

**TRIPLE I LOGISTICS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

## **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 2019, 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 2019;
- 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. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition for service income</b></p> <p>The Group provides a domestic and international freight forwarding service, and integrated logistics services. The Group's aggregate revenues from services are Baht 2,698 million, representing 99% of total revenues. As disclosed in the financial statements' Note 2.22 'Accounting policy for revenue recognition', revenues from services are recognised when the Group satisfies a performance obligation and control of services is transferred to the customers over the contract term.</p> <p>I focused on the audit of revenue recognition for service income because the revenue amount was material to the consolidated financial statements. I examined whether the revenue transactions were valid and occur in the relevant period.</p>	<p>I tested the revenue recognition for service income of the Group by carrying out the following procedures:</p> <ul style="list-style-type: none"><li>- Evaluated and validated the key controls over the Group's revenue cycle, by inquiring the Group's personnel to understand the revenue cycle and internal controls. I sampled revenue transactions to validate key controls on the recording of revenue at the appropriate recognition point according to the service conditions. This included examining invoices and supporting documents such as the bill of lading or airway bill, and quotation, as well as examining whether service invoices were reviewed and approved by an authorised person. I also traced cash receipts from customers to service invoices and transactions in the bank statements.</li><li>- Performed substantive tests on transactions by sampling each type of service revenue transaction to check that the Group has provided services to customers and recorded revenue at the appropriate recognition point according to the service conditions, as well as examining the invoices and the bill of lading or airway bill to determine that the transactions were valid and occurred in the relevant period. For revenue transactions that have been collected, cash receipt from customers were traced to invoices and transactions in the bank statements.</li><li>- Sent account receivable confirmations on sampling basis to check that the Group's revenues represented valid revenue transactions and that the accounts receivable existed.</li><li>- Performed analytical procedures on the Group's revenue for each revenue type to consider whether there were irregular revenue fluctuations. This included testing the appropriateness of journal entries related to revenues and other related adjusting entries to assess whether there were any invalid revenue transactions.</li></ul> <p>I did not find any significant errors when carrying out the above procedures. Revenue recognition was in accordance with the available evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Value of investment in joint venture</b></p> <p>Refer to Note 11.2 'Investment in joint ventures' to the consolidated and separate financial statements.</p> <p>During 2019, the Company acquired 50% of the registered share capital of Around Logistics Management Co., Ltd. The Group's management assessed that the acquisition of such shareholdings qualified as an investment in a joint venture according to the definition in Thai Financial Reporting Standard no. 11 'Joint Arrangements'.</p> <p>At the acquisition date, the Group recognised the investment in joint venture at cost amounting to Baht 536.80 million. Cost of investment comprised the consideration transferred at the acquisition date, including contingent consideration and acquisition-related cost. The management assessed the contingent consideration amount as specified in the Shares Sale and Purchase Agreement, based on the joint venture's future operating performance being achieved. The management considered the amount of the contingent consideration, and the expected payment was discounted to the present value.</p> <p>I focused on this matter because the value of investment was significant to the consolidated and separate financial statements. And, the valuation of the contingent consideration was based on management's judgment of the probability of the joint venture achieving the future operating performance according to their business plan. This may affect the value of the investment in the joint venture at the acquisition date.</p>	<p>I evaluated management's assessment and determined that the acquisition should be assessed as investment in a joint venture and they were appropriately accounted for. I performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Read the Shares Sale and Purchase Agreement for the investment in the joint venture, including minutes of the Board of Directors' meeting at which the investment was approved. Moreover, I inquired the Company's management and financial advisor about the business rationale of this transaction.</li> <li>- Assessed the appropriateness of the amount of contingent consideration at the acquisition date based on the future operating performance of the joint venture as specified in the agreement by challenging management about their assessment of the likelihood of the joint venture's future operating performance to be achieved and determining it was aligned with industry trends. I also evaluated the reasonableness of the joint venture's business plan by comparing it with the subsequent actual performance. I also compared the discount rate the management used to calculate the present value with the interest rate that reflected the risk specific to the Company's liabilities.</li> </ul> <p>As a result of these procedures, I determined that the value of the investment in the joint venture at the acquisition date was reasonable according to the supporting evidences.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Purchase price allocation for an acquisition of investment in a joint venture</b></p> <p>Refer to Note 11.2 'Purchase price allocation for an acquisition of investment in a joint venture' to the consolidated and separate financial statements.</p> <p>During 2018, the Company acquired 50% of the registered share capital of DG Packaging Pte. Ltd. The Group recognised the investment in a joint venture at cost in separate financial statements amounting to Baht 271.20 million. As at 31 December 2018, the Company was determining fair value of the net assets acquired and reviewing purchase price allocation for an acquisition of investment in a joint venture.</p> <p>In 2019, the management engaged external independent valuation expert to measure the fair value of net assets acquired and consider the purchase price allocation. The fair value of net assets acquired was Baht 31.85 million and goodwill was Baht 239.35 million, all of which was recorded in cost of investment in the joint venture.</p> <p>I focused on the purchase price allocation for the investment's acquisition because the fair value of net assets acquired, especially fair value of customer relationships, involved significant management judgment. The valuation was also based on key assumptions including revenue growth rate, number of years for estimation and discount rate.</p>	<p>I evaluated the purchase price allocation, and performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Assessed the competence, knowledge and independence of the external valuation expert engaged by management.</li> <li>- Assessed the appropriateness of the measurement of the fair value of the net assets acquired at the acquisition date.</li> <li>- Assessed the appropriateness of the fair value of customer relationships by testing the key assumptions in the following procedures: <ul style="list-style-type: none"> <li>• Compared the revenue growth rate against actual historical performance</li> <li>• Compared number of years for estimation with data from other independent sources</li> <li>• Involved my firm's valuation expert to support the assessment of the reasonableness of the discount rate.</li> </ul> </li> <li>- Tested the calculation of purchase price allocation and goodwill arising from the acquisition, being the difference between total net consideration transferred and the fair value of net assets.</li> </ul> <p>As a result of these procedures, I determined that the fair value measurement of net assets acquired at the acquisition date of the investment in a joint venture was reasonable according to the supporting evidences.</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  
 24 February 2020

Triple i Logistics Public Company Limited  
Statements of Financial Position  
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	7	262,472,916	731,821,620	71,468,881	408,229,832
Trade and other receivables, net	8	495,348,292	419,813,336	126,709,757	65,860,275
Short-term loans to related parties	30.5	11,250,000	2,250,000	287,066,300	322,566,300
Current portion of finance lease receivables, net		-	841,122	-	-
Inventories		1,297,231	1,645,554	-	-
Other current assets	9	6,041,668	23,619,894	504,024	527,562
<b>Total current assets</b>		<b>776,410,107</b>	<b>1,179,991,526</b>	<b>485,748,962</b>	<b>797,183,969</b>
<b>Non-current assets</b>					
Finance lease receivables, net		-	1,045,958	-	-
Investments in subsidiaries	10	-	-	152,948,570	145,448,570
Investments in associates	11.1	14,627,442	32,569,704	5,437,563	5,065,215
Investments in joint ventures	11.2	877,897,397	290,992,662	810,488,416	271,385,837
Other long-term investments	12	88,487,760	13,250	88,474,510	-
Investment properties, net	13	-	-	81,877,545	86,172,748
Property, plant and equipment, net	14	276,813,645	239,158,039	16,471,964	16,398,022
Intangible assets, net	15	15,435,965	13,680,461	986,055	1,376,940
Deferred tax assets	16	17,197,611	15,497,692	5,595,421	4,657,553
Retentions		33,075,627	41,434,294	1,890,970	1,758,130
Other non-current assets	17	125,718,895	84,135,007	10,250,425	6,572,378
<b>Total non-current assets</b>		<b>1,449,254,342</b>	<b>718,527,067</b>	<b>1,174,421,439</b>	<b>538,835,393</b>
<b>Total assets</b>		<b>2,225,664,449</b>	<b>1,898,518,593</b>	<b>1,660,170,401</b>	<b>1,336,019,362</b>

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.



Triple i Logistics Public Company Limited  
Statements of Financial Position  
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	18	414,246,390	442,976,020	24,111,910	21,604,796
Current portion of contingent consideration paid for investments in joint ventures, net	11.2	131,468,026	69,980,280	131,468,026	69,980,280
Current portion of long-term loans from a financial institution, net	19.1	60,000,000	1,875,996	60,000,000	-
Current portion of finance lease liabilities, net	19.2	9,562,085	11,318,900	3,704,317	3,853,313
Other current liabilities	20	38,617,438	39,162,964	2,795,188	2,199,004
<b>Total current liabilities</b>		<b>653,893,939</b>	<b>565,314,160</b>	<b>222,079,441</b>	<b>97,637,393</b>
<b>Non-current liabilities</b>					
Contingent consideration paid for investments in joint ventures, net	11.2	-	71,798,120	-	71,798,120
Long-term loans from a financial institution	19.1	240,000,000	-	240,000,000	-
Finance lease liabilities, net	19.2	13,407,761	19,911,065	3,096,401	6,800,718
Employee benefit obligations	21	29,105,997	31,581,730	4,489,053	10,720,059
Other non-current liabilities		10,289,624	8,998,154	822,379	822,379
<b>Total non-current liabilities</b>		<b>292,803,382</b>	<b>132,289,069</b>	<b>248,407,833</b>	<b>90,141,276</b>
<b>Total liabilities</b>		<b>946,697,321</b>	<b>697,603,229</b>	<b>470,487,274</b>	<b>187,778,669</b>

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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Triple i Logistics Public Company Limited  
**Statements of Financial Position**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019	2018
		2019	2018		
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital	22				
Authorised share capital					
615,000,000 ordinary shares at a par value of Baht 0.50 each		307,500,000	307,500,000	307,500,000	307,500,000
Issued and paid-up share capital					
609,307,775 ordinary shares at a par value of Baht 0.50 each (2018 : 604,500,000 ordinary shares)		304,653,888	302,250,000	304,653,888	302,250,000
Share premium, net	22	708,639,327	687,965,894	708,639,327	687,965,894
Surplus from business combination under common control		30,726,984	30,726,984	-	-
Surplus from share-based payments		21,869,586	20,539,586	21,869,586	20,539,586
Discount from changes in shareholding of subsidiary		(187,500)	(187,500)	-	-
Retained earnings					
Appropriated - Legal reserve	24	30,500,000	21,400,000	22,400,000	16,300,000
Unappropriated		189,757,560	141,113,762	132,120,326	121,185,213
Other components of equity		(6,992,717)	(2,893,362)	-	-
<b>Equity attributable to owners of the parent</b>		1,278,967,128	1,200,915,364	1,189,683,127	1,148,240,693
Non-controlling interests		-	-	-	-
<b>Total equity</b>		1,278,967,128	1,200,915,364	1,189,683,127	1,148,240,693
<b>Total liabilities and equity</b>		2,225,664,449	1,898,518,593	1,660,170,401	1,336,019,362

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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Triple i Logistics Public Company Limited  
**Statements of Comprehensive Income**  
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Revenues from services		2,698,120,623	2,758,967,083	111,202,333	84,802,545
Revenues from sales		14,421,367	11,597,056	-	-
Costs of services		(2,271,164,353)	(2,282,914,831)	(66,168,917)	(49,404,936)
Costs of sales		(3,311,596)	(3,040,501)	-	-
<b>Gross profit</b>		<b>438,066,041</b>	<b>484,608,807</b>	<b>45,033,416</b>	<b>35,397,609</b>
Dividend income		-	-	102,540,883	96,726,828
Other income	25	11,822,265	18,448,701	62,641,829	54,520,354
Selling expenses		(80,853,111)	(77,171,225)	(11,244,648)	(7,379,284)
Administrative expenses		(280,017,563)	(294,984,867)	(72,341,380)	(76,049,991)
Gain on exchange rates, net		7,952,905	6,986,442	7,055,271	3,621,477
Finance costs	26	(14,930,479)	(1,863,499)	(14,110,071)	(568,752)
Share of profits from investments in associates and joint ventures	11	96,172,698	32,062,169	-	-
<b>Profit before income tax</b>		<b>178,212,756</b>	<b>168,086,528</b>	<b>119,575,300</b>	<b>106,268,241</b>
Income tax	28	(13,702,677)	(18,409,707)	874,239	3,073,146
<b>Profit for the year</b>		<b>164,510,079</b>	<b>149,676,821</b>	<b>120,449,539</b>	<b>109,341,387</b>
<b>Other comprehensive income (expenses):</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of post-employment benefit obligations	21	(4,110,386)	875,241	(318,147)	(2,636,984)
Share of other comprehensive income of associates and joint ventures, net of tax accounted for using the equity method		(318,064)	687,912	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		822,077	(175,048)	63,629	527,397
Total items that will not be reclassified subsequently to profit or loss		(3,606,373)	1,388,105	(254,518)	(2,109,587)
<i>Items that will be reclassified subsequently to profit and loss</i>					
Currency translation differences		(3,737,008)	22,892	-	-
Share of other comprehensive income of joint ventures		(362,347)	-	-	-
Total items that will be reclassified subsequently to profit or loss		(4,099,355)	22,892	-	-
<b>Other comprehensive income (expenses) for the year, net of tax</b>		<b>(7,705,728)</b>	<b>1,410,997</b>	<b>(254,518)</b>	<b>(2,109,587)</b>
<b>Total comprehensive income for the year</b>		<b>156,804,351</b>	<b>151,087,818</b>	<b>120,195,021</b>	<b>107,231,800</b>

