



# 2019 ANNUAL REPORT

SONIC INTERFREIGHT PUBLIC CO., LTD.

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[www.sonic.co.th](http://www.sonic.co.th)

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## **Vision**

**Our vision is to maintain sustainable growth And develop to be international leader logistics and integrated supply chain management In ASEAN.**

## **Mission**

- 1. Building effective business security sustainably.**
- 2. Building good relationship between the company and customers, business partners, society and the environment.**
- 3. Providing professional Development for personnel to be more efficient and help build people with quality, service-minded and professional attributes.**

## **Goal**

**Our goal is to be a leader in logistics service provider in Asean.**





# THE WAY TO SUCCESS: A TIMELINE OF SONIC



## NOTABLE DEVELOPMENT

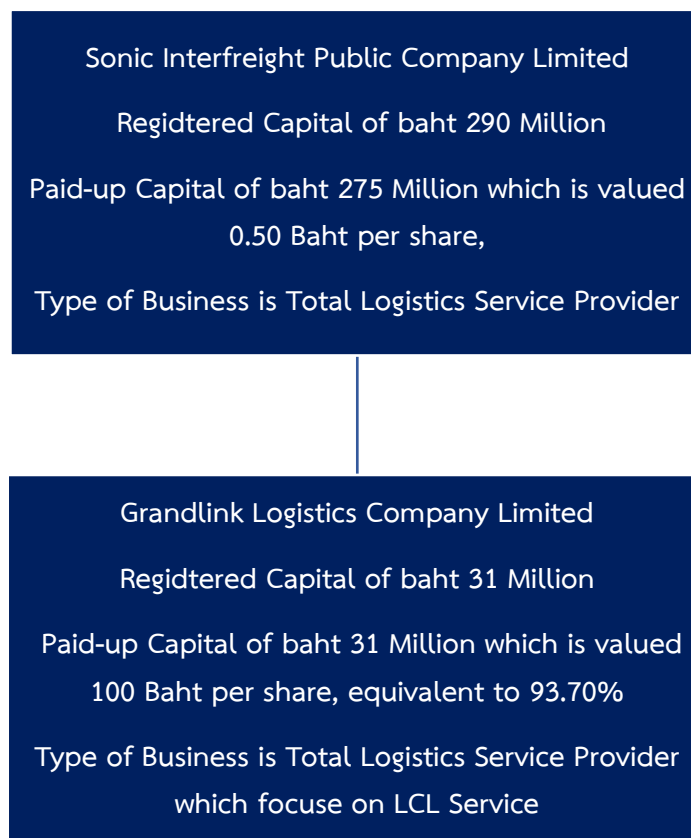
Year	Notable Development
1995	- Sonic Interfreight Co., Ltd (“SONIC”) was established with a registered capital of 1 million baht by Dr. Santisuk Kosiarpnant (Ph.D) . To operate the business of providing marine transportation logistics management services
1998	- SONIC has engaged as a member of Thai International Freight Forwarders Association (TIFFA)
2001	- To Joint venture with foreign partners to establish GLE Logistics Co., Ltd. (“GLE”) to mainly operate the business of full cabinet logistics management system (FCL)
2003	- Established Peace Prop Co., Ltd. (“PEACEPROP”) to operate property management business. For office building rental to a subsidiary of the company, established Asian Inter Logistics Company Limited (“ASIAN”) in order to operate the logistics management business.
2005	- SONIC has purchased 79% of the GLE’s shares from the existing shareholder as a company subsidiary. - Dr. Santisuk Kosiarpnant increased his proportion of GLS share held up to 39.99%, purchasing 4% shares from Mr. Pisut Tangdenchai.
2008	- SONIC has opened King kaew Branch at Samutprakarn Province for land transport operating service providing and managing distribution center in the area over 10 acres.
2009	- SONIC has increased a registered capital between 2005 and 2009 up to a registered capital of Baht 70 Million and has opened Free Tax Zone and named King kaew LCL Free Zone to free trade zone for small and medium-sized customers to use the area for importing products.
2010	- Opening of Laem Chabang Branch To provide total logistic service providers
2015	- Restructure between companies By company merger methods (Amalgamation) between GLE, PEACEPROP and ASIAN established as a company called Grand Link Logistics Company Limited (“GRANDLINK”) to operate the logistics management business. By mainly focusing on full-body services (LCL) With a registered capital of 31 million baht. - Became a member of The Cooperative Logistics Network (The COOP). - Become a member of the Global Affinity Alliance. - Received ISO 9001: 2008 certificate from UKAS Management System.
2016	- SONIC has opened cross-border transport routes to Cambodia and Laos. - SONIC has invested a land over 7 acres for the distribution center expansion at King kaew as well as invested in 40 tractors and 73 trailers to support land transport and cross-border transport. - Suspending the provision of the King Kaew LCL Free Zone Free Zone under the dispute between the Customs Department



2017	<ul style="list-style-type: none"> <li>- Registered to be a public company limited by changing the name to " Sonic Interfreight Public Company Limited"</li> <li>- Increased the registered capital from 70 million baht to 290 million.</li> </ul>
2018	<ul style="list-style-type: none"> <li>- To Listed of the MAI Stock Exchange on October 19, 2018 2, with 550 Million list shares, Baht 275 Million and allocated warrants to buy ordinary shares to the Company's employees, total 15 Million shares (5 years valid</li> <li>- Purchase of commercial buildings To be the office building of Laem Chabang Branch</li> <li>- Add an office at Suvarnabhumi.</li> </ul>
2019	<ul style="list-style-type: none"> <li>- Invested in 21 rai of land, Pin Thong Land Project, Chon Buri Province, in order to expand the customer service area in the EEC</li> <li>- And transportation service was added Company invested more on 85 truck and 200 trailers.</li> </ul> <p>(Sep,2562)</p>

## Shareholding Structure of the Group

As 31 December 2019, Shareholding Structure of the group is as follows;



- Genesis Logistics Company Limited registered to liquidate in 2015. Currently, liquidation is in the process of being liquidated.
- GLS Interrupted Company Limited registered to liquidate in 2018, currently in the process of liquidation.



