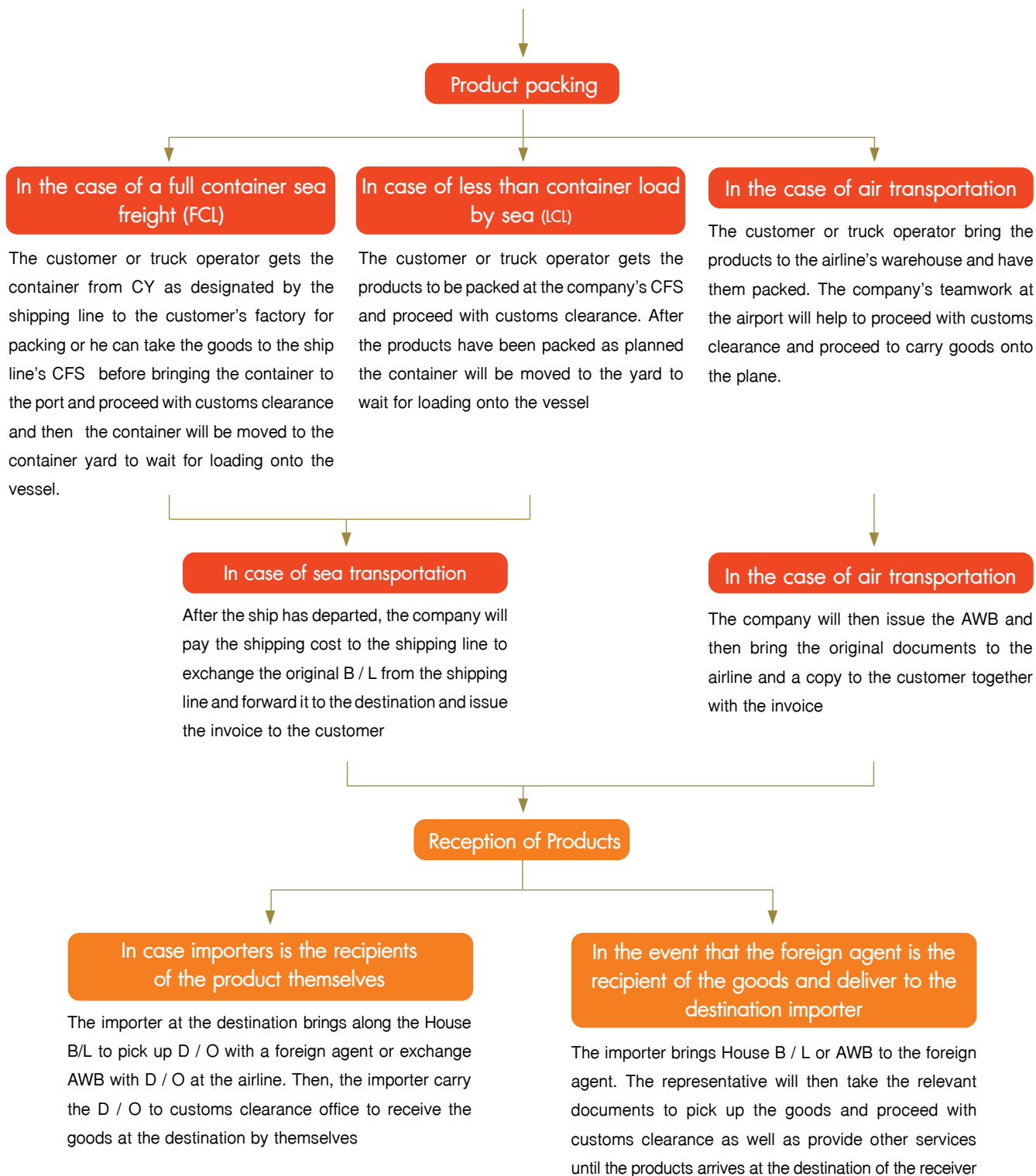
1. Bill of Lading or "B/L"
2. House B/L
3. Master B/L
4. Airway Bill or "AWB"
5. Delivery Order or "D/O"
6. Container Yard or "CY"
7. Container Freight Station or "CFS"



## Outbound end-to-end logistics services

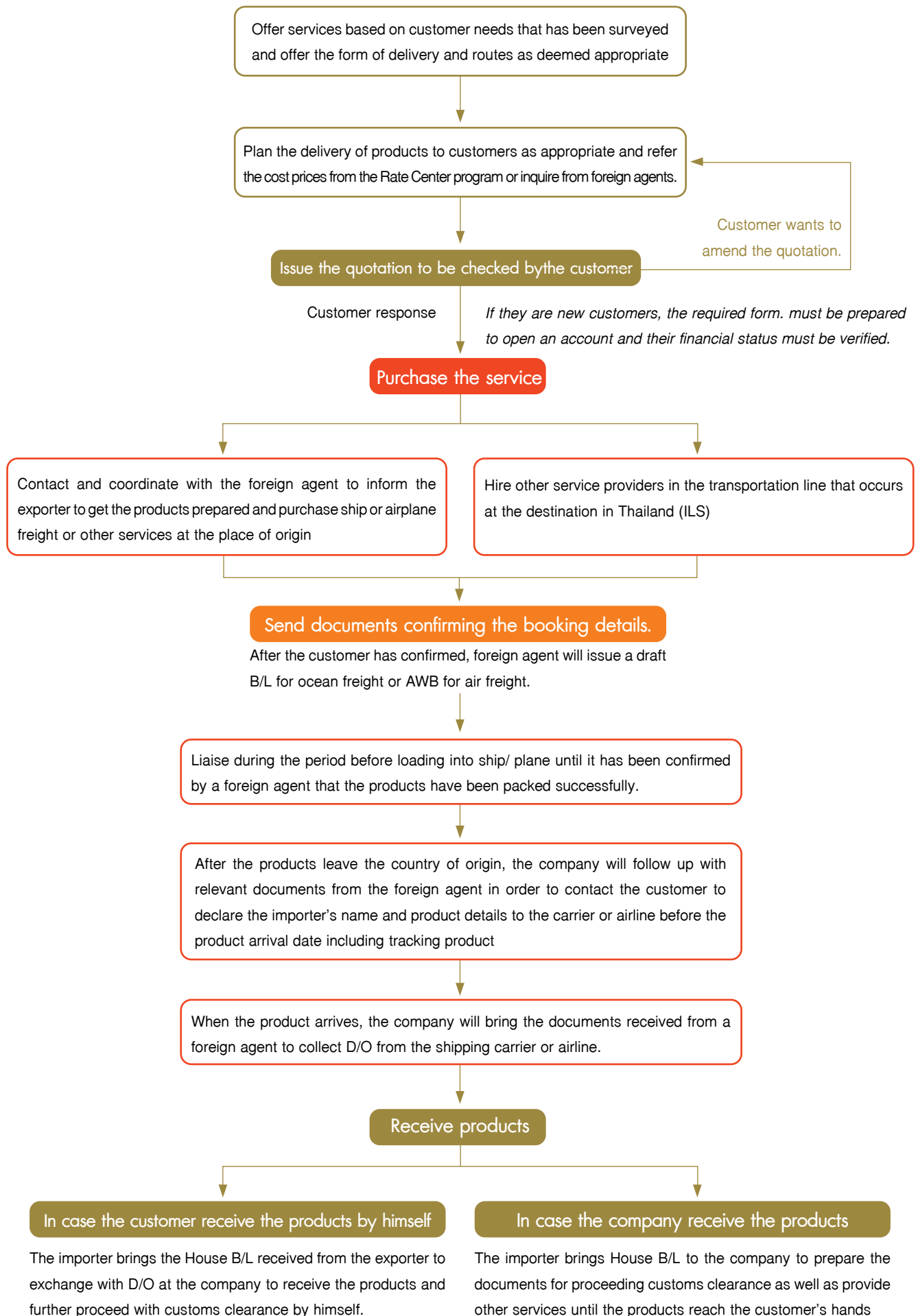
Send the documents for booking confirmation.

After the customer confirm, the company issue the B / L draft for sea shipment or AWB for air shipment and deliver it to the customer to check for accuracy before packing.





## Inbound End-to-End Logistics Services





• 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, 2021, the company is a member of various associations as follows:

Order	List of associations	The symbol	category	inauguration date
Domestic association				
1.	Thai International Freight Forwarders Association or "TIFFA"		ordinary	17 January 2011
2.	Thai Airfreight Forwarders Association or "TAFa"		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
6.	The Federation of Thai Industries or "F.T.I."		associate	15 December
International association				
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 4,942 members, which are distributed in 167 countries.

### 1.2.2.4 Assets used in business undertaking

The assets used in operating the Company’s business are divided into permanent assets and intangible assets as detailed in Attachment 4.

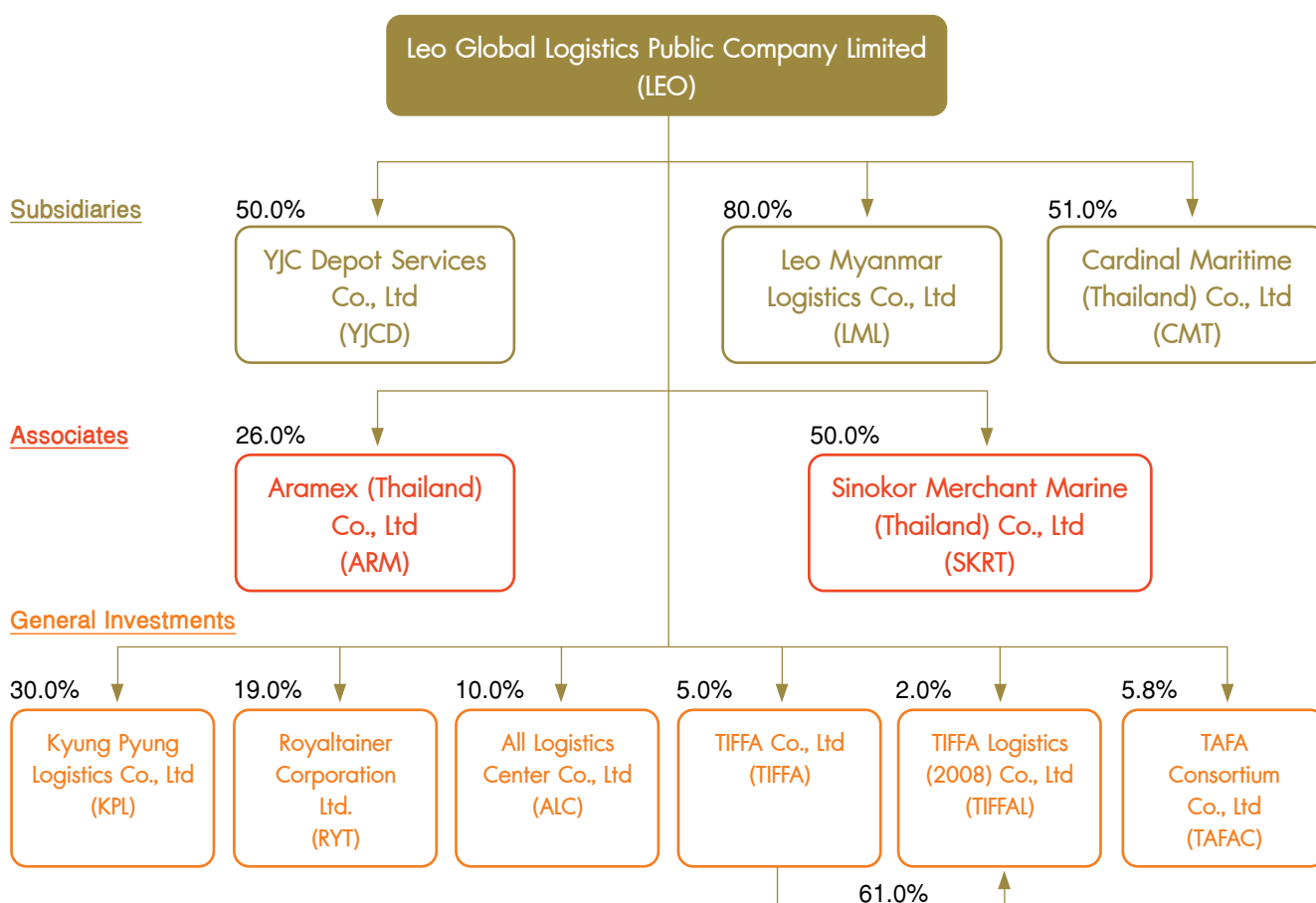
### 1.2.2.5 Job not yet delivered

- none —

## 1.3 Shareholding Structure

### 1.3.1 Shareholding structure of the group of companies

As of December 31, 2021, the Company has shareholding structure in subsidiaries, associates and general investments as follows:





• Details of company and the location of the head office

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, Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok 10120
Nature of business	: A provider of end-to-end global logistics services and invest 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

• Details of company branch

<b>1) Rama 3 branch</b>	
Branch	: Rama 3
Address	: No. 259/1 Soi Phakdi, Rama 3 Road, Bang Kho Laem Sub-district Bang Kho Laem District, Bangkok
Phone number	: (662) 079-9888
Fax	: (662) 079-9829
<b>2) Suvarnabhumi branch</b>	
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
<b>3) Laem Chabang branch</b>	
Branch	: Laem Chabang
Address	: No. 53, Talaythong Building 11th Floor, Moo 9, Sukhumvit Road, Thungsukla Sub-district, Sriracha District, Chonburi Province
Phone number	: (662) 079-9888/ 038-492-889
Fax	: 038-492-892



• 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) Company name</b>	<b>: Leo Myanmar Logistics Company Limited</b>
Nature of business	: A provider of end-to-end logistics services in Myanmar
Location	: 422/426 CORNER OF STRAND ROAD AND BOTAHTAUNG PAGODA ROAD, # 10-08, BOTAHTAUNG TOWNSHIP,
Registration number	: NO. 632FC of 2014-2015
Registered capital	: 100,000 USD, or approximately 3,233,000 baht *
Paid-up capital	: 100,000 USD, or approximately 3,233,000 baht * divided into 10,000 ordinary shares with a par value of 10.00 USD per share
The Company's shareholding proportion	: 80.0 %
Phone number	: 951-202092
Fax	: 951-202092
*Referred to the exchange rate as of 29 December 2021 = 32.33 baht per 1 USD	
<b>(3) Company name</b>	<b>: Cardinal Maritime (Thailand) Co., Ltd.</b>
Nature of business	: A provider of International Logistics services between Thailand, UK and North Europe
Location	: No.251-251/1 Soi Phakdi, Rama 3 Road, Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok 10120
Registration number	: 0105564128370
Registered capital	: 10,000,000 baht
Paid-up capital	: 10,000,000 baht, divided into 100,000 ordinary shares with a par value of 100.00 baht per share
The Company's shareholding proportion	: 50.997%
Phone number	: 02-010-0222
Fax	: 02-010-0244



<b>(4) 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>(5) 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	: 968, U Chu Liang Building, 10th floor, Rama IV 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	: 02-035-6979
* Office moved since January 1, 2022	
<b>(6) 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 72,900,000 baht*
Paid-up capital	: 3,000,000,000 won or approximately 72,900,000 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 2021 = 0.0243 baht per 1 won	



<b>(7) 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>(8) 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



### 1.3.2 Person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10 percent of the voting shares of such company

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
1. Mr. Hyon Sol Koo	Representative of Sinokor
2. Mr. Min Kun Chin	Representative of Sinokor
3. Mr. Kettivit Sittisoontornwong	Representative of the Company
4. Mr. Surasit Asavasakseri	Representative of the Company
5. Miss Pannee Tunsataweerut*	-
6. 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 (2018–2020) equal 73.39 million baht, 67.80 million baht, and 62.60 million baht respectively while the Company’s revenues of the same period were 1,118.15 million baht, 1,047.21 million baht, and 1,129.13 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.

### 1.3.3 Relationship with the businesses of major shareholders

- None -

### 1.3.4 Shareholders

#### 1.3.4.1 List of major shareholders

(A) Top 10 highest shareholders

Top ten shareholders comparing between 2020 – 2021, as of December 30, 2021 are detailed below:

	Shareholders’ name	As of December 29, 2020		As of December 30, 2021		Change	
		No. of shares	% of paid up capital	No. of shares	% of paid up capital	Increase (Decrease)	%
1.	Mr. Kettivit Sittisoontornwong	72,875,200	22.774	65,875,200	20.586	(7,000,000)	(9.605)
2.	Mr. Somsak Srisuthakul	29,352,000	9.173	29,160,100	9.113	(191,900)	(0.654)
3.	Thai NVDR Company Limited	1,015,600	0.317	23,725,022	7.414	22,709,422	2,236.060
4.	TSC Holding Company Limited	27,632,000	8.635	22,148,100	6.921	(5,483,900)	(19.846)
5.	Lady Pattama Leeswadtrakul	19,340,000	6.044	19,340,000	6.044	-	-
6.	Mr. Viset Sittisoontornwong	16,500,000	5.156	16,400,000	5.125	(100,000)	(0.606)
7.	Sinokor Merchant Marine Company Limited	15,000,800	4.688	15,000,800	4.688	-	-
8.	Mr. Surasit Asavasakseri	10,300,000	3.219	10,300,000	3.219	-	-
9.	Ms. Sripri Eakwichit	10,300,000	3.219	10,140,000	3.169	(160,000)	(1.359)
10.	Mr. Chotiwat Duntanasarn	5,500,000	1.719	5,570,000	1.741	70,000	1.273
	<b>Total</b>	<b>207,815,600</b>	<b>64.942</b>	<b>217,659,222</b>	<b>68.019</b>	<b>-</b>	<b>-</b>
11.	Others Shareholders	112,184,400	35.058	102,340,778	31.981	(9,843,622)	(8.775)
	<b>Total</b>	<b>320,000,000</b>	<b>100</b>	<b>320,000,000</b>	<b>100</b>	<b>-</b>	<b>-</b>



- (B) Major shareholders whose behaviors materially influence the management policy making or the Company's operation
- None -

#### 1.3.4.2 Holding Company

- None -

#### 1.3.4.3 Major Shareholders' Agreement

- None -

### 1.4 The Amount of registered capital and paid-up capital

1.4.1 The Company, listed on Market for Alternative Investment (MAI), had registered capital as of December 31, 2021 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.

However, foreign shareholders can hold the Company's shares not exceeding a total of 49 percent of the number of issued and paid-up shares; as of December 30, 2021, the Company's shares held by foreigners amounted to 5.61 percent.

### 1.5 Issuance of other securities

- None -

### 1.6 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 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 Board of Directors shall report such interim dividend payment to the next shareholders' meeting.



## 2. Risk Management

### 2.1 Risk Management Policy and Plan

Since the Company has realized the importance and the need to implement international Risk Management standards in its business with the aim of enabling it to become an important organization that achieves customer satisfaction, has a positive corporate image and gets the entire business operations to proceed in the same direction, it has, therefore, determined risk management policies as follows:

1. Put Risk Management under the responsibilities of all levels of employees with the need to realize risks that occur in their own work and across the organization, emphasizing the management of risks in various aspects under a systematic internal control in a sufficient and appropriate manner.
2. Set up a risk management process which is good and in accordance with international standards to acquire the management of risk that affects the Company's business operation in an effective way leading to improvement. And also work on the risk management using the same approach all across the organization and engage the risk management system in decision-making process, strategic planning, projects, and the Company's business execution and in focusing on the achievement of Objectives, Goals, Vision, Mission, and the defined strategies to create operational excellence and confidence among those involved.
3. Put in place the guidelines for risk mitigation from the Company's operations to avoid potential damages or losses and regularly take follow-up actions and evaluate the risk management system.
4. Promote, develop and implement an up-to-date IT system in the risk management process and provide employees of all levels with an easy access to sources of information on risk management, and also set up a risk-management reporting system for the Company's risk-management working group and report to the Company's Board twice a year.

### 2.2 Risk factors on business operations

#### 2.2.1 Risks from the Company's business operations

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:

##### A) Risks from business operations

##### 1) 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. In addition, the Company has studied and sought for alliances who can help develop its potential to provide services through Digital Platforms or other new technology-and-innovation-based services and has developed its ERP to be able to connect with global business partners and customers in the form of API.



## 2) 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) 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 Matching by Natural Hedging and Forward Contract & Option contract totaling 82% of the USD amount received and paid in the year 2021.

## 4) The risk from the fluctuation of freight and transportation rates

The freight cost is considered the principle cost of end-to-end logistics business. 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.



#### 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 2021 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 has negotiated with the Insurance Company to push for the coverage of Direct B/L.

#### • Risk from management

##### 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 37 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 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.

### 2.2.2 Investment risk imposed on the securities holders

After registration of the Company's ordinary shares with the Stock Exchange of Thailand, investors can buy or sell the Company's shares in the secondary market. In this, the share prices shall likely be fluctuated depending on various factors such as the Company's operation results, changes in policies of the Government and changes in relevant rules and regulations.

The above-mentioned factors are all risk factors that may cause the Company's ordinary share price to fluctuate. As a result, investors are advised to seek for the background information of the Company Group and also take into account the said factors in an exhaustive and cautious way to minimize the potential risk from future fluctuation of the share prices that may make the investors unable to receive the return or any shareholders' rights or to lose in part or all of the investment money.

### 2.2.3 Foreign investment risk

- None -



## 3. Business Sustainability Development

### 3.1 Overview of Policy

Until the year 2021, the Company had not yet determined the policy on sustainability management but had observed the guidelines under the policy on social responsibilities; the Company has realized the importance of business operation for sustainable growth under Corporate Social Responsibilities (CSR), focusing on managing the business with concerns about stakeholders, the economy, the society and the environment with morality and ethics. The Company is in hopes that its business operation under Social Responsibilities will generate social benefits together with the Company's growth. The Company has, therefore, set up the policy on social responsibilities categorized into seven sections as follows:

1. Fair Business Operations
2. Anti-corruption
3. Respect for Human Rights
4. Fair labor practices
5. Responsibility for Customers
6. Caring for the Environment
7. Community/Social Development

The policy on social responsibilities in full version has been revealed on the Company's Website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"

### 3.2 Management of impacts on stakeholders in the business value chain

In operating its businesses, the Company takes into account the rights of all stakeholders, in line with the following guidelines:

- Shareholders : 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.
- Employees : 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
- Business partners :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.



- Customers : 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. The Company has kept its Customers' personal data secret in accurate and safe manner and has honestly used it in accordance with the Privacy Policy.
- Creditors : 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.
- Competitors : 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.
- Society : 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.

### 3.3 Management of environmental sustainability

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.

In 2021, the Company was undertaking a campaign for economical use of energy and resources, for example, turning off the airconditioners and electricity during lunch break or make use of both the two sides of paper to help reduce global warming, and it also has a plan to install a solar cell system to turn sunlight into electricity; this is expected to be complete within 2022.

However, in the year 2021, the campaign resulted in a 22.87 % decrease in water supply use and another 5.09 % decrease in electricity use compared with those in 2020.

### 3.4 Social sustainability management

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.



#### • 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.

#### • 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.

In addition, 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.



- 9.3. In conducting business, dealing, negotiating, bidding and other actions with government agencies or private sectors, it must be transparent and legitimate. In addition, the Company's directors, executives, employees and workers must not give or accept a bribe in every step of the business operation.

In 2021, there was no report of information on fraud and corruption submitted to the Company.

- **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.

In 2021, the Company hired three handicapped persons and paid a total amount of 362,880 baht for wages, and there was no report on forbidden actions or any human right violations.

- **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.



## Employee Recruitment

The Company puts an emphasis on employee development right from the process of recruiting them clinging to the notion that the process of employee recruitment and selection must be transparent and based on equality and fairness (Merit System). In doing so, employee qualifications are defined according to nature of work. And educational background, experience, expertise and other qualifications are all clearly specified. Persons with appropriate qualifications will be selected to go further to the interviewing process in which the supervisor in the related field will be invited to be the interviewer. This is to obtain a new employee with accurate qualifications to perform the duties in the job position.

In addition, every new employee will attend an employee orientation to be introduced to the Company's processes and their job procedure including the different departments in the company. This will help make them understand their roles and duties and operate their work in line with the job objectives. In this, the Company set up mentors to take care of the new employees and give them On-the-Job Training to get them started and make sure they can do their jobs with the least possible mistake and can finish them at an appropriate time. What's more, the Company sees the importance of giving its employees opportunities to make their career advancement along their career path to always retain good and proficient employees.

Moreover, the Company is launching the project "staff get staff" to give the staff an opportunity to take part in recruiting suitable people to work with the Company.

## Employee Development

The Company has provided the employees with trainings and seminars including encouraging them to participate in outside academic seminars and trainings on related topics to enhance their knowledge, ability and potential, and this includes cultivating some positive attitudes on morality, ethics and teamwork in employees, as detailed below:

### 1) Training and development programs for each level of employee

Training and Development Program	Levels of Employee			
	Staff	Supervisor	Manager	Executive
<b>Employee Orientation</b> To get the Employees to understand the Company's products/ services, organizational culture and work regulations	✓	✓	✓	✓
<b>Quality Management System</b> To get the Employees to understand the Company's Quality Management Systems	✓	✓	✓	✓
<b>Occupational Safety</b> To get the Employees to realize safety and work in a safe way	✓	✓	✓	✓
<b>Skill Development in Specific Work Field</b> To get the Employees to develop their skills within their work field to update their work knowledge and enhance their effectiveness	✓	✓	✓	✓
<b>Knowledge of Logistics Business</b> To get the Employees to understand the Company's Business Operations and update the news and information on Logistics	✓	✓	✓	✓
<b>Leadership Development</b> To develop the Employees' leadership		✓	✓	✓



## 2) Details of Employee Training and Development during the years 2019-2021

Employee Training and Development	2019	2020	2021
The average number of training hours per person	29.32	22.30	25.27
Percentage of training provided according to the training plan	100%	100%	100%

## 3) Pictures of the atmosphere at the training events held in 2021 (partial)

Orientation		
Quality Management System		
Occupational Safety		
SMART Sales Techniques		



- 4) Scholarship for employee development: In addition to the trainings provided by the Company, the Company has also encouraged and promoted the employees to continuously learn and develop themselves; thus, it has set up a scholarship for employee development. Because of this, in 2021, there was an employee who got the scholarship.

## Welfare

In 2021, in addition to various welfare benefits for the employees offered by the Government, the Company also provides them with additional benefits as follows:

- 1) Scholarship for the employees' offsprings: to help with the educational expenses for their children and thus lighten their financial burden, in 2021 the Company awarded 12 scholarships to its employees' children.
- 2) Employees are considered the Company's very essential resources that help it to push the business on, maintain the lead and sustainably grow; hence, the Company has set up the "Valuable Employee Award" program to boost the morale for those who have been working with the Company for 10 years or longer. And in 2021, the Company presented 22 awards to such Valuable Employees.
- 3) In 2021, when COVID-19 was continuing to spread, the Company offered all employees the insurance coverage for COVID-19 infection.
- 4) Moreover, the Company also provides financial support for private events such as weddings, childbearing, funerals, for example.

### • 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.

In 2021, the Company launched a project related to Corporate Social Responsibilities, the project dubbed "My School Project # 4", which is actually a fund-raising activity for the improvement of a school building and for student lunch fund at Ban Subchompu School, of Nongpai District, Phetchaboon Province. In this, the Company also invited some Customers who wanted to be our co-voranteers travelling to the school to repair the building together with the group of Company's Executives and Staff. As a result of this, several of the customers gave responses saying they were glad to travel there and join the activity since it is beneficial and gives them a feeling of sharing and giving to those in need.



The Project “My School Project” is another activity that can create and strengthen the relationship between the Customers and the Company since while doing the activity there must be senses of help and teamwork; this is together with good care and attention given by the Company while travelling to remote areas where the Customers are likely to find it a bit inconvenient, and thus making them feel impressed. That is why the Project “My School Project” in every edition has been positively responded and fully supported by the Customers.

- **Community/Social Development**

The Company has realized its community and social responsibilities; it therefore has policies in helping and developing the society which include the policy to support youth education. In so doing, the Company raise a fund to repair some a school building in a remote area for students who lack educational opportunities under the project “My School Project” (Rong Rian Nee Phua Nong). However, the Company still has policies to support the surrounding society and to respond to the incidents that impact the community, the society, and the environment as a result of the Company’s business operations in a quick and effective manner. 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 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. And in 2021, the 8 students completed their education and have already worked for the Company.