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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Triple i Logistics Public Company Limited  
**Statements of Comprehensive Income**  
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
<b>Profit attributable to:</b>					
Owners of the parent		164,510,079	149,676,821	120,449,539	109,341,387
Non-controlling interests		-	-	-	-
		<u>164,510,079</u>	<u>149,676,821</u>	<u>120,449,539</u>	<u>109,341,387</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		156,804,351	151,087,818	120,195,021	107,231,800
Non-controlling interests		-	-	-	-
		<u>156,804,351</u>	<u>151,087,818</u>	<u>120,195,021</u>	<u>107,231,800</u>
<b>Earnings per share</b>					
Basic earnings per share	29.1	<u>0.2709</u>	<u>0.2476</u>	<u>0.1984</u>	<u>0.1809</u>
Diluted earnings per share	29.2	<u>0.2704</u>	<u>0.2467</u>	<u>0.1979</u>	<u>0.1802</u>

Director \_\_\_\_\_  
(Mr. Tipp Dalai)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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Triple i Logistics Public Company Limited  
Statements of Changes in Equity  
For the year ended 31 December 2019

Consolidated financial statements												
Notes	Issued and paid-up ordinary shares Baht	Share premium, net Baht	Surplus from business combination under common control Baht	Surplus from share-based payments Baht	Discount from changes in shareholding of subsidiary Baht	Retained earnings		Other components of equity		Total equity attributable to owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
						Appropriated - Legal reserve Baht	Unappropriated Baht	Other comprehensive income (expense)				
								Currency translation differences Baht	Share of other comprehensive income from joint ventures Baht			
Opening balances as at 1 January 2019												
- As reporting in prior year	302,250,000	687,965,894	30,726,984	20,539,586	(187,500)	21,400,000	142,114,049	(2,893,362)	-	1,201,915,651	-	1,201,915,651
Effect from purchase price allocation from investment in a joint venture	6	-	-	-	-	-	(1,000,287)	-	-	(1,000,287)	-	(1,000,287)
Opening balances as at 1 January 2019 - Restated	302,250,000	687,965,894	30,726,984	20,539,586	(187,500)	21,400,000	141,113,762	(2,893,362)	-	1,200,915,364	-	1,200,915,364
Proceeds from shares issued												
- employee share option scheme	22	2,403,888	20,673,433	-	-	-	-	-	-	23,077,321	-	23,077,321
Dividends paid	23	-	-	-	-	-	(103,159,908)	-	-	(103,159,908)	-	(103,159,908)
Legal reserve	24	-	-	-	-	6,100,000	(6,100,000)	-	-	-	-	-
Legal reserve from subsidiaries		-	-	-	-	3,000,000	(3,000,000)	-	-	-	-	-
Share-based payments	33	-	-	-	1,330,000	-	-	-	-	1,330,000	-	1,330,000
Total comprehensive income for the year		-	-	-	-	-	160,903,706	(3,737,008)	(362,347)	156,804,351	-	156,804,351
Closing balance as at 31 December 2019	304,653,888	708,639,327	30,726,984	21,869,586	(187,500)	30,500,000	189,757,560	(6,630,370)	(362,347)	1,278,967,128	-	1,278,967,128
Opening balances as at 1 January 2018	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
Dividends paid	23	-	-	-	-	-	(66,495,000)	-	-	(66,495,000)	-	(66,495,000)
Legal reserve	24	-	-	-	-	5,498,372	(5,498,372)	-	-	-	-	-
Legal reserve from subsidiaries		-	-	-	-	2,000,000	(2,000,000)	-	-	-	-	-
Share-based payments	33	-	-	-	1,330,000	-	-	-	-	1,330,000	-	1,330,000
Total comprehensive income for the year (restated)		-	-	-	-	-	151,064,926	22,892	-	151,087,818	-	151,087,818
Transfer legal reserve from liquidation of a subsidiary		-	-	-	-	(500,000)	500,000	-	-	-	-	-
Closing balance as at 31 December 2018 - Restated	302,250,000	687,965,894	30,726,984	20,539,586	(187,500)	21,400,000	141,113,762	(2,893,362)	-	1,200,915,364	-	1,200,915,364

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited

Statements of Changes in Equity

For the year ended 31 December 2019

Separate financial statements						
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from share-based payments	Retained earnings		Total equity
	Baht	Baht	Baht	Appropriated - Legal reserve	Unappropriated	Baht
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Opening balance as at 1 January 2019</b>	302,250,000	687,965,894	20,539,586	16,300,000	121,185,213	1,148,240,693
Proceeds from shares issued						
- employee share option scheme	22	2,403,888	20,673,433	-	-	23,077,321
Dividends paid	23	-	-	-	(103,159,908)	(103,159,908)
Legal reserve	24	-	-	6,100,000	(6,100,000)	-
Share-based payments	33	-	1,330,000	-	-	1,330,000
Total comprehensive income for the year		-	-	-	120,195,021	120,195,021
<b>Closing balance as at 31 December 2019</b>	<b>304,653,888</b>	<b>708,639,327</b>	<b>21,869,586</b>	<b>22,400,000</b>	<b>132,120,326</b>	<b>1,189,683,127</b>
<b>Opening balance as at 1 January 2018</b>	302,250,000	687,965,894	19,209,586	10,801,628	85,946,785	1,106,173,893
Dividends paid	23	-	-	-	(66,495,000)	(66,495,000)
Legal reserve	24	-	-	5,498,372	(5,498,372)	-
Share-based payments	33	-	1,330,000	-	-	1,330,000
Total comprehensive income for the year		-	-	-	107,231,800	107,231,800
<b>Closing balance as at 31 December 2018</b>	<b>302,250,000</b>	<b>687,965,894</b>	<b>20,539,586</b>	<b>16,300,000</b>	<b>121,185,213</b>	<b>1,148,240,693</b>

Director \_\_\_\_\_

(Mr. Tipp Dalai)

Director \_\_\_\_\_

(Mr. Viraj Nobnomtham)

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**Triple i Logistics Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
<b>Cash flows from operating activities</b>					
Profit before income tax		178,212,756	168,086,528	119,575,300	106,268,241
Adjustments for:					
Depreciation and amortisation	13, 14, 15	48,774,905	48,109,897	8,769,682	8,776,431
Share of profit from investments in associates and joint ventures	11	(96,172,698)	(32,062,169)	-	-
Gain from dissolution of a subsidiary	25	-	-	-	(553,844)
(Gain) loss on sales of equipment	25	59,194	(3,999,576)	-	-
Loss from write-offs of assets	14	25,886	444,355	-	16,416
(Reversal of) employee benefit obligations	21	(5,900,875)	9,754,944	(6,549,153)	3,169,183
(Reversal of) allowance for doubtful accounts		181,190	(154,145)	181,190	104,348
Unrealised gain on foreign exchange rate		(7,811,650)	(3,320,400)	(7,811,650)	(3,320,400)
Interest income	25	(2,016,819)	(6,198,518)	(12,669,722)	(10,015,291)
Dividend income		-	-	(102,540,883)	(96,726,828)
Expenses relating to share-based payments	33	1,330,000	1,330,000	1,330,000	1,330,000
Amortisation of deferred interest on finance leases	19.2, 26	1,175,919	1,323,610	391,322	568,752
Finance costs	26	13,754,560	539,889	13,718,749	-
		131,612,368	183,854,415	14,394,835	9,617,008
Changes in working capital					
Operating assets decrease (increase)					
Trade and other receivables, net		(49,509,792)	(10,896,879)	(15,459,552)	19,453,404
Inventories		348,323	(44,276)	-	-
Other current assets		1,861,028	1,155,829	23,538	422,662
Retentions		8,349,490	(2,116,806)	(132,840)	(1,500)
Other non-current assets		(11,666,044)	(42,609,329)	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(23,139,493)	114,052,483	(778,583)	(1,617,725)
Other current liabilities		8,034,175	347,454	596,184	(462,469)
Employee benefit obligations paid	21	(685,244)	(582,400)	-	-
Other non-current liabilities		1,386,904	2,937,000	-	10,001
<b>Cash flows from operations</b>		66,591,715	246,097,491	(1,356,418)	27,421,381
Income tax paid		(37,253,095)	(43,582,275)	(3,678,047)	(3,491,944)
<b>Net cash generated from (used in) operating activities</b>		29,338,620	202,515,216	(5,034,465)	23,929,437

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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**Triple i Logistics Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019	2018
		2019	2018		
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		2,259,883	6,476,747	12,810,647	10,378,993
Proceeds from sales of equipment		2,025,437	6,684,071	-	-
Payments for purchases of equipment and intangible assets		(81,908,710)	(34,982,048)	(947,537)	(4,035,094)
Proceeds from dissolution of investments in a subsidiary		-	-	-	3,053,744
Payments for investments in subsidiaries	10	-	-	(7,500,000)	(92,249,900)
Payments for investments in associates and joint ventures		(546,049,495)	(126,099,544)	(546,049,495)	(126,099,544)
Payments for other long-term investments	12	(88,474,510)	-	(88,474,510)	-
Proceeds from short-term loans to related parties	30.5	-	-	91,500,000	78,674,500
Payments for short-term loans to related parties	30.5	(9,000,000)	-	(56,000,000)	(92,600,000)
Proceeds from short-term investments		-	4,132,988	-	-
Dividends received from subsidiaries		-	-	34,386,430	82,301,028
Dividends received from associates and joint ventures		29,695,365	16,757,954	22,442,408	12,537,590
<b>Net cash used in investing activities</b>		<b>(691,452,030)</b>	<b>(127,029,832)</b>	<b>(537,832,057)</b>	<b>(128,038,683)</b>

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

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**Triple i Logistics Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
<b>Cash flows from financing activities</b>					
Interest paid		(9,678,714)	(539,889)	(9,642,904)	-
Net decrease in bank overdrafts and short-term loans from financial institutions		-	(4,728,224)	-	-
Payments for finance lease liabilities	19.2	(12,941,738)	(11,781,178)	(4,244,635)	(4,244,635)
Proceeds from long-term loans from a financial institution	19.1	300,000,000	-	300,000,000	-
Repayments on long-term loans from a financial institution	19.1	(1,875,996)	(6,576,708)	-	-
Proceeds from shares issued	22	23,077,321	-	23,077,321	-
Dividends paid		(103,084,211)	(66,392,239)	(103,084,211)	(66,392,239)
<b>Net cash generated from (used in) financing activities</b>		<b>195,496,662</b>	<b>(90,018,238)</b>	<b>206,105,571</b>	<b>(70,636,874)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(466,616,748)</b>	<b>(14,532,854)</b>	<b>(336,760,951)</b>	<b>(174,746,120)</b>
Cash and cash equivalents at the beginning of the year		731,821,620	746,463,152	408,229,832	582,975,952
Exchange losses on cash and cash equivalents		(2,731,956)	(108,678)	-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>262,472,916</b>	<b>731,821,620</b>	<b>71,468,881</b>	<b>408,229,832</b>
<b>Non-cash transactions</b>					
Finance lease liabilities		2,875,705	10,355,653	-	-
Dividends payable		178,458	102,761	178,458	102,761
Dividends receivable		34,698,355	1,499,950	80,098,745	34,386,430
Purchases of fixed assets on payable		3,302,342	346,000	3,210,000	-
Receivables from disposal of assets under finance lease agreement		-	1,950,000	-	-
Contingent consideration paid for investments in joint ventures		63,805,406	141,778,400	63,805,406	141,778,400
Share-based payments		1,330,000	1,330,000	1,330,000	1,330,000

Director \_\_\_\_\_  
(Mr. Tipp Dalal)

Director \_\_\_\_\_  
(Mr. Viraj Nobnomtham)

The accompanying notes on pages 16 to 67 are an integral part of these consolidated and separate financial statements.

## 1 General information

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

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

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

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

The consolidated financial statements include the following subsidiaries:

Subsidiaries	Nature of business	Country of incorporation	Percentage of shareholding (Direct and indirect holding)	
			2019 %	2018 %
<b><u>Direct subsidiaries</u></b>				
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Maritime Agencies Co., Ltd.	Sea freight forwarding	Thailand	100.00	100.00
DG Packaging (Thailand) Co., Ltd.	Selling packages and providing packing services	Thailand	100.00	100.00
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00
<b><u>Indirect subsidiary</u></b>				
Triple i International Japan Co., Ltd. (held by Triple i International Pte. Ltd.)	Air freight forwarding	Japan	100.00	100.00

The consolidated and separate financial statements were authorised by the Board of Directors on 24 February 2020.

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

## **2.2 New and amended financial reporting standards that are relevant to the Group**

### **2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019**

#### **a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers**

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The adoption of TFRS 15 did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

#### **b) Thai Financial Reporting Standard no.2 (TFRS 2) (revised 2018), Share-based payment**

The amendments made to TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments;
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash-settled.

#### **c) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures**

The amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

#### **d) Thai Accounting Standard no.40 (revised 2018), Investment property**

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

#### **e) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration**

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The adoption of these Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

## 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

### a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of initial adoption of these standards.

### b) TFRS 16, Leases

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

The Group's management is currently assessing the impact of initial adoption of this standard.

### c) Other new/amended standards

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of initial adoption of these Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation.