# Business Opportunity

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## Message from the Chairman of the Board of Directors

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An overview of the logistics industry in 2018 shows that, transportation and logistics business's tend to continually improve. As a result of the expansion of the Thai economy that was reported from the Office of the National Economic and Social Development Board showed the total score of system performance index International Logistics of ASEAN Member Countries in 2018, Thailand was the 2nd in ASEAN. Also, the development of the logistics system to build credibility and confidence with various developed countries in the next phase which Thailand has to start operations, consisting of 1) Rail transport infrastructure, roads, sea 2) Resolving international trade obstacles, and 3) Risk management. Including various developments in customs clearance, urban transportation and logistics management and information technology. Creating an integrated logistics database. Creating a database of logistic service providers, both government and business. Additionally, other facilities respond to the plaintiff to continue to expand the logistics work with stability's day consistency.

In October last year, the company was listed and traded on the Stock Exchange of Thailand in accordance with the company's policy and strategy. It was regarded as a success and provided growth to company, which is important for both executives and all employees. Furthermore, this will be a great force to drive and develop the organization of the company towards sustainability and everyone's working ability to maintain understanding and have common goals and strive to achieve the companies previously set goals, while complying to the company strict adherence to business's operations with morality and ethics. To all partners, customers, shareholders, employees, trade partners including the nation by taking into account the social responsibility of the business in every aspect, in every dimension.

On this occasion, the Board of Directors would like to thank the shareholders, trade partners, including those involved with all parties both at home and abroad for supporting the company. The Board of Directors pledge to continue to adhere to the principles of the companies corporate governance and management principles that are transparent, standardized, and verifiable ready to create a balanced and sustainable value for all stakeholders in all sectors.

Assoc. Prof. Dr. Wanchai Rattanawong  
Chairman of the Board of Directors







*Based on more than 20 years of experience in logistics, we provide a complete range of logistics service across all regions of the world with the efficient transport management system and every step controlled by expert.*



## Message from Chief Executive Officer

The year of 2019 marks the first full year that Sonic Interfreight Public Company Limited has undertaken a public company project on the stock market. After being listed on the MAI stock market at the end of last year, the company has experienced a year of great fluctuation. The global economic situation that caused a trade dispute, Agent war, war in the middle east and Conflicts between countries in many sectors, including economic problems in economically sluggish countries. The baht appreciation problem also led to rates of import and export to decline. additionally, problems in the competitive environment in the logistics business, especially at the beginning of foreign investments.

All of this causes us to constantly adjust our operational strategies. With the strength of the company's foundation being both our strong network and knowledgeable personnel, with the ability and experience to enable the company to better cope with the problems in a more effective and robust way. The company also ensures the maintenance of its existing customer base and further increase customer numbers, including coordinating excellent service to compensate for the current impact of world events.

In the past year, the company has taken various actions, such as renovating the service area of the branch, which was completed at the end of 2019, and began to recognize service revenue in December. In addition, the company has other operations such as;

- An investment in the Laem Chabang District, by purchasing an office and 21 rai of land in Pinthong and making improvements to be available in early 2020 to further support the expansion of the workload in the Eastern Economic Corridor Development Project (EEC).
- Increasing domestic and cross border cargo volumes.
- The company has implemented the addition of DG (Dangerous Goods) service as a logistical provider for dangerous goods transportation.

The year of 2020 has so far been a very challenging year. This has led to the global economic trend to stall and in many instances to reduce, due to the spread of the Covid-19 virus. This will most likely have a great impact on the overall economy, but SONIC is still confident in its ability and readiness for continuing operations. The company still sees the opportunity to continue its expansion despite the global crisis, just as the company has overcome past economic conflicts and disputes.

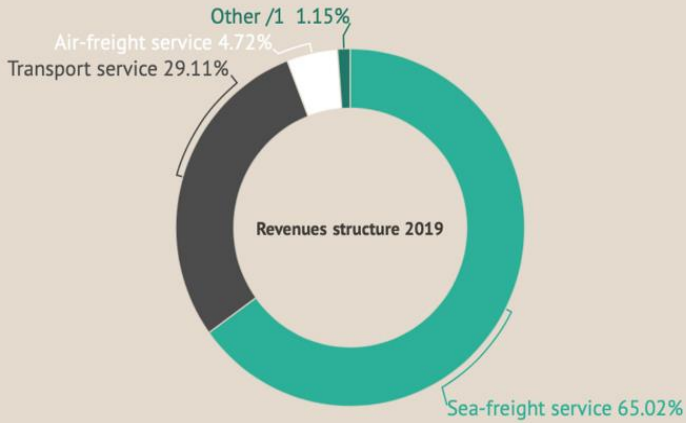
On behalf of the Board of Directors, I thank all of the shareholders, trade partners, all customers and sponsors. The Board of Directors would also like to thank the company's management, employees and all subsidiary collaborators who have assisted in driving the company to grow with stability and sustainability.

