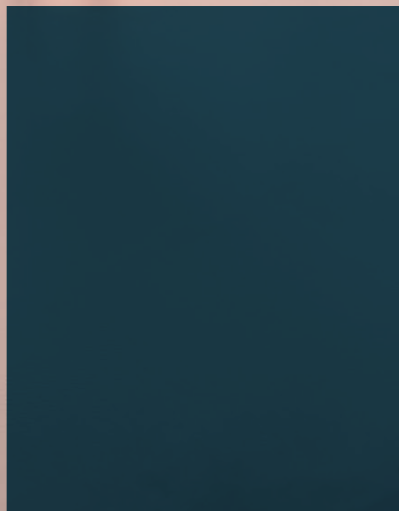
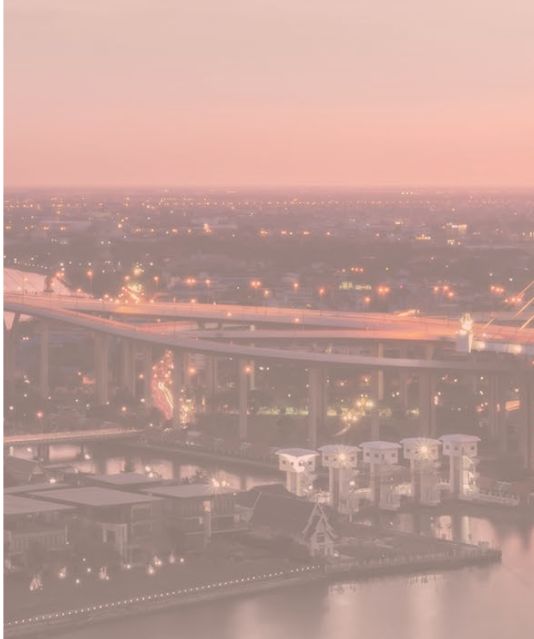


2017 ANNUAL REPORT

รายงานประจำปี 2560



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Section

1

BUSINESS & FINANCIAL HIGHLIGHTS



Corporate General Information

Company Name	Triple i Logistics Public Company Limited
Business Type	Triple i Logistics Public Company Limited is a total logistics service provider. We provide our services as a carrier, logistics operator, freight forwarder for international and domestic air freight, sea freight, inland transport as well as providing our service in logistics and supplychain management for both of general cargo and hazardous and dangerous goods.
Head Office	628 Triple i Building 3 rd Floor, Soi KlabChom, Nonsee Road, Chongnonsee, Yannawa, Bangkok
Registration Number	0107560000095
Telephone Number	0-2681-8700
Facsimile	0-2681-8701
Website	http://www.iii-logistics.com
Registered Capital	307,500,000 Baht dividing into ordinary shares of 615,000,000 shares with a par value at 0.50 Baht each
Paid-up Capital	302,250,000 Baht dividing into ordinary shares of 604,500,000 shares with a par value at 0.50 Baht each

Reference

Securities Registrar	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchdapisek Road, Din Daeng, Bangkok 10400 Telephone: 02-009-9000 Facsimile: 02-009-9991
Debenture Holder's Representative	No
Auditor	PricewaterhouseCoopers ABAS Limited 179/74-80 Bangkok City Tower, South Sathorn Road, Sathorn, Bangkok 10120 Mr. Vichien Khingmontri CPA Registration No. 3977
Financial Advisor	CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330

Message from Chairman of the Board



Mr. Krirkkrai Jirapaet

Chairman of the Board of Directors

Triple i Logistics Public Company Limited

The year 2017 was a historic and remarkable year for Triple i Logistics Public Company Limited. Its shares were listed on the Stock Exchange of Thailand on Friday, 1 September 2017 in the transportation and logistics sector. It was very well received by the investors.

The Company renders logistics service business for more than 25 years. Its undertakings cover international air freight, sea freight, inland transport, warehousing and distribution management service and distribution of general and hazardous goods. Triple i Logistics Public Company Limited operates under a system of good governance, taking into account benefits of the stakeholders and the society.

On behalf of the Board of Directors of the Company, I wish to express my sincere gratitude towards our customers, suppliers business partners and shareholders for their continued support to the Company. I thank you all executives and employees of the Company for their hard work and efforts behind the Company's good performance and growth. I believe that the Company will become a leader in the logistics business, embracing international standards, good corporate governance and social responsibilities.

With continued supports from all concerned, we look forward to substantial and sustainable growth in the future.

Yours sincerely,

(Mr. Krirkkrai Jirapaet)
Chairman of the Board of Directors

Message from Chief Executive Officer

Triple i Logistics Public Company Limited

In the year 2017, Triple i Logistics Public Company Limited, a leading integrated logistics service provider, was listed on the Stock Exchange of Thailand on 1 September 2017. The conversion into public limited company increases its business opportunities, enhances its strengths, and assists in building the Company's financial stability.

The Company generated very satisfactory operating performance in the year 2017. The total revenue from services and sales was Baht 2,294.6 million, an increase of 10.6% from that of the previous year. As a result, the net profit increased to Baht 129.6 million, an increase of 37.2% from that of the previous year. In 2018, the Company will expand all of its four main business units, namely air freight, sea freight and inland transport, logistics management services for general cargo and logistics management service for chemical and dangerous goods. The expansion of all business units will support sustainable growth in the Company.

I would like to take this opportunity to express my gratitude to the Board of Directors, the management team, and employees in performing their duties to the best of their abilities and delivering the Company's good operating performance. I thank all shareholders in giving trust and support the Company's management team and its business operations.

On behalf of Triple i Logistics Public Company Limited, we will continue to strive to become a leading integrated logistics service provider, offering the international standard service and operating the business in accordance with good corporate governance. The Company targets for continued growth and increases in its business opportunities to build sustainable growth that will generate good return to shareholders in the future.

Yours sincerely,



Mr. Tipp Dalal
Chief Executive Officer



Mr. Tipp Dalal
Chief Executive Officer

Financial Highlights

Summary of Key Financial Statistics

Y 2015

Y 2016

Y 2017

Comprehensive Income Statement

Million Baht

Revenue from Sale and Services
Gross Margin
SG&A Expense
Net Profit for period

1,541.7
304.0
284.9
27.4

2,075.6
465.3
376.1
94.5

2,294.6
531.4
392.0
129.6

Statement of Financial Position

Million Baht

Total Assets
Total Liabilities
Total Equities

848.7
599.2
249.6

1,063.8
722.5
341.2

1,555.7
440.7
1,115.0

Cash flow Statement

Million Baht

Net Cashflow from (used in) Operating Activities
Net Cashflow from (used in) Investment Activities
Net Cashflow from (used in) Financing Activities

81.8
(125.9)
57.4

140.7
8.9
(25.4)

2.8
(59.8)
581.4

Key Financial Ratio

Gross Profit Margin
Net Profit Margin
Return on Equity (ROE)
Current Ratio
Average Collection Period
Average Payment Period
Debt to Equity Ratio (D/E ratio)

%
%
%
%
Days
Days
Times

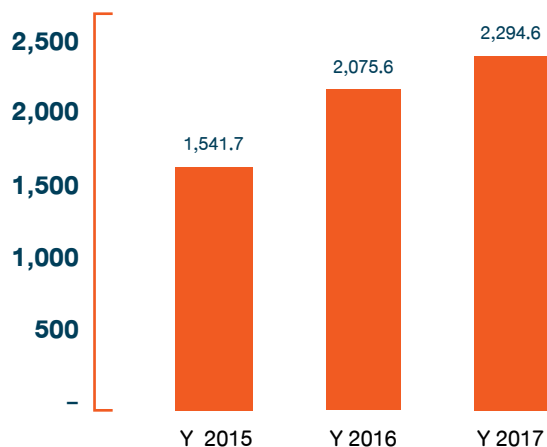
19.7%
1.8%
15.0%
1.01
60.06
124.71
2.40x

22.4%
4.5%
32.0%
1.14
60.45
119.60
2.12x

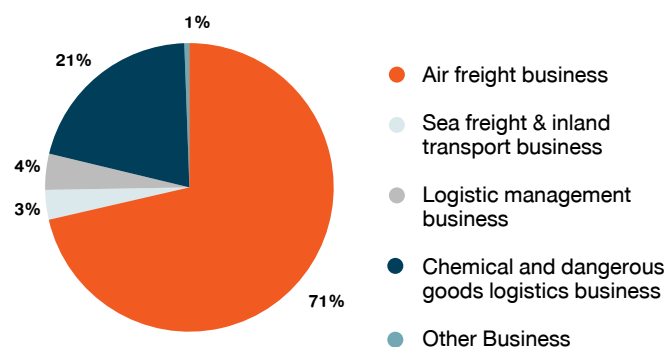
23.2%
5.6%
17.8%
3.05
56.93
93.70
0.40x



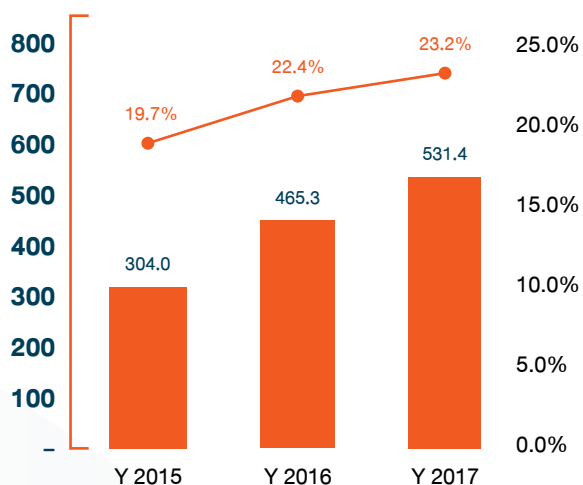
Revenue from Sale and Services (Million Baht)



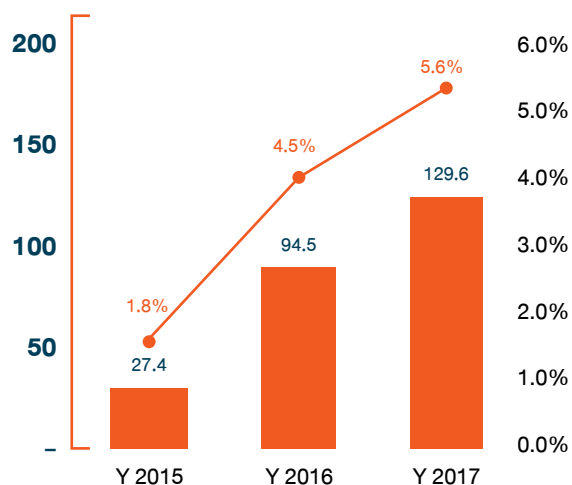
Revenue Structure 2017 (% of Total Revenue)



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

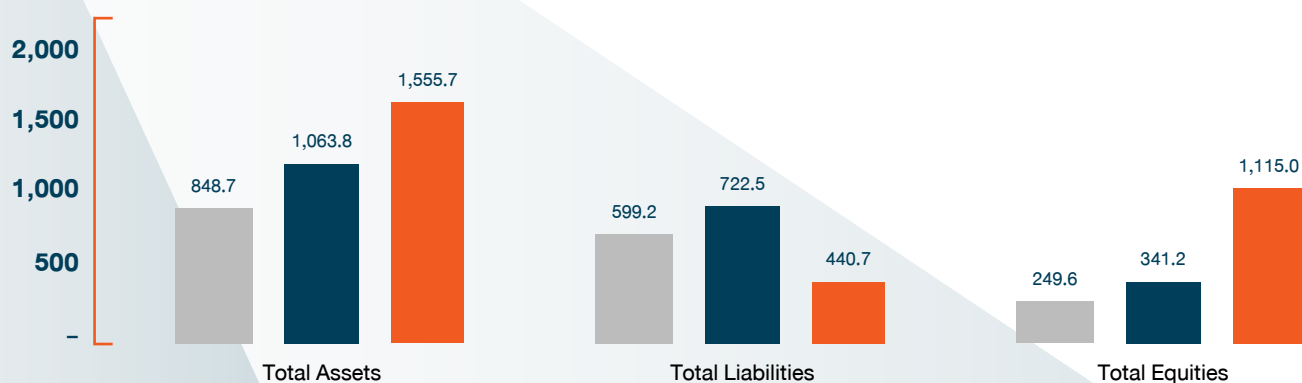


Net Profit and Net Profit Margin (Million Baht, %)



Financial Position (Million Baht)

● Y 2015 ● Y 2016 ● Y 2017



Notable Changes and Development

1996

Triple i Maritime Agencies Company Limited (TMA) was incorporated on 3 July 1996 with a registered capital of Baht 2 million by Mr. Tipp Dalal and Mr. Viraj Nobnomtham to engage in cargo sale agent for shipping lines business, providing international sea freight management services.

1998

In May 1998, TMA increased its capital by Baht 1 million to be used as its additional working capital. Its registered and paid-up capital was consequently Baht 3 million.

1999

The group of executives of Triple i Logistics (TLG) jointly invested with ECU Hold NV Co.,Ltd. and established a new company, ECU Line (Thailand) Company Limited, on 15 July 1999 with a registered capital of Baht 5 million to provide less than container load sea freight services in Thailand.

2004

Hazchem Logistics Management Company Limited (HLM) was incorporated on 29 March 2004 to engage in local logistics service business for customers who desire to transport chemical and hazardous goods, with a registered capital of Baht 4 million. Later in July 2004, it increased its capital by Baht 1 million to a registered and paid-up capital of Baht 5 million.

2007

Triple i Air Express Company Limited (TAX) was incorporated on 19 March 2007 with a registered capital of Baht 5 million to engage in international air freight services.

2008

- Triple i Interfreight Company Limited (currently, Triple i Logistics Public Company Limited - TLG) was incorporated on 10 January 2008 to engage in international freight services and integrated logistics service business with a registered capital of Baht 1 million.
- Triple i Logistics Group Company Limited (TLGG) was incorporated on 24 January 2008 to engage in logistics business with a registered capital of Baht 1 million.
- Triple i Asia Cargo Company Limited (TAC) was incorporated on 7 May 2008 with a registered capital of Baht 5 million and issued and paid-up share capital of Baht 2.5 million to engage in cargo sale agent for airlines, providing international and domestic air freight in Asia.
- TAC was appointed by Thai Air Asia Airlines to be a cargo general sales agent (Cargo GSA).
- Later, Triple i Interfreight Company Limited (currently, Triple i Logistics Public Company Limited - TLG) increased its capital by Baht 4 million to Baht 5 million to be used as its working capital.
- HLM received the Export Logistics Model Award (ELMA) 2008 for logistic management of international freight services from the Department of Trade Promotion, the Ministry of Commerce.

2009

- TAX commenced its international and local mailing services for Thailand Post Company.
- GSA Network Holding Company Limited ("GNH") was incorporated on 29 April 2009 with a registered capital of Baht 5 million to engage in international air freight business and to invest in company which is cargo sale agent for airlines, providing international air freight services overseas.
- GNH jointly invested in 25% of shares in Excel Air (Guangzhou) Limited ("ECA-GZ") in the amount of USD 2,500, 20% of shares in Excel Air (Hong Kong) Limited ("ECA-HK") in the amount of HKD 200,000, and 20% of shares in Freight Work GSA (Hong Kong) Limited in the amount of HKD 100,000.
- Asia Network International Company Limited (ANI) was incorporated on 11 June 2009 with a registered capital of Baht 1.25 million, consisting of 50,000 ordinary shares with a par value of Baht 25 per share, to engage in general sales agent for airlines business for international air freight. GNH and Asia Services Limited hold 57.0% and 40.0% of shares in Asia Network International Company Limited, respectively.
- Later, GNH reduced its capital to Baht 1.25 million to maintain its shareholding, which was paid-up on 29 April 2009.
- HLM received the Export Logistics Model Award (ELMA) 2009 in the logistics service management category for international freight services from the Department of Trade Promotion, the Ministry of Commerce.
- TAX received Top Cargo Agent Award from Emirates SkyCargo.

2010

- On 13 January 2010, the executives of the group company jointly invested with Singaporean investors and established DG Packaging (Thailand) Company Limited (DGP) to engage in the business of packaging and packaging services for hazardous goods used in air freight with an initially registered capital of Baht 1 million.
- Triple i Container Depot Company Limited ("TCD") was incorporated on 2 September 2010 to engage in storage and container handling services with a registered capital of Baht 5 million.
- In October 2010, GNH increased its capital Baht 1.25 million of its capital to a registered and paid-up capital of Baht 2.5 million.
- The executives of the group company jointly invested with Mr. Shigemori Hatano, a Japanese investor, and established Triple i Kanazawa Logistics Company Limited ("TKL") (formerly, Thai Kanazawa Logistics Company Limited) on 18 November 2010 to engage in the business of international freight services with a registered capital of Baht 5 million.
- TAX received Top Cargo Agent Award from Emirates SkyCargo.
- TAC received 3rd Place Airline of the Year Award 2010, in Thai Air Asia by BFS Cargo.

2011

- Triple i Building Company Limited ("TLB") was incorporated on March 2011 to engage in the business of leasing out real estate with a registered capital of Baht 5 million.
- GSA Cargo Network Company Limited ("GCN") was incorporated on 11 March 2011 to engage in the international air freight business with a registered capital of Baht 1 million.
- The executives of the group company jointly invested with a Korean investor and established CK Line (Thailand) Company Limited (CKT). CKT was incorporated on 11 March 2011 with a registered capital of Baht 5 million to engage in cargo sale agent for shipping lines, providing international sea freight forwarding by CK Line shipping.
- HLM received the Export Logistics Model Award (ELMA) 2011 in the logistics service management category for international freight services and Prime Minister Export Award 2011 from the Department of Trade Promotion, the Ministry of Commerce.

2012

- In October 2012, HLM jointly invested with CWT Logistics Pte. Ltd. To set up CWT Chemical Logistics Co., Ltd (CWT) to engage in the business of hazardous and chemical goods transport services in Thailand with a registered capital of Baht 2.5 million.
- ANI jointly invested with a Myanmar businessman and established GSA Asia Cargo Limited ("GSA-MM") in Myanmar on 2 November 2012 with a registered capital of 35.45 million Myanmar kyat. Later, GSA-MM was appointed by LAN Chile Airlines to act as its airlines freight forwarder.
- In December 2012, GCN increased its capital by Baht 4 million of its capital to a registered and paid-up capital of Baht 5 million.
- HLM jointly invested with a Singaporean businessman and established a joint venture named Hazchem Logistics Management Pte. Ltd. (HLM-SG) on 19 April 2012 to engage in the business of hazardous and chemical goods transport services in Singapore with a registered capital of SGD 100,000.
- TAX received Export Logistics Model Award (ELMA) 2012 for logistic and transportation services from the Department of Trade Promotion, the Ministry of Commerce.

2013

- Triple i SupplyChain Company Limited (TSC) was incorporated on 18 February 2013 to engage in the business of international and local logistic services, including warehouse management, with a registered capital of Baht 5 million.
- GNH along with a Myanmar businessman jointly invested and established GSA Cargo Network (Myanmar) Limited ("GCN-MM") in Myanmar on 22 February 2013 with a registered capital of 47.3 million Myanmar kyat.
- TAX commenced its regional logistics service and super speed services throughout the country for Thailand Post Company Limited.
- ANI was appointed by Jeju Air to act as its cargo sales agent.
- Asia Ground Service Company Limited (AGS) was incorporated on 14 August 2013 to engage in warehouse management and airport ground handling services with a registered capital of Baht 25 million.
- The major shareholders of the group company jointly invested in Excel Air Company Limited ("ECA-BKK") which was incorporated on 28 October 2013 to engage in sales agent for airlines business with a registered capital of Baht 2 million by purchasing 30.0% of shares of the total registered capital of ECA-BKK on 25 November 2013.

2014

- Major shareholders of the group company jointly invested in Sky Star Transport Company Limited ("SST") on 24 February 2014 to engage in the business of container transportation services with a registered capital of Baht 1 million.
- Triple i GSA Cargo Company Limited ("TGC") was incorporated on 5 June 2014 to engage in the business of sales agent for air cargo and international air freight with a registered capital of Baht 5 million and was appointed by Thai AirAsia X to act as its sales agent.
- TAC was appointed by Bhutan Airlines to act as its cargo sales agent.
- HLM jointly invested with R&K Transervice Limited and established Hazchem Trans Management Company Limited (HTM) on 9 October 2014 with a registered capital of Baht 5 million to engage in the business of domestic transportation and distribution services for hazardous goods

2015

- In September 2015, TLG established Triple i International Pte. Ltd. (TIL) in Singapore to engage in the business of cargo sales agent for airlines in overseas countries, including appointment of representatives overseas, with a registered capital of SGD 100,000.
- Cross Border Couriers Company Limited ("CBC") was incorporated with a registered capital of Baht 3 million and issued and paid-up share capital of Baht 0.75 million to engage in the business of international express air cargo services (low-cost).
- In November 2015, TLB increased its capital by Baht 45 million to Baht 50 million as its working capital.
- In November 2015, TLG changed its name from Triple i Interfreight Company Limited to Triple i Logistics Company Limited and increased its capital by Baht 210 million to Baht 215 million, consisting of 2,150,000 ordinary shares with a par value of Baht 100 per share, in order to restructure the group company. TLG acquired 14 companies namely, TAC, TGC, TAX, AGS, ANI, TMA, CKT, ECU, TSC, CBC, DGP, HLM, TCD, and TLB.
- TAX received Best Practices Award as it passed the standard of quality management for logistics services business in the year 2015 from the Department of Business Development.
- TAX received Top Cargo Agent Award from Emirates SkyCargo.
- TAC received a Regulated Agent Certificate from the Department of Civil Aviation.
- TAC was ISO 9001:2008 certified as an airline agent.

2016

- TAC was appointed by SriLankan Airlines to act as its cargo sales agent.
- TLG jointly invested with Chinese investors and established Skyjet Air Express Company Limited ("SKJ") to engage in the business of sales agent for airlines, providing international freight services, with a registered capital of Baht 1 million.
- In October 2016, the group company by TIL established Triple i International Japan Limited (TIL-J) in Japan to expand its business covering cargo sales agent for airlines business in Japan with a registered capital of 5 million Japanese Yen.
- To restructure the operations in each business unit to be more precise and to eliminate conflicts of interest that may arise in the future, the Company restructured its group company by dissolving and acquiring certain companies from its subsidiaries as summarized below.
 - In July 2016, the Company purchased shares in CBC from Mr. Peter James Mechin for 7,500 ordinary shares which equal to 99.99%
 - In August 2016, SST registered the dissolution of its business.
 - In September 2016, TLGG, GNH, TCD, TKL and GCN registered the dissolution of their business.
 - In October 2016, TLB registered the dissolution of its business and transferred its entire business to TLG on 31 August 2016.
 - In November 2016, SKJ registered the dissolution of its business.
 - During January to May 2016, there were several share purchase transactions in associate companies from GNH and GCH as follows:

Company	Acquiring company	Investment ratio	Reasons for investment
ANI	TLG	59.99%	To act as general sale agent for airlines, providing international air freight services.
ECA-GZ	TIL	25%	To act as general sale agent for airlines, providing international air freight services.
Freight-HK	TIL	20%	To act as general sale agent for airlines, providing international air freight services.
ECA-HK	TIL	20%	To jointly invest in a holding company that invests in company that provides air freight services in China.
GCN-MM	TIL	50%	To act as general sale agent for airlines, providing international air freight services.

- TAX received Top Cargo Agent Award from Emirates SkyCargo.
- TAX was ISO 9001:2015 certified as an air freight service provider.
- TLG was ISO 9001:2015 certified as an international freight service provider.

2017

- In March 2017, TMA increased its capital by Baht 7 million to Baht 10 million and Issued and paid-up share capital of Baht 5 million as its working capital.
- The Extraordinary Shareholders' Meeting No. 1/2017 of Triple i Logistics Company Limited held on 15 March 2017 resolved that:
 - by a special resolution, the Company shall convert into a public limited company;
 - the Company shall change the par value of its shares from Baht 100 per share to Baht 0.50 per share;
 - by a special resolution, the Company shall increase its capital to Baht 307.5 million, consisting of 615 million ordinary shares with a par value of Baht 0.50;
 - the Company shall issue and offer 10 million ordinary shares with a par value of Baht 0.50 to the existing shareholdings proportionately to their shareholding;
 - the Company shall issue and offer 160 million ordinary shares with a par value of Baht 0.50 to the public;
 - the Company shall issue and offer 4.50 million ordinary shares with a par value of Baht 0.50 and 10,500,000 stock warrants to the directors and employees of the Company;
 - the Company shall list its shares as listed securities on the Stock Market of Thailand;
- TAC was appointed by Thai AirAsia X to act as its sole freight forwarder for all inbound-outbound flights at Don Muang International Airport.
- AGS was permitted by the Department of Customs and Airports Of Thailand Public Company Limited to act as an international warehouse provider at Don Muang International Airport commencing from 1 January 2017 under a five-year term.
- HTM paid additional capital of Baht 2.5 million for its shares for purposes of additional working capital for business. The capital was then Baht 5 million (Baht 5 million of registered capital).
- TMA was ISO 9001:2012 certified for providing freight forwarding.
- CKT was ISO 9001:2012 certified for providing international sea transportation by container service.
- TSC was ISO 9001:2012 certified for providing of domestic transportation service.




Section

2

POLICY AND BUSINESS OVERVIEW





VISION | MISSION | STRATEGY & GOAL



Our Vision

"We aim to be The Leading Logistics Group with Sustainable Growth in Southeast Asia"



Our Mission

- Deliver logistics services and innovative logistics solutions that provide competitive advantage to our customers and partners. (THE RIGHT SOLUTION)
- Become a valuable business alliance to our customers and partners by building a long lasting relationship and sustainable growth. (THE RIGHT PARTNER)
- Conduct business responsibly through Corporate Governance for the best interest of all stakeholders, community and society. (THE RIGHT CORPORATE CITIZEN)



Strategy and Goal

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

- Revenue generation: the group company's goal is to create business growth by expanding its existing platform which consists of customers, business partners and products.
- Cost management and continued improvement of business operations: through investment in information technology systems in order to support competition and create satisfaction to customers and business partners.
- Increase of business opportunities: through development of existing products and innovations in logistics and business expansion domestically and internationally. For instance, direct investment by the group company, joint venture, and merger or acquisition.

Overview of business structure and shareholding structure of the group company



Triple i Logistics Public Company Limited (the “Company” or “TLG”), including its subsidiaries and associated companies, has been providing logistic services for over 25 years. The Company started its first business in international sea freight forwarding in 1991. At present, the group company is a leading total logistics service provider. Our services include local and international logistic services which cover air freight, sea freight, and inland transport business. The group company also provide customs clearance and supply chain management services. Logistics services provided by the Company cover general products and specialty products such as chemical and dangerous goods.

Each aspect of logistics services requires specific knowledge and experience because business process, operating procedure, network, partners, traders and customers’ requirement of each service are unique and different. The organization structure of the group company was arranged with focus to create working teams with specialization in different areas that completely cover all types of logistics services.

The businesses of the group company are operated by the Company, its subsidiaries and its associated companies with the total of 24 companies within the group company. The businesses of the Company can be divided into 4 main business units.

1. Air Freight Business

- Triple i Asia Cargo Company Limited (“TAC”), a subsidiary held 99.99% shares by the Company
- Triple i GSA Cargo Company Limited (“TGC”), a subsidiary held 99.99% shares by the Company
- Triple i Air Express Company Limited (“TAX”), a subsidiary held 99.99% shares by the Company
- Triple i International Company Limited (“TIL”) a subsidiary held 100% shares by the Company
- Asia Ground Service Company Limited (“AGS”), a subsidiary held 99.99% shares by the Company
- Asia Network International Company Limited (“ANI”), a joint venture held 59.99% by the Company
- Excel Air Company Limited (“ECA-BKK”), an associate held 30.00% by the Company
- Triple i International Japan (“TIL-J”), a subsidiary held 100% shares by TIL
- GSA Asia Cargo Company Limited (“GSA MM”), a joint venture held 60.00% by ANI
- GSA Cargo Network (Myanmar) (“GCN-MM”), a joint venture held 50.00% by TIL
- Excel Air (Guangzhou) (“ECA-GZ”), an associate held 25.00% by TIL
- Excel Air (HK) (“ECA-HK”), an associate held 20.00% by TIL
- Freightwork GSA (HK) Limited (“Freight-HK”), an associate held 20.00% by TIL

2. Sea Freight and Inland Transport Business

- Triple i Maritime Agencies Company Limited (“TMA”), a subsidiary held 99.99% shares by the Company
- CK Line (Thailand) Company Limited (“CKT”), an associate held 42.00% by the Company,
- ECU Worldwide (Thailand) Company Limited (“ECU”), an associate held 43.00% by the Company

3. Logistics Management Business

- Triple i Logistics Public Company Limited (“TLG”), a company listed on the Stock Exchange of Thailand
- Triple i SupplyChain Company Limited (“TSC”), a subsidiary held 99.99% shares by the Company
- Cross Border Couriers Company Limited (“CBC”), a subsidiary held 99.99% shares by the Company

4. Chemical and Specialty Logistics Business

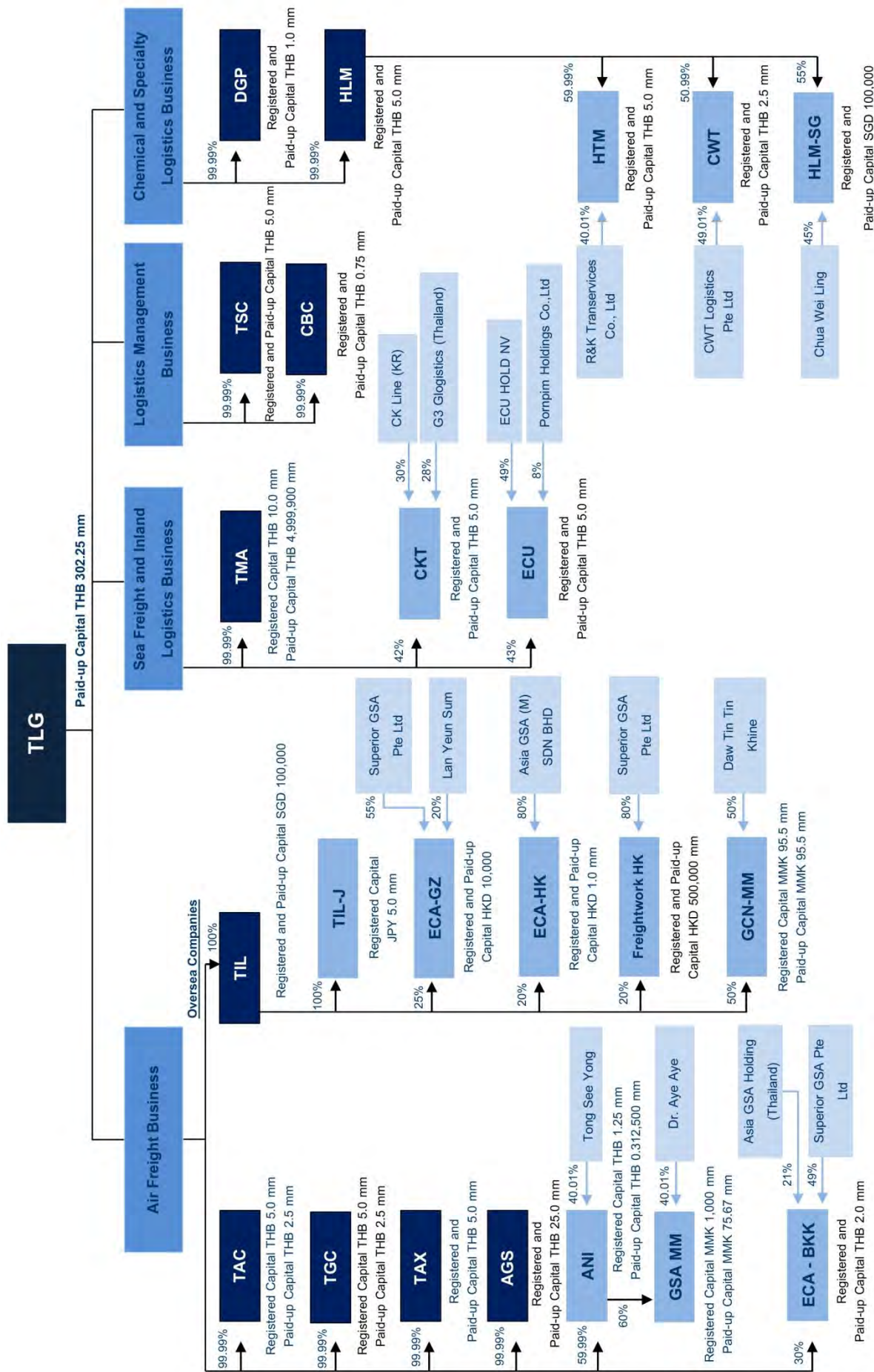
- HazChem Logistics Management Company Limited (“HLM”), a subsidiary held 99.99% shares by the Company
- HazChem Trans Management Company Limited (“HTM”), a joint venture held 59.99% by HLM
- DG Packaging (Thailand) Company Limited (“DPG”), a subsidiary held 99.99% shares by the Company
- CWT Chemical Logistics Company Limited (“CWT”), a joint venture held 50.99% by HLM
- HazChem Logistics Management Pte. Ltd. (“HLM-SG”), a joint venture held 55.00% by HLM

Revenue structure of the Company and its subsidiaries

	Consolidated Financial Statements					
	31 December 2015		31 December 2016		31 December 2017	
	Revenue (Baht million)	% of total revenue	Revenue (Baht million)	% of total revenue	Revenue (Baht million)	% of total revenue
Revenues from sales and services						
1. Air freight business	1,284.0	69.4%	1,753.3	72.3%	1,863.9	71.4%
2. Sea freight and inland transport business	97.1	5.2%	83.3	3.4%	87.0	3.3%
3. Logistics management business	80.4	4.3%	121.1	5.0%	105.4	4.0%
4. Chemical and dangerous goods logistics business	371.1	20.1%	453.0	18.7%	539.7	20.7%
5. Others ^{1/}	16.9	0.9%	15.3	0.6%	14.8	0.6%
Total revenues	1,849.5	100.0%	2,426.0	100.0%	2,610.8	100.0%
Inter-Co Transactions	300.8		350.4		316.2	
Total revenues after Inter-Co Transactions	1,548.7		2,075.6		2,294.6	

Remarks: ^{1/} Others: Revenues from other types of management consists of service fees from transport of personnel, office lease and service income.

Business Structure and shareholding structure, 31 December 2017



Note : individual and Juristic persons jointly invested in iii are business partners only. None of these persons have personal relationship with director and/or management of the company.

Nature of business and competition policy



Triple i Logistics Public Company Limited, including its subsidiaries and associated companies, is a leading total logistics service provider, providing local and international logistic services, including air freight, sea freight, inland transport, warehouse management and product distribution services for general products and specialty products such as chemical and dangerous goods. The businesses of the Company can be divided into 4 main business units:



Air freight business;



Sea freight and inland transport business;



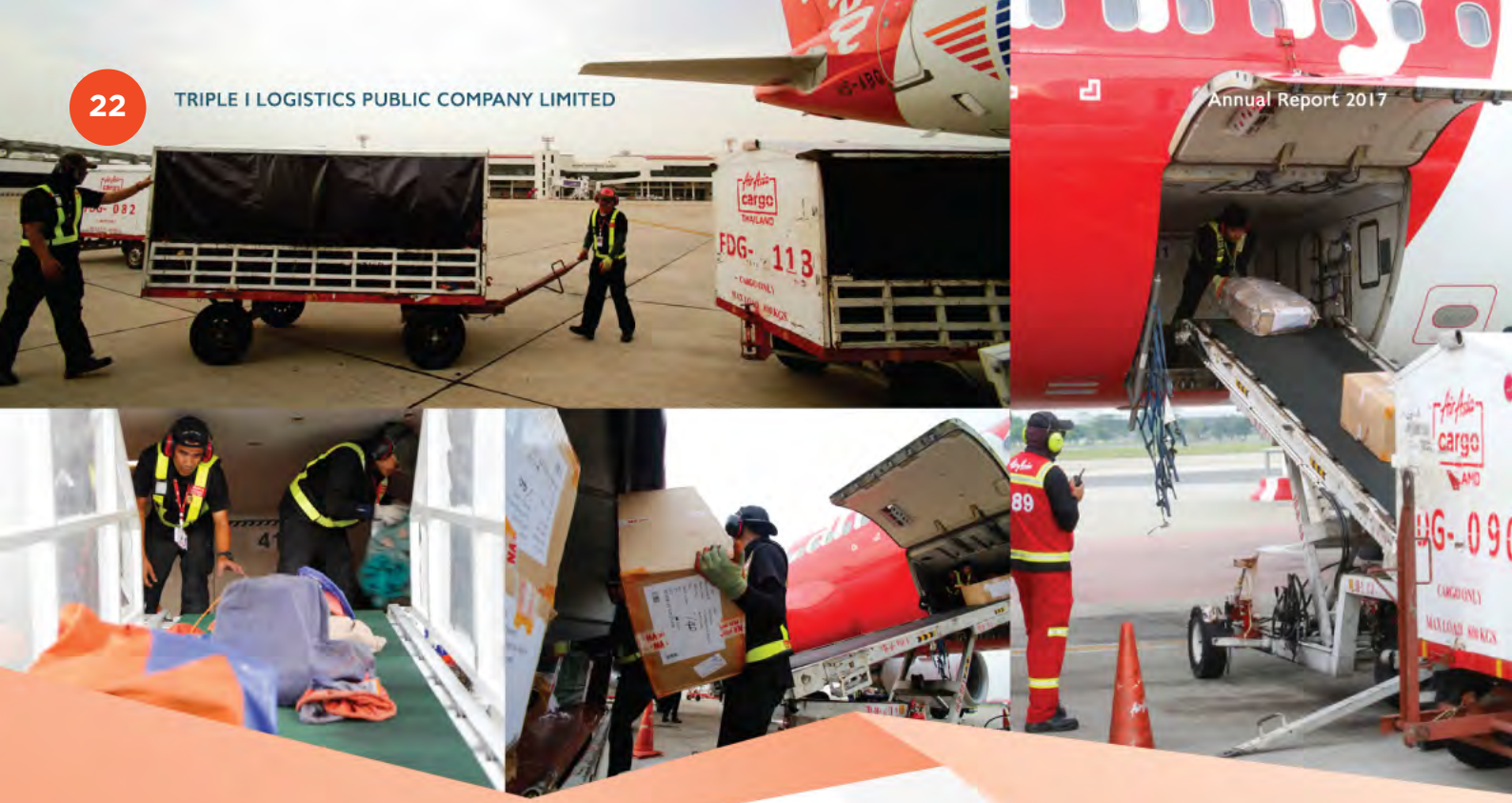
Logistics management business;



Chemical and dangerous goods logistics business;



**Air Freight
Business**



AIR FREIGHT BUSINESS

1.1 General Sales Agent for airlines (GSA for airlines)

The group company acts as sales agent of air cargo by acting as sales of air cargo and performing other duties relating to air freight business for airlines represented by the Company's subsidiaries and associated companies. Those airlines include Thai AirAsia, Thai AirAsia X, Bhutan Airlines, Srilankan Airlines, Jeju Air, and LAN Chile Airlines.

- Thai AirAsia and Thai AirAsia X : the group company acts as sales agent of air cargo of all flights of the airlines, both inbound and outbound. The group company has been acting as sales agent of Thai AirAsia since 2008 until present and sales agent of Thai AirAsia X since 2015 until present.
- Bhutan Airlines, Srilankan Airlines, Jeju Air and LAN Chile Airlines: the group company acts as sales agent of air cargo of all outbound flights of the airlines from Thailand.

1.2 Wholesale Air Freight Business

The group company provides wholesale air freight forwarder service, both domestic and international market, including customs clearance for both import and export and trucking service from airport to customers who are retail freight forwarders. In addition, the group company acts as a logistics service provider for Thailand Post Company Limited ("Thailand Post").

1.3 Air Cargo Terminal

The group company provides air cargo terminal and ground handling services such as transport of products to and from aircrafts and product sorting service at Donmuang Airport. At present, the Company, with an approval from Airports of Thailand Public Company Limited ("AOT"), provide both domestic and international warehouse, with service area of 5,000 square meters and 5,427 square meters respectively.