In 2021, the Company held activities for society as follows

1) Educational Development Projects

- The Project “My School Project # 4” in which the Company held an activity to repair a school building and deliver a new one together with some teaching aid to the teachers and students at Ban Subchompu School, of Nongpai District, Phetchaboon Province.
- The Calendar-Donation Project in which the Company donated old calendars, collected from the staff’s donation, to Educational Technology for the Blind Center, Foundation for the Blind in Thailand under the Royal Patronage H.M. the Queen, of Pakkred District, Nonthaburi Province, for making Braille flashcards that are used as the teaching materials for blind children with multiple disabilities.

2) The Project to Share Your Kindness against the Dangers of COVID-19

- The Company participated in donation to Siriraj Foundation in the amount of 200,000 baht to purchase Medical Equipment for Navamindrapobitr 84th Anniversary Building, Siriraj Hospital and provided the patients and the medical staff with over a hundred bags of Poompuksa Alcohol Clean Spray for use at the hospital.
- The Company participated in donation to Ramathibodi Foundation in the amount of 250,000 baht to purchase some Medical Equipment and provided the patients and the medical staff with over a hundred bags of Poompuksa Alcohol Clean Spray for use at the hospital.
- The Company delivered Air Pressured Ventilators for Children in Crisis valued 750,000 baht to Phramongkutklao Hospital and provided the patients and the medical staff with over a hundred bags of Poompuksa Alcohol Clean Spray for use at the hospital.
- The Company delivered 3,100 lunch boxes, 1,000 bottles of drinking water, 1,500 bags of Alcohol Clean Spray, and 200 sets of Personal Protective Equipment (PPE) to communities and medical staff all through the period from August to October.



- The Company also delivered Alcohol Clean Spray to hospitals and schools in remote areas and some areas with risks against COVID-19 outbreak; they are five hospitals in the provinces of Nakhon Phanom, Mukdahan and Chiang Mai including 11 schools in the provinces of Tak, Chaiyaphum and Nakhon Nayok.
- The Company donated paper boxes and crates under the Project “SCGP Paper Field Hospital Bed” to make recycled beds and further donate them to field hospitals.

## 4. Management Discussion and Analysis (MD&A)

### 4.1 Financial Highlights

#### Statement of Financial Position

Statement of Financial Position (Unit : Million BAHT)	Consolidated					
	31 December 2019		31 December 2020		31 December 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	89.73	18.81	37.84	3.85	99.39	6.17
Financial assets measured at amortised cost	-	-	200.00	20.33	40.00	2.48
Financial assets measured at fair value through profit or loss	-	-	180.31	18.32	0.01	-
Trade and other receivables, net	180.14	37.77	288.19	29.29	980.46	60.87
Other current assets	2.43	0.51	3.07	0.31	13.13	0.82
<b>Total current assets</b>	<b>272.30</b>	<b>57.09</b>	<b>709.41</b>	<b>72.10</b>	<b>1,132.99</b>	<b>70.34</b>
<b>Non-current assets</b>						
Restricted deposits at financial institutions	15.10	3.17	15.28	1.55	14.76	0.91
Investments in associates, net	44.96	9.42	55.95	5.69	82.46	5.12
Financial assets measured at fair value through other comprehensive income	-	-	47.80	4.86	49.86	3.10
General investments, net	34.34	7.20	-	-	-	-
Other receivable - Revenue department	6.15	1.29	6.20	0.63	-	-
Investment property, net	14.28	2.99	24.49	2.49	94.23	5.85
Property, plant and equipment, net	46.63	9.78	36.89	3.75	193.42	12.01
Right-of-use assets, net	-	-	60.95	6.19	-	-
Intangible assets, net	3.67	0.77	4.80	0.49	6.18	0.38
Deferred tax assets, net	10.19	2.14	9.36	0.95	9.76	0.61
Other non-current assets	29.33	6.15	12.83	1.30	27.18	1.68
<b>Total non-current assets</b>	<b>204.66</b>	<b>42.91</b>	<b>274.56</b>	<b>27.90</b>	<b>477.85</b>	<b>29.66</b>



Statement of Financial Position (Unit : Million BAHT)	Consolidated					
	31 December 2019		31 December 2020		31 December 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Total assets</b>	<b>476.96</b>	<b>100.00</b>	<b>983.97</b>	<b>100.00</b>	<b>1,610.84</b>	<b>100.00</b>
<b>Liabilities and Equity</b>						
<b>Current liabilities</b>						
Bank overdrafts	2.96	0.62	1.38	0.14	141.64	8.79
Trade and other payables	177.09	37.13	196.55	19.98	359.32	22.31
Current portion of long-term borrowing from financial institutions	-	-	-	-	7.51	0.47
Current portion of finance lease liabilities	2.81	0.59	-	-	-	-
Current portion of lease liabilities	-	-	5.85	0.59	13.92	0.86
Derivative liabilities	-	-	0.23	0.02	1.15	0.07
Income tax payable	0.40	0.08	0.49	0.05	14.55	0.90
Other current liabilities	27.31	5.73	23.95	2.43	59.49	3.70
<b>Total current liabilities</b>	<b>210.57</b>	<b>44.15</b>	<b>228.45</b>	<b>23.21</b>	<b>597.58</b>	<b>37.10</b>
<b>Non-current liabilities</b>						
Long-term borrowing from a financial institution	-	-	20.00	2.03	12.49	0.78
Finance lease liabilities	8.21	1.72	-	-	-	-
Lease liabilities	-	-	62.55	6.36	163.90	10.17
Employee benefit obligations	42.40	8.89	46.02	4.68	46.84	2.91
Other non-current liabilities	5.63	1.18	-	-	-	-
<b>Total non-current liabilities</b>	<b>56.24</b>	<b>11.79</b>	<b>128.56</b>	<b>13.07</b>	<b>223.23</b>	<b>13.86</b>
<b>Total liabilities</b>	<b>266.81</b>	<b>55.94</b>	<b>357.01</b>	<b>36.28</b>	<b>820.81</b>	<b>50.96</b>
<b>Equity</b>						
Authorized share capital, 320,000,000 ordinary shares of par BAHT 0.50 each	160.00	33.55	160.00	16.26	160.00	9.93
Issued and paid-up share capital, 320,000,000 ordinary shares of par BAHT 0.50 each (Year 2019 : 200,000,000 ordinary shares of par BAHT 0.50 each)	100.00	20.97	160.00	16.26	160.00	9.93
Premium on ordinary shares	28.88	6.05	361.42	36.73	361.42	22.44
Retained earnings - appropriated - legal reserve	7.60	1.59	10.10	1.03	16.00	0.99
Retained earnings - unappropriated	60.80	12.75	73.94	7.51	223.14	13.85
Other component of equity	(1.07)	(0.23)	9.10	0.93	11.21	0.70



Statement of Financial Position (Unit : Million BAHT)	Consolidated					
	31 December 2019		31 December 2020		31 December 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
Equity attributable to owners of the parent	196.20	41.14	614.57	62.46	771.77	47.91
Non-controlling interests	13.95	2.92	12.39	1.26	18.26	1.13
<b>Total equity</b>	<b>210.15</b>	<b>44.06</b>	<b>626.96</b>	<b>63.72</b>	<b>790.03</b>	<b>49.04</b>
<b>Total liabilities and equity</b>	<b>476.96</b>	<b>100.00</b>	<b>983.97</b>	<b>100.00</b>	<b>1,610.84</b>	<b>100.00</b>

## Statement of Comprehensive Income

Statement of Comprehensive Income (Unit : Million BAHT)	Consolidated financial statements					
	31 December 2019		31 December 2020		31 December 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
Service income	1,044.01	99.70	1,126.27	99.75	3,365.43	99.87
Other income	3.19	0.30	2.86	0.25	4.23	0.13
<b>Total revenues</b>	<b>1,047.20</b>	<b>100.00</b>	<b>1,129.13</b>	<b>100.00</b>	<b>3,369.66</b>	<b>100.00</b>
Cost of services	(731.58)	(69.86)	(795.98)	(70.49)	(2,714.72)	(80.56)
Selling expenses	(90.97)	(8.69)	(87.70)	(7.77)	(182.42)	(5.41)
Administrative expenses	(184.89)	(17.66)	(182.81)	(16.19)	(249.04)	(7.38)
Loss on impairment of financial assets	-	-	(0.43)	(0.04)	(2.63)	(0.08)
Finance costs	(0.56)	(0.05)	(3.95)	(0.35)	(4.96)	(0.15)
<b>Total expenses</b>	<b>(1,007.99)</b>	<b>(96.26)</b>	<b>(1,070.88)</b>	<b>(94.84)</b>	<b>(3,153.77)</b>	<b>(93.59)</b>
<b>Profit before share of profit from associates</b>	<b>39.21</b>	<b>3.74</b>	<b>58.25</b>	<b>5.16</b>	<b>215.89</b>	<b>6.41</b>
Share of profit from associates	15.10	1.44	10.81	0.96	25.42	0.76
<b>Profit before income tax</b>	<b>54.31</b>	<b>5.19</b>	<b>69.06</b>	<b>6.12</b>	<b>241.31</b>	<b>7.16</b>
Income tax	(7.28)	(0.70)	(11.29)	(1.00)	(41.65)	(1.23)
<b>Profit for the year</b>	<b>47.03</b>	<b>4.49</b>	<b>57.77</b>	<b>5.12</b>	<b>199.66</b>	<b>5.93</b>
<b>Other comprehensive income</b>						
<b>Item that will not be reclassified subsequently to profit or loss :</b>						
Gain on investments in equity instruments designated at FVOCI	-	-	-	-	2.06	0.06
Remeasurement of post-employment benefit obligations	(1.12)	(0.11)	0.08	0.01	-	-
Share of other comprehensive income of associates	(0.93)	(0.09)	0.19	0.01	1.09	0.02



Statement of Comprehensive Income (Unit : Million BAHT)	Consolidated financial statements					
	31 December 2019		31 December 2020		31 December 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
Income tax of items that will not be reclassified subsequently to profit or loss	0.22	0.02	(0.02)	(0.00)	(0.41)	(0.01)
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>(1.83)</b>	<b>(0.17)</b>	<b>0.25</b>	<b>0.02</b>	<b>2.74</b>	<b>0.07</b>
<b>Item that will be reclassified subsequently to profit or loss :</b>						
Currency translation differences	(0.06)	(0.01)	0.06	0.01	0.57	0.02
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(0.06)</b>	<b>(0.01)</b>	<b>0.06</b>	<b>0.01</b>	<b>0.57</b>	<b>0.02</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>(1.89)</b>	<b>(0.18)</b>	<b>0.32</b>	<b>0.03</b>	<b>3.31</b>	<b>0.09</b>
<b>Total comprehensive income for the year</b>	<b>45.14</b>	<b>4.31</b>	<b>58.09</b>	<b>5.15</b>	<b>202.97</b>	<b>6.02</b>
<b>Profit attributable to</b>						
Owners of the parent	45.88	4.38	56.88	5.04	198.81	5.90
Non-controlling interests	1.15	0.11	0.90	0.08	0.85	0.03
<b>Total comprehensive income attributable to</b>						
Owners of the parent	44.04	4.21	57.14	5.06	202.00	5.99
Non-controlling interests	1.10	0.11	0.94	0.09	0.97	0.03

## Statement of Cash Flows

Statement of Cash Flows (Unit : Million BAHT)	Consolidated financial statements		
	31 December 2019	31 December 2020	31 December 2021
	Amount	Amount	Amount
<b>Cash flows from operating activities:</b>			
Profit for the year	47.03	57.77	199.66
<b>Adjustments to reconcile profit before income tax to net cash provided by operating activities:</b>			
Tax expense	7.28	11.29	41.65
Share of profit of associates accounted for using equity method, net of tax	(15.10)	(10.81)	(25.42)
Depreciation and amortisation	7.37	13.59	18.03
Expected credit loss	-	0.42	2.63
(Gain) loss on disposal and write-off of plant and equipment	(0.20)	-	(0.35)



Statement of Cash Flows (Unit : Million BAHT)	Consolidated financial statements		
	31 December 2019	31 December 2020	31 December 2021
	Amount	Amount	Amount
Allowance for doubtful accounts	0.02	-	-
Provisions for employee benefits	9.32	4.34	4.06
Unrealised (gain) loss on exchange rate	-	-	0.21
Gain from disposal of financial assets measured at fair value through profit or loss	-	-	(0.59)
Dividend income	(1.23)	(1.05)	(1.37)
(Gain) loss from changes in fair value adjustment of derivatives	-	(0.50)	0.93
Gain from changes in fair value adjustment of financial assets	-	(0.24)	-
Interest income	(0.44)	(0.48)	(1.08)
Finance costs	0.56	3.95	4.96
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>54.62</b>	<b>78.41</b>	<b>243.32</b>
<b>Operating assets decreased (increased)</b>			
Trade and other receivables ,net	41.21	(115.06)	(692.85)
Other current assets	(0.17)	(0.80)	(10.11)
Other non-current assets	(3.66)	16.52	(14.40)
<b>Operating liabilities decreased (increased)</b>			
Trade and other payables	(42.59)	16.37	162.58
Other current liabilities	(1.43)	(3.36)	34.96
Other non-current liabilities	(1.88)	(5.63)	-
<b>Cash flows generated from (used in) operations</b>	<b>45.29</b>	<b>(14.18)</b>	<b>(276.50)</b>
Payment for employee benefit obligations	(0.81)	(0.64)	(3.23)
Income tax received	14.61	-	6.20
Income tax paid	(10.45)	(12.97)	(28.41)
<b>Net cash generated from (used in) operating activities</b>	<b>49.45</b>	<b>(27.15)</b>	<b>(301.94)</b>
<b>Cash flows from investing activities</b>			
Proceeds (payment) of restricted deposits at financial institutions	3.06	(0.17)	0.52
Proceeds (payment) from short-term fixed deposit	-	(200.00)	200.00
Proceeds from sale of other debts securities	-	0.10	245.90
Acquisition of other debts securities	-	(180.17)	(105.00)
Acquisition of other equity securities	(0.06)	(0.80)	-
Acquisition of investment properties	(0.46)	(0.50)	(26.50)



Statement of Cash Flows (Unit : Million BAHT)	Consolidated financial statements		
	31 December 2019	31 December 2020	31 December 2021
	Amount	Amount	Amount
Acquisition of plant and equipment	(2.04)	(6.61)	(35.88)
Proceeds from sale of plant and equipment	-	-	1.52
Acquisition of intangible assets	(3.33)	(1.53)	(3.41)
Proceeds from disposal of fixed assets	2.14	-	-
Received interest	0.44	0.40	1.09
Received dividends	1.23	1.05	1.37
<b>Net cash generated from (used in) investing activities</b>	<b>0.98</b>	<b>(388.23)</b>	<b>279.60</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings from financial institutions	10.00	-	262.40
Repayment of short-term borrowings from financial institutions	(10.00)	-	(138.90)
Proceeds (payment) from bank overdrafts, net	(8.38)	(1.58)	16.76
Proceeds from long-term borrowings from financial institutions	-	20.00	-
Payment for long-term borrowings from financial institutions	(6.00)	-	-
Payment for finance lease liabilities	(1.81)	-	-
Payment of lease liabilities	-	(4.60)	(14.93)
Paid interest	(0.30)	(0.74)	(0.98)
Dividends paid to owners of the Company	(31.50)	(42.50)	(44.80)
Cash received from non-controlling interests in a subsidiary	-	-	4.90
Proceeds from an increase of share capital	25.00	392.55	-
<b>Net cash generated from (used in) financing activities</b>	<b>(22.99)</b>	<b>363.14</b>	<b>84.45</b>
<b>Net increase in cash and cash equivalents</b>	<b>27.44</b>	<b>(52.24)</b>	<b>62.11</b>
Exchange gain (loss) on cash and cash equivalents	(0.05)	0.35	(0.56)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>62.34</b>	<b>89.73</b>	<b>37.84</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>89.73</b>	<b>37.84</b>	<b>99.39</b>



## Key Financial Ratios

Key Financial Ratios	Unit	Consolidated financial statements		
		31 December 2019	31 December 2020	31 December 2021
Liquidity Ratio				
Current ratio	(times)	1.29	3.11	2.37
Quick ratio	(times)	1.28	3.09	1.87
Cash flow liquidity ratio	(times)	0.21	-0.12	-0.73
Account receivable turnover	(times)	6.29	5.66	7.78
Average collection period	(days)	58.07	64.51	46.92
Account payable turnover	(times)	4.51	5.26	13.28
Payment Period	(days)	81.01	69.45	27.47
Cash cycle	(days)	-22.95	-4.95	19.44
Profitability Ratios				
Gross profit margin	%	29.93	29.33	19.34
Operating profit margin	%	3.77	5.43	6.44
Cash to profit margin	%	143.18	130.77	113.46
Net profit margin	%	4.49	5.12	5.93
Return on equity	%	24.64	13.80	28.18
Efficiency Ratio				
Return on assets	%	9.82	7.91	15.39
Ratio return on fixed assets	%	121.52	170.89	149.48
Assets turnover	(times)	2.19	1.55	2.60
Financial Policy Ratio				
Debt to equity ratio	(times)	1.27	0.57	1.04
Interest coverage ratio	(times)	98.05	18.47	49.67
Dividend payout ratio	%	66.98	73.57	22.44



## 4.2 Management Discussion and Analysis

### Summary of Financial Performance

Unit : Million Baht (MB)	2021	2020	2019
	12 Months	12 Months	12 Months
Revenues-Service and Other income	3,369.7	1,129.1	1,047.2
Gross Profit (GP)	650.7	330.3	312.4
Gross Profit Margin (%)	19%	29%	30%
Net Profit (NP)	199.7	57.8	47.0
Net Profit Margin (%)	5.9%	5.1%	4.5%

In 2021, The Company's total revenues were 3,369.7 MB increased 198% from 2020 and increased 222% when compared to 2019.

The Company's gross profit in 2021 was 650.7 MB increased 97% from 2020 and increased 108% from 2019. The gross profit margin for 2021 was lower than 2020 and 2019 because sea freight charges in 2021 were dramatic higher but gross profit could not be increased in the same ratio.

For net profit in 2021, the Company earned 199.7 MB increased 246% from 2020 and increased 325% from 2019. In addition to the growth of net profit amount, the company was able to enhance its net profit margin from 4.5% in 2019 to 5.1 % in 2020 and increased to 5.9 % in 2021.

### Service income and portion by segment

Segment	Revenue (MB)	Portion %	Revenue (MB)	Portion %	Revenue (MB)	Portion %
	2021	Total Revenue	2020	Total Revenue	2019	Total Revenue
1. Sea Freight	2,922.3	87%	779.0	69%	723.7	69%
2. Air Freight	226.9	7%	174.5	16%	137.7	13%
3. Integrated logistics services	185.4	5%	138.0	12%	149.5	14%
4. Self storage and Container Depot Service	30.8	1%	34.8	3%	33.1	3%
Total	3,365.4	100%	1,126.3	100%	1,044.0	100%

In 2021, the service income was 3,365.4 MB which comprised with 4 segments as the following details.

- 1) Sea Freight service: the company's revenues from sea freight was 2,922.3 MB or 87% of total service income.
- 2) Air Freight Services: the company's revenues from air freight was 226.9 MB or 7% of total service income.
- 3) Integrated Logistics Services: the income from these services including local transportation, custom clearance service and others were 185.4 MB or equivalent to 5% of total service income.
- 4) Self Storage and Container Depot Services : the income from these services including rental space services , container depot and container repair service were 30.8 MB or about 1% of total service income.



## Performance Analysis

### 1. Sea Freight Service

In 2021, the income continuously increased by 275% when compared to 2020 and increased 304% when compared to 2019 because of the higher freight rate and increasing in volume of serviced containers. For 2020, 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.

### 2. Air Freight Service

In 2021, the income increased by 30% when compared to 2020 and increased 65% when compared to 2019 because the volumes of air transport have continuously recovered from last year. The revenue in 2020 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.

### 3. Integrated Logistics Services

#### 3.1 Transportation Services

The income from transportation services in 2021 was increasing 22% from 2020 and increased 13% when compared to 2019 because of higher volume of truck transport which in line with the increasing of sea and air transportation. But when compared between 2020 and 2019, in 2020 decreased 8% due to Covid-19 effect.

#### 3.2 Customs Clearance & other Services

The income from customs clearance and other services in 2021 was increased 68% from 2020 and increased 55% from 2019 due to the volume of import and export continued increase. But these services income decreased 8% in 2020 when compared to 2019 due to Covid-19 effect.

### 4. Self Storage and Container Depot Services

The income from Self storage service in 2021 decreased by 7% when compared to 2020 due to the Covid-19 situation, the clients come to use our service less than normal but there was a trend to return to regular service level and increased 7% when compared to 2019. In 2020, the occupancy rate of self storage was increased from 2019 and revenue increased by 15% when compared to 2019.

The income from container depot in 2021 was 13% decreased from 2020 and decreased 10% from 2019 due to containers were in high demand; therefore, the volume of containers send to the yard were lower than normal. In 2020 was increased 3% from 2019 due to the shortage of containers back to Thailand there was little income growth.



## Other income

Mainly from dividend, interest income and profit from short term investment as the following

Other income	2021 (Jan-Dec)	2021 (Jan-Dec)	2021 (Jan-Dec)
1. Dividend	1,368,732	1,050,000	1,225,000
2. Interest Income	1,076,479	475,493	436,618
3. Profit from short-term investments	588,551	309,311	-
4. Income from rental/service	359,691	484,354	710,289
5. Other income	834,651	541,072	821,478
<b>Total</b>	<b>4,228,105</b>	<b>2,860,230</b>	<b>3,193,385</b>

## Selling and Administrative expenses

The selling and administrative expenses for 2021 was increased 59% from 2020 and increased 56% from 2019 due to the additional payment of the following items i.e., sales incentive for the ones who achieved or over their target, additional employees' bonus, employee development and expenses for new business expansion according to the company's investment plan. When compared between 2020 to 2019 was decreased 1.9% due to the effective cost control program and suspension of overseas travelling from Covid-19 situation. The SG&A in 2020 were included the expenses for IPO promotion about 2.2 MB.

## Financial Cost

The Company's financial cost in 2021 was increased 25% from 2020 and increased significantly when compared to 2019 due to the interest payment used for increasing working capital which was from higher freight charges and the recognition of financial costs from the lease agreement.

## Net Profit

Net profit in 2021 was 199.7 MB which was 141.9 MB more than 2020 or increased 246%. This significant change was from the Company's capability to generate much more income, volume of serviced transportation and gross profit. With these results, demonstrating the company is expert in strategic management skills in this business; therefore, the volume of serviced shipments was dramatically increased even during the container shortage situation in 2021 and the difficulty of exporters to find the vessels' space for the shipments.

Net profit in 2020 was 57.8 MB. which was 10.8 MB. more than 2019 or 22.8% increased by positive impact from covid-19 situation fortunately LEO has a lot of customers in e-commerce, electronics, and food industries which high growth in 2020.

## Financial Analysis

### Assets

As 31st December 2021, the Company had total assets amount 1,610.8 MB increased 626.9 MB from 31st December 2020. Increasing of assets came from the current assets 423.6 MB. Cash and cash equivalent increased 61.6 MB. Trade and other receivables increased 692.3 MB mainly from trade accounts receivable because of much more earned revenue and freight rates surge. Other current assets increased 10.0 MB. Short-term investment and mutual fund were decreased 340.3 MB. Non-current assets were net increased 203.3 MB as details below.



- Investments in associates and long-term financial assets increased 28.5 MB. from additional profit sharing from associated companies 26.5 MB and 2.0 MB from re-valuation of the financial assets measured at fair value through other comprehensive income.
- Property and equipment-net, increased 95.6 MB from building renovated cost and computer equipment for new program software amount 34.9 MB and from additional the right-of-use assets 60.7 MB from Self-Storage and Container Depot new Projects and other lease agreements.
- Investment property-net, increased 69.7 MB from new lease agreements for Self-Storage Project #2.
- Other non-current assets net increased 9.4 MB from intangible assets and other non-current assets increased 15.6 MB but receivable from Revenue department decreased 6.2 MB after received tax refund.

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 were 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 associates and long-term financial assets increased 24.5 MB. from additional profit sharing from associates 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 because 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 as of 31st December 2021 amount 820.8 MB increased 463.8 MB from 31st December 2020 as the main items below.

- Bank overdrafts and short-term loans from financial institutions increased 140.3 MB mostly by issuing promissory notes.
- Account payable increased 162.8 MB.
- Corporate income tax payable increased 14.1 MB.
- Other current liabilities increased 35.3 MB mainly from more VAT payable 29.0 MB, withholding tax 4.9 MB and cash deposit received from customers 1.4 MB.
- Other non-current liabilities increased 102.1 MB from lease contracts 101.3 MB for Self-Storage #2, new container depot project and new lease agreement for office building. Employee benefit obligations also increased 0.8 MB.

The Company has the total liabilities as of 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 as of 31st December 2021 was 790.0 MB increased 163.0 MB from 31st December 2020 which was from net profit in this period amount 199.7 MB and decreased by dividend payment from 2020 and 2021 performance amount 44.8 MB. Other component of equity increased 2.1 MB. Non-controlling interests increased 5.8 MB.

Total equity as of 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 which amount of 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 because of the recognition of fair value adjustments for equity investments through other comprehensive income accordance with TAS 32 and TFRS 9.

## Liquidity

### Cash flows from operating activities

The Company and subsidiaries used net cash for operating activities in 2021 equal to 301.9 MB generated from net profit for the year 199.7 MB but used for Account receivable 692.9 MB, non-current assets 10.1 MB, and other current assets 14.4 MB. Account payable increased 162.6 MB and other current liabilities increased 35.0 MB.

The Company and subsidiaries have net cash flow used in operating activities for 2020 equal to 27.2 MB. Generated from net profit for the year 57.8 MB. Used in account receivable increased 115.0 MB. from more sales revenue and freight charge stepped up. Account payable increased 16.4 MB.

The Company and subsidiaries have net cash flow from operating activities in 2019 equal to 49.5 MB generated from net profit for the year 47.0 MB. Account receivable and other receivables decreased 41.2 MB. Other current assets increased 0.2 MB. Non-current assets increased 3.7 MB. Account payable decreased 42.6 MB and other current liabilities decreased 1.4 MB.

### Cash flows from investing activities

Net cash flows generated from investing activities in 2021 was net 279.6 MB by withdrawing short term investment 340.9 MB, spending for additional assets to support normal operation 37.8 MB and more invested in investment property 26.5 MB.

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.

Net cash flows from investing activities in 2019 were 0.1 MB by withdrawing the restricted deposits from financial institutions 3.1 MB and paid 3.2 MB for additional fixed assets.



**Cash flows from financing activities**

Net cash flows generated from financing activities in 2021 was 84.4 MB from bank overdraft loans 16.8 MB, short-term loans from financial institutions 123.5 MB and payments of lease liabilities 14.9 and dividend payment amount 44.8 MB.

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

Net generated cash flows from used in financing activities 2019 were 23.0 MB by receiving from bank short-term loan 10.0 MB and capital injection 25.0 MB. And payments for bank overdrafts 18.4 MB, long-term borrowings to financial institutions 6 MB, lease liabilities 1.8 MB and dividend payment amount 31.5 MB.



## 5. General information and other material facts

### 5.1 General information

#### 5.1.1 Securities Registrar

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

#### 5.1.2 Auditor

Company	: KPMG Phoomchai Audit Ltd.
Head office location	: No. 1, 50th Floor, Empire Tower, South Sathorn Road, Bangkok 10120
Phone number	: 02-677-2000

#### 5.1.3 Internal auditor

Company	: Dharmniti Internal Audit Co., Ltd.
Head office location	: No. 178 Dhamniti Building 5th floor, Soi Permsap (Prachachuen20) Prachachuen Rd., Bangsue, Bangkok 10800
Phone number	: 02-596-0500

#### 5.1.4 Legal consultant

Company	: JTJB International Lawyers Co., Ltd.
Head office location	: No. 89 AIA Capital Center, 20th Floor, Room 2003, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Phone number	: 02-116-1747
Fax	: 02-116-1905



## 5.2 Other material facts

- None -

## 5.3 Legal disputes

As of December 31, 2021 the Company and subsidiaries do not have any lawsuit in the following cases:

1. Any lawsuit that may negatively affect the assets of the Company or a subsidiary at an amount higher than 5 percent of the shareholders' equity at the end of the latest financial year.
2. Any lawsuit that affects the business undertaking of the Company or a subsidiary materially but the assessment whereof cannot be quantified in numbers.