Dr. Santisuk Kosiarpanant (Ph.D.)  
Chief Executive Officer

## Financial Highlights

	Y 2017	Y 2018	Y 2019
<b>Statements of Comprehensive Income (Million Baht)</b>			
Revenues from services	964.30	1,152.41	1,145.55
Gross profit	203.31	230.03	240.72
Selling and Administrative expenses	132.58	162.18	174.70
Net profit for the year	45.83	46.63	46.53
<b>Statements of Financial Position (Million Baht)</b>			
Total Assets	579.81	842.11	864.50
Total Liabilities	312.64	281.28	252.35
Total Equity	267.17	560.83	612.15
<b>Statements of Cash Flows (Million Baht)</b>			
Net cash received from operating activities	56.34	37.36	73.78
Net cash received from (used in) investing activities	(5.45)	(31.72)	(181.54)
Net cash received from (used in) financing activities	(25.78)	185.04	(8.15)
<b>Key Financial Ratios</b>			
Gross Profit Margin (%)	21.08	19.96	21.01
Net profit Margin (%)	4.74	4.04	4.04
Return on Equity (ROE) (%)	16.34	11.38	8.00
Current Ratio (X)	1.17	2.47	2.46
Average Collection Period (Days)	55.89	57.36	61.73
Average Payment Period (Days)	26.29	26.36	27.47
Debt to Equity Ratio (Times)	1.19	0.51	0.42

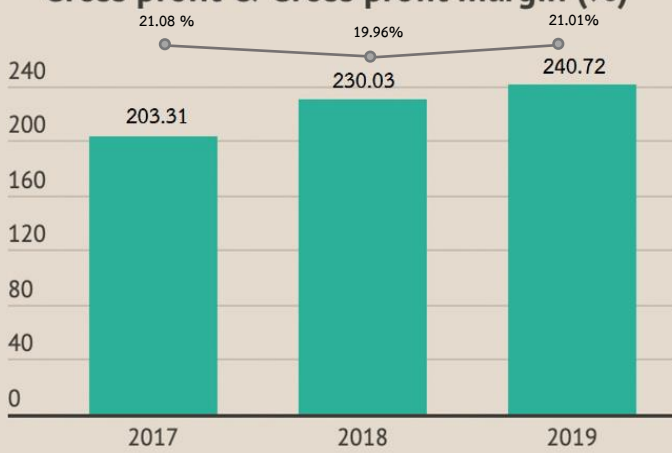
# Financial Highlights



## Revenues from services



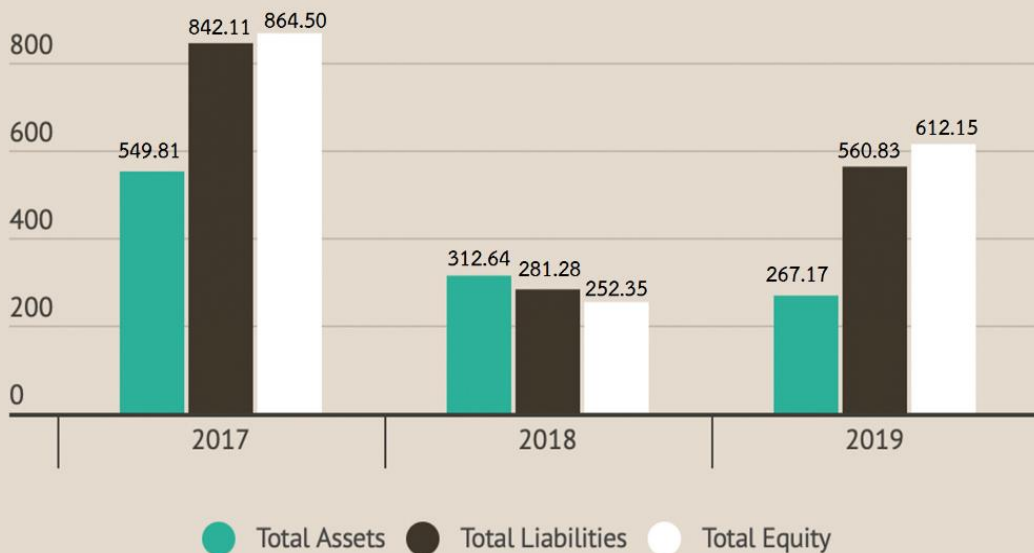
## Gross profit & Gross profit margin (%)



## Net profit for the year & Net profit margin (%)



## Statements of Financial Position (Million Baht)





## Audit Committee Report

Audit Committee has appointed as resolution of the Board of Director No. 5/2017 on 1 September 2017 and consists of 3 committees including M.L. Patcharapakorn Devakula, Mr. Kanwat Aran and Assoc. Prof. Kalyaporn Panmarerng as the Chairman of Audit Committee.

The Board of Directors Passed a resolution of the Board of Directors Meeting No. 5/2019 on November 8, 2019 to appoint Mr. Rattawat Suksaichol as a director of the company Audit Committee and Independent Director Substitute ML Patcharapakorn Devakula.

In 2019, the Meetings of Audit Committee are as follows;

Assoc. Prof. Kalyaporn Panmarerng	attended 4/4 meetings
M.L. Patcharapakorn Devakula	attended 2/4 meetings
Mr. Kanwat Aran	attended 4/4 meetings

The Audit Committee is responsible for supporting the operations of the Board of Directors in order to achieve their responsibilities. By supervising the following matters Making the company's financial reports reliable Comply with the requirements and related laws Check independence, the qualifications of the auditor and check the performance of the internal audit department, the auditor

Main Points Summary is;

- The Charter of Audit Committee  
The Audit Committee has reviewed the Charter at least once per year (reviewed at the Board of Directors Meeting No.5/2019, held on 8 November 2019), keeping current and consistent content with the operations of the company and can be used effectively.
- Financial Statement  
The Audit Committee considered and reviewed all procedures to ensure the financial statement disclosure is correct, complete, adequate, reliable and in a timely manner by coordinating with financial auditor and executives who response the financial statement both quarterly and annually and found that the financial policy selection is reasonable and the financial disclosure is adequate.
- Related Transactions and Conflict of Interest  
Audit Committee followed and reviewed Connected Transactions and Conflict of Interest to be in accordance with laws and SET regulations and ensured those transactions are reasonable and the disclosure is correct, complete with fairness and being in accordance with the Company's best interest.
- Internal Control  
The Audit Committee reviewed the Company's internal control system to be appropriate. And effective, consider the results of the examination, the recommendations of the auditor, the

internal audit department about the internal control system And propose to the management to improve as suggested Which the Audit Committee is of the opinion that Internal audit of the company. There is a compilation of important matters, clarify solutions to relevant departments to prevent and reduce risks that may occur, complete, appropriate and sufficient.