Competition policy

The target customers of air freight business can be categorized based on the following service type:

1. *GSA for airlines:*
 - 1) International freight forwarders
 - 2) Local freight forwarders
 - 3) Partner airlines
2. *Wholesale Air Freight Business (both international and domestic):*
 - 1) International freight forwarders
 - 2) Local freight forwarders
 - 3) Mail and express operators
3. *Air cargo terminal:*
 - 1) Airlines
 - 2) Business partners who require to use airport warehouse
 - 3) Mail and express operators
 - 4) E-commerce logistics provider

Market and Competition Situation

1. *General Sales Agent for airlines (Cargo GSA and CSA)*

GSA for airlines is a high potential business, which can be developed for continuous growth. To be appointed as the GSA for airlines, a company must have capabilities, expertise and reliable air freight network. Therefore, unlike international air freight forwarders, there are not many Cargo GSA for airlines.

2. *Wholesale Air Freight Business*

Air freight forwarder business is a highly competitive business because there are many air freight forwarders in the market with similar service capabilities. As a result, the price competition is very high. Nevertheless, air freight forwarder business continues to grow and is considered a high potential business with proper business strategy in place.

3. *Air Cargo Terminal*

Air cargo terminal and ground handling service is a specialized business which requires specific knowledge and the business operations must follow the applicable local and international standards. However, it is considered a high potential business because over a million tons of air cargo using Thai airport each year with high growth rate.

Marketing Strategy – Air Freight Business

1. *Cost management*

With continual development of service system and new products, the volume of air freight business of the group company continues to grow. Therefore, the group company has higher bargaining power in negotiating its freight costs. The group company has also set-up the Commercial Department who has a duty to conduct analysis and comparison on costs of services and provides competitive cost to the Company's Sales Department as intelligence marketing information. The Company's Sales Department can then use this information to offer services that meet customers' requirements, while effectively maintaining logistics costs to the customers and the Company.

2. Diversified services to increase revenue from existing customers and acquire new customers

The group company focuses on expanding its air freight business to cover more countries worldwide. The group company's strategy is to secure new air freight routes by partnering with airlines which travel to destinations not yet covered by the group company. In addition to securing new routes, the group company also provides warehouse service and airport ground handling services to respond to customers' needs in other services relating to air freight business and cover other services under airfreight business.

3. Maintaining customer base and expansion of services to new customer group and foreign customers

The group company focuses on building good relationship with existing major customers who generate revenue to it and expanding its customer base to include E-commerce merchandise distributors, which is a highly growing industry, and foreign co-loaders. The business is operated by TIL, in cooperation with overseas partners. This strategy helps stimulating growth in revenue from providing services inbound and creates balance between inbound and outbound services.

4. Service quality development

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

- TAC was granted ISO 9001:2008 Certification for acting as GSA for airlines in 2015.
- TAC was granted Regulated Agent Certification at Don Muang Airport in 2015.
- TAX was granted ISO 9001:2015 Certification for international airfreight service provider in 2016.



Sea Freight & Inland Transport Business



SEA FREIGHT AND INLAND TRANSPORT BUSINESS

2.1 Shipping Lines Agencies Business

The Company's subsidiaries and associated companies operate its business as shipping lines agencies and sea freight services including transportation of Full Container Loads (FCL), sales of freight to international wholesale sea freight forwarders, sea freight consolidator service for importers and exporters, and other services relating to sea freight for shipping lines. Such other services provided to shipping lines include ship handling and management and other related services such as procurement of personnel for loading or unloading vessels (stevedoring) and procurement of inland container depot. At present, the group company represents the following shipping lines:

- Rizhao Shipping Lines: TMA, the Company's subsidiary, has been appointed as sole and exclusive agent of Rizhao Shipping Lines of Rizhao Port (Hong Kong) Shipping Company Limited since September 2017. Rizhao Shipping Lines is a state enterprise in China with sea routes covering China, Vietnam and Thailand.
- CK Line: CK Line is under the management of CKT, a joint venture company between the Company and CK Line, South Korea, with sea routes between North Asian countries and Southeast Asian countries. It provides service routes between Thailand and other countries, namely Vietnam, China, South Korea, Japan and Hong Kong.

2.2 Worldwide Less Than Container Load – LCL Service

Under the management of ECU Worldwide (Thailand) Co., Ltd. ("ECU"), a joint venture company between the Company and ECU Worldwide, one of the global leaders in non-vessel operating common carrier (NVOCC) business, specializing in less-than-container load (LCL) freight consolidation. ECU provides LCL services from Thailand to countries worldwide, with direct transport of over 50 routes or through hub system of ECU Worldwide located in major ports which are used as centers for distributing cargo by sea freight to over 1,000 destinations worldwide.

2.3 Inland Container Transport

Inland container transport is a complementary service to shipping lines agency business, which provides transportation from port to port, expanding to multimodal transport. This business focuses on providing inland transport by containers and also covers port customs service. Containers are transported from port to destinations, both in Thailand and neighboring countries (cross-border service), as required by customers.

In 2017, TMA introduced a new service, providing container haulage service for both laden and empty containers, transport of liquid or gas from Boten, Laos to Thailand.

Competition policy

The target customers of sea freight and inland transport business can be categorized based on the following service type:

1. *Shipping lines agencies and inland transport business*
 - 1) Exporters and importers who need sea freight service to countries in which Rizhao Shipping Lines and CK Line provide services
 - 2) Freight Forwarder and third-party logistics (3PL)
 - 3) Customers who are subsidiaries of group companies
2. *Worldwide less than container load – LCL service*
 - 1) Multi-national freight forwarders who are global accounts of ECU Worldwide
 - 2) Local freight forwarders
 - 3) Licensed custom broker
 - 4) Target exporters
 - 5) Packing companies or packing houses for tourists who wish to transport products especially, handicrafts purchased from Thailand to their home countries

Market and Competition Situation

1. *Shipping lines agencies and inland transport business*

The services in niche market routes where average annual supply for freight does not exceed demand are profitable and have good potential. For instance, there is no direct service route from Thailand to Rizhao, which is the main port of Rizhao Shipping Lines. Another potential route is a route to Japan Outport, focusing on petrochemical products, agricultural products, and ready-to-eat food.

Other existing routes for which services are offered by the Company continue to grow in volume of freight transport. However, due to competitive environment, other players in the market may apply price-cutting strategy. For instance, during low season, customers with high frequency of freight transport may bargain for lower prices.

2. *Worldwide less than container load – LCL service*

There are many LCL service providers in the market, consisting of two groups: (i) local NVOCC players and (ii) global/regional NVOCC players. At present, there are over 30 local NVOCC players, each of whom has expertise in certain and different type of market, and there are less than 10 global/regional NVOCC players, each of whom provides variety of services worldwide. Therefore, global/regional NVOCC players take up 30% - 40% of the market share in aggregate.

The competitive advantage of ECU is being a local and global leader in NVOCC business with network of LCL services covering Thailand countrywide. Such competitive advantage was created through ECU having conducted LCL services for over 19 years and being part worldwide network of ECU Worldwide.

Marketing Strategy – Sea Freight and Inland Transport Business

1. *Shipping lines agencies and inland transport business*

1) *The service in routes that have a few service providers (Niche Market)*

The group company focuses on providing sea freight in routes which have only a few service providers in order to avoid price competition and reduce risk of imbalance in supply and demand of sea freight service.

2) *Cooperation among subsidiaries within the group company*

The group company consists of companies who provide worldwide freight forwarder services such as ECU, TLG, and HLM, who can provide services to customers through TMA and CKT, for both sea freight and inland transport services.

3) *Multimodal transport Service*

TMA had expanded its services from port to port service to multimodal transport, which resulted in expansion of scope of services of the group company, including customs clearance and inland transport for domestic and cross-border destinations as required by customers in order to build network worldwide and expand the business to cover both sea freight and inland transport.

4) *Expansion to inland container transport business*

TMA focuses on expanding the inland container transport business to accommodate shipping lines of which the group company acts as agent and customers of the Company's subsidiaries, expanding its customer base to cover shipping lines' customers. It also conducts feasibility study of conducting container depot business.

5) *Quality and customer focus development*

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

- TMA was granted ISO 9001:2015 Certification for providing freight forwarding service in the year 2017.
- CKT was granted ISO 9001:2015 Certification for providing international sea transportation by container service in the year 2017.

2. *Worldwide less than container load – LCL service*

1) *To become the world's leading service provider with global network*

ECU is one of the global leaders in non-vessel operating common carrier (NVOCC) business, specializing in less-than-container load (LCL) through worldwide network of ECU Worldwide and provides services under one brand. ECU consists of sales team who can offer services to global, regional, and local customers, focusing on creating customers' satisfaction.

2) *To understand the needs of each customer group in order to effectively respond to those needs*

ECU conducts quantitative research through focus group by interviewing its target customer group which includes global and regional freight forwarders to understand their needs and provide services efficiently.

3) *Service quality development*

ECU has developed information technology for providing services to customers. It is the first NVOCC to connect its services to INTTRA, a web portal which offers services from many leading shipping lines. Customers can reserve freight via an online system which significantly increases efficiency and service quality.

4) *Fast service which efficiently responds to customers' needs*

ECU focuses on increasing direct freight service to customers in order to uplift service standard and provide fast and convenient service. In addition, it has set-up sea ports and docks for loading and distribution of products in various locations, for instance, warehouse at Klongtoey Port, warehouse at loading and distribution dock at Lat Krabang, Via Logistics' loading and distribution depot at Amata Nakhon Industrial Estate, Chonburi, and Kerry Siam Seaport's loading and distribution depot at Laem Chabang Port for convenience to customers, both importers and exports.



Logistics Management Business



LOGISTICS MANAGEMENT BUSINESS

3.1 International Logistics Service

The group company directly provides international logistics, service including air and sea transport, and cross-border transport to importers and exporters. It also provides custom clearance, including preparation and submission of documentation required to facilitate export or import into the country, representing customer during customs examination and assessment and providing advice to customer on tax benefits and application process for certificate from the Food and Drug Administration.

3.2 Warehouse and Distribution

The group company provides fully integrated logistics services and distribution, including picking up goods from sea port or airport for distribution or transportation to warehousing service, inventory management service to importers and exporters. At present, the group company has warehouse in highly strategic location.

Competition policy

The target customers of logistics management business can be categorized based on the following service type:

1. *International Logistics Service*

The target customers are importers and exporters, focusing on importers of industrial goods and consumer goods, such as telecommunication products and computers, clothing, cosmetics, food, drug and medical supplies etc.

2. *Warehouse and Distribution*

The major target customers are importers and distributors, including high-value consumer goods, focusing on customers who require warehousing service, inventory management service, and local distribution service. The customers can be divided into 5 groups: (i) restaurant business operator whose restaurant is located in department store; (ii) distributor of information technology products and office supplies; (iii) distributor of sport equipment; (iv) manufacturer and distributor of healthcare and beauty products, and distributor of clothing such as fashion clothing and bags.

Market and Competition Situation

1. *International Logistics Service*

Competition in international logistics service is of high-level due to many players in the market, including local, regional, and global service providers. In respect of Thailand's export trend, the products that are expected to enjoy higher export include higher-valued products, rather than agricultural products. Although the value of export will increase, the growth in export volume is expected to decrease. The decrease in export volume may affect volume of logistics service since service fees is calculated based on volume of logistics service.

2. *Warehouse and Distribution*

At present, a full logistics service is being widely offered by international companies and many local players, providing similar services. Therefore, the group company has to position itself clearly to communicate with its customers and effectively compete with its competitors.

Marketing Strategy – Logistics Management Business

1. *Provision of one-stop service*

The group company focuses on providing one-stop service. Its services cover all steps of logistics services. One of the strengths of TLG includes being an expert in international logistics service, and one of the strengths of TSC includes being an expert in local logistics management in order to connect between services and provide effective logistics solutions and competitive logistic costs to customers.

2. *Focus on differentiated logistics service*

The group company focuses on providing differentiated logistics service by utilizing its expertise in logistics management, from planning logistics, storage, distribution in accordance with instructions, information analysis to solve problems for customers and reduce costs, to fixing problems that occurred during logistics process. The group company's objective is to become leading logistics service provider of targeted products.

3. Focus on development of new logistics service

The group company focuses on developing new logistic service to accommodate change in technology and new type of commerce, including change in customer behavior. Example of new logistic service is E-fulfillment to accommodate e-commerce customers.

4. Development of personnel to become logistics solution partner

The group company focuses on growth and building long-term relationship with its customers. It emphasizes on developing its personnel to be equipped with skills and expertise to serve customers as logistics solution partner. The group company's personnel listens to customer's problem in order to create logistics solution which responds to each customer's needs.

5. Continuous development of service quality

The group company focuses on providing quality service which is safe and punctual. Due to its effective management in providing quality service, the group company has been awarded the following certifications:

- TLG was granted ISO 9001:2015 Certification as provider of international logistics service in the year 2016.
- TSC was granted ISO 9001:2015 Certification as provider of domestic transportation service in the year 2017.



Chemical & Specialty Logistics



CHEMICAL AND DANGEROUS GOODS LOGISTICS BUSINESS

4.1 Hazardous and dangerous good logistics integrator

The group company provides integration logistics service, including international air and sea transport of dangerous goods and chemicals, custom clearance for both import and export, warehousing service and inventory management of dangerous goods and chemicals, and local transport and distribution or transport from warehouse to overseas destinations. At present, the group company has several warehouses located in Ticon Logistics Park on Bangna-Trad Highway Km.39 in Chachoengsao with rental area of 23,735 square meters. The warehouse includes storage for general goods and refrigerated area.

4.2 Dangerous goods packaging solution provider

The group company distributes packaging and provides packing of dangerous goods for transport by air.

Competition policy

The target customers of chemical and dangerous goods logistics business can be categorized based on the following service type:

1. *Hazardous and dangerous good logistics integrator*

The target customers are customers in chemical industry such as manufacturers, distributors, users of chemicals and hazardous and dangerous goods, and local and international logistics providers. Over 90% of the customers are multinational corporations and majority of the customers are from Europe, the United States, Japan, Korea and China. Most customers in Thailand are SMEs.

For service to multinational corporation, if there is high volume of services required, the customer will open bidding for services. The contract term is usually 1 – 3 years, particularly for warehousing service for hazardous and dangerous goods.

2. *Dangerous goods packaging solution provider*

The key target customers are:

(i) logistic service providers who require packing service, dangerous goods declaration service, labeling according to regulations regarding international air transport of dangerous goods by DGP, (ii) customers in automobile industry who put emphasis on high-quality packaging and services, and (iii) customers in chemical industry who transport sample chemicals (dangerous goods) to countries to which they would like to market.

Market and Competition Situation

The group company focuses on providing full logistics services for chemicals and dangerous goods. By combining knowledge in chemicals and dangerous goods with expertise in logistics, the group company provides integrated logistics services for such products. Most customers will normally use more than one service (multi-services or integrated services). The competition situation of chemical and dangerous goods business is unique as there is only a few competitors in the market who can provide, similar service to the group company, full logistics services for chemicals and dangerous goods. Majority of the competitors provides only certain logistic services for chemicals and dangerous goods or, some competitors provide full logistics services, but do not have expertise on chemicals and dangerous goods. As customers in chemical industry put emphasis on safety to health, environment, and security, capabilities of logistics service providers for chemicals and dangerous goods become more important. Distribution and transport of chemicals and dangerous goods must be done properly and in accordance with complicated and ever more complex regulations regarding dangerous goods transport. In addition, packaging for air transport of chemicals and dangerous goods requires knowledge and understanding of IATA/ICAO's regulations regarding air transport of dangerous goods. The service provider must have trainings to enable it to strictly comply with such international standards. Such requirements reduce competition and facilitate growth of this business in the future.

Marketing Strategy – Chemical and Dangerous Goods Logistics Business

1. Providing integration logistics service for chemical and dangerous goods and being a regional leader in distribution of dangerous goods packaging and dangerous goods logistics services, including expanding its business worldwide

The group company's objective is to develop itself to become specialized logistics integrator who provide full services for transport of chemical and dangerous goods. It focuses on developing services which respond to diversified and specialized needs of customers in chemical and dangerous goods industry through continued development of various services. For instance, HTM is a company specializing in distribution and transport of dangerous goods. Requisite factors in conducting the business include quality of service provided by drivers, quality of trucks including maintenance and internal management systems, strict adherence to rules on safety to health, environment and security, and establishment of DGP to providing certified service packing for provision of dangerous goods packaging that have passed quality control, testing and receive standard certification in accordance with regulations by the United Nations regarding packaging testing and dangerous goods transport. The full and integrated logistics services provided by the group company is also another factor that will promote customers in using the group company's services and, consequently, generate additional revenue to the group company.

2. Strategic positioning as having knowledge and expertise in chemical and dangerous goods logistics

The group company strategically positions itself as a dangerous goods logistics specialist. This is an in-depth communication to the target customers of which the majority are multinational corporations in chemical industry. The operation of this business focuses on the three following key values:

1) Chemical knowledge

The management of chemical and dangerous goods is a delicate and complex matter and, therefore, requires knowledge and expertise from the group company's personnel, including understanding in laws, rules and regulations at local level and international level. The group company has established internal database management system and provides systematic trainings in respect of dangerous goods and chemical in order to become technical knowledge-based DG logistics integrator, which will lead to development of value-added services and continuous development of personnel.

2) Logistics expertise

The group company continues to develop and improve its services. The group company has been awarded the following certifications:

- *HLM was awarded Prime Minister's Export Award (PM Export Award) from Department of International Trade Promotion in the year 2011 and Export Logistics Model Award (ELMA) from Department of International Trade Promotion in the year 2008, 2009, and 2011.*
- *HLM was awarded the Thai Chamber of Commerce Business Ethics Standard Test Award from the Thai Chamber of Commerce in the year 2009.*
- *HLM was granted standard certification for service provision ISO 9001:2008 on 12 October 2011.*

3) Safety excellence

The group company places importance on continuous development to strive for excellency in health safety, environment and security. It conducts its business under the philosophy 'Responsible Care[®]', which means determining to properly operate the business with honesty, transparency, and examinable, for development of sustainable business.

3. Providing knowledge and participation with network of various organizations, including organizing corporate social responsibility activities to create correct understanding on chemical and dangerous goods transport

The group company places importance on participation with network of various organizations and organizing corporate social responsibility activities in order to build business network and promote corporate image that portrays an organization which is equipped with technical knowledge and specialization. It focuses on building confidence to customers who have chosen services of the group company and creating sustainable business. It also participates in meetings and acts as lecturer for organizations and institutions in order to promote knowledge on dangerous goods transport to business operators. As a result, companies in dangerous goods industry will choose services from logistics provider, like the group company, who has expertise in dangerous goods transport. Representatives of the group company have participated in various corporate social responsibility activities during the past including:

- Logistics
 - Development of professional qualifications of international freight forwarders and multimodal transport service provider, and international distribution center. Development of training course and acting as lecturer on ASEA Economic Community dangerous goods transport for regional logistics industry.
 - Acting as referee for Export Logistics Model Award (ELMA) and speaker to share related experience, promote participation in the award, and enhance logistics industry.
 - Acting as lecturer for local and international educational institutions, training academy, universities, associations in logistics industry, giving knowledge on various topics such as logistics, international transport, dangerous goods transport and storage, classification and labeling of chemicals, chemical risk assessment, and laws relating to hazardous substance in Thailand.
- Chemical handling
 - Development and supporter of National Master Plan on Chemical Handling No. 3, No. 4 and No. 5.
 - Organizer of Asia Pacific Responsible Care Conference (APRCC) for chemical industry in Thailand and participating in Asia Pacific Conference of Asia Pacific Responsible Care Organization.
 - Participating in various conferences such as international conference of Responsible Care Leadership Group and ASEAN Chemical Industry Regulatory Cooperation Workshop on chemical handling and chemical risk assessment (Global Product Strategy Leadership Meeting).
 - Participating as advisor on project of developing framework for hazardous substance handling and project of developing safety documents and information on chemicals used in rubber industry.
 - Giving opinion on policies and practice to government authorities in respect of laws relating to chemical and dangerous goods handling.
 - Acting as lecturer to local and international educational institutions, training academy, universities, and associations in chemical industry, giving knowledge on various topics such as dangerous goods transport and storage, classification and labeling of chemicals, chemical risk assessment, and laws governing hazardous substance in Thailand.



Section

3

ADMINISTRATION AND CORPORATE GOVERNANCE



Securities Information and Shareholders

As of 31 December 2017, the Company has its registered capital of 307,500,000 Baht dividing into ordinary shares of 615,000,000 shares with a par value at 0.50 Baht each and paid-up capital of 302,250,000 Baht dividing into 604,500,000 shares with a par value at 0.50 Baht each.

Shareholders

Below is the list of top 10 major shareholders as of 7 March 2018:

No.	Name of Shareholder	Number of Shares	Percentage (%)
1	Mr. Tipp Dalal	141,371,386	23.39
2	Mr. Viraj Nobmomtham	103,744,074	17.16
3	Mr. Teeranit Isarangkul	60,710,381	10.04
4	Mrs. Worapan Juengsubpaian	38,657,400	6.39
5	Mr. Chalernsak Karnchanawarin	27,952,484	4.62
6	Mr. Jirod Panacharas	27,952,484	4.62
7	Mr. Thanut Thatayanon	12,200,591	2.02
8	Mr. Siripat Ghamvongpairat	9,579,107	1.58
9	Mr. Sumate Thitipuree	8,307,544	1.37
10	Mrs. Darunee Rakpongpi boon	7,703,275	1.27
Total		438,178,726	72.49

Offering of Other Securities – Warrant to purchase the Company's ordinary shares

The Extraordinary General Meeting of shareholders No. 1/2017 held on 15 March 2017 has resolved to approve the issuing and offering of the warrant to purchase the Company's ordinary shares in the type of names of bearers shall be specified and non-transferable in the amount of 10,500,000 units by providing the right to the Company's employees to purchase the Company's shares at the ratio of 1 unit of warrant to right to purchase 1 ordinary share at the exercise price of 4.80 Baht per share, subject to the terms and conditions of the warrant.

Dividend Policy

The Company's dividend policy

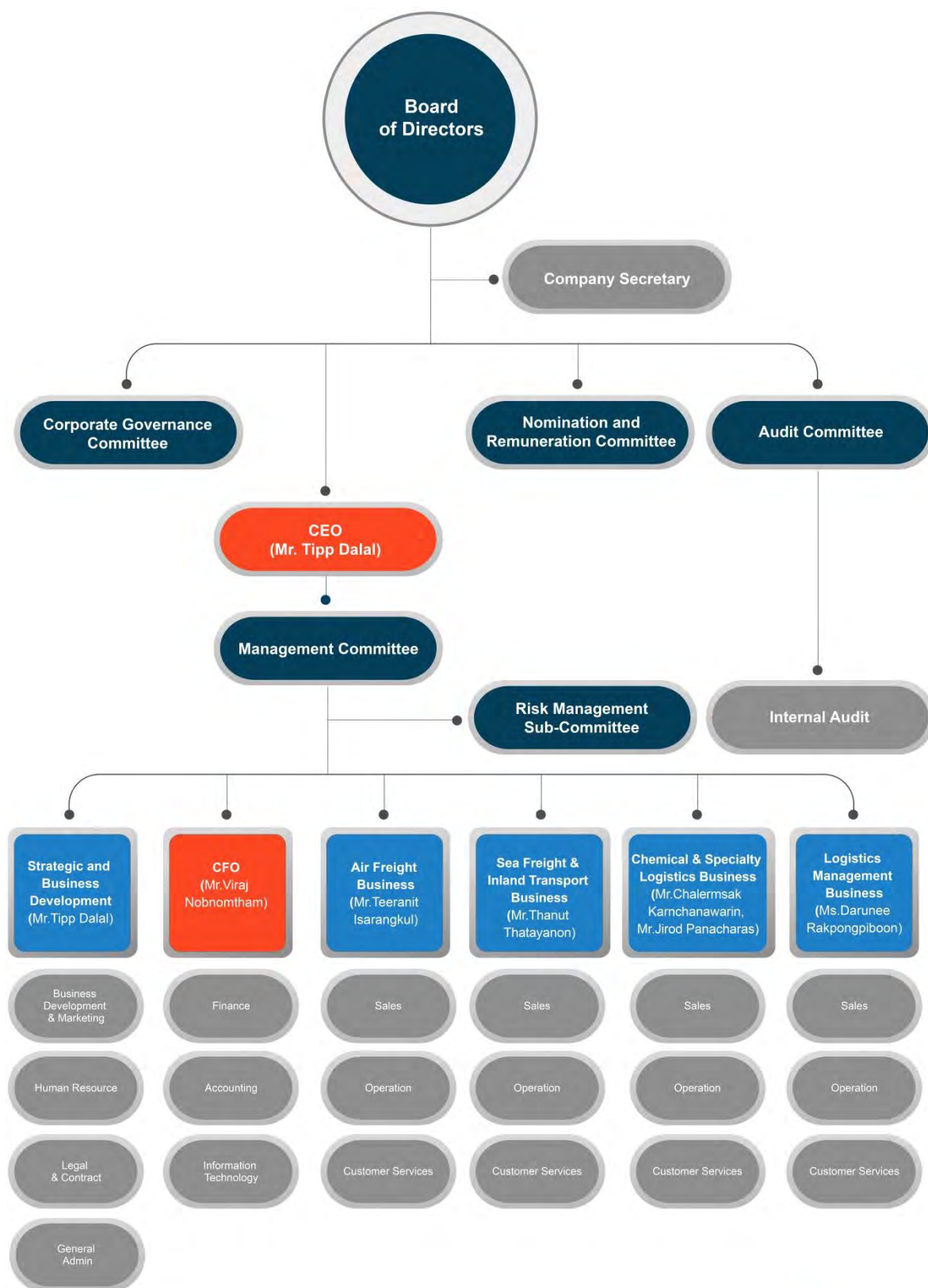
The Company has the dividend policy to pay dividend to shareholders at the ratio of not less than 40% of the net profit of the Company financial statements after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy depending on operating result, cash flow, necessity of investment, conditions and obligations of loan agreements and other appropriations in the future of the Company. If the Board of Directors resolves to approve the payment of annual dividend, it shall subsequently propose to the shareholders' meeting for approval unless it is a interim dividend payment which the Board of Directors of the Company can approve such payment of interim dividend and subsequently, report to the next shareholders' meeting.

Subsidiaries' dividend policy

The dividend policy of the Company's subsidiaries for the payment of dividend to their shareholders shall be at the ratio of not less than 40% and shall be approved by the shareholders' meeting of each subsidiary for every year. The dividend shall be paid from the net profit as shown in the financial statements of each subsidiary after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy depending on operating result, cash flow, necessity of investment, conditions and obligations of loan agreements and other appropriations in the future of the each subsidiary. The Board of Directors of each subsidiary can approve the payment of interim dividend and subsequently, shall report to the next shareholders' meeting of each subsidiary.

Management Structure

The management structure of Triple i Logistics Public Company Limited consists of the Board of Directors and the sub-committees which include the Audit Committee, the Nomination and Remuneration Committee, the Good Corporate Governance Committee, the Management Committee and the Risk Management Sub-committee, the details are as follows:



** Remark : = Executive Director

BOARD



Mr. Krirkkrai Jirapaet
Chairman of the board / Independent Director



Mr. Woodtipong Moleechad
Director / Independent Director /
Chairman of the Audit Committee



Mr. Apichart Chirabandhu
Director / Independent Director



Mr. Vipoota Trakulhoon
Director / Independent Director



Mr. Tipp Dalal
Director / CEO



Mr. Viraj Nobnomtham
Director / CFO



Mr. Teeranit Isarangkul
Director



Mr. Thanut Thatayanon
Director



Mrs. Darunee Rakpongpi boon
Director / Company Secretary



Mr. Jirod Panacharas
Director

Board of Directors

As of 31 December 2017, the Board of Directors consists of 10 persons as follows:

Name – Surname	Position
1. Mr. Krirkkrai Jirapaet	Chairman of the Board / Independent Director
2. Mr. Woodtipong Moleechad	Director/ Independent Director / Chairman of the Audit Committee
3. Mr. Vipoota Trakulhoon	Director / Independent Director/ Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee
4. Mr. Apichart Chirabandhu	Director / Independent Director / Member of the Audit Committee / Chairman of the Corporate Governance Committee
5. Mr. Tipp Dalal	Director / CEO
6. Mr. Viraj Nobnomtham	Director / CFO
7. Mr. Thanut Thatayanon	Director
8. Mrs. Darunee Rakpongpi boon	Director / Company Secretary
9. Mr. Teeranit Isarangkul	Director
10. Mr. Jirod Panacharas	Director

By having Mrs. Darunee Rakpongpi boon as the Company's secretary

All of directors have completed the Director Accredited Program (DAP) and/or Director Certification Program (DCP) of the Thai Institute of Directors (IOD).

Authorized Directors to bind the Company

The authorized directors to bind the Company are Mr. Tipp Dalal, Mr. Viraj Nobnomtham, Mr. Teeranit Isarangkul, Mr. Thanut Thatayanon, Mr. Jirod Panacharas and Mrs. Darunee Rakpongpi boon, any two of six directors jointly sign together with the Company's seal affixed.

Scope of Authorities, Duties and Responsibilities of the Board of Directors

The Board of Directors has the authorities, duties and responsibilities of management of the Company to comply with the laws, objectives and Articles of Association of the Company including the resolution of the shareholders' meeting by exercising of duty of good faith, duty of care and duty of Company's benefit protection, the details of the authorities, duties and responsibilities are as follows:

1. To determine visions, missions, policies, strategies and financial goals of the Company and its subsidiaries including to approve policies and business directions as proposed by the management team, to supervise the management team to comply with the visions, missions, policies, strategies and financial goals by considering of all relevant stakeholders.
2. To consider and approve business operations of the Company and its subsidiaries which to be in line with the Articles of Association of each company of which it shall include annual budget, quarter and annual financial statements, interim dividend payments, acquisitions, establishments, disposals or liquidations of significant assets or businesses of company, change of authorizations of persons as previously authorized by the Board of Directors.
3. To determine organizations and procedures of the Company and its subsidiaries to ensure that it will be operated in accordance with the orders, Articles of Association, Board of Directors' resolutions, shareholders' resolutions with duty of good faith and duty of care.
4. To determine organizations and procedures of the Company and its subsidiaries for having risk management system, supervisory and auditing including appropriate internal control.

5. To follow up and evaluate performance of management of the Company and its subsidiaries to achieve strategy and plan under budget as approved by the Board of Directors.
6. To supervise the preparation of accountings and maintaining of financial accounts and relevant documents including financial information, operating result, related party transactions and acquisitions or disposals of significant assets to be accurately and completely disclosed to shareholders and public.
7. To review and act to ensure that the Company and its subsidiaries comply with required ethics.
8. To appoint persons to act as director or executive of subsidiary and to determine scope of duties and responsibilities including determining of certain scope of authorizations and to ensure that the voting of Board of Directors' subsidiary on significant matters will be obtained the prior approval of the Company's Board of Directors.

The authorization of duties and responsibilities of the Company's Board of Directors shall not be the authorization or sub-authorization that the Board of Directors or authorized person is able to approve transaction that they or persons that may have conflict (pursuant to the definition as defined in the Notification of the Securities and Exchanges Commission or Notification of the Capital Market Supervisory Board), may have conflict of interest or may receive benefits in any manners or may have other conflict of interest with the Company or subsidiary saved for the approval of transaction that is in accordance with policies and conditions as approved by the shareholders' meeting or Board of Directors.

Term of Office

One-third of directors of the Board of Directors shall be discharged by rotation in every annual general meeting of shareholders. The directors who have the longest term shall be discharged and if such discharged directors cannot be divided into one-third, the closest number of one-third of total directors shall be discharged. The discharged director can be reappointed.

In addition, to comply with the good corporate governance principle, the term of office of the independent director should not be more than 9 years.



MR. KRIRKKRAI JIRAPAET

Age 74

Chairman of the Board / Independent Director

Education

- Bachelor of Arts (Hons), Political Science, Chulalongkorn University
- Master of Economics, Sydney University, Australia

Certification

- Director Certification Program (DCP) Class 61/2005, Thai Institute of Directors (IOD)
- The Role of Chairman Program (RCP), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors (IOD)

5 Years' Work Experience

2016 – now Chairman of the Board / Independent Director of Triple i Logistics PLC.

In any listed companies

2016 – now Chairman of Advisers to Banpu PCL.
2008 – now Chairman of the Board / Independent Director of QTC Energy PCL.

In any non-listed companies

2015 – now Member of Council of State
2014 – now Director of Sammitr Green Power Co., Ltd.
1970 – now Deputy Chairman of UTCC Council
2008 – 2016 Chairman of the Board / Independent Director of Banpu PCL.
2014 – 2015 Member of National Reform Council



MR. WOODTIPONG MOLEECHAD

Age 69

Director / Independent Director /
Chairman of the Audit Committee

Education

Bachelor of Economics, Thammasat University

Certification

- Director Certification Program (DCP) Class 130/2010, Thai Institute of Directors (IOD)
- Director Certification Program Update (DCPU) Class 3/2015, Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP), Thai Institute of Directors (IOD)

5 Years' Work Experience

2016 – now Director / Independent Director / Chairman of the Audit Committee of Triple i Logistics PLC.

In any listed companies

2015 – now Chairman of the Board / Independent Director of Business Alignment PCL.

2015 – now Chairman of the Board of International Research Corporation PCL.

2009 – now Chairman of the Board of Symphony Communication PLC.

In any non-listed companies

2012 – 2015 Director of Alsolar1 Co., Ltd.

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

2010 – 2014 Director / Member of the Audit Committee / Member of Corporate Affairs of Sukhumvit Asset Management Co., Ltd.

2008 – 2014 Director of Department of Issuing, Bank of Thailand



MR. APICHART CHIRABANDHU

Age 59

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

Education

- Bachelor of Laws, Ramkhamhaeng University
- Diploma, The Joint State-Private Sector Course (Class 24), The National Defence College of Thailand (NDC) 2011-2012

Certification

- Director Accreditation Program (DAP) Class 103/2013, Thai Institute of Directors (IOD)
- Politics and Governance in Democratic Systems for Executives (Class 18), King Prajadhipok's Institute

5 Years' Work Experience

2016 – now Director / Independent Director / Chairman of the Corporate Governance Committee / Member of the Audit Committee / Member of the Nomination and Remuneration Committee of Triple i Logistics PLC.

In any listed companies

2014 – now Director / Audit Committee Member / Independent Director of Millcon Steel PLC.

2013 – now Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee of Nok Airlines PLC.

In any non-listed companies

1998 – now Director of Top Performing Corporation Co., Ltd.

2014 – January 2018 Director of Continental Holding Co., Ltd.

2002 – January 2018 Director of Siam Premier Service Co., Ltd.

1991 – January 2018 Director of Siam Premier International Law Office Limited



MR. VIPOOTA TRAKULHOON

Age 51

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

Education

- Bachelor of Business Administration, Major of Banking and Finance, Chulalongkorn University
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Certification

- Director Accreditation Program (DAP) Class 120/2015, Thai Institute of Directors (IOD)

5 Years' Work Experience

- | | |
|------------|--|
| 2016 – now | Director / Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee of Triple i Logistics PLC. |
|------------|--|

In any listed companies

- | | |
|-------------|--|
| 2016 – now | Independent Director / Member of the Audit Committee of Business Alignment PCL. |
| 2014 – now | Director of Millcon Steel PLC. |
| 2011 – 2013 | Executive Vice President, Head of Corporate Banking Group Of Krungthai Bank PCL. |

In any non-listed companies

- | | |
|-------------|---|
| 2015 – now | Director of Creative Kobelco Millcon Co., Ltd |
| 2015 – now | Director of IFAC Advisory Co., Ltd. |
| 2014 – now | Director of Creative Power Co., Ltd. |
| 2013 – 2013 | Chairman of the Board of Krung Thai IBJ Leasing Co., Ltd. |



MR. TIPP DALAL

Age 51

Director / Chairman of Management Committee / CEO

Education

Bachelor of Business Administration, Chulalongkorn University

Certification

- Director Certification Program (DCP) Class 228/2016, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) Class 124/2016, Thai Institute of Directors (IOD)
- Leadership Program Batch 25, Capital Market Academy

5 Years' Work Experience

2008 – now	Director / Chairman of Management Committee / CEO of Triple i Logistics PLC.
2016 – now	Director of GSA Cargo Network Co., Ltd.
2015 – now	Director of Cross Border Couriers Co., Ltd.
2015 – now	Director of Triple i International Pte. Ltd.
2014 – now	Director of HazChem TransManagement Co., Ltd.
2014 – now	Director of Triple i GSA Cargo Co., Ltd.
2013 – now	Director of Asia Ground Service Co., Ltd.
2013 – now	Director of Triple i SupplyChain Co., Ltd.
2013 – now	Director of Excel Air Co., Ltd.
2012 – now	Director of Asia Network International Co., Ltd.
2012 – now	Director of CWT Chemical Logistics Co., Ltd.
2012 – now	Director of Director of GSA Asia Cargo Co., Ltd.
2011 – now	Director of CK Line (Thailand) Co., Ltd.
2010 – now	Director of DG Packaging (Thailand) Co., Ltd.
2008 – now	Director of Triple i Asia Cargo Co., Ltd.
2007 – now	Director of Triple i Air Express Co., Ltd.
2004 – now	Director of HazChem Logistics Management Co., Ltd.
1996 – now	Director of Triple i Maritime Agencies Co., Ltd.

In any listed companies

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In any non-listed companies

2016 – now	Director of SKS Terminal Co., Ltd.
2012 – now	Director of SKS Asset Plus Co., Ltd.
2010 – now	Director of SKS Property Co., Ltd.



MR. VIRAJ NOBNOMTHAM

Age 52

Director / Member of Management Committee /
Member of the Nomination and Remuneration
Committee / Chairman of the Risk Management
Sub-Committee / CFO

Education

Bachelor of Business Administration, Chulalongkorn University

Certification

- Director Certification Program (DCP) Class 213/2015,
Thai Institute of Directors (IOD)

5 Years' Work Experience

2008 – now	Director / Member of Management Committee / Member of the Nomination and Remuneration Committee / Chairman of the Risk Management Sub-Committee / CFO of Triple i Logistics PLC.
2016 – now	Director of GSA Cargo Network Co., Ltd.
2015 – now	Director of Cross Border Couriers Co., Ltd.
2015 – now	Director of Triple i International Pte. Ltd.
2014 – now	Director of Director of Triple i GSA Cargo Co., Ltd.
2013 – now	Director of Asia Ground Service Co., Ltd.
2013 – now	Director of Triple i SupplyChain Co., Ltd.
2012 – now	Director of Asia Network International Co., Ltd.
2011 – now	Director of CK Line (Thailand) Co., Ltd.
2008 – now	Director of Triple i Asia Cargo Co., Ltd.
2007 – now	Director of Triple i Air Express Co., Ltd.
2005 – now	Managing Director of ECU Worldwide (Thailand) Co., Ltd.
2004 – now	Director of HazChem Logistics Management Co., Ltd.
1996 – now	Director of Triple i Maritime Agencies Co., Ltd.

In any listed companies

-

In any non-listed companies

-



MR. TEERANIT ISARANGKUL

Age 47

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

Education

Bachelor of Arts (English Language Communication), UTCC

Certification

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 30/2016, Thai Institute of Directors (IOD)

5 Years' Work Experience

- | | |
|------------|---|
| 2016 – now | Director / Member of Management Committee / Member of the Corporate Governance Committee of Triple i Logistics PLC. |
| 2013 – now | Managing Director of Asia Ground Service Co., Ltd. |
| 2012 – now | Director of GSA Asia Cargo Co., Ltd. |
| 2009 – now | Managing Director of Asia Network International Co., Ltd. |
| 2008 – now | Managing Director of Triple i Asia Cargo Co., Ltd. |
| 2007 – now | Managing Director of Triple i Air Express Co., Ltd. |

In any listed companies

-

In any non-listed companies

-



MR. THANUT THATAYANON

Age 48

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

Education

- Bachelor of Accountancy, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

Certification

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)

5 Years' Work Experience

- | | |
|------------|---|
| 2008 – now | Director / Member of Management Committee / Member of the Corporate Governance Committee of Triple i Logistics PLC. |
| 2009 – now | Managing Director of CK Line (Thailand) Co., Ltd. |
| 2007 – now | Managing Director of Triple i Maritime Agencies Co., Ltd. |

In any listed companies

-

In any non-listed companies

-



MRS. DARUNEE RAKPONGPIBOON

Age 46

Director / Member of Management Committee / Company Secretary

Education

- Bachelor of Science, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

Certification

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Company Secretary Program Class 68/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 34/2017, Thai Institute of Directors (IOD)

5 Years' Work Experience

2008 – now Director / Member of Management Committee /
Company Secretary of Triple i Logistics PLC.