## **2.3 Principles of consolidation and equity accounting**

### **a) Subsidiaries**

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

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Direct costs are recorded as initial cost of investment.

### **b) Associates**

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

In the separate financial statements, investments in associates are accounted for using cost method.

### **c) Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

#### **Joint operations**

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

#### **Joint ventures**

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

### **d) Equity method**

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

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

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

**e) Intercompany transactions on consolidation**

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

**2.4 Business combination**

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

**Acquisition-related cost**

Acquisition-related cost are recognised as expenses in profit or loss.

**Step-up acquisition**

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

**Changes in fair value of contingent consideration paid/received**

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

**2.5 Foreign currency translation**

**a) Functional and presentation currency**

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

**b) Transactions and balances**

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

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

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**c) Group companies**

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

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and all resulting exchange differences are recognised in other comprehensive income.

**2.6 Cash and cash equivalents**

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

**2.7 Trade accounts receivable**

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

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

**2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value .

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, overhead and directly attributable costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

**2.9 General investments**

General investments are carried at cost less impairment.

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

**2.10 Investment property**

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

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

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

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

Buildings	20 years
Building improvement	5 and 15 years

## **2.11 Property, plant and equipment**

Land is stated at historical cost less any accumulated impairment losses. Other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

All other repairs and maintenance are charged to profit or loss when incurred.

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

Buildings	20 years
Building improvement	5, 6 and 10 years
Tool and equipment	5 and 10 years
Vehicles and equipment	5 and 10 years
Furniture and fixtures	5 and 10 years
Office equipment	5 and 10 years

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

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

## **2.12 Intangible assets**

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

Cost of maintenance are recognised as an expense as incurred.

## **2.13 Impairment of assets**

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

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

## **2.14 Leases**

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease term.

### **Leases - where the Group is the lessor**

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.



## **2.15 Borrowings**

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

## **2.16 Borrowing costs**

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

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

## **2.17 Current and deferred income taxes**

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

### **Current tax**

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

### **Deferred income tax**

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

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

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

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

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

## 2.18 Employee benefits

### a) Short-term employee benefits

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

### b) Defined contribution plan

The Group pays contributions to a separate fund in accordance with the provident fund Act B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### c) Defined benefit plans

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

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

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

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

### d) Other long-term benefits

The Group gives money rewards to employees when they have worked for the Group and completed the service years according to the Group's policy.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

### e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

## 2.19 Share-based payment

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

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

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

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

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

## 2.20 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.21 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

## 2.22 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

### Logistics management revenues

The Group recognised revenues from logistics at the point in time when control of service was transferred to the customer. Revenues from warehousing services are recognised over the contract term.

### Freight forwarding revenues

The Group recognised revenues from the freight forwarding services over the contract term.

### Sales of goods

The Group recognised revenues from sales of goods when control of goods were transferred to the customer.

### Other income

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

Dividend income is recognised upon entitlement.

## 2.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

# 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

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term loans to related parties, short-term borrowings and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including the Group's had entered into interest rate swap agreements.

The Group sometimes borrows at variable rates and uses interest rate swaps to hedge future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

### 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 Accounting for derivative financial instruments

The Group is a party to derivative financial instruments, which comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss.

Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense when due. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are recognised in profit or loss.

The Group's derivative financial instruments are disclosed in note 34.2.

## 3.3 Fair value estimation

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

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.

Investment properties	Note 13
Long-term loans from a financial institution	Note 19.1
Financial instruments	Note 34.2

#### 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.

**a) 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.

**b) Recognition of deferred tax assets**

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

**c) Defined retirement benefit obligation**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 21.

**d) 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.

**e) Estimate for the value of investments in joint ventures**

At the acquisition date, the Group recognised the investments in joint ventures which comprise of the consideration transferred at the acquisition date, including contingent consideration paid and acquisition-related cost.

The assessment of the contingent consideration paid involved significant judgment and assumption by management to consider the probability of the contingent consideration will be paid. The valuation of the contingent consideration paid will be discounted to the present value.

**f) Estimate of the fair value of the net identifiable assets acquired from the acquisition of investment in a joint venture**

The Group recognised the investments in joint ventures by determining fair value of the net identifiable assets acquired and performing purchase price allocation in accordance with the concepts in TFRS 3 "Business Combination" as described in Note 11.2.

The assessment of the fair value of the net identifiable assets involved significant judgment by management and the appropriateness and reliability of information and assumptions.

**g) Classification of joint ventures**

The Group holds less than and more than 50% of the voting right in some joint ventures (Note 11.2). However, the Group concluded that it has joint control over the joint ventures under the contractual agreement which requires unanimous consent from all parties to the agreement. The Group and counterparties to the agreement also, has rights to the net assets of the joint ventures.

## 5 Capital management

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

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

## 6 Effect from purchase price allocation from investment in a joint venture

During the year ended 31 December 2019, the Group measured the fair value of identifiable assets acquired and liabilities assumed of DG Packaging Pte. Ltd. ("DGP"), a joint venture, to comply with the measurement period for a business combination referred in TFRS 3 (Revised 2018). The acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period shall not exceed one year from the acquisition date (See Note 11.2).

The effects to the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of comprehensive income for the year ended 31 December 2018 are presented as follows:

	Previously reported Baht	Adjustment from measurement Baht	After adjustment Baht
<b>Consolidated statement of financial position as at 31 December 2018</b>			
Investments in joint ventures (Note 11.2)	291,992,949	(1,000,287)	290,992,662
Retained earnings - unappropriated	142,114,049	(1,000,287)	141,113,762
<b>Consolidated statement of comprehensive income for the year ended 31 December 2018</b>			
Share of profits from investments in associates and joint ventures	33,062,456	(1,000,287)	32,062,169

## 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	230,935	504,057	-	492
Cheques on hand	3,069,050	14,264,077	-	399,546
Deposits at financial institutions				
- current accounts	35,288,847	168,624,533	2,105,038	6,960,717
- savings accounts	223,884,084	348,428,953	69,363,843	200,869,077
- fixed deposit accounts	-	200,000,000	-	200,000,000
	262,472,916	731,821,620	71,468,881	408,229,832

As at 31 December 2019, deposits at financial institutions - savings accounts bear an interest rate of 0.20% - 0.50% per annum (2018: 0.37% - 0.50% per annum and fixed deposit accounts with maturity during 2-3 months bear an interest rate of 1.20% per annum).

## 8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables - other parties	325,026,919	308,107,443	21,463,600	13,895,108
<u>Less</u> Allowance for doubtful accounts	(7,721,011)	(7,603,271)	(656,697)	(475,507)
Trade receivables - other parties, net	317,305,908	300,504,172	20,806,903	13,419,601
Prepaid expenses	9,650,166	8,888,040	946,935	524,633
Accrued income	86,824,267	86,771,428	4,830,103	1,246,098
Other receivables	6,561,376	3,223,617	503,754	283,783
Trade receivables - related parties (Note 30.3)	40,308,220	18,926,129	19,523,587	15,999,730
Dividends receivable - related parties (Note 30.4)	34,698,355	1,499,950	80,098,475	34,386,430
	495,348,292	419,813,336	126,709,757	65,860,275

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Trade receivables - other parties</u>				
Less than 3 months	302,802,472	274,649,120	19,064,794	11,599,067
3 - 6 months	6,028,540	19,623,217	1,072,376	1,487,851
6 - 12 months	8,304,180	4,837,046	672,505	437,031
Over 12 months	7,891,727	8,998,060	653,925	371,159
	325,026,919	308,107,443	21,463,600	13,895,108
<u>Less</u> Allowance for doubtful accounts	(7,721,011)	(7,603,271)	(656,697)	(475,507)
	317,305,908	300,504,172	20,806,903	13,419,601
<u>Trade receivables - related parties (Note 30.3)</u>				
Less than 3 months	39,973,215	12,683,800	18,445,830	13,249,830
3 - 6 months	335,005	6,242,329	1,077,757	716,900
6 - 12 months	-	-	-	2,033,000
	40,308,220	18,926,129	19,523,587	15,999,730

## 9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Undue input value added tax	5,853,979	4,614,262	504,024	527,562
Refundable value added tax	-	15,572,118	-	-
Others	187,689	3,433,514	-	-
	6,041,668	23,619,894	504,024	527,562



## 10 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidiaries	-	-	152,948,570	145,448,570

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

Company	Nature Business	Country of incorporation	Shareholding		Separate financial statements	
			Direct and indirect		Cost	
			2019 %	2018 %	2019 Baht	2018 Baht
<b>Direct subsidiary</b>						
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	24,999,800	24,999,800
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	50,499,780	50,499,780
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	4,999,900	2,499,900
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	50,499,780	50,499,780
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	4,999,800	4,999,800
Triple i Maritime Agencies Co., Ltd.	Sea freight forwarding	Thailand	100.00	100.00	10,299,780	5,299,780
DG Packaging (Thailand) Co., Ltd.	Selling packages and providing packing services	Thailand	100.00	100.00	1,099,880	1,099,880
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	2,999,850	2,999,850
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00	2,550,000	2,550,000
<b>Indirect subsidiary</b>						
Triple i International Japan Co., Ltd. (held by Triple i International Pte. Ltd.)	Air freight forwarding	Japan	100.00	100.00	-	-
					152,948,570	145,448,570

The movements of investments in subsidiaries are as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
As at 1 January	145,448,570	55,698,570
Additional investment	7,500,000	92,249,900
Dissolution of subsidiaries	-	(2,499,900)
As at 31 December	152,948,570	145,448,570

### Additional investments in increased share capital of subsidiaries

On 28 January 2019, Triple I Asia Cargo Co., Ltd., called for paid-up the remaining 50% of its 50,000 shares with the par value of Baht 100. The Company already paid for remaining amount of Baht 2.50 million.

On 1 March 2019, Triple I Maritime Agencies Co., Ltd., called for paid-up the remaining 71.43% of its 70,000 shares with the par value of Baht 100. The Company already paid remaining amount of Baht 5.00 million.



Dividends paid

The Board of Director's Meeting No. 1/2019 on 16 December 2019 of HazChem Logistics Management Co., Ltd. approved the interim dividend payment to the shareholders of Baht 34 per share for 500,000 shares, totalling Baht 17.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 1/2019 on 16 December 2019 of DG Packaging (Thailand) Co., Ltd. approved the interim dividend payment to the shareholders of Baht 300 per share for 10,000 shares, totalling Baht 3.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 2/2019 on 18 December 2019 of Triple i Maritime Agencies Co., Ltd. approved the interim dividend payment to the shareholders of Baht 150 per share for 100,000 shares, totalling Baht 15.00 million. The subsidiary will pay the dividends in 2020.

The Board of Director's Meeting No. 4/2019 on 26 December 2019 of Triple i Air Express Co., Ltd. approved the interim dividend payment to the shareholders of Baht 28 per share for 500,000 shares, totalling Baht 14.00 million. The subsidiary will pay the dividends in 2020.

## 11 Investments in associates and joint ventures

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>As at 31 December</b>				
Associates	14,627,442	32,569,704	5,437,563	5,065,215
Joint ventures	877,897,397	290,992,662	810,488,416	271,385,837
	892,524,839	323,562,366	815,925,979	276,451,052

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

Share of profits from investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>For the year ended 31 December</b>				
Associates	7,153,294	17,258,531	-	-
Joint ventures	89,019,404	14,803,638	-	-
	96,172,698	32,062,169	-	-

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>For the year ended 31 December</b>				
Associates	(292,393)	670,338	-	-
Joint ventures	(388,018)	17,574	-	-
	(680,411)	687,912	-	-

11.1 Investments in associates

Company	Nature of business	Country of incorporation	Shareholding direct and indirect		Cost (direct investment)		Investment value under equity method	
			2019 %	2018 %	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b><u>Direct associates</u></b>								
CK Line (Thailand) Co., Ltd	International Maritime shipping agency	Thailand	42.00	42.00	2,100,000	2,100,000	7,071,883	9,350,817
ECU Worldwide (Thailand) Co., Ltd.	International freight forwarding	Thailand	43.00	43.00	2,365,215	2,365,215	3,817,171	4,042,381
Excel Air Co., Ltd.	Air freight agency	Thailand	-	30.00	-	600,000	-	8,992,191
Excel Air (Cambodia) Limited	Air freight agency	Cambodia	32.00	-	972,348	-	916,678	-
<b><u>Indirect associates</u></b>								
Excel Air Limited (held by Triple i International Pte. Ltd.)	Air freight agency	Hong Kong	20.00	20.00	-	-	2,821,710	3,456,924
Freightworks GSA (HK) Limited (held by Triple i International Pte. Ltd.)	Air freight agency	Hong Kong	-	20.00	-	-	-	4,256,230
Excel Air (Guangzhou) Limited (held by Triple i International Pte. Ltd.)	Air freight agency	China	-	25.00	-	-	-	2,471,161
					5,437,563	5,065,215	14,627,442	32,569,704

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

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
<b>For the year ended 31 December 2019</b>		
Opening net book value	32,569,704	5,065,215
Addition	972,348	972,348
Share of profit	7,153,294	-
Share of other comprehensive income	(292,393)	-
Reclassification to investments in joint ventures	(13,400,654)	(600,000)
Dividends received	(12,153,006)	-
Currency translation difference	(221,851)	-
Closing net book value	14,627,442	5,437,563

Additional investments in increased share capital of associates

The Board of Directors' Meeting No. 6/2019 on 23 July 2019 approved the Company to invest in Excel Air (Cambodia) Limited ("ECA-KH") which is a company operates in cargo sale agent business. The investment amount is USD 32,000, which approximately of Baht 0.97 million, representing 32% of the total registered and paid-up share capital of ECA-KH. The Company paid for the investment on 22 November 2019.