- Internal Audit

The Audit Committee met with independent auditors and reviewed the audit results. Every quarter, it is advisable to develop continuous examination methods, which the Audit Committee have a comment that the internal audit of the company is free, appropriate and effective. In addition, there is a sufficient and appropriate information security system. However, considering the audit plan and the audit scope of the internal auditor and the auditor of the company including the internal audit consultant (if any) to have a mutually supportive relationship that is not redundant.

- Financial Audit

The Audit Committee considered, nominated financial auditor and remuneration of financial auditor and presented to the Board of Director to ask the appointment approval from the Shareholders' Meeting.

- Legal Compliance and Applicable Regulations

The Audit Committee always reviews legal compliance of Securities and Exchange Commission, Public Limited Companies Act, Regulations, and Business Laws and have opinion that the Company abides by rules and regulations correctly and appropriately.

- Good Corporate Governance

The Company realizes and gives importance to management under Good Corporate Governance Policy, focuses and ensures the control, monitoring operation to be more efficient with transparency and morality causing confidence to shareholders and all concerned.

- Risk Management

The Audit Committee provides risk management procedure, standardizes with appropriate, efficient and effective, coordinates with executive in consideration, gives opinions in report and reports progression of the Company's risk management at least once a quarter.

- Anti – Corruption

The Audit Committee reviews anti-corruption operation including financial statement, internal control system and internal auditing correctly and properly.

- Oversee the adequacy assessment preparation and appropriateness of internal control system which covers organization and environment risk management, executive operational control, information system, data communication and tracking system. Give importance to adequate internal control system with efficiency and lead the organization to have good governance.

In 2019, Audit Committee performed duties completely as assigned by the Board of Directors with full ability, independence and no restriction of receiving information from the board, executives,

employees and concerned persons as well as gave opinions and suggestions for all stakeholders' gains equally.

Overall, Audit Committee has an opinion that the Company adheres to business ethics. The Board of Director and Executives are professional and skillful to aim and perform duties to achieve the Company's goals, report financial statement and overall operation correctly, ensure the internal control system is proper and efficient, ensure good corporate governance is with transparency, honesty and fairness, response the assigned duties and tasks and have the competitiveness as well as abiding by laws and Article of Association correctly and completely.

Assoc. Prof. Kalyaporn Panmareng  
Chairman of Audit Committee.



## General Information

### Company Information

Company Name	: Sonic Interfreight Co., Ltd.
Head Office Address	: 79/349, 350, 1st and 2nd Floor Sathupradit Road, Chongnonsee, Yannawa, Bangkok 10120
Branch Office Address	: (1) Kingkaew Branch 84 Moo 15 Soi King Kaew 21, Kingkaew Road., Bangplee yai District, Bangplee Sub District, Samutprakarn (2) Kingkaew 2 Branch 84/1 Moo 15 Bangplee yai District, Bangplee Sub District, Samutprakarn (3) Chonburi Branch 198/30 Moo 9 Thungsukla District, Sriracha Sub District, Chonburi
Nature of Business	: Total Logistics Service Provider
Registration Number	: 0107560000427
Telephone Number	: 02- 213-2999
Fax Number	: 02- 213- 2533
Website (URL)	: www.sonic.co.th
Registered Capital	: Baht 290,000,000
Paid-Up Capital	: Baht 275,000,000

### Juristic Persons Information of over 10% Paid-Up Capital's Direct Shareholding

Company Name	: Grandlink Logistics Co., Ltd.
Address	: 79/345-350 Sathupradit Road, Chongnonsee, Yannawa, Bangkok 10120
Nature of Business	: Logistics Services
Registration Number	: 0105558158599
Telephone Number	: 02- 213-2666
Fax Number	: 02- 213-2566
Registered Capital	: Baht 31,000,000
Paid-Up Capital	: Baht 31,000,000

### Securities Registrar

Company	: Thailand Securities Depository Co., Ltd.
Head Office	: 93 The Stock Exchange of Thailand, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone Number	: 02- 009-9999

Auditing Company

Company : PricewaterhouseCoopers ABAS Ltd.  
Head Office : 179 / 74-80, Bangkok City Tower, 15th Floor,  
South Sathorn Road, Bangkok  
Telephone Number : 02-844-1000

Other Important Information

- None -

## Nature of Business

Sonic Interfreight Public Company Limited and its subsidiaries is an international logistics (Services Provider) By providing Full Container Load and Less than Container Load services sea freight and land transportation to support the transportation of goods from customer companies to ports and airports for outbound goods and transporting goods from the port and airport to the customer company in the case of incoming goods By the side of the land transport service The company has 85 cars and chassis that provide their own service and 200 tails as of December 31, 2019.

### Overview and Benefits of Group Service



Apart from shipment quality and speediness, Customer Satisfaction is another factor of Logistics Business. The core of business growth is the reliability in quality and service satisfaction. Therefore, the Company realizes and focuses on the importance of service improvement by organizing the Customer Service Team to provide consultant the customer, ensure to response and follow up the issues continuously and efficiently. The Service of Company is categorized into 3 types as follows.