In any listed companies

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In any non-listed companies

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MR. JIROD PANACHARAS

Age 45

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

Education

- Bachelor of Business Administration, Assumption University
- Master of Science (CEM), Assumption University

Certification

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 34/2017, Thai Institute of Directors (IOD)

5 Years' Work Experience

2015 – now Director / Member of Management Committee / Member of the
Corporate Governance Committee of Triple i Logistics PLC.

2014 – now Director of HazChem TransManagement Co., Ltd.

2010 – now Managing Director of DG Packaging (Thailand) Co., Ltd.

2008 – now Executive Director of HazChem Logistics Management Co., Ltd.

In any listed companies

-

In any non-listed companies

-

MANAGEMENT COMMITTEE



Mr. Tipp Dalal



Mr. Viraj
Nobnomtham



Mr. Teeranit
Isarangkul



Mr. Thanut
Thatayanon



Mrs. Darunee
Rakpongpi boon



Mr. Jirod
Panacharas



Mr. Chalernsak
Karnchanawarin

December 31, 2017 The company's Management Committee consisted of 7 members as follows.

List of the Management Committee	Position
1 Mr. Tipp Dalal	Chairman of the Management Committee / CEO
2 Mr. Viraj Nobnomtham	Management Committee / CFO
3 Mr. Teeranit Isarangkul	Management Committee
4 Mr. Thanut Thatayanon	Management Committee
5 Mrs. Darunee Rakpongpi boon	Management Committee
6 Mr. Jirod Panacharas	Management Committee
7 Mr. Chalernsak Karnchanawarin	Management Committee

Sub-committee of the Company

Audit Committee

As of 31 December 2017, the Audit Committee consists of 3 persons as follows:

Name – Surname	Position
1. Mr. Woodtipong Moleechad	Chairman of the Audit Committee
2. Mr. Apichart Chirabandhu	Audit Committee
3. Mr. Vipoota Trakulhoon*	Audit Committee

The 3 members of the Audit Committee have knowledges and experiences pursuant to the qualifications of the Audit Committee where Mr. Vipoota Trakulhoon is the member of Audit Committee who has the knowledges and experiences in relation to the review of financial statements and was the Senior Executive Vice President - Managing Director Corporate Banking Group of Krung Thai Bank Public Company Limited from year 2011 to year 2013. Ms. Sichon Chotveerasatanont acts as the secretary of the Audit Committee with effective from 15 November 2016.

Good Corporate Governance Committee

As of 31 December 2017, the Good Corporate Governance Committee consists of 4 persons as follows:

Name – Surname	Position
1. Mr. Apichart Chirabandhu	Chairman of the Corporate Governance Committee
2. Mr. Teeranit Isarangkul	Member of the Corporate Governance Committee
3. Mr. Thanut Thatayanon	Member of the Corporate Governance Committee
4. Mr. Jirod Panacharas	Member of the Corporate Governance Committee

Remark: Mr. Teeranit Isarangkul was appointed as the member of the Good Corporate Governance Committee by the Board of Directors' meeting No. 4/2560 held on 15 May 2017.

Nomination and Remuneration Committee

As of 31 December 2017, the Nomination and Remuneration Committee consists of 3 persons as follows:

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

Risk Management Sub-committee

As of 31 December 2017, the Risk Management Sub-committee consists of 5 persons as follows:

Name – Surname	Position
1. Mr. Viraj Nobnomtham	Chairman of the Risk Management Committee
2. Mr. Teeranit Isarangkul	Member of the Risk Management Committee
3. Mr. Thanut Thatayanon	Member of the Risk Management Committee
4. Mr. Chalerm Sak Karnchanawarin	Member of the Risk Management Committee
5. Mr. Suchart Tanasoontrarat	Member of the Risk Management Committee

Meeting Attendance Record of the Board of Directors for the year 2017

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

Remark: Number of Attendance / Number of Meeting

Name – Surname	Management Committee
1. Mr. Tipp Dalal	10/10
2. Mr. Viraj Nobnomtham	10/10
3. Mr. Teeranit Isarangkul	10/10
4. Mr. Thanut Thatayanon	8/10
5. Mrs. Darunee Rakpongpi boon	10/10
6. Mr. Jirod Panacharas	10/10
7. Mr. Chalernsak Karnchanawarin	7/10

Remark: Number of Attendance / Number of Meeting

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

Remark: Number of Attendance / Number of Meeting

Remuneration of Directors and Executives

1. Director's remuneration

Monetary remuneration

The Extraordinary General Meeting of shareholders No. 1/2017 has resolved to approve the determination of remuneration of directors for the year 2017 as follows:

- Director's remuneration
 - Monthly remuneration, payment on monthly basis
 - Chairman 25,000 Baht per month
 - Director 20,000 Baht per month
 - Meeting allowance, payment on attendance basis
 - Chairman 20,000 Baht per month
 - Director 10,000 Baht per month
- Audit Committee's remuneration, payment on attendance basis as follows:
 - Chairman of Audit Committee 15,000 Baht per meeting
 - Member of Audit Committee 10,000 Baht per meeting

In addition, the Extraordinary General Meeting of shareholders No. 2/2017 has resolved to pay the additional remuneration to the independent directors for the year 2017 of up to 1% of the dividend payment of year 2016 provided that such payment of additional remuneration of year 2017 for the independent directors shall not exceed 2,000,000 Baht.

The Extraordinary General Meeting of shareholders No. 2/2017 has resolved to pay the meeting allowance to the Nomination and Remuneration Committee and Good Corporate Governance for the year 2017 as follows:

- Nomination and Remuneration Committee's remuneration shall be paid based on attendance of meeting as follows:
 - Chairman of the Nomination and Remuneration Committee 15,000 Bath per meeting
 - Member of Nomination and Remuneration Committee 10,000 Baht per meeting
- Good Corporate Governance Committee shall be paid based on attendance of meeting as follows:
 - Chairman of the Good Corporate Governance Committee 15,000 Bath per meeting
 - Member of the Good Corporate Governance Committee 10,000 Bath per meeting

In year 2017, the payment of directors' remuneration can be summarized as follows:

Name of Directors	Year 2017
	Remuneration (Baht) ^{2/3/}
1. Mr. Krirkkrai Jirapaet	520,000
2. Mr. Woodtipong Moleechad	440,000
3. Mr. Vipoota Trakulhoon	440,000
4. Mr. Apichart Chirabandhu	435,000
5. Mr. Tipp Dalal ^{1/}	-
6. Mr. Viraj Nobnomtham ^{1/}	-
7. Mr. Thanut Thatayanon ^{1/}	-
8. Mrs. Darunee Rakpongpi boon ^{1/}	-
9. Mr. Teeranit Isarangkul ^{1/}	-
10. Mr. Jirod Panacharas ^{1/}	-

Remark: ^{1/} the director who is not the independent director shall not be received meeting allowance of meeting of Board of Directors and Sub-committee.

^{2/} the remuneration paid to the independent directors as shown in the above table including the meeting allowance for the attending of the Extraordinary General Meeting No. 1/2017 and the 2017 Annual General Meeting of shareholders of which the amount of such remuneration was equivalent to the rate of meeting allowance for attending the Board of Directors' meeting. Such remuneration was the additional remuneration due to in the year 2017, the independent directors had the additional duties for the attending of meetings relating to the listing on the Stock of Exchange of Thailand of the Company which was in accordance with the resolution of the Extraordinary General Meeting No. 2/2017.

^{3/} the remuneration of independent directors for the year 2017 as shown in the above table does not include the additional remuneration for the year 2017 due to the determination of amount to be paid shall be based on the operating result of the Company for the accounting period ended 31 December 2017. Therefore, the additional remuneration will be paid to the independent directors in year 2018.

Non-monetary remuneration

- None-

2. Executive's remuneration

The remuneration of executives who hold the directorship (exclusive of monthly remuneration and meeting allowance as the director) and executives who do not hold the directorship for the accounting periods ended 31 December 2015, 31 December 2016 and 31 December 2017 are as follows:

	2015	2016	2017
Number (Person)	11	11	7*
Total Remuneration (Million Baht)	12.50	61.82	68.53

Remark: * Mr. Sumate Thitiphuree resigned from the member of management committee on 5 September 2017. Mr. Siripat Ghamvongpairat, Mr. Suchart Tanasoontrarat and Mr. Parooj Pinaikul resigned from the member of management committee on 2 October 2017.

Employees

The number of employees of the Company (exclusive of the executives) dividing into each company as of 31 December 2015, 31 December 2016 and 31 December 2017 are as follows:

	Business Line		
	31 December 2015	31 December 2016	31 December 2017
Air Freight Business	409	525	567
Sea Freight and Inland Transport Business	19	21	33
Logistics Management Service Business	65	110	131
Chemical and Dangerous Goods Logistics Service Business	158	196	221
Total	654	852	951

Remuneration Employees (exclusive of the executives)

In year 2015, 2016 and 2017, the Company paid the remuneration to its employees (inclusive of the executives) in the amount of 138.55 million Baht, 177.75 million Baht and 227.64 million Baht, respectively of which such remuneration consisted of salary, bonus, over-time charge, contribution to provident fund and other welfares.

Significant Labor Dispute in the past three years

- None -

Human Resources Policy

In year 2017, it had the expense for human resources development of 1.95 million Baht and in year 2018, the budget for human resources development of 1.91 million Baht.

Corporate Governance



Good Corporate Governance Policy

The Company's Board of Directors values the importance of good corporate governance and recognizes the role and responsibilities of the Board of Directors and the executives to enhance corporate governance. To increase the competitiveness of the business and to give confidence to shareholders, investors, and related parties, the Board of Directors resolved to appoint the Corporate Governance Committee to promote the Group's business operations in accordance with the principles of good corporate governance, and to establish policies to support corporate governance in order to comply with the principles of good corporate governance for listed companies pursuant to the guidelines prescribed by the Stock Exchange of Thailand, which can be categorized into 5 sections as follows:

Section 1: Right of Shareholders

The Company recognizes and values the fundamental rights of shareholders, both as securities investors and owners of the Company, such as rights to buy, sell, transfer their securities, right to receive dividends, rights to obtain sufficient information, rights of shareholders, right to provide comments, right to make important decisions about the Company such as the allocation of dividends, appointment or removal of directors, appointment of auditors, the approval of important transactions and the direction of the company's business, including amendments to the Memorandum of Association and the Articles of Association of the Company.

Therefore, the Company encourages and facilitates the exercise of the rights of the shareholders as follows:

- The Company will deliver an invitation letter together with supporting information for each agenda for the shareholders to acknowledge, and will publish the invitation in the local newspaper at least 7 days prior to the meeting date or any other period as required by the relevant laws or regulations.
- In the event that the shareholders cannot attend a meeting by themselves, the Company will allow the shareholders to appoint an independent director or any other person to attend the meeting.
- In the shareholders' meeting, the Company will select a convenient venue for traveling. The Company also selects an appropriate date and time to allocate sufficient time to meet the Company's policies to facilitate the shareholders.
- The Company promotes the use of technology for the shareholders' meeting, the registration of shareholders, counting and displaying the results so that the meeting can be done quickly, accurately.
- In the shareholders meeting, all shareholders have equal rights to freely express their opinions, suggestions, or questions on any agenda before any resolution is made. There will be directors and executives of related companies participating in the shareholders' meeting to answer the questions in the meeting.
- After the shareholders' meeting, the Company will prepare minutes of the meeting in which the information is recorded accurately and completely so that the shareholders can verify it. The minutes of the meeting will be sent to the Stock Exchange of Thailand or the relevant authorities within the specified time. The minutes of the shareholders' meeting are also posted on the Company's website.

Section 2: The Equitable Treatment of Shareholders

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

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

Section 3: Role of Shareholders

The business operations of the Company and its subsidiaries will involve various parties such as shareholders, directors, executives, employees, creditors, customers, competitors, the community, country and the world. The Company recognizes the importance of caring for and taking into account all stakeholders. It also provides channels for stakeholders to communicate, suggest, or provide information through the internal audit or the Audit Committee. In addition to the business of the Company, the Company also takes into account the rights of all stakeholders under the following guidelines:

- The Company and its subsidiaries divide the stakeholders into groups namely, creditors, customers, partners, companies in which the Company or its subsidiaries hold shares, personnel of the Company and its subsidiaries. The Company must provide sufficient channels for the communication with each stakeholder.
- The Company and its subsidiaries operate in a competitive environment within their code of conduct and the scope of law. It also supports and promotes free and fair competition policies and will not violate the confidentiality or trade secrets of competitors by fraudulent means.
- The Company and its subsidiaries have commitments to consumers to develop and continuously improve products and services, and to set prices/services to appropriately suit the situation without taking advantage of a consumer under the consumer protection laws and the antitrust laws in dealing with the Company and its subsidiaries. The Company and its subsidiaries must operate fairly and do not take advantage of their partners.
- The Company and its subsidiaries must take into account the welfare of the employees and do not take advantage of them when entering into an employment contract. They also: set appropriate compensation based on performance to motivate the employees of the Company and its subsidiaries to have incentives to work; train and provide additional education to increase the potential of its employees to have a good working environment; and set safety standards, working discipline, and a good compensation plan if there is a circumstance that causes an employee to cease his/her work for any reason.

- The Company must have a department handling a social responsibility matter to provide aids, support, and benefit the community and society as a whole. The Company has a plan to protect the environment and security, especially the potential environmental impacts by the Company's business. The Company also has a good compensation plan in case of an accident, and have set a sustainable remedy plan.

Section 4: Disclosure and Transparency

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

- The Board of Directors is responsible for disclosing information, both financial and non-financial information, adequately, reliably and timely, to the shareholders and stakeholders of the Company so that they obtain equivalent information as prescribed by law and relevant government agencies, and the Company's regulations. The Company should regularly and promptly prepare and update complete information on the website.
- A corporate communication unit is organized to publicize information, operations, and performance of the Company and its subsidiaries beneficial to investors, employees, stakeholders, and the public, effectively and consistently to eliminate misunderstandings. An investor relations department must be organized to coordinate with institutional investors, creditors, securities analysts, and the shareholders of the Company to provide information on the business operation and investment of the Company and its subsidiaries with convenient, fast, easy-to-access contact points.
- The Board of Directors must prepare a balance sheet, profit and loss statement, and audit reports of auditors, including the annual report of the Board of Directors and propose them to the Annual General Meeting of shareholders for approval.
- The Board of Directors will maintain an effective internal control system to ensure that the accounting records are accurate, complete, and adequate to maintain the assets and to acknowledge weaknesses to prevent significant abnormal circumstances, and to appoint the Audit Committee. This includes non-executive directors to review financial statements, intercompany transactions, and internal control systems. The Audit Committee will report directly to the Board of Directors.
- In the annual report, the Board of Directors must prepare an assessment report and trends of the Company and its subsidiaries. The report and trends must be prepared in summary and easy to understand which describes the Board of Directors' responsibilities in preparing financial reports, shown along with the auditor's report, management reports required for various types of analysis. Apart from financial reports and audit reports, report of attendance of the Board of Directors and/or specific committees must be compared with the number of the board meetings and/or specific committees each year.
- Remuneration policy for directors and top executives must be disclosed to reflect each of their obligations and responsibilities, including the form and nature of compensation.
- Auditors' fees and other services provided by the auditor must be disclosed.

Section 5: Board Responsibility

The Board of Directors must consist of knowledgeable people, have expertise, possess experience that can benefit the Company, be dedicated and give full time to perform the duties according to their responsibilities. The Board of Directors is appointed by the shareholders to oversee the Company's business operation, to appoint executives to be responsible for business operations, specific committees for specific assignments, auditors of the Company, and the Company's Secretary, and to be responsible for meeting proceedings and compliance.

o *Composition of the Board of Directors*

The Board of Directors is composed of the directors according to the number set by the shareholders' meeting. In addition, the number of directors not less than 3 or one-third of the total number of directors. (whichever is higher) must be an independent director. At present, the Company has 10 directors, consisting of six executives, four non-executive directors, more than one third of the total number of directors. This will create an appropriate balance in the consideration and voting on matters. A third of the Board members will be removed from office at any Annual General Meeting of shareholders and re-elected to the new position to be in line with good corporate governance principles. Appointment of Independent Director in normal cases should not exceed 9 consecutive years, unless the Board of Directors considers that the person deserves to be an Independent Director of the Company for the best benefit of the Company.

o *Roles of the Board of Directors*

The Board of Directors has the role and responsibility to oversee the operation of the Company, to comply with the law, objectives, regulations and resolutions of the shareholders' meeting, good corporate governance principles, good practices for directors of listed companies of the Stock Exchange of Thailand, to benefit the Company and shareholders under the framework of the law and the code of conduct. At the same time, it also takes into account the interests of all stakeholders. The details are set out in the Charter of the Board of Directors. It also has the duty to appoint the Chief Executive Officer, board committees, the Company's Secretary, and to determine remuneration for directors (no more than the total amount approved by the shareholders).

o *Director's Remuneration*

The Company has appointed the Nomination and Remuneration Committee to consider the form and criteria for directors' remuneration. The size of business will be considered by comparison with the directors' remuneration in the Stock Exchange of Thailand with similar types and sizes of businesses to propose to the shareholders' meeting for approval. The guidelines are as follows.

- The shareholders have the right to consider the criteria and policy for the remuneration of the directors every year. The Board of Directors, as recommended by the Nomination and Remuneration Committee, must propose directors' remuneration to the shareholders for consideration as an agenda item at the Annual General Meeting of shareholders.
- The Board of Directors and the senior executives must report directors' remuneration policy and rationales in the Company's annual report.

o Board of Directors' Meeting

The Company has guidelines for the Board of Directors' meetings as follows:

- The Board of Directors – Meeting schedules are set in advance. Meeting must be held at least 6 times a year and at least once per three months. There may be additional meetings as needed.
- The Board of Directors should devote time and attention to the Company's operations fully and must be ready to attend meetings. At least half of the total number of directors must attend to constitute a quorum and a director shall notify the Chairman in writing in case of his/her absent.
- The Chairman of the Board of Directors approves the agenda by considering jointly with the Chief Executive Officer. The Company's Secretary is responsible for ensuring that the directors receive the notice of the meeting and meeting documents no less than 7 days in advance, except for urgent matters.
- The Chairman of the Board of Directors must ensure that the Board of Directors allocates sufficient time for executives to present information and for the Board of Directors to discuss important issues.
- Directors who may be involved or have any interest in any matter shall abstain, abstain on an agenda, or leave the meeting room.
- Minutes of the Board of Directors' meetings must be clear and show the results of the meeting and the Board of Directors' opinion.

Sub-committees

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

Audit Committee

The Audit Committee of the Company consists of three independent directors with the qualifications as specified by the Office of the Securities and Exchange Commission as follows:

Name – Surname	Position
1. Mr. Woodtipong Moleechad	Chairman of the Audit Committee / Independent Director
2. Mr. Apichart Chirabandhu	Audit Committee / Independent Director
3. Mr. Vipoota Trakulhoon*	Audit Committee / Independent Director

Remark: *The member of the Audit Committee who has knowledge and experience in reviewing the reliability of financial statements.

Scope of Authority and Responsibilities of the Audit Committee

- 1) To select and appoint an independent person to serve as the auditor and to consider the remuneration of the auditor of the Company and propose the remuneration to the Board of Directors;
- 2) To approve the appointment, transfer, dismissal and evaluation of performance of the internal audit department;
- 3) In the performance of duties, the Audit Committee shall have the power to invite the management, executives or employees of related companies to provide opinions, attend a meeting, or send a document that is relevant or necessary;
- 4) To be able to hire consultants or third parties in accordance with the Company's regulations to provide opinions or advice in case of necessity;
- 5) To review financial reports to ensure that they are accurate and reliable and to adequately disclose information by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports;
- 6) To review the Company's internal control system and internal audit system to ensure that they are suitable and effective; to consider the independence of the internal audit unit; and may also suggest reviewing or verifying any items as it deems necessary and important; to recommend the improvement of the internal control system; and to review the Company's internal control system and internal audit system with an external auditor and internal audit department manager;
- 7) To review the compliance with the Securities and Exchange Act or the Stock Exchange of Thailand's requirements, policies, regulations, and other laws related to the business of the Company;
- 8) To attend meetings with the auditor without the executives at least once a year;
- 9) To review the internal audit plans of the Company under generally accepted measures and standards;
- 10) To consider connected transactions or transactions that may lead to a conflict of interest to comply with the law, the Stock Exchange of Thailand's regulations, and the disclosure of the Company's information in such matter shall be accurate and complete to ensure that the transaction is reasonable and beneficial to the Company;

- 11) To review and ensure that the Company has appropriate and effective risk management systems;
- 12) To report the Audit Committee's performance to the Board of Directors at least 4 times a year;
- 13) To prepare a report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - opinions on the accuracy, completeness and creditability of the Company's financial report;
 - opinions on the adequacy of the Company's internal control system;
 - opinions on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's requirements, and the laws relating to the Company's business;
 - comments on the suitability of the auditor;
 - comments on connected transactions or transactions that may lead to a conflict of interest;
 - the number of the Audit Committee's meetings and the attendance of each member of the Audit Committee;
 - comments or observations received by the Audit Committee on its performance of duties under the Charter;
 - other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 14) To provide opinions on the appointment, removal, evaluation of the work performance of the internal audit unit;
- 15) The Audit Committee shall evaluate its performance by self-assessment method and report the results of the evaluation, together with problems and obstacles in performing work that may cause the performance to fail to achieve the purpose of establishing the Audit Committee, to the Board of Directors every year;
- 16) To review and improve the Charter of the Audit Committee at least once a year for the approval of the Board of Directors;
- 17) To perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee

Corporate Governance Committee

The Company has 4 members of the Corporate Governance Committee as follows:

Name – Surname	Position
1. Mr. Apichart Chirabandhu	Chairman of the Corporate Governance Committee / Independent Director
2. Mr. Teeranit Isarangkul	Member of the Corporate Governance Committee
3. Mr. Thanut Thatayanon	Member of the Corporate Governance Committee
4. Mr. Jirod Panacharas	Member of the Corporate Governance Committee

Scope of Authority and Responsibilities of the Corporate Governance Committee

- 1) To set policies and guidelines for good corporate governance, follow up to ensure that there is an implementation on good corporate governance, and review and update the policies regularly;

- 2) To supervise the compliance with the good corporate government policies of the Company and the employees to ensure that it is in accordance with the guidelines set by the Board of Directors;
- 3) To provide an annual performance evaluation on the Board of Directors, each director, and the committees.

Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee consists of 3 members as follows:

Name – Surname	Position
1. Mr. Vipoota Trakulhoon	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Mr. Apichart Chirabandhu	Member of the Nomination and Remuneration Committee / Independent Director
3. Mr. Viraj Nobnomtham	Member of the Nomination and Remuneration Committee

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

- 1) To consider the structure, composition, and qualifications of the Board of Directors and sub-committees;
- 2) To determine how to recruit the appropriate person to be the director to suit the nature and business of the organization by determining qualifications and expertise in each subject as required;
- 3) To recruit directors when it is the time to nominate candidates to be a director and propose their names to the Board of Directors for consideration. The recruitment may be considered from the existing directors and appoint them to hold the position or by engaging a third-party company to assist on the recruitment, considering from the list of individuals of professional director directory, or allowing each director to nominate an appropriate person;
- 4) To consider the list of nominated candidates and select qualified candidates who meet the qualifications as required;
- 5) To verify whether the nominated person is qualified under the law and regulations prescribed by relevant authorities;
- 6) To contact person(s) who has qualifications consistent with the specified criteria and qualifications to ensure that such person(s) is willing to act as a director of the Company if he/she is appointed by the shareholders;
- 7) To propose the names of candidates to the Board of Directors to consider and include the names in the notice of the shareholders' meeting for their consideration and appointment;
- 8) To consider and recruit a chief executive officer as instructed by the Board of Directors;
- 9) To consider if the criteria for remuneration payments paid to directors and the Chief Executive Officer is appropriate and review if the currently effective criteria is appropriate and compare them with the remuneration information of other companies in the same industry, and to determine appropriate criteria to achieve the expected results, to be fair, to be a reward for a person who helps the Company achieve its work;

- 10) To review all forms of compensation such as fixed compensation, compensation based on performance, and meeting allowances by taking into account the same industry practices, the Company's performance and size of business, responsibilities, knowledge, ability, and experience of directors, and the Chief Executive Officer as required by the Company;
- 11) To consider the criteria for Chief Executive Officer's evaluation as instructed by the Board of Directors;
- 12) To determine annual remuneration of directors and the Chief Executive Officer according to the payment criteria already considered and propose it to the Board of Directors for approval; and for the directors' remuneration, the Board of Director shall propose to the shareholders' meeting for approval;
- 13) To consider the suitability and approval in case of offering newly issued shares to the directors and employees based on the principle of fairness to shareholders, and to motivate the directors and employees to create additional value for the shareholders on a long-term basis and to be able to retain qualified employees;
- 14) To review the Charter of the Nomination and Remuneration Committee at least once a year for the approval of the Board of Directors;
- 15) The Nomination and Remuneration Committee has the power to request for an independent opinion of any professional consultant when necessary at the expenses of the Company; and the engagement must be in accordance with the Company's regulations;
- 16) To perform any other actions as instructed by the Board of Directors in relation to the nomination and determination of remuneration of directors and executives;
- 17) To consider and formulate policies and guidelines on corporate governance and regularly keep track of compliance with the policies;
- 18) To supervise the compliance with the good corporate governance policies of the Company and its employees in accordance with the guidelines set by the Board of Directors.

Management Committee

The Company has 7 members of the Management Committee as follows:

Name – Surname	Position
1. Mr. Tipp Dalal	Chairman of the Management Committee / Chief Executive Officer
2. Mr. Viraj Nobnomtham	Member of the Management Committee / Chief Financial Officer
3. Mr. Teeranit Isarangkul	Member of the Management Committee
4. Mr. Thanut Thatayanon	Member of the Management Committee
5. Mrs. Darunee Rakpongpi boon	Member of the Management Committee
6. Mr. Jirod Panacharas	Member of the Management Committee
7. Mr. Chalerm Sak Karnchannawarin	Member of the Management Committee

Scope of Authority and Responsibilities of the Management Committee

- 1) To consider and set goals of the Company and its subsidiaries and to advise on strategic directions, management structure, annual operation plans, budgets of the Company and its subsidiaries;

- 2) To manage the business operations of the Company and its subsidiaries in accordance with the visions, missions, strategies, policies, objectives, and targets that have been set out;
- 3) To review the performance of the Company and its subsidiaries and report to the Board of Directors;
- 4) To review and provide recommendations on the dividend policy of the Company and its subsidiaries to the Board of Directors;
- 5) To verify and approve transactions related to investment or sales of assets of the Company and its subsidiaries, human resource management, finance, general administration, and transactions related to the business of the Company under the scope of authority approved by the Board of Directors;
- 6) To consider and monitor risk management and risk management system of the Company and its subsidiaries by appointing the Risk Management Committee to act in accordance with the Charter of the Risk Management Committee; and the Management Committee must report to the Board of Directors if there is a risk that affects the Company to be unable to achieve the target;
- 7) The Management Committee may authorize an executive or employee to perform specific duties as it deems appropriate. The Management Committee or the person authorized by the Management Committee shall in no way act or approve any transaction if the Management Committee or a person may have a conflict against the Management Committee, have a conflict of interest, benefit by any means, or have a conflict of interest against the Company and its subsidiaries (as defined in the Notification of the Capital Market Supervisory Board or the Notification of the Securities and Exchange Commission). The approval of the transaction must be in accordance with the policies and principles as determined by the Board of Directors and relevant laws;
- 8) To engage a consultant or independent person to provide comments or recommendations as required;
- 9) To ensure that the executives and employees attend the Management Committee's meetings or provide information related to the subject matter discussed at the meetings;
- 10) To report the Board of Directors on matters regularly handled by the Management Committee under the scope of authority and duties of the Management Committee, including any other matters that are necessary and appropriate to be proposed to the Board of Directors;
- 11) To study feasibility of investment in a new project and to have the power to consider and approve the investment or joint investment by the Company and the power to consider and approve capital expenditures such as entering into contracts under the scope of authority approved by the Board of Directors;
- 12) To consider and approve an entry into a transaction with financial institutions such as opening a bank account and applying for a loan;
- 13) To examine and evaluate the adequacy of this charter by comparing the performance of the Management Committee with the compliance with the charter. The Management Committee will take into account the results from the evaluation to improve their performance;
- 14) To perform any other tasks as instructed by the Board of Directors.

Risk Management Committee

The Company's Risk Management Committee consists of 5 members as follows:

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

Scope of Authority and Responsibilities of the Risk Management Committee

- 1) To prepare a risk management policy to be proposed to the Management Committee for consideration. The risk management policy must include overall risk management and key risks such as market risk, liquidity risk, operational risk, and the risk that affects the reputation of the business;
- 2) To plan strategies in accordance with the risk management policy and to be able to evaluate, follow-up, and maintain the organization's level of risk at an appropriate level;
- 3) To review the adequacy of risk management policies and systems, including the effectiveness of the system and compliance with the policies;
- 4) To provide the Management Committee with suggestions on what requires to be done and to be improved according to the policies and strategies set by the Management Committee;
- 5) To review the charter of the Risk Management Committee at least once a year for the approval of the Management Committee.

*Chief Executive Officer**Scope of Authority and Responsibilities of the Chief Executive Officer*

- 1) To be responsible for, supervise, manage, perform, and/or administrate daily tasks of the Company, including to supervise the overall performance to ensure that it is in accordance with the business policies and strategies, targets, and implementation plans, financial plans, and budgets of the Company as approved by the Board of Directors and/or the resolution of a shareholders' meeting;
- 2) To prepare a business plan and determine the management power and prepare a budget for the business operation and annual budget for expenses to propose to the Board of Directors to approve; and to report progress in accordance with the approved plan and budget to the Board of Directors;
- 3) To set an organization structure, management approaches, including recruitment, trainings, employment and termination, salary, remuneration, salary, bonus, and welfare for all employees and subordinates whose positions are lower than the Chief Executive Officer, and to delegate authority and duties to the said employees and subordinates as the Chief Executive Officer deems appropriate;

- 4) To monitor and report the Company's status and to propose alternatives and strategies consistent with the policy and market conditions;
- 5) To supervise and control the Company's operations on various matters such as finance, risk management, internal control, operation, supporting work, and resource work;
- 6) To represent the Company and to have the power to contact government agencies and other regulatory agencies;
- 7) To communicate with the public, shareholders, customers, and employees to enhance the reputation and good image of the Company.
- 8) To ensure there is good corporate governance;
- 9) To have the power to issue, amend, change, and improve rules, orders, and regulations related to the Company's business such as recruitment, appointment, dismissal, and discipline of staffs and employees;
- 10) To consider, negotiate, enter into a contract and/or perform any action related to the daily implementation and/or administration of the company within the transaction value approved by the Board of Directors according to the Company's approval authority table
- 11) To have the power, duties, and responsibilities as instructed or prescribed under the policies instructed by the Board of Directors.
- 12) To be responsible, oversee, manage, operate, supervise the overall policies of the subsidiaries to comply with the business strategies policies, targets, implementation plans, financial goals, and budgets of the subsidiaries.

However, the Chief Executive Office shall not exercise the power above if he/she has interest or a conflict of interest against the Company.

Company's Secretary

Scope of Authority and Responsibilities of the Company's Secretary

- 1) To prepare and maintain the following Company's documents:
 - Director registration
 - Notice and minutes of the Board of Directors' meeting
 - Notice and minutes of the shareholders' meeting
 - Annual report
- 2) To maintain reports on conflicts of interest reported by directors or executives;
- 3) To perform actions in relation to meetings of the Board of Directors and of shareholders;
- 4) To advise on rules and regulations that the Board of Directors and the executives should be aware of;
- 5) To organize trainings and orientation and to provide information necessary for the existing directors and the newly appointed directors to perform their duties;
- 6) To supervise and coordinate with the Company to fully and completely comply with the laws, rules, regulations, and resolutions made by the Board of Directors and by the shareholders, including corporate governance policies and business ethics;
- 7) To performance any other actions as prescribed by the Capital Market Supervisory Board.

Nomination and Appointment of Directors and High-Level Executives

Composition and Nomination of the Board of Directors

Nomination and appointment of directors is conducted in accordance with the procedures set out in the Company's articles of association. The Company's Nomination and Remuneration Committee will select qualified candidates who have experience, knowledge, and skills related to the Company's business, qualifications and do not have any disqualifications as prescribed by law. The candidates must be approved and appointed by the shareholders' meeting. The details of which can be summarized below.

- 1) The Board of Directors consists of at least 5 directors and not less than half of the directors shall reside in the Kingdom of Thailand and be qualified under the law.
- 2) The meeting of shareholders shall elect a director in accordance with the following criteria and procedures:
 - One shareholder shall have one vote for one share. The shareholder shall use all the votes to elect one candidate or candidates to be a director and shall not split the number of votes;
 - The shareholders shall cast their votes to elect a director individually;
 - The candidates who received the highest number of votes in descending order shall be elected as directors. The number of directors shall equal to the required number of directors or the number of director elected at that time. In the event that the candidates who have been elected in the next order receive the same number of votes in excess of the number of directors to be elected or elected at that time, the Chairman of the meeting shall have the casting vote.
 - At every annual general meeting of shareholders, one third of the total directors shall be retire from their position. If the number of directors cannot be divided by three, the directors shall retire by the number nearest to one-third of the total directors required to retire at the first year. For the second year after the Company's incorporation, directors will retire from their position by drawing lots. In subsequent years, the directors who have been in the longest term shall retire. Directors who are retired by rotation may be re-elected.

Nomination and Appointment of Independent Director

The Board of Directors and the Nomination and Remuneration Committee will jointly consider the qualifications of the candidates to be appointed as independent directors by considering the qualifications and disqualifications of a director pursuant to Public Limited Companies Act, the law concerning securities and exchange, notifications of the Capital Market Supervisory Board, and relevant notifications and/or regulations. In addition, the Nomination and Remuneration Committee shall consider and select independent directors by considering from expertise, work experience, and other appropriate factors, and shall further propose to the Board of Directors and the shareholders to consider and appoint them to be the Company's directors. The Company has a policy to appoint independent directors at least one-third of the total directors. The number of independent directors shall not be less than 3 directors and their qualifications shall accord with the Notification of the Securities and Exchange Commission No. TorJor. 28/2551 re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (2008) (as amended) as follows:

- 1) holding shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- 2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the SEC Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- 3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
- 4) neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office. The term 'business relationship' shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or Baht twenty million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;
- 5) neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;

- 6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;
- 7) not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- 8) not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
- 9) not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.
- 10) not being a director assigned by the Board of Directors to take part in the business decision of the Company, its subsidiary company, associated company, same-level subsidiary company, major shareholder, or controlling person of the Company.

Composition and Nomination of the Audit Committee

The Audit Committee shall consist of at least 3 independent directors having a 3-year term of office. The Company set its policies for the nomination of the Audit Committee/Independent Directors in accordance with the Notification of the Securities and Exchange Commission No. TorJor. 28/2551 re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (2008) (as amended), having the following criteria

- 1) Being appointed by the board of directors or the shareholders' meeting (as the case may be);
- 2) not being a director assigned by the board of directors to take part in the business decision of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;
- 3) not being a director of the subsidiary company or same-level subsidiary company which is a listed company;
- 4) Having sufficient knowledge and experience to perform duties as audit committee member, provided that at least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statements.

Composition and Nomination of the Corporate Governance Committee

The Corporate Governance Committee shall be appointed by the Board of Directors and consist of at least 3 members acting as the Company's director and at least one member must be an independent director. The Board of Directors shall appoint one member of the Corporate Governance Committee to chair the Corporate Governance Committee.

Composition and Nomination of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors and consist of at least 3 members and at least one member must be an independent director. The Board of Directors shall appoint one member of the Corporate Governance Committee to chair the Nomination and Remuneration Committee.

Composition and Nomination of the Management Committee

The Management Committee shall be appointed by the Board of Directors according to the recommendations of the Chief Executive Officer. Members of the Management Committee shall be selected from directors and executives according to the number as the Board of Directors deems appropriate and sufficient for managing the Company's business. The Chief Executive Office shall chair the Management Committee.

Composition and Nomination of the Risk Management Committee

The Risk Management Committee shall consist of at least 3 members appointed by the Management Committee. The Management Committee shall appoint one member of the Risk Management Committee to chair the Risk Management Committee.

Composition and Nomination of the Chief Executive Officer

To recruit the Company's Chief Executive Officer, the Nomination and Remuneration Committee shall preliminary consider and select candidates who are qualified have knowledge, experience, expertise that can benefit the Company's business and well understand the nature of the Company's business, and are able to manage the work to achieve objectives and targets determined by the Company, propose their names to the Board of Directors to consider and appoint.

Supervision of Subsidiary and Associated Company's Business Operation

The Company has set a policy to supervise and manage the subsidiaries' business. Its objective is to determine direct and indirect measures and mechanisms to enable the Company to supervise and manage the operations of its subsidiaries and associated companies and to monitor and ensure that the subsidiaries and associated companies comply with the measures and mechanisms as if they were a department in the Company and with the Company's policies, including Public Limited Company Act, the Civil and Commercial Code, securities law, relevant laws, notifications, regulations, and other criteria of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, in order to maintain the benefits of the Company's investment in such subsidiaries and associated companies.

In the event that the policies require any transaction or action which has a significant impact on the financial status and performance of the subsidiaries to be approved by the Board of Directors of a shareholders' meeting (as the case may be), the directors shall have the duty to hold a meeting for the Company's Board of Directors and/or for the shares to consider and approve the transaction or action prior to the meeting of the subsidiaries' board of directors and/or shareholders to consider and approve before entering into the transaction or performing the act. The Company shall disclose information and fully comply with the rules, conditions, steps, and procedures related to the approval according to the provisions prescribed under Public Company Limited Act, the Civil and Commercial Code, securities law, relevant laws, notifications, regulations, and other criteria of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, *mutatis mutandis* (to the extent that there will be no conflict).

Internal information policy

The Company has policies and procedures for directors and executives to use the Company's internal information which is not publicly available for personal purposes and benefits, including securities trading, as follows:

1. The Company will educate the directors, executives, and those who hold executive positions in the account or finance department at a managerial level or higher (as defined by the Capital Market Supervisory Board and the Stock Exchange of Thailand) on duties to prepare and report holding of securities of the Company under section 59 and the penalties under section 275 of the Securities and Exchange Act, B.E. 2535 (1992), as amended (the "Securities Act"), and reporting on the acquisition or disposal of securities of the Company under section 246 and penalties under section 298 of the Securities Act.
2. The directors, executives, and those who hold executive positions in the accounting or finance department at a managerial level or higher shall prepare and disclose reports on holding of securities issued by their companies and held by them, their spouse, and minor children under section 59 for the first time that they are appointed to act as a director or executive and every time there is a change in the holding of securities. The disclosure shall be made to the Company's Secretary to propose to the Office of the Securities and Exchange Commission at any time within the specified period. The Company's Secretary shall report the securities holding and the change of securities holding to the Board of Directors for acknowledge every six (6) months on a regular basis.
3. The directors, executives, those who hold executive positions in the accounting or finance department at a managerial level or higher, and related persons who receive significant internal information that has impacts on the change of securities price shall be prohibited to purchase, sell, offer for purchase and sale, solicit to buy, sell, offer for purchase or sale shares or other types of securities (if any) of the Company, whether directly or indirectly, during the period prior to the disclosure of financial statements or of financial status and performance of the Company until the Company has disclosed the information to the public. The Company will inform the directors, executives, and those who hold executive positions in the accounting or finance department at a managerial level or higher to refrain from doing so in writing at least 30 days prior to the public disclosure and to wait at least 24 hours after the disclosure to the public before they may enter into the above transactions.
4. The directors, executives, and employees of the Company and its subsidiaries are prohibited to use the internal information of the Company and its subsidiaries that affects or likely to affect the price of the Company's securities, that has not been disclosed to the public of which they learn from their position, for the purpose of purchasing, selling offering to purchase or sell any shares or other types of securities (if any) of the Company, whether directly or indirectly, and whether it is done for the benefit of themselves or others; or to disclose the information to others to enable them to do so whether or not the directors, executives, and employees of the Company and its subsidiaries will benefit from the disclosure.
5. The directors, executives, employees of the Company and its subsidiaries or former directors, executives, and employees who have resigned from their position shall be prohibited to disclose the internal information or secrets of the Company and its subsidiaries that they learn from their position, including the confidential information of partners of the Company and its subsidiaries, to third parties whether or not the disclosure shall not cause damage to the Company, its subsidiaries, or partners.