Dividends received from associates

The Board of Directors' Meeting No. 1/2019 on 23 January 2019 of Freightworks GSA (HK) Limited approved the interim dividend payment to the shareholders of HKD 8.948 per share for 500,000 shares, totalling HKD 4,474,000, which approximately of Baht 18.01 million. The Group received the dividends as proportion of 20% shareholding of Baht 3.61 million on 1 April 2019 and 11 June 2019.

The Board of Directors' Meeting No. 1/2019 on 23 January 2019 of Excel Air (Guangzhou) Limited approved the interim dividend payment to the shareholders of USD 28.50 per share for 10,000 shares, totalling USD 285,000, which approximately of Baht 9.00 million. The Group received the dividends as proportion of 25% shareholding of Baht 2.22 million on 1 April 2019.

The Extraordinary Meeting of Shareholders No. 1/2019 on 10 June 2019 of CK Line (Thailand) Co., Ltd. approved the interim dividend payment of Baht 100 per share for 50,000 ordinary shares, totalling Baht 5.00 million. The Company received the dividends as proportion of 42% shareholding of Baht 2.10 million on 21 June 2019.

The Board of Directors' Meeting No. 3/2019 on 3 December 2019 of ECU Worldwide (Thailand) Co., Ltd. approved the interim dividend payment of Baht 200 per share for 50,000 ordinary shares, totalling Baht 10.00 million. The Company will receive the dividends as proportion of 43% shareholding of Baht 4.30 million within 2020.

Changes in classification in investments in associates

After the Company invested in shares of Around Logistics Management Limited ("Around") (Note 11.2) which considered as an investment in a joint venture, the Company has joint control instead of significant influence over the Excel Air Co., Ltd., Freightworks GSA (HK) Limited and Excel Air (Guangzhou) Limited, formerly the associates of the group and the subsidiaries of Around. Therefore, the Company reclassified these investments from investments in associates to investments in joint ventures.

**Summary of financial information of significant associates**

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

### Summarised statements of financial position

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>As at 31 December</b>						
<b>Current portion</b>						
Cash and cash equivalents	35,597,088	29,386,818	21,135,001	8,834,356	-	29,019,766
Other current assets (exclude cash)	3,320,156	6,406,492	77,473,893	63,747,493	-	81,558,161
<b>Total current assets</b>	<b>38,917,244</b>	<b>35,793,310</b>	<b>98,608,894</b>	<b>72,581,849</b>	<b>-</b>	<b>110,577,927</b>
Other current liabilities (include accounts payable)	26,707,752	17,226,958	87,138,381	62,340,231	-	80,919,189
<b>Total current liabilities</b>	<b>26,707,752</b>	<b>17,226,958</b>	<b>87,138,381</b>	<b>62,340,231</b>	<b>-</b>	<b>80,919,189</b>
<b>Non-current portion</b>						
Non-current assets	7,302,794	5,799,852	7,277,563	5,390,020	-	315,229
Other non-current liabilities	2,674,466	2,102,351	9,870,934	6,230,752	-	-
<b>Net assets</b>	<b>16,837,820</b>	<b>22,263,853</b>	<b>8,877,142</b>	<b>9,400,886</b>	<b>-</b>	<b>29,973,967</b>

### Summarised statements of comprehensive income

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.*	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>For the year ended 31 December</b>						
Revenue	56,674,589	59,237,553	292,440,946	216,227,475	77,004,480	263,116,231
Net profit for the year	(525,318)	11,418,070	10,253,216	11,172,576	9,452,368	17,509,088
Other comprehensive income (expense)	99,285	1,388,543	(776,960)	202,674	-	-
Total comprehensive income	(426,034)	12,806,613	9,476,256	11,375,250	9,452,368	17,509,088
Dividend received	2,100,000	2,520,000	4,300,000	4,730,000	-	-

\* For the year 2019, statements of comprehensive income of Excel Air Co., Ltd. represents the information for the period from 1 January to 11 March 2019.

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

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	As at 31 December		As at 31 December		As at 31 December	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Reconciliation to carrying amount</b>						
Opening net assets	22,263,853	15,457,240	9,400,886	9,025,636	29,973,967	12,464,879
Net profit for the year	(525,318)	11,418,070	10,253,216	11,172,576	9,452,368	17,509,088
Other comprehensive income (expense)	99,285	1,388,543	(776,960)	202,674	-	-
Dividend paid	(5,000,000)	(6,000,000)	(10,000,000)	(11,000,000)	-	-
Reclassification to investments in joint ventures	-	-	-	-	(39,426,335)	-
<b>Net assets as at year end</b>	<b>16,837,820</b>	<b>22,263,853</b>	<b>8,877,142</b>	<b>9,400,886</b>	<b>-</b>	<b>29,973,967</b>
Interest in associates (%)	42	42	43	43	-	30
<b>Carrying value</b>	<b>7,071,883</b>	<b>9,350,817</b>	<b>3,817,171</b>	<b>4,042,381</b>	<b>-</b>	<b>8,992,191</b>

#### 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.

	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
Aggregate carrying amount of individually insignificant associates accounted for using the equity method	3,738,388	10,184,315
Net profit	129,337	2,481,046
Total comprehensive income	129,337	2,481,046

## 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	
			2019 %	2018 %	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Direct joint ventures</b>								
Asia Network International Co., Ltd.	Air freight forwarding	Thailand	60.00	60.00	187,494	187,494	2,228,773	1,643,322
Excel Air Co., Ltd. (*)	Air freight agency	Thailand	30.00	-	600,000	-	17,603,548	-
DG Packaging Pte. Ltd.	Package and packaging services	Singapore	50.00	50.00	271,198,344	271,198,343	273,670,677	275,806,818
JPK Asia (Thailand) Co., Ltd.	Air freight agency	Thailand	34.00	-	1,700,000	-	1,886,828	-
Around Logistics Management Co., Ltd.	International freight forwarding	Hong Kong	50.00	-	536,802,578	-	562,193,881	-
<b>Indirect joint ventures</b>								
CWT Chemical Logistics Co., Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Domestic freight forwarding	Thailand	51.00	51.00	-	-	1,920,492	1,920,492
HazChem Trans Management Co., Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Domestic freight forwarding	Thailand	60.00	60.00	-	-	4,280,854	5,261,018
GSA Asia Cargo Co., Ltd. (held by Asia Network International Co., Ltd.)	Air freight forwarding	Myanmar	60.00	60.00	-	-	2,623,384	2,184,213
GSA Cargo Network (Myanmar) Co., Ltd. (held by Triple i International Pte Ltd.)	Air freight agency	Myanmar	50.00	50.00	-	-	2,069,959	1,084,966
HazChem Logistics Management Pte. Ltd. (held by Hazchem Logistics Management Co., Ltd.)	Air freight forwarding for chemical goods	Singapore	55.00	55.00	-	-	3,656,367	3,091,833
Freightworks GSA (HK) Limited (*) (held by Triple i International Pte Ltd.)	Air freight agency	Hong Kong	20.00	-	-	-	4,442,054	-
Excel Air (Guangzhou) Limited (*) (held by Triple i International Pte Ltd.)	Air freight agency	China	25.00	-	-	-	1,320,580	-
					810,488,416	271,385,837	877,897,397	290,992,662

Even if the Company has shareholding less than 50 percent in some joint ventures, however the Company has voting rights and joint control in the joint venture agreement.

Even if the Company has shareholding more than 50 percent in some joint ventures, the Company does not have control power over those joint ventures. This is specified as a joint control in the joint venture agreements.

(\*) During the year, the Company reclassified investments in Excel Air Co., Ltd., Freightworks GSA (HK) Limited and Excel Air (Guangzhou) Limited from investments in associates to investment in joint ventures as described in Note 11.1.

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

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
<b>For the year ended 31 December 2019</b>		
Opening net book value	290,992,662	271,385,837
Addition	538,502,579	538,502,579
Share of profit	89,019,404	-
Share of comprehensive income	(388,018)	-
Reclassification from investments in associates	13,400,654	600,000
Dividends received	(50,740,764)	-
Currency translation difference	(2,889,120)	-
Closing net book value	<b>877,897,397</b>	<b>810,488,416</b>

Incorporation of a new joint venture

On 5 February 2019, the Company incorporated JPK Asia (Thailand) Co., Ltd., which has its registered share capital of Baht 5.00 million. The business operation is to carry out the cargo general sale agent business for the new airlines planning to start their operation in Thailand. Total investment is 34% of registered share capital. The Company already paid investment on 19 March 2019.

Investment in joint ventures

On 13 February 2019, the Company entered in to Share Sale and Purchase Agreement ("the Agreement") with the previous shareholders of Around Logistics Management Co., Ltd. ("Around"). Around is a company incorporated in Hong Kong Special Administrative Region of the People's Republic of China, a holding company that owns shares in various companies operating general sale agent of airlines. Total agreement was for the purchase of 125,000 shares equivalent to 50% of Around's issued and paid-up share capital from its previous shareholder with a value not exceeding HKD 126.50 million. The purpose of purchasing shares of Around is to indirectly invest and hold shares in Around's subsidiaries, which are operating general sales agent business of airlines. This is considered as an investment in a joint venture.

On 11 March 2019, the Company paid HKD 110.00 million, equivalent to Baht 448.80 million to its previous shareholder of Around and the Company has received 50% of Around's total shares. Transaction cost relating to investment in this joint venture of Baht 23.55 million was presented as cost of investment in joint ventures.

Under the Agreement, the contingent consideration will be made to previous shareholder based on the future operating performance of Around. The maximum amount of contingent consideration is not exceeding HKD 16.50 million if net profit in 2019 of Around exceeding HKD 20.00 million. The Company's management considered that the Company will pay in full amount under the Agreement.

The fair value of the contingent consideration is HKD 16.50 million, equivalent to Baht 64.46 million, which is calculated based on a discount rate of 4.10%.

Details of the cost of investment in Around and the Group's portion of fair value of net assets acquired and recognised at the acquisition date are as follows:

		<b>11 March 2019</b>
		<b>Thousand</b>
		<b>Baht</b>
Cash and cash equivalents		101,383
Trade and other receivables		100,038
Property, plant and equipment		450
Short-term loans to related parties		5,073
Other current assets		5,799
Trade and other payables		(70,203)
Short-term loans from related parties		(1,142)
Other current liabilities		(107,446)
Carrying value of net assets		33,952
<u>Less</u> Non-controlling interests		(12,248)
Carrying value of net assets		21,704
Cost of investment comprises of		
Payment on acquisition date	448,800	
Contingent consideration	64,456	
Transaction costs	23,547	
Total		536,803
Goodwill		515,099

As at 31 December 2019, the Company was under the process of determining fair value of the net assets acquired and reviewing purchase price allocation ("PPA") of an acquisition of investment in joint ventures, which is expected to be finalised within 12 months from the acquisition date.

#### **Purchase Price Allocation on investment in a joint venture**

On 18 June 2018, the Company entered into a Share Sale and Purchase Agreement ('the Agreement') with the previous shareholders of DG Packaging Pte. Ltd. "DGP" a company incorporated in Singapore. DGP sales packaging and provides packaging services for the transportation of dangerous and hazardous goods. The Agreement was for the purchase of 50% of DGP's paid-up capital of from its previous shareholder with a value not exceeding SGD 11.00 million. This is considered as an investment in joint venture. On 2 July 2018, the Company has received DGP's shares as proportion of shareholding.

During the year ended 31 December 2019, the Company measured the fair value of the identifiable assets acquired and completed purchase price allocation on investment in a joint venture. Details of the cost of investment and the Group's portion of fair value of net assets acquired and recognised at the acquisition date are as follows:

		<b>2 July 2018</b>
		<b>Thousand</b>
		<b>Baht</b>
Cash and cash equivalents		5,526
Trade and other receivables		20,105
Inventories		235
Leasehold property and equipment		29,382
Customer relationship		24,525
Trade and other payables		(16,360)
Short-term loan		(1,741)
Other current liabilities		(3,543)
Long-term loan		(18,596)
Finance lease liabilities		(3,448)
Deferred taxes liabilities		(4,234)
Fair value of net assets		31,851
Cost of investment comprises of		
Payment on acquisition date	121,025	
Committed consideration	96,733	
Contingent consideration	48,366	
Transaction costs	5,074	
Total		271,198
Goodwill		239,347

Customer relationship is amortised using the straight-line method to allocate their cost over their estimated useful lives 10 years.