### 1. Sea Freight

The Group NON – VESSEL – OPERATING COMMON CARRIER (NVOCC) was to category that does not have its own ship for the management of moving goods, including importing goods from abroad to Thailand and the export between its point of origin in Thailand to the international destination In booking freight ships through world-class vessels and containers that are suitable for the characteristics and types of products manage the container space to be able to manage costs efficiently. Additionally, to deliver goods to the ship Including customs clearance and documentation for delivery of goods As well as tracking the status of the product to its destination by The Group that coordinate with international partner networks to manage the export or import at foreign ports. The Group has contacted more than 63 domestic and international partner networks. In the past year, The Group has exported and imported to ASEAN countries including Vietnam, Indonesia, Myanmar, Malaysia, and other international destinations such as the United States of America, and multiple European countries, including Germany, Netherlands and Turkey.



At present, the Group provides 2 types of Sea Transport are as follows.

### **1.1 Full container load: FCL**

Means packing a full container for a single customer in a container Which is a service that is suitable for customers who want to transport a large number of products, which the company will jointly plan the export with annual customers. The company will contact the shipping line. Negotiate freight rates, reserve space, and provide suitable containers for products Until delivering goods to the ship as well as tracking the status of the origin goods to the destination.

### **1.2 Less than Container Load: LCL**

Means packing products by dividing retail container space to support services for customers who want to transport small quantities of goods by The Group will act as a product collector (consolidator) from many customers and put on containers by calculating the area for placement in order to maximize efficiency.

## **2. Air Freight**

The group will contact and book the airline. According to the schedule and requirements that the customer needs, which air transportation company that has the greatest Suitability for international transportation and which requires speed in a limited amount of time but with a higher cost than sea freight. Most of the goods that are transported by air are relatively small and have high value and therefore, may require special care and this are suitable For transporting at a faster delivery timeframe.

## **3. Inland Transport and Cross-Border Transport**

Apart from main sea freight and air freight, the Group also provides service to support the transportation service as a business development and to continue an expert in Multimodal Transport; Land-Air and Land-Sea. The Group provides land transport to facilitate the goods shipment between customers loading points, ports and airports so the Group has expanded Domestic Transport Service by completely providing trailers and tractors including 6 wheel trucks and 4 wheel trucks to the importer and exporter, decreasing the process of service provider contact. At present, the Company has expanded the land transport to support the entrepreneurs.

#### 4. Other services

In addition to the above services The company also provides distribution center services. And services for dangerous goods to support the needs of customers In providing complete logistics services

##### 4.1 Service of product collection and distribution center (**Distribution Center**)

Is a service of accommodation service during the transportation of goods. During transportation from the customer's factory Before importing or exporting To the port or airport And distribute products to customers in e-commerce. During transportation from the customer's factory Before importing or exporting To the port or airport And distribute products to customers in e-commerce

##### 4.2 Logistics service for dangerous goods (**Dangerous Goods**)

It is a service for both dangerous goods packaging under the IATA Dangerous Goods regulations, IMDG code and Land (ADR). The distribution of packaging for dangerous goods And subsidiaries There is still cooperation with Chulalongkorn University. In training on the knowledge of dangerous goods packaging.

# Competition Strategy

## (Total Logistics Service Provider)

The Group needs to respond to every customer's needs. At the beginning of the group Start the business of being an agent for international transportation management by sea freight. And later began air freight products. Which the transportation between the customers' loading point and the loading and unloading point Therefore initiated the concept of a complete logistics system service That is, providing services ranging from consulting on rules and methods of importing and exporting. Customs clearance service Has added land transportation services By providing services for both the towing truck and the tow truck and truck Cross-border transport plans to expand the transportation routes to other neighboring countries in the future. In addition, the company also has a collection and distribution center. Resulting in the company Able to provide complete service to customers Saves time And efficiency in customer logistics management systems

The Group needs to respond to every customer's needs. In the beginning, the company group Started business as an international sea freight And then began air freight products Which the transportation between the customer's loading point to the point of exportation .Therefore initiated the concept of providing a complete logistics system That is to say, providing services from the consultation on rules and regulations for import and export. Customs clearance service Land transportation services Which provides services for both tractor units, tail trucks and trucks. In the next, the company began to expand its cross-border transportation services. to other neighboring countries. In addition, the company also has a collection and distribution center. Resulting in the company Able to provide complete services to customers Saves time And efficiency in the customer logistics management system.

## Extensive Partnership (Network)

The company has also established good relationships with transportation management agents in various countries. To be a partner in sending work to each other At present, the company There are more than 207 foreign correspondent partners covering every continent. By partners who have been in business for a long time Also introduced other agents To the company as well In addition, the company Also joined the transportation agent club both domestically and internationally In Thailand, the Group Joined the International Freight Forwarders Association (TIFFA). In addition, the Group Also joined the Cooperative Logistics Network in 2015, an international association covering more than 124 countries around the world. And the Global Affinity Alliance. The meeting will be held at least once a year in order to expand the sales network, partners to conduct business together with representatives in other countries. To provide more comprehensive services With the goal of exchanging knowledge, methods to increase business potential and opportunities in order to meet the need to transport goods to target destinations that are partner countries.

Statement of Conference Participation both Domestic and International

Name of Association	Company as a member	Year of Member	End up Year of Member
Thai International Freight Forwarders Association: TIFFA	SONIC	21 Apr 1998	TBA
The Cooperative Logistics Network	SONIC	21 Dec 2015	TBA
Global Affinity Alliance	GLINK	2018	2019
The Customs Broker and Transportation Association of Thailand: CTAT	SONIC	25 Jan 2018	25 Apr 2019
The Land Transport Association of Thailand: LTAT	SONIC	1 Dec 2017	31 May 2022

Proficiency of Personnel

Import and Export Business needs professional coordination with specific sections, for example, Sea Freight, Customs, etc. and needs adequate knowledge of concerned import and export regulations. The entrepreneur without experienced personnel then needs agent in managing logistics. The Group has begun logistics business since 1995. Our personnel have gained experiences and connections which lead us more efficiency in logistics service management; faster sea freight and air freight management service, more efficient in packaging management, less transport failure and completed customs law and concerned law process. Besides, the Group focuses on personnel development continuously by encouraging personnel to take part in training with concerned institute for the continual professional service.