6. The directors, executives, and employees of the Company and its subsidiaries shall not disclose the internal information of the Company and its subsidiaries and not use their position in the Company and/or subsidiaries or use the internal information or significant information, that they learn or acknowledge during their performance for the Company and/or subsidiaries and that has not been disclosed to the public, to exploit and benefit for themselves in bad faith or to disclose the information to third parties for their personal benefits or for others, whether directly or indirectly and no matter they will benefit from the disclosure.
7. The directors, executives, employees of the Company and its subsidiaries or former directors, executives, and employees who have resigned from their position shall keep the internal information of the Company and its subsidiaries confidential. The directors, executives, and employees of the Company and its subsidiaries shall be prohibited to use the confidential information and/or internal information of the Company and its subsidiaries to benefit other companies.
8. The directors, executives, and employees of the Company and its subsidiaries shall have the duty to comply with the guidelines for the use of inside information under the Securities and Exchange Act, B.E. 2535 (1992), the Public Limited Companies Act, B.E. 2535 (1992), and other relevant regulations.

Audit fees

For the financial year 2014 to 2016, the Group appointed the following auditor and provided the following fees to the auditor:

Financial year	Name of the Auditor	Audit fee (Baht)	Other fees (Baht)
2015	PricewaterhouseCoopers ABAS Ltd.	3,430,000	-
2016	PricewaterhouseCoopers ABAS Ltd.	5,953,400	-
2017	PricewaterhouseCoopers ABAS Ltd.	7,473,000	-

Corporate Social Responsibility



Policy Overview

Triple i Logistics Public Company Limited and its subsidiaries (collectively, the “Group”) recognizes the importance of sustainable business development under corporate social responsibilities (CSR), and strive to be responsible for environment and quality of life in every community in which it carries out

business according to international practices. The Group also gives importance to communities and social participation to develop sustainable ways of life and good living based on international standards of social responsibilities.

Implementation and Preparation of Reports

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

1. *Conduct business with fairness*

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

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

2. *Anti-corruption*

The Company conducts its business with transparency and adheres to moral principles. The Company has established anti-corruption guidelines. It cooperates and expresses its intentions to be a part of an organization of anti-corruption campaign network with the Federation of Thai Chamber of Commerce. It also supports activities that promote and instill a sense of values and attitudes to the management and employees to comply with applicable laws and regulations by formulating clear work regulations and penalties. The Company realizes the importance of

transactions made with third-party individuals and companies as it sets its anti-corruption policies in its working regulations for purposes to create conscious for all employees to be responsible for their work in a transparent manner and not to lead to corruption of all forms. The Company provides channels for complaints and aims that all employees will continuously monitor their work performance within the organization or report in the event of inappropriate conduct or unethical behavior in the conduct of business according to the Company’s ethical policies.

3. *Respect for human rights and fair treatment of workers*

The Company gives importance to and respects the law and human rights principles by adhering and ensuring that its business is in compliance with the law and human rights principles. The Company's policies are as follows:

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

4. *Responsibility towards customers and consumers*

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

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

5. *Environmental care*

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

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

6. *Joint development for community or society*

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

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

Innovation and dissemination of innovation from implementation of corporate social responsibilities

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

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

Activities for social and environmental benefits

In the past, the Company continuously organized social activities which can be categorized as follows:

Company's activities for the society and environment having impacts on the stakeholders and the environment (in process CSR)

The Group focuses on conducting the ongoing social and environmental activities to target groups who are the major stakeholders concerned in Company's business operations. The objective is aimed at improving and enhancing the knowledge of all relevant sectors. Those stakeholders include customers, partners, the Company's employees, educational institutions, training institutions, government offices, associations, and other private sectors as follows:

1. Customers and business partners of the Company, government agencies, private companies, associations, and training institutions

The Group organized training courses concerning occupational health, safety and environment, rules, and regulations for its customers and further disseminate knowledge to government agencies, private companies, associations, training organizations, partners, and customers both domestically and internationally. The examples of training topics are trainings on the transport of dangerous goods (DG), Globally Harmonized System of Classification and Labelling of Chemicals (GHS), chemical risk assessment, and regulatory framework on chemical management in Thailand.

2. Logistics industry

The Group involved in driving the logistics industry both domestically and internationally as the management of the Group is a vocational director of the Thai International Freight Forwarders Association (TIFFA). The Group has been one of the key mechanisms in establishing the Thailand's national professional qualification for the logistics sector. This is a collaboration project under the Thailand Professional Qualification Institute (TPQI) (Public Organization) and the Thai International Freight Forwarders Association (TIFFA). In addition, under the project of "Sustainable Human Resource Development in Logistics Services for ASEAN Member States", the management of the Group participated in the development of a train the trainer course, curriculum and training materials on "Dangerous Goods Handling" for all logistics associations in the ASEAN Economic Community (AEC) region and also acted as trainer for this dangerous goods handling course to develop more ASEAN certified trainers for the region.

3. Chemical industry

The management of the Group participated as a member of sub-committees in the development and implementation of The Third National Strategic Plan on Chemical Management (2007 - 2011), The Fourth National Strategic Plan on Chemical Management (2012 - 2017), and currently acts one of the sub-committees in The Fifth National Strategic Plan on Chemical Management (2018 - 2026) under the supervision of the National Committee on Strategy Development for Chemical Management chaired by the Prime Minister. Furthermore, the management of the Group also acts as a consultant in the Chemical industry Club (CIC), The Federation of Thai Industries (FTI), a vice-chairman of Responsible Care® Management Committee of Thailand (RCMCT) under the Chemical industry Club (CIC), The Federation of Thai Industries (FTI) and a director of the Hazardous Substances Logistics Association (HASLA). The Group actively plays an important role on driving the activities for these associations such as organizing annual general meetings, seminars and trainings for the member companies of the associations, attending meetings both in Thailand and overseas.

4. *Employees of the Company*

The Group gives priority to human resources development focusing on continuous improvement of knowledge within the organization. Therefore, it developed internal system that supports legal requirements and the development of training plans in order to systematically transfer knowledge to the Group's employees and for the best interests of all parties. The Group continuously sent employees to attend training courses on various topics related to the business of the Group such as international maritime and air shipping, logistics and supply chain management, freight management, warehouse management, multimodal transport of dangerous goods by sea, air, and road, storage of hazardous substances and dangerous goods, accounting and purchasing trainings, environmental sanitation trainings, the safety and security control of air cargo, regulatory training for dangerous goods, and trainings on prevention from radiation hazards.

5. *Educational institutions and universities*

The Group gives priority to knowledge dissemination to academic sectors. Over the past decade, the Company focused on contributing to the dissemination of logistics knowledge to educational institutions and universities. The management of the Group is a regular instructor for logistics and supply chain trainings for the International Transport and Business School (ITBS) and organized trainings and classes on various topics related to the knowledge on logistics for students such as the warehouse management for the students at Ubon Ratchathani University, the transport of dangerous goods for the students at Ramkhamhaeng University, the safe transportation of dangerous goods in Thailand without red flags to the students at Rangsit University, the international trade, definition and terminology for international freight forwarding business for students at Sripatum University.

Activities for the society and environment having impacts on the stakeholders and the environment not directly relating to the company (CSR after process)

1. *Activities for the society and public activities*

- Cleaning Wat Samakkhi Tham (temple), making donations and providing lunches for elders at Chantaburi Elderly Care;
- Providing lunches for students and making donations for Ban Nong Tabak School, Pranburi District, Prachuap Khiri Khan Province;
- Fence planting, planting cultivated banana trees, cleaning Baan Takian Ngam School in Kanchanaburi Province with Thailand Post Company Limited in the mission "Delivering Kindness to the Disaster Victims."

2. *Environmental activities*

- Mangrove forest plantation in Samut Songkhram Province;
- Fertilizer for forests in Pranburi District, Prachuap Khiri Khan Province.

Internal Control



The Company places importance on good internal control system in accordance with good corporate governance. The Board of Directors' Meeting No. 4/2017 held on 15 May 2017, No. 7/2017 held on 8 August 2017, No. 8/2017 held on 7 November 2017, and No. 1/2018 held on 20 February 2018 of Triple i Logistics Public Company Limited assessed the Company's internal control system by enquiring the Company's management team and responded to assessment form on adequacy of the Company's internal control system in 5 aspects, which are:

1. Control environment;
2. Risk assessment;
3. Control activities;
4. Information and communication;
5. Monitoring activities.

The Board of Directors' Opinion on Internal Control System

The Board of Directors have the opinions that the Company's internal control system is sufficient and appropriate for the Company's business and the Company has complied with the laws, rules and regulations of the relevant supervisory agencies. The Company also has adequate internal control system for transactions with major shareholders, directors, executives or their related persons, protecting assets of the Company and its subsidiaries from the foregoing persons and related persons of such persons from exploiting the assets wrongfully or without authority.

Internal Auditor's Opinion on Internal Control System

The Company engaged Multiplus Audit and Consulting Co., Ltd., a third-party internal audit firm, to act as the Company's internal auditor, performing audit on operation and financial activities of the Company. The role of internal auditor is to ensure compliance by the Company with the internal control system in place and the applicable laws and regulations. To allow the internal auditor of the Company to perform his duties of check and balance of the system independently, the internal auditor has to report his findings of the audit directly to the Audit Committee and the Board of Directors as their responsibilities include ensuring that good control system is in place. The internal audit report must be copied to the Chief Executive Officer so that he will overlook and instruct the relevant executive or department to rectify mistakes as recommended. The internal auditor will report the audit result t on a quarterly basis.

In Quarter 4/2017, Multiplus Audit and Consulting Co., Ltd. has assessed adequacy of the Company's internal control system according to COSO 2013 (The Committee of Sponsoring Organization of Tradeway Commission). The internal audit consists of internal control at management level and business level, which includes revenue system, cash receipt system, costs of service system, procurement system, payment system, salary and wage system, account closing and adjustment system. The internal auditor also followed up on outstanding issues from conducting internal audit during Quarter 1/2017 – Quarter 3/2017. The results of the internal audit demonstrates that the Company's internal control system is at the appropriate level.

Risk Factors



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

Risks in Business

1. *Risk on the termination or non-renewable of Contract of General Cargo Sales Agent (GSA) for airlines*

With respect to the general cargo sales agent, at present, the Company's group by performing of TAC and ANI who are the cargo sales agent for Thai AirAsia, Thai AirAsiaX, Bhutan, Sri Lankan, Lan Cargo, and Jejuair airlines of which the contracts with these airlines are short-term contracts with the terms between one to three years, therefore, if those contracts are terminated or unable to be renewed, it would lower the cargo supply which the Company's group reserves for the demand of air freight of companies within the Company's group or other persons, the Company's group will then have to find new airline partners for each route and this circumstance may affect the Company's group revenues.

The Company's group is fully aware of this risk exposure, and thus has been

building strong relationships with mentioned airlines by providing excellence and high-quality services at competitive price. As a result, the contracts have been successfully renewed in the past 10 years. Moreover, the Company's group is also finding new partners to expand its routes and lower the dependency on one specific airline. At present, the number of new airlines for providing of the cargo sales agent of the Company's group is increasing continually.

Furthermore, the Company's group has been engaged in scanning, loading, and all other related activities for air freight under limited ground time for Thai AirAsia and Thai AirAsiaX. This business requires expertise and special equipment, therefore if contract cancellation occurred; it would be time and costs consuming for airlines to find a new experienced operator to replace the Company's group.

2. *Risk on the change of minimum annual fee to be paid to airlines under the GSA contract*

The GSA agreement between TAC & Thai AirAsia and between TAC & Thai AirAsiaX are three-year term and two-year term agreements, respectively, in which the minimum annual fee to be paid to Thai AirAsia and Thai AirAsiaX is stated in the agreement. However, the minimum annual fee can be changed according to mutual agreements between the Company's group and Thai AirAsia and Thai AirAsiaX. The minimum annual fee is calculated based on the cargo amount used in the previous year, new routes

that would result in an increase in cargo space, and the overall economy outlook. The change of minimum annual fee to be paid to mentioned airlines would affect the cost and profitability of the Company's group.

However, the change of minimum annual fee risk is not significant to the cost and profitability of the Company since the Company's group is a leading GSA in Thailand with numerous servicing routes. Moreover, the Company's group's service fee policy is calculated based on cost plus minimum profit. This makes the Company's group to be able to reduce its profit variability.

3. *Risk on the termination of contract between liner agency for shipping lines*

With respect to the liner agency for shipping lines and international sea freight - full container load under the operation of TMA and CKT which is the cargo sales agent for sea freight service of CK Line of which the term of appointment contract of liner agency is open-end however, TMA and CKT act as the liner agency for only one shipping line therefore, TMA and CKT may have risk of termination of contract.

The Company's group is fully aware of this risk exposure thus, the Company has been building strong relationships with mentioned shipping line by providing excellence and high-quality services at competitive price. As a result, the contract has never been cancelled in the past 10 years. Moreover, since CKT is a joint venture of CK Line, a shipping line agency, the chance of termination of contract is very low.

To reduce the risk exposure of sea freight business unit, TMA expanded its business to be a Multimodal Transport including customs clearance and in-land cross-border services. Also, to cover all customers' needs and to enlarge sources of revenue, the Company's group is expanding its sea routes by looking for new partners as well.

4. Risk on the variability of freight charge

Freight charge of air freight and sea freight are considered to be the major operating costs of the Company's group. From 2015 to 2017, freight charge of air freight was 89.0%, 93.9% and 87.5% of the total cost, respectively, while freight charge of sea freight was 5.6%, 3.1% and 2.7% of the total cost, respectively. Both freight charge for air freight and sea freight are variable to the demand and supply in the market. If the Company's group is not able to pass the rising of freight charge to customers by increasing fee charged to customers, it will significantly affect the operating cost and net profit of the Company's group.

The Company's group is fully aware of this operating risk. Therefore, the Company's group has been carefully planning to manage freight charge for air freight and sea freight in the most effective way. For air freight business, as a Cargo General Sales Agent, freight charge of the Company's group is fixed according to the GSA contract. Moreover, the variable freight charge under freight forwarding business is directly passed through from airlines resulting in better cost management to the Company's group. At the very competitive price that can be benchmarked in the market, the Company's group's service fee policy is calculated from cost plus minimum profit. Therefore, the Company's group can pass some part of variability of freight charge to the customers and the Company's group is one of the major player in air freight services and the booking of freights is quite large resulting in the Company's group has a high-power bargaining for the price of freight charge.

For sea freight business, the Company's group forecasts the volume of demand for freight and the volume of freight at the same time to increase bargaining power. The Company's group undertakes to closely monitor freight rates to forecast the situation and price trends. To be able to set a service price, there is a margin that can accommodate the change in price. In addition, if the transportation route required by the customer is the route of the shipping line represented by the Company's group, the Company's group will choose the service of the shipping line to increase competitiveness, price and profitability. In addition to the cost management approach, the Company's group receives benefits from a joint venture with ECU Hold NV Ltd., a leading global consolidation for sea freight company, by setting up ECU to manage international sea freight. This joint venture between the Company's group and the leading global service provider will result in the Company's group can use sea freight services through the services of joint venture company which has power bargaining on price with shipping companies. ECU has its parent company as the leading consolidator for sea freight by using NVOCC with more than 300 branches worldwide, the service is available in 160 countries, covering more than 4,000 destinations and destinations and a global transport volume of more than 6.5 million cubic meters, or more than 250,000 containers per year. As a result, the Company's group can compete in terms of price and profitability due to its ability to manage freight. These factors allow the Company's group to manage the risk of freight fluctuations.

5. Risk on the competition in logistics industry

Logistics business in Thailand is a highly competitive business. There are a large number of entrepreneurs in the industry because they are a business that does not require high investment but focuses on having good relationship with customers and partners and the ability to sell which makes it possible for new competitors to compete in the industry. If competition is more intense or there are new operators, this may affect the Company's Group's business by causing the Company's group has fewer customers or lower the price and this could result in lower revenue and profit for the Company's group.

However, according to the statistics of the Department of Business Development. As of January 31, 2016, Thailand had a total of 14,117 logistics operators, comprising 13,267 small operators, 557 medium operators and 293 large operators, representing 93.58%, 3.93% and 2.07% of all enterprises in the industry, respectively. It is seen that almost all entrepreneurs are small entrepreneurs. If it divided by type of service more than half or 58.11% of businesses operators are in the shipping business and 10.14% is the operators of warehousing and inventory management services. 23.1% is the operators of work relating to logistics and 8.45% is the information technology service providers and 0.19% is postal service operators. These data show that, in fact, the logistics services business is quite fragmented. meanwhile, the Company's group provides full logistics services covering all types of services. There are few operators that

can provide all services related to logistics services as well as to the Company's group. The Company's group is highly competitive and service-oriented.

Competition in the logistics business focuses on the expertise in the route and management of each type of goods and fast response to customer needs. To have a quality network, it has the ability to provide services to customers at reasonable prices and meet the needs of customers and have a reliable experience. The Company's group has a long-standing expertise in the business. The experience has accumulated for over 26 years and has consistently benefited customers. There may not be many entrepreneurs can do it.

In addition, the Company's group is aware of the risk of competition and has developed and expanded its services to provide a full range of services to cover all aspects of logistics services. The business segment is divided into four business groups, namely the air freight, sea freight and inland transport, logistics management and chemicals and specialty logistics. We focus on providing services in depth to provide specialized expertise. It can accommodate both specialized customers and general customers. The Company's group also focuses on enhancing its service capabilities to comply with international standards and develop the technology for the services and reduce duplication of work including quick response to the task for reducing costs. To make a difference to the Company's group, the Company's group has jointly invested with international business partners including regional and global companies such as ECU, CWT, CK Line and Excel Air Group to protect the investment and penetration into the logistics market of foreign companies. The expansion and development of services of the Company's group will enhance the ability to compete and retain customers.

6. *Risk on Investment in foreign countries*

The Company's group is also operating in foreign countries both in terms of limited companies and branches. The risk in investing in foreign countries would occur due to the difference in laws, regulations, and culture. In addition, a foreign market might have higher number of logistics services providers who provide similar services that would result in higher competition.

The Company's group has been doing research and analysis on foreign countries before deciding to invest abroad. The Company's group's policy is to find experienced local partners to help the Company's group operation such as laws and regulations, cultures and competition. In addition, the investment in incorporation and operation in foreign country requires large amount of capital injection therefore, if the Company's group has business partner, it will reduce the risk on lack of experience and knowledge in each country and such business partner will support the business operation of the Company's group in foreign country.

7. *Risk of damage, loss, and claims on late delivery*

The Company's group provides integrated logistics services business. There is a risk of litigation from service due to product damage and loss of goods or accident during work or delay of transportation which may be caused by severe accidents such as fire or natural disasters or force majeure. This may cause damage to life and property, both under the ownership of the customer and the Company's group. As a result, there may have compensation expenses, damages, fines and impact on the Company's group's reputation and revenue.

In 2016 and 2017, the Company's group had compensation expenses totaling 1.09 million Baht and 4.50 million Baht respectively representing 0.05% and 0.20% of total revenues of the Company's group respectively. The Company's group cannot guarantee that they will be able to deliver the product on time and will not damage it case this may occur due to other factors that the Company's group cannot control such as accidents, flight cancellations, natural disasters or otherwise. However, the delay occurs due to various factors is a business liability exception, as stated in the contract.

The Group is aware of such risks and has therefore engaged in insurance related to the Company's group's business. This includes the products deposited in the Company's group's warehouse. The terms of the damages are clearly stated and limited liabilities of the Company's group as well to reduce the burden and conflict between the Company's Group and customers that may occur. The logistics industry has laws, international rules to determine the maximum liability of operators for sea freight, air freight and inland transport such as IATA FIATA and Marine Transport Act.

In addition, the Company's group has set guidelines and develops systems to minimize the risk of damage or late delivery of goods as follows:

- To determine the prevention and prepare an emergency plan.
- To determine the responsibilities and fines. In cases where the supplier cannot deliver the goods by quality or on time. The assessment will be organized in every year.
- To increase internal audit and coordination measures and to coordinate with the warehouse for the time required to load all products to find ways to prevent delays such as overtime in the morning and advance loading
- To develop the information technology to track the status of goods during transportation.

8. Risk on warehouse service space supply

Warehouse management business of the Company's group is mainly operating at rented warehouses from warehouse renting service provider. Warehouses for chemical and dangerous goods are all located in Ticon Logistics Park on Bangna-Trad Km.39 with a total area of 23,735 sq.m. The warehouse renting contract between the Group and Ticon Logistics Park Co., Ltd. ("TPARK") is a short-term contract of three-year term. Therefore, if the Company's group is not able to renew the contract with TPARK, it would affect the operation, revenue, and profit of the Company's group. Thus, over the past nine years, the contract was continuously renewed. As well as increased the space rented from TPARK. Moreover, TICON continuously expands warehouses for chemical and dangerous goods which can be seen as an opportunity for the Company's group to rent those warehouses rather than investing by its own.

The Company's group is fully aware of the warehouse service space supply risk. For chemical and hazardous goods logistics management business unit, HLM has negotiated to sub-lease

warehouse for chemical and hazardous goods of other companies within the area of TPARK to be reserved when HLM need to use more area. over the past years, TPARK has been expanding its warehouses for chemical and dangerous goods while HLM has been negotiating with TPARK to expand its warehouses as well. In the past, TPARK is fixable for increasing of warehouse's area for chemical and dangerous goods to in line with the demand continually. The total area of warehouse for industrial goods may be excessive of demand which is good for all lessees. At present, HLM is one of the major lessee for the warehouse of chemical and dangerous goods of TPARK. If TPARK wishes to terminate the lease agreement with HLM, TPARK will loss one of major lessee. For the logistics management business, the Company's group reduces its risk on the procurement of warehouse for services whereby in year 2017, the Company's group has reduced the rental space from SCG to 815 sq.m. and started to lease a new warehouse in Bangna Km.19 from Thriven Asset 2 Co., Ltd. with a total of rental space of 3,296 sq.m. which can expand as required in the future. In addition, the Company's group also studies the possibility of construction of its own warehouse for services.

9. Risk from increasing of warehouse rental fees

The Company's group provides warehouse rental service for general goods which is operated by TSC and for chemical and dangerous goods which is operated by HLM. The service is located at the warehouse leased by the Company's group from the warehouse developer.

The Company's group is fully aware of this risk therefore, it will manage this risk by determining the service fees

based on the cost of lease plus the gross profit which shall be appropriate for HLM and TSC. In addition, the warehouse leasing agreement between the Company's group and warehouse developer has three year term while the warehouse leasing agreement between the Company's group and clients has one year term therefore the Company's group is able to change the rental fee to in line with the costs that may increase due to the agreement with client is one year period.

10. Risk on the stability of IT system

The Company's group's operation for all business units are mainly engaged with IT system. Starting from transportation, pick up, warehousing, distribution, and tracking, as to increase efficiency, speed, reduce cost, and complexity of service. If IT system fails, especially information lost, this would affect the operation and reputation of the Group.

The Company's group realized on the importance of IT system, therefore,

a team who is responsible for IT system is formed to develop, immediately fix, and maintain the stability of IT system. They will also revise their schedule continuously to maintain the efficiency and effectiveness of the system. Moreover, the Company's group has invested in Storage Area Network (SAN) to be prepared for emergency circumstances such as backing up information in case of information lost and to keep the operation, including information and computer system, uninterrupted in an efficient way at the needed time.

11. Risk on warehousing and transporting of chemical and dangerous goods

The chemical and specialty logistics is the business that required expertise on managing of chemical and dangerous goods including storage and transport of chemical and dangerous goods due to if a chemical leak could affect the goods, lives, or assets of customers or the Company's group itself including other persons and environment around the warehouse.

The Company's group is fully aware of this risk therefore the Company's group focuses on the safety and to continue strive for excellence in management and compliance with laws where the Company's group considers goods that will be transported and stored, and procures the tools and equipment and place which are appropriate for chemical and dangerous goods and prepares the manual of use for tools and equipment

with safety and prepare work procedures, guidelines and knowledges of preliminary work and complies with the laws regarding the standard practice of international transport including domestic laws. In addition, the Company's group continues to organize training for employees in order to increase employees' proficiency and to strengthen defensive measure.

Furthermore, the Group has been doing insurance to protect and compensate loss that might occur during both domestic and international freight services and all risk insurance for indemnifying of loss and damage that may occur from international transport to cover responsibility of goods, custom and third party and omission and damage of goods that may occur from accident arising out of outside circumstances due to acts of god, vandalism, willful and other accidents including burglary.

12. Risk on highly dependent on large customers

In terms of customer's dependency in wholesale freight forwarding in air freight business unit, there is a single large customer who contributes revenue of 20.1%, 13.8% and 12.7% from 2015 to 2017 respectively of the air freight business unit. This shows that air freight business unit has high dependency on a single customer. If the Company's group loses the customer, this would affect the revenue of air freight business unit significantly.

Similar to logistics management business unit, one major customer contributes 45.1%, 44.3% and 32.3% of revenue to the logistics management business unit from 2015 to 2017 respectively. This shows that logistics management business unit has high dependency on a single customer. If the contract between the Company's group and the customer is not renewed, this would affect the revenue of logistics management business unit significantly.

The Company's group is fully aware of this risk therefore the Company's group has strategy to reduce dependency on large customers is to focus on delivering high quality services, building superior relationships among them to encourage long-term contracts and to find new customers to expand its customer's base. In addition, with the services provided to various business sectors, this also helps the Company's group to reduce dependency on a single specific sector.

In the past three years, the Company's group renewed the contracts with the customer and continued to provide services. In addition, the Company's group provides services for many business sectors which provide services at the competitive market price therefore, it will support to reduce the risk on dependent on one customer for specific business and the Company's group.

13. Risk on highly dependent on large suppliers

For air freight business unit, as a Cargo General Sales Agent, the unit's cost of goods sold to Thai AirAsiaX ("TAAX") was 15.8%, 13.9% and 18.7% of the total cost of the Company's group from 2015 - 2017 respectively while the unit's cost of goods sold to Thai AirAsia ("TAA") was 15.8%, 14.1% and 14.9% of the total cost of the Company's group from 2015 - 2017 respectively. This shows that the air freight business unit has high dependency on a single supplier. If the contract between the Company's group and TAA or TAAX is not renewed, this would affect the revenue of air freight business unit significantly.

The Company's group is fully aware of the risk therefore, the Group has been negotiated with mentioned airlines to act as sole Cargo General Sales Agents for TAA and TAAX. Furthermore, contracts between them are 2 to 3 years term in which the latest contract between TAC and TAA is effective from 1 January 2017 to 31 December 2019 while the latest contract between TAC and TAAX is effective from 1 June 2017 to 31 May 2019. In addition, GSA contracts with TAA and TAAX covers inspection, packing, and other related activities that rely on people and equipment of TAC. The Company's group has been building great relationships with mentioned airlines to develop consistent revenue growth to the Company's group and to airlines. As a result, the contracts have been successfully renewed in the past 10 years.

14. Risk on highly dependent on experienced personnel

Logistics business relies highly on experienced personnel. The expertise required in operation makes personnel a key factor of the Company's group success. The Company's group faces risk when there is a lack in employees, especially if cannot find replacement, this would significantly effect on business, results of operations, financial conditions and prospects of the Company's group.

To be well managed on the dependency on personnel, human resources development plan is established. This includes the continuous employee training to increase employees' proficiency, job rotation, welfare, bonus based on performance, and job transfer plan to ensure the continuity of the position especially for those with the important roles.

Furthermore, to reward excellence employees, motivate, and encourage long-term stay with the Company's group, on 15 March 2017, the Extraordinary General Meeting of shareholders no. 1/2017 has resolved to approve the issuance and offering for sale of 4.5 million ordinary shares to employees as well as the issuance and offering for sale of warrants of 10,500,000 units to employees.

15. Risk on policies of government or regulatory bodies

The integrated logistics business of the Company's group directly affects from the government policies, particularly the tax collection policy such as import and export taxes, the policy on duty free zone, the policy on development of sea port and airport. If the government or relevant regulatory bodies change policy in a negative that affects the business of Company's group such as the increase of import duty rate, increase of VAT or the termination of lease agreement in seaport and airport zone. It may affect the Company's group or customers to have higher costs. In addition, the policy of AOT on low cost airline and the policy on AEC may result in foreign entrepreneurs invest more in Thailand therefore, the Company's group may face with more competitors. The Company's group may have risk on the change of policy on usage of warehouse for domestic and international goods of AOT.

The risks may impact the financial position and operating result of the Company's group. The Company's group is fully aware of this risk therefore, the Company's group closely monitor policies of government sector, AOT and relevant regulatory bodies to evaluate the impact and risk to the business operation of the Company's group in order to negotiate and to change management plan and working procedure to in line with the current circumstance although the policies may not be easily changed. Furthermore, the Company's group focuses on the entering into long-term contract and the negotiation on conditions that may impact the business of Company's group. With respect to the policy on AEC, it may result in more competition due to the increase of new logistics service providers and the Company's group may loss some of revenues however, it may result in the increase of exchange of goods and resources which will support the growth of Thai logistics industry.

The Company's group plans to increase capacity and capability for competition and to respond the change of government's policies including building business relationship network. At present, the Company's group has planned to invest in the AEC with its business partners in the AEC countries such as Vietnam, Laos and Cambodia including joint venture with the business partner in Singapore and Myanmar and to have representatives in other countries of this region. The Company's group is ready to develop business plan to respond customers' need and to increase capability in competition of the Company's group.

Risk on financial matter

Risk on the fluctuation of foreign exchange

The Group provides international freight services and have business in foreign countries. In the year 2015 - 2017, the Company's group revenues in foreign currency from overseas subsidiaries accounted for 4.67%, 11.99% and 21.75% of total revenues from services provided by the Company's group. The Company's group therefore has risk on exchange rate fluctuation. If the exchange rate between Thai Baht and foreign currency fluctuates considerably, it will have a significant impact on the Company's group's revenue. This may cause a profit or loss from the exchange rate.

However, in serving customers in foreign countries. The Company's group has business partners who are operators in the logistics business in various countries of which such business partners act as a representative of the Company's group for providing services and receiving service charge from customer at destination. The cost and revenue will be the same currency. Income and expenses in the same currency (Natural Hedge) can help reduce the risk of exchange rate fluctuations to a certain extent. The Company's group has closely monitored exchange rate movements to assess the situation and trend of exchange rates. In addition, the Company's group has entered into foreign currency forward contracts without speculation and has opened overseas branch offices to manage revenue and expenses in foreign currency. This is one of the risks management of exchange rate fluctuations by having income and expenses in the same currency.

Risk on management

Risk from major shareholders influencing policy and management

As of 31 December 2017, the executives and management committee of the Company's group held shares of 63.12% of total paid-up capital. As a result, the executives and management committee of the Company's group has influence in the management policy in one direction and can control the policy and management of the Company. It also controls the approval of the majority of shareholders meeting except that the laws or regulations requires three-fourth of the votes from the shareholders who attend meeting and have the voting right. Therefore, other shareholders may not be able to collect votes to monitor and balance of agendas proposed by the major shareholders.

To prevent the risk of being controlled by a large group of shareholders and to ensure transparency in the management and monitoring and balance of power of executives and directors, the company responds to such risks by the appointment of four independent directors whereby those independent directors are the director of the Company and three members of the Audit Committee and one chairman of the Board of Directors from the total of ten directors for the purpose of auditing, check and balance and approve any matters before propose to the shareholders meeting for approval. In addition, the Company has established a code of business ethics as a guideline for the performance of duties of directors and executives in accordance with the code of conduct to comply with the principles of good corporate governance in accordance with the guidelines of the Stock Exchange of Thailand and the scope of duties and the delegation of authority of the Board of Directors is clear and no conflict of interest.

Assets of Business Operation



Fixed Assets

As of 31 December 2017, the Company and its subsidiaries had the fixed assets for operating of business after the deduction of accumulated depreciations as shown in the consolidated financial statements of the Company of 254,123,452 Baht, the details are as follows:

Type / Nature of Assets	Net Book Value (Baht)	Type of Ownership	Emcumbrances
Consolidated Financial Statements			
Lands	33,432,000	owner	Mortgage with Financial Institution
Buildings and Building Improvements	76,997,399	owner	Mortgage with Financial Institution
Tool and Equipment	34,388,584	owner	-
Vehicles and Equipment	56,537,234	owner/operating lease	-
Office Decorations	13,266,269	owner	-
Stationaries	39,501,966	owner	-
Total	254,123,452		

The Company mortgaged lands, buildings and some parts of building improvements with financial institution as the security of long-term loan of financial institution.

The details of lands and holding purpose of significant assets for operating of group company's businesses as of 31 December 2017 can be summarized as follows:

1. Lands and Land Improvements

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TLG	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	3 Ngan 61.3 Sq. Wah	Office Building	Owner	For the security of bank guarantee issued by financial institution of 493 million Baht
TAX	Land title deed no. 74806, Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	61 Sq. Wah	For seminar and client reception	Owner	For the security of long-term loan of financial institution of 13 million Baht
Total		3 Ngan 122.3 Sq. Wah			

2. Building and Building Improvements

Company	Location	Area	Purpose of Holding	Type of Ownership	Encumbrances
TLG	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office Building	Owner	For the security of bank guarantee issued by financial institution of 270 million Baht
TAX	Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	Building Improvement of Khao Yai Building	For seminar and client reception	Owner	For the security of long-term loan of financial institution of 13 million Baht
TAX	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office Building	Right to lease from TLG	None
AGS	Cargo Terminal 2, Don Mueang Airport	Improvement of Cargo Terminal 2, Don Mueang Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None
AGS	Cargo Terminal 1, Don Mueang Airport (International Cargo Terminal)	Improvement of Cargo Terminal 1, Don Mueang Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Suvarnabhumi Airport	Improvement of office No. 2134, Suvarnabhumi Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None
TAC	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office	Right to lease from TLG	None
TAC	Don Mueang Airport	Improvement of Storage Room, Don Mueang Airport	Storage Room	Right to lease from Airports of Thailand Public Company Limited	None

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrance s
TAC	Don Mueang Airport	Improvement of Storage Room , Don Mueang Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Don Mueang Airport	Improvement of Cargo Terminal, Don Mueang Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Hat Yai Airport	Improvement of Warehose, Hat Yai Airport	For Goods Stroage	Right to lease from Airports of Thailand Public Company Limited	None
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	Chain Link Implemetation	Prevention of loss of Goods	Right to lease from TLG	None

3. Vehicles and Equipment

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrance s
TLG	628, Triple i Building, 3 rd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Sedan Cars	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement
TAX	Cargo Terminal, Don Mueang Airport	1 Six-wheels Truck	Freight Services	Owner	None
TAX	Cargo Terminal, Don Mueang Airport	4 Six-wheels Trucks	Freight Services	Owner	Financial Lease Agreement
TAX	Cargo Terminal, Don Mueang Airport	2 Four-wheels Pick-up Trucks	Freight Services	Owner	None
TAX	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Sedan Car	For Business Operation	Owner	Financial Lease Agreement

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
AGS	Cargo Terminal 1, Don Mueang Airport (International Cargo Terminal)	1 Diesel Forklift	Freight Services	Owner	None
AGS	Cargo Terminal 1, Don Mueang Airport (International Cargo Terminal)	1 Battery Forklift	For Business Operation	Owner	None
TAC	Suvarnabhumi Airport	2 Loading Truck Conveyors	Goods Transport at Airport	Owner	None
TAC	Don Mueang Airport	5 Six-wheels Trucks	Goods Transport	Owner	4 Cars are no emcumbrances and 1 car is under financial lease agreement
TAC	Don Mueang Airport	2 Pick-up Trucks	Goods Transport at Airport	Owner	None
TAC	Don Mueang Airport	7 Trailers	Goods Transport at Airport	None	None
TAC	Hat Yai Airport, Surat Thani Airport and Khon Kaen Airport	4 Cabin Pick-up Trucks	Goods Transport at Airport	Owner	None
TMA	628, Triple i Building, 2 nd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 sedan car	Leased by CKT	Owner	None
TMA	628, Triple i Building, 2 nd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 car	For Business Operation	Owner	None
TMA	54/9-10 Moo. 9 Bangna-trad Road., Km. 19, Bangchalong Sub-district, Bangplee District, Samutprakarn Province	12 Trailers	For Business Operation	Owner	None

Company	Location	Area	Purpose of Holding	Type of Ownership	Encumbrances
TMA	54/9-10 Moo. 9 Bangna-trad Road., Km. 19, Bangchalong Sub-district, Bangplee District, Samutprakarn Province	15 Semi-trailers	For Business Operation	Owner	None
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Pick-up Truck	For Business Operation	Owner	None
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Mini Vans	For Employees Transport	Owner	Financial Lease Agreement
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Van	For Business Operation	Owner	Financial Lease Agreement
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Pick-up Trucks	For Business Operation	Owner	Financial Lease Agreement
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	5 Pick-up Trucks	For Business Operation	Owner	Financial Lease Agreement
HLM	628, Triple i Building, 4 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Sedan Car	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement

Insurance of Assets of Business Operation

The Insurances of Company's group is the insurance in type of property damage and transport which include losses and damages of moveable assets and immovable assets arising from disasters or accidents (Industrial All Risks Insurance), cargo liability, custom liability, third party liability and negligence.

The Company's group has the insurance coverage amount under such insurance as of 31 December 2017 of 1,738.03 million Baht, the details are as follows:

Company	Type of Insurance	Insured Assets	Beneficiary	Insurance Coverage (Million Baht)	
TLG	Industrial All Risks Insurance	Buildings and office's Equipment	TLG	76.31	
TAC	Industrial All Risks Insurance	1. Buildings	TAC	1.50	
		2. Inventories and Parcel Posts		5.00	
		3. Tools and Equipment for Operating of Business		4.22	
TAX	Transportation specialist legal liability insurance policy	1. Cargo Liability	TAX	20	per time
		2. Custom Liability	TAX	2	per time
		3. Third-party Liability	TAX	20	per time
		4. Errors and Omissions	TAX	4	per time
HLM	Industrial All Risks Insurance	Warehouse, Office and other relevant businesses	HLM	500	
TSC	Industrial All Risks Insurance	Inventories and Furnitures	TSC	800	
HLM	Transportation specialist legal liability insurance policy	Cargo Liability	HLM	150	per time
TLG	Transportation specialist legal liability insurance policy	1. Cargo Liability	TLG	10	per time
		2. Custom Liability	TLG	2.5	per time
		3. Third Party Liability	TLG	10	per time
		4. Errors and Omissions	TLG	2.5	per time
TSC	Inland Transit Insurance	All Risks Insurance	TSC	30.0	
HLM DGP HTM	Inland Transit Insurance	All Risks Insurance	HLM DGP HTM	100	

Policy of Investment in Subsidiaries and Associated Companies

The Company has its policy of investment in companies which in logistic business and supporting logistic business of the Company's group to increase the benefit to the Company's group and to increase channels of sale of the Company's group. With respect to the management of the subsidiaries and associated companies, the Company will invest in the appropriate proportion and will appoint the Company's representative to be the director of such subsidiary and associated company in the number which is in line with the shareholding ratio in the subsidiary and associated company to monitor and supervise the business operation of such subsidiary and associated company which will be in line with the appropriate direction and for the best benefit of the Company, subsidiaries, associated companies and shareholders.