## 5.4 Secondary market

- None -

## 5.5 Financial institution with regular contact (only in case of debt securities offeror)

- None -



# Section 2

## Corporate Governance

### 6. Corporate Governance Policy

#### 6.1 Overview of the Policy and Guidelines

The Company has conducted its business under the Law, its objectives as well as all regulations and resolutions approved at the Company's shareholders' meetings. It also abides by and complies with the principle of Good Governance under the guidelines imposed by the Stock Exchange of Thailand. This is to enhance the Company's operation efficiency and to ensure the Company's transparencies in the eyes of investors, and thus building trust when conducting businesses with the outside people. The Company has, therefore, established this policy on Good Corporate Governance according to Corporate Governance Code for listed companies 2017 which comprises 8 codes of principle 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
Principle 2	Establish objectives and main goals of the business toward sustainability
Principle 3	Strengthen effective committees
Principle 4	Nominate and Develop Senior Executives and Management
Principle 5	Promote innovation and responsible business conduct
Principle 6	Ensure appropriate risk management and internal control system
Principle 7	Maintain financial credibility and disclosure of information
Principle 8	Encourage participation and communication with shareholders

The Policy on Good Corporate Governance in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "Corporate Governance Policy"

In 2021, the company received awards and assessments related to good corporate governance activities as follows:

- The company received an "Very good" accomplishment in the Corporate Governance Report of Thai Listed Companies (CGR) for the year ended 2021 which was assessed by Thai Institute of Directors (IOD).
- The company received 86 scores in AGM assessment for the year ended 2021 which was assessed by Thai investor association.



## 6.1.1 Policy and guidelines related to the Board of Directors

### 6.1.1.1 The selection and the determination of remunerations 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.

The calculation of Directors' remuneration will be conducted by the Nomination and Remuneration Committee as far as the sufficiency of their duties and responsibilities is concerned. This will also take into account the business size and the Directors' duties and responsibilities as compared with other listed companies having approximately similar Market Capitalization to the Company's. Nevertheless, payments of Directors' remuneration require approval by the Company's Shareholders' Meetings, and the Executives will receive their payoffs in forms of monthly salary and yearly bonus based upon the Company's Business Performance.

### (1) Independent Directors

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 Board of Directors 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 Board of Directors 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.

#### Nomination of Independent Directors

The Nomination and Remuneration Committee will run the process for Independent-Director recruitment and nominate the qualified candidates at the Board of Directors' Meeting and/or the Shareholders' Meeting (as the case may be) for further



consideration for appointment.

## (2) Selection of the Board of Directors and the Executives

### • 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 Board of Directors' 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' Annual General Meeting, 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 Board of Directors views that such person is suitable for continuing to be an independent director for the utmost benefit of the Company.

- **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.

- **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.

- **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.

- **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).

#### 6.1.1.2 Development of the Directors

The Company's Board of Directors has a policy to promote and facilitate trainings and transfer of knowledge to educate those involved in the Company's Corporate Governance system, for example, the Company's Directors, Audit Committee members, the Executives and the Company Secretary to ensure continual improvement in their work operations. The trainings and transfer of knowledge will be either provided inside of the Company or conducted using services from outside institutions.

In the event that there is change in Directors of the Company or there is a newly appointed Director, the Company will arrange the documents that are useful for the new director's performance of duties including providing information on the business nature and the guidelines for the Company's business operations to the new director.

#### 6.1.1.3 Performance Assessment of the Board of Directors

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.



#### 6.1.1.4 Supervision of subsidiaries and associated companies

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.

#### 6.1.2 Policy and guidelines related to shareholders and stakeholders

- (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.

## **6.2 Business code of conduct**

The Company's Board of Directors has determined business Code of Conducts for the Executives as well as the Staff of the Company and its Subsidiaries which cover the Policies on Conflict of Interest, the Use and Protection of Company's Property and Information/Secret, Provision and Reception of Gifts or Entertainments, Control and Internal Audit System, Accounting and Financial Reporting, Responsibilities to Shareholders, Treatment to Executives/Staff, and on the Self Conducts of the Executives/Staff. The Executives and Staff's Business Code of Conducts in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"

In 2021, there was no report on violating any business Codes of Conducts at the Company.

## **6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year**

In 2021, The Company's Board of Directors conducted the reviews of the Board of Directors' Charter, the Policy on Good Corporate Governance and the Business Code of Conducts for the Executives and Staff. The Board deemed it appropriate to continue using the original versions of the Board of Directors' Charter, the Policy on Good Corporate Governance and the Business Code of Conducts for the Executives and Staff.

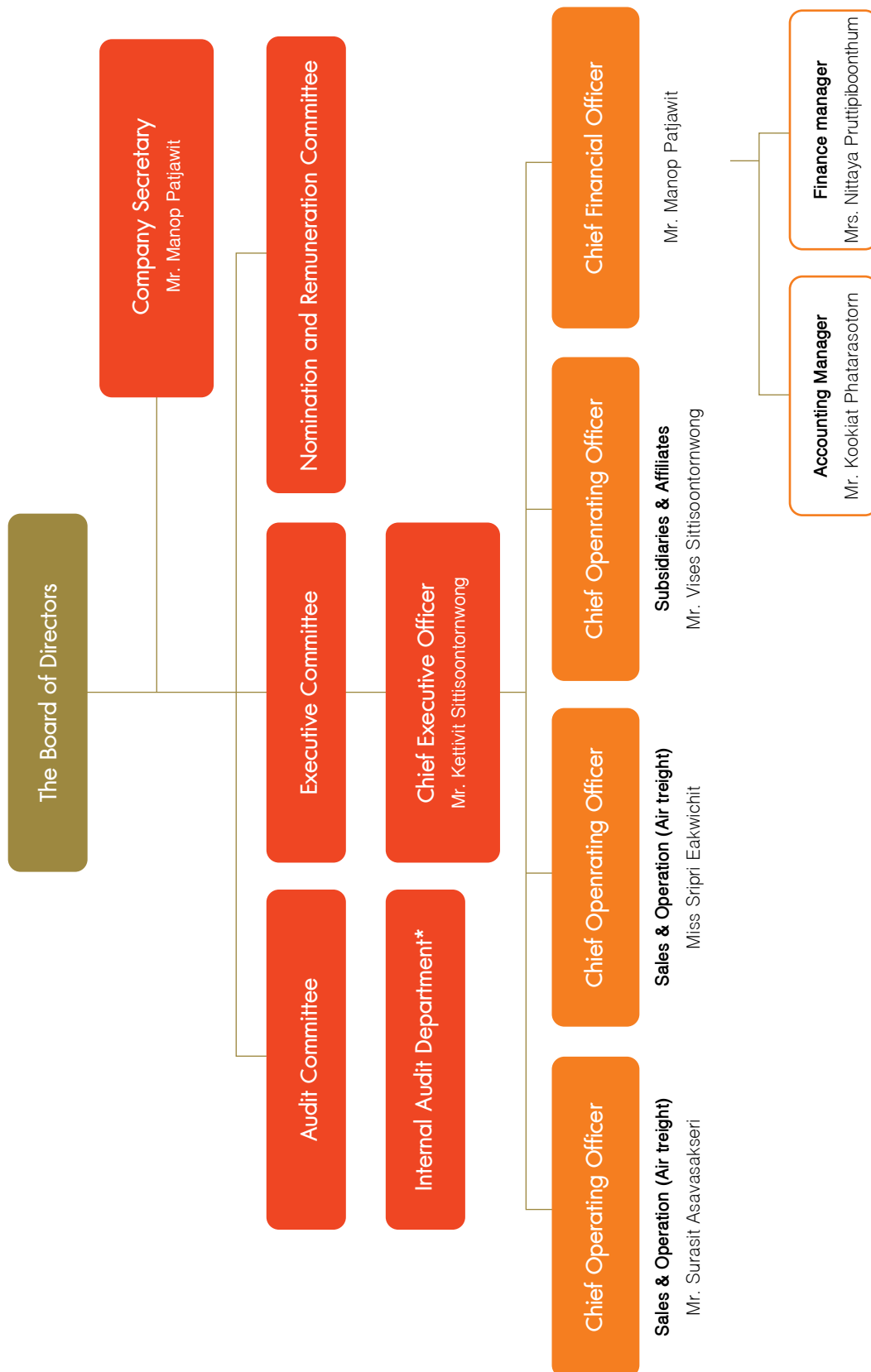
The Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Working Group of Risk Management have conducted the reviews of each of their Charters. And in the year 2021, the Audit Committee conducted the review of the Audit Committee Charter and found some of its areas of duties and responsibilities to be redundant with those of the Company's Board of Directors. It therefore proposed the Company's Board of Directors to consider approving the correction of the Audit Committee Charter.



## 7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

### 7.1 Corporate Governance Structure

Organization structure of the Company as of December 31, 2021



\* The Company hired Dharmañiti Internal Audit Co., Ltd. to be the Company's internal auditor. Ms. Ruetaichanoke Supapong (Director of Dharmañiti Internal Audit Co., Ltd.) is the head of internal audit affairs.



## 7.2 Information on 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 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.

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 Company's Board of Directors consists of nine persons divided into three Executive Directors and six Non-executive Directors equal to 66.67% of the total number of Directors, with five persons qualified to become Independent Directors equivalent to 55.56% which is not less than one third of the total number of the whole Directors on the Board, thus making it possible to establish a balance of power in considering and voting for matters.

The Board of Directors as of December 31, 2021 has a total of 9 members, consisting of

Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
1. Mr. Sanee Dangwung	Chairman of the BoD & Independent Director	7/7	10/10
2. Mr. Viwat Limsakdakul	Director / Independent Director / Chairman of the Audit Committee	5/7	9/10
3. Mr. Woragan Xuto	Director / Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee	5/7	9/10
4. Mr. Teerachai Chemnasiri	Director / Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee	7/7	10/10
5. Mr. Paiboon Sumranputi	Director / Independent Director / Member of the Nomination and Remuneration Committee	7/7	10/10



Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
6. Mr. Apichart Lee-issaranukul	Director	6/7	8/10
7. Mr. Kettivit Sittisoontornwong	Vice Chairman of the Board of Directors / Chairman of Executive Committee / Chief Executive Officer	7/7	10/10
8. Mr. Surasit Asavasakseri	Director / Chief Operating Officer	7/7	10/10
9. Miss Sripri Eakwichit	Director / Chief Operating Officer	7/7	10/10

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.

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

- 1) Having the power, duties and responsibilities to manage the Company in accordance with the law, objectives, regulations of the Company, and resolutions of the Board of Directors 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
- 2) Arranging a shareholders' meeting as an annual general meeting (AGM) within four (4) months from the end of the Company's accounting period
- 3) 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
- 4) 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.
- 5) Continuously monitoring the performance in accordance with the plan and budget, including regular reviewing such policies, plans and budgets



- 6) 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors, under the control of the Board of Directors, or being able to authorize such person to have the authority as the Board of Directors deems appropriate and within the period that the Board of Directors 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 Board of Directors.
- 17) Appointing a Company Secretary to be responsible for various operations on behalf of the Company or the Board of Directors, for example, preparing and keeping the registration of directors, invitation letters for Board of Directors meeting and shareholders' meeting, and keeping the reports on conflict of interest, etc.

The Board of Directors charter in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"

**Statement of change in shareholdings of directors and management executive**

(Unit : Share)

Name	Holding type	31 December 2020	Purchase	Disposal / Transfer out	31 December 2021
<b>Mr. Sanee Dangwung</b>	<b>Total</b>	<b>500,000</b>	-	-	<b>500,000</b>
Mr. Sanee Dangwung	Direct	500,000	-	-	500,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Viwat Limsakdakul</b>	<b>Total</b>	<b>400,000</b>	-	-	-
Mr. Viwat Limsakdakul	Direct	400,000	-	(400,000)	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Woragan Xuto</b>	<b>Total</b>	-	-	-	-
Mr. Woragan Xuto	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Teerachai Chemnasiri</b>	<b>Total</b>	<b>500,000</b>	-	-	<b>500,000</b>
Mr. Teerachai Chemnasiri	Direct	500,000	-	-	500,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Paiboon Sumranputi</b>	<b>Total</b>	-	-	-	-
Mr. Paiboon Sumranputi	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Apichart Lee-issaranukul</b>	<b>Total</b>	<b>300,000</b>	-	-	<b>300,000</b>
Mr. Apichart Lee-issaranukul	Direct	300,000	-	-	300,000
Shares held by spouse and minors	Indirect	-	-	-	-



Name	Holding type	31 December 2020	Purchase	Disposal / Transfer out	31 December 2021
<b>Mr. Kettivit Sittisoontornwong</b>	<b>Total</b>	<b>72,990,200</b>	<b>200,000</b>	<b>(7,200,000)</b>	<b>65,990,200</b>
Mr. Kettivit Sittisoontornwong	Direct	72,875,200	200,000	(7,200,000)	65,875,200
Shares held by spouse and minors	Indirect	115,000	-	-	115,000
<b>Mr. Surasit Asavasakseri</b>	<b>Total</b>	<b>10,430,000</b>	<b>-</b>	<b>(130,000)</b>	<b>10,300,000</b>
Mr. Surasit Asavasakseri	Direct	10,300,000	-	-	10,300,000
Shares held by spouse and minors	Indirect	130,000	-	(130,000)	-
<b>Miss Sripri Eakwichit</b>	<b>Total</b>	<b>10,300,000</b>	<b>-</b>	<b>(160,000)</b>	<b>10,140,000</b>
Miss Sripri Eakwichit	Direct	10,300,000	-	(160,000)	10,140,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Vises Sittisoontornwong</b>	<b>Total</b>	<b>16,500,000</b>	<b>-</b>	<b>(100,000)</b>	<b>16,400,000</b>
Mr. Vises Sittisoontornwong	Direct	16,500,000	-	(100,000)	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Manop Patjawit</b>	<b>Total</b>	<b>300,000</b>	<b>-</b>	<b>(160,000)</b>	<b>140,000</b>
Mr. Manop Patjawit	Direct	300,000	-	(160,000)	140,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Kookiat Phatarasotorn</b>	<b>Total</b>	<b>63,000</b>	<b>-</b>	<b>(6,000)</b>	<b>57,000</b>
Mr. Kookiat Phatarasotorn	Direct	63,000	-	(6,000)	57,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mrs. Nittaya Pruttipiboonthum</b>	<b>Total</b>	<b>120,000</b>	<b>19,100</b>	<b>-</b>	<b>139,100</b>
Mrs. Nittaya Pruttipiboonthum	Direct	120,000	19,100	-	139,100
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Total</b>		<b>112,403,200</b>	<b>219,100</b>	<b>8,156,000</b>	<b>104,466,300</b>



### 7.3 Information on subcommittees

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 Board of Directors. These are the Audit Committee, Nomination and Remuneration Committee, and the Executive Committee, having the composition and scope of authorization & duties as follows:

- **Audit Committee**

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

As of December 31, 2021, the Audit Committee consists of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
1. Mr. Viwat Limsakdakul	Chairman of the Audit Committee / Independent Director	5/6	5/5
2. Mr. Woragan Xuto	Member of the Audit Committee / Independent Director	5/6	4/5
3. Mr. Teerachai Chemnasiri	Member of the Audit Committee / Independent Director	6/6	5/5

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. Ms. Patsamon Preechasuth is the Secretary of the Audit Committee.

#### **Scope of Duties and Responsibilities of the Audit Committee**

- 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, 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 Board of Directors or executives do not take action to solve or improve the matter within the specified time, any Audit Committee 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 Audit Committee's authority.
- 12) Perform any other tasks as assigned by the Board of Directors.

The Audit Committee charter in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"



- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has 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, 2021, the Nomination and Remuneration Committee consists of

Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
1. Mr. Teerachai Chemnasiri	Chairman of the Nomination and Remuneration Committee / Independent Director	5/5	2/2
2. Mr. Woragan Xuto	Member of the Nomination and Remuneration Committee / Independent Director	4/5	2/2
3. Mr. Paiboon Sumranputi	Member of the Nomination and Remuneration Committee / Independent Director	5/5	2/2
4. Mr. Apichart Lee-issaranukul	Director	2/5	1/2* *retire by rotation since April 29, 2022

Note: Mrs. Nittaya Pruttipiboonthum 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 Board of Directors 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 Board of Directors 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 Board of Directors, Chairman of Executive Committee, sub-committees, CEO and Company Secretary annually, to report the assessment results to the Board of Directors.



- 9) Arrange for performance self-evaluation of the Nomination and Remuneration Committee every year and report the assessment results to the Board of Directors.
- 10) Perform any other tasks as assigned by the Board of Directors 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 Board of Directors' 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 Board of Directors' 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 of 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 Board of Directors.
- 6) Perform any other activities as assigned by the Board of Directors 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.

The Nomination and Remuneration Committee Charter in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"

- **The Executive Committee**

The Executive Committee 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, 2021, the Company's Executive Committee consists of

Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
1. Mr. Kettivit Sittisoontornwong	Chairman of the Executive Committee	15/15	13/13
2. Mr. Vises Sittisoontornwong	Member of the Executive Committee	15/15	13/13
3. Miss Sripri Eakwichit	Member of the Executive Committee	15/15	13/13
4. Mr. Surasit Asavasakseri	Member of the Executive Committee	15/15	13/13
5. Mr. Manop Patjawit	Member of the Executive Committee	15/15	13/13

Note: Mrs. Nittaya Pruttipiboonthum 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 Board of directors' 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 Board of directors. The amount limit for each item is as specified in the authorization chart as 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) Possess the authority to consider & approve the cost of operating the Company's normal business according to the budget approved by the Board of directors and according to the authorization chart as approved by the Board of directors.
- 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 Board of directors.
- 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 Board of directors.
- 8) Possess the power to authorize any person or persons to perform any action under the control of the Executive Committee, or may delegate so that such person has the authority as the Executive Committee deems appropriate and within the period that the Executive Committee deems appropriate. The Executive Committee 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 Board of directors from time to time.

The Executive Committee Charter in full version has been revealed on the Company's website at [www.leogloballogistics.com](http://www.leogloballogistics.com), heading "Investor Relations" > "Corporate Governance" > "CG Report and Download"

In this regard, the delegation of authority, duties and responsibilities of the Executive Committee shall not be in the realm of the authorization or the delegation of the power from the Executive Committee 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 Executive Committee has no power to approve such matters. Such matters must be proposed to the Board of directors' 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.

- **The Risk Management Working Group**

In addition to the three Sub-committees, the Company's Board of Directors has authorized the Chief Executive Officer to appoint a Working Group of Risk Management comprising of representatives from the Management to take a duty in assisting the Board determine the policies on risk management in a way that covers the entire organization and supervise it by setting up a risk management system or process to appropriately reduce the impact on the Company's business, establish different regulations and guidelines and take control of the organization so that it is operated according to and abides by the policies on Good Corporate Governance and submit the report on risk management including suggestions to the Company's Board of Directors through the Chief Executive Officer at least twice a year.

As of December 31, 2021, the Risk Management Working Group consists of:

Name	Position	Number of meetings attended / Total meetings after taking office in 2020	Number of meetings attended / Total meetings after taking office in 2021
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.



### 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.

## 7.4 Information on executives

As of December 31, 2021, the Company's executives consists of:

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

### Scope of Duties and Responsibilities of the Chief Executive Officer

1. 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 Board of directors and / or the Executive Committee.
2. Present the Company's policy, direction, strategy, business operations, budget plan, human resource management, investment, business expansion and public relations to the Executive Committee which will benefit the preparation of such materials to be presented to the Board of directors; and participate in the consideration session of those matters with the Executive Committee and / or the Board of directors.
3. 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 Board of directors.
4. 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 Board of directors.
5. Approve the appointment of advisors in various areas necessary for the Company's operations within the authority chart approved by the Board of directors.
6. 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.
7. 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 Board of directors.
8. 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.



9. 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 Board of directors' meeting at least twice a year.
10. Perform other tasks as assigned by the Board of directors and / or the Executive Committee, including having the authority to perform any action necessary to perform such tasks.
11. 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 will not be in the realm that is a delegation of authority or the power of attorney from the Chief Executive Officer 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 Chief Executive Officer has no power to approve such matters. Such matters must be proposed to the Board of directors' 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.

The Company paid remuneration to executives in the year 2020 and 2021 with the details as follows:

	2020	2021
<b>Number of executives (person)</b>	5	5
Salary, bonus and other compensation <sup>(1)</sup> (THB million)	18.27	26.93
Provident Fund contribution (THB million)	0.76	0.82
<b>Total remuneration (THB million)</b>	<b>19.03</b>	<b>27.75</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 2020 and 2021, the Company has paid other compensations totaling THB 2.68 million and THB 2.84 million, respectively.

## 7.5 Information on employees

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 2020 and 2021, the number of employees of the company and subsidiaries (excluding the management) has a total of 261 and 306, respectively, embracing the remuneration of approximately THB 118.34 million and THB 161.49 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, 2020	As of December 31, 2021
Sales Department	55	61
Sales Support & Operation Department	130	162
Accounting & Finance Department	22	24
Executive Office	6	8
IT Department	3	4
HR and Admin Department	31	32
Marketing Department	4	4
YJC Depot Services Co., Ltd.	7	7
Leo Myanmar Logistics Co., Ltd.	3	3
Cardinal Maritime (Thailand) Co., Ltd.	-	1
<b>Total</b>	<b>261</b>	<b>306</b>

Personnel compensation	As of December 31, 2020	As of December 31, 2021
Salary, bonus and overtime	90.59	111.14
Other compensations e.g. provident fund, social security and other welfare	27.75	50.36
<b>Total</b>	<b>118.34</b>	<b>161.49</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.

## 7.6 Other significant information

### 7.6.1 The name of the person assigned to take direct responsibility for accounting oversight, company secretary, head of internal audit or the outsourced internal auditor, head of compliance unit

#### • Company Secretary

The Board of Directors resolved to appoint Mr. Manop Patjawit to be the Company Secretary. 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 Board of Directors 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 Board of Directors 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 Board of Directors.
- (2) Organizing shareholders' meetings and Board of Directors' meetings in accordance with the laws, Company's Articles of Association and related practices.
- (3) Recording the minutes of the shareholders' meetings and the Board of Directors' meetings, including following up to ensure compliance with the resolutions of the shareholders' meeting and the Board of Directors' 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 Board of Directors 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 Board of Directors.

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

- **The person assigned to take direct responsibility for accounting oversight**

The Company has authorized Mr. Kookiat Phatarasotorn to act as the person assigned to take direct responsibility for accounting oversight as detailed in Attachment 1 of this Annual Report (56-1) One Report.

- **The outsourced internal auditor**

The Company hired an internal auditor who was an outsource by appointing Dharmniti Internal Audit Co., Ltd. to be the Company's internal auditor ("Internal Auditor") according to the Audit Committee's resolution No. 1/2021 on January 21-22, 2021. Ms. Ruetaichanoke Supamong 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 as detailed in Attachment 3 of this Annual Report (56-1) One Report.

- **Head of compliance unit**

The Company has authorized Miss Suchitda Phothikruprasert to be Corporate Compliance Division Manager to supervise the Company's compliance with the rules and regulations of the Stock Exchange of Thailand and Office of the SEC, as detailed in Attachment 3 of this Annual Report (56-1) One Report.

## **7.6.2 The name of the head of investor relations and contact information**

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. The Board of Directors resolved to appoint Mr. Kettivit Sittisoontornwong to be the head of investor relations.

In 2021, 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

Opportunity Day	4 times
Meetings at the Company	2 times
Teleconference/Online meetings	11 times
Disclosure of information via SET's channels and Company's website	46 times
Press Conference	1 time

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

Bang Kho Laem Subdistrict, Bang Kho Laem 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)

5) website: [www.leogloballogistics.com](http://www.leogloballogistics.com) .

### 7.6.3 The remunerations of the auditor

The Company and its subsidiaries paid remuneration for the annual audit fees and the review of interim financial statements to KPMG Phoomchai Audit Ltd., the auditing firm for the Company and subsidiaries for the fiscal year ended December 31, 2021 totaling THB 1,640,000.

At the 2021 Annual General Meeting of Shareholders on April 29, 2021, it was resolved to approve the appointment of any of the following auditors: (1) Miss Vilaivan Pholprasert, Certified Public Accountant No. 8420 (2) Miss Nawarat Nitikeatipong, Certified Public Accountant No. 7789, (3) Mr. Banthit Tangpakorn, Certified Public Accountant No. 8509 and (4) Mr. Songchai Wongpiriyaporn Certified Public Accountant No. 10996 of KPMG Phoomchai Audit 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, 2021, for the total amount of THB 1,640,000.

Other service fees (Non-audit Fee) : THB 75,000



## 8. Report on key operating results on corporate governance

### 8.1 Summary of duty performance of the Board of Directors in the past year

#### 8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

- **Performance Assessment of the Board of Directors**

##### The Board of Directors

The Company's Board of Directors conducts its self-assessment at least once a year to review the work performance as well as the issues and problems spotted during the passing year and thus correcting them to enhance its work effectiveness.

In 2021, the Company's Board of Directors provided itself with Collective Performance Appraisal Form and Individual Self-appraisal Form using the guidelines for appraisal suggested by the Stock Exchange of Thailand, with the appraisal topics and results as detailed below:

Collective Performance Appraisal Form consists of six Sections as follows:

- 1) Structure and Qualifications of the Board of Directors
- 2) Roles, Duties and Responsibilities of the Board of Directors
- 3) Board of Directors' Meeting
- 4) Board of Directors' Performance of Duties
- 5) Relationship with the Management
- 6) Self-Development of Directors and Developing Executives

Individual Self-appraisal Form consists of three Sections as follows:

- 1) Structure and Qualifications of the Board of Directors
- 2) Board of Directors' Meeting
- 3) Roles, Duties and Responsibilities of the Board of Directors

Criteria for each level of appraisal

Excellent	: 85%-100%
Good	: 75%-84%
Fair	: 65%-74%
Need Improvement	: 65% and below

In 2021, the performance of the Board of Directors are at Excellent Level from both performance assessment.

##### Sub-committees

The Company's Sub-committees conduct their self-assessment at least once a year to review the work performance as well as the issues and problems spotted during the passing year and thus correcting them and enhance their work effectiveness.

In 2021, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee provided themselves with Collective Performance Appraisal using the guidelines for appraisal suggested by the Stock Exchange of Thailand, with the appraisal topics and results as detailed below:

Collective Performance Appraisal Form consists of three Sections as follows:

- 1) Structure and Qualifications of the Committee
- 2) Roles, Duties and Responsibilities of the Committee
- 3) The Committee's Meeting

Criteria for each level of appraisal

Excellent	: 85%-100%
Good	: 75%-84%
Fair	: 65%-74%
Need Improvement	: 65% and below



In 2021, the performance of the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Working Group of Risk Management are all at Excellent Level.

### 8.1.2 Meeting attendance and remuneration payment to each Board member

- Meeting attendance of the Board of Directors' Meeting, Sub-committees' Meeting and the 2021 Annual General Meeting of Shareholders

Name	AGM 2021	the Board of Directors' Meeting	the Audit Committee's Meeting	the Nomination and Remuneration Committee's Meeting	The Executive Committee's Meeting	The Risk Management Working Group's Meeting
1. Mr. Sanee Dangwung	1/1	10/10				
2. Mr. Viwat Limsakdakul	1/1	9/10	5/5			
3. Mr. Woragan Xuto	1/1	9/10	4/5	2/2		
4. Mr. Teerachai Chemnasiri	1/1	10/10	5/5	2/2		
5. Mr. Paiboon Sumranputi	1/1	10/10		2/2		
6. Mr. Apichart Lee-issaranukul	1/1	8/10		1/2*		
7. Mr. Kettivit Sittisoontornwong	1/1	10/10			13/13	4/4
8. Mr. Surasit Asavasakseri	1/1	10/10			13/13	4/4
9. Miss Sripri Eakwichit	1/1	10/10			13/13	4/4
10. Mr. Vises Sittisoontornwong	1/1				13/13	
11. Mr. Manop Patjawit	1/1				13/13	4/4

Note : \*Retire by rotation of member of the Nomination and Remuneration Committee since April 29, 2021

Moreover, the Company's Board of Directors has a policy to encourage the Non-Executive directors and Independent Directors to hold additional meetings among themselves when necessary or at least once a year without the Management's presence. This is in order for them to freely discuss and express opinions on different issues. And in each meeting, the meeting Chairman will give each of the Directors chances to freely express their opinions and will allocate time for the agendas in an appropriate way. In case any directors have a stake in any of the matters for consideration, they will have to inform the meeting and must not participate in giving opinions and voting for such matters.