### Contingent consideration

Movements of contingent consideration during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	141,778,400	-	141,778,400	-
Add Increase during the year	64,455,431	145,098,800	64,455,431	145,098,800
Less Repayment during the year	(71,030,000)	-	(71,030,000)	-
Less Unrealised gain on foreign exchange rate	(7,811,650)	(3,320,400)	(7,811,650)	(3,320,400)
	127,392,181	141,778,400	127,392,181	141,778,400
Add Finance cost charges on contingent consideration	4,075,845	-	4,075,845	-
As at 31 December	131,468,026	141,778,400	131,468,026	141,778,400

Fair value of contingent consideration for investments in joint ventures comprises the following:

	Consolidated and separate financial statements		
	AROUND Baht	DGP Baht	Total Baht
As at 31 December 2019			
Committed consideration	-	47,944,000	47,944,000
Contingent consideration	67,364,550	23,972,000	91,336,550
Less Unrealised gain on foreign exchange rate	(2,790,150)	(4,135,500)	(6,925,650)
	64,574,400	67,780,500	132,354,900
Future financing costs on contingent consideration	(768,994)	(117,880)	(886,874)
	63,805,406	67,662,620	131,468,026
Less Current portion	(63,805,406)	(67,662,620)	(131,468,026)
Non-current portion	-	-	-
As at 31 December 2018			
Committed consideration	-	98,101,600	98,101,600
Contingent consideration	-	49,050,800	49,050,800
Less Unrealised gain on foreign exchange rate	-	(3,320,400)	(3,320,400)
	-	143,832,000	143,832,000
Future financing costs on contingent consideration	-	(2,053,600)	(2,053,600)
	-	141,778,400	141,778,400
Less Current portion	-	(69,980,280)	(69,980,280)
Non-current portion	-	71,798,120	71,798,120

#### **Dividends payment**

The Extraordinary Shareholders' Meeting on 16 January 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 23 January 2019.

The Extraordinary Shareholders' Meeting on 12 April 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 17 April 2019.

The Extraordinary Shareholders' Meeting on 3 July 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.19 million on 17 July 2019.

The Extraordinary Shareholders' Meeting on 4 October 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 4.90 million on 4 November 2019.

The Board of Directors' Meeting No. 1/2019 on 6 December 2019 of Excel Air Co., Ltd. approved the interim dividend payment of Baht 1,250 per share for 20,000 ordinary shares, totalling Baht 23.25 million. The Company will received the dividends as proportion of 30% shareholding of Baht 7.50 million within 2020.

The Board of Directors' Meeting No. 2/2019 on 16 December 2019 of HazChem Trans Management Co., Ltd. approved the interim dividend payment of Baht 120 per share for 50,000 ordinary shares, totalling Baht 6.00 million. The Group will received the dividends as proportion of 60% shareholding of Baht 3.60 million within 2020.

The Extraordinary Shareholders' Meeting on 30 December 2019 of DGP approved the interim dividend payment to the shareholders of SGD 2.25 per share for 200,000 shares, totalling SGD 450,000. The Company received the dividends as proportion of 50% shareholding, amounting to SGD 225,000 or approximately of Baht 5.06 million on 28 January 2019.

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	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Around Logistic Management Co., Ltd.	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Current</b>										
Cash and cash equivalents	3,067,043	4,293,185	3,642,116	3,070,810	4,315,664	530,755	16,073,640	9,740,090	222,399,901	-
Other current assets (not including cash)	25,367,296	21,597,539	1,057,816	1,032,804	9,559,836	10,045,920	48,801,357	42,405,794	172,571,098	-
Total current assets	<b>28,434,339</b>	<b>25,890,724</b>	<b>4,699,932</b>	<b>4,103,614</b>	<b>13,875,500</b>	<b>10,576,675</b>	<b>64,874,997</b>	<b>52,145,884</b>	<b>394,970,999</b>	-
Other current liabilities (including trade payable)	22,513,500	18,204,105	331,403	474,666	7,368,607	5,216,963	51,324,026	34,240,894	256,016,578	-
Total current liabilities	<b>22,513,500</b>	<b>18,204,105</b>	<b>331,403</b>	<b>474,666</b>	<b>7,368,607</b>	<b>5,216,963</b>	<b>51,324,026</b>	<b>34,240,894</b>	<b>256,016,578</b>	-
<b>Non-current</b>										
Non-current assets	<b>1,448,704</b>	<b>1,228,291</b>	<b>3,779</b>	<b>11,407</b>	<b>141,047</b>	<b>261,803</b>	<b>98,104,504</b>	<b>102,600,010</b>	<b>2,272,158</b>	-
Other non-current liabilities	234,787	146,547	-	-	-	-	43,007,505	47,584,750	-	-
Total non-current liabilities	<b>234,787</b>	<b>146,547</b>	-	-	-	-	<b>43,007,505</b>	<b>47,584,750</b>	-	-
<b>Net assets</b>	<b>7,134,756</b>	<b>8,768,363</b>	<b>4,372,308</b>	<b>3,640,355</b>	<b>6,647,940</b>	<b>5,621,515</b>	<b>68,647,970</b>	<b>72,920,250</b>	<b>141,226,579</b>	-
Less Non-controlling interest	-	-	-	-	-	-	-	-	<b>47,037,560</b>	-
<b>Net assets of owners of the parent</b>	<b>7,134,756</b>	<b>8,768,363</b>	<b>4,372,308</b>	<b>3,640,355</b>	<b>6,647,940</b>	<b>5,621,515</b>	<b>68,647,970</b>	<b>72,920,250</b>	<b>94,189,019</b>	-

### Summarised statements of comprehensive income

For the year ended 31 December	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Around Logistic Management Co., Ltd.	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018* Baht	2019** Baht	2018 Baht
Revenue	100,533,066	94,304,232	3,598,416	3,447,494	33,782,874	33,707,435	234,313,794	106,975,206	1,296,712,851	-
Depreciation and amortisation expenses	(175,681)	(99,736)	(586,909)	(18,221)	-	-	(9,021,468)	(4,489,112)	(330,348)	-
Interest income	54,225	21,856	-	-	-	-	-	-	2,351,364	-
Interest expense	(215,510)	(68,233)	-	-	-	-	(877,728)	(554,060)	-	-
<b>Profit before income tax</b>	<b>5,544,627</b>	<b>6,069,721</b>	<b>1,048,899</b>	<b>901,230</b>	<b>1,595,866</b>	<b>2,708,427</b>	<b>58,587,964</b>	<b>25,781,900</b>	<b>123,454,017</b>	<b>-</b>
Income tax expense	(1,151,653)	(1,246,547)	(291,370)	(251,657)	(380,992)	-	(9,703,263)	(5,090,045)	(30,524,821)	-
<b>Profit for the year</b>	<b>4,392,974</b>	<b>4,823,174</b>	<b>757,529</b>	<b>649,573</b>	<b>1,214,874</b>	<b>2,708,427</b>	<b>48,884,701</b>	<b>20,691,855</b>	<b>92,929,196</b>	<b>-</b>
Profit for the year - owners of the parent	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,851,348	-
Total comprehensive income	4,366,393	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	92,204,502	-
Total comprehensive income - owners of the parent	4,366,393	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,126,654	-
<b>Dividend received from joint ventures</b>	<b>1,914,965</b>	<b>2,699,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,612,500</b>	<b>25,884,873</b>	<b>5,287,590</b>	<b>14,336,010</b>	<b>-</b>

\* Statements of comprehensive income for the year ended 31 December 2018 of DG Packaging Pte. Ltd. represents the information for the period from 2 July to 31 December 2018.

\*\* Statements of comprehensive income for the year ended 31 December 2019 of Around Logistics Management Co., Ltd. represents the information for the period from 11 March to 31 December 2019.

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.

### Summarised financial information

Reconciliation to carrying amounts:	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Around Logistic Management Co., Ltd.	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018* Baht	2019** Baht	2018 Baht
Opening net assets	8,768,363	8,445,189	3,640,355	3,588,202	5,621,515	7,684,805	72,920,250	63,703,304	43,406,413	-
Profit for the year	4,392,974	4,823,174	757,529	649,573	1,214,874	2,708,427	48,884,701	20,691,855	87,851,348	-
Other comprehensive income (expense)	(26,581)	-	-	-	-	-	-	-	(724,694)	-
Dividends paid	(6,000,000)	(4,500,000)	-	-	-	(4,750,000)	(52,912,939)	(10,575,180)	(33,043,896)	-
Currency translation difference	-	-	(25,576)	(597,420)	(188,449)	(21,717)	(244,042)	(899,729)	(3,300,152)	-
Net assets at the year end	7,134,756	8,768,363	4,372,308	3,640,355	6,647,940	5,621,515	68,647,970	72,920,250	94,189,019	-
Interest in joint ventures (%)	60	60	60	60	55	55	50	50	50	-
<b>Carrying value</b>	<b>4,280,854</b>	<b>5,261,018</b>	<b>2,623,384</b>	<b>2,184,213</b>	<b>3,656,367</b>	<b>3,091,833</b>	<b>34,323,985</b>	<b>36,460,126</b>	<b>47,094,509</b>	<b>-</b>
Goodwill from investment	-	-	-	-	-	-	239,346,692	239,346,692	515,099,372	-
<b>Total</b>	<b>4,280,854</b>	<b>5,261,018</b>	<b>2,623,384</b>	<b>2,184,213</b>	<b>3,656,367</b>	<b>3,091,833</b>	<b>273,670,677</b>	<b>275,806,818</b>	<b>562,193,881</b>	<b>-</b>

\* For DG Packaging Pte. Ltd., opening net assets balance is on 2 July 2018.

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

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:

	<b>2019 Baht</b>	<b>2018 Baht</b>
Aggregate carrying amount of individually insignificant joint ventures	31,472,233	4,648,780
Net profit	20,226,659	928,296
Total comprehensive income	20,226,659	931,256

## 12 Other long-term investments

Movements of other long-term investments for year ended 31 December 2019 are as follows:

	<b>Consolidated financial information Baht</b>	<b>Separate financial information Baht</b>
Opening net book amount	13,250	-
Additions	88,474,510	88,474,510
Closing net book amount	88,487,760	88,474,510

In February 2019, the Company invested in SAL Group (Thailand) Co., Ltd. ("SAL") which is a company operating the airline and passenger ground services from previous shareholders. The Company purchased 40,000 preferred shares and 311,333 common shares from existing shareholders of SAL, amounting to Baht 80,000,000. The Company held 14.95% of registered share capital of SAL.

In September 2019, the Company additional invested in increased common shares of SAL of 84,745 shares, amounting to Baht 8,474,500. The shareholding percentage increased to 15.86% of the registered share capital of SAL.

In December 2019, the Company invested in Teleport (Thailand) Co., Ltd. ("TLP") which is a company operating the operate cargo sale agent and other logistics services for AirAsia Group. The Company purchased 1 common shares from existing shareholders of TLP, amounting to Baht 10. The Company held 0.01% of registered share capital of TLP.

## 13 Investment properties, net

	<b>Separate financial statements</b>				
	<b>Land Baht</b>	<b>Building improvement Baht</b>	<b>Buildings Baht</b>	<b>Construction in progress Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2018</b>					
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)
<b>Net book amount</b>	32,517,000	43,054,729	14,496,970	-	90,068,699
<b>For the year ended 31 December 2018</b>					
Opening net book amount	32,517,000	43,054,729	14,496,970	-	90,068,699
Additions	-	329,580	-	217,320	546,900
Depreciation charges	-	(3,427,329)	(1,015,522)	-	(4,442,851)
<b>Closing net book amount</b>	32,517,000	39,956,980	13,481,448	217,320	86,172,748
<b>As at 31 December 2018</b>					
Cost	32,517,000	51,490,772	15,785,531	217,320	100,010,623
<u>Less</u> Accumulated depreciation	-	(11,533,792)	(2,304,083)	-	(13,837,875)
<b>Net book amount</b>	32,517,000	39,956,980	13,481,448	217,320	86,172,748

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	<b>Separate financial statements</b>				
	<b>Land Baht</b>	<b>Building improvement Baht</b>	<b>Buildings Baht</b>	<b>Construction in progress Baht</b>	<b>Total Baht</b>
<b>For the year ended 31 December 2019</b>					
Opening net book amount	32,517,000	39,956,980	13,481,448	217,320	86,172,748
Additions	-	40,000	-	-	40,000
Depreciation charges	-	(3,349,282)	(985,921)	-	(4,335,203)
Transfers in (out)	-	140,000	-	(140,000)	-
<b>Closing net book amount</b>	<b>32,517,000</b>	<b>36,787,698</b>	<b>12,495,527</b>	<b>77,320</b>	<b>81,877,545</b>
<b>As at 31 December 2019</b>					
Cost	32,517,000	51,670,772	15,785,531	77,320	100,050,623
<u>Less</u> Accumulated depreciation	-	(14,883,074)	(3,290,004)	-	(18,173,078)
<b>Net book amount</b>	<b>32,517,000</b>	<b>36,787,698</b>	<b>12,495,527</b>	<b>77,320</b>	<b>81,877,545</b>

As at 31 December 2019 and 2018, fair value of investment properties is as follows:

	<b>Separate financial statement</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Land and building	133,897,172	133,897,172

The Group's investment property were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. Fair value of land and building were appraised by using market comparison approach and replacement cost approach. The fair value is within level 2 of the fair value hierarchy.

As at 31 December 2018, investment properties with the net book value of Baht 46.00 million were pledged as collaterals for securing the Group's credit facilities from a financial institution (Note 19.1). However, on 8 January 2019, the Company redeem its investment properties from securing the Group's credit facilities.