At present, the Company invests in 23 subsidiaries which have the Company's executives hold the directorship in such subsidiaries and the shareholding ratio can be summarized as follows:

Company	Symbol	Shareholding Ratio
Triple i Asia Cargo Co., Ltd.	TAC	holds 99.99 % by TLG
Triple i Asia Cargo Co., Ltd.	TGC	holds 99.99 % by TLG
Triple i Air Express Co., Ltd.	TAX	holds 99.99 % by TLG
Asia Ground Service Co., Ltd.	AGS	holds 99.99 % by TLG
Triple i Maritime Agencies Co., Ltd.	TMA	holds 99.99 % by TLG
Triple i SupplyChain Co., Ltd.	TSC	holds 99.99 % by TLG
Cross Border Couriers Co., Ltd.	CBC	holds 99.99 % by TLG
DG Packaging (Thailand) Co., Ltd.	DGP	holds 99.99 % by TLG
HazChem Logistics Management Co.,Ltd.	HLM	holds 99.99 % by TLG
Triple i International Company Limited	TIL	holds 99.99 % by TLG
Triple i International Japan	TIJ	holds 100% by TIL
Asia Network International Co., Ltd.	ANI	holds 60% by TLG
Excel Air Co., Ltd.	ECA-BKK	holds 30% by TLG
GSA Asia Cargo	GSA-MM	holds 60% by ANI
CK Line (Thailand) Co., Ltd.	CKT	holds 42% by TLG
ECU Worldwide (Thailand) Co., Ltd.	ECU	holds 43% by TLG
HazChem TransManagement Co., Ltd.	HTM	holds 60% by HLM
CWT Chemical Logistics Co., Ltd.	CWT	holds 51% by HLM
HazChem Logistics Management Pte Ltd	HLM - SG	holds 55% by HLM
Excel Air (Guangzhou)	ECA-GZ	holds 25% by TIL
Excel Air (HK)	ECA-HK	holds 20% by TIL
Freightwork GSA (HK) Limited	Freightwork-HK	holds 20% by TIL
GSA Cargo Network (Myanmar)	GCN-MM	holds 50% by TIL

Related-Party Transaction



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

Triple i Logistics Public Company Limited, its subsidiaries, its associated, and its joint venture, companies within the group of companies are as follows:

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

Persons who may have conflicts include:

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

The relationships between the Company and the person(s) who may have conflicts against the Company and have entered into related transactions during 2016 and 2017 can be summarized as follows:

Name of related party	Relationship
Cargo Shipping Company Limited ("CGS")	Freight and shipping services provider that Mrs. Suchada Thitiphuree is a major shareholder, holding 30 percent of shares in CGS. Mrs. Suchada Thitiphuree is a member of the Management Committee of Sea Freight business unit and a shareholder of the Company, holding 1.37 percent of shares. Currently, Mr. Sumate Thitiphuree is no longer a member of the Management Committee of Sea Freight business unit and resigned from his position on 5 September 2017.
R & K Transervice Company Limited ("R&K")	All types of freight services provider and a major shareholder of HTM, holding 40 percent of the total shares.
G3 Glogistics (Thailand) Company Limited ("G3")	A cargo agent for freight services and a major shareholder of CKT, holding 28 percent of the total shares.
Sammitr Green Power Company Limited ("Sammitr")	A company that engages in the business of installing material and components of gas system for cars and machinery, of which Mr. Krirkkrai Jirapaet is a director (acting as the Chairman of the Board of Independent Directors of the Company).
Business Alignment Public Company Limited ("BIZ")	A trading company that trades and produces medical instruments, medical science devices, and medicine, of which Mr. Woodtipong Moleechad is the chairman of the board of directors and independent director (acting as an independent director and the Chairman of the Audit Committee of the Company) and Mr. Vipoota Trakulhoon is an independent director and member of the audit committee (acting as an independent director and member of the Audit Committee of the Company).
Siam Premier Service Company Limited ("Siam Premier")	A company that provides asset management services, collects benefits, and administrates assets, of which Mr. Apichart Chiradandhu is a director (acting as an independent director of the Company).

Related-party transactions with persons who may have conflicts

Transactions relating to share restructuring of the Group

In order to prepare for the Company's initial public offering and to list its shares on the Stock Exchange of Thailand, the Company has restructured its shareholding structures by purchasing shares in its subsidiaries and companies under common control that engages in the business of providing integrated logistics services from persons who may have conflicts of interest. The purchase price of the shares in the subsidiaries and the companies under common control is a book value plus legal reserve. The Company issued new shares and sold the shares to the shareholders of the subsidiaries and the companies under common control at a par value. The consideration to enter into these transactions occurred prior to the Audit Committee was appointed.

The Company's restructuring transaction by purchasing shares in CBC, the Company's subsidiary, from Mr. Peter James Mechin

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
The Company's restructuring by purchasing shares in CBC, the Company's subsidiary <ul style="list-style-type: none"> Purchase of shares in CBC from Mr. Peter James Mechin 	187,500	-	<p>On 18 July 2016, the Company purchased 25% of the ordinary shares of CBC – resulting in the Company holding 99.99 percent of shares in CBC, from the following person:</p> <p>On 18 July 2016, the Company purchased additional 7,500 shares from Mr. Peter James Mechin, representing 25.0 percent of the registered and paid-up capital of CBC, at Baht 25 per share – the seller's cost of shares, equivalent to the paid-up price of Baht 187,500. The purchase was fully paid by cash.</p>	<p>This transaction occurred before the appointment of the Audit Committee. The Audit Committee considered and is of the view that the restructuring of the Group was to restructure shareholding in the companies under common control to be listed on the Stock Exchange of Thailand and to ensure that the Group's shareholding structure is transparent and clear.</p>

Related-party transactions in relation to borrowing and lending

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

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<p><u>Transactions between TLG and ECA-BKK</u></p> <p>ECA-BKK requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee</p> <ul style="list-style-type: none"> o Fee for a letter of guarantee o Fee receivable 	<p>500,296</p> <p>Beginning Increase Decrease Ending</p> <p>- 35,316 - 535,316</p>	<p>519,979</p> <p>Beginning Increase Decrease Ending</p> <p>535,316 556,377 (1,063,762) 27,931</p>	<p>ECA-BKK entered into a letter of guarantee with a financial institution for a credit amount of Baht 51,997,900 by using TLG's credit of its letter of guarantee. ECA-BKK is required to pay TLG fees at the rate of 1.0%.</p>	<p>The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.</p>
<p><u>Transactions between TLG and ANI</u></p> <p>ANI requested for a letter of guarantee from a financial institution by using TLG's credit of its letter of guarantee</p> <ul style="list-style-type: none"> o Fee for a letter of guarantee o Fee receivable 	<p>265,142</p> <p>Beginning Increase Decrease Ending</p> <p>- 283,702 - 283,702</p>	<p>178,155</p> <p>Beginning Increase Decrease Ending</p> <p>283,702 190,626 (283,702) 190,626</p>	<p>ANI entered into a letter of guarantee with a financial institution for a credit amount of Baht 28,370,200 by using TLG's credit of its letter of guarantee. ANI is required to pay TLG fees at the rate 1.0%.</p>	<p>The Audit Committee considered this transaction and is of the view that using TLG's credit will create financial liquidity for the Group because it is not necessary to use their own fixed deposit accounts as a guarantee. This transaction is not considered a financial burden for TLG as there is a fee charged between the parties.</p>

2. Loan transactions between subsidiaries, associated and joint venture companies

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between <u>TLG</u> and <u>ANI</u> ANI borrowed from TLG o Loan o Interest received o accrued interest receivable	Beginning - Increase 1,400,000 Decrease - Ending 1,400,000 Beginning 115 Increase - Decrease 115 Ending 115	Beginning 1,400,000 Increase 2,250,000 Decrease (1,400,000) Ending 2,250,000 Beginning 67,742 Increase 115 Decrease 67,742 Ending (55,913) Ending 11,944	<p>On 30 June 2017, ANI agreed to enter into a loan agreement with TLG to use the loan as its working capital for its business in the amount of Baht 1,350,000 with MLR interest rate per year - the market interest rate. The amount of loan is proportioned with an investment amount.</p> <p>On 27 September 2017, ANI agreed to enter into a loan agreement with TLG to use the loan as its working capital for its business in the amount of Baht 900,000 with MLR interest rate per year - the market interest rate. The amount of loan is proportioned with an investment amount.</p>	<p>The Audit Committee considered this transaction and is of the view that the loans will benefit the working capital of the joint venture. The interest rate charged is in accordance with the market rate and reasonable. The portion of the loan is consistent with the investment amount and not considered as a financial burden of the Company.</p>
Transactions between <u>HLM</u> and <u>HTM</u> HTM borrowed from HLM o Loan o Interest income o Accrued interest income	Beginning - Increase - Decrease - Ending - Beginning - Increase - Decrease - Ending -	Beginning - Increase 1,500,000 Decrease (1,500,000) Ending - Beginning 31,336 Increase - Decrease 31,336 Ending (31,336) Ending -	<p>On 22 August 2017, HTM agreed to enter into a loan agreement with HLM to use the loan as its working capital for its business in the amount of Baht 1,500,000 with MLR interest rate per year - the market interest rate. The amount of loan is proportioned with an investment amount. HTM repaid the loan to HLM on 21 December 2017.</p>	<p>The Audit Committee considered this transaction and is of the view that the loans will benefit the working capital of the joint venture. The interest rate charged is in accordance with the market rate and reasonable. The portion of the loan is consistent with the investment amount and not considered as a financial burden of the Company.</p>

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

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

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between TLG and ECU ECU leases office space from TLG o Office rental and service expenses o Rent receivable	1,358,095 Beginning Increase Decrease Ending 1,626,433 (1,143,628) 482,805	4,005,808 Beginning Increase Decrease Ending 482,805 4,279,915 (4,632,650) 130,070	ECU leases an office space and uses utility services from TLG at the rental and service rates based on the market mechanism.	The Audit Committee considered and is of the view that the office lease and service is reasonable because it was used as an office building of the Group and provides convenience for the business. The rental rate is the rate normally charged and comparable to the market price.
Transactions between TLG and CKT CKT leases office space from TLG o Office rental and service expenses o Rent receivable	754,805 Beginning Increase Decrease Ending - 807,641 (679,356) 128,285	2,247,067 Beginning Increase Decrease Ending 128,285 2,400,581 (2,381,658) 147,208	CKT leases an office space and uses utility services from TLG at the rental and service rates based on the market mechanism.	The Audit Committee considered and is of the view that the office lease and service is reasonable because it was used as an office building of the Group and provides convenience for the business. The rental rate is the rate normally charged and comparable to the market price.
Transactions between TLG and ANI ANI uses parking space services in TLG's building o Rental and service expenses	4,415	9,600	ANI uses parking space services in TLG's building at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the use of parking space in the building is reasonable and the service fee charged is a normal rate.

2. Customs clearance service transactions with CGS

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<p>Transactions between HLM and CGS</p> <p>Brokerage and customs clearance services of inbound and outbound by sea and air</p> <ul style="list-style-type: none"> o Service fee o Account payable 	<p>4,255,569</p> <p>Beginning 1,372,802</p> <p>Increase 4,255,569</p> <p>Decrease (4,606,371)</p> <p>Ending 1,022,000</p>	<p>4,950,199</p> <p>Beginning 1,022,000</p> <p>Increase 4,950,199</p> <p>Decrease (3,796,093)</p> <p>Ending 2,176,106</p>	<p>HLM engaged CGS to provide brokerage and customs clearance for inbound and outbound transport services by sea and air at the service fee rate based on the market mechanism.</p> <p>CGS provides services to the Group based on the requirements of customers who need specialized experience such as agrochemical products. The Group's customers directly request CGS due to its extensive experience in customs clearance and royal customers who have been familiar with CGS's services.</p>	<p>The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service is qualified with the customers' requirements with the price and terms generally traded as if the transaction was made with third parties. In approving the transaction, the approver must not have a stake in the transaction.</p>
<p>Transactions between DGP and CGS</p> <p>Brokerage and customs clearance of inbound service</p> <ul style="list-style-type: none"> o Service fee o Account payable 	<p>121,578</p> <p>Beginning -</p> <p>Increase 463,818</p> <p>Decrease (435,450)</p> <p>Ending 28,368</p>	<p>215,991</p> <p>Beginning 28,368</p> <p>Increase 247,965</p> <p>Decrease (254,989)</p> <p>Ending 21,344</p>	<p>DGP engaged CGS to provide brokerage and customs clearance services of inbound shipments from Singapore at the service fee rate based on the market mechanism.</p>	<p>The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service is qualified with the customers' requirements with the price and terms generally traded as if the transaction was made with third parties. In approving the transaction, the approver must not have a stake in the transaction.</p>

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between TMA and CGS Brokerage and customs clearance of inbound and outbound services o Service fee o Account payable	Beginning 1,594,364 Increase - Decrease 1,594,364 Ending (1,566,647) 27,717	Beginning 1,270,772 Increase 27,717 Decrease 1,270,772 Ending (959,551) 338,938	TMA engaged CGS to provide brokerage and customs clearance services of inbound and outbound shipments. CGS attended a meeting with customers and customers decided to select this service at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service is qualified with the customers' requirements with the price and terms generally traded as if the transaction was made with third parties. In approving the transaction, the approver must not have a stake in the transaction.
Transactions between TLG and CGS Brokerage and customs clearance of inbound and outbound services o Service fee o Account payable	Beginning 319,800 Increase 65,258 Decrease 342,186 Ending (328,226) 79,218	Beginning 203,300 Increase 79,218 Decrease 217,531 Ending (282,371) 14,378	TLG engaged CGS to provide brokerage and customs clearance services of inbound and outbound shipments at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service is qualified with the customers' requirements with the price and terms generally traded as if the transaction was made with third parties. In approving the transaction, the approver must not have a stake in the transaction.

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

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between HLM and R&K</u> Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> o Service fee o Account payable 	22,294,599 Beginning 1,858,683 Increase 22,294,599 Decrease (21,111,167) Ending 3,042,115	34,194,249 Beginning 3,042,115 Increase 34,194,249 Decrease (33,511,458) Ending 3,724,905	R&K is the company that provides transportation and distribution of chemical and hazardous good services and trailer trucking services. R&K is a major shareholder of HTM, holding 40 percent of shares. R&K provides transportation and distribution of chemical and hazardous good services and trailer trucking services to HLM at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction without being dependent on any person who may have conflicts in any way. The pricing is also based on the market price.
<u>Transactions between DGP and R&K</u> Transportation and distribution of chemical and hazardous goods and trailer trucking services <ul style="list-style-type: none"> o Service fee o Account payable 	51,981 Beginning - Increase 51,981 Decrease (47,381) Ending 4,600	52,658 Beginning 4,600 Increase 52,658 Decrease (54,958) Ending 2,300	DGP provides transportation and distribution of chemical and hazardous good services and trailer trucking services to R&K at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction without being dependent on any person who may have conflicts in any way. The pricing is also based on the market price.

4. Logistics service transactions and continuing activities of the associate and joint venture within the Group

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between TLG and ECU Sea freight o Freight and other fee o Freight and other fee payable	34,350 Beginning Increase Decrease Ending 1,432 36,755 (25,559) 12,628	1,176,781 Beginning Increase Decrease Ending 12,628 1,259,156 (1,268,789) 2,995	TLG paid sea freight to ECU. This transaction is a normal commercial transaction and charged at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and will enhance efficiencies in providing services of the Group.
Commission shares in referring customers o Commission fee o Commission fee payable	7,847,474 Beginning Increase Decrease Ending - 8,396,797 (4,903,745) 3,493,052	7,328,691 Beginning Increase Decrease Ending 3,493,052 7,841,699 (10,644,055) 690,696	TLG referred customers from overseas to use freight services with ECU and received shared profits from the income received at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between HLM and ECU Forwarding fees o Fees o Fees payable	42,456 Beginning Increase Decrease Ending - 47,914 (39,434) 8,480	380,448 Beginning Increase Decrease Ending 8,480 380,448 (384,889) 4,039	This transaction is an expense incurred in the case where HLM conducts international sea shipping by using a forwarder of ECU due to HLM does not have its own forwarder to do sea freight at a relevant port. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transportation and distribution services for hazardous and chemical goods o Service income o Service fee receivable	- Beginning Increase Decrease Ending - - - -	113,758 Beginning Increase Decrease Ending - 113,758 (113,758) -	HLM provides transportation and distribution services for ECU's hazardous and chemical goods. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<p>Transactions between HLM and CKT</p> <p>Bill of lading paid by CK Line for HLM's customers</p> <ul style="list-style-type: none"> o Service fee o Service fee payable 	<p>134,700</p> <p>Beginning -</p> <p>Increase 141,813</p> <p>Decrease (113,313)</p> <p>Ending 28,500</p>	<p>201,608</p> <p>Beginning 28,500</p> <p>Increase 201,608</p> <p>Decrease (228,808)</p> <p>Ending 1,300</p>	<p>HLM normally uses CKT's sea transport services to do international shipping within the Group. The service fee rate is charged and based on the market mechanism.</p>	<p>The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.</p>
<p>Transactions between HLM and HTM</p> <p>Accounting fees and administrative fees</p> <ul style="list-style-type: none"> o Service income o Service fee receivable 	<p>712,000</p> <p>Beginning 59,920</p> <p>Increase 761,840</p> <p>Decrease (821,760)</p> <p>Ending -</p>	<p>944,553</p> <p>Beginning -</p> <p>Increase 944,553</p> <p>Decrease (939,362)</p> <p>Ending 5,191</p>	<p>HLM provides accounting services and administrative works for HTM, an joint venture company of which shares are held by HLM, in order to reduce repetitive management and to control expenses. Therefore, HTM engaged HLM to manage and prepare accounts for HTM.</p>	<p>The Audit Committee considered this transaction and is of the view that the transaction is to support administrative assignments of HLM, an associated company, to reduce repetitive management and to control expenses. The service fee is reasonably charged.</p>
<p>Transportation and distribution services for hazardous and chemical goods</p> <ul style="list-style-type: none"> o Service fee o Service fee payable 	<p>27,743,596</p> <p>Beginning 2,034,562</p> <p>Increase 27,761,643</p> <p>Decrease (26,443,081)</p> <p>Ending 3,353,124</p>	<p>40,144,765</p> <p>Beginning 3,353,124</p> <p>Increase 40,144,765</p> <p>Decrease (40,445,429)</p> <p>Ending 3,052,460</p>	<p>HTM provides distribution services for the main customers of HLM, supporting four-wheel and six-wheel vehicles. The service fee rate is charged and based on the market mechanism.</p>	<p>The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.</p>

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between HLM and HLM-SG</u> Transportation and distribution services for hazardous and chemical goods <ul style="list-style-type: none"> o Service fee o Service fee payable 	Beginning 8,531,634 Increase 1,913,068 Decrease 8,531,634 Ending (9,258,149) 1,186,553	Beginning 3,542,449 Increase 1,186,553 Decrease 3,542,449 Ending (4,180,539) 548,463	HLM-SG engages in the business of transportation of hazardous and chemical goods in Singapore. If HLM has customers who wish to transport chemical and hazardous goods in Singapore, HLM will engage HLM-SG since it is a direct agent of HLM.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Integrated logistics services for chemical and hazardous goods <ul style="list-style-type: none"> o Service income o Service fee receivable 	Beginning 8,754,782 Increase 3,556,402 Decrease 8,754,782 Ending (10,824,078) 1,487,106	Beginning 6,647,130 Increase 1,487,106 Decrease 6,647,130 Ending (5,835,808) 2,298,428	This transaction is the service provided in the case where HLM-SG has customers who require integrated logistics services for chemical and hazardous goods in Thailand. HLM-SG will use HLM's services, a joint venture company of HLM-SG.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TAX and G3</u> Air freight service <ul style="list-style-type: none"> o Service income o Service fee receivable 	Beginning 932,151 Increase - Decrease 932,151 Ending (932,151) -	Beginning 2,423,380 Increase - Decrease 2,423,380 Ending (2,405,229) 18,151	G3 is a TAX's customer that uses air freight services. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TAX and ECU</u> Air freight service <ul style="list-style-type: none"> o Service income o Service fee receivable 	Beginning 7,163,366 Increase 147,095 Decrease 7,202,190 Ending (6,720,566) 628,719	Beginning 8,081,058 Increase 628,719 Decrease 8,081,058 Ending (8,337,010) 372,767	ECU is a TAX's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between TAX and ANI</u> Air freight service o Service income o Service fee receivable Lease and service o Rental and service income o Rental and service fee receivable	11,525 Beginning Increase Decrease Ending 1,588,788 Beginning Increase Decrease Ending	4,911 - 4,911 (4,911) - 1,650,243 1,941 1,650,243 (1,650,045) 2,139	ANI is a TAX's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism. TAX allows ANI to lease an office space and to use services at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate. The Audit Committee considered this transaction and is of the view that the transaction is reasonable due to the transaction is the lease for an office space of the company within the Group in order to provide convenience for the business. The rental rate is a rate normally charged and comparable to the market price.
Air freight service o Service income o Service fee receivable	13,439,553 Beginning Increase Decrease Ending	9,897,986 275,707 9,897,986 (10,098,730) 74,963	TAX is a ANI's customer that uses air freight services as a normal transaction of the Group. ANI engages in the business of an airlines freight forwarder for Jeju Air and LAN Chili. ANI is the sole operator that oversees the marketing and sales of cargo to airlines for departure flights from Thailand. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TAX and ECA-BKK</u> Air freight service o Service income o Service fee payable	17,524,166 Beginning Increase Decrease Ending	17,942,890 1,068,412 17,942,890 (17,785,772) 1,225,530	TAX is a ECA-BKK's customer that uses air freight services as a normal transaction of the Group. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between TIL and ECA-HK Air freight service o Service income o Service fee receivable	26,966,440 Beginning Increase 8,434,289 Decrease 26,966,440 Ending (29,322,547)	31,876,754 Beginning 6,078,182 Increase 31,876,754 Decrease (34,867,170) Ending 3,087,766	ECA-HK engages in a cargo agent business in Hong Kong as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for whole sale air freight less a difference of approximately 5 cents. TIL will add 2 percent of handling fees based on the market mechanism that normally adds handling fee of 2 - 3 percent.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TIL and ECA-GZ Air freight service o Service income o Service fee receivable	19,466,159 Beginning 5,812,132 Increase 19,466,159 Decrease (19,911,298) Ending 5,366,993	24,786,468 Beginning 5,366,993 Increase 24,786,468 Decrease (27,622,302) Ending 2,531,159	ECA-GZ engages in a cargo agent business in China as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for whole sale air freight less a difference of approximately 5 cents. TIL will add 2 percent of handling fees based on the market mechanism that normally adds handling fee of 2 - 3 percent.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between TIL and Freightwork-HK</u> Air freight service o Service income o Service fee receivable	71,463,642 Beginning 20,848,322 Increase 71,463,642 Decrease (70,055,652) Ending 22,256,312	67,823,342 Beginning 22,256,312 Increase 67,823,342 Decrease (82,659,735) Ending 7,419,919	Freightwork-HK engages in a cargo agent business in Hong Kong as an agent that assists on finding inbound products for the Group. Transport pricing is the price that the Company normally offers to wholesale customers which is the price for whole sale air freight less a difference of approximately 5 cents. TIL will add 2 percent of handling fees based on the market mechanism that normally adds handling fee of 2 - 3 percent.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TAC and ANI</u> Consulting fee o Consulting income o Service fee receivable	1,710,000 Beginning - Increase - Decrease - Ending -	1,710,000 Beginning - Increase 1,710,000 Decrease (1,557,525) Ending 152,475	Income received from providing consultation is charged at the rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction supports the business of joint venture companies to enhance operational efficiencies of companies within the Group. The service fee is a rate normally charged and comparable to the market price.
Air freight service o Service income o Service fee payable	224,483 Beginning 18,828 Increase 224,483 Decrease (243,311) Ending -	144,607 Beginning - Increase 144,607 Decrease (123,492) Ending 21,115	TAC uses ANI's air freight services in the case that TAC does not have a transport route. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TAC and ECA</u> Gasoline card income o Gasoline card income o Service fee receivable	56,191 Beginning 5,380 Increase 56,191 Decrease (61,571) Ending -	62,951 Beginning - Increase 62,951 Decrease (62,951) Ending -	This price is equivalent to the cost that TAC pays to its suppliers and is charged based on the actual expenses.	The Audit Committee considered this transaction and is of the view that the transaction is an advance payment, charged based on actual expenses, and considered a normal commercial transaction.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between TAC and CKT</u> Employee card o Employee card income o Employee card fee receivable	Beginning 1,000 Increase - Decrease 1,070 Ending (1,070)	Beginning 4,525 Increase - Decrease 4,842 Ending (4,842)	This price is equivalent to the cost that TAC pays to its suppliers which is the average cost per card.	The Audit Committee considered this transaction and is of the view that the transaction is an advance payment for employee cards for CKT's employees, charged based on actual expenses, and considered a normal commercial transaction.
<u>Transactions between TAC and ECU</u> Employee card o Employee card income o Employee card fee receivable	Beginning - Increase - Decrease - Ending -	Beginning 3,724 Increase - Decrease 3,724 Ending (3,724)	This price is equivalent to the cost that TAC pays to its suppliers which is the average cost per card.	The Audit Committee considered this transaction and is of the view that the transaction is an advance payment for employee cards for ECU's employees, charged based on actual expenses, and considered a normal commercial transaction.
<u>Transactions between TAC and HTM</u> Employee card o Employee card income o Employee card fee receivable	Beginning - Increase - Decrease - Ending -	Beginning 492 Increase - Decrease 492 Ending (492)	This price is equivalent to the cost that TAC pays to its suppliers which is the average cost per card.	The Audit Committee considered this transaction and is of the view that the transaction is an advance payment for employee cards for HTM's employees, charged based on actual expenses, and considered a normal commercial transaction.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Transactions between DGP and ECU Freight service <ul style="list-style-type: none"> Service income Service fee receivable 	Beginning 4,000 Increase - Decrease 4,280 Ending (4,280)	Beginning 10,000 Increase - Decrease 10,700 Ending (10,700)	DGP charges fees on dangerous goods permit from ECU. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the considered a normal commercial transaction charged at the market rate.
	Beginning - Increase - Decrease - Ending -	Beginning 51,900 Increase - Decrease 55,533 Ending (55,533)	DGP provides packaging services to ECU. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the considered a normal commercial transaction charged at the market rate.
	Beginning 9,900 Increase - Decrease 10,593 Ending (10,593)	Beginning 7,500 Increase - Decrease 8,025 Ending (8,025)	DGP provide transportation services to ECU. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the considered a normal commercial transaction charged at the market rate.
Transactions between TMA and CKT Imports and exports services of container by sea <ul style="list-style-type: none"> Service fee Service fee payable 	Beginning 2,167,421 Increase 46,425 Decrease 2,167,421 Ending (2,167,282)	Beginning 23,644 Increase 46,564 Decrease 23,644 Ending (70,208)	CKT provides imports and exports services of container by sea to TMA as a normal service. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the considered a normal commercial transaction charged at the market rate.
	Beginning 2,242,754 Increase - Decrease 2,242,754 Ending (2,242,754)	Beginning 2,700,339 Increase - Decrease 2,700,339 Ending (2,653,102)	TMA provides administrative work services for maritime business to CKT. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction supports the administrative work of the associated companies within TLG's Group. The service fee is charged at the reasonable rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
Trailer trucking services o Service income o Service fee receivable	Beginning - Increase - Decrease - Ending	208,000 - 208,000 (205,200) 2,800	TMA provides trailer trucking services to CKT. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TMA and ECU Trailer trucking services o Service income o Service fee receivable	Beginning - Increase - Decrease - Ending	139,315 - 139,315 (116,356) 22,959	TMA provides trailer trucking services to ECU. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TMA and G3 Trailer trucking services o Service income o Service fee receivable	Beginning - Increase - Decrease - Ending	786,700 - 786,700 (693,063) 93,637	TMA provides trailer trucking services according to service orders. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TSC and BIZ Warehouse storage service o Service income o Service fee receivable	Beginning 142,558 24,050 142,558 (142,081) 24,527	Beginning 174,783 24,527 187,018 (182,849) 28,696	This transaction is a warehouse storage service that TSC provides to BIZ. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Freight revenue o Service income o Service fee receivable	Beginning 177,759 - 177,759 (177,759) Ending	212,270 - 227,129 (227,129) Ending	This transaction is the freight service that TSC provides to BIZ to a specified location. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
Transactions between TSC and G3 Warehouse storage service o Service income o Service fee receivable	Beginning - Increase - Decrease - Ending	4,513 - 4,829 (4,829) -	This transaction is a warehouse storage service that TSC provides to G3. The service fee rate is charged and based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Transaction	Size of transaction		Nature of transaction	Audit Committee's opinion
	Fiscal year ending 31 December 2016	Fiscal year ending 31 December 2017		
<u>Transactions between TSC and Sammitr</u> Vehicle repair and maintenance fee o Repair and maintenance fee o Service fee payable	874 - - - - Beginning Increase Decrease Ending	5,075 - 5,431 (4,001) 1,430 Beginning Increase Decrease Ending	This transaction is a repair fee for a truck that TSC used Sammitr's services. The service fee is based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.
<u>Transactions between TMA and Siam Premier</u> o Legal service fee	-	103,618	This transaction is a legal service that Siam Premier provided to TMA at the service fee rate based on the market mechanism.	The Audit Committee considered this transaction and is of the view that the transaction is reasonable and considered a normal commercial transaction charged at the market rate.

Measures and approval process for related-party transactions

The Company shall comply with the law concerning securities and exchange, regulations, notifications, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Executives or a person who has a conflict of interest shall not be able to participate in the approval of a related-party transaction.

In the event that the law requires an approval from the Board of Directors or a shareholders' meeting prior to an entry into any related-party transaction, the Company will arrange the Audit Committee to attend the meeting to consider and comment on the necessity and the reasonableness of the transaction. The opinions of the Audit Committee will be presented to the Board of Directors or the shareholders' meeting, as the case may be, to ensure that the entry into the transaction is for the best interest of the Company. Transactions having general and non-general trading conditions shall be conducted under the following principles:

Transactions having general trading conditions

In respect of an entry into a transaction having general trading conditions among the Company and its subsidiaries and directors, executives or a related person, the Company shall make a request for approval in principle to the Board of Directors. The Board of Directors may approve the transaction if it is a commercial agreement that is generally done in a similar situation by parties having the same bargaining powers without having influence as a director, executive, or related person. The Company shall prepare a summary report on the related-party transaction to report in the Audit Committee's meeting and the Board of Directors' meeting every quarter.

Transactions having non-general trading conditions

An entry into a transaction having non-general trading conditions must be considered and reviewed by the Audit Committee prior to the consideration and approval by the Board of Directors and/or a shareholders' meeting in accordance with the laws concerning securities and exchange, regulations, notifications, orders, and requirements of the Capital Markets Supervisory Board and the Stock Exchange of Thailand, and regulations concerning disclosure of information related to related-party transactions.

In the event that the Audit Committee does not have expertise in considering the related-party transaction that may arise, the Company may appoint an independent expert or the Company's auditor to provide comments on the related-party transaction to be a reference for the consideration of the Audit Committee and/or the Board of Directors and/or shareholders, as the case may be, to ensure that the entry into the transaction is necessary, reasonable and for the interest of the Company. The Company shall disclose related-party transactions in its annual report and the notes in the financial statement audited by the Company's auditor.

Future policy or prospect of future transactions

Related-party transactions that are expected to occur in the future are: service fees charged by financial institutions to issue a letter of guarantee by using TLG's credit in its letter of guarantee; a transaction where a associated and joint venture leases office space and related services with the Company; customs clearance service transactions with CGS; transportation and distribution of hazardous and chemical goods and container transport services with R&K; logistics services and continuing services of the group of associated and joint venture companies. Related-party transactions that will not occur in the future are: transactions related to a shareholding restructure of the Group, transactions related to a purchase and sale of property, and inter-company loans between subsidiaries and associated companies. In the event that these transactions occur, they will be conducted in accordance with the measures and approval processes for related-party transactions and the related-party transaction policies of the Company.

If the Group has any potential related-party transaction, the Group must comply with the measures or procedures for approval of related-party transactions. The Board of Directors shall ensure to comply with the law concerning securities and exchange, regulations, notifications, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, and to comply with the disclosure requirements of related-party transactions of the Company or its subsidiaries pursuant to the accounting standards prescribed by the Federation of Accounting Professions of Thailand.

Section

4

FINANCIAL STATEMENT



Report of the Board of Directors regarding the responsibility to Financial Statements

The Board of Directors takes full responsibility for the accuracy of the financial statements of Triple i Logistics Public Company Limited and its subsidiaries. The financial statements have been prepared in accordance with the accounting standards and appropriate policies on a consistent basis. The Board of Directors has exercised prudent judgement and reasonable forecast for the preparation of the financial statements. Significant financial information has been sufficiently disclosed in the footnote to the financial statements.

The Board of Directors has adhered to good corporate governance, maintained risk management and internal control system to ensure that the financial information recorded are accurate, complete and sufficient to maintain the assets and to prevent any frauds or mistakes. An Audit Committee consisting of independent directors was appointed to supervise and review the reliability and accuracy of the financial statements, including monitoring efficiency of the internal control system and internal audit. The opinion of the Audit Committee on this matter appears in the report of the Audit Committee annexed to this Report.

The Board of Directors views that the internal control and internal audit of the Company can create confidence that the financial statements of the Company and its subsidiaries materially present accurate financial positions, performance and cash flows according to the financial reporting standards. The auditor has provided its report which has also been incorporated into this Annual Report.

Mr. Krirkkrai Jirapaet
Chairman of the Board of Directors

Mr. Tipp Dalal
Chairman of Management Committee
and Chief Executive Officer

Report of the Audit Committee

The Audit Committee of Triple i Logistics Public Company Limited consists of three independent directors as follows:

1. Mr. Woodtipong Moleechad
Independent Director and Chairman of the Audit Committee
2. Mr. Vipoota Trakulhoon*
Independent Director and Member of the Audit Committee
3. Mr. Apichart Chirabandhu
Independent Director and Member of the Audit Committee

* The member of the Audit Committee who has knowledge and experience in reviewing the reliability of the financial statement.

Each of director has qualification in accordance with the Charter of Audit Committee which is in line with the condition and guideline of the good corporate governance principle of the Stock Exchange of Thailand.

In year 2017, the Audit Committee held meetings with the internal auditor and the auditor and the management and accounting department were, as the Audit Committee deems appropriate, invited to attend the meeting, to review the financial statements and exchange opinion, suggestions and comments of relevant parties to ensure that the financial statements has been prepared in accordance with the accounting standards and the information have been disclosed sufficiently. The Audit Committee was of the view that there was not any non-compliance with any laws and regulations applicable to the Company. In year 2017, the Audit Committee had six meetings in total and the performance of the Audit Committee were reported to the Board of Directors for acknowledgement in every meeting of the Board of Directors of which the key matters can be summarised as follows:

1. Review of financial statements

The Audit Committee has reviewed the quarter financial statement and annual financial statement of the Company in conjunction with the auditor, management and internal control department to subsequently propose them to the Board of Directors.

2. Related party transaction

The Audit Committee has considered the related party transaction of the Company by considering of the principle of reasonableness and benefit of the Company's stakeholders including the sufficient disclosure of information in accordance with the regulation of the Stock Exchange of Thailand.

3. Internal control and risk management

The Audit Committee has reviewed the sufficiency of internal control system of the Company by considering the report of internal auditor and auditor to evaluate the sufficiency and efficiency of the internal control system and management of significant risks.

4. Compliance with laws and regulations

The Audit Committee has reviewed the compliance with laws and regulations including other laws relating to the Company's business strictly.

5. Review of good corporate governance

The Audit Committee has reviewed the management of Company to ensure that it has complied with the good corporate governance principle to have transparency and fairness and reliability to the stakeholders.

6. Supervision of internal control

The Audit Committee has considered the objectives and scope of works and has approved the internal audit plan for the year 2018 of the internal control department and provided the suggestions and comments as well as acknowledged the result and suggestion for the year 2017 of the auditor and internal auditor. In addition, the Audit Committee has reported the result of the meeting of Audit Committee to the Board of Directors in every meeting by giving the suggestions which are beneficial to the management of Company of which the Company has adopted the suggestions for improvement in appropriate manner to be in line with the good practice of the Audit Committee and regulations of the Stock Exchange of Thailand.

7. Selection of auditor and determination of remuneration

The consideration and nomination of auditor of the Company and remuneration of auditor include the quality of auditor, experience in auditing and appropriation to capacity. For the year 2018, the Audit Committee has resolved to propose to the Board of Directors for proposing to the shareholders' meeting for consideration and approval of the appointment of PricewaterhouseCoopers ABAS Limited to act as the auditor of the Company of which the names of auditors are as follows:

Mr. Vichien Khingmontri	Certified Public Accountant No. 3977 and/or
Ms. Sukhumaporn Wongariyaporn	Certified Public Accountant No. 4843 and/or
Ms. Varaporn Vorathitikul	Certified Public Accountant No. 4474.

The Audit Committee has viewed that in the year 2017, the Company had adequate financial reporting and operations, and adequate internal control systems and has complied with the laws concerning securities and exchange, securities regulations or other laws relating to the Company's business. The internal control and risk management were appropriate and productive. The Company has complied with laws, regulations and other conditions including it has adequately disclosed related party transaction and has performed in accordance with the good corporate governance principle in sufficient, transparent and reliable.