In 2021, there was an Independent Directors' Meeting. The Meeting has the opinion that the Company's Board of Directors' Structure is already proper and that the Independent Directors have freedom both in expressing their opinions and in voting for resolutions. In addition, the Independent Directors have followed up with the Management to make sure it fairly conducts the business operations and always think of the benefits of all Stakeholders.

- Remuneration payment to each Board member

The 2021 Annual General Meeting of Shareholders on April 29, 2021 approved the directors' remuneration, Audit Committee members, and the Nomination and Remuneration Committee members for the year 2021, 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:



Type of Remuneration	Remuneration (THB)	
	2020	2021
1. Monthly Remuneration		
1.1 Board of Directors		
Chairman	60,000.-	60,000.-
Member	20,000.-	20,000.-
1.2 Audit Committee		
Chairman	20,000.-	20,000.-
Member	15,000.-	15,000.-
1.3 Nomination and Remuneration Committee		
Chairman	10,000.-	10,000.-
Member	8,000.-	8,000.-
Remark : The director who is an Executive may not be paid the monthly remuneration due to compensation is collected in the form of salary.		
2. Yearly Remuneration (Bonus)	None	Not exceeding 1 percent of the Dividend distributed to the shareholders

In the year 2020 and 2021, the Company paid remuneration to the Company's directors and committee members as follows:

List of Directors	Directors' remuneration for the year 2020 (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	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	-			-
Mr. Surasit Asavasakseri	-			-
Total	1,920,000	600,000	408,000	2,928,000



List of Directors	Directors' remuneration for the year 2021 (THB)				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Yearly Remuneration (Bonus)	Total
1. Mr. Sanee Dangwung	720,000			74,666.66	794,666.66
2. Mr. Viwat Limsakdakul	240,000	240,000		74,666.66	554,666.66
3. Mr. Woragan Xuto	240,000	180,000	96,000	74,666.66	590,666.66
4. Mr. Teerachai Chemnasiri	240,000	180,000	120,000	74,666.66	614,666.66
5. Mr. Apichart Lee-issaranukul	240,000		32,000	74,666.66	346,666.66
6. Mr. Paiboon Sumranputi	240,000		96,000	74,666.66	410,666.66
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>344,000</b>	<b>447,999.96</b>	<b>3,311,999.96</b>

### 8.1.3 Supervision 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 Board of Directors' 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.

#### 8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

##### (1) Prevention of conflicts of interest

The Company's Board of Directors defines the policy on prevention of conflicts of interest on the principle that any decisions made for the sake of business activities must be based on the utmost benefits of the Company and those of the Shareholders and must also avoid any actions that may cause conflicts of interest. In so doing, it is required that those involved with or have stake in the transaction being considered inform the Company Secretary of that to let the Company know of the relationship or about the stake holding in such a transaction and must not join in the consideration of which and have no authority to approve the transaction.

##### (2) Use of inside information to seek benefits

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. 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. 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.

In 2021, the Company informed the Directors of when to refrain from purchasing the Company's securities and when the purchasable time was and of their duty to report securities holdings, including those of their spouse and their underage offspring to the Securities and Exchange Commission; the notification was conducted four times to the Directors and the Executives to comply with the policy on the Company's use of inside information.

### **(3) Anti-corruption action**

#### **• 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.

In 2021, there was no report on any fraud and corruption submitted.

#### **(4) Whistleblowing**

The Company has a policy to protect and maintain equitability to employees who inform or give clues related to corruptions or non-compliance with Laws, the Company's Rules and Regulations and Business Code of Conduct (Whistleblower Policy) as follows:

##### **Persons who have the right to complain**

1. Employees who have spotted any acts of corruptions or violations against laws, the Company's rules and regulations or the Company's Code of Conduct.
2. Employees who are being persecuted or intimidated, or are getting disciplinary actions such as salary reduction, suspension from work, wrongful termination, or unlawful discrimination in relation to employment conditions as a result of their complaints, information, or intention to inform, help in an investigation process, or compilation of facts for the Complaint Recipient including prosecution, witnessing, testifying or any cooperation with the court or government agencies.

##### **Complaint Recipient**

1. Secretary of the Company's Board of Directors
2. Any of the Company's Directors

##### **Methods of Complaining**

File the complaint with one of the Complaint Recipients through the following methods:

1. Complain directly through a verbal or written complaint.
2. Make the complaint through the E-mail Address of the Complaint Recipient.
3. Make it in the form of a letter to the Complaint Recipient.
4. In case the complainant chooses not to reveal his or her name, there must be clear and enough details, facts or evidence to show that the circumstance of corruption, any violation to laws, or the Company's regulations, or Code of Conduct proves true.

Nevertheless, complaints of that kind are considered extremely confidential, and the complainant can make the complaint through more than one channel and does not have to reveal oneself except that the self-disclosure helps the Company to inform of the overall outcome or additional details of the complaint.



## Steps in Checking Facts

1. In checking and compiling facts, the Complaint Recipient is required to propose the complaint to the following persons ("the Investigator") who will perform the checking and fact-compiling according to the complaint.
  - (1) In case the complainant hold a lower level position than the CEO:  
It is required that the CEO and/or the person or work division authorized by the CEO perform the duty of the Investigator.
  - (2) In case the complainant hold the position of CEO or higher:  
It is required that the Audit Committee and/or the person or work division authorized by the Audit Committee perform the duty of the Investigator.  
In this case, the Investigator can invite any employee to come and give the information or ask for any relevant documents for the fact-finding.
2. If the complaint is found to be true according to the checking outcome, the Company will take the following actions:
  - (1) In case the complaint is related to an act of corruption or violation against any laws, the Company's regulations or Code of Conduct, the Investigator will consider proposing such a complaint including his opinions to the Audit Committee for further consideration.
  - (2) In case the complaint is considered an important matter in ways that affect the reputation, image or financial status of the Company or are contrary to the Company's policy on business operations or are involved with high-ranking Executives to name just a few, it is defined that the Investigator consider proposing the matter together with his opinions to the Company's Board of Directors for further consideration.
  - (3) In case the complaint causes damages to anyone, the Investigator will offer an equitable and suitable method for alleviating such damages to the sufferer as deemed appropriate.

### Protection of Persons who Give Information or Clues

1. The complainant can choose not to disclose oneself if the self-disclosure may cause damages to him but must give clear and enough details, facts or evidence to show that the circumstance of corruption, any violation to laws, or the Company's regulations, or Code of Conduct proves true. However, if the complainant chooses the side of self-disclosure, the Complaint Recipient will therefore take even quicker actions.
2. The information related to the complaint is considered a secret and will be revealed as little as necessary with concern about the safety and damages of the one who inform the source of information or the people involved. As a result, the responsible person in each of the steps needs to keep the information extremely confidential, not revealing to others; any violation to this will be deemed as a disciplinary offence.
3. In case the complainant views that he may be in unsafe conditions or get into trouble, he can request the Company to issue some protective measures. Or the Company might determine such protective measures itself without any request if there found to be a damaging or unsafe tendency.
4. An employee who treats another person in an unfair way or with unrightful discrimination or cause any damages to the person due to a motive that occurs since the person has complained, informed or given clues in relation to corruption or non-compliance with laws, the Company's regulations and Code of Conduct, and also since the person has prosecuted, witnessed, testified or cooperated with any court or government agency will be counted as committing a disciplinary offence which requires a punishment; nevertheless, the employee may also face a lawful penalty if deemed that he has committed legal offences.
5. Those who suffer any damages or trouble will be alleviated under a suitable and equitable method or process.

In 2021, there was no informing or whistleblowing related to fraud or not abiding by laws, rules and regulations as well as ethical principles in the Company Business Operation.



## 9. Internal control and related party transactions

### 9.1 Internal control

The Company hired an internal auditor who was an outsource by appointing Dharmniti Internal Audit Co., Ltd. to be the Company's internal auditor. Ms. Ruetaichanoke Supamong 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.

The Audit Committee has considered the qualifications of Dharmniti Internal Audit Co., Ltd. and Ms. Ruetaichanoke Supamong 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.

At the Board of Directors' Meeting No. 9/2021 on November 11, 2021, in which independent directors and Audit Committee members attended the meeting, the Board of Directors 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 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 Board of Directors viewed that the Company had sufficient internal control as well.



## 9.2 Related party transactions

Related party transactions of the Company with persons who may have conflicts in the fiscal year ended 31 December 2019, 31 December 2020 and 31 December 2021 can be summarized as follows:

Individuals / entities who may have conflicts	Nature of Relationship	Nature of Transactions	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Transaction value (THB Million) as of December 31, 2021	Necessity and Rationality
1. Thai Stanley Electric Public Company Limited	Mr. Apichart Lee-issaranukul, the Company's 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  Freight and service revenues	0.0041	0.0038	0.001	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.
<b>Opinion of the Audit Committee</b>						
Account receivable (b/f)			-	-	-	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 (c/f)			-	-	-	
2. Inoue Rubber (Thailand) Public Company Limited	Mr. Apichart Lee-issaranukul, the Company's Director, and Director & 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  Freight and service revenues	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.
<b>Opinion of the Audit Committee</b>						
Account receivable (b/f)			-	-	-	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 (c/f)			-	-	-	



Individuals / entities who may have conflicts	Nature of Relationship	Nature of Transactions	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Transaction value (THB Million) as of December 31, 2021	Necessity and Rationality
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				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	0.0640	0.1059	0.068	
		Account receivable (b/f)	-	-	-	
		Account receivable (c/f)	-	-	0.004	
<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						
4. Kanok-Sopha Foundation	Mr. Apichart Lee-issaranukul, the Company's Director and the Director, Treasurer and authorized Signatory in Kanok-Sopha Foundation	The Company has made a lease agreement to rent a six and a half storey commercial building, 8 booths, to run its Project called "Self Storage #2".				The Company has made a lease agreement to rent a six and a half storey commercial building, 8 booths, to run its Project called "Self Storage #2"
		building rental deposit	-	-	0.28	
		building rent	-	-	0.7	
		<b>Opinion of the Audit Committee</b>				
The transaction is deemed appropriate with price and trade terms comparable to the market rates.						



Individuals / entities who may have conflicts	Nature of Relationship	Nature of Transactions	Transaction Value (THB Million) as of December 31, 2019	Transaction value (THB Million) as of December 31, 2020	Transaction value (THB Million) as of December 31, 2021	Necessity and Rationality
5. Sitthipol 1919 Company Limited	Mr. Apichart Lee-issaranukul, the Company's Director and the Director and Major Shareholder of Sitthipol 1919 Company Limited, with the inclusion of his close relatives' shareholding.	The Company has made a lease agreement to rent a parking lot to run the Project called "Self Storage #2"	-	-	-	The Company has made a lease agreement to rent a parking lot to run the Project called "Self Storage #2" <u>Opinion of the Audit Committee</u> The transaction is deemed appropriate with price and trade terms comparable to the market rates.
		building rental deposit	-	-	0.14	
		building rent	-	-	0.35	
6. Mr. Thanong Lee-issaranukul	A sibling of Mr. Apichart in the group of close relatives, holding the position of Chairman of the Board and the Director who is an authorized Signatory in Kanok - Sopha Foundation	The Company has made a lease agreement to rent an indoor parking space to run the Project called "Self Storage #2"	-	-	-	The Company has made a lease agreement to rent an indoor parking space to run the Project called "Self Storage #2" <u>Opinion of the Audit Committee</u> The transaction is deemed appropriate with price and trade terms comparable to the market rates.
		building rental deposit	-	-	0.08	
		building rent	-	-	0.20	



- **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.

- **Policy or future trend of transactions**

The related transactions that may occur in the future, the Board of Directors will 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.



# Section 3

## Financial Statements

### 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 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 2021 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



**Mr. Sanee Dangwung**  
Chairman of the Board of Directors



**Mr. Kettivit Sittisoontornwong**  
Chief Executive Officer



**Leo Global Logistics Public Company Limited  
and its Subsidiaries**

**Financial statements for the year ended  
31 December 2021  
and  
Independent Auditor's Report**



# Independent Auditor's Report

## To the Shareholders of Leo Global Logistics Public Company Limited

I have audited the consolidated and separate financial statements of Leo Global Logistics Public Company Limited and its subsidiaries (the "Group") and of Leo Global Logistics Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### *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 is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Key Audit Matters*

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



## Revenue recognition

Refer to Note 18 to the consolidated and separate financial statements

### The key audit matter

The group's principal activities are integrated logistic service provider and storage rental space provider. The Group's total service revenues was Baht 3,365.43 million, representing 99.87% of total revenue. Due to the fact that there are several services provided, the Group shall identify performance obligation, timing of revenue recognition and determine the transaction price. Therefore, the completeness and accuracy of revenue recognition were areas of focus of my audit.

### How the matter was addressed in the audit

My audit procedures included the following:

- understanding and assessing the design and implementation including testing the operating effectiveness of internal controls related to recognition of revenue;
- testing the recording of revenue from rendering of services using a sampling basis with related documents including discount and considering the appropriateness of recognition in each performance obligations;
- testing 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;
- Sending the accounts receivable confirmation using a sampling basis to check whether the Group's revenues represent valid revenue transactions and that the account receivables existed
- assessing the adequacy of disclosures in accordance with the relevant Thai Financial Report Standards.

### Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 25 February 2021 by including an emphasis of matter on the adopting accounting guidance on temporary accounting relief announced by the Federation of Accounting Professions to relieve the impact of COVID-19 pandemic.

### Other Information

Management is 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 those charged with governance and request that the correction be made.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible 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 judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.



(Vilaivan Pholprasert)  
Certified Public Accountant  
Registration No. 8420

KPMG Phoomchai Audit Ltd.  
Bangkok  
21 February 2022



# Financial Statements

## Leo Global Logistics Public Company Limited and its Subsidiaries

### Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	4	99,386,108	37,835,673	76,375,636	14,538,776
Trade and other receivables	3, 5	980,465,229	288,194,486	980,779,034	289,645,027
Financial assets measured at fair value					
through profit or loss	6, 23	5,939	180,309,356	5,939	180,309,356
Financial assets measured at amortised cost	23	40,000,000	200,000,000	40,000,000	200,000,000
Other current assets		13,130,205	3,071,289	11,695,950	2,545,220
<b>Total current assets</b>		<b>1,132,987,481</b>	<b>709,410,804</b>	<b>1,108,856,559</b>	<b>687,038,379</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	12	14,757,977	15,279,233	14,757,977	15,279,233
Investments in subsidiaries	8	-	-	12,600,000	10,232,600
Investments in associates, net	7	82,463,126	55,953,763	19,885,614	12,885,614
Revenue department receivable		-	6,198,793	-	6,198,793
Investment properties	9, 11	94,225,798	24,494,346	94,225,798	24,494,346
Property, plant and equipment	10, 11, 12	193,419,265	97,842,880	64,918,700	42,771,241
Intangible assets		6,181,832	4,800,302	5,911,804	4,618,585
Deferred tax assets	20	9,762,328	9,359,414	8,122,191	8,238,117
Financial assets measured at fair value					
through other comprehensive income	23	49,858,900	47,801,000	49,858,900	47,801,000
Other non-current assets		27,187,182	12,833,109	24,077,021	11,622,153
<b>Total non-current assets</b>		<b>477,856,408</b>	<b>274,562,840</b>	<b>294,358,005</b>	<b>184,141,682</b>
<b>Total assets</b>		<b>1,610,843,889</b>	<b>983,973,644</b>	<b>1,403,214,564</b>	<b>871,180,061</b>

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**

**Statement of financial position**

		Consolidated financial statements 31 December		Separate financial statements 31 December	
Liabilities and equity	Note	2021	2020	2021	2020
		(in Baht)			
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	12	141,640,718	1,382,480	141,640,718	1,382,480
Trade and other payables	3, 13	359,316,894	196,550,373	349,032,993	192,377,597
Current portion of long-term borrowings					
from financial institutions	12	7,506,000	-	7,506,000	-
Current portion of lease liabilities	11, 12, 23	13,918,375	5,847,675	5,848,995	3,481,850
Derivative liabilities	23	1,154,782	226,448	1,154,782	226,448
Income tax payable		14,548,862	492,667	14,295,534	-
Other current liabilities	14	59,494,237	23,950,112	59,017,329	23,728,562
<b>Total current liabilities</b>		<b>597,579,868</b>	<b>228,449,755</b>	<b>578,496,351</b>	<b>221,196,937</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	12	12,494,000	20,000,000	12,494,000	20,000,000
Lease liabilities	11, 12, 23	163,895,222	62,546,783	65,469,392	16,284,209
Non-current provisions for employee benefits	15	46,845,166	46,016,472	45,602,559	44,993,257
<b>Total non-current liabilities</b>		<b>223,234,388</b>	<b>128,563,255</b>	<b>123,565,951</b>	<b>81,277,466</b>
<b>Total liabilities</b>		<b>820,814,256</b>	<b>357,013,010</b>	<b>702,062,302</b>	<b>302,474,403</b>
<b>Equity</b>					
Share capital:					
Authorised share capital					
(320,000,000 ordinary shares, par value at Baht 0.50 per share)	16	160,000,000	160,000,000	160,000,000	160,000,000
Issued and paid-up share capital					
(320,000,000 ordinary shares, par value at Baht 0.50 per share)		160,000,000	160,000,000	160,000,000	160,000,000
Share premium on ordinary shares	16	361,424,198	361,424,198	361,424,198	361,424,198
Retained earnings					
Appropriated - legal reserve	17	16,000,000	10,100,000	16,000,000	10,100,000
Unappropriated		223,140,015	73,942,501	151,956,144	27,055,860
Other component of equity		11,206,234	9,101,786	11,771,920	10,125,600
<b>Equity attributable to owners of the parent</b>		<b>771,770,447</b>	<b>614,568,485</b>	<b>701,152,262</b>	<b>568,705,658</b>
Non-controlling interests		18,259,186	12,392,149	-	-
<b>Total equity</b>		<b>790,029,633</b>	<b>626,960,634</b>	<b>701,152,262</b>	<b>568,705,658</b>
<b>Total liabilities and equity</b>		<b>1,610,843,889</b>	<b>983,973,644</b>	<b>1,403,214,564</b>	<b>871,180,061</b>

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
<b>Revenues</b>					
Revenue from rendering of services	3, 18	3,365,432,304	1,126,267,496	3,327,275,209	1,094,586,332
Other income	3	4,228,105	2,860,230	4,285,333	5,090,746
<b>Total revenues</b>		<b>3,369,660,409</b>	<b>1,129,127,726</b>	<b>3,331,560,542</b>	<b>1,099,677,078</b>
<b>Expenses</b>					
Cost of rendering of services	3	2,714,721,873	795,980,101	2,692,703,750	780,877,603
Selling expenses	3, 18	182,420,492	87,698,839	182,420,492	87,698,839
Administrative expenses		249,040,937	182,816,593	231,927,756	170,661,285
<b>Total expenses</b>		<b>3,146,183,302</b>	<b>1,066,495,533</b>	<b>3,107,051,998</b>	<b>1,039,237,727</b>
<b>Profit from operating activities</b>		<b>223,477,107</b>	<b>62,632,193</b>	<b>224,508,544</b>	<b>60,439,351</b>
Finance costs		(4,958,224)	(3,953,659)	(2,509,768)	(850,448)
Expected credit loss		(2,630,643)	(426,116)	(5,140,966)	(447,837)
Share of profit of associates accounted for using equity method	7	25,419,828	10,809,120	-	-
<b>Profit before income tax expense</b>		<b>241,308,068</b>	<b>69,061,538</b>	<b>216,857,810</b>	<b>59,141,066</b>
Tax expense	20	(41,648,935)	(11,290,403)	(41,258,877)	(10,971,375)
<b>Profit for the year</b>		<b>199,659,133</b>	<b>57,771,135</b>	<b>175,598,933</b>	<b>48,169,691</b>

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Year ended 31 December		Year ended 31 December	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in Baht)</i>			
<b>Other comprehensive income</b>					
<b><i>Item that will be reclassified subsequently to profit or loss</i></b>					
Exchange differences on translating financial statements		572,660	61,838	-	-
<b>Total item that will be reclassified subsequently to profit or loss</b>		<b>572,660</b>	<b>61,838</b>	<b>-</b>	<b>-</b>
<b><i>Items that will not be reclassified to profit or loss</i></b>					
Gain on investments in equity instruments designated at FVOCI		2,057,900	-	2,057,900	-
Gain on remeasurements of defined benefit plans	15	-	83,707	-	-
Share of other comprehensive income of associates accounted for using equity method	7	1,089,535	186,216	-	-
Income tax relating to items that will not be reclassified	20	(411,580)	(16,741)	(411,580)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>2,735,855</b>	<b>253,182</b>	<b>1,646,320</b>	<b>-</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>3,308,515</b>	<b>315,020</b>	<b>1,646,320</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>202,967,648</b>	<b>58,086,155</b>	<b>177,245,253</b>	<b>48,169,691</b>
<b>Profit attributable to:</b>					
Owners of the parent		198,806,628	56,875,656	175,598,933	48,169,691
Non-controlling interests		852,505	895,479	-	-
		<b>199,659,133</b>	<b>57,771,135</b>	<b>175,598,933</b>	<b>48,169,691</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		202,000,611	57,144,826	177,245,253	48,169,691
Non-controlling interests		967,037	941,329	-	-
		<b>202,967,648</b>	<b>58,086,155</b>	<b>177,245,253</b>	<b>48,169,691</b>
<b>Basic earnings per share</b>	21	<b>0.6213</b>	<b>0.2601</b>	<b>0.5487</b>	<b>0.2203</b>

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



**Leo Global Logistics Public Company Limited**  
**Statement of changes in equity**

<b>Consolidated financial statements</b>									
		Retained earnings			Other component of equity				Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Translating financial statements (in Baht)	Fair value reserve	Total other components of equity	
<b>Year ended 31 December 2020</b>									
<b>Balance at 1 January 2020</b>		<b>100,000,000</b>	<b>28,875,000</b>	<b>7,600,000</b>	<b>59,347,146</b>	<b>(1,073,285)</b>	<b>10,125,600</b>	<b>9,052,315</b>	<b>218,825,281</b>
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners of the parent</b>									
Issue of ordinary shares	16	60,000,000	332,549,198	-	-	-	-	-	392,549,198
Dividends	22	-	-	-	(40,000,000)	-	-	-	(42,500,000)
<b>Total distributions to owners of the parent</b>		<b>160,000,000</b>	<b>361,424,198</b>	<b>7,600,000</b>	<b>19,347,146</b>	<b>(1,073,285)</b>	<b>10,125,600</b>	<b>9,052,315</b>	<b>568,874,479</b>
<b>Comprehensive income for the year</b>									
Profit or loss		-	-	-	56,875,656	-	-	-	57,771,135
Other comprehensive income		-	-	-	219,699	49,471	-	49,471	315,020
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>57,095,355</b>	<b>49,471</b>	<b>-</b>	<b>49,471</b>	<b>58,086,155</b>
Transfer to legal reserve		-	-	2,500,000	(2,500,000)	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>160,000,000</b>	<b>361,424,198</b>	<b>10,100,000</b>	<b>73,942,501</b>	<b>(1,023,814)</b>	<b>10,125,600</b>	<b>9,101,786</b>	<b>626,960,634</b>

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



**Leo Global Logistics Public Company Limited**  
**Statement of changes in equity**

Consolidated financial statements									
	Other component of equity								
	Retained earnings			Other comprehensive income		Total other components of equity		Equity attributable to owners of the parent	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Translating financial statements	Fair value reserve	Non-controlling interests	Total equity	
<i>(in Baht)</i>									
Year ended 31 December 2021	160,000,000	361,424,198	10,100,000	73,942,501	(1,023,814)	10,125,600	9,101,786	614,568,485	626,960,634
Balance at 1 January 2021									
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Dividends	-	-	-	(44,798,649)	-	-	-	(44,798,649)	(44,798,649)
Total distributions to owners of the parent	-	-	-	(44,798,649)	-	-	-	(44,798,649)	(44,798,649)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests from acquisition of subsidiary	-	-	-	-	-	-	-	-	4,900,000
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	4,900,000
Total transactions with owners, record directly in equity	160,000,000	361,424,198	10,100,000	29,143,852	(1,023,814)	10,125,600	9,101,786	569,769,836	587,061,985
Comprehensive income for the year									
Profit or loss	-	-	-	198,806,628	-	-	-	198,806,628	199,659,133
Other comprehensive income	-	-	-	1,089,535	458,128	1,646,320	2,104,448	3,193,983	3,308,515
Total comprehensive income for the year	-	-	-	199,896,163	458,128	1,646,320	2,104,448	202,000,611	202,967,648
Transfer to legal reserve									
	-	-	5,900,000	(5,900,000)	-	-	-	-	-
Balance at 31 December 2021	160,000,000	361,424,198	16,000,000	223,140,015	(565,686)	11,771,920	11,206,234	771,770,447	790,029,633

17

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



**Leo Global Logistics Public Company Limited**  
**Statement of changes in equity**

		Separate financial statements					
Note		Retained earnings			Other components of equity		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated <i>(in Baht)</i>	Fair value reserve	
Year ended 31 December 2020							
	Balance at 1 January 2020	100,000,000	28,875,000	7,600,000	21,386,169	10,125,600	167,986,769
Transactions with owners, recorded directly in equity							
16	Issue of ordinary shares	60,000,000	332,549,198	-	-	-	392,549,198
22	Dividends	-	-	-	(40,000,000)	-	(40,000,000)
	Total distributions to owners	160,000,000	361,424,198	7,600,000	(18,613,831)	10,125,600	520,535,967
Comprehensive income for the year							
	Profit or loss	-	-	-	48,169,691	-	48,169,691
	Other comprehensive income	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	48,169,691	-	48,169,691
Transfer to legal reserve							
	Balance at 31 December 2020	160,000,000	361,424,198	10,100,000	27,055,860	10,125,600	568,705,658

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



**Leo Global Logistics Public Company Limited**  
**Statement of changes in equity**

		Separate financial statements					
		Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated <i>(in Baht)</i>	Fair value reserve	Total other component of equity
						</	

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	199,659,133	57,771,135	175,598,933	48,169,691
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	41,648,935	11,290,403	41,258,877	10,971,375
Finance costs	4,958,224	3,953,659	2,509,768	850,448
Depreciation and amortisation	18,028,440	13,594,146	12,116,765	7,231,684
Reversal of impairment loss recognised in profit or loss	-	-	(4,267,400)	-
Expected credit loss	2,630,643	426,116	5,140,966	447,837
Provisions for employee benefits	4,060,165	4,341,672	3,840,773	4,128,592
Unrealised (gain) loss on exchange rate	210,872	-	(244,921)	-
Share of profit of associates accounted for using equity method, net of tax	(25,419,828)	(10,809,120)	-	-
Gain from disposal of financial assets measured at fair value through profit or loss	(588,527)	(45)	(588,527)	(45)
(Gain) loss on disposal and write-off of plant and equipment	(348,178)	8,849	(348,180)	5,615
(Gain) loss from changes in fair value adjustment of derivatives	928,334	(497,635)	928,334	(497,635)
Gain from changes in fair value adjustment of financial assets	(24)	(243,655)	(24)	(243,655)
Dividend income	(1,368,732)	(1,050,000)	(1,368,732)	(3,550,000)
Interest income	(1,076,479)	(475,493)	(1,055,446)	(437,179)
	<b>243,322,978</b>	<b>78,310,032</b>	<b>233,521,186</b>	<b>67,076,728</b>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other receivables	(692,854,912)	(114,959,580)	(694,173,585)	(112,511,704)
Other current assets	(10,105,135)	(803,266)	(9,150,730)	(852,495)
Other non-current assets	(14,400,359)	16,524,612	(12,454,868)	6,333,865
Trade and other payables	162,575,750	16,372,807	155,328,724	19,890,852
Other current liabilities	34,964,930	(3,357,648)	34,708,241	(2,553,215)
Other non-current liabilities	-	(5,625,000)	-	-
<b>Net cash used in operating activities</b>	<b>(276,496,748)</b>	<b>(13,538,043)</b>	<b>(292,221,032)</b>	<b>(22,615,969)</b>
Payment for employee benefit obligations	(3,231,471)	(644,100)	(3,231,471)	(644,100)
Withholding tax received	6,198,793	-	6,198,793	-
Taxes paid	(28,407,234)	(12,971,196)	(27,258,997)	(11,781,982)
<b>Net cash used in operating activities</b>	<b>(301,936,660)</b>	<b>(27,153,339)</b>	<b>(316,512,707)</b>	<b>(35,042,051)</b>