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

	<b>Separate financial statement</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Rental income	4,686,000	4,686,000
Direct operating expense arise from investment properties that generated rental income	4,914,836	5,192,384

14 Property, plant and equipment, net

		Consolidated financial statements								
		Land Baht	Buildings Baht	Building improvement Baht	Tool and equipment Baht	Vehicles and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2018</b>										
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
<u>Less</u> Accumulated depreciation		-	(3,234,292)	(16,214,471)	(16,182,970)	(31,956,235)	(17,787,698)	(37,965,990)	-	(123,341,656)
<b>Net book amount</b>		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
<b>For the year ended 31 December 2018</b>										
Opening 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
Reclassification, net		-	(146,608)	146,608	(415,048)	(2)	(26,872)	441,922	-	-
Additions		-	-	993,143	3,213,335	14,226,662	1,334,272	13,781,796	1,571,360	35,120,568
Disposals, net		-	-	(111,123)	-	(4,244,875)	(32,562)	-	-	(4,388,560)
Write-offs, net		-	-	(1)	(68,605)	(2)	(46,341)	(329,406)	-	(444,355)
Depreciation charges		-	(1,569,393)	(5,438,570)	(9,067,682)	(13,463,148)	(3,959,023)	(11,755,250)	-	(45,253,066)
Transfers in (out)		-	-	98,728	-	-	-	150,000	(248,728)	-
<b>Closing net book amount</b>		33,432,000	22,167,353	48,554,102	28,050,584	53,055,869	10,535,743	41,791,028	1,571,360	239,158,039
<b>As at 31 December 2018</b>										
Cost		33,432,000	26,870,531	68,849,259	53,573,394	85,965,286	28,918,539	87,579,342	1,571,360	386,759,711
<u>Less</u> Accumulated depreciation		-	(4,703,178)	(20,295,157)	(25,522,810)	(32,909,417)	(18,382,796)	(45,788,314)	-	(147,601,672)
<b>Net book amount</b>		33,432,000	22,167,353	48,554,102	28,050,584	53,055,869	10,535,743	41,791,028	1,571,360	239,158,039

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	Land Baht	Buildings Baht	Building improvement Baht	Tool and equipment Baht	Vehicles and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2019									
Opening net book amount	33,432,000	22,167,353	48,554,102	28,050,584	53,055,869	10,535,743	41,791,028	1,571,360	239,158,039
Additions	-	-	40,000	3,829,990	4,252,400	639,703	6,456,996	68,202,421	83,421,510
Disposals, net	-	-	-	(37,449)	-	(3)	(97,179)	-	(134,631)
Write-offs, net	-	-	-	(2)	-	(5,394)	(20,490)	-	(25,886)
Depreciation charges	-	(1,539,791)	(5,199,732)	(12,175,826)	(13,028,303)	(3,332,632)	(10,329,103)	-	(45,605,387)
Transfers in (out)	-	-	147,233	42,033,570	-	-	146,000	(42,326,803)	-
Closing net book amount	33,432,000	20,627,562	43,541,603	61,700,867	44,279,966	7,837,417	37,947,252	27,446,978	276,813,645
As at 31 December 2019									
Cost	33,432,000	26,870,531	69,036,492	98,576,267	90,217,686	29,396,038	93,775,937	27,446,978	468,751,929
Less Accumulated depreciation	-	(6,242,969)	(25,494,889)	(36,875,400)	(45,937,720)	(21,558,621)	(55,828,685)	-	(191,938,284)
Net book amount	33,432,000	20,627,562	43,541,603	61,700,867	44,279,966	7,837,417	37,947,252	27,446,978	276,813,645



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	Separate financial statements				
	Office equipment Baht	Furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2018</b>					
Cost	9,363,315	4,451,852	10,192,820	-	24,007,987
<u>Less</u> Accumulated depreciation	(2,401,535)	(2,936,009)	(1,114,513)	-	(6,452,057)
Net book amount	6,961,780	1,515,843	9,078,307	-	17,555,930
<b>For the year ended 31 December 2018</b>					
Opening net book amount	6,961,780	1,515,843	9,078,307	-	17,555,930
Additions	2,449,622	299,965	50,982	-	2,800,569
Write-offs, net	(43)	(16,373)	-	-	(16,416)
Depreciation charges	(1,299,932)	(596,362)	(2,045,767)	-	(3,942,061)
Closing net book amount	8,111,427	1,203,073	7,083,522	-	16,398,022
<b>As at 31 December 2018</b>					
Cost	11,113,074	3,952,064	10,243,802	-	25,308,940
<u>Less</u> Accumulated depreciation	(3,001,647)	(2,748,991)	(3,160,280)	-	(8,910,918)
Net book amount	8,111,427	1,203,073	7,083,522	-	16,398,022
<b>For the year ended 31 December 2019</b>					
Opening net book amount	8,111,427	1,203,073	7,083,522	-	16,398,022
Additions	905,303	212,233	-	3,000,000	4,117,536
Depreciation charges	(1,529,179)	(466,777)	(2,047,638)	-	(4,043,594)
Closing net book amount	7,487,551	948,529	5,035,884	3,000,000	16,471,964
<b>As at 31 December 2019</b>					
Cost	12,018,377	4,164,297	10,243,802	3,000,000	29,426,476
<u>Less</u> Accumulated depreciation	(4,530,826)	(3,215,768)	(5,207,918)	-	(12,954,512)
Net book amount	7,487,551	948,529	5,035,884	3,000,000	16,471,964

Additions include Baht 3,505,700 (2018: Baht 13,585,680) assets leased under finance leases (where the Group is the lessee) and no disposals (2018: Baht 4,190,094) of assets sold under finance leases (where the Group is the lessor).

Leased assets included above, where the Group is a lessee under finance leases, comprised vehicles and office equipment with details as follows:

	Consolidated Financial statements		Separate Financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised finance leases	57,773,481	54,267,781	16,869,699	16,869,699
<u>Less</u> Accumulated depreciation	(26,485,079)	(16,920,032)	(7,286,444)	(4,581,675)
Net book amount	31,288,402	37,347,749	9,583,255	12,288,024

As at 31 December 2018, the Company's land and building in the consolidated financial statements with the net book value of Baht 46.00 million were pledged as collaterals for securing the Group's credit facilities from a financial institution amount of Baht 199.35 million. Those credit facilities include the Group's bank overdrafts, short-term and long-term loans (Note 19.1). On 8 January 2019, the Company redeem its property and plant from securing the Company's credit facilities.

Additionally, land and constructions thereon of a subsidiary in the consolidated financial statements with the net book value of Baht 9.60 million were pledged as collaterals for securing that subsidiary's credit facilities (Note 19.1). On 3 December 2019, the Group redeem its property and plant from securing the Group's credit facilities.

**15 Intangible assets, net**

	Consolidated financial statements		
	Computer software Baht	Assets under installation Baht	Total Baht
<b>As at 1 January 2018</b>			
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
<b>For the year ended 31 December 2018</b>			
Opening net book amount	9,297,610	1,057,235	10,354,845
Additions	2,536,770	3,645,678	6,182,448
Write-offs, net	(1)	-	(1)
Amortisation charges	(2,856,831)	-	(2,856,831)
Transfer in (out)	1,162,725	(1,162,725)	-
Closing net book amount	10,140,273	3,540,188	13,680,461
<b>As at 31 December 2018</b>			
Cost	17,902,175	3,540,188	21,442,363
<u>Less</u> Accumulated amortisation	(7,761,902)	-	(7,761,902)
Net book amount	10,140,273	3,540,188	13,680,461
<b>For the year ended 31 December 2019</b>			
Opening net book amount	10,140,273	3,540,188	13,680,461
Additions	934,710	3,990,312	4,925,022
Amortisation charges	(3,169,518)	-	(3,169,518)
Transfer in (out)	4,978,850	(4,978,850)	-
Closing net book amount	12,884,315	2,551,650	15,435,965
<b>As at 31 December 2019</b>			
Cost	23,815,735	2,551,650	26,367,385
<u>Less</u> Accumulated amortisation	(10,931,420)	-	(10,931,420)
Net book amount	12,884,315	2,551,650	15,435,965

	Separate financial statements Computer software Baht
<b>As at 1 January 2018</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(184,446)
Net book amount	1,768,459
<b>For the year ended 31 December 2018</b>	
Opening net book amount	1,768,459
Amortisation charges	(391,519)
Closing net book amount	1,376,940
<b>As at 31 December 2018</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(575,965)
Net book amount	1,376,940
<b>For the year ended 31 December 2019</b>	
Opening net book amount	1,376,940
Amortisation charges	(390,885)
Closing net book amount	986,055
<b>As at 31 December 2019</b>	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(966,850)
Net book amount	986,055

## 16 Deferred tax assets

Deferred tax assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Deferred tax assets</b>				
Deferred tax assets to be recovered within 12 months	5,011,479	5,272,759	1,465,282	2,431,440
Deferred tax assets to be recovered more than 12 months	12,186,132	10,224,933	4,130,139	2,226,113
	17,197,611	15,497,692	5,595,421	4,657,553

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	15,497,692	10,349,447	4,657,553	1,057,010
Recognised in comprehensive income (loss)	822,077	(175,048)	63,629	527,397
Recognised in profit (loss) (Note 28)	877,842	5,323,293	874,239	3,073,146
As at 31 December	17,197,611	15,497,692	5,595,421	4,657,553

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The movements of deferred tax assets are as follows:

<b>Consolidated financial statements</b>				
	<b>As at 1 January 2019 Baht</b>	<b>Recognised in other comprehensive income Baht</b>	<b>Recognised in profit or loss Baht</b>	<b>As at 31 December 2019 Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	914,168	-	35,854	950,022
Employee benefit obligations	6,316,346	822,077	(1,317,224)	5,821,199
Taxable loss carried forward	8,267,178	-	2,159,212	10,426,390
<b>Total</b>	<b>15,497,692</b>	<b>822,077</b>	<b>877,842</b>	<b>17,197,611</b>
<b>Consolidated financial statements</b>				
	<b>As at 1 January 2018 Baht</b>	<b>Recognised in other comprehensive income Baht</b>	<b>Recognised in profit or loss Baht</b>	<b>As at 31 December 2018 Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	961,873	-	(47,705)	914,168
Employee benefit obligations	4,705,069	(175,048)	1,786,325	6,316,346
Taxable loss carried forward	4,682,505	-	3,584,673	8,267,178
<b>Total</b>	<b>10,349,447</b>	<b>(175,048)</b>	<b>5,323,293</b>	<b>15,497,692</b>
<b>Separate financial statements</b>				
	<b>As at 1 January 2019 Baht</b>	<b>Recognised in other comprehensive income Baht</b>	<b>Recognised in profit or loss Baht</b>	<b>As at 31 December 2019 Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	95,101	-	36,238	131,339
Employee benefit obligations	2,144,012	63,629	(1,309,831)	897,810
Taxable loss carried forward	2,418,440	-	2,147,832	4,566,272
<b>Total</b>	<b>4,657,553</b>	<b>63,629</b>	<b>874,239</b>	<b>5,595,421</b>
<b>Separate financial statements</b>				
	<b>As at 1 January 2018 Baht</b>	<b>Recognised in other comprehensive income Baht</b>	<b>Recognised in profit or loss Baht</b>	<b>As at 31 December 2018 Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	74,232	-	20,869	95,101
Employee benefit obligations	982,778	527,397	633,837	2,144,012
Taxable loss carried forward	-	-	2,418,440	2,418,440
<b>Total</b>	<b>1,057,010</b>	<b>527,397</b>	<b>3,073,146</b>	<b>4,657,553</b>

Deferred income tax assets are recognised for taxable loss carried forwards only to the extent to which realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 374,706 (2018: Baht 363,848) in respect of taxable losses amounting to Baht 1,873,531 (2018: Baht 1,819,242) that can be carried forward against future taxable income.

The expiry dates of unused taxable losses are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Expiring in 2020	951,595	951,595
Expiring in 2021	711,115	711,115
Expiring in 2022	47,191	47,191
Expiring in 2023	109,341	109,341
Expiring in 2024	54,289	-
	1,873,531	1,819,242

## 17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Corporate income tax withheld	51,341,227	36,995,501	10,250,425	6,572,378
Receivables from the Revenue Department	785,303	785,303	-	-
Value added tax receivable	35,603,998	3,315,439	-	-
Other advance	37,988,367	43,038,764	-	-
	125,718,895	84,135,007	10,250,425	6,572,378

## 18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables - other parties	173,119,621	238,894,860	8,814,897	5,710,371
- related parties (Note 30.3)	7,915,667	6,172,674	517,283	1,935,292
Other payables - other parties	21,911,121	15,350,966	5,047,613	2,967,355
- related parties (Note 30.3)	-	-	-	6,161
Accrued expenses - other parties	210,648,483	182,476,242	9,723,328	10,985,617
- related parties (Note 30.3)	651,498	81,278	8,789	-
	414,246,390	442,976,020	24,111,910	21,604,796

## 19 Borrowings

### 19.1 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current portion of long-term loans from a financial institution	60,000,000	1,875,996	60,000,000	-
Non-current portion of long-term loans from a financial institution	240,000,000	-	240,000,000	-
Total	300,000,000	1,875,996	300,000,000	-

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	1,875,996	8,452,704	-	-
Increase during the year	300,000,000	-	300,000,000	-
Repayments during the year	(1,875,996)	(6,576,708)	-	-
As at 31 December	300,000,000	1,875,996	300,000,000	-

Long-term loans from a financial institution have floating interest rate, so fair value of loans approximates the carrying value.