Mr. Woodtipong Moleechad
 Chairman of the Audit Committee

Financial Positions and Operating Performance

Key Financial Information

Statements of Financial Position

Items	Consolidated financial statements					
	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	103.1	12.1%	226.2	21.3%	746.5	48.0%
Short-term investments	3.2	0.4%	4.1	0.4%	4.1	0.3%
Trade and other receivables, net	419.0	49.4%	508.3	47.8%	406.2	26.1%
Short-term loans to related parties	11.7	1.4%	1.4	0.1%	2.3	0.1%
Short-term loan to third parties	-	0.0%	1.3	0.1%	-	0.0%
Inventories	1.5	0.2%	1.4	0.1%	1.6	0.1%
Other current assets	12.7	1.5%	19.4	1.8%	21.5	1.4%
Total current assets	551.2	64.9%	762.1	71.6%	1,182.2	76.0%
<u>Non-current assets</u>						
Restricted bank deposits	15.3	1.8%	0.1	0.0%	-	0.0%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investments in associates	12.3	1.5%	21.9	2.1%	21.9	1.4%
Investments in joint ventures	13.2	1.6%	16.4	1.5%	16.0	1.0%
Other long-term investments	0.0	0.0%	0.0	0.0%	0.0	0.0%
Long-term loans to related parties	4.8	0.6%	8.8	0.8%	-	0.0%
Property, plant and equipment, net	184.7	21.8%	195.0	18.3%	254.1	16.3%
Intangible assets, net	1.4	0.2%	4.5	0.4%	10.4	0.7%
Deferred tax assets	3.7	0.4%	4.8	0.5%	10.3	0.7%
Deposits for securing contracts	39.1	4.6%	33.9	3.2%	42.6	2.7%
Other non-current assets	23.1	2.7%	16.2	1.5%	18.1	1.2%
Total non-current assets	297.6	35.1%	301.7	28.4%	373.4	24.0%
Total assets	848.7	100.0%	1,063.8	100.0%	1,555.6	100.0%

Items	Consolidated financial statements					
	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
<u>Liabilities and equity</u>						
<u>Current liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	21.2	3.5%	45.5	6.3%	4.7	1.1%
Trade and other payables	484.8	80.9%	585.2	81.0%	332.5	75.5%
Current portion of long-term loans from financial institutions	9.9	1.6%	8.7	1.2%	6.6	1.5%
Current portion of finance lease liabilities	5.2	0.9%	6.8	0.9%	9.2	2.1%
Short-term loan from third parties	-	0.0%	-	0.0%	-	0.0%
Short-term loans from related parties	13.2	2.2%	-	0.0%	-	0.0%
Other current liabilities	13.2	2.2%	24.3	3.4%	35.1	8.0%
Total current liabilities	547.5	91.4%	670.5	92.8%	388.2	88.1%
<u>Non-current liabilities</u>						
Long-term loans from financial institutions	23.3	3.9%	8.2	1.1%	1.8	0.4%
Finance lease liabilities	8.4	1.4%	17.5	2.4%	21.2	4.8%
Long-term loans from related parties	-	0.0%	-	0.0%	-	0.0%
Employee benefit obligations	14.6	2.4%	19.8	2.7%	23.3	5.3%
Other non-current liabilities	5.4	0.9%	6.5	0.9%	6.1	1.4%
Total non-current liabilities	51.7	8.6%	52.1	7.2%	52.4	11.9%
Total liabilities	599.2	100.0%	722.5	100.0%	440.6	100.0%

Items	Consolidated financial statements					
	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
<u>Equity</u>						
Share capital						
Authorized share capital	215.0		215.0		307.5	
Issued and paid-up share capital	215.0	25.3%	215.0	20.2%	302.3	19.4%
Share premium, net	-	0.0%	-	0.0%	688.0	44.2%
Surplus from business combination under common control	30.7	3.6%	30.7	2.9%	30.7	2.0%
Surplus from share-based payments	18.2	2.1%	18.8	1.8%	19.2	1.2%
Discount from changes in shareholding of subsidiary	-	0.0%	(0.2)	(0.0%)	(0.2)	(0.0%)
Retained earnings (losses)						
Appropriated - Legal reserve	2.4	0.3%	2.4	0.2%	14.4	0.9%
Unappropriated	(14.5)	(1.7%)	75.0	7.0%	63.5	4.1%
Other components of equity	(0.0)	(0.0%)	(0.4)	(0.0%)	(2.9)	(0.2%)
Equity attributable to owners of the parent	251.8	29.7%	341.2	32.1%	1,115.0	71.7%
Non-controlling interests	(2.2)	(0.3%)	-	0.0%	-	0.0%
Total equity	249.6	29.4%	341.2	32.1%	1,115.0	71.7%
Total liabilities and equity	848.7	100.0%	1,063.8	100.0%	1,555.6	100.0%

Statements of Comprehensive Income

Items	Consolidated financial statements					
	2015		2016		2017	
	Baht million	%	Baht million	%	Baht million	%
Revenues						
Revenues from services	1,531.8	99.4%	2,051.3	98.8%	2,272.0	99.0%
Revenues from sales	9.9	0.6%	24.2	1.2%	22.6	1.0%
Costs of services	(1,229.9)	(79.8%)	(1,606.3)	(77.4%)	(1,755.2)	(76.5%)
Costs of sales	(7.8)	(0.5%)	(4.0)	(0.2%)	(7.9)	(0.3%)
Gross profit	304.0	19.7%	465.3	22.4%	531.4	23.2%
Other income	17.4	1.1%	24.7	1.2%	15.5	0.7%
Selling expenses	(106.9)	(6.9%)	(115.7)	(5.6%)	(110.9)	(4.8%)
Administrative expenses	(178.0)	(11.5%)	(260.4)	(12.5%)	(281.0)	(12.2%)
Other expenses	4.8	0.3%	(3.4)	(0.2%)	(10.2)	(0.4%)
Finance costs	(7.9)	(0.5%)	(4.9)	(0.2%)	(5.6)	(0.2%)
Share of profits (loss) from investments in associates and joint ventures	8.5	0.5%	14.2	0.7%	16.7	0.7%
Profit (loss) before income tax	41.9	2.7%	119.8	5.8%	155.9	6.8%
Income tax expense	(14.5)	(0.9%)	(25.3)	(1.2%)	(26.3)	(1.1%)
Profit (loss) for the period	27.4	1.8%	94.5	4.6%	129.6	5.6%
Other comprehensive income (loss):						
Items that will be reclassified subsequently to profit and loss						
Currency translation differences	0.6	0.0%	(0.5)	(0.0%)	(2.5)	(0.1%)
Items that will be reclassified subsequently to profit and loss	0.6	0.0%	(0.5)	(0.0%)	(2.5)	(0.1%)
Total comprehensive income for the period	28.0	1.8%	94.0	4.5%	127.1	5.5%
Profit (loss) attributable to:						
Owners of the parent	(2.0)	(0.1%)	89.4	4.3%	129.6	5.6%
Non-controlling interests	29.4	1.9%	5.1	0.2%	-	0.0%
	27.4	1.8%	94.5	4.6%	129.6	5.6%
Total comprehensive income (loss) attributable to:						
Owners of the parent	(2.0)	(0.1%)	89.0	4.3%	127.1	5.5%
Non-controlling interests	30.0	1.9%	5.0	0.2%	-	0.0%
	28.0	1.8%	94.0	4.5%	127.1	5.5%
Earnings (loss) per share attributable to owners of the parent:						
Basic earnings (loss) per share (Baht)	(4.991)		0.208		0.263	

Statements of Cash Flows

Items	Consolidated financial statements		
	2015	2016	2017
	Baht million	Baht million	Baht million
<u>Cash flows from operating activities</u>			
Profit before income tax	41.9	119.8	155.9
Adjustments of profit before income tax for cash flows from operating activities			
Depreciation and amortization	31.8	32.7	41.4
Doubtful debt expenses	3.3	6.3	0.5
Share of (profit) loss from investments in associates and joint ventures	(8.5)	(14.2)	(16.7)
Loss from dissolution of subsidiary and associate	-	-	1.0
Loss (gain) on sales of equipment	(1.2)	(8.9)	(0.2)
Gain on sales of investments	(0.1)	-	-
Loss from write-offs of assets	4.0	0.2	0.2
Employment benefit obligations	2.8	5.3	3.5
Dividend income	-	-	-
Interest income	(0.9)	(0.1)	(2.6)
Expenses relating to share-based payments	18.2	0.6	0.4
Amortization of deferred interest on finance leases	0.9	1.2	1.9
Finance costs	7.0	3.6	3.7
Profit from operating activities before adjustment of changes in operating assets and liabilities	99.3	146.7	188.9
<u>Changes in operating assets and liabilities</u>			
Trade and other receivables, net	(95.8)	(102.1)	129.8
Inventories	(0.5)	0.1	(0.2)
Other current assets	9.1	(4.8)	(4.4)
Other non-current assets	(39.2)	10.8	(6.1)
Operating liabilities increase(decrease)			
Trade and other payables	124.3	103.7	(283.3)
Other current liabilities	1.2	7.6	8.4
Other non-current liabilities	(3.1)	1.1	(0.1)
Cash generated from operating activities	95.2	163.1	33.1
Tax expenses	(13.4)	(22.4)	(30.2)
Net cash generated from (used in) operating activities	81.8	140.7	2.8

Items	Consolidated financial statements		
	2015	2016	2017
	Baht million	Baht million	Baht million
<u>Cash flows from investing activities</u>			
Interest income received	0.7	2.5	2.7
Proceeds from sales of equipment	2.0	15.3	2.0
Payments for purchases of equipment and intangible assets	(22.8)	(29.5)	(90.0)
Payment for investments in associates	-	-	-
Proceeds from dissolution of associates	-	0.5	1.6
Payments for investments in subsidiaries	-	(0.2)	-
Payment for investments in associates and joint ventures	(8.7)	(0.5)	(1.5)
Proceeds from disposal of investment in associates prior to merger	1.1	-	-
Payments for investments in subsidiaries under common control	(106.5)	-	-
Payment for short-term loans to related parties	(7.9)	(11.5)	(3.8)
Proceeds from short-term loans to related parties	23.1	21.8	2.9
Payment for short-term loans to third parties	-	(1.3)	-
Proceeds from short-term loans to third parties	-	-	1.3
Payment for long-term loans to related parties	(4.8)	(8.8)	-
Proceeds from long-term loans to related parties	-	4.8	8.8
Payment for restricted deposits	(7.7)	15.2	-
Net received (payments) for short-term investments	1.0	(0.9)	0.0
Dividends received in cash from associates and joint ventures	1.7	1.4	16.1
Dividends received in cash from subsidiary's associate prior to merger	2.8	-	-
Net (used in) cash receipts from investing activities	(125.9)	8.9	(59.8)

Items	Consolidated financial statements		
	2015	2016	2017
	Baht million	Baht million	Baht million
<u>Cash flows from financing activities</u>			
Interest paid	(21.0)	(5.6)	(6.3)
(Decrease) increase in bank overdrafts and short-term loans from financial institutions	2.2	24.3	(40.8)
Finance lease liabilities	(4.1)	(11.9)	(9.3)
Repayment of short-term loans from related parties	(28.8)	(18.1)	(60.0)
Proceeds from short-term loans from related parties	21.3	4.9	60.0
Proceeds from long-term loans from related parties	26.6	-	-
Repayments of long-term loans from related parties	(57.7)	-	-
Repayment of short-term loans from third parties	(83.9)	-	-
Proceeds from long-term loans from from financial institutions	15.0	-	-
Repayments of long-term loans from financial institutions	(6.6)	(16.2)	(8.5)
Proceeds from increase in share capital, net	210.0	-	775.2
Proceeds from increase in share capital by non-controlling interest	-	-	-
Dividends paid by subsidiaries to non-controlling interest	(61.9)	-	-
Proceeds from increase in share capital of subsidiaries by non-controlling interest	45.8	-	-
Proceeds from merger of subsidiaries under common control from non-controlling interest	0.5	-	-
Payment for dissolution of subsidiaries to non-controlling interest	-	(2.7)	-
Dividends received in cash	-	-	(129.1)
Net cash receipts from (used in) financing activities	57.4	(25.4)	581.4
Net increase (decrease) in cash and cash equivalents	13.3	124.2	524.5
Cash and cash equivalents at the beginning of the year	89.7	103.1	226.2
Currency translation differences	-	(1.1)	(4.2)
Cash and cash equivalents at the ending of the year	103.1	226.2	746.5

Key Financial Ratios

Key Financial Ratios	Unit	Consolidated financial statements		
		2015	2016	2017
<u>Liquidity Ratio</u>				
Current ratio	(times)	1.01	1.14	3.05
Quick ratio	(times)	0.96	1.10	2.98
Cash flow liquidity ratio	(times)	0.18	0.27	0.06
Account receivable turnover	(times)	5.99	5.96	6.32
Average collection period	(days)	60.06	60.45	56.93
Inventory turnover ^{1/}	(times)	6.37	2.73	5.19
Average inventory turnover ^{1/}	(days)	56.55	131.82	69.36
Account payable turnover	(times)	2.89	3.01	3.84
Payment period	(days)	124.71	119.60	93.69
Cash Cycle	(days)	(8.11)	72.67	32.60
<u>Profitability Ratio</u>				
Gross profit margin	%	19.72%	22.42%	23.16%
Operating profit margin	%	1.56%	4.14%	5.63%
EBITDA margin	%	5.23%	7.50%	8.78%
Other profit margin	%	1.11%	1.18%	0.67%
Cash to profit margin	%	397.07%	189.99%	25.59%
Net profit margin	%	1.76%	4.50%	5.61%
Return on equity	%	15.00%	31.99%	17.80%
<u>Efficiency Ratio</u>				
Return on assets	%	3.52%	9.88%	9.90%
Return on fixed assets	%	31.30%	67.02%	76.18%
Assets turnover	(times)	2.00	2.20	1.76
<u>Financial Policy Ratio</u>				
Debt to equity ratio	(times)	2.40	2.12	0.40
Interest coverage ratio	(times)	14.88	39.73	11.67
Debt service coverage ratio (Cash Basis)	(times)	0.24	1.97	0.10
Dividend payout ratio	%	n/a	n/a	100%

Remark : 1/ Inventories is not a significant item to the Company's business as it focuses on provision of services.

Management Discussion and Analysis



Overview of the Operating Performance of the Company

Unit : Baht million	2016	2017	% change + / (-)
Revenues from services and sales	2,075.6	2,294.6	10.6%
Gross profit	465.3	531.4	14.2%
Gross profit margin (%)	22.4%	23.2%	0.7%
Net profit attributable to owners of the parent ^{1/}	94.5	129.6	37.2%
Net profit margin (%) ^{2/}	4.5%	5.6%	1.1%

Remark 1/ Inclusive of expenses relating to initial public offering (IPO) in the year 2017 in the amount of Baht 8.1 million

2/ Net profit margin = Net profit attributable to owners of the parent / Total revenues

Business Group	Revenues (Baht million)		% change + / (-)	% of Total revenue s	Gross profit		% change + / (-)
	2016	2017			2016	2017	
1. Air freight business	1,753.3	1,863.9	6.3%	71.4%	241.5	320.7	32.8%
2. Sea freight business	83.3	87.0	4.4%	3.3%	33.3	38.5	15.7%
3. Logistics management business	121.1	105.4	(12.9%)	4.0%	64.8	37.1	(42.7%)
4. Chemical and dangerous goods logistics service business	453.0	539.7	19.1%	20.7%	134.4	142.1	5.7%
5. Other businesses	15.3	14.8	(3.4%)	0.6%	5.4	4.9	(9.7%)
Total	2,426.0	2,610.8	7.6%	100.0%	479.4	543.3	13.3%
Related party transactions	350.4	316.2			14.1	11.9	
Net of related party transactions	2,075.6	2,294.6	10.6%		465.3	531.4	14.2%

Total revenues from sales and services in the year 2017 increases by 10.6% or Baht 219.0 million increase from that of the year 2016 due to growth in revenues from sales and services in air freight business. The growth in international air freight forwarding market has caused sales volume of the

Company's air freight forwarding service to increase. In addition, revenues from chemical and dangerous goods logistics services had increased due to increase in warehouse rental services.

Total revenues from sales and services of the Company in the year 2016 and 2017 is Baht 2,075.6 million and Baht 2,294.6 million respectively. Among the Company's four main businesses, revenues from air freight business accounts for highest percentage of the total revenues from sales and services (before deduction of related party transactions) or equivalent to 72.3% and 71.4% of the total revenues in 2016 and 2017 respectively. Revenues from chemical and dangerous goods logistics services accounts for 18.7% and 20.7% of the total revenues in 2016 and 2017 respectively, the second highest percentage of the total revenues after air freight business. Revenues from logistics management business accounts for the third highest percentage or 5.0% and 4.0% of the total revenues in 2016 and 2017 respectively. In addition, revenues from sea freight and inland transport business accounts for 3.4% and 3.3% of the total revenues in 2016 and 2017 respectively. Revenues from other businesses, which include product transportation and docking service, warehouse rental service, and other services relating to property lease, accounts for 0.6% and 0.6% of the total revenues in 2016 and 2017 respectively.

Gross profit margin of the group company in the year 2016 increases by 53.0% or Baht 161.2 million increase from that of the year 2015. Gross profit of the group company in the year 2017 increases by 14.2% or Baht 66.2 million from that of the year 2016 in line with increase in the total revenues from sales and services by 10.6%. The increase in gross profit is greater than the increase in the total revenues compared to those of the previous year as a result of increase in the total revenues and efficient cost management. The gross profit margin increases from 22.4% in the year 2016 to 23.2% in the year 2017. The operating performance of each business unit can be summarized below.

Operating Performance by Business Unit

Gross profit and gross profit margin by business group as categorized under the consolidated financial statements:

	2015		2016		2017	
	Baht million	Gross profit margin (%)	Baht million	Gross profit margin (%)	Baht million	Gross profit margin (%)
1. Air freight business	183.1	14.3	241.5	13.8	320.7	17.2
2. Sea freight and inland transport business	27.5	28.3	33.3	40.0	38.5	44.3
3. Logistics management business	36.0	44.7	64.8	53.5	37.1	35.2
4. Chemical and dangerous goods logistics service business	67.6	18.2	134.4	29.7	142.1	26.3
5. Revenues from other businesses	7.5	44.2	5.4	35.4	4.9	33.1
<u>Deduct</u> related party transactions	(17.5)		(14.1)		(11.9)	

	2015		2016		2017	
	Baht million	Gross profit margin (%)	Baht million	Gross profit margin (%)	Baht million	Gross profit margin (%)
Total	304.0	19.5	465.3	22.2	531.4	23.0

1) Air freight business

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

	Unit	Service Volume		
		2015	2016	2017
1. Wholesale air freight forwarder	tons	22,846	30,081	26,884
2. General sales agent for airlines (GSA)	tons	31,077	34,192	57,774
3. Air cargo terminal at Don Muang Airport	square meters	5,000.0	5,000.0	5,000.0 ¹

Remark 1/ Exclusive of international warehouse area which will be opened for service in the year 2018.

The freight price per kilogram of the wholesale air freight business depends on the world's air freight price. In 2017, the volumes of wholesale air freight business decreases to 26,884 tons or 10.6% decrease, compared to the previous year of 30,081 tons. This is due to decrease in local air freight volume as one of the Company's main customers cannot comply with air freight standards from Quarter 3/2017 onwards. Such circumstance has caused a decrease in local air freight volume to 9,688 tons in the year 2017, compared to local air freight volume of 13,464 tons in the year 2016.

The GSA airlines business has expanded during the past 3 years. The freight volumes has increased from 31,077 tons in 2015 to 34,192 tons and 57,774 tons in the year 2016 and 2017 respectively, or a growth rate of 10.0% and 69.0% in the year 2016 and 2017 respectively. This was due to growth in the number of flights by airlines of which the Company acts as general sales agent, particularly Thai AirAsia and Thai AirAsia X. The expansion of e-commerce is also a factor that stimulates growth in freight volume.

In respect of Air cargo terminal and ground handling service business at Donmuang Airport, the Company was authorized by Airports of Thailand Public Company Limited ("AOT") to operate center for postal services and express cargo service (mail center). The Company started operating this business in August 2015 with the warehouse area of 5,000 square meters. In addition, the Company has been appointed as international warehouse operator at Donmuang Airport since the fourth quarter of 2017 for a concession period of 5 years. The Company improved the area and leased additional area of 5,427 square meters for providing international cargo service and has started operating the business since 1 January 2017. It is expected that the business will generate additional revenues to the Company.

Summary on revenues from air freight business

The revenues from air freight business consists of 3 types of revenues:

- 1) revenues from wholesale air freight forwarder business
- 2) revenues from acting as GSA airlines

3) revenues from Air cargo terminal services at the airport

In the year 2017, the Company's total revenues is Baht 1,863.9 million, an increase from the previous year of Baht 110.6 million or 6.3% growth. This was due to growth in the international air freight forwarding market, which caused an increase in the volumes of air freight and airport warehouse rental.

Gross profit of air freight business

Gross profit of air freight business in the year 2017 is Baht 320.7 million, an increase by Baht 79.2 million or 32.8% increase. The gross profit margin in the year 2017 is 17.2%, which is higher than that of the year 2016 of 13.8%, in line with growth in the revenues. The higher profit margin is also due to efficient cost management.

2) Sea freight and inland transport business

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

	Unit	Service Volume		
		2015	2016	2017
1. Shipping lines agency service	TEU ¹	1,411	2,079	5,402
2. Tank container logistics service	TEU ¹	1,998	1,520	1,979
3. Management service for shipping lines	TEU ¹	22,890	37,984	54,549
4. Inland container transport	trips	-	3	1,375

Remark¹ TEU stands for twenty-foot equivalent unit, a standard unit for measuring a ship's cargo carrying capacity.

The volume of shipping lines agency service is 2,079 TEU in the year 2016, which increases to 5,402 TEU in the year 2017. The growth in volume was due to the appointment of the Company as agent of Rizhao Shipping Lines of which service started in Quarter 4/2017.

The volume of tank container logistics service, both sea freight and inland transport, is 1,979 TEU in the year 2017, an increase from 1,520 TEU in the year 2016. This was due to the volume of service demanded from the main customers was back to a normal level after a drop of volume during the year 2016.

The volume of management service for shipping lines continues to increase during the year 2015 to 2017. In 2017, the service volume is 54,549 TEU, a growth of 43.6% from that of the year 2016. The growth in volume was due to introduction of new service routes by CKL Shipping Line. The shipping line also allocated additional area for Thailand and increased its number of ships, which resulted in higher volume of service.

The Company started operating inland container transport business since the first quarter of 2017. In 2017, there was 1,375 trips of inland container transport.

Summary on revenues from sea freight and inland transport business

The revenues from sea freight and inland transport business slightly increased from Baht 83.3 million in the year 2016 to Baht 87.0 million in the year 2017, in line with service volume of each business, particularly for inland container transport, which started the operation in the year 2017.

Gross profit of sea freight and inland transport business

Gross profit of sea freight and inland transport business in the year 2016 and 2017 is Baht 33.3 million and Baht 38.5 million or equivalent to gross profit margin of 40.0% and 44.3% respectively. The gross margin is considered high as a result of management of shipping lines by the Company's joint venture. Most of the costs of business are fixed, but there was higher volume of services provided. Therefore, the gross profit and the gross margin are at good level.

Although the total revenues from sea freight and inland transport business has decreased, the Company continues to operate its sea freight business through its joint venture, namely CKT and ECU, which continue to generate growth in sales and profits. Part of the revenues was recorded as share of profit (loss) from investments in associates and joint ventures.

3) Logistics management business

Summary on volume of logistics management business

	Unit	Service Volume		
		2015	2016	2017
1. Sea freight management	TEU	3,328	1,733	744
2. Air freight management	tons	522	628	505
3. Custom clearance and transportation	transactions	1,280	1,405	591
4. Supply chain management	items	88,000	225,000	86,995
5. Warehouse and inventory management	square meters/month/period	32,556	14,398	52,162

The sales volume of sea freight forwarding has decreased to 744 TEU in the year 2017 because the sales team of the logistics management business focuses more on offering air freight management service. And during the past 3 years, the sales team focuses less on sea freight management service. Therefore, the volume of sea freight management service has decreased.

The volume of air freight management service, custom clearance and transportation, and supply chain management has decreased in the year 2017 since the volume required from one of the major customers of the Company decreased.

The volume of warehouse and inventory management service has increased from 14,398 square meters in the year 2016 to 52,162 square meters in the year 2017 due to expansion of business by major customer and new customers.

Summary on revenues from logistics management business

The revenues from logistics management business decreased to Baht 105.4 million in the year 2017 from Baht 121.1 million in the year 2016. This was due to lower service volume in the logistics management business as one of the major customers of the Company reduced the use of the Company's services because of a decrease in the customer's sales volume. The revenues from warehouse and inventory management service slightly increased because of the normal of services and additional number of customers.

Gross profit of logistics management business

Gross profit of logistics management business in the year 2016 and the year 2017 is Baht 64.8 million and Baht 37.1 million respectively or equivalent to gross profit margin of 53.5% and 35.2% respectively. The gross profit margin of the logistics management business decreased significantly due to reduced volume of services. In addition, there was a reduction in sales by one of the Company's major customers. As a result, the Company's revenues from transportation and warehouse and inventory management services was affected. The Company also incurred additional costs from leasing additional area to accommodate for additional number of customers. As a result, gross profit of the logistics management business decreased in the year 2017.

4) Chemical and dangerous goods logistics service business

Summary on volume of chemical and dangerous goods logistics service business

	Unit	Service Volume		
		2015	2016	2017
1. Sea freight management	TEU	4,489	4,638	5,869
2. Air freight management	kilograms	110,241	123,186	167,307
3. Tank container logistics service	TEU	3,815	4,422	4,491
4. Warehouse and inventory management	Pallet ¹	11,746	14,894	21,434
5. Packaging service	transactions	2,516	2,859	4,184
6. Sale of packaging	items	17,059	22,274	19,057

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

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

The volume of sea freight management service for chemical and dangerous goods continued to increase from 4,638 TEU in the year 2016 to 5,869 TEU in the year 2017.

The volume of air freight management service for chemical and dangerous goods continued to increase from 110,241 kilograms in the year 2015 to 167,307 kilograms in the year 2017. This was due to increase in transportation of sample chemical products in oil and petrochemical, including luxury goods such as perfume. This type of products is usually transported in low quantity, not high quantity. The transportation of the products must be fast and meets the required standards. Therefore, the volume of transportation of chemical and dangerous goods by air continues to increase.

Similarly, the volume of tank container transportation for liquid chemical continues to increase during the past 3 years. The volume of tank container transportation has expanded from 4,422 TEU in the year 2016 to 4,491 TEU in the year 2017, or at a growth rate of 1.6% as the number of ISO Tank of the principal, namely Nippon Concept (Nichicon) from Japan, imported to Thailand continues to increase.

Warehouse and inventory management for chemical and dangerous goods business also continued to increase. In the year 2017, the volume of warehouse and inventory management for chemical and dangerous goods is 21,434 Pallet, or an increase of 43.9% compared to that of the previous year. This was due to the Company's customers, who are multinational corporations, expand their business. As

a result, there is a higher demand for warehouse rental service. In addition, the Company's warehouse was specially designed to store and manage chemical and dangerous goods. The warehouse design meets the standards for storage and management of chemical and dangerous goods as determined by the customers' head offices. Hence, there was an increase in storage of chemical and dangerous goods at the Company's warehouse. In addition, there were local customers who realize the importance of storage and management of chemical and dangerous goods, which meets international standards, and decided to use the Company's services. At present, the Company has expanded its dangerous goods warehouse area to over 6,600 square meters.

Packaging service for chemical and dangerous goods continues to grow from 2,516 transactions in the year 2015 to 4,184 transactions in the year 2017 due to growth in chemical and dangerous goods logistics service.

The sales of chemical and dangerous goods packaging by the Company slightly decreased from 22,274 items in the year 2016 to 19,057 items in the year 2017. This was due to no project-based work in the year 2017.

Summary on revenues from chemical and dangerous goods logistics service business

The revenues from chemical and dangerous goods logistics service in the year 2016 was Baht 453.0 million. In the year 2017, the revenues from chemical and dangerous goods logistics service increased from that of the year 2016 to Baht 539.7 million or a 19.1% year-on-year increase. The growth was consistent with the increase in volume of services provided by the Company, particularly the increase in warehouse and inventory management services. The Company has expanded its warehouse area to accommodate such growth.

Gross profit of chemical and dangerous goods logistics service business

Gross profit of chemical and dangerous goods logistics service business was Baht 134.4 million and Baht 142.1 million in the year 2016 and 2017 respectively, or equivalent to gross profit margin of 29.7% and 26.3% respectively.

The gross profit margin in the year 2016 increased compared to that of the previous year as a result of management of costs and expenses and higher margin from providing the services. For instance, margin of chemical transportation by air is higher than general air freight. This is because, unlike transportation of general products such as postal service, storage and transportation of chemical must follow certain procedures.

In addition, sales team of the chemical and dangerous goods logistics service has completed trainings and is knowledgeable about transportation of chemical and dangerous goods. The sales team is, therefore, capable of selling services and products relating to chemical and dangerous goods logistics service, which generates higher margin. The sales team is also capable of procuring project-based works which generate higher margin than other general works.

5) Revenues from other management services

Summary on revenues from other management services

	Amount (Baht million)		
	2015	2016	2017
1. Rental income and service income relating to rental of property	16.5	15.3	14.8
2. Other income	0.3	-	-

Total	16.9	15.3	14.8
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Rental income and service income is generated from leasing of TLG's building at Triple i Building, 628 Soi Klab Chom, Nonsee Road, to the Company's associates, joint ventures, and third-parties as office. The area of the building of 1,130 square meters is leased out by TLG. In 2014 and 2015, the entity which leased out the property was TLB and the major asset of TLB was the group company's office building. Subsequently, TLB, a 100% subsidiary of TLG, transferred its entire business to TLG at the end of the year 2016.

Gross profit of other management services

Based on the audited consolidated financial statements, gross profit generated from other management services was Baht 5.4 million and Baht 4.9 million in the year 2016 and 2017 respectively, or equivalent to gross profit margin of 35.4% and 33.1% respectively.

6) Other income

The Company's other income in the year 2016 and 2017 was Baht 24.7 million and Baht 15.5 million respectively. Example of other income includes interest income and other income. In the year 2016, other income was mainly a result of sale of equipment in the amount of Baht 8.9 million.

Selling and administrative expenses

Selling and administrative expenses of the group company in the year 2015, 2016, and 2017 was Baht 284.9 million, Baht 376.1 million, and Baht 392.0 million respectively. The selling and administrative expenses in the year 2017 has increased 4.2% year-on-year. The selling and administrative expenses accounts for 18.1% and 17.1% of the revenues from sales and services in the year 2016 and 2017 respectively. The percentage to revenues decreased due to efficiency cost management than the growth in revenues.

Gain (loss) on exchange rates

In the year 2016 and 2017, the Company's loss on exchange rates was Baht 3.4 million and Baht 10.2 million respectively. This was due to receipt of part of the Company's service income in foreign currencies, particularly in US Dollars. Due to the strengthening of Thai Baht, the Company incurred loss on exchange rates. In addition, the loss of Baht 10.2 million was mainly due to payment of long overdue trade payables in foreign country.

However, the Company has implemented a measure to prevent exchange rate risk. Therefore, there should be low impact on the Company from fluctuation in exchange rates.

Gain (loss) on investments in associates and joint ventures

In the year 2016 and 2017, the Company's gains on investments in associates and joint ventures was Baht 14.2 million and Baht 16.7 million respectively. Operating results of the Company's associates and joint ventures continue to grow, particularly ECU and CKT.

Finance costs

In the year 2016 and 2017, the Company's finance costs was Baht 4.9 million and Baht 5.6 million respectively. The finance costs was consistent to the outstanding amount of the Company's loans in the year 2016 and 2017. Nevertheless, following the initial public offering (IPO), the Company applied the IPO proceeds for partial repayment of loans from financial institutions in order to reduce the Company's finance costs. The remaining finance costs are partially related to finance lease only.

Income tax expense

The Company's income tax expense for the year 2016 and 2017 was Baht 25.3 million and Baht 26.3 million respectively. The increase in income tax expense was due to an increase in the Company's profit before income tax.

Net profit

Net profit of the Company for the year 2016 and 2017 was equivalent to Baht 94.5 million and Baht 129.6 million respectively, or accounting for 4.6% and 5.6% net profit margin respectively. The net profit continues to grow due to expansion of revenue and services provided by the group company, particularly growth in air freight business and chemical and dangerous goods logistics service business.

Analysis on Financial Positions

Assets

	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
Current assets	551.2	64.9	762.1	71.6	1,182.2	76.0
Non-current assets	297.6	35.1	301.7	28.4	373.4	24.0
Total assets	848.7	100.0	1,063.8	100.0	1,555.7	100.0

As of 31 December 2015, 31 December 2016, and 31 December 2017, the Company's total assets was Baht 848.7 million, Baht 1,063.8 million, and Baht 1,555.6 million respectively. The total assets as of 31 December 2016 and 31 December 2017 increased by Baht 215.0 million and Baht 491.8 million compared to those of the previous year respectively, or 25.3% and 46.2% year-on-year increase respectively.

During the year 2017, the significant change in the Company's total assets includes the increase in cash and cash equivalent in the amount of Baht 520.2 million. The increase was due to the initial public offering of the newly issued shares of the Company, and a decrease in net trade and other receivables in the amount of Baht 102.0 million as the Company collected more receivables, and an increase in property, plant and equipment in the amount of Baht 59.1 million as the Company invested in fixed assets such as car, machinery and equipment.

Trade and other receivables

Trade and other receivables consists of trade receivables from logistics business, prepaid expenses, accrued income, other receivables and related party trade receivables. As of 31 December 2015, 31 December 2016, and 31 December 2017, the Company's net trade and other receivables was Baht 419.0 million, Baht 508.3 million and Baht 406.2 million respectively. The net trade and other receivables as of 31 December 2016 and 31 December 2017 increased by Baht 89.3 million and decreased by Baht 102.0 million respectively compared to those of the previous year or an increase

of 21.3% year-on-year and a decrease of 20.1% year-on-year respectively compared to those of the previous year.

Majority of trade receivables – third parties are outstanding for less than 3-month period. This is consistent with the average collection period of the group company. As of 31 December 2015, 31 December 2016, and 31 December 2017, the average collection period was equivalent to 60.1 days, 60.4 days, and 56.9 days respectively, which is considered a normal collection period.

The Company has set-up Allowance for Doubtful Accounts Policy by analyzing the period of outstanding receivables and record allowance for doubtful account at 100% of the outstanding receivables, which is adjusted by the collectible amounts. The allowance for doubtful account will be recorded for overdue receivables of over 180 days, which are considered of high risk. The finance officer will report overdue receivables to accounting manager and sales officer for consideration and will prepare summary on overdue receivables for the management team to approve the record of the allowance for doubtful account. As most of the group company's customers have good financial positions, the group company reviews financial positions of its customers on a regular basis. Therefore, the record of allowance for doubtful account is considered low or at the rate of 1.4%, 2.9%, and 2.5% of trade receivables – other parties as of the end of 2015, 2016, and 2017 respectively.

During the year 2017, trade and other receivables of the Company has decreased, particularly trade receivables – other parties and trade receivables – related parties in the amount of Baht 52.1 million and Baht 32.1 million respectively.

Property, plant and equipment – net

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's property, plant and equipment – net was Baht 184.7 million, Baht 195.0 million, and Baht 254.1 million respectively. The property, plant and equipment – net as of 31 December 2016 and 31 December 2017 increased by Baht 10.3 million and Baht 59.1 million respectively compared to those of the previous year or 5.6% and 30.3% increase year-on-year.

During the year 2017, the Company purchased additional land, building and equipment. Majority of the investments were in car and equipment in the amount of Baht 46.1 million, construction in progress in the amount of Baht 21.0 million, and machinery and equipment in the amount of Baht 16.1 million.

Investments in associates and joint ventures

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's investments in associates and joint ventures was Baht 25.6 million, Baht 38.3 million, and Baht 37.9 million respectively. There was no significant change to the investments in associates and joint ventures during the year 2017. The changes were due to dividend payment and operating performance of the Company's associates and joint ventures.

Liabilities

	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
Current liabilities	547.5	91.4	670.5	92.8	388.2	88.1
Non-current liabilities	51.7	8.6	52.1	7.2	52.4	11.9
Total liabilities	599.2	100.0	722.5	100.0	440.6	100.0

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's total liabilities was Baht 599.2 million, Baht 722.5 million, and Baht 440.6 million respectively. The total liabilities as of 31 December 2016 and 31 December 2017 increased by Baht 123.4 million and decreased by Baht 281.9 million compared to those of the previous year respectively, or a 20.6% increase year-on-year and a 39.0% decrease year-on-year.

During the year 2017, the significant changes to the Company's total liabilities include the decrease in trade and other payables in the amount of Baht 252.6 million from payment of trade payables and the decrease in loans from financial institutions in the amount of Baht 49.2 million from repayment of loans during the year 2017.

Trade and other payables

	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
Trade payables	404.0	83.3	487.4	83.3	223.3	67.2
Trade payables – related parties	8.0	1.7	6.1	1.0	4.4	1.3
Accrued expenses	72.7	15.0	91.7	15.7	104.8	31.5
Trade and other payables – net	484.8	100.0	585.2	100.0	332.5	100.0

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's trade and other payables was Baht 484.8 million, Baht 585.2 million, and Baht 332.5 million respectively. The trade and other payables as of 31 December 2016 and 31 December 2017 increased by Baht 100.4 million and decreased by Baht 252.6 million compared to those of the previous year respectively or a 20.7% increase year-on-year and a 43.2% decrease year-on-year.

The average payment period of the Company as of 31 December 2015, 31 December 2016 and 31 December 2017 was 124.7 days, 119.6 days, and 93.7 days respectively.

During the year 2017, trade and other payables significantly decreased due to payment by the Company of long overdue trade payables. Such transaction resulted in great loss on exchange rates during the year and trade payables – related parties in the amount of Baht 264.1 million and Baht 1.7 million respectively.

Loans from financial institutions

	31 December 2015		31 December 2016		31 December 2017	
	Baht million	%	Baht million	%	Baht million	%
Bank overdrafts and short-term loans from financial institutions	21.2	39.0	45.5	72.9	4.7	35.9
Long-term loans from financial institutions						
- Current portion of long-term loans from a financial institution	9.9	18.1	8.7	14.0	6.6	50.2
- Non-current portion of long-term loans from a financial institution	23.3	42.9	8.2	13.1	1.8	13.9
Loans from financial institutions – net	54.3	100.0	62.4	100.0	13.2	100.0

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's loans from financial institutions was Baht 54.3 million, Baht 62.4 million, and Baht 13.2 million respectively. The loans from financial institutions as of 31 December 2016 and 31 December 2017 increased by Baht 8.1 million and decreased by Baht 49.2 million compared to those of the previous year respectively, or a 14.8% increase year-on-year and a 78.9% decrease year-on-year.

In respect of long-term loans from financial institutions, the Company was granted the facility amount of Baht 31.0 million. The due dates of the long-term loans range between 36 months to 60 months. The interest rates of long-term and short-term loans from financial institutions are referenced to MLR. The due date of the short-term loans is 90 days. The interest rate of the Company's bank overdrafts is also referenced to MLR.

During the year 2017, the Company's loans from financial institutions significantly decreased due to repayment of bank overdrafts in the amount of Baht 10.8 million, repayment of short-term loans in the amount of Baht 30.0 million, and repayment of long-term loans in the amount of Baht 8.5 million.

Equity

As of 31 December 2015, 31 December 2016 and 31 December 2017, the Company's shareholders' equity was Baht 249.6 million, Baht 341.2 million, and Baht 1,115.0 million respectively. The shareholders' equity as of 31 December 2016 and 31 December 2017 increased by Baht 91.7 million and Baht 773.8 million compared to those of the previous year respectively, or a 36.7% increase year-on-year and 226.7% increase year-on-year respectively.

During the year 2017, the Company's shareholders' equity significantly changed due to the initial public offering of the Company's ordinary shares on the Stock Exchange of Thailand and the record of share premium in the amount of Baht 688.0 million. The Company received payment from for issuing 164.5 ordinary shares at the subscription price of Baht 4.80 per share, or totaling Baht 82.3 million at the par value. Therefore, share premium was Baht 707.4 million, but net share premium of Baht 688.0 million was recorded after deduction of expenses directly relating to the initial public offering in the amount of Baht 19.4 million. In addition, the Company registered increase in its paid-up capital in the amount of Baht 87.3 million, from the paid-up capital of Baht 215.0 million to Baht 302.3 million for the purpose of such initial public offering during the year 2017.

Liquidity Analysis

Set out below is information on the Company's cash flows:

	Consolidated financial statements		
	2015	2016	2017
Net cash generated from (used in) operating activities	81.8	140.7	2.8
Net cash receipts from (used in) investing activities	(125.9)	8.9	(59.8)
Net cash receipts from (used in) financing activities	57.4	(25.4)	581.4
Net increase (decrease) in cash and cash equivalents	13.3	124.2	524.5
Cash and cash equivalents at the beginning of the year	89.7	103.1	226.2

	Consolidated financial statements		
	2015	2016	2017
Currency translation differences	-	(1.1)	(4.2)
Cash and cash equivalents at the ending of the year	103.1	226.2	746.5

Cash flows from operating activities

In 2015, 2016, and 2017, the Company's net cash flows generated from (used in) operating activities was Baht 81.8 million, Baht 140.7 million, and Baht 2.8 million respectively.

During the year 2017, the net cash flows generated from operating activities significantly decreased, but was still positive. The major factor of the decrease was the payment of trade and other payables in the amount of Baht 283.2 million. Such payment was for a long-overdue trade payables. However, the Company's profit before income tax increased to Baht 155.9 million in the year 2017, from profit before income tax of Baht 119.8 million in the year 2016.

Cash flows from investing activities

In 2015, 2016, and 2017, the Company's net cash receipts from (used in) investing activities was Baht (125.9) million, Baht 8.9 million, and Baht (59.8) million respectively.

During the year 2017, the major items of cash flows from investing activities was the payments for purchases of equipment and intangible assets in the amount of Baht 90.0 million, and the receipt of dividend payment from the Company's associates and joint ventures in the amount of Baht 16.1 million.

Cash flows from financing activities

In 2015, 2016, and 2017, the Company's net cash receipts from (used in) financing activities was Baht 57.4 million, Baht (25.4) million, and Baht 581.4 million respectively.

During the year 2017, the Company's net cash receipts from financing activities significantly increased due to the Company's initial public offering. The proceeds from such initial public offering was Baht 775.2 million. The Company made repayment of bank overdrafts and short-term loans from financial institutions in the amount of Baht 40.8 million and Baht 129.1 million.



Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Triple i Logistics Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Triple i Logistics Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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



Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Revenue Recognition</p> <p>The Group provides a domestic and international freight forwarding service, and integrated logistics services. The Group's aggregate service revenues amounted to Baht 2,272 million, representing 99% of total revenues. Service revenues are recognised when the services have been rendered according to conditions in the service agreement, taking into account the customer's requirements as to whether the transportation is only to the origin or until the destination, as disclosed in Note 2.18 to the financial statements "Accounting policy for revenue recognition".</p> <p>I focused on the accuracy of revenue recognition by examining whether the revenue transactions were valid and were rendered in the period in which they were incurred.</p>	<p>I tested the revenue recognition of the Group by carrying out the following procedures:</p> <ul style="list-style-type: none"> - Evaluated and validated the key controls over the revenue cycle of the Group, by talking to the Group's personnel to understand the revenue cycle and internal controls, and sampling revenue transactions to validate key controls relating to the recording of revenue at the appropriate recognition point according to the service conditions. This included examining supporting documents such as the bill of lading or airway bill, and quotation, as well as examining that service invoices were reviewed and approved by an authorised person, and examining cash receipts from customers with service invoices and transactions in the bank statements. - Performed substantive tests on transactions by sampling each type of service revenue transaction to check that the Group has provided services to the customers and recorded revenue at the appropriate recognition point as per the service conditions, as well as examining the invoices with the bill of lading or airway bill to see that the transactions are valid. For revenue transactions that have been collected, cash receipt transactions were traced to invoices and transactions in the bank statements. - Sent the account receivable confirmation requests by focusing on customers with large transactions and an outstanding balance to check that the Group's revenues represent valid revenue transactions and that the accounts receivable existed. - Performed analytical procedures on the Group's revenue by each revenue type to consider whether there's irregularity in the fluctuation of revenues or not. This included testing the appropriateness of the journal entries related to revenues, including other related adjusting entries in order to assess if there were any invalid revenue transactions or not. <p>I didn't find any material exceptions from carrying out the above procedures. Revenue recognition was in accordance with accounting policy and the available evidence.</p>



Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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



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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Vichien Khingmontri
 Certified Public Accountant (Thailand) No. 3977
 Bangkok
 20 February 2018



Consolidated and Separate Financial Statements 31 December 2017

Triple i Logistic Public Company Limited

Statements of Financial Position

As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Notes					
Assets					
Current Assets					
Cash and cash equivalents	6	746,463,152	226,214,951	582,975,952	38,620,580
Short-term investments	7	4,132,988	4,086,742	-	-
Trade and other receivables, net	8	406,243,208	508,272,532	83,895,912	29,033,665
Short-term loans to related parties	29.7	2,250,000	1,400,000	308,640,800	50,290,800
Short-term loan to third parties		-	1,292,131	-	-
Inventories		1,601,277	1,438,150	-	-
Other current assets	9	21,530,511	19,406,162	950,224	584,644
Total current assets		1,182,221,136	762,110,668	976,462,888	118,529,689
Non-current assets					
Restricted bank deposits		-	95,066	-	-
Investments in subsidiaries	10	-	-	55,698,570	53,698,570
Investments in associates	11.1	21,890,831	21,933,820	5,065,215	5,065,215
Investments in joint ventures	11.2	15,981,014	16,400,161	187,494	187,494
Other long-term investments		13,250	13,250	-	-
Long-term loans to related parties	29.8	-	8,800,000	-	-
Investment properties, net	12	-	-	90,068,699	94,206,081
Property, plant and equipment, net	13	254,123,452	194,986,058	17,555,930	9,041,280
Intangible assets, net	14	10,354,845	4,495,834	1,768,459	114,962
Deferred tax assets	15	10,349,447	4,810,736	1,057,010	838,785
Deposits for securing contracts		42,581,240	33,943,570	1,756,630	420,500
Other non-current assets	16	18,085,966	16,189,040	3,080,434	1,124,336
Total non-current assets		373,380,045	301,667,535	176,238,441	164,697,223
Total assets		1,555,601,181	1,063,778,203	1,152,701,329	283,226,912

The accompanying notes are an integral part of of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited
Statements of Financial Position
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	17.1	4,728,224	45,486,972	-	-
Trade and other payables	18	332,516,342	585,150,012	23,809,779	26,353,532
Current portion of long-term loans from financial institutions	17.2	6,620,250	8,717,250	-	-
Current portion of finance lease liabilities	17.3	9,232,119	6,767,248	3,675,882	1,657,329
Other current liabilities	19	35,121,816	24,342,497	2,661,473	1,389,651
Total current liabilities		388,218,751	670,463,979	30,147,134	29,400,512
Non-current liabilities					
Long-term loans from financial institutions	17.2	1,832,454	8,194,888	-	-
Finance lease liabilities	17.3	21,205,838	17,530,025	10,654,032	5,244,206
Employee benefit obligations	20	23,284,427	19,799,486	4,913,892	4,193,923
Other non-current liabilities		6,067,165	6,547,927	812,378	857,379
Total non-current liabilities		52,389,884	52,072,326	16,380,302	10,295,508
Total liabilities		440,608,635	722,536,305	46,527,436	39,696,020

The accompanying notes are an integral part of of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited

Statements of Financial Position

As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	21				
Authorised share capital					
615,000,000 ordinary shares at a par value of Baht 0.50 each (31 December 2016: 2,150,000 ordinary shares at a par value of Baht 100 each)		307,500,000	215,000,000	307,500,000	215,000,000
Issued and paid-up share capital					
604,500,000 ordinary shares at a par value of Baht 0.50 each (31 December 2016: 2,150,000 ordinary shares at a par value of Baht 100 each)		302,250,000	215,000,000	302,250,000	215,000,000
Share premium, net	21	687,965,894	-	687,965,894	-
Surplus from business combination under common control		30,726,984	30,726,984	-	-
Surplus from share-based payments		19,209,586	18,765,038	19,209,586	18,765,038
Discount from changes in shareholding of subsidiary		(187,500)	(187,500)	-	-
Retained earnings					
Appropriated - Legal reserve	23	14,401,628	2,400,000	85,946,785	-
Unappropriated		63,542,208	74,956,718	10,801,628	9,765,854
Other components of equity		(2,916,254)	(419,342)	-	-
Equity attributable to owners of the parent		1,114,992,546	341,241,898	1,106,173,893	243,530,892
Non-controlling interests		-	-	-	-
Total equity		1,114,992,546	341,241,898	1,106,173,893	243,530,892
Total liabilities and equity		1,555,601,181	1,063,778,203	1,152,701,329	283,226,912

The accompanying notes are an integral part of of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Notes					
Revenues from services		2,271,953,814	2,051,337,380	62,842,171	61,101,556
Revenues from sales		22,617,337	24,238,144	-	-
Costs of services		(1,755,242,277)	(1,606,300,194)	(20,763,889)	(17,054,854)
Costs of sales		(7,888,121)	(3,999,427)	-	-
Gross profit		531,440,753	465,275,903	42,078,282	44,046,702
Dividend income		-	-	212,390,691	38,666,852
Other income	24	15,484,366	24,704,432	33,794,585	2,475,110
Selling expenses		(110,916,019)	(115,657,656)	(5,552,966)	(6,821,694)
Administrative expenses		(281,048,180)	(260,411,455)	(66,394,737)	(50,716,516)
Gain (loss) on exchange rates, net		(10,186,717)	(3,361,880)	171,107	96,442
Finance costs	25	(5,561,837)	(4,865,653)	(672,628)	(100,009)
Share of profits from investments in associates and joint ventures	11	16,678,065	14,159,409	-	-
Profit before income tax		155,890,431	119,843,100	215,814,334	27,646,887
Income tax expense	27	(26,253,313)	(25,343,240)	218,225	316,284
Profit for the period		129,637,118	94,499,860	216,032,559	27,963,171
Other comprehensive income (loss):					
Items that will be reclassified subsequently to profit and loss					
Currency translation differences		(2,496,912)	(521,196)	-	-
Other comprehensive loss for the year		(2,496,912)	(521,196)	-	-
Total comprehensive income for the period		127,140,206	93,978,664	216,032,559	27,963,171

The accompanying notes are an integral part of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 December 2017

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		129,637,118	89,433,872	216,032,559	27,963,171
Non-controlling interests		-	5,065,988	-	-
		<u>129,637,118</u>	<u>94,499,860</u>	<u>216,032,559</u>	<u>27,963,171</u>
Total comprehensive income					
attributable to:					
Owners of the parent		127,140,206	89,027,668	216,032,559	27,963,171
Non-controlling interests		-	4,950,996	-	-
		<u>127,140,206</u>	<u>93,978,664</u>	<u>216,032,559</u>	<u>27,963,171</u>
Earnings per share					
Basic earnings per share	28	<u>0.2629</u>	<u>0.2080</u>	<u>0.4381</u>	<u>0.0650</u>
Diluted earnings per share	28	<u>0.2620</u>	<u>-</u>	<u>0.4367</u>	<u>-</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements (Bath)												
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from business combination under common control	Surplus from share-based payments	Discount from changes in shareholding of subsidiary	Other components of equity				Total equity attributable to owners of the parent	Non-controlling interests	Total equity
						Retained earnings (deficits)	Unappropriated	Other comprehensive income (loss)				
								Appropriated - Legal reserve	Currency translation differences			
Opening balances as at 1 January 2017												
	215,000,000	-	30,726,984	18,765,038	(187,500)	2,400,000	74,956,718	(419,342)	341,241,898	-	341,241,898	
21	Increase in share capital, net	687,965,894	-	-	-	-	-	-	775,215,894	-	775,215,894	
22	Dividends paid	-	-	-	-	-	(129,050,000)	-	(129,050,000)	-	(129,050,000)	
23	Legal reserve	-	-	-	-	10,801,628	(10,801,628)	-	-	-	-	
	Legal reserve from subsidiary	-	-	-	-	1,200,000	(1,200,000)	-	-	-	-	
21	Share-based payments	-	-	444,548	-	-	-	-	444,548	-	444,548	
	Total comprehensive income (loss) for the year	-	-	-	-	-	129,637,118	(2,496,912)	127,140,206	-	127,140,206	
Closing balance as at 31 December 2017												
	302,250,000	687,965,894	30,726,984	19,209,586	(187,500)	14,401,628	63,542,208	(2,916,254)	1,114,992,546	-	1,114,992,546	
Opening balances as at 1 January 2016												
	215,000,000	-	30,726,984	18,150,659	-	2,400,000	(14,477,154)	(13,138)	251,787,351	(2,204,872)	249,582,479	
	Discount from changes in shareholding in subsidiaries	-	-	-	(187,500)	-	-	-	(187,500)	-	(187,500)	
	Share-based payments	-	-	614,379	-	-	-	-	614,379	-	614,379	
	Total comprehensive income (loss) for the year	-	-	-	-	-	89,433,872	(406,204)	89,027,668	4,950,996	93,978,664	
	Transfer of non-controlling interests	-	-	-	-	-	-	-	-	(2,746,124)	(2,746,124)	
Closing balance as at 31 December 2016												
	215,000,000	-	30,726,984	18,765,038	(187,500)	2,400,000	74,956,718	(419,342)	341,241,898	-	341,241,898	

The accompanying notes are an integral part of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2017

		Separate financial statements (Bath)					
Notes	Issued and	Share	Surplus from	Retained earnings (deficits)		Total equity	
	paid-up			share-based	Appropriated		
	ordinary shares	premium, net	payments	- Legal reserve	Unappropriated		
Opening balance as at 1 January 2017	215,000,000	-	18,765,038	-	9,765,854	243,530,892	
Increase in share capital, net	21	87,250,000	687,965,894	-	-	775,215,894	
Dividends paid	22	-	-	-	(129,050,000)	(129,050,000)	
Legal reserve	23	-	-	10,801,628	(10,801,628)	-	
Share-based payments	21	-	-	444,548	-	444,548	
Other comprehensive income for the year		-	-	-	216,032,559	216,032,559	
Closing balance as at 31 December 2017		302,250,000	687,965,894	19,209,586	10,801,628	85,946,785	1,106,173,893
Opening balance as at 1 January 2016		215,000,000	-	18,150,659	-	(18,197,317)	214,953,342
Share-based payments		-	-	614,379	-	-	614,379
Other comprehensive income for the year		-	-	-	-	27,963,171	27,963,171
Closing balance as at 31 December 2016		215,000,000	-	18,765,038	-	9,765,854	243,530,892

Triple i Logistic Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		155,890,431	119,843,100	215,814,334	27,646,887
Adjustments for:					
Depreciation and amortisation	12,13,14	41,431,401	32,720,023	7,531,661	2,154,564
Doubtful debt expenses		473,015	6,347,118	-	-
Share of (profit) loss from investments in associates and joint ventures	11	(16,678,065)	(14,159,409)	-	-
Loss from dissolution of associate		962,779	-	-	665,373
Gain on sales of equipment		(174,853)	(8,913,933)	-	-
Loss from write-offs of assets		154,632	152,756	-	-
Employment benefit obligations	20	3,484,941	5,308,623	719,968	2,153,356
Interest income		(2,630,393)	(62,322)	(4,362,469)	(1,197,218)
Dividend income		-	-	(212,384,691)	(38,666,852)
Expenses relating to share-based payments	21	444,548	614,379	444,548	614,379
Amortisation of deferred interest on finance leases	25	1,866,739	1,226,392	524,683	33,630
Finance costs	25	3,695,098	3,639,261	147,945	66,379
		188,920,273	146,715,988	8,435,979	(6,529,502)
Changes in working capital					
Operating assets decrease (increase)					
Trade and other receivables,net		129,813,377	(102,132,831)	(21,481,379)	(13,196,753)
Inventories		(163,127)	52,505	-	-
Other current assets		(4,360,805)	(4,813,877)	(365,579)	(462,425)
Other non-current assets		(6,096,499)	10,849,072	(2,244,559)	1,637,808
Operating liabilities increase(decrease)					
Trade and other payables		(283,326,891)	103,724,933	(2,455,421)	3,371,671
Other current liabilities		8,365,381	7,568,775	1,271,822	1,019,382
Other non-current liabilities		(61,400)	1,134,791	(45,000)	(124,377)
Cash flows from operating activities		33,090,309	163,099,356	(16,884,137)	(14,284,196)
Income tax paid		(30,246,834)	(22,354,486)	(1,047,668)	(39,041)
Net cash generated from (used in) operating activities		2,843,475	140,744,870	(17,931,805)	(14,323,237)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Triple i Logistic Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest income received		2,695,940	2,518,139	3,479,820	1,212,700
Proceeds from sales of equipment		2,018,970	15,343,306	-	-
Payments for purchases of equipment and intangible assets		(89,984,801)	(29,456,261)	(2,478,178)	(52,571)
Proceeds from disposal of investments in subsidiaries		-	-	-	4,600,000
Proceeds from dissolution of associates	11.1	1,557,221	509,700	-	509,700
Payments for investments in subsidiaries	10	-	(187,500)	(2,000,000)	(2,737,449)
Payment for investments in associates and joint ventures	11.2	(1,499,950)	(509,700)	-	(509,700)
Proceeds from short-term loans to related parties	29.7	2,900,000	21,794,238	13,400,000	5,996,866
Payment for short-term loans to related parties	29.7	(3,750,000)	(11,485,248)	(271,750,000)	(5,400,000)
Proceeds from short-term loans to third parties		1,292,131	-	-	-
Payment for short-term loans to third parties		-	(1,292,131)	-	-
Payment for long-term loans to related parties	29.8	-	(8,800,000)	-	-
Proceeds from long-term loans to related parties	29.8	8,800,000	4,800,000	-	-
Net payments for short-term investments		-	15,204,934	-	-
Net received (payments) for restricted deposits		48,820	(899,849)	-	-
Dividends received in cash from subsidiaries	10	-	-	167,783,000	38,666,852
Dividends received in cash from associates and joint ventures	11	16,120,151	1,376,676	12,101,691	-
Proceeds from transferred business from subsidiary		-	-	-	5,390,880
Net (used in) cash receipts from investing activities		(59,801,518)	8,916,304	(79,463,667)	47,677,278

The accompanying notes are an integral part of of these consolidated and separate financial statements.

For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Cash flows from financing activities					
Interest paid		(6,257,029)	(5,585,571)	(672,628)	(105,687)
(Decrease) increase in bank overdrafts and short-term loans from financial institutions		(40,758,748)	24,303,356	-	(7,000,000)
Decrease in finance lease liabilities		(9,267,316)	(11,929,477)	(3,742,422)	(614,257)
Proceeds from short-term loans from related parties	29.9	60,000,000	4,887,389	60,000,000	-
Repayment of short-term loans from related parties	29.9	(60,000,000)	(18,119,526)	(60,000,000)	(4,750,000)
Repayments of long-term loans from financial institutions	17.2	(8,459,434)	(16,249,513)	-	-
Payment for capital to non-controlling interest from dissolution of subsidiaries		-	(2,746,124)	-	-
Proceeds from increase in share capital, net	21	775,215,894	-	775,215,894	-
Dividends paid	22	(129,050,000)	-	(129,050,000)	-
Net cash receipts from (used in) financing activities		581,423,367	(25,439,466)	641,750,844	(12,469,944)
Net increase in cash and cash equivalents		524,465,324	124,221,708	544,355,372	20,884,097
Cash and cash equivalents at the beginning of the year		226,214,951	103,077,079	38,620,580	17,736,483
Currency translation differences		(4,217,123)	(1,083,836)	-	-
Cash and cash equivalents at the ending of the year		746,463,152	226,214,951	582,975,952	38,620,580
Non-cash transactions					
Outstanding finance lease liabilities		30,437,957	24,297,273	14,329,914	6,901,535
Dividends receivable		32,498,220	-	32,498,220	-
Purchases of fixed assets not yet paid		9,726,112	23,270,539	687,625	7,602,344
Payables from transfer of business from a subsidiary		-	-	-	50,232,227

The accompanying notes are an integral part of of these consolidated and separate financial statements.

The background of the page features a collage of various financial charts and graphs. These include bar charts with vertical bars of varying heights, line graphs with fluctuating lines, and area charts. The charts are rendered in a semi-transparent, light blue style, creating a layered effect. The overall color palette is dominated by shades of blue and white, with a subtle grid pattern visible across the charts.

Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2017

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

1 General information

Triple i Logistics Public Company Limited (the "Company") is a public company listed in the Stock Exchange of Thailand. The Company is incorporated and resides in Thailand. The address of the Company's registered office is as follows:

628, 3rd Floor, Triple i Building, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok 10120, Thailand.

On 28 February 2017, the Board of Directors' Meeting No. 1/2560 approved the transformation of the Company from a private company to a public company and, thereby, approved the change of the Company's name from "Triple i Logistics Company Limited" to "Triple i Logistics Public Company Limited". The Company registered the transformation to a public company and the change of the Company's name to the Ministry of Commerce on 21 March 2017.

On 25 July 2017, the Thailand Securities and Exchange Commissions (the "Thailand SEC") endorsed the listing of the Company's ordinary shares in the Stock Exchange of Thailand under the category of transportation and logistics. The Company's ticker symbol is "III".

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

The principal business operations of the Group are domestic and international freight forwarding and integrated logistics services provider.

The consolidated financial statements include the following subsidiaries:

Subsidiaries	Nature of business	Country of incorporation	Percentage of shareholding (Direct and indirect holding)	
			2017 %	2016 %
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i GSA Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Maritime Agencies Co., Ltd.	Ocean freight forwarding	Thailand	100.00	100.00
DG Packaging (Thailand) Co., Ltd.	Selling packages and providing packing services	Thailand	100.00	100.00
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00
Triple i International Japan Co., Ltd.	Air freight forwarding	Japan	100.00	100.00

The consolidated and separate financial statements were authorised by the Board of Directors on 20 February 2018.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies

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

2.1 Basis of preparation

The financial statements for the year ended 31 December 2017 have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

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

2.2 Revised financial reporting standards and related interpretations

2.2.1 Revised financial reporting standards and interpretation effective for annual periods beginning on or after 1 January 2017 that are relevant and have a significant impact to the Group are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements

TAS 1 (revised 2016): the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- Other comprehensive income ("OCI") arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 27 (revised 2016): the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

The above standards do not have a material impact on the Group.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

2.2.2 Revised financial reporting standards effective for annual periods beginning on or after 1 January 2018 that are significant and relevant to the Group but have not been early adopted are as follows:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017): the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017): the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures

(1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures (continued)

(1) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identifies on acquisition.

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

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures (continued)

(4) Associates (continued)

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in profit or loss.

In the separate financial statements, investments in associates are accounted for at cost less impairment.

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in joint ventures are accounted for at cost less impairment.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are stated in Thai Baht, which is the Company's functional and presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised the profit or loss.

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

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.4 Foreign currency translation (continued)

2.4.3 Group companies

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

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

2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 General investments

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.9 Investment property

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

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

Buildings	20 years
Building improvement	5 and 15 years

2.10 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income/(expenses) – net' in profit or loss.

2.11 Intangible assets

Computer software

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

Cost of maintenance are recognised as an expense as incurred.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.12 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases - where the Group is a lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases - where the Group is a lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.15 Employee benefits

(a) Short-term benefits

The Group recognises a liability and an expense for bonuses and expected benefit where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Retirement benefits

The Group operates retirement benefits schemes which include defined benefit and defined contribution plans.

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

A defined benefit plan is a retirement plan following the Thai labour law and the Group's policy for employment. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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

(c) Other long-term benefits

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

Remeasurement and past-service costs are recognised immediately in profit or loss.

2.16 Provisions

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

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred taxes. Taxes are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.17 Current and deferred income taxes (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Share-based payments

The Company operated a number of equity-settled, share-based compensation plans in exchange for past performance of the management of the Group. This was part of the shareholding restructuring of the Group's management. The number of shares issued to each member of the management reflects their past performance. The total amount to be expensed is determined by reference to the fair value of the shares issued:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions and
- excluding the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The grant by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

2.19 Revenue recognition

Service revenue comprises the fair value of the consideration received or receivable, net of rebates and discounts. Service income is recognised when services have been rendered.

Revenue from sales of goods as normal business of the Group comprises the fair value of consideration received or receivable for the sale of goods, net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income and other income are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised upon entitlement.

Triple i Logistics Public Company Limited
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2 Accounting policies (continued)

2.20 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board of Directors or shareholders.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

2.22 Business combination under common control

The Group recognises acquisition of subsidiaries' assets from the acquisition and transfer of entire business with subsidiaries under common control as the pooling of interest in the consolidated financial statements. The Group prepares the consolidated financial statements retrospectively as if the Group controlled the subsidiaries from the beginning. In this regard, the Group recognises surplus from business combination under common control arising from such acquisition under equity in the statement of financial position on the date the Group acquires and transfers entire business. The amount of surplus from business combination under common control is the difference between the acquisition cost and the carrying amount at the acquisition date.

2.23 Financial instrument

Financial assets carried in the statement of financial position include cash and cash equivalents short-term investment, trade and other receivables, short-term loans to related parties and third parties and restricted deposits at financial institutions. Financial liabilities carried in the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other payables, financial lease liabilities and long-term loans from financial institutions. The carrying amount of financial assets and financial liabilities approximates the fair value except long-term loans with interest charged at the fixed rates.

3 Financial risk management

3.1 Financial risk management

The Group's activities are exposed to a variety of financial risks, such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

3.1.2 Interest rate risk

Revenue and cash flows from operations of the Group are not subject to changes in market interest rates.

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group has interest rate risk from loans with interest charged at the floating and fixed rates. However, The Group does not use interest rate swaps to hedge certain exposures because the management believes that the fluctuation in interest rates does not have significant impact to the Group.

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3 Financial risk management (continued)

3.1 Financial risk management (continued)

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

Financial assets of the Group that are carried in the statement of financial position include cash and cash equivalents, short-term investments, trade and other receivables, short-term loans to related parties, short-term loans to other parties, long-term loans to related parties and investment property. Financial liabilities of the Group that are carried in the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from other parties, short-term loans from related parties, long-term loans from financial institutions, and finance lease liabilities.

The carrying amounts of the financial assets and financial liabilities approximate their fair values, except long-term loans to related parties with fixed interest rates and investment property.

The Group discloses fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group discloses fair values of financial instruments in the following notes.

Long-term loans to related parties at fixed interest rates:	Note 29.8
Investment properties:	Note 12

Triple i Logistics Public Company Limited
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4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

1) Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimate losses which are expected to occur for uncollectable accounts receivable. The Group considers allowance for doubtful accounts based on historical collection experience and analysis of receivable at year-end.

2) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

3) Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefits liability.

4) Share-based payments

The appraisal of fair value of equity security is carried out using appropriate equity valuation technique at the valuation date based on relevant factors and assumptions. Relevant factors and assumption that the Group uses in the appraising the fair value of equity security are price per earnings ratio, and market discount rate. The Group uses the price per earnings ratio of the securities registered in the market during the same period as the appraisal date and in the same industry with the Group. The discount rate that the Group uses are based on the historical analysis of value of those securities registered in the market.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	327,493	3,070,490	9,529	-
Cheques on hand	213,465	3,959,441	-	-
Deposits at financial institutions				
- current accounts	56,217,372	174,887,519	3,077,531	33,222,908
- savings accounts	188,991,945	44,297,501	79,271,837	5,397,672
- fixed deposit accounts	500,712,877	-	500,617,055	-
	<u>746,463,152</u>	<u>226,214,951</u>	<u>582,975,952</u>	<u>38,620,580</u>

As at 31 December 2017, deposits at financial institutions - savings accounts bear an interest rate of 0.25% - 1.00% per annum (2016: 0.50% per annum), fixed deposit with maturity during 2-3 months bear an interest rate of 0.37% - 1.25% per annum (2016 : nil).

7 Short-term investments

Short-term investments as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Fixed deposit with maturities not over 12 months	4,132,988	4,086,742		-
	<u>4,132,988</u>	<u>4,086,742</u>		<u>-</u>

As at 31 December 2017, fixed deposit with maturity at 12 months bear interest rates of 0.80% - 1.30% per annum (2016: 0.80% - 1.50% per annum).

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8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables - other parties	305,963,725	358,035,590	16,719,590	20,947,848
<u>Less</u> Allowance for doubtful accounts	(7,761,601)	(10,262,364)	(371,159)	(571,936)
Trade receivables - other parties, net	298,202,124	347,773,226	16,348,431	20,375,912
Prepaid expenses	9,819,401	15,416,735	497,353	525,337
Accrued income	76,535,977	91,250,096	4,763,494	2,016,023
Other receivables	6,842,820	6,927,576	544,071	683,879
Trade receivables - related parties (Note 29.5)	14,842,886	46,904,899	29,244,343	5,432,514
Dividends receivable - related parties (Note 29.6)	-	-	32,498,220	-
	<u>406,243,208</u>	<u>508,272,532</u>	<u>83,895,912</u>	<u>29,033,665</u>

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<u>Trade receivables - third parties</u>				
Less than 3 months	263,562,715	308,804,120	13,793,802	19,839,908
3 - 6 months	20,885,366	22,451,000	2,327,693	374,058
6 - 12 months	12,487,034	23,096,230	233,842	733,882
Over 12 months	9,028,610	3,684,240	364,253	-
	305,963,725	358,035,590	16,719,590	20,947,848
<u>Less</u> Allowance for doubtful accounts	(7,761,601)	(10,262,364)	(371,159)	(571,936)
	<u>298,202,124</u>	<u>347,773,226</u>	<u>16,348,431</u>	<u>20,375,912</u>
<u>Trade receivables - related parties</u> (Note 29.5)				
Less than 3 months	14,842,886	30,781,061	29,244,343	5,432,514
3 - 6 months	-	11,494,003	-	-
Over 12 months	-	4,629,835	-	-
	<u>14,842,886</u>	<u>46,904,899</u>	<u>29,244,343</u>	<u>5,432,514</u>

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Input VAT	218,570	285,905	-	-
Undue input VAT	5,583,854	5,205,760	813,900	584,644
Refundable VAT	5,664,684	12,029,902	136,324	-
Advances	6,175,715	-	-	-
Others	3,887,688	1,884,595	-	-
	<u>21,530,511</u>	<u>19,406,162</u>	<u>950,224</u>	<u>584,644</u>

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10 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries	-	-	55,698,570	53,698,570

The movements of investments in subsidiaries are as follows:

Subsidiaries	Separate financial statements	
	2017 Baht	2016 Baht
As at 1 January	53,698,570	106,458,721
Additional investment	2,000,000	2,737,449
Dissolution of subsidiaries	-	(55,497,600)
As at 31 December	55,698,570	53,698,570

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

Company	Nature Business	Country of incorporation	Shareholding Direct and indirect		Separate financial statements Cost	
			2017 %	2016 %	2017 Baht	2016 Baht
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	24,999,800	24,999,800
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	5,499,780	5,499,780
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	2,499,900	2,499,900
Triple i GSA Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	2,499,900	2,499,900
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	5,499,780	5,499,780
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	4,999,800	4,999,800
Triple i Maritime Agencies Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	5,299,780	3,299,780
DG Packaging (Thailand) Co., Ltd.	Package and packaging services	Thailand	100.00	100.00	1,099,880	1,099,880
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	749,950	749,950
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00	2,550,000	2,550,000
Triple i International Japan Co., Ltd.	Air freight forwarding	Japan	100.00	100.00	-	-
					55,698,570	53,698,570

Changes in investments in subsidiaries in 2017

Additional investment in increased share capital of a subsidiary

On 23 February 2017, the Company made additional investment in Triple i Maritime Agencies Co., Ltd., a subsidiary that increased its share capital by issuing 70,000 ordinary shares at a par value of Baht 100. The Company paid for 20,000 shares at the amount of Baht 2 million.

Dividends paid

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of Triple i Air Express Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 200 per share for 50,000 shares, totalling Baht 10 million. The subsidiary paid the dividends on 23 February 2017.

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of Triple i Asia Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 200 per share for 50,000 shares, totalling Baht 10 million. The subsidiary paid the dividends on 23 February 2017.

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of Triple i GSA Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 200 per share for 50,000 shares, totalling Baht 10 million. The subsidiary paid the dividends on 23 February 2017.

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10 Investments in subsidiaries (continued)

Changes in investments in subsidiaries in 2017 (continued)

Dividends paid (continued)

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of HazChem Logistics Management Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 300 per share for 50,000 shares, totalling Baht 15 million. The subsidiary paid the dividends on 23 February 2017.

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of DG Packaging (Thailand) Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 350 per share for 10,000 shares, totalling Baht 3.50 million. The subsidiary paid the dividends on 24 February 2017.

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of Triple i International Pte. Ltd., the Company's subsidiary in Singapore, approved the interim dividend payment to the shareholders of 2 Singapore dollars per share for 100,000 shares, totalling 200,000 Singapore dollars, which approximated Baht 4.91 million. The subsidiary paid the dividends on 1 March 2017.

The Board of Director's Meeting No. 1/2560 on 17 February 2017 of Triple i Supplychain Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 70 per share for 50,000 shares, totalling Baht 3.50 million. The subsidiary paid the dividends on 23 February 2017. Subsequently, the Board of Director's Meeting No. 3/2560 on 22 June 2017 of Triple i Supplychain Co., Ltd., the Company's subsidiary, revoked such interim dividend payment because the service revenues from one major customer of that subsidiary substantially decreased. The subsidiary received the return of dividends on 30 June 2017.

The Board of Director's Meeting No. 1/2560 on 17 February 2017 of Triple i Maritime Agencies Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 100 per share for 30,000 shares, totalling Baht 3 million. The subsidiary paid the dividends on 23 February 2017.

The Board of Director's Meeting No. 4/2560 on 5 June 2017 of HazChem Logistics Management Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 320 per share for 50,000 shares, totalling Baht 16 million. The subsidiary paid the dividends on 21 June 2017.

The Board of Director's Meeting No. 4/2560 on 5 June 2017 of DG Packaging (Thailand) Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 350 per share for 10,000 shares, totalling Baht 3.50 million. The subsidiary paid the dividends on 28 June 2017.

The Board of Director's Meeting No. 5/2560 on 5 June 2017 of Triple i Maritime Agencies Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 40 per share for 100,000 shares, totalling Baht 4 million. The subsidiary paid the dividends on 29 June 2017.

The Board of Director's Meeting No. 6/2560 on 5 June 2017 of Triple i Air Express Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 200 per share for 50,000 shares, totalling Baht 10 million. The subsidiary paid the dividends on 30 June 2017.

The Board of Director's Meeting No. 6/2560 on 5 June 2017 of Triple i Asia Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 500 per share for 50,000 shares, totalling Baht 25 million. The subsidiary paid the dividends on 13 July 2017.

The Board of Director's Meeting No. 4/2560 on 5 June 2017 of Triple i GSA Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 200 per share for 50,000 shares, totalling Baht 10 million. The subsidiary paid the dividends on 14 July 2017.

The Board of Director's Meeting No. 2/2560 on 12 December 2017 of Triple i International Pte. Ltd., the Company's subsidiary in Singapore, approved the interim dividend payment to the shareholders of 12.5 United States dollar per share for 100,000 shares, totalling 1,250,000 United States dollar, which approximated Baht 40.88 million. The subsidiary paid the dividends on 26 December 2017.

The Board of Director's Meeting No. 4/2560 on 12 December 2017 of Triple i GSA Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 40 per share for 50,000 shares, totalling Baht 2 million. The subsidiary paid the dividends on 27 December 2017.

The Board of Director's Meeting No. 6/2560 on 12 December 2017 of HazChem Logistics Management Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 360 per share for 50,000 shares, totalling Baht 18 million. The subsidiary paid the dividends on 12 January 2018.

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10 Investments in subsidiaries (continued)

Changes in investments in subsidiaries in 2017 (continued)

Dividends paid (continued)

The Board of Director's Meeting No. 5/2560 on 12 December 2017 of DG Packaging (Thailand) Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 350 per share for 10,000 shares, totalling Baht 3.50 million. The subsidiary paid the dividends on 12 January 2018.

The Board of Director's Meeting No. 8/2560 on 12 December 2017 of Triple i Maritime Agencies Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 40 per share for 100,000 shares, totalling Baht 4 million. The subsidiary paid the dividends on 18 January 2018.

The Board of Director's Meeting No. 7/2560 on 12 December 2017 of Triple i Asia Cargo Co., Ltd., the Company's subsidiary, approved the interim dividend payment to the shareholders of Baht 140 per share for 50,000 shares, totalling Baht 7 million. The subsidiary paid the dividends on 18 January 2018.

11 Investments in associates and joint ventures

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

Share profit from investments in associates and joint ventures

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Associates	21,890,831	21,933,820	5,065,215	5,065,215
Joint ventures	15,981,014	16,400,161	187,494	187,494
	<u>37,871,845</u>	<u>38,333,981</u>	<u>5,252,709</u>	<u>5,252,709</u>

The amounts recognised in statement of comprehensive income are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Associates	14,578,701	9,615,194	-	-
Joint ventures	2,099,364	4,544,215	-	-
	<u>16,678,065</u>	<u>14,159,409</u>	<u>-</u>	<u>-</u>

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11 Investments in associates and joint ventures (continued)

11.1 Investments in associates

Company	Nature of business	Country of incorporation	Shareholding		Cost (direct investment)		Investment value under equity method	
			direct and indirect		(direct investment)		under equity method	
			2017 %	2016 %	2017 Baht	2016 Baht	2017 Baht	2016 Baht
CK Line (Thailand) Co., Ltd	International Maritime shipping agency	Thailand	42.00	42.00	2,100,000	2,100,000	6,539,189	2,361,150
ECU Worldwide (Thailand) Co., Ltd.	International freight forwarding	Thailand	43.00	43.00	2,365,215	2,365,215	3,881,023	6,325,622
Excel Air Limited	Airfreight agency	Thailand	30.00	30.00	600,000	600,000	3,739,464	5,746,408
Sky Star Transports Co., Ltd.	International Maritime shipping agency	Thailand	-	20.00	-	-	-	1,556,025
Excel Air Limited	Airfreight agency	Hong Kong	20.00	20.00	-	-	2,539,691	2,405,389
Freightworks GSA (HK) Limited	Airfreight agency	Hong Kong	20.00	20.00	-	-	3,455,181	2,582,281
Excel Air (Guangzhou) Limited	Airfreight agency	China	25.00	25.00	-	-	1,736,283	956,945
					5,065,215	5,065,215	21,890,831	21,933,820

Changes in investments in associates in 2017

Dividends paid

The Board of Director's Meeting No. 1/2560 on 9 February 2017 of ECU Worldwide (Thailand) Co., Ltd., the Group's associate, approved the interim dividend payment at Baht 140 per share for 50,000 ordinary shareholders, totalling Baht 7 million. The Company received the dividends of Baht 3.01 million on 24 February 2017.

The Board of Director's Meeting No. 3/2560 on 5 June 2017 of ECU Worldwide (Thailand) Co., Ltd., the Group's associate, approved the interim dividend payment at Baht 140 per share for 50,000 ordinary shareholders, totalling Baht 7 million. The Company received the dividends of Baht 3.01 million on 23 June 2017.

The Extraordinary Meeting of Shareholders No. 1/2560 on 5 June 2017 of Excel Air Limited, the Group's associate, approved the interim dividend payment at Baht 727 per share for 20,000 ordinary shareholders, totalling Baht 14.54 million. The Company received the dividends of Baht 4.36 million on 24 July 2017.

The Board of Director's Meeting No. 4/2560 on 12 December 2017 of ECU Worldwide (Thailand) Co., Ltd., the Group's associate, approved the interim dividend payment at Baht 80 per share for 50,000 ordinary shareholders, totalling Baht 4 million. The Company received the dividends of Baht 1.72 million on 20 December 2017.

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11 Investments in associates and joint ventures (continued)

11.1 Investments in associates (continued)

Changes in investments in associates in 2017 (continued)

Summary of financial information of significant associates

Set out below are the summarised financial information for CK Line (Thailand) Company Limited, Excel Air Limited and ECU Worldwide (Thailand) Co., Ltd. which are accounted for using the equity method.

Summarised statements of financial position

As at 31 December	CK Line (Thailand) Co., Ltd.		Excel Air Limited		ECU Worldwide (Thailand) Co., Ltd.	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current portion						
Cash and cash equivalents	34,743,525	8,209,829	3,515,257	21,670,365	9,360,856	12,023,868
Other current assets (exclude cash)	8,324,429	14,325,476	69,884,325	88,200,021	40,866,528	60,204,282
Total current assets	43,067,954	22,535,305	73,399,582	109,870,386	50,227,384	72,228,150
Other current liabilities (include accounts payable)	30,043,828	42,001,851	61,452,392	91,413,909	40,443,984	60,292,165
Total current liabilities	30,043,828	42,001,851	61,452,392	91,413,909	40,443,984	60,292,165
Non-current portion						
Non-current assets	5,769,747	32,810,935	517,689	698,218	5,096,739	7,922,190
Other non-current liabilities	3,224,375	7,722,602	-	-	5,854,504	5,147,425
Net assets	15,569,498	5,621,787	12,464,879	19,154,695	9,025,635	14,710,750

Summarised statements of comprehensive income

For the year ended 31 December	CK Line (Thailand) Co., Ltd.		Excel Air Limited		ECU Worldwide (Thailand) Co., Ltd.	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenue	68,942,300	76,965,648	277,856,734	306,780,280	217,192,078	205,659,329
Net income for the year	9,947,712	3,692,993	10,264,878	8,898,418	12,314,886	9,759,896

These information are amounts included in consolidated financial statement of associates (which are not only part of the Group in the associates) and adjusted for differences between accounting policies of the Group and the associates.

Reconciliation of summarised financial information

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

Summarised financial information	CK Line (Thailand) Co., Ltd.		Excel Air Limited		ECU Worldwide (Thailand) Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Net assets as at year end	15,569,498	5,621,787	12,464,879	19,154,695	9,025,635	14,710,750
Interest in associates (%)	42	42	30	30	43	43
Carrying value	6,539,189	2,361,150	3,739,464	5,746,408	3,881,023	6,325,622

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11 Investments in associates and joint ventures (continued)

11.1 Investments in associates (continued)

Individually insignificant associates

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

	2017	2016
	Baht	Baht
Aggregate carrying amount of individually insignificant associates accounted for using the equity method	7,731,155	7,500,637
Net profit	12,108,097	4,826,851
Comprehensive income	12,108,097	4,826,851

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11 Investments in associates and joint ventures (continued)

11.2 Investments in joint ventures

Company	Nature of business	Country of incorporation	Shareholding, both direct and indirect		Cost (direct investment)		Investment value under equity method	
			2017	2016	2017	2016	2017	2016
			%	%	Baht	Baht	Baht	Baht
Asia Network International Co., Ltd.	International freight forwarding	Thailand	60.00	60.00	187,494	187,494	957,929	859,044
CWT Chemical Logistics Co., Ltd.	Domestic freight forwarding	Thailand	51.00	51.00	-	-	1,883,103	2,130,623
HazChem Trans Management Co., Ltd.	Domestic freight forwarding	Thailand	60.00	60.00	-	-	5,067,114	3,872,237
GSA Asia Cargo Co., Ltd.	Air freight forwarding	Myanmar	60.00	60.00	-	-	2,152,921	2,203,671
GSA Cargo Network (Myanmar) Co., Ltd.	Airfreight agency	Myanmar	50.00	50.00	-	-	1,693,304	2,002,624
HazChem Logistics Management Pte. Ltd.	Air freight forwarding for chemical goods	Singapore	55.00	55.00	-	-	4,226,643	5,331,962
					187,494	187,494	15,981,014	16,400,161

The Company does not have control power over joint ventures despite shareholding over 50% in some joint ventures because this is a joint control as stipulated in the joint venture agreements.

Changes in investments in joint ventures in 2017

Dividends paid

The Extraordinary Meeting of Shareholders No. 2/2560 on 5 June 2017 of HazChem TransManagement Co., Ltd., the Group's joint venture, approved the interim dividend payment at Baht 90 per share for 50,000 ordinary shareholders, totalling Baht 4.50 million. The Group received the dividends of Baht 2.70 million on 22 June 2017.

The Board of Director's Meeting No. 1/2560 on 28 April 2017 of HazChem Logistics Management Pte. Ltd. the Group's joint venture in Singapore, approved the interim dividend payment to the shareholders of 1 Singapore dollars per share for 100,000 shares, totalling 100,000 Singapore dollars, which approximated Baht 2.39 million. The Group received the dividends of Baht 1.32 on 29 November 2017.

Increase in paid-up capital in the investment in joint venture

On 22 December 2017, HazChem Logistics Management Co., Ltd. a subsidiary, made additional paid-up capital payment in HazChem TransManagement Co., Ltd., the Company's joint venture (indirect holding) for the remaining 50% for its 29,999 shares with the par value of Baht 100. The subsidiary already paid the paid-up capital of Baht 1.49 million. The shareholding nevertheless remains unchanged.