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**
**Statement of cash flows**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2,021	2020	2,021	2020
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Acquisition of subsidiary	-	-	(5,100,000)	-
Proceeds (payment) of restricted deposits at financial institutions	521,256	(173,958)	521,256	(173,958)
Proceeds (payment) from short-term fixed deposit	200,000,000	(200,000,000)	200,000,000	(200,000,000)
Proceeds from sale of other debts securities	245,900,483	100,000	245,900,483	100,000
Acquisition of other debts securities	(105,008,515)	(180,165,656)	(105,008,515)	(180,165,656)
Acquisition of other equity securities	-	(800,000)	-	(800,000)
Acquisition of plant and equipment	(35,877,392)	(6,606,971)	(19,454,670)	(6,585,503)
Proceeds from sale of plant and equipment	1,524,300	-	1,524,300	-
Acquisition of investment properties	(26,504,142)	(502,302)	(26,504,142)	(502,302)
Acquisition of intangible assets	(3,414,453)	(1,525,000)	(3,264,453)	(1,525,000)
Received dividends	1,368,732	1,050,000	1,368,732	3,550,000
Received interest	1,094,591	395,931	1,072,294	352,179
<b>Net cash from (used in) investing activities</b>	<b>279,604,860</b>	<b>(388,227,956)</b>	<b>291,055,285</b>	<b>(385,750,240)</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds (payment) from bank overdrafts, net	16,758,238	(1,575,469)	16,758,238	(1,575,469)
Cash received from increase in share capital	-	392,549,198	-	392,549,198
Proceeds from short-term borrowings from financial institutions	262,400,000	-	262,400,000	-
Repayment of short-term borrowings from financial institutions	(138,900,000)	-	(138,900,000)	-
Proceeds from long-term borrowings from financial institutions	-	20,000,000	-	20,000,000
Payment of lease liabilities	(14,932,286)	(4,600,650)	(7,177,110)	(3,769,875)
Dividends paid to owners of the Company	(44,798,649)	(40,000,000)	(44,798,649)	(40,000,000)
Dividends paid to non-controlling interests	-	(2,500,000)	-	-
Cash received from non-controlling interests in a subsidiary	4,900,000	-	-	-
Paid interest	(988,197)	(736,724)	(988,197)	(279,473)
<b>Net cash from financing activities</b>	<b>84,439,106</b>	<b>363,136,355</b>	<b>87,294,282</b>	<b>366,924,381</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	62,107,306	(52,244,940)	61,836,860	(53,867,910)
Effect of exchange rate changes on cash and cash equivalents	(556,871)	348,172	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>61,550,435</b>	<b>(51,896,768)</b>	<b>61,836,860</b>	<b>(53,867,910)</b>
Cash and cash equivalents at 1 January	37,835,673	89,732,441	14,538,776	68,406,686
<b>Cash and cash equivalents at 31 December</b>	<b>99,386,108</b>	<b>37,835,673</b>	<b>76,375,636</b>	<b>14,538,776</b>
<b><i>Non-cash transactions</i></b>				
Acquisition of right-of-use assets by lease liabilities	120,415,281	2,013,729	57,241,750	-

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



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note    Contents**

1	General information
2	Basis of preparation of the financial statements
3	Related parties
4	Cash and cash equivalents
5	Trade and other receivables
6	Marketable financial instruments
7	Investments in associates
8	Investments in subsidiaries
9	Investment properties
10	Property, plant and equipment
11	Leases
12	Interest-bearing liabilities
13	Trade and other payables
14	Other current liabilities
15	Non-current provisions for employee benefits
16	Share capital
17	Legal reserve
18	Segment information and disaggregation of revenue
19	Expenses by nature
20	Income tax
21	Earnings per share
22	Dividends
23	Financial instruments
24	Capital management
25	Commitments with non-related parties
26	Events after the reporting period
27	Reclassification of accounts



# **Leo Global Logistics Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **For the year ended 31 December 2021**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2022.

#### **1 General information**

Leo Global Logistics Public Company Limited (the “Company”) was incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 5 November 2020. The address of the Company’s registered office is as follows:

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

The Company’s major shareholders during the financial year were Mr.Kettivit Sittisoontornwong (22.77% shareholding) The principal business operations of the Group and Company are integrated logistic service provider, container depot and repair services and storage rental space provider. Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 8.

#### **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in each notes have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **3 Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Relationships with subsidiaries and associates are described in notes 7 and 8. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
Y J C (Thailand) Co., Ltd.	Thailand	Subsidiary of associate which 50.95% holding by an associate
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

<b>Significant transactions with related parties</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Year ended 31 December</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<i>(in Baht)</i>			
<b>Subsidiaries</b>				
Revenue from rendering of services	-	-	4,153,736	251,943
Dividend income	-	-	-	2,500,000
Other income	-	-	240,757	-
Costs of rendering of services	-	-	616,671	280,273
<b>Associates</b>				
Revenue from rendering of services	9,334,814	11,609,726	-	849,064
Other income	2,136	16,180	2,136	16,180
Costs of rendering of services	17,037,617	5,847,565	17,037,617	5,847,565
Administrative expenses	7,619	-	7,619	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	30,843,980	21,788,730	30,213,980	21,158,730
Post-employment benefits	2,299,586	2,150,177	2,222,980	2,073,545
Other long-term benefits	517	3,462	517	3,462
Total key management personnel compensation	<u>33,144,083</u>	<u>23,942,369</u>	<u>32,437,477</u>	<u>23,235,737</u>
<b>Other related parties</b>				
Interest expenses	1,254,998	-	1,254,998	-

Balances as at 31 December with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Trade accounts receivable</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<i>(in Baht)</i>			
Subsidiaries	-	-	941,981	817,300
Associates	1,079,397	796,032	-	-
<b>Net</b>	<u><b>1,079,397</b></u>	<u><b>796,032</b></u>	<u><b>941,981</b></u>	<u><b>817,300</b></u>



# Leo Global Logistics Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Other receivables</i>				
		(in Baht)		
Subsidiaries	-	-	22,000	-
Associates	-	107	-	107
<b>Net</b>	<b>-</b>	<b>107</b>	<b>22,000</b>	<b>107</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Accrued income</i>				
		(in Baht)		
Associates	873,113	506,164	-	-
<b>Total</b>	<b>873,113</b>	<b>506,164</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Advance payment</i>				
		(in Baht)		
Subsidiaries	-	-	9,630,072	3,305,650
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,630,072</b>	<b>3,305,650</b>
Less allowance for expected credit loss	-	-	(2,600,000)	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>7,030,072</b>	<b>3,305,650</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Right-of-use assets</i>				
		(in Baht)		
Other related parties	44,615,487	-	44,615,487	-
<b>Total</b>	<b>44,615,487</b>	<b>-</b>	<b>44,615,487</b>	<b>-</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Expected credit loss</i>				
<i>Year ended 31 December</i>				
		(in Baht)		
Advance payment	-	-	2,600,000	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,600,000</b>	<b>-</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Trade accounts payable</i>				
		(in Baht)		
Subsidiaries	-	-	610,614	29,467
Associates	641	467,114	641	467,114
<b>Total</b>	<b>641</b>	<b>467,114</b>	<b>611,255</b>	<b>495,581</b>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Accrued cost of rendering of services</i>				
		(in Baht)		
Subsidiaries	-	-	-	3,500
Associates	-	25,496	-	25,496
<b>Total</b>	<b>-</b>	<b>25,496</b>	<b>-</b>	<b>28,996</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
<i>Lease liabilities</i>				
		(in Baht)		
Other related parties	45,691,217	-	45,691,217	-
<b>Total</b>	<b>45,691,217</b>	<b>-</b>	<b>45,691,217</b>	<b>-</b>

*Significant agreements with related parties*

*Lease agreement of land and building*

On 1 June 2021, the Company entered into lease agreements of land and buildings with related parties of a key management personnel for 25 years until 2046 and could be extended for further period subject to certain conditions in the agreements. The Company has rental payment of Baht 0.25 million per month and rental rate will increase 8% every 5 years. The first payment was made in August 2021.

*Building rental and service agreement*

As at 13 September 2021, the Company entered into a building rental agreement with a subsidiary, to rent office space and services. The agreements covering 1 year starting from 1 October 2021 to 30 September 2022, and the subsidiaries has the option to renew it under the terms of the agreement. The subsidiary committed to pay rental and service fees of Baht 25,000 per month.

*Management service agreement*

As at 1 October 2021, the Company entered into management service agreement with a subsidiary. This agreement shall be terminate, if the counter party is a written notice not to renew this agreement as least three months. The subsidiary committed to pay rental and service fees of Baht 55,000 per month.

*Short-term loans to related parties*

As at 15 December 2021, the Board of Directors of the Company has resolution to approve the short-term loans agreements which are unsecured promissory notes with a subsidiary of Baht 65 million for developing a container depot project. The promissory notes bear at the rate of MOR per annum of the commercial bank specified by the Company. The maturity term are at call. As at 31 December 2021, the subsidiary has not utilised such loan.

**4 Cash and cash equivalents**

*Accounting policy*

Cash and cash equivalents comprise cash balances and call deposit which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component was shown in current liabilities of the statements of financial position.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
		(in Baht)		
Cash on hand	906,635	608,009	376,885	214,722
Cash at banks	98,479,473	37,227,664	75,998,751	14,324,054
<b>Total Cash and cash equivalents in the statement of financial position</b>	<b>99,386,108</b>	<b>37,835,673</b>	<b>76,375,636</b>	<b>14,538,776</b>



# Leo Global Logistics Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

### 5 Trade and other receivables

#### Accounting policy

A trade accounts receivable is recognised when the Group has an unconditional right to receive consideration. A trade accounts receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(Baht)</i>			
Trade account receivables - net	621,316,047	228,957,595	615,614,616	227,757,040
Prepayment	281,851,695	10,658,731	281,748,361	10,556,212
Accrued income	76,203,437	46,785,334	75,330,322	46,279,170
Other receivable	751,426	1,180,259	743,824	1,145,016
Advance payments- net	175,066	428,160	7,174,352	3,723,182
Others	167,558	184,407	167,559	184,407
<b>Total</b>	<b>980,465,229</b>	<b>288,194,486</b>	<b>980,779,034</b>	<b>289,645,027</b>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in Baht)</i>			
Within credit terms	276,277,004	167,345,311	272,130,794	167,816,519
Overdue:				
Less than 3 months	312,866,197	58,670,852	311,320,556	56,969,528
3 - 6 months	31,791,311	212,935	31,780,734	199,882
6 - 12 months	3,977,296	3,220,602	3,972,676	3,194,397
More than 12 months	1,564,781	9,250,814	1,428,813	9,141,448
<b>Total</b>	<b>626,476,589</b>	<b>238,700,514</b>	<b>620,633,573</b>	<b>237,321,774</b>
Less allowance for expected credit loss	(5,160,542)	(9,742,919)	(5,018,897)	(9,564,734)
<b>Net</b>	<b>621,316,047</b>	<b>228,957,595</b>	<b>615,614,676</b>	<b>227,757,040</b>

	Consolidated financial statements		Separate financial statements	
<i>Allowance for expected credit loss</i>	2021	2020	2021	2020
	<i>(in Baht)</i>			
At 1 January	9,742,919	9,313,003	9,564,734	9,116,897
Addition	2,630,643	432,392	5,140,966	453,986
Write-off	(7,086,804)	(6,149)	(7,086,803)	(6,149)
Effect of movements in exchange rates	(126,216)	3,673	-	-
<b>At 31 December</b>	<b>5,160,542</b>	<b>9,742,919</b>	<b>7,618,897</b>	<b>9,564,734</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**6 Marketable financial assets**

The Group recognises and measures financial assets as disclosed in note 23.

<i>Marketable debt securities</i>	<b>Consolidated and separate financial statements</b>				At 31 December
	At 1 January	Purchase	Disposal (in Baht)	Fair value adjustment	
<b>2021</b>					
<b>Current financial assets</b>					
Debt securities measured at					
- FVTPL	180,309,356	45,008,515	(225,311,956)	24	5,939
<b>Total</b>	<b>180,309,356</b>	<b>45,008,515</b>	<b>(225,311,956)</b>	<b>24</b>	<b>5,939</b>
<b>2020</b>					
<b>Current financial assets</b>					
Debt securities measured at					
- FVTPL	-	180,165,656	(99,955)	243,655	180,309,356
<b>Total</b>	<b>-</b>	<b>180,165,656</b>	<b>(99,955)</b>	<b>243,655</b>	<b>180,309,356</b>

**7 Investments in associates**

**Accounting policy**

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investments in associates using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity - accounted investees, until the date on which significant influence ceases.

Investments in associates in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The Group considers impairment on investments in associates as disclosed in note 10.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Type of business	Country of operation	Ownership interest		Consolidated financial statements		Separate financial statements								
			2021	2020 (%)	At equity method		(in Baht)								
					2021	2020	Cost		Impairment		At cost - net				
							2021	2020	2021	2020	2021	2020	2021	2020	
<b>Associates</b>															
Aramex (Thailand) Co., Ltd.	Logistic management services and warehouse	Thailand	26	26	22,170,136		3,499,855	10,140,000	10,140,000	-	(7,000,000)	10,140,000	3,140,000		
Sinokor Merchant Marine (Thailand) Co., Ltd.	Agent of vessel company in South Korea providing container services	Thailand	50	50	60,292,990		52,453,908	9,745,614	9,745,614	-	-	9,745,614	9,745,614		
					<u>82,463,126</u>		<u>55,953,763</u>	<u>19,885,614</u>	<u>19,885,614</u>	<u>-</u>	<u>(7,000,000)</u>	<u>19,885,614</u>	<u>12,885,614</u>		

None of the Group and the Company's associates are publicly and consequently do not have published price quotation.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<i>Material movement for the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Associates</i>				
Reversal of impairment	-	-	7,000,000	-

*Material associates*

The following table summarises the financial information of the material associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	<b>Associate 1</b>		<b>Associate 2</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Revenue	532,536,462	82,187,196	182,311,063	149,500,752
Profit from continuing operations	71,808,770	2,363,694	26,249,117	29,857,384
Other comprehensive income	-	-	2,268,542	435,303
Total comprehensive income (100%)	71,808,770	2,363,694	28,517,659	30,292,687
Less non - controlling interest in subsidiary of associate	-	-	(12,839,495)	(9,531,136)
Total comprehensive income (100%)	71,808,770	2,363,694	15,678,164	20,761,551
<b>Group's share of total comprehensive income (26%, 50%,)</b>	<b>18,670,281</b>	<b>614,560</b>	<b>7,839,082</b>	<b>10,380,775</b>
Current assets	159,359,977	32,424,979	170,639,143	183,271,037
Non-current assets	7,913,351	7,688,380	113,781,471	113,705,394
Short-term loan	-	-	(1,494,277)	(4,293,776)
Current liabilities	(17,044,310)	(6,645,958)	(7,851,424)	(53,949,607)
Financial liabilities	(64,805,376)	(19,959,524)	(63,603,408)	(54,986,396)
Non-current liabilities	(264,571)	(157,577)	(17,400,644)	(18,193,451)
Net assets	85,159,071	13,350,300	194,070,861	165,553,201
Less non - controlling interest in subsidiary of associate	-	-	(73,484,880)	(60,645,385)
Net assets (100%)	85,159,071	13,350,300	120,585,981	104,907,816
Group's share of net assets	22,170,136	3,499,855	60,292,991	52,453,908
<b>Carrying amount of interest in associate</b>	<b>22,170,136</b>	<b>3,499,855</b>	<b>60,292,991</b>	<b>52,453,908</b>

**8 Investments in subsidiaries**

*Accounting policy*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences are recognised in other comprehensive income, except to the extent that the translation difference is allocated to non-controlling interests. Foreign exchange differences are accumulated in the translation reserve until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. The Group considers impairment of investments in subsidiaries as disclosed in note 10.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

		Separate financial statements					
	Type of business	Country of operation	Ownership Interest		Cost		At cost - net
			2021	2020	2021	2020	
			(%)		(in Baht)		
YJC Depot Services Co., Ltd.	Container depot and repair services	Thailand	50	50	7,500,000	7,500,000	7,500,000
Leo Myanmar Logistics Co., Ltd.	International freight forwarding and integrated logistic service provider	Myanmar	80	80	2,732,600	(2,732,600)	2,732,600
Cardinal Maritime (Thailand) Co., Ltd	Logistic service provider and international transportation	Thailand	51	-	5,100,000	-	5,100,000
<b>Total</b>					<b>15,332,600</b>	<b>10,232,600</b>	<b>12,600,000</b>
						<b>(2,732,600)</b>	<b>10,232,600</b>

All subsidiaries were incorporated and mainly operate in Thailand, except Leo Myanmar Logistics Co., Ltd. which was incorporated and operates in Myanmar.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<b>Material movement for the year ended 31 December</b>	<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>
	<i>(in Baht)</i>	
Acquisition of investment in Cardinal Maritime (Thailand) Co., Ltd	5,100,000	-
Impairment losses	(2,732,600)	-

As at 30 August 2021, Cardinal Maritime (Thailand) Co.,Ltd, was incorporated in Thailand, established the company with authorised and issued and paid-up share capital by issuing 100,000 ordinary shares at a par value of Baht 100 totaling Baht 10 million. The Company was held 51% of authorised and issued and paid-up share capital.

*Impairment of investment in a subsidiary*

Management reviewed and tested impairment of investments in a subsidiary in which impairment indicator existed by determining recoverable amount of investments from the value in use of cash-generating unit. The discounted cash flow projections (“DCF”) have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 13.19% discount rate.

The recoverable amounts of investments in Leo Myanmar Logistics Co., Ltd was less than carrying amount. As a result, the Company recognised impairment losses of Baht 2.73 million in the separate financial statements of comprehensive income for the year ended 31 December 2021. *(31 December 2020: Nil)*.

## **9 Investment properties**

*Accounting policy*

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment properties denominated in foreign currency are translated into Thai Baht at exchange rates at the dates of the transactions. The Group considers impairment of the investment properties as disclosed in note 10.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings and building improvements	12 years
-------------------------------------	----------

Depreciation of building ,which was right of use, are disclosed in note 11.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<b>Consolidated and separate financial statements</b>			
	Buildings right of use in building and building improvement	Assets under construction (in Baht)	Total
<b>Cost</b>			
At 1 January 2020	28,850,284	-	28,850,284
Additions	132,598	-	132,598
Transfer from property, plant and equipment	369,703	-	369,703
Write off	(2,190)	-	(2,190)
<b>At 31 December 2020 and 1 January 2021</b>	<b>29,350,395</b>	<b>-</b>	<b>29,350,395</b>
Additions	45,844,837	26,345,524	72,190,361
Transfer from right-of-use assets	-	1,070,732	1,070,732
<b>At 31 December 2021</b>	<b>75,195,232</b>	<b>27,416,256</b>	<b>102,611,488</b>
<b>Depreciation and impairment losses</b>			
At 1 January 2020	2,474,835	-	2,474,835
Depreciation charge for the year	2,382,337	-	2,382,337
Disposals	(1,123)	-	(1,123)
<b>At 31 December 2020 and 1 January 2021</b>	<b>4,856,049</b>	<b>-</b>	<b>4,856,049</b>
Depreciation charge for the year	2,458,909	-	2,458,909
Transfer to assets under construction	1,070,732	-	1,070,732
<b>At 31 December 2021</b>	<b>8,385,690</b>	<b>-</b>	<b>8,385,690</b>
<b>Net book value</b>			
<b>At 31 December 2020</b>			
Owned assets	13,710,044	-	13,710,044
Right-of-use assets	10,784,302	-	10,784,302
	<b>24,494,346</b>	<b>-</b>	<b>24,494,346</b>
<b>At 31 December 2021</b>			
Owned assets	12,716,940	27,416,226	40,133,196
Right-of-use assets	54,092,602	-	54,092,602
	<b>66,809,542</b>	<b>27,416,226</b>	<b>94,225,798</b>

	Consolidated and Separate financial statements	
<i>Year ended 31 December</i>	2021	2020
	<i>(in Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Rental income	6,532,104	7,009,992
Direct operating expense arising from investment - property that generated rental income	(3,947,292)	(4,024,398)

Information relating to leases are disclosed in note 3 and note 11, respectively.

The fair value of investment properties as at 31 December 2021 of Baht 71.26 million (2020: Baht 30.72 million) was determined by discounted cash flow using risk-adjusted discount rates. Discount rates was determined by average finance cost of the Company. The fair value of investment property has been categorised as a Level 3 fair value.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**10 Property, plant and equipment**

*Accounting policy*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Property, plant and equipment denominated in foreign currencies are translated into Thai Baht at exchange rates at the dates of the transactions.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

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

Depreciation of land, building and vehicles, which were right of use, are disclosed in note 11.

*Impairment losses*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The recoverable amount is assessed from the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Consolidated financial statements					
	Land	Buildings, building improvement and right of use in building	Office furniture, fixtures and equipment	Vehicles	Assets under construction	Total
			<i>(in Baht)</i>			
<b>Cost</b>						
At 1 January 2020	62,913,766	36,989,388	40,994,173	16,934,598	423,703	158,255,628
Additions	-	2,090,544	1,756,643	-	5,143,374	8,990,561
Transfers	-	822,232	10,900	-	(833,132)	-
Transfer to investment property	-	-	-	-	(369,703)	(369,703)
Disposals / write off	-	-	(187,931)	-	-	(187,931)
Effect of movements in exchange rates	-	23,855	37,150	-	-	61,005
<b>At 31 December 2020 and 1 January 2021</b>	<b>62,913,766</b>	<b>39,926,019</b>	<b>42,610,935</b>	<b>16,934,598</b>	<b>4,364,242</b>	<b>166,749,560</b>
Additions	63,572,832	7,942,443	7,788,028	3,661,087	27,642,064	110,606,454
Transfers	-	3,709,281	84,078	-	(3,793,359)	-
Transfer from right-of-use assets	-	-	-	-	5,003,348	5,003,348
Disposals / write off	-	-	(819,032)	(2,281,776)	-	(3,100,808)
Effect of movements in exchange rates	-	(379,510)	(61,708)	-	-	(441,218)
<b>At 31 December 2021</b>	<b>126,486,598</b>	<b>51,198,233</b>	<b>49,602,301</b>	<b>18,313,909</b>	<b>33,216,295</b>	<b>278,817,336</b>



# Leo Global Logistics Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 31 December 2021

	Consolidated financial statements				
	Land	Buildings, building improvement and right of use in building	Office furniture, fixtures and equipment (in Baht)	Vehicles	Assets under construction Total
<b>Depreciation and impairment losses</b>					
At 1 January 2020	-	24,960,249	30,246,010	3,717,592	58,923,851
Depreciation charge for the year	4,282,746	1,393,692	2,722,726	1,739,647	10,138,811
Disposals / write off	-	-	(180,150)	-	(180,151)
Effect of movements in exchange rates	-	6,879	17,289	-	24,168
<b>At 31 December 2020 and 1 January 2021</b>	<b>4,282,746</b>	<b>26,360,820</b>	<b>32,805,875</b>	<b>5,457,239</b>	<b>68,906,680</b>
Depreciation charge for the year	4,226,617	4,168,274	3,360,142	1,781,575	13,536,608
Transfer to assets under construction	5,003,348	-	-	-	5,003,348
Disposals / write off	-	-	(757,821)	(1,166,866)	(1,924,687)
Effect of movements in exchange rates	-	(84,994)	(38,884)	-	(123,878)
<b>At 31 December 2021</b>	<b>13,512,711</b>	<b>30,444,100</b>	<b>35,369,312</b>	<b>6,071,948</b>	<b>85,398,071</b>
<b>Net book value</b>					
<b>At 31 December 2020</b>					
Owned assets	10,215,811	11,663,344	9,805,060	841,617	36,890,074
Right-of-use assets	48,415,209	1,901,855	-	10,635,742	60,952,806
	<b>58,631,020</b>	<b>13,565,199</b>	<b>9,805,060</b>	<b>11,477,359</b>	<b>97,842,880</b>
<b>At 31 December 2021</b>					
Owned assets	10,215,811	13,414,939	14,232,989	721,663	71,801,697
Right-of-use assets	102,758,076	7,339,194	-	11,520,298	121,617,568
	<b>112,973,887</b>	<b>20,754,133</b>	<b>14,232,989</b>	<b>12,241,961</b>	<b>193,419,265</b>



# Leo Global Logistics Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements				
	Land	Buildings, building improvement and right of use in building	Office furniture, fixtures and equipment (in Baht)	Vehicles	Assets under construction
<i>Cost</i>					Total
At 1 January 2020	10,215,811	36,742,225	19,604,671	16,934,598	83,921,008
Additions	-	76,815	1,735,017	-	6,955,206
Transfers	-	822,232	10,900	-	-
Transfer to investment property	-	-	-	-	(369,703)
Disposals / write off	-	-	(140,599)	-	(140,599)
<b>At 31 December 2020 and 1 January 2021</b>	<b>10,215,811</b>	<b>37,641,272</b>	<b>21,209,989</b>	<b>16,934,598</b>	<b>90,365,912</b>
Additions	-	7,942,443	7,220,986	3,661,087	31,010,201
Transfers	-	3,709,281	84,078	-	-
Disposals / write off	-	-	(815,116)	(2,281,776)	(3,096,892)
<b>At 31 December 2021</b>	<b>10,215,811</b>	<b>49,292,996</b>	<b>27,699,937</b>	<b>18,313,909</b>	<b>118,279,221</b>
<i>Depreciation and impairment losses</i>					
At 1 January 2020	-	24,841,965	14,667,343	3,717,592	43,226,900
Depreciation charge for the year	-	1,232,053	1,532,122	1,739,647	4,503,822
Disposals / write off	-	-	(136,051)	-	(136,051)
<b>At 31 December 2020 and 1 January 2021</b>	<b>-</b>	<b>26,074,018</b>	<b>16,063,414</b>	<b>5,457,239</b>	<b>47,594,671</b>
Depreciation charge for the year	-	3,529,860	2,375,187	1,781,575	7,686,622
Disposals / write off	-	-	(753,906)	(1,166,866)	(1,920,772)
<b>At 31 December 2021</b>	<b>-</b>	<b>29,603,878</b>	<b>17,684,695</b>	<b>6,071,948</b>	<b>53,360,521</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Separate financial statements				
	Land	Buildings, building improvement and right of use in building	Office furniture, fixtures and equipment	Vehicles	Assets under construction
					Total
<i>(in Baht)</i>					
<b>Net book value</b>					
<b>At 31 December 2020</b>					
Owned assets	10,215,811	11,567,254	5,146,575	841,617	32,135,499
Right-of-use assets	-	-	-	10,635,742	10,635,742
	<b>10,215,811</b>	<b>11,567,254</b>	<b>5,146,575</b>	<b>11,477,359</b>	<b>42,771,241</b>
<b>At 31 December 2021</b>					
Owned assets	10,215,811	13,372,699	10,015,242	721,663	47,081,983
Right-of-use assets	-	6,316,419	-	11,520,298	17,836,717
	<b>10,215,811</b>	<b>19,689,118</b>	<b>10,015,242</b>	<b>12,241,961</b>	<b>64,918,700</b>

Information relating to leases are disclosed in note 11.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**11 Leases**

***Accounting policy***

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The Group considers impairment of the right-of-use asset as disclosed in note 10.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

<b><i>Right-of-use assets</i></b> <b><i>At 31 December</i></b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Land	102,758,076	48,415,209	-	-
Buildings	61,431,796	12,686,157	60,409,021	10,784,302
Vehicles	11,520,298	10,635,742	11,520,298	10,635,742
<b>Total</b>	<b><u>175,710,170</u></b>	<b><u>71,737,108</u></b>	<b><u>71,929,319</u></b>	<b><u>21,420,044</u></b>

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 120.81 million and Baht 57.24 million, respectively (2020: Baht 2.01 million and nil, respectively).