Long-term loans for the year ended 31 December 2019 and 2018 are as follows:

	Principle	Objective	Outstanding Balance as at 31 December		Interest rate (%)	Repayment terms	
			2019 Baht	2018 Baht		Principal repayment	Interest repayment
Loan 1	3,000,000	General purpose	-	546,531	MLR	60 periods (every month)	Monthly
Loan 2	13,000,000	Investing in warehouse and increasing liquidity	-	1,329,465	Year 1-2: MLR-1 Year 3: MLR	60 periods (every month)	Monthly
Loan 3	300,000,000	Purchasing other company's shares	300,000,000	-	THBFIX6M plus margin	20 periods (every 3 month) first repayment on January 2020	Monthly
			300,000,000	1,875,996			

The credit facilities of Baht 3 million of a subsidiary are secured by the Company's two directors. On 29 October 2019, the subsidiary made repayment for the last installation.

The credit facilities of Baht 13 million of another subsidiary are secured by that subsidiary's land and constructions thereon in the consolidated financial statements (Note 14) and the Company's two directors. On 3 December 2019, the subsidiary made repayments for the last installation and redeem its property and plant from securing the Group's credit facilities.

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

## 19.2 Finance lease liabilities

Movements of finance lease liabilities during the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	31,229,965	30,437,957	10,654,031	14,329,914
Add Increase during the year	3,505,700	11,249,576	-	-
Less Repayment during the year	(12,941,738)	(11,781,178)	(4,244,635)	(4,244,635)
	21,793,927	29,906,355	6,409,396	10,085,279
Add Future finance charges on finance leases	1,175,919	1,323,610	391,322	568,752
As at 31 December	22,969,846	31,229,965	6,800,718	10,654,031

Minimum lease payments under finance leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	10,315,588	12,314,539	3,909,554	4,244,634
Later than 1 year but not later than 5 years	14,079,700	20,825,320	3,189,670	7,099,225
	24,395,288	33,139,859	7,099,224	11,343,859
<u>Less</u> Future finance charges on finance leases	(1,425,442)	(1,909,894)	(298,506)	(689,828)
Present value of finance lease liabilities	22,969,846	31,229,965	6,800,718	10,654,031
Finance lease liabilities:				
- Current	9,562,085	11,318,900	3,704,317	3,853,313
- Non-current	13,407,761	19,911,065	3,096,401	6,800,718
	22,969,846	31,229,965	6,800,718	10,654,031

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	9,562,085	11,318,900	3,704,317	3,853,313
Later than 1 year but not later than 5 years	13,407,761	19,911,065	3,096,401	6,800,718
	22,969,846	31,229,965	6,800,718	10,654,031

## 20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Withholding taxes payable	4,438,975	4,985,847	544,099	579,325
Value added tax payable	5,956,475	4,867,536	492,794	272,196
Undue output value added tax	10,446,535	9,560,794	1,758,295	1,347,483
Corporate income tax payable	7,750,599	16,330,300	-	-
Guarantees	9,983,856	3,283,856	-	-
Others	40,998	134,631	-	-
	38,617,438	39,162,964	2,795,188	2,199,004

## 21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>As at 31 December</b>				
Liability in the statement of financial position				
- Retirement benefits	29,105,997	31,581,730	4,489,053	10,720,059
Profit or loss included in the statement of comprehensive income				
- Retirement benefits	(5,900,875)	9,754,944	(6,549,153)	3,169,183
Remeasurement for				
- Retirement benefits	4,110,386	(875,241)	318,147	2,636,984

### Retirement benefits plans

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	31,581,730	23,284,427	10,720,059	4,913,892
Current service cost	4,035,382	7,296,364	517,224	1,966,131
Past service cost	2,923,688	(247,169)	202,780	-
Interest cost	564,495	2,705,749	101,177	1,203,052
Reversal of employee benefit obligation	(13,424,440)	-	(7,370,334)	-
	(5,900,875)	9,754,944	(6,549,153)	3,169,183
Remeasurements:				
Loss (Gain) from change in financial assumptions	2,945,595	(3,888,559)	111,111	(543,474)
Experience loss	1,164,791	3,013,318	207,036	3,180,458
	4,110,386	(875,241)	318,147	2,636,984
Benefit payments	(685,244)	(582,400)	-	-
As at 31 December	29,105,997	31,581,730	4,489,053	10,720,059

On 5 April 2019, an amendment bill to the Thai Labour Protection Act was published in the Government Gazette, which has become effective during the year. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The impact on the amendment to the Group and the Company's financial statements was Baht 2.92 million and Baht 0.20 million, respectively which were recognised immediately in the profit or loss during the year.

During the year ended 31 December 2019, the Group reversed employee benefit obligations due to the waiver of the right to receive retirement benefits of the Group's management committee.

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

	2019	2018
Discount rate (%)	1.19% - 2.51%	1.76% - 4.38%
Salary increment rate (%)	6.00% - 7.00%	7.00%
Staff turnover rates		
- Age less than 30	20.00%	20.00%
- Age between 30 to less than 40	15.00%	15.00%
- Age between 40 to less than 55	9.00%	9.00%
- Age 55 or above	0.00%	0.00%



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Sensitivity analysis

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate (%)	1.00%	Decreased by 11.00%	Increased by 13.00%
Salary increment rate (%)	1.00%	Increased by 12.00%	Decreased by 11.00%
Staff turnover rate (%)	20.00%	Decreased by 14.00%	Increased by 18.00%

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 16.2 years (2018: 15.4 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Maturity within</u>				
Less than 1 year	1,189,087	1,204,752	-	65,000
Between 1 - 2 years	1,438,731	295,032	-	-
Between 2 - 5 years	5,475,852	5,079,781	966,062	81,057
Over 5 years	88,363,280	137,292,086	13,676,881	34,561,648
	96,466,950	143,871,651	14,642,943	34,707,705

## 22 Share capital

Movements in share capital are as follows:

	Authorised shares		Issued and paid - up shares		Share premium, net	Total Baht
	Number of shares	Baht	Number of shares	Baht	Baht	
At 1 January 2018	615,000,000	307,500,000	604,500,000	302,250,000	687,965,894	990,215,894
Issue of shares during the year	-	-	-	-	-	-
At 31 December 2018	615,000,000	307,500,000	604,500,000	302,250,000	687,965,894	990,215,894
Proceeds from shares issued - employee share option scheme	-	-	4,807,775	2,403,888	20,673,433	23,077,321
At 31 December 2019	615,000,000	307,500,000	609,307,775	304,653,888	708,639,327	1,013,293,215

On 29 August 2017, the Company issued 10,500,000 warrants for sale to eligible directors and employees during the registration of the Company to the Stock Exchange of Thailand. One warrant is convertible to one ordinary share. The vesting period of which is 3 years.

During the year ended 31 December 2019, the warrants holder exercised their warrant of 4,807,775 units to purchase 4,807,775 ordinary shares of Baht 4.80 per each in amount of Baht 23,077,321. The Company has already received all amount of payment.

As at 31 December 2019, outstanding share options were 5,692,225 warrants which will be expired in 2020.

## 23 Dividends paid

On 24 April 2019, the Annual General Meeting of Shareholders of 2019 approved appropriate legal reserve of Baht 5.50 million and approved the dividend payment at the rate of Baht 0.17 per share for the fiscal year ended 31 December 2018. The number of ordinary shares eligible to receive dividend was 606,829,088 shares, comprising of ordinary shares as at 31 December 2018 of 604,500,000 shares and ordinary shares of 2,329,088 shares from exercising of warrants by the Company's employee in March 2019. Total dividend amount was Baht 103.16 million. The dividends were paid to the shareholders on 22 May 2019.

The Annual General Meeting of Shareholders of 2018 on 24 April 2018, approved the dividend payment at the rate of Baht 0.11 per share for the fiscal year ended 31 December 2017 for 604,500,000 ordinary shares, totalling Baht 66.50 million. The dividend was paid to the shareholders on 24 May 2018.

## 24 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.

## 25 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	385,965	308,270	-	-
Interest income	2,016,819	6,198,518	12,669,722	10,015,291
Management fee	-	4,631,000	47,680,000	42,590,000
Gain (loss) on sales of equipment	(59,194)	3,999,576	-	-
Gain from returned investment from dissolution of a subsidiary		-		553,844
Others	9,478,675	3,311,337	2,292,107	1,361,219
	11,822,265	18,448,701	62,641,829	54,520,354

## 26 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest expense on:				
- Loans from a financial institution	9,678,715	364,918	9,642,904	-
- Finance lease liabilities (Note 19.2)	1,175,919	1,323,610	391,322	568,752
- Contingent consideration paid for investments in joint ventures (Note 11.2)	4,075,845	-	4,075,845	-
- Others	-	174,971	-	-
	14,930,479	1,863,499	14,110,071	568,752

## 27 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Freight cost	1,578,222,029	1,710,483,932	55,661,566	39,028,884
Employee benefit expenses	365,476,312	392,922,253	50,150,221	51,113,025
Depreciation and amortisation (Note 13, 14, 15)	48,774,905	48,109,897	8,769,681	8,776,431
Losses on write-off of assets (Note 14)	25,886	444,356	-	16,416
Doubtful account expense (reversal)	181,190	(154,145)	181,190	104,348
Share-based payments (Note 33)	1,330,000	1,330,000	1,330,000	1,330,000
Operating lease expenses	105,085,757	99,141,234	232,908	518,414
Utility expenses	46,573,055	50,028,100	10,457,227	8,536,467
Professional and other fees	61,444,889	62,384,821	19,797,776	20,147,789
Repair and maintenance expenses	14,926,566	10,273,293	908,769	698,331

## 28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax on profit for the year	14,580,519	23,733,000	-	-
Deferred income taxes (Note 16)	(877,842)	(5,323,293)	(874,239)	(3,073,146)
	13,702,677	18,409,707	(874,239)	(3,073,146)

Income taxes disclosed in the consolidated statement of comprehensive income were calculated from taxable income at tax rate of 20% for the Company and 17% or 20% for the subsidiaries.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	Restated 2018 Baht	2019 Baht	2018 Baht
Profit before income tax	178,212,756	168,086,528	119,575,300	106,268,241
Tax calculated at a tax rate of 17% or 20% (2018 : 17% or 20%)	35,326,746	32,680,892	23,915,060	21,253,649
Tax effects of:				
Share of profit from investments in subsidiaries and joint ventures	(19,234,540)	(6,412,434)	-	-
Revenues exempted from income tax	-	-	(20,508,177)	(19,345,364)
Expenses additionally deductible for tax purpose	(5,523,917)	(2,350,077)	(5,176,190)	(1,442,509)
Non-tax deductible expenses	2,877,047	1,316,574	779,231	710,737
Utilisation of prior period's tax loss for which deferred tax asset had not been recognised	-	(1,831,219)	-	(1,831,219)
Current period's tax loss for which deferred tax asset had not been recognised	20,077	-	-	-
Prior period's tax loss for which reversed (recognised) deferred tax asset in this year	237,264	(4,994,029)	115,837	(2,418,440)
Income tax expense	13,702,677	18,409,707	(874,239)	(3,073,146)

The Group's weighted average applicable tax rate was 7.69% (2018: 10.95%). The change in average tax rate of the Group is due to the share of profit from investment in Around Logistics Management Co., Ltd., the new joint venture in 2019.

The Company's weighted average applicable tax rate was -0.73% (2018: -2.89%). The change in average tax rate of the Company is due to utilisation of prior period's tax loss for which deferred tax asset had not been recognised and recognised deferred tax of prior year's tax loss in 2018.

## **29 Earnings per share**

### **29.1 Basic earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>Restated 2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Net profit attributable to owners of the parent (Baht)	164,510,079	149,676,821	120,449,539	109,341,387
Weighted average number of ordinary shares (shares)	607,213,189	604,500,000	607,213,189	604,500,000
Basic earnings per share (Baht per share)	0.2709	0.2476	0.1984	0.1809

### **29.2 Diluted earnings per share**

On 29 August 2017, the Company issued 10,500,000 warrants. The vesting period of the warrants is within 3 years from the issuance date.