Quality in Service

The Group focuses on customer service excellence since the quality of service is mainly logistics management business. The Group offers Customer Service department to separate from the operation team. Accordingly, it will be increasingly able to develop and follow specific quality of service. Customer Service helps facilitating and making customers more convenient including transport, goods tracking, taking feedback and giving advice after shipment. In addition, the Group offers the survey to customers to assess work quality and the Group will constantly review those assessments. The Group provides many channels in term of contact or complaint via telephone, e-mail, mail or company websites.



### Existing Customer Base Retaining

Due to higher competition in logistics business, existing customer base retaining is significantly a main source of continual revenue to the Group. More than 25 years managing logistics business, the Group consequently has a large customer base. Hence, the Group pays attention and takes good care of those customers closely, ensuring the customers are impressed and the service meets customers expectation; giving an advice of how to reduce some customer procedures, save the customer's cost, completely offer new services such as land transport (both domestic and cross-border) and distribution center to response customers need.

### Safety Standards for Transportation

Aside from shipment speed, the Group emphasizes the safety of shipment as the first priority. The Group selected standardized, accepted and high-performance vehicles in transport business. Moreover, the human resource policy is; in other words, recruiting knowledgeable personnel, experienced staffs that familiar with the job and ensuring the customer satisfaction. We could build customers confidence on the safety of shipment without any damages on customer and the Group's asset and goods.

All our vehicles receive well maintenance from high quality maintenance center, accepted knowledgeable technicians in both Domestic and International so that our customers can be assured to our service as our vehicles meet the standards set by law and the drivers' condition checking before the duty is required. The Group sets up the driver's rules and regulations, including drivers' assessment. The standard includes check the vehicle's condition before use by drivers. In addition, the Group has regularly random drug and alcohol test to the drivers.

## Revenue Structure

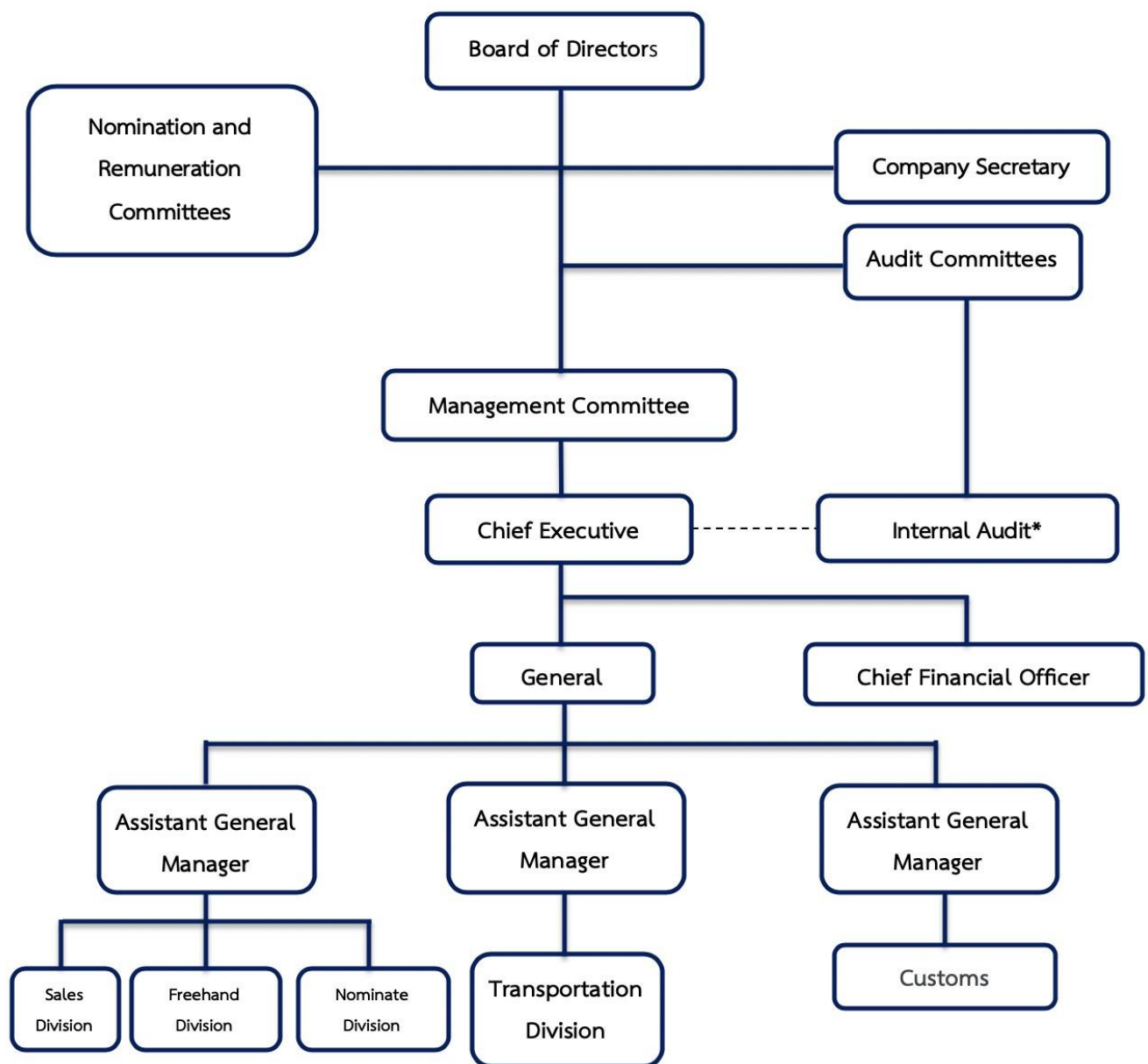
Revenue Structure of the Company and subsidiary are generated income from as follows;