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Company*

On 1 January 2021, the Company entered into a lease agreement of land and buildings for 5 years. The Company has rental payment of Baht 9.00 million. The Company recognised right-of-use assets and lease liabilities amounting to Baht 7.89 million and Baht 7.89 million, respectively.

On 1 June 2021, the Company entered into lease agreements of land and buildings for a term of 25 years up to the year 2046 to develop self-storage project. The Company has rental payment of Baht 87.50 million. The Company recognised right-of-use assets and lease liabilities amounting to Baht 45.69 million and Baht 45.69 million, respectively.

On 12 August 2021 and 31 August 2021, the Company entered into a lease agreement of vehicles for 4 years. The Company has rental payment of Baht 3.66 million. The Company recognised right-of-use assets and lease liabilities amounting to Baht 3.66 million and Baht 3.66 million, respectively.

*Subsidiary*

On 14 May 2021, a subsidiary entered into a lease agreement of land for 6 years and will extend the lease for further periods of 3 years, then total lease term is 9 years to develop a container depot project under conditions of the agreement. The Company shall pay rental payment of Baht 96.14 million. The Company recognised right-of-use assets and lease liabilities amounting to Baht 63.57 million and Baht 63.57 million, respectively.

*Extension options*

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Lease income	30,833,885	34,814,971	6,532,104	7,009,992
Depreciation of right-of-use assets:				
- land	4,226,617	4,282,746	-	-
- buildings	3,482,121	1,421,548	2,885,212	1,307,188
- vehicles	1,661,622	1,686,140	1,661,622	1,686,140
Interest on lease liabilities	3,936,144	3,876,884	1,487,688	1,230,924
Expenses relating to short-term leases	1,826,195	3,240,185	386,195	1,900,268
Expenses relating to leases of low-value assets	248,445	156,627	248,445	156,627

In 2021, total cash outflow for leases of the Group and the Company were Baht 17.01 million and Baht 8.15 million, respectively (2020: Baht 11.09 million and Baht 5.34 million, respectively).



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**12 Interest-bearing liabilities**

*Accounting policy*

The Group recognises and measures financial liabilities as disclosed in note 23.

<b>Consolidated financial statements</b>						
	Secured	2021 Unsecured	Total	Secured	2020 Unsecured	Total
	<i>(in Baht)</i>					
Bank overdrafts	18,140,718	-	18,140,718	1,382,480	-	1,382,480
Short-term loans						
- financial institutions	123,500,000	-	123,500,000	-	-	-
Long-term loans						
- financial institutions	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Lease liabilities	177,813,597	-	177,813,597	68,394,458	-	68,394,458
<b>Total interest-bearing liabilities</b>	<b>339,454,315</b>	<b>-</b>	<b>339,454,315</b>	<b>89,776,938</b>	<b>-</b>	<b>89,776,938</b>

<b>Separate financial statements</b>						
	Secured	2021 Unsecured	Total	Secured	2020 Unsecured	Total
	<i>(in Baht)</i>					
Bank overdrafts	18,140,718	-	18,140,718	1,382,480	-	1,382,480
Short-term loans						
- financial institutions	123,500,000	-	123,500,000	-	-	-
Long-term loans						
- financial institutions	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Lease liabilities	71,318,387	-	71,318,387	19,766,059	-	19,766,059
<b>Total interest-bearing liabilities</b>	<b>232,959,105</b>	<b>-</b>	<b>232,959,105</b>	<b>41,148,539</b>	<b>-</b>	<b>41,148,539</b>

*Bank overdrafts*

As at 31 December 2021, bank overdrafts bear interest at the rate of MOR per annum and MLR 0.5 -1% per annum (2020: MOR and MOR-1% per annum).

*Long-term borrowings from financial institutions*

	Principle	Outstanding as at 31 December		Interest rate	%	Repayment		
		2021 Baht	2020 Baht			Term payment	Period	Amount (Baht)
Loan 1	20,000,000	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



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

As at 13 April 2020, the Company entered into a borrowing agreement with a local financial institution for the loan of Baht 20 million under low interest rate measures to help entrepreneurs affected directly and indirectly from the COVID-19 pandemic. 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.

As at 31 December 2021 and 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.

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Restricted deposits at financial institutions		14,757,977	15,279,233	14,757,977	15,279,233
Property, plant and equipment	10	15,564,643	16,258,796	15,564,643	16,258,796
<b>Total</b>		<b>30,322,620</b>	<b>31,538,029</b>	<b>30,322,620</b>	<b>31,538,029</b>

As at 31 December 2021 the Group and the Company had unutilised credit facilities totalling Baht 75.36 million and Baht 72.36 million, respectively (2020: Baht 165.62 million and Baht 162.62 million, respectively).

***Changes in liabilities arising from financing activities***

<b>Consolidated financial statements</b>				
	Bank overdrafts and short-term borrowings	Long-term borrowings	Lease liabilities	Total
	<i>(in Baht)</i>			
<b>2021</b>				
At 1 January 2021	1,382,480	20,000,000	68,394,458	89,776,938
Changes from financing cash flows	140,258,238	-	(14,932,286)	125,325,952
Other changes - non-cash transactions	-	-	124,351,425	124,351,425
<b>At 31 December 2021</b>	<b>141,640,718</b>	<b>20,000,000</b>	<b>177,813,597</b>	<b>339,454,315</b>
<b>2020</b>				
At 1 January 2020	2,957,949	-	70,981,379	73,939,328
Changes from financing cash flows	(1,575,469)	20,000,000	(4,600,650)	13,823,881
Other changes - non-cash transactions	-	-	2,013,729	2,013,729
<b>At 31 December 2020</b>	<b>1,382,480</b>	<b>20,000,000</b>	<b>68,394,458</b>	<b>89,776,938</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	<b>Separate financial statements</b>			
	Bank overdrafts and short-term borrowings	Long-term borrowings	Lease liabilities	Total
	<i>(in Baht)</i>			
<b>2021</b>				
At 1 January 2021	1,382,480	20,000,000	19,766,059	41,148,539
Changes from financing cash flows	140,258,238	-	(7,177,110)	133,081,128
Other changes - non-cash transactions	-	-	58,729,438	58,729,438
<b>At 31 December 2021</b>	<b>141,640,718</b>	<b>20,000,000</b>	<b>71,318,387</b>	<b>232,959,105</b>
<b>2020</b>				
At 1 January 2020	2,957,949	-	23,535,934	26,493,883
Changes from financing cash flows	(1,575,469)	20,000,000	(3,769,875)	14,654,656
<b>At 31 December 2020</b>	<b>1,382,480</b>	<b>20,000,000</b>	<b>19,766,059</b>	<b>41,148,539</b>

**13 Trade and other payable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Accrued service cost - other parties	128,938,197	36,711,444	128,938,197	36,711,501
Trade account payables - other parties	120,773,483	121,777,417	110,771,633	119,192,277
Accrued expenses	104,039,323	34,940,794	101,793,023	33,249,511
Advance receive	5,180,116	2,598,334	5,260,762	2,680,652
Other payable	385,134	29,774	379,434	18,079
Trade account payables - related parties	641	467,114	1,889,944	496,581
Accrued service cost - related parties	-	25,496	-	28,996
<b>Total</b>	<b>359,316,894</b>	<b>196,550,373</b>	<b>349,032,993</b>	<b>192,377,597</b>

**14 Other current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Undue output tax	27,157,298	5,606,226	27,021,035	5,515,238
Deposits	14,110,566	12,424,819	14,160,566	12,424,818
Value added tax payable	10,467,519	3,053,245	10,467,518	2,979,968
Withholding tax payable	7,748,644	2,470,140	7,368,210	2,423,066
Others	10,210	395,682	-	385,472
<b>Total</b>	<b>59,494,237</b>	<b>23,950,112</b>	<b>59,017,329</b>	<b>23,728,562</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**15 Non-current provisions for employee benefits**

*Accounting policy*

*Defined contribution plan*

Obligations for contributions to the Group's provident fundb are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Post-employment benefits	44,457,744	43,332,847	43,215,137	42,309,632
Other long-term employee benefits	2,387,422	2,683,625	2,387,422	2,683,625
<b>Total</b>	<b>46,845,166</b>	<b>46,016,472</b>	<b>45,602,559</b>	<b>44,993,257</b>

*Defined benefit plan*

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
At 1 January	43,332,847	39,564,909	42,309,632	38,671,067
<b>Recognised in profit or loss:</b>				
Current service cost	3,164,430	3,384,730	2,963,354	3,188,633
Interest on obligation	641,938	636,015	623,622	619,032
<b>Recognised in other comprehensive income:</b>				
Actuarial gain (loss)				
- Demographic assumptions	-	337	-	-
- Financial assumptions	-	14,670	-	-
- Experience adjustment	-	(98,714)	-	-
Benefit paid	(2,681,471)	(169,100)	(2,681,471)	(169,100)
<b>At 31 December</b>	<b>44,457,744</b>	<b>43,332,847</b>	<b>43,215,137</b>	<b>42,309,632</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	1.61 - 1.79	1.61 - 1.79	1.61	1.61
Future salary growth	4.00 - 5.00	4.00 - 5.00	4.00	4.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 11.74 years (2020:11.74 years).

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b>Consolidated financial statements</b>				
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Discount rate	(3,010,409)	(2,962,992)	3,452,068	3,396,370
Future salary growth	4,168,235	3,688,220	(3,683,562)	(3,276,246)
<b>Separate financial statements</b>				
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Discount rate	(2,874,015)	(2,962,992)	3,287,746	3,396,370
Future salary growth	3,997,724	3,688,220	(3,539,256)	(3,276,246)



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Other long-term employee benefits*

<i>Present value of the benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
At 1 January	2,683,625	2,837,698	2,683,625	2,837,698
<b>Recognised in profit or loss:</b>				
Current service cost	222,708	285,788	222,708	285,788
Interest on obligation	31,089	35,139	31,089	35,139
Benefit paid	(550,000)	(475,000)	(550,000)	(475,000)
<b>At 31 December</b>	<b>2,387,422</b>	<b>2,683,625</b>	<b>2,387,422</b>	<b>2,683,625</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	1.36	1.36	1.36	1.36

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Discount rate	(116,029)	(123,474)	127,963	136,461
Future salary growth	(116,029)	(123,474)	127,963	136,461

**16 Share capital**

	Par value per share (Baht)	2021		2020	
		Number	Amount (shares / Baht)	Number	Amount
Authorised shares at 31 December	0.5	<b>320,000,000</b>	<b>160,000,000</b>	<b>320,000,000</b>	<b>160,000,000</b>
<b>Issued and paid-up shares</b>					
At 1 January - ordinary shares		320,000,000	160,000,000	200,000,000	100,000,000
Increase of new shares		-	-	120,000,000	60,000,000
<b>At 31 December - ordinary shares</b>	0.5	<b>320,000,000</b>	<b>160,000,000</b>	<b>320,000,000</b>	<b>160,000,000</b>

As at 5 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.

*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**17 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**18 Segment information and disaggregation of revenue**

*Accounting policy*

*(1) Segment information*

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly insert unallocated items, e.g. corporate assets (primarily the Company's headquarters), other income, head office expenses, and tax assets and liabilities.

*(2) Revenue recognition*

Revenue is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts. Revenue in foreign currency are translated into functional currency at exchange rates at the dates of transactions.

Revenue for rendering of services is recognised over time. The related costs are recognised in profit or loss when they are incurred.

For multiple services contracts which are rendered in different reporting periods, the consideration received is allocated based on their relative stand-alone selling prices.

For the contracts that the Group is arranging for the provision of the services on behalf of its customers and does not control the services before the primary service providers will provide the services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue which include revenue for rendering of services.

*(a) Segment information*

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Sea freight
Segment 2	Air freight
Segment 3	Integrated logistics services (Land transport and other services except service is segment 4)
Segment 4	Storage rental and container depot

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.



## Notes to the financial statements

**Leo Global Logistics Public Company Limited and its Subsidiaries**

Year ended 31 December	Consolidated financial statements						
	Sea freight		Air freight		Integrated logistic services		Storage rental and container depot
	2021	2020	2021	2020	2021	2020	
Revenues	(in Baht)						
Revenue from rendering of services	2,922,289,607	778,957,473	226,923,499	174,508,948	185,385,313	137,986,104	34,814,971
Total revenue	2,922,289,607	778,957,473	226,923,499	174,508,948	185,385,313	137,986,104	34,814,971
Timing of revenue recognition							
At a point in time	300,500,030	234,737,569	173,767,228	174,508,948	60,214,462	35,814,722	20,157,613
Over time	2,621,789,577	544,219,904	53,156,271	-	125,170,851	102,171,382	14,657,358
Total revenue	2,922,289,607	778,957,473	226,923,499	174,508,948	185,385,313	137,986,104	34,814,971
Cost of rendering of services	(2,475,306,274)	(607,843,825)	(90,956,628)	(70,895,680)	(133,999,189)	(101,227,309)	(16,013,287)
Gross profit	446,983,333	171,113,648	135,966,871	103,613,268	51,386,124	36,758,795	18,801,684
Profit before finance costs, tax expense, depreciation and amortisation							
Depreciation and amortisation							
Profit from operating activities							
Share of profit of associates accounted for using the equity method							
Expected credit loss							
Finance costs							
Income tax expenses							
Profit for the period							
Interest income							



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*(b) Geographical information*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

*(c) Major customer*

The Group has no revenues with a single external customer which is material to total revenues.  
*(2020: None)*

**19 Expenses by nature**

*Accounting policy*

The Group recognises expenses as disclosed in note 5, 9, 11, 15, 18

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Cost of sea and air freight	2,566,262,902	678,739,506	2,554,732,592	607,843,825
Employee benefit expense	186,395,035	140,050,758	183,363,790	135,811,516
Depreciation and amortisation	18,028,440	13,594,146	12,116,765	7,231,684
Consulting expenses	12,823,421	7,549,344	12,248,150	7,056,449
Marketing expenses	10,409,227	8,534,377	10,396,986	8,534,177
Utility expenses	10,386,311	10,389,583	9,637,165	9,621,422
Expected credit loss	2,630,643	426,116	5,140,966	447,837
Rental expenses	2,074,640	3,396,812	634,640	2,056,895
Impairment loss on investment in a subsidiary	-	-	2,732,600	-
Reversal of impairment loss on investment in an associate	-	-	(7,000,000)	-

During 2021, the Group and the Company have contributed provident funds for its employees amounting to Baht 3.64 million and Baht 3.64 million, respectively *(2020: Baht 3.53 million and Baht 3.53 million, respectively)*, which included in employee benefit expenses.

**20 Income tax**

*Accounting policy*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<b>Current tax expense</b>				
Current year	42,463,429	13,010,671	41,554,531	11,732,374
	<u>42,463,429</u>	<u>13,010,671</u>	<u>41,554,531</u>	<u>11,732,374</u>
<b>Deferred tax expense</b>				
Movements in temporary differences	(814,494)	(1,720,268)	(295,654)	(760,999)
	<u>(814,494)</u>	<u>(1,720,268)</u>	<u>(295,654)</u>	<u>(760,999)</u>
<b>Total income tax expense</b>	<b><u>41,648,335</u></b>	<b><u>11,290,403</u></b>	<b><u>41,258,877</u></b>	<b><u>10,971,375</u></b>

<b>Consolidated financial statements</b>						
	Before tax	2021 Tax expense	Net of tax	Before tax	2020 Tax expense	Net of tax
<i>Income tax</i>						
						<i>(in Baht)</i>
<b>Recognised in other comprehensive income</b>						
Financial assets measured at FVOCI	2,057,900	(411,580)	1,646,320	-	-	-
Defined benefit plan actuarial gains (losses)	-	-	-	83,707	(16,741)	66,966
<b>Total</b>	<b><u>2,057,900</u></b>	<b><u>(411,580)</u></b>	<b><u>1,646,320</u></b>	<b><u>83,707</u></b>	<b><u>(16,741)</u></b>	<b><u>66,966</u></b>

<b>Separate financial statements</b>						
	Before tax	2021 Tax expense	Net of tax	Before tax	2020 Tax expense	Net of tax
<i>Income tax</i>						
						<i>(in Baht)</i>
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	2,057,900	(411,580)	1,646,320	-	-	-
<b>Total</b>	<b><u>2,057,900</u></b>	<b><u>(411,580)</u></b>	<b><u>1,646,320</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	2021		2020		2021		2020	
	<i>Rate (%)</i>	<i>(in Baht)</i>	<i>Rate (%)</i>	<i>(in Baht)</i>	<i>Rate (%)</i>	<i>(in Baht)</i>	<i>Rate (%)</i>	<i>(in Baht)</i>
Profit before income tax expense		<u>241,308,068</u>		<u>69,061,538</u>		<u>216,857,810</u>		<u>59,141,066</u>
Income tax using the Thai corporation tax rate	20	48,261,614	20	13,812,308	20	43,371,562	20	11,828,213
Share of profit of associates		(5,083,966)		(2,161,824)		-		-
Income not subject to tax		(3,026,508)		(436,887)		(3,745,842)		(1,221,766)
Expenses not deductible for tax purposes		1,497,795		76,806		1,086,637		364,928
Current year losses for which no deferred tax asset was recognised		-		-		546,520		-
<b>Total</b>	<b>17.26</b>	<b><u>41,648,935</u></b>	<b>16.35</b>	<b><u>11,290,403</u></b>	<b>19.03</b>	<b><u>41,258,877</u></b>	<b>18.55</b>	<b><u>10,971,375</u></b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>		<b>Assets</b>		<b>Liabilities</b>	
<i>At 31 December</i>	2021	2020	2021	2020	2021	2020	2021	2020
				<i>(in Baht)</i>				
Total	12,505,308	11,690,814	(2,742,980)	(2,331,400)	10,865,171	10,911,598	(2,742,980)	(2,673,481)
Set off of tax	(2,742,980)	(2,331,400)	2,742,980	2,331,400	(2,742,980)	(2,673,481)	2,742,980	2,673,481
<b>Net deferred tax</b>								
assets (liabilities)	<b><u>9,762,328</u></b>	<b><u>9,359,414</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>8,122,191</u></b>	<b><u>8,238,117</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

<b>Consolidated financial statements</b>				
<b>(Charged) / Credited to</b>				
<i>Deferred tax</i>	<b>At 1 January</b>	<b>Profit or loss</b>	<b>Other comprehensive income</b>	<b>At 31 December</b>
		<i>(in Baht)</i>		
<b>2021</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	1,948,584	(396,475)	-	1,552,109
Leases	538,936	1,045,230	-	1,584,166
Non-current provisions for employee benefits	9,203,294	165,739	-	9,369,033
<b>Total</b>	<b><u>11,690,814</u></b>	<b><u>814,494</u></b>	<b><u>-</u></b>	<b><u>12,505,308</u></b>
<b>Deferred tax liabilities</b>				
Financial assets measured at FVOCI	(2,331,400)	-	(411,580)	(2,742,980)
<b>Total</b>	<b><u>(2,331,400)</u></b>	<b><u>-</u></b>	<b><u>(411,580)</u></b>	<b><u>(2,742,980)</u></b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

		<b>Consolidated financial statements</b>		
		<b>(Charged) / Credited to</b>		
	<b>At 1</b>	<b>Profit or loss</b>	<b>Other</b>	<b>At 31</b>
<i>Deferred tax</i>	<b>January</b>		<b>comprehensive income</b>	<b>December</b>
<b>2020</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	1,700,931	247,653	-	1,948,584
Leases	-	538,936	-	538,936
Non-current provisions for employee benefits	8,480,521	739,514	(16,741)	9,203,294
<b>Total</b>	<b>10,181,452</b>	<b>1,526,103</b>	<b>(16,741)</b>	<b>11,690,814</b>
<b>Deferred tax liabilities</b>				
Leases	(194,165)	194,165	-	-
Financial assets measured at FVOCI	(2,331,400)	-	-	(2,331,400)
<b>Total</b>	<b>(2,525,565)</b>	<b>194,165</b>	<b>-</b>	<b>(2,331,400)</b>
		<b>Separate financial statements</b>		
		<b>(Charged) / Credited to</b>		
	<b>At 1</b>	<b>Profit or loss</b>	<b>Other</b>	<b>At 31</b>
<i>Deferred tax</i>	<b>January</b>		<b>comprehensive income</b>	<b>December</b>
<b>2021</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	1,912,947	(389,168)	-	1,523,779
Leases	-	220,880	-	220,880
Non-current provisions for employee benefits	8,998,651	121,861	-	9,120,512
<b>Total</b>	<b>10,911,598</b>	<b>(46,427)</b>	<b>-</b>	<b>10,865,171</b>
<b>Deferred tax liabilities</b>				
Leases	(342,081)	342,081	-	-
Financial assets measured at FVOCI	(2,331,400)	-	(411,580)	(2,742,980)
<b>Total</b>	<b>(2,673,481)</b>	<b>342,081</b>	<b>(411,580)</b>	<b>(2,742,980)</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>2020</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	1,700,931	212,016	-	1,912,947
Non-current provisions for employee benefits	8,301,752	696,899	-	8,998,651
<b>Total</b>	<b>10,002,683</b>	<b>908,915</b>	<b>-</b>	<b>10,911,598</b>
<b>Deferred tax liabilities</b>				
Leases	(194,165)	(147,916)	-	(342,081)
Financial assets measured at FVOCI	(2,331,400)	-	-	(2,331,400)
<b>Total</b>	<b>(2,525,565)</b>	<b>(147,916)</b>	<b>-</b>	<b>(2,673,481)</b>

<b>Unrecognised deferred tax assets</b>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deductible temporary differences				
- Impairment losses from investments in subsidiary	-	-	546,520	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>546,520</b>	<b>-</b>

The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**21 Earnings per share**

*Accounting policy*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Profit attributable to ordinary shareholders</i>				
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>198,806,628</u></b>	<b><u>56,875,656</u></b>	<b><u>175,598,933</u></b>	<b><u>48,169,691</u></b>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	320,000,000	200,000,000	320,000,000	200,000,000
Effect of shares issued (5 November 2020)	-	18,688,525	-	18,688,525
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b><u>320,000,000</u></b>	<b><u>218,688,525</u></b>	<b><u>320,000,000</u></b>	<b><u>218,688,525</u></b>
<b>Earnings per share (basic)</b>	<b><u>0.6213</u></b>	<b><u>0.2601</u></b>	<b><u>0.5487</u></b>	<b><u>0.2203</u></b>

**22 Dividends**

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in Baht)</i>
<i>Company</i>				
<i>2021</i>				
Annual dividend	29 April 2021	27 May 2021	0.07	22,398,859
Interim dividend	11 August 2021	9 September 2021	0.07	22,399,790
<b>Total</b>			<b><u>0.14</u></b>	<b><u>44,798,649</u></b>
<i>2020</i>				
Annual dividend	31 March 2020	30 April 2020	0.05	10,000,000
Interim dividend	15 September 2020	14 October 2020	0.15	30,000,000
<b>Total</b>			<b><u>0.20</u></b>	<b><u>40,000,000</u></b>
<i>Subsidiary</i>				
<i>2020</i>				
Interim dividend	12 May 2020	28 May 2020	33.33	5,000,000



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**23 Financial instruments**

*Accounting policy*

*(1) Classification and measurement*

Other financial assets and financial liabilities (except trade accounts receivables (see note 5)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends income are recognised as income in profit or loss on the date on which the Group's right to receive payment is established.

Financial assets and financial liabilities in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions, and the balances at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

*(2) Derecognition and offset*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(3) Derivatives*

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

*(4) Impairment of financial assets other than trade accounts receivables*

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

*(5) Write offs*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(6) Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*(a) Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Consolidated and separate financial statement						
	Carrying amount			Fair value		
	Fair value - hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total  (in Baht)	Level 1	Level 2
<i>At 31 December</i>						Total
<i>2021</i>						
<i>Financial assets</i>						
Investment in equity instruments	-	-	49,858,900	49,858,900	-	49,858,900
Investment in mutual fund - debt instruments	-	5,939	-	5,939	-	-
<b>Total financial assets</b>	<b>-</b>	<b>5,939</b>	<b>49,858,900</b>	<b>49,864,839</b>	<b>5,939</b>	<b>49,858,900</b>
						5,939
<i>Financial liabilities</i>						
Forward exchange contract	1,154,782	-	-	1,154,782	-	1,154,782
<b>Total financial liabilities</b>	<b>1,154,782</b>	<b>-</b>	<b>-</b>	<b>1,154,782</b>	<b>-</b>	<b>1,154,782</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Consolidated and separate financial statement								
	Carrying amount		Fair value					
	Fair value - hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total  <i>(in Baht)</i>	Level 1	Level 2	Level 3	
		Total						
<i>At 31 December</i>								Total
<i>2020</i>								
<i>Financial assets</i>								
Investment in equity instruments	-	-	47,801,000	47,801,000	-	-	47,801,000	47,801,000
Investment in mutual fund - debt instruments	-	180,309,356	-	180,309,356	-	180,309,356	-	180,309,356
<b>Total financial assets</b>	<b>-</b>	<b>180,309,356</b>	<b>47,801,000</b>	<b>228,110,356</b>				
<i>Financial liabilities</i>								
Forward exchange contract	226,448	-	-	226,448	-	226,448	-	226,448
<b>Total financial liabilities</b>	<b>226,448</b>	<b>-</b>	<b>-</b>	<b>226,448</b>				



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Investments in equity instruments which is actively traded in market measured	Based on the adjusted net assets value as of the reporting date
Forward exchange contract	based on the adjusted contract which the Company initial made with financial institutions by market value which is adjusted with each counterparty credit risk to reflect the contract value as of the present.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	Discounted cash flow	Discount rate	The estimated fair value would increase (decrease) if discount rate were (higher) lower.