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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>Restated 2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Net profit attributable to owners of the parent (Baht)	164,510,079	149,676,821	120,449,539	109,341,387
Total number of ordinary shares for basic earnings per share calculation (shares)	607,213,189	604,500,000	607,213,189	604,500,000
Add weighted average number of shares to be issued as if warrants were exercised (shares)	1,282,868	2,182,355	1,282,868	2,182,355
Number of ordinary shares for diluted earnings per share calculation (shares)	608,496,057	606,682,355	608,496,057	606,682,355
Diluted earnings per share (Baht per share)	0.2704	0.2467	0.1979	0.1802

### 30 Related party transactions

The Company is controlled by 2 directors whose aggregate shareholding was 35.55% (2018 : 35.83%)

The following transactions were carried out with related parties:

#### 30.1 Service income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Service income</b>				
Subsidiaries	-	-	12,301,027	5,533,251
Associates	46,720,575	117,626,824	6,356,110	5,638,114
Joint ventures	139,410,085	4,104,144	684,096	491,590
	186,130,660	121,730,968	19,341,233	11,662,955
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Rental income and related services:</b>				
Subsidiaries	-	-	8,735,744	8,674,799
Associates	6,241,121	6,253,812	6,241,121	6,253,812
	6,241,121	6,253,812	14,976,865	14,928,611
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Management fee:</b>				
Subsidiaries	-	-	47,680,000	42,590,000
Associates	2,220,000	-	-	-
Joint ventures	2,436,000	2,436,000	-	-
	4,656,000	2,436,000	47,680,000	42,590,000
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Dividend income:</b>				
Subsidiaries	-	-	49,000,000	84,189,238
Associates	-	-	6,400,000	7,250,000
Joint ventures	-	-	47,140,883	5,287,590
	-	-	102,540,883	96,726,828

#### 30.2 Purchases of services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Purchases of services from:</b>				
Subsidiaries	-	-	6,492,964	5,488,259
Associates	1,758,228	26,519,840	1,580,039	10,549,447
Joint ventures	91,489,219	55,654,919	-	-
	93,247,447	82,174,759	8,073,003	16,037,706

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Trade receivables - related parties</b>				
Subsidiaries	-	-	15,339,802	14,398,863
Associates	8,082,676	15,879,372	3,806,060	956,823
Joint ventures	32,225,544	3,046,757	377,725	644,044
	40,308,220	18,926,129	19,523,587	15,999,730
<b>Trade payables - related parties</b>				
Subsidiaries	-	-	448,713	826,662
Associates	71,170	2,350,287	68,570	1,108,630
Joint ventures	7,844,497	3,822,387	-	-
	7,915,667	6,172,674	517,283	1,935,292
<b>Other payables - related parties</b>				
Subsidiaries	-	-	-	6,161
	-	-	-	6,161
<b>Accrued expenses - related parties</b>				
Subsidiaries	-	-	8,789	-
Joint ventures	651,498	81,278	-	-
	651,498	81,278	8,789	-

### 30.4 Dividends receivable

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Dividends receivable</b>				
Subsidiaries	-	-	49,000,000	34,386,430
Associates	4,300,000	-	4,300,000	-
Joint ventures	30,398,355	1,499,950	26,798,475	-
	34,698,355	1,499,950	80,098,475	34,386,430

### 30.5 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidiaries	-	-	275,816,300	320,316,300
Associates	9,000,000	-	9,000,000	-
Joint ventures	2,250,000	2,250,000	2,250,000	2,250,000
	11,250,000	2,250,000	287,066,300	322,566,300

Short-term loans to related parties bear interest rates of 4.60% - 6.25% per annum (2018: 1.50% - 6.25% per annum) and are repayable at call.

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	2,250,000	2,250,000	322,566,300	308,640,800
Additions during the year	9,000,000	-	56,000,000	92,600,000
Repayments during the year	-	-	(91,500,000)	(78,674,500)
As at 31 December	11,250,000	2,250,000	287,066,300	322,566,300

### 30.6 Key management compensation

Key management includes directors and executive management (regardless of whether they are in the managerial level or not), top management, corporate secretary, and internal audit department head. Compensation paid or payable to key management is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other short-term benefits	49,137,038	59,465,789	17,780,870	25,827,945
Retirement benefits	-	2,020,361	-	1,216,488
Share-based payments	1,330,000	1,330,000	1,330,000	1,330,000
	50,467,038	62,816,150	19,110,870	28,374,433

### 31 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities is as follow:

	Consolidated financial statements		Separate financial statements	
	Long-term loans from a financial institution Baht	Finance lease liabilities Baht	Long-term loans from a financial institution Baht	Finance lease liabilities Baht
As at 1 January 2018	8,452,704	30,437,957	-	14,329,914
Cashflows	(6,576,708)	(11,781,178)	-	(4,244,635)
<b>Non-cash changes:</b>				
Finance costs	-	1,323,610	-	568,752
Additions	-	11,249,576	-	-
As at 31 December 2018	1,875,996	31,229,965	-	10,654,031
Cashflows	298,124,004	(12,941,738)	300,000,000	(4,244,635)
<b>Non-cash changes:</b>				
Finance costs	-	1,175,919	-	391,322
Additions	-	3,505,700	-	-
As at 31 December 2019	300,000,000	22,969,846	300,000,000	6,800,718

### 32 Segment information

Segment information is reported by segment and this was reviewed by the chief operating decision-maker, which is the Board of Directors. Similar segments are reported together. The chief operating decision-maker measures the financial performance of each segment using the gross profit margin. Reported segments comprise air freight, sea and in-land freight, logistics management, chemical and hazardous goods logistics management, and other management services.

Air freight	Operates as an air freight forwarder, both local and overseas, for airlines, and provides related services, including warehouse management services at airports.
Sea and in-land freight	Operates as a sea and in-land freight forwarder, both local and overseas.
Logistics management	Provides warehouse management and logistics services, both air and sea, and both local and overseas.
Chemical and hazardous goods logistics	Operates as a freight forwarder both local and overseas and provides warehouse management and logistics services for chemical goods including goods in the chemical industry.
Other management services	Provides office rental and other management services.



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Consolidated financial statements								
For the year ended 31 December 2019								
	Air freight Baht	Sea and in-land freight Baht	Logistics management Baht	Chemical and Hazardous goods logistics Baht	Other management services Baht	Total before elimination Baht	Elimination Baht	Total after elimination Baht
Revenue from sales and service	2,215,597,902	84,903,597	181,788,180	526,875,003	15,179,565	3,024,344,247	(311,802,257)	2,712,541,990
Costs of sales and service	(2,009,865,141)	(24,823,420)	(130,174,236)	(400,061,193)	(10,507,351)	(2,575,431,341)	300,955,392	(2,274,475,949)
<b>Segment profit</b>	205,732,761	60,080,177	51,613,944	126,813,810	4,672,214	448,912,906	(10,846,865)	438,066,041
Other income								11,822,265
Selling expenses								(80,853,111)
Administrative expenses								(280,017,563)
Gain on exchange rates, net								7,952,905
Finance costs								(14,930,479)
Share of profits from associates and joint ventures								96,172,698
<b>Profit before income tax</b>								178,212,756
Income tax								(13,702,677)
<b>Profit for the year</b>								164,510,079
<b>Timing of revenue recognition</b>								
At a point in time	-	-	77,837,880	209,207,509	-	287,045,389	(2,633,391)	284,411,998
Over time	2,215,597,902	84,903,597	103,950,300	317,667,494	15,179,565	2,737,298,858	(309,168,866)	2,428,129,992
<b>Total revenue</b>	<b>2,215,597,902</b>	<b>84,903,597</b>	<b>181,788,180</b>	<b>526,875,003</b>	<b>15,179,565</b>	<b>3,024,344,247</b>	<b>(311,802,257)</b>	<b>2,712,541,990</b>

Triple i Logistics Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2019

Consolidated financial statements							
For the year ended 31 December 2018 (Restated)							
	Air freight Baht	Sea and in-land freight Baht	Logistics management Baht	Chemical and Hazardous goods logistics Baht	Other management services Baht	Total before elimination Baht	Total after elimination Baht
Revenue from sales and service	2,279,625,244	116,640,002	134,975,237	561,866,163	15,137,312	3,108,243,958	2,770,564,139
Costs of sales and service	(2,029,682,934)	(44,916,610)	(98,922,146)	(429,012,133)	(10,376,051)	(2,612,909,874)	(2,285,955,332)
<b>Segment profit</b>	<b>249,942,310</b>	<b>71,723,392</b>	<b>36,053,091</b>	<b>132,854,030</b>	<b>4,761,261</b>	<b>495,334,084</b>	<b>484,608,807</b>
Other income							18,448,701
Selling expenses							(77,171,225)
Administrative expenses							(294,984,867)
Gain on exchange rates, net							6,986,442
Finance costs							(1,863,499)
Share of profits from associates and joint ventures							32,062,169
<b>Profit before income tax</b>							<b>168,086,528</b>
Income tax							(18,409,707)
<b>Profit for the year - restated</b>							<b>149,676,821</b>
Timing of revenue recognition							
At a point in time	-	-	59,876,144	204,728,956	-	264,605,100	261,914,773
Over time	2,279,625,244	116,640,002	75,099,093	357,137,207	15,137,312	2,843,638,858	2,508,649,366
<b>Total revenue</b>	<b>2,279,625,244</b>	<b>116,640,002</b>	<b>134,975,237</b>	<b>561,866,163</b>	<b>15,137,312</b>	<b>3,108,243,958</b>	<b>2,770,564,139</b>

Considering geographical segments, the Group had aggregate revenues overseas from companies incorporated in Japan and Singapore, amounting to Baht 25.59 million and Baht 606.90 million, respectively. (2018 : aggregate revenues overseas from companies incorporated in Japan and Singapore amounting to Baht 51.16 million and Baht 636.00 million, respectively.)

**Main Group customer**

In 2019 and 2018, the Group had no revenue with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about main customer.

### 33 Share-based payment

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 3,990,000 which was referenced to the fair value of warrants. Share-based payment is to be recognised over the vesting period.

As at 31 December 2019, outstanding share options were 5,692,225 warrants (2018: 10,500,000 warrants) which will be expired in 2020.

During the year ended 31 December 2019 and 2018, the Company recognised the share-based payment expense of Baht 1,330,000.

### 34 Commitments

#### 34.1 Bank guarantees

The Company has bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Guarantee for air services	192,651,176	99,691,840	120,189,426	26,243,640
Guarantee for air freight	122,587,140	57,576,280	82,245,884	21,220,000
Guarantee for damage of TANK, liabilities from ports	10,700,000	8,900,000	100,000	100,000
Right to operate warehouse business at Don Muang Airport	35,487,840	25,487,840	-	-
Guarantees for electricity, fuel for vehicles and other expenses at Port Authorities of Thailand	7,284,983	1,814,328	384,000	448,000
Guarantee for damage of goods	8,460,400	300,000	-	-
	377,171,539	193,770,288	202,919,310	48,011,640

#### 34.2 Financial instruments

##### 34.2.1 Foreign exchange forward contracts

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

As at 31 December 2019 and 2018, the settlement period on open forward contracts is within 1 year.

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Foreign exchange forward contracts - assets (liabilities)	(31,305)	(1,000,941)	7,523	(160,964)

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.

### 34.2.2 Interest rate swap contracts

Interest rate swap contracts hedge risks from fluctuation in interest rates.

The details of outstanding interest rate swap contracts as at 31 December 2019 are as follows:

Principal amount	Interest income rate swap in agreements	Interest expense rate swap in agreements	Termination date
Baht 300,000,000	Floating rate 6-month THB-THBFX-Reuter	Fixed rate 4.1%	31 October 2024

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest rate swap contracts - asset (liabilities)	8,880,962	-	8,880,962	-

Fair values of foreign exchange forward contracts are determined based on the rates specified by the financial institutions, taking into account the market conditions at the date of statement of financial position, and are categorised in the level 2 of the fair value hierarchy.

### 34.3 Operating lease commitments

As at 31 December 2019 and 2018, the Group has entered into several operating lease agreements in respect of the lease of office equipment, motor vehicles and others. The terms of the agreements are generally between 1 and 5 years and have future minimum payments under these non-cancellable operating leases agreements and related service agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
- Within 1 year	22,009,006	23,395,526	1,212,600	1,471,192
- Later than 1 year but not later than 5 years	32,525,940	52,054,805	32,400	741,000
	54,534,946	75,450,331	1,245,000	2,212,192

### 34.4 Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Building and parking car	14,000,000	-	14,000,000	-

### 34.5 Investment commitments

Investment contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Investment in other company	4,999,990	-	4,999,990	-

## **35 Events after the reporting period**

### **35.1 Dividend payment**

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved a proposal to the Annual Shareholders' meeting for the year 2020, to consider dividend payment from operating result of 2019 for shareholders of 609,307,775 ordinary shares at Baht 0.15 per share, totalling to Baht 91,396,166.25.

### **35.2 Investment in Teleport (Thailand) Co., Ltd.**

In January 2020, the Company invested in share capital of Teleport (Thailand) Co., Ltd. of 499,999 shares at Baht 10 each, totalling amount of Baht 4,999,990. The investment portion of the Company increases to 50% of registered share capital.

### **35.3 Investment in SAL Group (Thailand) Co., Ltd. ("SAL")**

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved an investment in SAL of 1,164,449 shares (comprises 1,124,449 ordinary shares and 40,000 preferred shares) at value not over than Baht 188.00 million. However, the Company has to get the approval from the Company's shareholders and Airports of Thailand Public Co., Ltd. regarding change in major shareholder in SAL. After increase the shares in SAL, the investment portion will increase to 58.20% of registered share capital.

### **35.4 Investment in Galaxy Ventures Co., Ltd.**

The Board of Directors' Meeting No. 3/2020 on 24 February 2020 approved an investment in Galaxy Ventures Co., Ltd. of 600,000 shares at value of Baht 108.33 each, totalling amount of Baht 65.00 million. The investment portion is 30% of paid up share capital. Moreover, the Board of Director's meeting approved an additional investment in share capital of Galaxy Ventures Co, Ltd. of Baht 30.00 million in proportion to shareholding. The total investment will be Baht 95.00 million.

### **35.5 Issue of warrant to purchase ordinary shares**

The Board of Directors meeting No. 3/2020 on 24 February 2020 approved an issue of warrant no. 1 to purchase ordinary shares (III-W1) up to 153,093,750 units to the Company's shareholders by right offering in the ratio of four existing ordinary shares to one warrant (any fractional share from calculation shall be eliminated). The exercise price is Baht 6.00 per share (except subsequently change). The Board also approved an increase of Baht 76,546,875 in the Company's authorised share capital from Baht 307,500,000 to Baht 384,046,875 to support the exercise of this warrant.