Revenue Structure	Consolidated Financial Statement					
	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from services</b>						
- Sea Freight	610.56	63.16	759.25	65.72	744.81	64.74
- Land Transport	277.95	28.75	301.86	26.12	333.44	28.98
- Air Freight	66.94	6.92	83.02	7.19	54.11	4.70
- Other Services/1	8.85	0.92	8.28	0.72	13.19	1.15
<b>Total Revenue from Services</b>	<b>964.3</b>	<b>99.75</b>	<b>1,152.41</b>	<b>99.75</b>	<b>1,145.55</b>	<b>99.57</b>
- Other Services/2	2.43	0.25	2.85	0.25	4.94	0.43
<b>Total Revenue</b>	<b>966.73</b>	<b>100.00</b>	<b>1,155.26</b>	<b>100.00</b>	<b>1,150.49</b>	<b>100.00</b>

Remarks: / 1 Other services include Collection and distribution center service fee Service fees for dangerous goods and others

/ 2 Other income, consisting of the difference of profit sharing from dissolution of subsidiaries Interest income from bank accounts Exchange gain from disposal of assets and other income

Management Structure as of 31 December 2019



Remark: \*The Company employs Phattarakiet Audit and Consulting Co., Ltd. Mr. Chairaj Phattarakiettipong is Internal Audit Mana

## Directors

The Board of Directors as of 31 December 2019 consists of 7 directors are as follows;

Name - Surname	Position
1. Assoc. Prof. Dr. Wanchai Rattanawong	Chairman / Independent Director
2. Assoc. Prof. Kalyaporn Panmareng	Chairman of Audit Committee/ Chairman of the Nomination and Remuneration Committee/Independent Director
3. Mr. Kanwat Aran	Audit Committee /Nomination and Remuneration Committee / Independent Director/
4. Mr. Rattawat Suksaichol	Independent Director / Audit Committee
5. Mr, Santisuk Kosiapanant	Director / Chief Executive Officer
6. Mr. Ranut Lieolertsakulchai	Director
7. Mr. Vutthichai Suriyavorawong	Director

Ms. Solossaya Khemsuk serves as the Secretary to the Committees.

**Remark:** 1 / Appointment of Associate Professor Kalayaporn Panmarreung as Chairman of the Nomination and Remuneration Committee According to the resolution of the Board of Directors Meeting No. 5/2019, dated November 8, 2019, in replacement of ML Patcharaphon Devakula who resigned from the position. Chairman of the Nomination and Compensation Committee on 30 September 2019

2 / Appointment of Mr. Rattawat Suksaichon as a director Audit Committee and Independent Director According to the resolution of the Board of Directors Meeting No. 5/2019, dated 8 November 2019, replacing ML Patcharaphon Devakula who has resigned from the position of director Audit Committee and Independent Director on 30 September 2019

### **Directors authorized to sign on behalf of the company**

The authorized directors who are authorized to sign to bind the company are Dr. Santisuk Kosiapanant and Mr. Ranat Lieolertsakulchai Or Mr. Vutthichai Suriyavorawong with the company's seal

### **Scope of Authorities and Roles of the Board of Directors**

- 1) Oversee the Company's business to ensure compliance with the law, the Company's objective and regulations and any lawful resolutions adopted by the meeting of shareholders, holding to the principle of "The Code of Best Practice for Directors of Listed Companies" as the policy of the Stock Exchange of Thailand.
- 2) Provide the shareholder meeting as an annual general meeting within 4 months after the end of the Company's accounting period.



- 3) Provide the audited Company's balance sheet and income statement on the end of the Company's accounting period and present to the shareholder meeting in the annual general meeting for consideration and approval.
- 4) Set the Company's vision, mission, objective, policy, business plan and budget including supervise the management of the management committee to be as the assigned policy. However, the issue required by law must get votes from the shareholder meeting such as increasing or decreasing of capitals, issuing bonds, sale or transfer of all or part of company, buy or receive transfer of other company to the company, editing memorandum of association or regulations, etc. The Board of Directors must get approval before the execution.
- 5) Supervise the Management to operate as plan and budget constantly including consider and always review the policy, plan and budget.
- 6) Control the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand such as Related Transactions, Acquisition and Disposition of Assets, all other applicable legislation.
- 7) Consider Management Structure and have authority to consider appointment of Board of Director, President of the Board, subcommittees, Chief Executive Officer (CEO) as well as determine the scope of authorities and responsibilities of the Board of Director, President of the Board, subcommittees, Chief Executive Officer (CEO) as deemed appropriate.
- 8) Prepare the Annual Report of the Board of Director, response the procedure and financial disclosure to show financial status and annual overall operation and present at the shareholder meeting for consideration and approval.
- 9) Have authority to assign one of director or more or other person to perform either one to perform on behalf on the Board of Director by being under the control of the Board of Directors or authorize the mentioned person as agreed by the Board of Directors within timely manner. The Board of Directors can cancel, withdraw, change or amend the authorization as deems appropriate. Accordingly, an authorization must not be an authorization that allow the person to be able to consider and approve the transaction between own company and the interested person or any conflict of interest among the Company or subsidiary as the definition in notification of the capital market and/or the Stock Exchange of Thailand and/or any notifications from related organizations except the approval as a policy and regulation that the Board of Directors has already considered and approved.
- 10) Nominate the Company Secretary to response and perform for the Company or the Board of Director operation benefit such as preparing the committee registration, the Board of Directors meeting invitation letter, the shareholder meeting invitation letter, etc.

## **Structure**

- 1) The Board of Director does not need to be the Company shareholder.
- 2) The Board of Directors consists of at least 5 directors and at least half of directors must reside in the Kingdom of Thailand
- 3) The Board of Directors consists of non-administrative officers at least one-third of entire director but must be more than 3 people.
- 4) The Board of Directors selects 1 person to be the Chairman.