<i>Reconciliation of Level 3 fair values</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<i>Equity securities</i>				
At 1 January	47,801,000	47,001,000	47,801,000	47,001,000
Acquisitions	-	800,000	-	800,000
Net change in fair value (including unrealised transactions)	-	-	-	-
- recognised in OCI	2,057,900	-	2,057,900	-
<b>At 31 December</b>	<b>49,858,900</b>	<b>47,801,000</b>	<b>49,858,900</b>	<b>47,801,000</b>

*Sensitivity analysis*

For the fair values of financial assets and financial liabilities measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

<i>Effect to OCI, net of tax</i>	Consolidated financial statements		Separate financial statements	
	1% increase in assumption	1% decrease in assumption	1% increase in assumption	1% decrease in assumption
	<i>(in Baht)</i>			
<i>31 December 2021</i>				
<i>Equity securities</i>				
Risk-adjusted discount rate	498,589	(498,589)	498,589	(498,589)
<i>31 December 2021</i>				
<i>Equity securities</i>				
Risk-adjusted discount rate	478,010	(478,010)	478,010	(478,010)



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*(b) Financial risk management policies*

*Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

*(b.1.1) Trade accounts receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements and other factor. Sale limits are established for each customer and reviewed yearly. Any sales exceeding those limits require approval from the authorized management.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 5.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

At 31 December	Consolidated financial statements				
	Contractual cash flows				Total
	Carrying amount	1 year or less	More than 1 years but less than 5 years (in Baht)	More than 5 years	
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Bank overdrafts	(18,140,718)	(18,140,718)	-	-	(18,140,718)
Short-term borrowing from financial institutions	(123,500,000)	(123,500,000)	-	-	(123,500,000)
Trade and other payables	(359,316,894)	(359,316,894)	-	-	(359,316,894)
Long-term borrowings from financial institutions	(20,000,000)	(7,855,640)	(12,659,943)	-	(20,515,583)
Lease liabilities	(177,813,597)	(23,551,497)	(95,337,075)	(131,541,740)	(250,430,312)
	<u>(698,771,209)</u>	<u>(532,364,749)</u>	<u>(107,997,018)</u>	<u>(131,541,740)</u>	<u>(771,903,507)</u>
<b>Derivative financial liabilities</b>					
Forward exchange contracts	(1,154,782)	78,128,450	-	-	78,128,450
	<u>(1,154,782)</u>	<u>78,128,450</u>	<u>-</u>	<u>-</u>	<u>78,128,450</u>
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Bank overdrafts	(1,382,480)	(1,382,480)	-	-	(1,382,480)
Trade and other payables	(196,550,373)	(196,550,373)	-	-	(196,550,373)
Long-term borrowings from financial institutions	(20,000,000)	(400,000)	(20,515,583)	-	(20,915,583)
Lease liabilities	(68,394,458)	(9,800,996)	(42,637,282)	(35,471,965)	(87,910,243)
	<u>(286,327,311)</u>	<u>(208,133,849)</u>	<u>(63,152,865)</u>	<u>(35,471,965)</u>	<u>(306,758,679)</u>
<b>Derivative financial liabilities</b>					
Forward exchange contracts	(226,448)	4,521,292	-	-	4,521,292
	<u>(226,448)</u>	<u>4,521,292</u>	<u>-</u>	<u>-</u>	<u>4,521,292</u>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<i>At 31 December</i>	<b>Seperate financial statements</b>				
	Carrying amount	1 year or less	Contractual cash flows More than 1 years but less than 5 years (in Baht)	More than 5 years	Total
<b>2021</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Bank overdrafts	(18,140,718)	(18,140,718)	-	-	(18,140,718)
Short-term borrowing from financial institutions	(123,500,000)	(123,500,000)	-	-	(123,500,000)
Trade and other payables	(349,032,993)	(349,032,993)	-	-	(349,032,993)
Long-term borrowings from financial institutions	(20,000,000)	(7,855,640)	(12,659,943)	-	(20,515,583)
Lease liabilities	(71,318,387)	(9,656,214)	(30,837,322)	(75,483,014)	(115,976,550)
	<u>(581,992,098)</u>	<u>(508,185,565)</u>	<u>(43,497,265)</u>	<u>(75,483,014)</u>	<u>(627,165,844)</u>
<b><i>Derivative financial liabilities</i></b>					
Forward exchange contracts	(1,154,782)	78,128,450	-	-	78,128,450
	<u>(1,154,782)</u>	<u>78,128,450</u>	<u>-</u>	<u>-</u>	<u>78,128,450</u>
<b>2020</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Bank overdrafts	(1,382,480)	(1,382,480)	-	-	(1,382,480)
Trade and other payables	(192,377,597)	(192,377,597)	-	-	(192,377,597)
Long-term borrowings from financial institutions	(20,000,000)	(400,000)	(20,515,583)	-	(20,915,583)
Lease liabilities	(19,766,059)	(4,549,916)	(13,080,807)	(6,277,500)	(23,908,223)
	<u>(233,526,136)</u>	<u>(198,709,993)</u>	<u>(33,596,390)</u>	<u>(6,277,500)</u>	<u>(238,583,883)</u>
<b><i>Derivative financial liabilities</i></b>					
Forward exchange contracts	(226,448)	4,521,292	-	-	4,521,292
	<u>(226,448)</u>	<u>4,521,292</u>	<u>-</u>	<u>-</u>	<u>4,521,292</u>

The cash inflows and cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

*(b.3) Market risk*

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

*(b.3.1) Foreign currency risk*

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Exposure to foreign currency at 31 December	Consolidated financial statements 2021									
	USD	CNY	CHF	EUR	GBP (in Baht)	IDR	MYR	SGD	AUD	MMK
Financial assets	377,505,620	967,757	-	86,269	-	-	-	-	-	3,299,146
Financial liabilities	(65,758,181)	-	-	(3,246,788)	(223,896)	-	(897,846)	(27,977)	(94,664)	(1,495,307)
Net statement of financial position exposure	311,747,439	967,757	-	(3,160,519)	(223,896)	-	(897,846)	(27,977)	(94,664)	1,803,839
Forward exchange selling contracts	(78,850,000)	-	-	-	-	-	-	-	-	-
Net exposure	232,897,439	967,757	-	(3,160,519)	(223,896)	-	(897,846)	(27,977)	(94,664)	1,803,839
Exposure to foreign currency at 31 December	Consolidated financial statements 2020									
	USD	CNY	CHF	EUR	GBP (in Baht)	IDR	MYR	SGD	AUD	MMK
Financial assets	94,646,320	-	-	-	-	-	-	-	-	349,491
Financial liabilities	(61,562,917)	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	(1,915,107)
Net statement of financial position exposure	33,495,434	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	(1,565,616)
Forward exchange purchase contracts	10,300,161	-	-	-	-	-	-	-	-	-
Forward exchange selling	(14,905,908)	-	-	-	-	-	-	-	-	-
Net exposure	28,477,656	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	(1,565,616)



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Exposure to foreign currency at 31 December	Separate financial statements 2021									
	USD	CNY	CHF	EUR	GBP (in Baht)	IDR	MYR	SGD	AUD	MMK
Financial assets	385,246,552	967,757	-	86,269	-	-	-	-	-	-
Financial liabilities	(60,369,118)	-	-	(3,246,788)	(223,896)	-	(897,846)	(27,977)	(94,664)	(70,964)
Net statement of financial position exposure	324,877,434	967,757	-	(3,160,519)	(223,896)	-	(897,846)	(27,977)	(94,664)	(70,964)
Forward exchange selling contracts	(78,850,000)	-	-	-	-	-	-	-	-	-
Net exposure	246,027,434	967,757	-	(3,160,519)	(223,896)	-	(897,846)	(27,977)	(94,664)	(70,964)
Separate financial statements 2020										
Exposure to foreign currency at 31 December	USD	CNY	CHF	EUR	GBP (in Baht)	IDR	MYR	SGD	AUD	MMK
Financial assets	93,654,344	-	-	-	-	-	-	-	-	-
Financial liabilities	(60,158,910)	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	-
Net statement of financial position exposure	33,495,434	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	-
Forward exchange purchase contracts	10,300,161	-	-	-	-	-	-	-	-	-
Forward exchange selling	(14,905,908)	-	-	-	-	-	-	-	-	-
Net exposure	28,889,687	-	(13,035)	(17,123,988)	(132,270)	(10,638)	(3,519,924)	(724)	-	-



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

Impact to profit or loss	Movement	Consolidated		Separate	
		financial statements		financial statements	
		Strengthening	Weakening	Strengthening	Weakening
	(%)		(in Baht)		
At 31 December 2021					
USD	1	2,328,974	(2,328,974)	2,460,274	(2,460,274)
CNY	1	9,678	(9,678)	9,678	(9,678)
EUR	1	(31,605)	31,605	(31,605)	31,605
GBP	1	(2,239)	2,239	(2,239)	2,239
MYR	1	(8,978)	8,978	(8,978)	8,978
SGD	1	(280)	280	(280)	280
AUD	1	(947)	947	(947)	947
MMK	1	18,038	(18,038)	(710)	710
At 31 December 2020					
USD	1	284,777	(284,777)	288,897	(288,897)
CHF	1	(130)	130	(130)	130
EUR	1	(171,240)	171,240	(171,240)	171,240
GBP	1	(1,323)	1,323	(1,323)	1,323
IDR	1	(106)	106	(106)	106
MYR	1	(35,199)	35,199	(35,199)	35,199
SGD	1	(7)	7	(7)	7
MMK	1	(15,656)	15,656	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates (see note 12) are mainly variable. So the Group is primarily exposed to interest rate risk.

	Consolidated		Separate	
<i>Exposure to interest rate risk at 31 December</i>	financial statements		financial statements	
	2021	2020	2021	2020
	(in Baht)			
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	<u>141,640,719</u>	<u>1,382,480</u>	<u>141,640,719</u>	<u>1,382,480</u>
<b>Net statement of financial position exposure</b>	<b>141,640,719</b>	<b>1,382,480</b>	<b>141,640,719</b>	<b>1,382,480</b>



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b>Impact to profit or loss</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in Baht)</i>			
<b>2021</b>				
Financial instruments with variable interest rate	(1,416,407)	1,416,407	(1,416,407)	1,416,407
<b>2020</b>				
Financial instruments with variable interest rate	(13,825)	13,825	(13,825)	13,825

**24 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**25 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
<b>Capital commitments</b>				
Property, plant and equipment	7,156,250	676,856	6,273,750	676,856
Intangible asset	-	453,000	-	453,000
Investment properties	6,103,163	1,540,000	6,103,163	1,540,000
<b>Total</b>	<b>13,259,413</b>	<b>2,669,856</b>	<b>12,376,913</b>	<b>2,669,856</b>
<b>Other commitments</b>				
Bank guarantees	89,629,732	49,210,468	89,629,732	49,210,468
<b>Total</b>	<b>89,629,732</b>	<b>49,210,468</b>	<b>89,629,732</b>	<b>49,210,468</b>

**26 Events after the reporting period**

As at 24 January 2022, the Board of director of the Company approved to invest in the newly set-up subsidiary with at least 75% in shareholders' equity. The new subsidiary will acquire entire business transfer from World Air Logistics Co.,Ltd. at the purchased price of Baht 275 million.

As at 21 February 2022, the Board of director of the Company has resolution to propose to the Annual General Meeting to consider the annual dividend payment of Baht 0.18 per share by 320 million shares, amounting to Baht 57.6 million.



**Leo Global Logistics Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**27 Reclassification of accounts**

Certain accounts in the statement of financial position as at 31 December 2020, have been reclassified to conform to the presentation in condensed interim financial statement as at 31 December 2021 as follows:

<b>Consolidated financial statements</b>			
	Before reclassification	Reclassification (in Baht)	After reclassification
<b><i>Statement of financial position as at 31 December 2020</i></b>			
Property, plant and equipment	36,890,074	60,952,806	97,842,880
Right-of-use assets	60,952,806	<u>(60,952,806)</u>	-
		<u>-</u>	
<b>Separate financial statements</b>			
	Before reclassification	Reclassification (in Baht)	After reclassification
<b><i>Statement of financial position as at 31 December 2020</i></b>			
Property, plant and equipment	32,135,499	10,635,742	42,771,241
Right-of-use assets	10,635,742	<u>(10,635,742)</u>	-
		<u>-</u>	

The reclassifications have been made because in the opinion of management, the new reclassification is more appropriate to the Group and the Company's business.



# Attachment 1

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Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary



## Chairman of the Board of Director and Independent Director

### Mr. Sanee Dangwung

Age : 69

Gender : Male

Percent of Shareholding :  
500,000 Shares (0.16%)



Appointed the first director date : 13 February 2015

Period : 7 Years

Family relation with other executive : None

### Education

- Master Degree (Marketing), University of Illinois, USA
- Master Degree (Political Science), Thammasat University
- Bachelor Degree (Commerce and Accountancy-Accounting), Chulalongkorn University
- Bachelor Degree (Law), Thammasat University

### Training Program in 2021

None

### Training Program

- Director Certification Program (DCP) class 215/2016, Thai Institute of Directors (Thai-IOD)
- Role of the Chairman Program (RCP) class 37/2015, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) class 72/2008, Thai Institute of Directors (Thai-IOD)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2015 to Present	Chairman of the Board of Director / Independent Director	Leo Global Logistics Public Company Limited
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#### Non-listed Companies in the Stock Exchange of Thailand

2012 to Present	Director	HR Center Co., Ltd.
1983 to Present	Director	I.M.I. (Thailand) Co., Ltd.
2018 - March 2020	Chairman of the Board of Director	Micro Leasing Co., Ltd.
1994 - 2016	Director	Thai Network Plastic Industry Co., Ltd.



## Chairman of the Audit Committee and Independent Director

### Mr. Viwat Limsakdakul

Age : 66

Gender : Male

Percent of Shareholding : None



Appointed the first director date : 13 February 2015

Period : 7 Years

Family relation with other executive : None

### Education

- Master Degree (Business Administration), Oklahoma State University, U.S.A.
- Bachelor Degree (Business Administration-Marketing), Assumption University
- Bachelor Degree (Business Administration-Finance & Banking), Assumption University

### Training Program in 2021

- Leo Strategy for growth and sustainability (Observer)

### Training Program

- Strategic Board Master Class (SBM) class 8/2020, Thai Institute of Directors (Thai-IOD)
- Role of the Compensation Committee (RCC) class 21/2016, Thai Institute of Directors (Thai-IOD)
- Director Certification Program Update (DCPU) class 4/2015, Thai Institute of Directors (Thai-IOD)
- Role of the Chairman Program (RCP) class 23/2010, Thai Institute of Directors (Thai-IOD)
- Director Certification Program Refresher (DCP RE) class 2/2006, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) class 7/2001, Thai Institute of Directors (Thai-IOD)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2015 to Present	Chairman of the Audit Committee / Independent Director	Leo Global Logistics Public Company Limited
1998 - 2012	Director / Managing Director / Chief Executive Officer	Tipco Foods Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

2012 to Present	Founder / Chief Executive Officer	Nobis Ltd.
2014 to Present	Director	Absolute Value Co., Ltd.
2017 - 2021	Director	Corn Cibus Co., Ltd.



## Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee and Independent Director



### Mr. Teerachai Chemnasiri

Age : 76

Gender : Male

Percent of Shareholding :  
500,000 Shares (0.16%)

Appointed the first director date : 13 December 2016  
Period : 5 Years 2 Months  
Family relation with other executive : None

### Education

- Honorary Doctor (Business Administration), Chiang Mai University
- Master Degree (Business Administration), Asian Institute of Management (AIM)
- Bachelor Degree, (Political Science-Fiscal), Chulalongkorn University

### Prestige

- 2021 to Present : President of Walailak University Council
- 1999 to Present : Qualified Director on Human Resources Management Committee, Chiang Mai University
- 2009 - 2021 : Director and Vice President of Srinakharinwirot University Council
- 2017 - 2019 : Director on the University Council of Rajamangala University of Technology Phra Nakhon
- 2000 - 2008 : Director on Chiang Mai University Council

### Training Program in 2021

- Leo Strategy for growth and sustainability (Observer)
- Advanced Security Management Program (SML2), The Association National Defence College of Thailand Under The Royal Patronage of His Majesty The King (ANDCT)

### Training Program

- Boards that Make a Difference (BMD) class 7/2561, Thai Institute of Directors (Thai-IOD)
- Role of the Compensation Committee (RCC) class 19/2557, Thai Institute of Directors (Thai-IOD)
- Role of Nomination and Governance Committee (RNG) class 2/2555, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) class 115/2552, Thai Institute of Directors (Thai-IOD)
- Management for Executives class 23/2559, Thailand Capital Market Academy
- Management Development Program (MDP), Sasin and Northwestern University, USA



## Experience

### Listed Companies in the Stock Exchange of Thailand

2016 to Present	Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director	Leo Global Logistics Public Company Limited
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### Non-listed Companies in the Stock Exchange of Thailand

1988 to Present	Chairman	Taraporn Co., Ltd.
1994 to Present	Chairman	Grid Business Solutions Co., Ltd.
2003 — 2021	Chairman	SRI Consultant Ltd.
1989 - 2021	Chairman	Managerial Excellence Co., Ltd.
2014 - 2018	Director	K Air Holding Co., Ltd.



## Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Independent Director



### Mr. Woragan Xuto

Age : 69

Gender : Male

Percent of Shareholding : None

Appointed the first director date : 13 February 2015

Period : 7 Years

Family relation with other executive : None

### Education

- Bachelor Degree (Economics), Chiang Mai University

### Training Program in 2021

None

### Training Program

- Director Certification Program Update (DCPU) class 4/2558, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) class 99/2551, Thai Institute of Directors (Thai-IOD)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2015 to Present	Member of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director	Leo Global Logistics Public Company Limited
2007 to Present	Chairman of the Audit Committee	Ocean Glass Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

None



Percent of Shareholding : None

Appointed the first director date : 26 January 2017  
Period : 5 Years 1 Months  
Family relation with other executive : None

- Master Degree (Public Administration), National Institute of Development Administration (NIDA)
- Bachelor Degree (Education), Srinakharinwirot University Patumwan

- Leo Strategy for growth and sustainability (Observer)

- Risk Management Program for Corporate Leaders (RCL) class 20/2020, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) class 239/2017, Thai Institute of Directors (Thai-IOD)

## Listed Companies in the Stock Exchange of Thailand

2017 to Present	Member of the Nomination and Remuneration Committee / Independent Director	Leo Global Logistics Public Company Limited
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2002 to Present	Consultant	Paiboon and Sons Consultant Co., Ltd.
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## Director

### Mr. Apichart Lee-issaranukul

Age : 59

Gender : Male

Percent of Shareholding :  
300,000 Shares (0.09%)

Appointed the first director date : 13 December 2016

Period : 5 Years 2 Months

Family relation with other executive : None

### Education

- Honorary Doctor (Engineering-Industrial Engineering), Rajamangala University of Technology Thanyaburi
- Master Degree (Business Administration), Oklahoma City University, U.S.A.
- Bachelor Degree (Business Administration), The University of the Thai Chamber of Commerce

### Training Program in 2021

None

### Training Program

- Director Certification Program (DCP) class 8/2011, Thai Institute of Directors (Thai-IOD)
- Executive Business and Investment Development, Institute of Business and Industrial Development (IBID)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2021 to Present	Director	Leo Global Logistics Public Company Limited
2016 - 2021	Member of the Nomination and Remuneration Committee / Independent Director	Leo Global Logistics Public Company Limited
2013 to Present	Executive Chairman	Thai Stanley Electric PCL
1991 to Present	Director	Inoue Rubber (Thailand) PCL



## Non-listed Companies in the Stock Exchange of Thailand

2019 to Present	Advisor	Toyota Co-operation Club (TCC)
2017 to Present	Chairman	Mitsubishi Motors Cooperation Council (Thailand) (MCC)
2006 to Present	Director	Total Oil (Thailand) Co., Ltd.
2006 to Present	Director	PT Indonesia Stanley Electric
2004 to Present	Director	Investor Club Association
2003 to Present	Director	Wangchula Co., Ltd.
2000 to Present	Director	Vietnam Stanley Electric Co., Ltd.
1999 to Present	Chairman	Lao Stanley Co., Ltd.
1997 to Present	Director	Daido Sittipol Co., Ltd.
1997 to Present	Director	Sirivit Stanley Co., Ltd.
1996 to Present	Executive Vice President	Asian Stanley International Co., Ltd.
1995 to Present	Director	Sungold Holding Limited
1994 to Present	Director	Bussayapan Co., Ltd.
1993 to Present	Director	Pacific Industries Co., Ltd.
1993 to Present	Vice President	Stanley Thailand Foundation
1992 to Present	Director	Sopa-Kanok International Co., Ltd.



## Vice Chairman of the Board of Directors, Chairman of Executive Committee and Chief Executive Officer (Authorized Director)



### Mr. Kettivit Sittisoontornwong

Age : 58

Gender : Male

Percent of Shareholding :

65,990,200 Shares (20.62%) (Included related person, under section 258)

Appointed the first director date : 11 October 1991  
Period : 30 Years 4 Months  
Family relation with other executive : Younger brother of Mr. Viset Sittisoontornwong

### Education

- Bachelor Degree (Business Administration-Marketing), Assumption University

### Training Program in 2021

- What to Know about When the Organization Get Listed on the Stock Market
- Get Ready for the Personal Data Protection Act
- Sales Kick-Off (Observer)
- BMC Revisit & Strategic Actions Workshop (Observer)
- Smart Sales Leaders - Module1 (Observer)
- Smart Sales Leaders - Module2 (Observer)
- Smart Sales Leaders - Module3 (Observer)
- Outward Mindset at Work
- Sales Model Workshop (Observer)
- Leo Strategy for growth and sustainability (Observer)

### Training Program

- Director Certification Program (DCP) class 212/2015, Thai Institute of Directors (Thai-IOD)
- Corporate Governance for Executive (CGE) class 4/2015, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) class 72/2008, Thai Institute of Directors (Thai-IOD)
- Advanced Certificate Course in Public Economic Management for Executives class 18, King Prajadhipok's Institute
- The Leadership Grid 4.0, Grid Business Solutions Institute
- Building Business Strength and Sustainability for SMEs Program:2007, KBank and Chulalongkorn University
- Intelligent Entrepreneur Program (IEP) :2011, SCB



## Experience

### Listed Companies in the Stock Exchange of Thailand

1991 to Present	Vice Chairman of the Board of Directors / Chairman of Executive Committee / Chief Executive Officer	Leo Global Logistics Public Company Limited
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### Non-listed Companies in the Stock Exchange of Thailand

2021 to Present	Director	Cardinal Maritime (Thailand) Co., Ltd. (subsidiary company)
2014 to Present	Director	Leo Myanmar Logistics Co., Ltd. (subsidiary company)
2009 to Present	Director	YJC Depot Services Co., Ltd. (subsidiary company)
2017 to Present	Director	Sinokor Merchant Marine (Thailand) Co., Ltd. (associated company)
2014 to Present	Director	ARAMEX (Thailand) Co., Ltd. (associated company)
2009 to Present	Director	Tiffa Logistics (2008) Co., Ltd.
1999 to Present	Director	Tiffa EDI Services Co., Ltd.
1997 to Present	Director	Tiffa ICD Co., Ltd.
1996 to Present	Director	Tiffa Co., Ltd.
2014 - 2017	Director	FP SHIPPING-SINGAPORE
2010 - 2015	Director / Chief Executive Officer	World Connect Logistics Co., Ltd.
2001 - 2015	Director / Chief Executive Officer	FPS Logistics (Thailand) Co., Ltd.

### Other Juristic Person

2019 to Present	Chartered President / Director	Thai International Freight Forwarders Association (TIFFA)
2013 - 2019	President	Thai International Freight Forwarders Association (TIFFA)
2016 - 2019	Secretary General	Thailand Logistics Services Providers Federation (TLSP)
2014 - 2016	Vice President	Thailand Logistics Services Providers Federation (TLSP)
2020 to Present	Advisor of Thai-Myanmar Business Council	The Federation of Thai Industries
2019 to Present	Mentor / Advisor for Trade and Investment on CLMV countries	Advisory Institute for Trade and Investment (AITI) by Thai Chamber of Commerce of Thailand
2019 to Present	Sub-committee on Commerce, The Senate Standing Committee on Commerce and Industry	Commissioner's Office 1, Secretariat of the Senate
2018 to Present	Board of Directors of Collage of Logistics and Supply Chain (External Examiner)	Collage of Logistics and Supply Chain, Suan Sunandha Rajabhat University
2014 to Present	Advisory Board	Global Ocean Agency Lines Network (GOAL Network)
2013 to Present	Advisory Board	Famous Pacific Shipping (FPS) Group (FPS GROUP)
2020 to Present	Industry Competency Board: Logistics	Thailand Professional Qualification Institution (Public Organization) (TPQI)
2017 - 2018	Board Committee for Logistics Services	Thailand Professional Qualification Institution (Public Organization) (TPQI)



2017 - 2019	Working Group & Sub-Committee secretary Int'l Logistics for Business Development (D4)	Department of International trade, Ministry of Commerce
2015 - 2019	Board Committee TILOG-Logistix 2016, 2017, 2018, 2019	Department of International trade, Ministry of Commerce
2015 - 2019	- Board Committee for Trade, Service, Logistics - Board Committee for Logistics Development	Thai Chamber of Commerce
2014 - 2015	Advisory Board Subcommittee	National Reform Council
2017 - 2019	Honorary Treasurer	ASEAN Federation of Freight Forwarders Associations (AFFA)
2013 - 2016	Executive Committee	ASEAN Federation of Freight Forwarders Associations (AFFA)



## Director and Chief Operating Officer (Authorized Director)

### Mr. Surasit Asavasakseri

Age : 57

Gender : Male

Percent of Shareholding :

10,300,000 Shares (3.22%) (Included related person, under section 258)

Appointed the first director date : 1 February 2008

Period : 14 Years

Family relation with other executive : None

### Education

- Bachelor Degree (Business Administration, Marketing), Assumption Business Administration College (ABAC)

### Training Program in 2021

- What to Know about When the Organization Get Listed on the Stock Market
- Get Ready for the Personal Data Protection Act
- Sales Kick-Off (Observer)
- BMC Revisit & Strategic Actions Workshop (Observer)
- Smart Sales Leaders - Module1 (Observer)
- Smart Sales Leaders - Module2 (Observer)
- Smart Sales Leaders - Module3 (Observer)
- Outward Mindset at Work
- Sales Model Workshop (Observer)

### Training Program

- Director Certification Program (DCP) class 213/2558, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) class 77/2552, Thai Institute of Directors (Thai-IOD)
- The Leadership Grid 4.0, Grid Business Solutions Institute

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2008 to Present Director / Chief Operating Officer Leo Global Logistics Public Company Limited





## Non-listed Companies in the Stock Exchange of Thailand

2021 to Present	Director	Cardinal Maritime (Thailand) Co., Ltd.
2014 to Present	Director	Leo Myanmar Logistics Co., Ltd.
2017 to Present	Director	Sinokor Merchant Marine (Thailand) Co., Ltd.
2010 - 2015	Director / Chief Operating Officer	World Connect Logistics Co., Ltd.
2001 - 2015	Director / Chief Operating Officer	FPS Logistics (Thailand) Co., Ltd.



## Director and Chief Operating Officer (Authorized Director)

### Miss Sripri Eakwichit

Age : 60

Gender : Female

Percent of Shareholding :

10,140,000 Shares (3.17%) (Included related person, under section 258)

Appointed the first director date : 1 February 2008

Period : 14 Years

Family relation with other executive : None

### Education

- Bachelor Degree (Business Administration, Marketing), Ramkhamhaeng University

### Training Program in 2021

- What to Know about When the Organization Get Listed on the Stock Market
- Get Ready for the Personal Data Protection Act
- Sales Kick-Off (Observer)
- BMC Revisit & Strategic Actions Workshop (Observer)
- Smart Sales Leaders - Module1 (Observer)
- Smart Sales Leaders - Module2 (Observer)
- Smart Sales Leaders - Module3 (Observer)
- Outward Mindset at Work
- Sales Model Workshop (Observer)
- Leo Strategy for growth and sustainability (Observer)

### Training Program

- Director Certification Program (DCP) class 213/2558, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) class 77/2552, Thai Institute of Directors (Thai-IOD)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2008 to Present Director / Chief Operating Officer Leo Global Logistics Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

2014 to Present	Director	Leo Myanmar Logistics Co., Ltd.
2010 - 2015	Director / Chief Operating Officer	World Connect Logistics Co., Ltd.
2001 - 2015	Director / Chief Operating Officer	FPS Logistics (Thailand) Co., Ltd.







## Chief Operating Officer

### Mr. Viset Sittisoontornwong

Age : 60

Gender : Male

Percent of Shareholding :

16,400,000 Shares (5.13%) (Included related person, under section 258)

Family relation with other executive : Elder brother of Mr. Kettivit Sittisoontornwong

### Education

- Bachelor Degree (Business Administration), Assumption University

### Training Program in 2021

None

### Training Program

- Director Certification Program (DCP) class 212/2015, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) class 79/2009, Thai Institute of Directors (Thai-IOD)

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2008 to Present Chief Operating Officer Leo Global Logistics Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

2009 to Present	Director / Co-Managing Director	YJC Depot Services Co., Ltd.
2004 to Present	Director	Je Ngor Plus Co., Ltd.
2008 - 2018	Director / Co-Managing Director	YJC (Thailand) Co., Ltd.
2006 - 2018	Director / Co-Managing Director	Line Network Transport Co., Ltd.
2002 - 2018	Director / Co-Managing Director	Sinokor Merchant Marine (Thailand) Co., Ltd.
2008 - 2009	External Examiner	Graduate School of Chulalongkorn University
	(Master of Science, Interdisciplinary Programs (English and Logistics Management))	



## Chief Financial Officer and Company Secretary

### Mr. Manop Patjavit

Age : 61

Gender : Male

Percent of Shareholding :

140,000 Shares (0.04%) (Included related person, under section 258)

### Education

- Master Degree (Commerce and Accountancy-Finance), Chulalongkorn University
- Bachelor Degree (Commerce and Accountancy-Cost Accounting), Chulalongkorn University
- Bachelor Degree (Political Science-Politics), Ramkhamhaeng University

### Training Program in 2021

- Accounting Standards relevant to Property, Plant and Equipment
- Income Difference Between Accounting and Tax
- BMC Revisit & Strategic Actions Workshop (Observer)
- Outward Mindset at Work
- Leo Strategy for growth and sustainability (Observer)

### Training Program

- Company Secretary Program (CSP) class 79/2017, Thai Institute of Directors (Thai-IOD)
- CFO's Orientation Course for New IPOs:2018, Thailand Securities Institute, The Stock Exchange of Thailand

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2016 to Present Chief Financial Officer / Company Secretary

Leo Global Logistics Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

2017 - 2018	Director	Aueang Thai Co., Ltd.
2011 - 2016	Vice President-Finance & Accounting	Inteqc Feed Co., Ltd.
2009 - 2010	Managing Director	OCV (Thailand) Co., Ltd.