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11 Investments in associates and joint ventures (continued)

11.2 Investments in joint ventures (continued)

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

Summarised statements of financial position

As at 31 December	GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		CWT Chemical Logistics Co., Ltd.		Hazchem Trans Management Co., Ltd.		Total	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current										
Cash and cash equivalents	2,805,860	2,656,542	832,987	113,141	2,550,735	806,212	2,526,488	1,898,385	8,716,070	5,474,280
Other current assets (not including cash)	1,064,691	985,298	12,981,739	12,830,311	51,763	9,962,431	22,749,804	8,356,540	36,847,997	32,134,580
	3,870,551	3,641,840	13,814,726	12,943,452	2,602,498	10,768,643	25,276,292	10,254,925	45,564,067	37,608,860
Total current assets										
Other current liabilities (including trade payable)	282,349	-	6,335,890	3,422,176	25,900	8,633,849	17,020,967	4,983,960	23,665,106	17,039,985
Total current liabilities	282,349	-	6,335,890	3,422,176	25,900	8,633,849	17,020,967	4,983,960	23,665,106	17,039,985
Non-current										
Assets	-	30,945	205,969	173,201	1,233,340	2,160,476	282,349	1,240,658	1,721,658	3,605,280
Other non-current liabilities	-	-	-	-	117,579	117,579	92,401	57,894	209,980	175,473
Total non-current liabilities	-	-	-	-	117,579	117,579	92,401	57,894	209,980	175,473
Net assets	3,588,202	3,672,785	7,684,805	9,694,477	3,692,359	4,177,691	8,445,273	6,453,729	23,410,639	23,998,682

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11 Investments in associates and joint ventures (continued)

11.2 Investments in joint ventures (continued)

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

Summarised statements of comprehensive income

	GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		CWT Chemical Logistics Co., Ltd.		Hazchem Trans Management Co., Ltd.		Total	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December										
Revenue	3,462,554	3,392,488	40,307,774	57,553,223	-	36,011,837	75,072,138	49,964,204	118,842,466	146,921,752
Depreciation and amortisation expenses	(17,343)	(69,976)	(207,182)	-	(191,949)	(210,967)	(65,723)	(41,984)	(482,197)	(322,927)
Interest income	-	-	-	-	8,165	21,335	13,154	16,413	21,319	37,748
Interest expense	-	-	-	-	-	-	(76,716)	-	(76,716)	-
Profit (loss) before income tax	600,716	575,842	1,187,734	3,634,598	(485,333)	1,408,009	5,026,734	2,975,613	6,329,851	8,594,062
Income tax expense	(117,288)	(115,050)	-	-	-	(297,429)	(1,043,925)	(625,080)	(1,161,213)	(1,037,559)
Profit (loss) for the year	483,428	460,792	1,187,734	3,634,598	(485,333)	1,110,580	3,982,809	2,350,533	5,168,638	7,556,503
Total comprehensive income	483,428	460,792	1,187,734	3,634,598	(485,333)	1,110,580	3,982,809	2,350,533	5,168,638	7,556,503

The above information are amounts included in the financial statements of joint ventures (which are not only part of the Group in the associates) that have been adjusted for differences between accounting policies of the Group and those of the joint ventures.

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11 Investments in associates and joint ventures

11.2 Investments in joint ventures (continued)

Summarised financial information

	GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		CWT Chemical Logistics Co., Ltd.		Hazchem Trans Management Co., Ltd.		Total	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 31 December										
Net assets at the year end	3,588,202	3,672,785	7,684,805	9,694,477	3,692,359	4,177,691	8,445,273	6,453,729	20,910,639	23,998,682
Interest in joint ventures (%)	60	60	55	55	51	51	60	60		
Carrying value	2,152,921	2,203,671	4,226,643	5,331,962	1,883,103	2,130,623	5,067,114	3,872,237	13,329,781	13,538,492

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11 Investments in associates and joint ventures (continued)

11.2 Investments in joint ventures (continued)

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

	2017 Baht	2016 Baht
Aggregate carrying amount of individually insignificant joint ventures	2,651,233	2,861,668
Net income (loss)	308,372	(134,872)
Comprehensive income	308,372	(134,872)

12 Investment properties, net

	Separate financial statements			
	Land Baht	Building improvement Baht	Building Baht	Total Baht
As at 1 January 2016				
Cost	-	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-	-
Net book amount	-	-	-	-
For the year ended 31 December 2016				
Opening net book amount	-	-	-	-
Additions	-	36,659	-	36,659
Additions from the business transfer from subsidiary	32,517,000	46,883,087	15,785,531	95,185,618
Transfers from property, plant and equipment (Note 13)	-	666,553	-	666,553
Depreciation charges	-	(1,359,947)	(322,802)	(1,682,749)
Closing net book amount	32,517,000	46,226,352	15,462,729	94,206,081
As at 31 December 2016				
Cost	32,517,000	50,889,752	15,785,531	99,192,283
<u>Less</u> Accumulated depreciation	-	(4,663,400)	(322,802)	(4,986,202)
Net book amount	32,517,000	46,226,352	15,462,729	94,206,081
For the year ended 31 December 2017				
Opening net book amount	32,517,000	46,226,352	15,462,729	94,206,081
Additions	-	271,440	-	271,440
Depreciation charges	-	(3,443,063)	(965,759)	(4,408,822)
Closing net book amount	32,517,000	43,054,729	14,496,970	90,068,699
As at 31 December 2017				
Cost	32,517,000	51,161,192	15,785,531	99,463,723
<u>Less</u> Accumulated depreciation	-	(8,106,463)	(1,288,561)	(9,395,024)
Net book amount	32,517,000	43,054,729	14,496,970	90,068,699
Fair value				134,295,000

Fair value of investment properties was appraised by the independent appraiser using the market approach. The fair value is within level 2 of the fair value hierarchy.

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Property, plant and equipment, net									
Consolidated financial statements									
	Land Baht	Building Baht	Building improvement Baht	Tool and equipment Baht	Vehicles Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2016									
Cost	33,432,000	88,458,659	15,168,787	20,093,039	62,307,807	21,138,642	44,313,325	-	284,912,259
<u>Less Accumulated depreciation</u>	-	(12,554,758)	(7,636,570)	(6,550,987)	(37,287,026)	(11,912,731)	(24,282,436)	-	(100,224,508)
Net book amount	33,432,000	75,903,901	7,532,217	13,542,052	25,020,781	9,225,911	20,030,889	-	184,687,751
For the year ended									
31 December 2016									
Opening net book amount	33,432,000	75,903,901	7,532,217	13,542,052	25,020,781	9,225,911	20,030,889	-	184,687,751
Additions	-	78,159	20,000	20,868,189	9,433,467	2,656,646	16,021,686	-	49,078,147
Disposals, net	-	-	-	(5,235,223)	(561,824)	(103,419)	(692,091)	-	(6,592,557)
Write-offs, net	-	-	-	-	-	-	(6,239)	-	(6,239)
Depreciation charges	-	(4,670,131)	(2,128,840)	(5,323,670)	(9,085,177)	(3,546,608)	(7,426,618)	-	(32,181,044)
Closing net book amount	33,432,000	71,311,929	5,423,377	23,851,348	24,807,247	8,232,530	27,927,627	-	194,986,058
As at 31 December 2016									
Cost	33,432,000	74,037,392	15,188,787	33,769,595	48,457,579	21,872,739	56,869,768	-	283,627,860
<u>Less Accumulated depreciation</u>	-	(2,725,463)	(9,765,410)	(9,918,247)	(23,650,332)	(13,640,209)	(28,942,141)	-	(88,641,802)
Net book amount	33,432,000	71,311,929	5,423,377	23,851,348	24,807,247	8,232,530	27,927,627	-	194,986,058

Triple i Logistics Public Company Limited
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13

Property, plant and equipment, net (continued)

	Consolidated financial statements								
	Land Baht	Building Baht	Building improvement Baht	Tool and equipment Baht	Vehicles Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2017									
Opening net book amount	33,432,000	71,311,929	5,423,377	23,851,348	24,807,247	8,232,530	27,927,627	-	194,986,058
Reclassification, net	-	(45,878,696)	45,878,696	207,525	-	13,435	(220,960)	-	-
Additions	-	-	1,335,509	16,085,863	46,088,630	7,026,607	9,701,876	21,024,408	101,262,893
Disposals, net	-	-	-	(33,216)	(1,672,508)	(28,978)	(109,417)	-	(1,844,119)
Write-offs, net	-	-	-	-	-	(67,406)	(10)	-	(67,416)
Depreciation charges	-	(1,549,879)	(5,408,011)	(6,663,386)	(13,236,135)	(4,259,919)	(9,096,634)	-	(40,213,964)
Transfers, net	-	-	5,635,746	940,450	550,000	2,350,000	11,299,484	(20,775,680)	-
Closing net book amount	33,432,000	23,883,354	52,865,317	34,388,584	56,537,234	13,266,269	39,501,966	248,728	254,123,452
As at 31 December 2017									
Cost	33,432,000	27,117,646	69,079,788	50,571,554	88,493,469	31,053,967	77,467,956	248,728	377,465,108
Less: Accumulated depreciation	-	(3,234,292)	(16,214,471)	(16,182,970)	(31,956,235)	(17,787,698)	(37,965,990)	-	(123,341,656)
Net book amount	33,432,000	23,883,354	52,865,317	34,388,584	56,537,234	13,266,269	39,501,966	248,728	254,123,452

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13 Property, plant and equipment, net (continued)

	Separate financial statements			
	Building improvement Baht	Office equipment Baht	Furniture and fixtures Baht	Vehicle Baht
As at 1 January 2016				
Cost	3,970,006	1,239,240	1,960,811	-
<u>Less</u> Accumulated depreciation	(3,303,453)	(1,180,354)	(1,861,493)	-
Net book amount	666,553	58,886	99,318	-
For the year ended 31 December 2016				
Opening net book amount	666,553	58,886	99,318	-
Additions	-	7,360,667	147,839	-
Additions from the business transfer from subsidiary (Note 10)	-	386,538	1,454,631	-
Transfers to investment properties (Note 12)	(666,553)	-	-	-
Depreciation charges	-	(201,977)	(264,622)	-
Closing net book amount	-	7,604,114	1,437,166	-
As at 31 December 2016				
Cost	-	8,986,445	3,563,282	-
<u>Less</u> Accumulated depreciation	-	(1,382,331)	(2,126,116)	-
Net book amount	-	7,604,114	1,437,166	-
For the year ended 31 December 2017				
Opening net book amount	-	7,604,114	1,437,166	-
Additions	-	376,870	888,570	10,192,820
Depreciation charges	-	(1,019,204)	(809,893)	(1,114,513)
Closing net book amount	-	6,961,780	1,515,843	9,078,307
As at 31 December 2017				
Cost	-	9,363,315	4,451,852	10,192,820
<u>Less</u> Accumulated depreciation	-	(2,401,535)	(2,936,009)	(1,114,513)
Net book amount	-	6,961,780	1,515,843	9,078,307

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

	Consolidated Financial statements		Separate Financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost - capitalised finance leases	44,872,195	58,974,172	16,869,699	6,676,879
<u>Less</u> Accumulated depreciation	(10,183,170)	(16,348,299)	(1,876,906)	(95,071)
Net book amount	34,689,025	42,625,873	14,992,793	6,581,808

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14 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Assets under installation Baht	Total Baht
As at 1 January 2016			
Cost	4,627,158	-	4,627,158
<u>Less</u> Accumulated amortisation	(3,257,667)	-	(3,257,667)
Net book amount	1,369,491	-	1,369,491
For the year ended 31 December 2016			
Opening net book amount	1,369,491	-	1,369,491
Additions	3,659,097	-	3,659,097
Amortisation charges	(532,754)	-	(532,754)
Closing net book amount	4,495,834	-	4,495,834
As at 31 December 2016			
Cost	8,286,255	-	8,286,255
<u>Less</u> Accumulated amortisation	(3,790,421)	-	(3,790,421)
Net book amount	4,495,834	-	4,495,834
For the year ended 31 December 2017			
Opening net book amount	4,495,834	-	4,495,834
Additions	3,188,927	3,974,735	7,163,662
Amortisation charges	(87,213)	-	(87,213)
Write-offs, net	(1,217,438)	-	(1,217,438)
Transfer in (out)	2,917,500	(2,917,500)	-
Closing net book amount	9,297,610	1,057,235	10,354,845
As at 31 December 2017			
Cost	14,142,682	1,057,235	15,199,917
<u>Less</u> Accumulated amortisation	(4,845,072)	-	(4,845,072)
Net book amount	9,297,610	1,057,235	10,354,845

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14 Intangible assets, net (continued)

	Separate financial statements
	Computer software Baht
For the year ended 31 December 2016	
Opening net book amount	-
Additions	109,749
Addition from business transfer from subsidiary	10,429
Amortisation charges	(5,216)
Closing net book amount	<u>114,962</u>
As at 31 December 2016	
Cost	120,178
<u>Less</u> Accumulated amortisation	(5,216)
Net book amount	<u>114,962</u>
For the year ended 31 December 2017	
Opening net book amount	114,962
Additions	1,832,727
Amortisation charges	(179,230)
Closing net book amount	<u>1,768,459</u>
As at 31 December 2017	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(184,446)
Net book amount	<u>1,768,459</u>

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15 Deferred income taxes

Deferred tax assets and liabilities comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	1,460,000	-	-	-
Deferred tax assets to be recovered more than 12 months	8,889,447	4,810,736	1,057,010	838,785
	<u>10,349,447</u>	<u>4,810,736</u>	<u>1,057,010</u>	<u>838,785</u>

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	4,810,736	3,695,098	838,785	522,501
Recognised in profit (loss) (Note 27)	5,538,711	1,115,638	218,225	316,284
As at 31 December	<u>10,349,447</u>	<u>4,810,736</u>	<u>1,057,010</u>	<u>838,785</u>

The movements of deferred tax assets are as follows:

	Consolidated financial statements		
	As at 1 January 2017 Baht	Recognised in profit or loss Baht	As at 31 December 2017 Baht
Deferred tax assets			
Allowance for doubtful accounts	783,049	178,824	961,873
Employee benefit obligations	4,027,687	677,382	4,705,069
Loss carried forward	-	4,682,505	4,682,505
Total	<u>4,810,736</u>	<u>5,538,711</u>	<u>10,349,447</u>

	Consolidated financial statements		
	As at 1 January 2016 Baht	Recognised in profit or loss Baht	As at 31 December 2016 Baht
Deferred tax assets			
Allowance for doubtful accounts	783,049	-	783,049
Employee benefit obligations	2,912,049	1,115,638	4,027,687
Total	<u>3,695,098</u>	<u>1,115,638</u>	<u>4,810,736</u>

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15 Deferred income taxes (continued)

The movements of deferred tax assets are as follows (continued):

	Separate financial statements		
	As at 1 January 2017 Baht	Recognised in profit or loss Baht	As at 31 December 2017 Baht
Deferred tax assets			
Allowance for doubtful accounts	114,387	(40,155)	74,232
Employee benefit obligations	724,398	258,380	982,778
Total	838,785	218,225	1,057,010

	Separate financial statements		
	As at 1 January 2016 Baht	Recognised in profit or loss Baht	As at 31 December 2016 Baht
Deferred tax assets			
Allowance for doubtful accounts	114,387	-	114,387
Employee benefit obligations	408,114	316,284	724,398
Total	522,501	316,284	838,785

Deferred income tax assets are recognised for tax loss carried forwards only to the extent to which realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 2,981,147 (2016: Baht 1,981,735) in respect of losses amounting to Baht 14,905,737 (2016: Baht 9,908,677) that can be carried forward against future taxable income. Losses amounting to Baht 951,595 expire in 2020, losses amounting to Baht 8,957,082 expire in 2021 and losses amounting to Baht 4,997,060 expire in 2022.

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Corporate income tax withheld	13,985,224	15,878,933	3,080,434	1,124,336
Receivables from the Revenue Department	785,303	310,107	-	-
Refundable VAT	3,315,439	-	-	-
	18,085,966	16,189,040	3,080,434	1,124,336

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17 Borrowings

17.1 Bank overdraft and short-term loan from financial institution

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Bank overdrafts	4,728,224	15,486,972	-	-
Short-term loan from financial institution	-	30,000,000	-	-
	<u>4,728,224</u>	<u>45,486,972</u>	<u>-</u>	<u>-</u>

As at 31 December 2017, bank overdrafts from financial institution bear interest rates from 1.50% to 2.00% per annum (2016 : 1.50% to 2.00% per annum).

Movements of short-term loan from financial institution is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	30,000,000	-	-	-
Additional loans during the year	44,000,000	40,000,000	-	-
Increase from business transfer from subsidiary	-	-	-	7,000,000
Repayments	(74,000,000)	(10,000,000)	-	(7,000,000)
Closing balance	<u>-</u>	<u>30,000,000</u>	<u>-</u>	<u>-</u>

In 2017, the Group entered into short-term loan agreement with a financial institution for Baht 44 million that bear interest rate of MLR - 1.50% per annum. The short-term loan is to be repaid within 90 days. (2016 : Baht 40 million that bear interest rate of MLR - 1.50% per annum. The short-term loan is to be repaid within 90 days.)

Fair value of short-term loan that has fixed interest rate approximates its carrying value because the maturity is within one year. The effect of discounting is insignificant.

17.2 Long-term loans from a financial institution

Long-term loans from a financial institution as at 31 December comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current portion of long-term loans from a financial institution	6,620,250	8,717,250	-	-
Non-current portion of long-term loans from a financial institution	1,832,454	8,194,888	-	-
Total	<u>8,452,704</u>	<u>16,912,138</u>	<u>-</u>	<u>-</u>

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17 Borrowings (continued)

17.2 Long-term loans from a financial institution (continued)

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	16,912,138	33,161,651	-	-
Repayments during the year	(8,459,434)	(16,249,513)	-	-
As at 31 December	8,452,704	16,912,138	-	-

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

Movement of long-term loans for the year ended 31 December 2017 and 2016 are as follows:

	Principle	Objective	Outstanding Balance as at 31 December		Interest rate (%)	Repayment terms	
			2017 Baht	2016 Baht		Principal repayment	Interest repayment
Loan 1	3,000,000	General purpose	1,221,565	1,863,306	MLR	60 periods (every month)	Monthly
Loan 2	13,000,000	Investing in warehouse and increasing liquidity	4,324,139	7,137,832	Years 1-2: MLR-1 Year 3: MLR	60 periods (every month)	Monthly
Loan 3	15,000,000	Investing and expanding business and working capital	2,907,000	7,911,000	MLR-1	36 periods (every month)	Monthly
			8,452,704	16,912,138			

17.3 Finance lease liabilities

Minimum lease payments under finance leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than one year	10,444,939	8,052,288	4,244,634	2,010,474
Later than 1 year but not later than 5 years	22,405,148	19,073,818	11,343,860	5,696,344
	32,850,087	27,126,106	15,588,494	7,706,818
<u>Less</u> Future finance charges on finance leases	(2,412,130)	(2,828,833)	(1,258,580)	(805,283)
Present value of finance lease liabilities	30,437,957	24,297,273	14,329,914	6,901,535
Finance lease liabilities:				
- Current	9,232,119	6,767,248	3,675,882	1,657,329
- Non-current	21,205,838	17,530,025	10,654,032	5,244,206
	30,437,957	24,297,273	14,329,914	6,901,535

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than 1 year	9,232,119	6,767,248	3,675,882	1,657,329
Later than 1 year but not later than 5 years	21,205,838	17,530,025	10,654,032	5,244,206
Total	30,437,957	24,297,273	14,329,914	6,901,535

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18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payables- other parties	224,304,025	487,370,561	11,865,675	13,303,139
- related parties (Note 29.5)	4,382,401	6,088,421	737,682	1,244,254
Accrued expenses	103,829,916	91,691,030	11,206,422	11,806,139
	<u>332,516,342</u>	<u>585,150,012</u>	<u>23,809,779</u>	<u>26,353,532</u>

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Withholding taxes payable	6,157,676	3,985,782	584,038	542,916
Payables to the Revenue Department	2,618,207	2,759,907	-	119,200
Undue output VAT	10,044,945	7,375,987	2,077,435	727,535
Corporate income tax payable	12,793,438	6,330,857	-	-
Others	3,507,550	3,889,964	-	-
	<u>35,121,816</u>	<u>24,342,497</u>	<u>2,661,473</u>	<u>1,389,651</u>

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	19,799,486	14,560,242	4,193,923	2,040,567
Current service cost	2,678,034	4,201,237	511,485	1,547,372
Interest cost	806,907	1,038,007	208,484	536,605
Transfer from subsidiary	-	-	-	69,379
As at 31 December	<u>23,284,427</u>	<u>19,799,486</u>	<u>4,913,892</u>	<u>4,193,923</u>

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

	2017	2016
Discount rate (%)	3.10%	3.10%
Salary increment rate (%)	7%	7%
Staff turnover rates		
- Age less than 30	20%	20%
- Age between 30 to less than 40	12%	12%
- Age between 40 to less than 55	7%	7%
- Age 55 or above	0%	0%

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20 Employee benefit obligations (continued)

Sensitivity analysis

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate (%)	1.00%	Decreased by 12%	Increased by 14%
Salary increment rate (%)	1.00%	Increased by 14%	Decreased by 12%
Staff turnover rate (%)	20.00%	Decreased by 13%	Decreased by 16%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation, the same method has been applied as when calculating the pension liability recognised within the statement of financial position which is the projected unit credit method.

There were no changes in method and assumptions used for sensitivity analysis from previous year.

The weighted average duration of the employee benefit obligations for the consolidated and separate financial statements was 16 years (2016: 17 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Maturity within				
Less than a year	1,181,861	206,886	62,757	-
Between 1 – 2 years	2,145,222	1,342,518	75,579	114,513
Between 2 – 5 years	3,807,993	3,878,223	112,207	87,461
Over 5 years	71,634,148	73,548,483	11,525,463	11,574,032
	<u>78,769,224</u>	<u>78,976,110</u>	<u>11,776,006</u>	<u>11,776,006</u>

21 Share capital

Movements in share capital are as follows:

	Authorised shares		Issue and paid – up shares		Share premium, net	Total
	Number of shares	Baht	Number of shares	Baht	Baht	Baht
At 1 January 2016	2,150,000	215,000,000	2,150,000	215,000,000	-	215,000,000
Issue of shares during the year	-	-	-	-	-	-
At 31 December 2016	2,150,000	215,000,000	2,150,000	215,000,000	-	215,000,000
Share split 1:200	430,000,000	215,000,000	430,000,000	215,000,000	-	215,000,000
Issue of shares during the year	185,000,000	92,500,000	174,500,000	87,250,000	707,350,000	794,600,000
Share issuing cost	-	-	-	-	(19,384,106)	(19,384,106)
At 31 December 2017	<u>615,000,000</u>	<u>307,500,000</u>	<u>604,500,000</u>	<u>302,250,000</u>	<u>687,965,894</u>	<u>990,215,894</u>

The Extraordinary Meeting of Shareholders No. 1/2560 on 15 March 2017 approved the following matters.

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21 Share capital (continued)

The decrease of par value of the ordinary shares from Baht 100 per share to Baht 0.50 per share, resulting in the increase in the number of ordinary shares from 2,150,000 shares to 430,000,000 shares. The paid-up share capital increased from 2,150,000 shares to 430,000,000 shares. The Company registered this change to the Ministry of Commerce on 21 March 2017.

The increase of Baht 5 million in the Company's share capital from Baht 215 million to Baht 220 million by increasing the number of ordinary shares by 10,000,000 shares from 430,000,000 shares to 440,000,000 shares for allocation to the existing shareholders at their current shareholding proportion. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017 and received share subscription in full on 28 April 2017.

The increase of Baht 80 million in the registered share capital from Baht 220 million to Baht 300 million by increasing the number of ordinary shares by 160,000,000 shares from 440,000,000 shares to 600,000,000 shares for the initial public offering. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017.

The increase of Baht 7.50 million in the Company's registered share capital from Baht 300 million to Baht 307.50 million, by increasing the ordinary shares by 15,000,000 shares from 600,000,000 shares to 615,000,000 shares, for the launch of Employee Stock Ownership Plan (ESOP), under which the Company planned to issue 4,500,000 ordinary shares and 10,500,000 warrants for sales to eligible directors and employees during the registration of the Company to the Stock Exchange of Thailand. One warrant is convertible to one ordinary share. The warrants are non-transferrable. Detailed information of ESOP are subject to amendments as the management considers appropriate ESOP. The resolution from shareholders is required for the launch of the aforementioned ESOP. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017.

For the aforementioned increases in ordinary shares of 160,000,000 shares and 4,500,000 shares, totalling 164,500,000 shares, the Company received the share subscription at the IPO price of Baht 4.80 per share, being the value at par of Baht 82,250,000 and share premium of Baht 707,350,000. Shares issuance costs directly related to the newly issued shares of Baht 19,384,106 were presented net off share premium. The Company has fully received the share subscription including share premium and also registered the increases in issued and paid-up share capital to the Ministry of Commerce on 29 August 2017.

As at 31 December 2017, the share premium, net, presented in the statement of financial position was Baht 687,965,894.

Share-based payment from the issuance of warrants

On 29 August 2017, the Company issued 10,500,000 warrants, the vesting period of which is 3 years. This resulted in share-based payment of Baht 3,900,000 which was referenced to the fair value of warrants. Share-based payment is to be recognised over the vesting period. During the year ended 31 December 2017, the Company recognised the share-based payment expense of Baht 444,548.

22 Dividends paid

The Extraordinary Meeting of Shareholders No. 1/2560 on 15 March 2017 approved the interim dividend payment to the ordinary shareholders at Baht 15 per share for 2,150,000 shares, totalling Baht 32.25 million. The dividend was paid to the shareholders on 18 March 2017.

The Extraordinary Meeting of Shareholders No. 5/2560 on 19 June 2017 approved the interim dividend payment to the ordinary shareholders at Baht 0.22 per share for 440,000,000 shares, totalling Baht 96.80 million. The dividend was paid to the shareholders on 15 July 2017.

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23 Legal reserve

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after accumulated deficits (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

24 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Rental income	282,122	-	-	-
Interest income	2,645,064	66,661	4,362,469	1,197,218
Management fee	-	-	27,460,000	-
Gains on disposals of equipment	174,853	8,913,933	-	-
Income from debt forgiveness from loans from directors	-	5,434,541	-	-
Compensation revenue	3,393,798	-	-	-
Others	8,988,529	10,289,297	1,972,116	1,277,892
	<u>15,484,366</u>	<u>24,704,432</u>	<u>33,794,585</u>	<u>2,475,110</u>

25 Finance costs

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest expense on:				
- Loans from financial institutions	2,556,858	2,888,775	-	66,379
- Finance lease liabilities	1,866,739	1,226,392	524,683	33,630
- Loans from directors	147,945	750,486	147,945	-
- Others	990,295	-	-	-
	<u>5,561,837</u>	<u>4,865,653</u>	<u>672,628</u>	<u>100,009</u>

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Employee benefit expenses	303,800,613	248,064,868	41,639,288	30,933,210
Depreciation and amortisation	40,351,988	32,720,022	6,417,148	2,154,564
Losses on disposals of assets	154,632	152,756	-	-
Doubtful account expense	(2,472,643)	6,947,175	(200,777)	-
Share-based payments	444,548	614,379	444,548	614,379
Operating lease expenses	81,028,077	76,634,747	407,072	1,673,044
Utility expenses	54,159,691	47,634,277	8,388,078	2,491,866
Professional and other fees	83,113,983	78,024,037	18,409,344	16,857,450
Repair and maintenance expenses	8,629,549	9,836,688	930,803	584,682

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27 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax on profit for the year	31,792,024	26,458,878	-	-
Deferred taxes (Note 15)	(5,538,711)	(1,115,638)	(218,225)	(316,284)
	<u>26,253,313</u>	<u>25,343,240</u>	<u>(218,225)</u>	<u>(316,284)</u>

Income taxes disclosed in statement of income were calculated from taxable income at tax rate of 20% for the Company and 17% or 20% for the subsidiaries. (2016: 17% or 20%).

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before income tax	155,890,431	119,843,100	215,814,334	27,646,887
Tax calculated at a tax rate of 17% or 20% (2016 : 17% or 20%)	35,386,372	31,399,770	43,162,867	5,529,378
Tax effects of:				
Share of profit from investments in subsidiaries and joint ventures	(3,335,613)	(2,831,882)	-	-
Revenues exempted from income tax	(1,153,100)	(8,084,318)	(42,476,582)	(7,733,370)
Expenses additionally deductible for tax purpose	(1,389,761)	(20,319)	(1,269,454)	-
Non-tax deductible expenses	2,284,126	3,688,701	583,169	228,411
Utilisation of prior period's tax loss for which deferred tax asset had not been recognised	-	(1,977,875)	-	-
Current period's tax loss for which deferred tax asset had not been recognised	(5,538,711)	3,169,163	(218,225)	1,659,297
Income tax expense	<u>26,253,313</u>	<u>25,343,240</u>	<u>(218,225)</u>	<u>(316,284)</u>

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28 Earnings per share

The Company decreased the par value of ordinary shares from Baht 100 per share to Baht 0.50 per share, resulting in the increase in the number of issued and paid-up ordinary shares from 2,150,000 shares to 430,000,000 shares (Note 21). The Company used the number of ordinary shares after the share split in calculating the basic earnings (loss) per share for all reported periods.

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Net profit attributable to owners of the parent (Baht)	129,637,118	89,433,872	216,032,559	27,963,171
Weighted average number of ordinary shares in issue before the share split (shares)	2,150,000	2,150,000	2,150,000	2,150,000
<u>Add</u> Increase in number of shares from split of ordinary shares during the period (shares)	427,850,000	427,850,000	427,850,000	427,850,000
<u>Add</u> weighted average number of shares issued in the period (shares)	63,130,137	-	63,130,137	-
Total number of ordinary shares for basic earnings per share calculation (shares)	493,130,137	430,000,000	493,130,137	430,000,000
Basic earnings per share for the owners of the parent (Baht)	0.2629	0.2080	0.4381	0.0650

Diluted earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the number of ordinary shares for basic earnings per share calculation plus the weighted average number of shares to be issued as if warrants were exercised.

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Net profit attributable to owners of the parent (Baht)	129,637,118	-	216,032,559	-
Total number of ordinary shares for basic earnings per share calculation (shares)	493,130,137	-	493,130,137	-
<u>Add</u> weighted average number of shares to be issued as if warrants were exercised (shares)	1,577,145	-	1,577,145	-
Number of ordinary shares for diluted earnings per share calculation (shares)	494,707,282	-	494,707,282	-
Diluted earnings per share (Baht)	0.2620	-	0.4367	-

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29 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The Company is controlled by 2 directors whose aggregate shareholding was 40.55% (2016: 56.83%)

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following transactions were carried out with related parties:

29.1 Service income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Service income				
Subsidiaries	-	-	31,743,496	3,401,287
Associates	123,281,564	137,702,765	8,065,170	8,506,269
Joint ventures	4,589,720	12,457,890	248,217	1,900
	<u>127,871,284</u>	<u>150,160,655</u>	<u>40,056,883</u>	<u>11,909,456</u>

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Rental income and related services:				
Subsidiaries	-	-	8,556,779	2,789,021
Associates	6,108,875	2,055,851	6,108,875	2,055,851
Joint ventures	9,600	267,657	9,600	267,657
	<u>6,118,475</u>	<u>2,323,508</u>	<u>14,675,254</u>	<u>5,112,529</u>

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Management fee:				
subsidiaries	-	-	27,460,000	-
	<u>-</u>	<u>-</u>	<u>27,460,000</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Dividend income from:				
Subsidiaries	-	-	200,289,000	38,666,852
Associates	-	-	12,101,691	-
Joint ventures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>212,390,691</u>	<u>38,666,852</u>

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29 Related party transactions (continued)

29.2 Purchases of services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Purchases of services from:				
Subsidiaries	-	-	5,495,594	8,615,921
Associates	20,324,426	26,223,786	1,176,781	1,732,740
Joint ventures	50,187,359	43,045,763	-	-
	<u>70,511,785</u>	<u>69,269,549</u>	<u>6,672,375</u>	<u>10,348,661</u>

29.3 Purchases of assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Purchases of assets from:				
Associates	26,107,190	11,526	-	11,526
	<u>26,107,190</u>	<u>11,526</u>	<u>-</u>	<u>11,526</u>
Sale of assets from:				
Director	-	7,047,196	-	-
	<u>-</u>	<u>7,047,196</u>	<u>-</u>	<u>-</u>

29.4 Business transfer from subsidiary

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Transfer from:				
Subsidiary (Note 10)	-	-	-	50,232,227
	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,232,227</u>

29.5 Outstanding balances from service income and purchase of services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables - related parties				
Subsidiaries	-	-	28,045,869	432,996
Associates	14,480,512	39,133,312	995,905	4,732,106
Joint ventures	362,374	7,771,587	202,569	267,412
	<u>14,842,886</u>	<u>46,904,899</u>	<u>29,244,343</u>	<u>5,432,514</u>
Trade payables - related parties				
Subsidiaries	-	-	734,688	1,243,102
Associates	1,233,863	1,940,592	2,994	1,152
Joint ventures	3,148,538	4,147,829	-	-
	<u>4,382,401</u>	<u>6,088,421</u>	<u>737,682</u>	<u>1,244,254</u>

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29 Related party transactions (continued)

29.6 Dividends receivable and dividends payable

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Dividends receivable				
Subsidiaries	-	-	32,498,220	-
	-	-	32,498,220	-

29.7 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries	-	-	306,390,800	48,890,800
Associates	2,250,000	1,400,000	2,250,000	1,400,000
	2,250,000	1,400,000	308,640,800	50,290,800

Short-term loans to associates bore interest rates of 1.50% - 6.25% per annum (2016 : 1.50% - 5.00% per annum) and are repayable at call.

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	1,400,000	11,708,990	50,290,800	95,887,666
Additions during the year	3,750,000	11,485,248	271,750,000	5,400,000
Decreases from transfer of business from subsidiary	-	-	-	(45,000,000)
Repayments during the year	(2,900,000)	(21,794,238)	(13,400,000)	(5,996,866)
As at 31 December	2,250,000	1,400,000	308,640,800	50,290,800

29.8 Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	8,800,000	4,800,000	-	-
Additions during the year	-	8,800,000	-	-
Repayments during the year	(8,800,000)	(4,800,000)	-	-
As at 31 December	-	8,800,000	-	-

Long-term loans to related parties were made with the associate with interest rates of 4.00% per annum and 6.50% per annum (2016: 4.00% per annum and 6.50% per annum) with no collateral and were to be repaid within 5 year from the agreement date. The Group fully received repayment of these long-term loans.

As at 31 December 2016, the fair value of long-term loans to the associate was Baht 9.53 million. This was derived from the discounted cash flows method and is in the level 2 of the fair value hierarchy.

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29 Related party transactions (continued)

29.9 Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 1 January	-	13,232,137	-	4,750,000
Addition during the year	60,000,000	4,887,389	60,000,000	-
Repayments during the year	(60,000,000)	(18,119,526)	(60,000,000)	(4,750,000)
As at 31 December	-	-	-	-

Short-term loans from subsidiaries bear an interest rate of 1.50% per annum (2016 : 1.50% -5.00 % per annum) and are repayable at call.

29.10 Key management compensation

Key management includes directors and executive management (regardless of whether they are in the managerial level or not), top management, corporate secretary, and internal audit department head. Compensation paid or payable to key management is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term benefits	67,567,344	62,980,418	21,058,109	16,138,922
Retirement benefits	1,427,445	3,843,503	662,673	1,793,319
Share-based payments	444,548	614,379	444,548	614,379
	69,439,337	67,438,300	22,165,330	18,546,620

30 Segment information

Segment information is reported by segment and this was reviewed by the chief operating decision-maker, which is the Board of Directors. Similar segments are reported together. The chief operating decision-maker measures the financial performance of each segment using the gross profit margin. Reported segments comprise air freight, sea and in-land freight, logistics management, chemical and hazardous goods logistics management, and other management services.

Air freight	Operates as an air freight forwarder, both local and overseas, for airlines, and provides related services, including warehouse management services at airports.
Sea and in-land freight Logistics management	Operates as a sea and in-land freight forwarder, both local and overseas. Provides warehouse management and logistics services, both air and sea, and both local and overseas.
Chemical and hazardous goods logistics	Operates as a freight forwarder both local and overseas and provides warehouse management and logistics services for chemical goods including goods in the chemical industry.
Other management services	Provides office rental and other management services.

The Group renamed segments and presentation of segments information to be in line with the use of segment information by the Board of Directors from the segment information presented in the financial statements for the year ended 31 December 2017.

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30 Segment information (continued)

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30 Segment information (continued)

	Consolidated financial statements (Baht)					
	For the year ended 31 December 2016					
	Air freight	Sea and in-land freight	Logistics management	Hazardous goods logistics	Other management services	Total before elimination
Revenue from sales and service	1,753,263,319	83,301,166	121,098,981	453,001,861	15,286,558	2,425,951,885
Costs of sales and service	(1,511,738,722)	(50,005,001)	(56,332,520)	(318,613,734)	(9,882,490)	(1,946,572,467)
Segment profit	241,524,597	33,296,165	64,766,461	134,388,127	5,404,068	479,379,418
Other income						(14,103,515)
Selling expenses						24,704,432
Administrative expenses						(115,657,656)
Loss on exchange rates, net						(260,411,455)
Finance costs						(3,361,880)
Share of profits from associates and joint ventures						(4,865,653)
						14,159,409
Profit before income tax expense						119,843,100
Income tax expense						(25,343,240)
Profit for the year						94,499,860
Segment assets						1,063,778,203
Segment liabilities						722,536,305

Considering geographical segments, the Group had aggregate revenues overseas from companies incorporated in Japan and Singapore, amounting to Baht 27.06 million and Baht 475.38 million, respectively. (2016 : aggregate revenues overseas from companies incorporated in Japan and Singapore amounting to Baht 3.72 million and Baht 245.10 million, respectively.)

Main Group customer

In 2017, the Group had revenue from one main customer amounting to Baht 237.22 million (2016 : revenue from one main customer amounting to Baht 235.73 million,) which was more than 10% of the Group's total revenues which is included in the air freight business segment.

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31 Commitments

31.1 Bank guarantees

The Company has bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Guarantee for air services	83,409,640	88,195,140	50,409,640	-
Guarantee for air freight	50,124,810	38,190,000	34,483,310	-
Guarantee for damage of TANK, liabilities from ports	5,550,000	2,720,000	2,350,000	-
Right to operate warehouse business at Don Muang Airport	25,387,840	12,640,920	-	-
Guarantees for electricity, fuel for vehicles and other expenses at Port Authorities of Thailand	1,186,000	1,440,000	548,000	-
Guarantee for damage of goods	300,000	300,000	-	-
Guarantee for warehouse rental	666,000	-	666,000	-
	<u>166,624,290</u>	<u>143,486,060</u>	<u>88,456,950</u>	<u>-</u>

31.2 Foreign exchange forward contracts

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

As at 31 December 2017, the Group had 1 outstanding foreign exchange forward contract of US\$ 500,000 with the remaining period of 1 month.

Fair values of derivative instruments that the Group does not recognise in the statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Foreign exchange forward contracts - asset (liabilities)	(53,079)	-	-	-

Fair values of foreign exchange forward contracts are determined based on the rates specified by the financial institutions, taking into account the market conditions at the date of statement of financial position, and are categorised in the level 2 of the fair value hierarchy.

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31 Commitments (continued)

31.3 Operating lease commitments

As at 31 December 2017 and 2016, the Group and the Company have entered into several operating lease agreements in respect of the lease of office equipment and motor vehicles. The terms of the agreements are generally between 1 and 5 years and have future minimum payments under these non-cancellable operating leases agreements and related service agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Within 1 year	29,395,023	22,396,185	2,144,056	846,376
- Later than 1 year but not later than 5 years	19,263,658	16,538,323	3,867,592	78,718
	<u>48,658,681</u>	<u>38,934,508</u>	<u>6,011,648</u>	<u>925,094</u>

32 Contingent liabilities from airline appointment contract

The Group entered into a contract that appointed airline for air freight service and other related services for shipping goods with Thai AirAsia Company Limited on 31 December 2015. Such contract requires minimum revenue per year from service of the Group through the airline. If the Group could not meet such requirement, the Group is obliged to compensate for part of revenue that did not reach the minimum requirement to the airline.

33 Events after the reporting period

On 10 January 2018, the Company made additional investment in Triple i Air Express Co., Ltd., a subsidiary that increased its share capital by issuing 450,000 ordinary shares at a par value of Baht 100. The Company fully paid the additional investment of Baht 45 million. The shareholding in the subsidiary remains unchanged.

On 11 January 2018, the Company made additional investment in HazChem Logistics Management Co., Ltd., a subsidiary that increased its share capital by issuing 450,000 ordinary shares at a par value of Baht 100. The Company fully paid the additional investment of Baht 45 million. The shareholding in the subsidiary remains unchanged.

The Board of Directors' Meeting No. 1/2561 on 20 February 2018 passed a resolution to approve the dividends from the operating result of 2017 at the rate of Baht 0.11 per share to the shareholders at the total amount of Baht 66,496,000. There dividends will be paid to the shareholders in May 2018.

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