## Accounting Department Manager

### Mr. Kookiat Phatarasotorn

Age : 48

Gender : Male

Percent of Shareholding :

57,000 Shares (0.02%) (Included related person, under section 258)

### Education

- Master Degree (Business Administration-Finance), Ramkhamhaeng University
- Bachelor Degree (Business Administration-Accounting), Ramkhamhaeng University

### Training Program in 2021

- What to Know about When the Organization Get Listed on the Stock Market
- Get Ready for the Personal Data Protection Act
- BMC Revisit & Strategic Actions Workshop
- Outward Mindset at Work
- Step-in Leader Program
- Transformative Accounting
- TFRS16 : Lease Contract and Deferred Tax
- Leo Strategy for growth and sustainability

### Training Program

- Clarifying the Basic Principle of TFRS9 (Fundamental of TFRS 9)" Class1/2020
- Practical TFRS 9 Sharing on Financial Asset Impairment (emphasizing on a simple method), Fair Value Measurement of Financial Instruments and Hedge Accounting
- Temporary Differences Using Deffered-Tax Records (TAS12) including Updated Accounting Standards of PAEs and NPAEs
- PwC Thailand's 2019 Symposium:'Connecting the dots: Managing corporate challenges in 2020 and beyond — Financial Reporting Update
- Workshop on Creating Consolidated Financial Statements (Class 1/2018)
- Updating Taxes and Revenue Officers' Tax Audit Trail in 2017
- Updating Financial Statement Formats and Problems of Accountancy according to Financial Reporting Standard

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2008 to Present Accounting Department Manager Leo Global Logistics Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

None





## Finance Department Manager

### Mrs. Nittaya Pruttipiboonthum

Age : 56

Gender : Female

Percent of Shareholding :

139,100 Shares (0.04%) (Included related person, under section 258)

### Education

- Bachelor Degree (Business Administration-Accounting), Bangkok University

### Training Program in 2021

- What to Know about When the Organization Get Listed on the Stock Market
- Get Ready for the Personal Data Protection Act
- BMC Revisit & Strategic Actions Workshop
- Outward Mindset at Work
- Step-in Leader Program
- Leo Strategy for growth and sustainability

### Training Program

None

### Experience

#### Listed Companies in the Stock Exchange of Thailand

2007 to Present Finance Department Manager Leo Global Logistics Public Company Limited

#### Non-listed Companies in the Stock Exchange of Thailand

None





## Attachment 2 : Details of the directors of subsidiaries

[illegible]



ตัวย่อ

C	=	Chairman of the Board of Director	D	=	Director
ID	=	Independent Director	CAC	=	Chairman of the Audit Committee
AC	=	Member of the Audit Committee	CM	=	Chairman of Executive Committee
CEO	=	Chief Executive Officer	MD	=	Managing Director
M	=	Management / Member of Executive Committee	CNR	=	Chairman of the Nomination and Remuneration Committee
NR	=	Member of the Nomination and Remuneration Committee			



## Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Name	Age (year)	Educational qualifications / Training history	Duration	Company	Position	Responsibility
1. Ms. Ruetaichanoke Supapong	38	<p><b><u>Educational qualifications</u></b></p> <ul style="list-style-type: none"> <li>Bachelor of Humanities and Social Sciences, Marketing, Burapha University</li> </ul> <p><b><u>Certificate</u></b></p> <ul style="list-style-type: none"> <li>Certified Professional Internal Audit of Thailand (CPIAT)</li> </ul> <p><b><u>Training history</u></b></p> <ul style="list-style-type: none"> <li>Pre-CIA Program</li> <li>CIAPart II Training Program</li> <li>COSO 2013 curriculum, theory and practice</li> <li>Course of internal control guidelines for companies preparing to be listed on the stock exchange</li> </ul>	Jun 2016 -present	Dharmniti Internal Audit Company Limited	Executive Director Manager	<ul style="list-style-type: none"> <li>Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy</li> <li>Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report</li> <li>Provide knowledge and understanding about internal controls, risks and internal audits to the team and auditors</li> <li>Plan and control the performance of the internal audit to comply with the specified plans</li> </ul>
		<ul style="list-style-type: none"> <li>International Standards for the Professional Practice of Internal Auditing</li> <li>IT Audit Course</li> <li>Corruption Investigation Course</li> <li>Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)</li> <li>Project for maintaining and improving the quality of the organization's internal audit work</li> <li>Asian Confederation of Institutes of Internal Auditors conference 2018</li> </ul>	2011-2016	Dharmniti Auditing Company Limited	Assistant Manager	<ul style="list-style-type: none"> <li>Plan and control the performance of the internal audit to comply with the specified plans</li> <li>Plan and control the performance of the internal audit to comply with the specified plans</li> </ul>
			2009-2010	Dharmniti Auditing Company Limited	Senior Internal Auditor	<ul style="list-style-type: none"> <li>Prepare an internal audit plan for submission to management and board of director</li> <li>Control internal auditors and conduct audits to comply with the specified plans</li> </ul>
			2007-2008	Dharmniti Auditing Company Limited	Internal Auditor	<ul style="list-style-type: none"> <li>Perform internal audit tasks as assigned</li> </ul>



Name	Age (year)	Educational qualifications / Training history	Duration	Company	Position	Responsibility
2. Ms. Suchitda Phothikruprasert	49	<u><b>Educational qualifications</b></u> <ul style="list-style-type: none"> <li>• Master of Science, Industrial and Organizational Psychology, Ramkhamhaeng University</li> <li>• Bachelor of Humanities and Social Sciences, Social Development, Prince of Songkla University</li> </ul> <u><b>Training history</b></u> <ul style="list-style-type: none"> <li>• People &amp; Business Manager</li> <li>• Performance Team Leader</li> <li>• Step-in Leader</li> <li>• Fundamentals for Corporate Secretaries Class 1/2016, Thai Listed Companies Association</li> <li>• Advances for Corporate Secretaries, Thai Listed Companies Association</li> <li>• CSP Class 41/2011, Thai Institute of Directors (Thai-IOD)</li> <li>• BRP Class 6/2011, Thai Institute of Directors (Thai-IOD)</li> <li>• EMT Class 20/2011, Thai Institute of Directors (Thai-IOD)</li> </ul>	2015 - Present	Leo Global Logistics Public Company Limited	Corporate Compliance Division Manager	<ul style="list-style-type: none"> <li>• Supervise the Company to be in conformity with the rules and regulations of the SET and the SEC</li> <li>• Working Team of Company Secretary</li> </ul>
			2011 - 2015 2002 - 2011	Leo Global Logistics Co., Ltd.	Agency Communication & Compliance Division Manager / Agency Communication & Compliance Officer	<ul style="list-style-type: none"> <li>• Supervise database of Overseas Agency</li> <li>• Perform other works as per assignments</li> </ul>



# Attachment 4 : Assets for business undertaking and details of asset appraisal

## 4.1 The Company's and Its Subsidiaries' Fixed Assets

Net Fixed Assets according to the Consolidated Financial Statements as of December 31, 2021

Items	Nature of Ownership	Obligations	Net Book Value
Land	owner	mortgaged as collateral for bank loans	10.22
Building	owner	mortgaged as collateral for bank loans	8.07
Building Improvement	owner	none	3.78
Furniture and Office Equipment	owner	none	6.93
Computers and Accessories	owner	none	3.52
Tools, Machinery and Patio Equipment	owner	none	12.24
Vehicles	owner	hire purchase contract	33.22
Assets under Construction	owner	none	102.75
Land	right of use	lease agreement	7.34
Building	right of use	lease agreement	193.41
<b>Total</b>			<b>193.41</b>

Remark: Land and Building mortgage values amount to 10.22 and 5.34 million Baht respectively.

## 4.2 Investment in Subsidiaries, Associated Companies and General Investment

### 4.2.1 Investment in Subsidiaries as of December 31, 2021

Names of Company	Business Types	Shareholding Proportion (percent)	Registered Capital	Investment Value (Million Baht)
YJC Depot Services Company Limited	Provide container storage services and container repair service	50.00	15.00	7.50
Leo Myanmar Logistics Co., Ltd.	Provide international logistics services and end-to-end Logistics services	80.00	100,000 US Dollars	2.73
Cardinal Maritime (Thailand) Company Limited	Operate the business of Logistics and international Freight Forwarding	51.00	10.00	5.10

The Company has classified the investment in YJC Depot Services Company Limited, in which the Company holds 50% of the overall shares, as investment in a subsidiary since the Company has the authority in supervising and commanding related activities of YJCD and the Company is also entitled to more than 50% of voting rights on the Board of Directors.



#### 4.2.2 Investment in Associated Companies as of December 31, 2021

Names of Company	Business Types	Shareholding Proportion (percent)	Registered Capital	Investment by equity method (Million Baht)
Sinokor Merchant Marine (Thailand) Company Limited	A representative of Sinokor Shipping Lines of South Korea in Thailand	50.00	5.00	60.29
Aramex (Thailand) Company Limited	Provide international courier and express services	26.00	39.00	22.17

#### 4.2.3 Financial Assets Measured at Fair Value through Other Comprehensive Income Items (originally specified as General Investment) as of December 31, 2021

Names of Company	Business Types	Shareholding Proportion (percent)	Registered Capital	Investment Value (Million Baht)	
				Cost Price (Million Baht)	Fair Value (Million Baht)
KYUNG PYUNG LOGISTICS CO.LTD	Provide services of container yard, warehouses, and transports in South Korea	30.00	3,000 (Million Won)	29.51	35.69
Royaltainer Corporation Company Limited	Provide international logistics services	19.00	5.00	0.95	2.63
All Logistics Center Company Limited	Provide warehouse and distribution management services	10.00	10.00	1	1
TIFFA Company Limited	1. Invest in other businesses to operate warehouse business or packaging plant for import and export, and also the business related to computers and software used in linking systems 2. International Transport and Business School (ITBS)	5.00	70.00	3.50	10.35
TIFFA Logistics (2008) Company Limited	Conduct a freight forwarding business in the form of "Backhaul" in cooperation with Thailand Post Company Limited and associations relating to land transportation (currently not having business transactions).	2.00	5.00	0.1	0.1
TAFa Consortium Company Limited	Operate the business of Free Zone management at Suvarnabhumi Airport, under the cooperation of the members of Thai Airfreight Forwarders Association or "TAFa" (currently not having business transactions).	5.83	18.60	1.08	1.08
Allowance for investment impairment				-1.00	-1.00
Total				35.14	49.85



The Company has implemented Financial Reporting Standard regarding financial instruments (TAS 32 and TFRS 9) causing General Investment originally recorded using the Cost Method to be gauged and recorded again by way of Fair Value Method which in this case the Company selected to arrange transaction types as financial assets measured at Fair Value through other comprehensive income and recognize Cumulative Update List in other Components of Equity.

### 4.3 Applicable Laws in Business Operation

The Company and its Subsidiaries have been granted permissions to operate their businesses under a law for multimodal transport in accordance with Multimodal Transport Act B.E. 2548. To date, the Company has been able to perform its duties in a complete way in conformity with Section 57, not having any bad reputation but having been able instead to maintain enough qualifications as required by law, and thus constantly gaining permissions to renew its operating license.

What's more, the Company is also required to observe the law on Land Transportation, and also it has always been concerned about providing safe transportation together with quality services. The Company has realized the selection of trucks with high competence according to the legal regulations; all vehicles will be all checked for their good conditions before use. In this, the Company has required as a precondition for registering the approved Supplier List that the truck Operators must be licensed for providing Trucking/Cross Border services or hold a Customs-Broker Registration Receipt since the Company's Supplier will be responsible for providing the trucks used in transportation of goods which require legal license plates. In addition, the truck Operators are also required to receive Standard Certification for their service quality (Q Mark) from the Department of Land Transportation, Ministry of Transport which stipulates regulations covering the procedure for transporting goods by trucks; they cover five areas of management namely: organization, transporting operation, personnel, vehicles, customers and outsiders.

### 4.4 Important Documents or Licenses for Business Operation

The Company and its Subsidiaries have been granted permissions to operate the businesses in which there are important documents or licenses as detailed below:

Important Documents or Licenses	Issuer	Duration of Licenses
Certificate of Registration as Sea Freight Operator Issued in accordance with Section 25 of The Merchant Marine Promotion Act B.E. 2521	Marine Department	Since September 7, 2011
Registration Certificate of Multimodal Transport Operator No. 0003/2020 Issued in accordance with Section 39(1) of Multimodal Transport Act B.E. 2548	Marine Department	February 15, 2020— February 14, 2025
Customs Broker Registration Receipt	Customs Department	April 1, 2020—March 31, 2023
Transportation License for Non-regular Route Carriers to Transport Animals or Items	Department of Land Transport	July 6, 2017—July 5, 2022
Customs Broker License: AEO Standard	Customs Department	Since October 15, 2019



## 4.5 Essential Contracts Used in Conducting Business

### 4.5.1 Summary of Contractual Agreements Made between the Company and Shipping Lines

The Company has entered into Contracts with several Shipping Lines specifically on the transportation route between Thailand and the USA; the Contract essence is summarized into items as follows:

1. The Shipping Line has a duty to provide the Company with Freight Arrangement services according to Minimum Quantity Commitment: MQC stipulated in the Contract.
2. The Company shall make payments for shipping freights at the rate agreed upon under the Contract.
3. The Contract shall be valid for one year and shall be renewed upon an agreement between the Company and the Shipping Line.
4. In the event that the Shipping Line fails to arrange the freight as agreed under the Contract, it shall decrease MQC in proportion to the amount deemed unable to fulfill the service.

However, there is a contractual engagement with some Shipping Lines indicating that in case the Company fails to sell the shipping freight up to the minimum amount stipulated on the Contract, it shall be liable to a deficit charge at the rate of 250 USD per FEU (Forty Foot Equivalent Unit). Nevertheless, the Company bases its freight amount estimation on various periods of times, and negotiates with the Shipping Companies for adjustments of MQC to situational changes to ensure compliance with the minimum requirement on the Contract. As a result of that, the Company has never made payments for any Deficit Charges to Shipping Lines.

### 4.5.2 Summary of Contractual Agreements Made between the Company and Airlines

An Airline has entered into a Contract to appoint the Company as a representative in contacting customers in order to provide the Freight services according to the Contract essence summarized into items as follows:

1. The Airline and the Company shall cooperate and also coordinate with each other for the management of Air Freight handling for the benefits of the two parties.
2. The Service Contract shall be valid for one year and shall be automatically renewed except there is a cancellation in writing not less than 15 days in advance.
3. The Company shall make references in relation to prices and terms and conditions according to the Airline's information.
4. The Company shall be made convenient to issue an Airway Bill after receiving goods delivery.
5. All regulations and conditions are in accordance with IATA's resolutions.

### 4.5.3 Summary of Contractual Agreements Made between the Company and Overseas Agents

The Company has over 1,000 Overseas Agents across the world, most of which being under Contracts of Representative Appointment, which can be summarized as follows:

1. Each of the Contract parties shall appoint the other as a Freight Forwarder to handle the freight forwarding in that specific country in a non-exclusive manner.
2. The Contract Parties shall cooperate and coordinate in effectively handling each other's freight forwarding right from the port/airport to the destination.
3. Each of the parties shall be protected by the insurance coverage in their own area
4. Payments shall be made depending on specific Contracts between the Company and each of the Agents according to the specific agreement on profit allocation or management fees, for example.
5. Cancellation of the Contract shall be made to the other party in writing at least 30 days in advance.
6. The Contract shall be immediately terminated in case any of the parties fails to comply with any terms and conditions said in the Contract.



## 4.6 Lease Agreement

### • Building and Land Lease Agreement

Lessee	The Company
Lessor	A juristic person not related to the Company
Objective	To be used as a Branch Office Building
Contract Date	October 9, 2017
Assets Leased	Building and Land on the area of 354 square wa, located at 259/1 Soi Phakdi, Phraram 3 Road, Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok
Contract Essence	Lease a Building and Land to set up the Lessee's Branch Office Building
Lease Agreement Renewal	The Lessee shall notify in writing at least 60 days in advance before the Contract's closing date on conditions that the Lessee has not violated the Contract. The Lessor shall, therefore, renew the Lease Agreement for another period of three years at the rental rate as deemed appropriate.
Conditions of Contract Termination	Notify in writing not less than 60 days in advance
Lease Duration	Five years starting from January 1, 2021 to December 31, 2025
Present Lease rate	At 150,000 baht per month

### • Space Lease Agreement and Service Building

Lessee	The Company
Lessor	A juristic person not related to the Company
Objective	To set up a Branch Office
Contract Date	December 1, 2020
Assets Leased	48 square meters of floor space situated on the 11th floor, Room number 1109/2, addressed 53 moo 9 Talaythong Tower, Thung Sukla Subdistrict, Sriracha District, Chonburi Province, including the "Component Part" (the central area of the Building)
Contract Essence	Lease the Building space to operate the business for Laem Chabang Branch Office including utility services inside of the Building and the Building grounds.
Lease Agreement Renewal	The Lessee is entitled to renewal of the Lease Agreement for another period of one year upon notification at least three months in advance before the Contract's closing date; this is with the rental rate increase not exceeding 5% of the original rate.
Conditions of Contract Termination	Notify in writing at least three months in advance
Lease Duration	Two years starting from December 16, 2020 to December 15, 2022
Present rental rate	At 2,400 baht per month
Service Rate	At 13,440 baht per month



- Land Lease Agreement

Lessee	YJCD
Lessor	A natural person not related to the Company
Objective	For use in the business of Container Storage Yard
Contract Date	September 27, 2018
Assets Leased	An area of 10 rai, 2 ngan, 82 square wa, located at Bang Cha Long Subdistrict, Bang Plee District (Bang Plee Yai), of Samut Prakan Province
Contract Essence	Lease a plot of land to provide the service of Container Storage Space
Conditions of Contract Termination	In case the Lessee fails to make payments for the lease for more than two consecutive installments, the Lessor is entitled to terminate the Contract.
Lease Duration	A period of three years from October 1, to September 30, 2024
Lease Rate	At 313,463.81 baht per month

- Land Lease Agreement

Lessee	YJCD
Lessor	Natural person not related to the Company
Objective	To be used in the Business of End-to-End Container Storage Yard
Contract Date	May 14, 2021
Assets Leased	An area of 31 rai, located at Sisa Chorakhe Yai Subdistrict, Bang Sao Thong District, Samut Prakan Province.
Contract Essence	Lease a plot of land to provide the service of end-to-end Container Storage Yard
Conditions of Contract Termination	In case the Lessee fails to make payments for the lease for more than two consecutive installments, the Lessor is entitled to terminate the Contract.
Lease Duration	A period of three years starting from May 14, 2021 to May 13, 2024
Lease Rate	At 620,000 baht a month



- **Building and Land Lease Agreements (three contracts)**

Lessee	The Company
Lessor	Four natural persons (three contracts) not related to the Company
Objective	To conduct the lease business and/or the service business of storage space for commodities, personal assets, warehouses and other related businesses (Leo Self Storage)
Contract Date	July 4, 2017
Assets Leased	A four-storey commercial Building, six booths, in the total area of 1,280 square meters, near Phraram 3 Road, Bang Phong Phang Subdistrict, Yannawa District, Bangkok
Contract Essence	Lease a Building and Land to conduct the lease business and/or the service business of storage rooms to store commodities and personal assets, warehouses, and other related businesses.
Conditions of Contract Termination	After the start of the fifth year, the Lessee has the right to terminate this and applicable Contracts upon notification in writing at least six months in advance
Lease Duration	Twelve years starting from April 1, 2017 to March 31, 2029
Rental Rate	The period from April 1, 2017 to March 31 2023: at 135,000 The period from April 1, 2023 to March 31 2026: at 148,500 The period from April 1, 2026 to March 31 2029: at 162,000

- **Building and Land Lease Agreements (three contracts)**

Lessee	The Company
Lessor	1) A juristic person not related to the Company 2) A juristic person related to the Company 3) A natural person not related to the Company
Objective	To conduct the lease business and/or the service business of storage rooms for commodities and personal assets and other related businesses (Leo Self Storage)
Contract Date	June 1, 2021
Assets Leased	1) Six-and-a-half storey Commercial Building, 8 Booths, in total area of approximately 145.7 square wa 2) Parking lot: in an area of 205 square wa 3) Parking-lot Building with a one-storey office: in an area of 179.3 square wa, near Chareonkrung Road, Talad Noi Subdistrict, Samphanthawong District, Bangkok
Contract Essence	Lease a Building and Land to conduct the trading business as the lessee intends
Conditions of Contract Termination	Upon completion of the Contracts and when there is no possibility to terminate one Contract prior to another
Lease Duration	Twenty five years starting from June 1, 2021 until May 30, 2046
Lease Rate	1) At 140,000 baht a month (with an increase by 8% in every five years) 2) At 70,000 baht a month (with an increase by 8% in every five years) 3) At 40,000 baht a month (with an increase by 8% in every five years)



## 4.7 Insurance Policy

The Company's Insurance Policy is fallen into the type that covers All Industrial Risks with liabilities for Cargo and other Assets used to operate the business.

Types of Insurance	Assets to Take Insurance	Beneficiary	Insurance Limit (Million Baht)	Insurance Duration
Industrial All Risks Insurance	Construction (excluding construction foundation) including extensions and improvements, furniture, fixtures, fittings and different items used in conducting the business of Computer and LAN network system, electrical system, Softwares (owner's and rental space's parts)	The Company	46.12	Feb 1, 2022 - Feb 1, 2023
Industrial All Risks Insurance	Construction (excluding construction foundation) furniture, fixtures, fittings, electrical appliances (owner's part)	The Company	31.30	Nov 21, 2021 - Nov 21, 2022
Industrial All Risks Insurance	Furniture, fixtures, fittings, electrical appliances (rental space's part)	The Company	1.00	Dec 24, 2021 - Dec 24, 2022
Fire Insurance*	Construction (excluding construction foundation) including extensions and improvements, electrical system and lighting, and water supply system (owner's part)	A Finance Institution	1.96	May 25, 2021 - May 25, 2022
Fire Insurance*	Construction (excluding construction foundation) including extensions and improvements, electrical system and lighting, and water supply system (owner's part)	A Finance Institution	1.84	May 25, 2021 - May 25, 2022
Fire Insurance*	Construction (excluding construction foundation) including extensions and improvements, electrical system and lighting, and water supply system (owner's part)	A Finance Institution	1.83	May 25, 2021 - May 25, 2022
Fire Insurance*	Construction (excluding construction foundation) including extensions and improvements, electrical system and lighting, and water supply system (owner's part)	A Finance Institution	1.60	May 25, 2021 - May 25, 2022
Industrial All Risks Insurance*	Building (excluding construction foundation) furniture, fixtures, fittings, Office Supplies and Equipment (owner's part)	The Company	8.00	Jan 16, 2022 - Jan 16, 2023
Industrial All Risks Insurance*	Building (excluding construction foundation) furniture, fixtures, fittings, Office Supplies and Equipment	The Company	6.00	Jan 16, 2022 - Jan 16, 2023
Industrial All Risks Insurance*	Building (excluding construction foundation) furniture, fixtures, fittings, Office Supplies and Equipment (owner's part)	The Company	3.10	Jan 13, 2022 - Jan 13, 2023
Freight Forwarders Liability Insurance (Sea)	1. Product Liability 2. Negligence Liability 3. Liability to Third Parties 4. Customs Liability	The Company	20.00	Jan 1, 2022 - Jan 1, 2023
Freight Forwarders Liability Insurance (Air)	1. Product Liability 2. Negligence Liability 3. Liability to Third Parties 4. Customs Liability	The Company	20.00	Sep 1, 2021 - Aug 31, 2022

Remark:: \* Fire Insurance Policy entered into to protect the legal properties with obligations and under conditions imposed by a Finance Institution. The Policy covers damages only to Construction, excluding properties inside of it, and the Industrial All Risks Insurance is in addition to the said insurance, with coverage protecting damages of properties inside of the Construction. Nevertheless, some Branches are situated in Construction with several adjacent booths, and thus causing recurring issues of the Policy.



## 4.8 Investment Policy in the Subsidiaries and Associated Companies

The Company has a policy to make investments and manage its Subsidiaries and/or Associated Companies in the businesses related, adjacent, beneficial to and support the Company's business operations to strengthen the operating results.

In addition, in supervising the business operations in the Subsidiaries and Associated Companies, the Company's Board of Directors will consider dispatching some representatives who have enough qualifications and experience that suit the businesses in which the Company has invested to take the posts of Directors in such Subsidiaries and Associated Companies. Those representatives might be the Chairman of the Board, CEO, Directors, high-ranking Executives or any persons belonging to the Company who do not have any conflicts of interest with the businesses of those Subsidiaries and Associated Companies. This is to enable the Company to supervise the businesses and the operations of them as if they were Departments of the Company. Thus, the Company's representatives are required to manage their businesses to achieve the utmost benefits and to make sure they comply with the applicable laws related to the operations of businesses in such Subsidiaries and/or Associated Companies. In this case, dispatching those representatives to become Directors of the Subsidiaries and Associated Companies must be in conformity with the Company's shareholding proportion except in the case in which the investments were made before the effective date of such a policy. This is because the withdrawal of investments or the reduction of shareholding proportion may give a significant impact to the overall picture of the Company's business operations.

However, the Company has determined a mechanism to supervise the Subsidiaries and Associated Companies both directly and indirectly. This includes the implementation of measures to follow up with the managements of the Subsidiaries and/or Associated Companies to keep the benefits related to the Company's investments and to be able to oversee, support, manage and take responsibilities for their operations as if they were the Departments in the Company; the said measures are as follows:

1. The Company's Board of Directors has a duty to follow up with and supervise the managements and operations of the Subsidiaries and/or Associated Companies to be in line with the Company's Policies, the applicable Laws on business operations including the Law on Securities and Stock Exchange, Notification of Thai Capital Market Supervisory Board, the Regulations of the Stock Exchange of Thailand, mutatis mutandis, to the extent that they are not against or contrary to other Laws.
2. The Board of Directors also has a duty to require the Subsidiaries and/or Associated Companies to reveal their essential data to the Stock Exchange of Thailand, the Securities and Exchange Commission, and general investors such as those related to their financial status, the operating results, Related Parties Transactions, and transactions that may involve conflicts of interests of the Subsidiaries and/or Associated Companies, Asset Acquisition or Disposal Transaction and other significant transactions that are not common business transactions for the Subsidiaries and/or Associated Companies, for example. Nevertheless, the data disclosure must be performed in an accurate and sufficient manner within the appropriate time and in accordance with the guidelines of any related agencies.
3. In case the Subsidiaries agree to make Related Parties Transactions with persons related to the Subsidiaries or Asset Acquisition or Disposal Transactions under the regulations stipulated by the Notification of Thai Capital Market Supervisory Board and/or Notification of the Stock Exchange of Thailand (as the case may be), the Company and its Subsidiaries will be required to comply with the guidelines and methods as defined by the Notification for that specific matter before making the transactions mutatis mutandis. In this, the Subsidiaries are also required to follow the guidelines and methods as stipulated by the Notification just as the Company has made the transactions by itself. Nevertheless, in the event that the type of transaction requires an approval by the Company Board of Directors and/or the Company's Shareholders Meeting according to the Notification of Thai Capital Market Supervisory Board and/or Notification of the Stock Exchange of Thailand and/or the applicable laws, it is required that the Company and its Subsidiaries consider the size of transaction against the Company's Consolidated Financial Statement.



4. In making any transactions or executions that are significant and may affect the Subsidiaries and Associated Companies' financial status as well as their business operation results, and that require the approval by the Board of Directors or the Company's Shareholders' Meeting (as the case may be), it is stipulated that the Company's Directors hold the Company's Board of Directors' Meeting and/or Shareholders' Meeting (as the case may be) to consider approving such matters before the Subsidiaries and Associated Companies hold their own Board of Directors' and/or Shareholders' Meeting (as the case may be) to consider approving prior to making such transactions or executions. In so doing, the Company is required to reveal its data and to comply with the guidelines, conditions, procedures and methods related to the matters to be considered as stipulated by the Law on Public Company, the Law on Securities and the applicable laws including Notifications on Regulations and Guidelines issued by Thai Capital Market Supervisory Board, the Securities and Exchange Commission, Office of the Securities and Exchange Commission, mutatis mutandis, (inasmuch as not contradictory) and in a correct and complete way.





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