## **Holding a position and the Board of Director's appointment**

- 1) The Nomination and Remuneration Committee is assigned to recruit and make recommendations of the personnel with qualifications mentioned in the charter for holding the Board of Directors position in the Board of Directors' meeting and the shareholders' meeting for next consideration.
- 2) The shareholders' meeting is assigned to appoint the Board of Director. However, in case of the Board of Directors appointment due to reasons other than retirement by rotation. The Nomination and Remuneration Committee is assigned to select personnel with qualifications mentioned in the charter and make recommendation to the Board of Director meeting for the appointment with the exception of less than 2 months remaining term. Accordingly, personnel who take the director position will hold a tenure which lasts the remaining time of the tenure of the Director whom they replace.
- 3) At every annual shareholders' meeting, one third of the total directors will be retire from their positions. If the number of directors cannot be divided by three, the directors will retire by the number nearest to one third of the total directors. Directors who are retired by rotation may be re-elected. Directors who required to retire at the first year and the second year after registration, drawing lots will be provided. In subsequent years, the directors who have been in the longest term will retire. Besides the above retirement, the Board of Directors may dismiss from the position with following reasons;
  1. Pass away
  2. Resign
  3. Lack of qualifications which required by the Charter or having prohibited characteristics according to law
  - 4) The shareholders' meeting resolved to retire before the expiration of the term with a vote of not less than three-quarters (3/4) of the total number of shareholders attending the meeting and

having the right to vote And have a total of not less than half (1/2) of the shares held by the shareholders attending the meeting and having the right to vote

5. A court orders

Any director who resigned from the position shall submit a resignation letter to the company. The resignation will be effective from the date of resignation to the company.

## 2. Audit Committee

Audit Committees as of 31 December 2019 consists of 3 committees as follows;

Name – Surname		Position
1. Assoc Prof. Kalyaporn Panmareng		Chairman of Audit Committee/ Independent Director
2. Mr. Kanwat Aran		Audit Committee / Independent Director
3. Mr. Rattawat Suksaichol		Audit Committee / Independent Director

**Remark:1** / Appointment of Mr. Rattawat Suksaichon as a director Audit Committee and Independent Director According to the resolution of the Board of Directors Meeting No. 5/2019, dated 8 November 2019, replacing ML Patcharaphon Devakul, who resigned from the position of the director of the company. Audit Committee and Independent Director on 30 September 2019

Assoc. Prof. Kanlayaporn Panmarreung is an audit committee member who has knowledge and experience in reviewing financial statements, details of his educational background and work experience are summarized as follows:

### Educational background

- MBA, National Institute of Development Administration
- Bachelor of Accounting, Bangkok University

### Professional Experience

Period	Position	Institute / Company / Type of Businss
2015 - Present	Chairman of the Audit Committee	Sonic Interfreight Co., Ltd. / Logistics
2017 - Present	Vice President for Planning and Quality Assurance	Sriprathum University / Education
2016 - Present	Committee	President Automobil Industry Co., Ltd. / Car Air Conditioner Part Manufacturing Industry

2009 - Present	Chairman of the Audit Committee, Nomination and Remuneration Committees and Chairman of the Risk Management Committee	Chow Steel Industries Pte. Co., Ltd. / Metallurgical Industry
2004 - Present	Financial Committee and Treasurer	Ethanol Biodiesel Club of Thailand /Foundation
2002 - Present	Internal Quality Assurance Auditor	Office of the Higher Education Commission / Education
1999 - 2017	Assistant to Vice President for Planning and Quality	Sriprathum University / Education
2019 - present	Chairman of the Nomination and Consider compensation	Sonic Interfreight Co., Ltd. / Logistics

Ms. Solossaya Khemsuk acts as an audit committee secretary.

#### **Qualifications of Audit Committee**

1. Fully qualified under the requirements of Securities and Exchange Commission (SEC) the Stock Exchange of Thailand.
2. Not being a committee assigned by the Board of Director to make a decision on the operation of the Company, head office, subsidiary, associated company or juristic person with potential to cause conflict.
3. Not being a management committee, employee, advisor with regular salary, authority of the Company, head office, subsidiary, associated company or juristic person with potential to cause conflict / main shareholder.
4. Be able to perform, give opinion and present the report assignment from the Board of Director independently, not under control of Management, main shareholder or authority including all concerned parties or relatives of all mentioned person.
5. Be able to devote time and opinion sufficiently in operation as an audit committee.
6. Participate in training class and build up knowledge of concerned audit operation continuously to keep them up with the times and learn more in the Company Operation to increase the effectiveness of the audit committee.
7. Chairman of the audit committee should carry leadership skill and lead the meeting in the right way, efficient in planning skill and assure the overall effectiveness of the audit committee

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

1. Audit Committee Charter
  - (1) Provide Audit Committee Charter of Duties and Responsibilities of the Audit Committee.
  - (2) The content in the Audit Committee Charter must be clear meaning specification, overall definition including other responsibilities of the audit committee.
  - (3) Review the Audit Committee Charter and ensure the present content, conform to the Company's operation and be able to apply efficiently at least once a year.



2. Financial Statement  
Review the report procedure and ensure the transparent disclosure of the financial report to be accurate, complete, adequate, and trustworthy in a timely manner by coordinating with the financial auditor and the Management who response in the financial report both quarterly and annually.
3. Related Transactions and Cases involving potential conflicts of interests.  
(1) Review the related transactions and Cases involving potential conflicts of interests as relevant law and the regulatory guidelines of the Stock Exchange of Thailand, to ensure the reasonable issue and to the benefit of the Company.
4. Internal Control  
(1) Review and ensure appropriation and effectiveness of the Company's Internal Control.  
(2) Consider the Audit Report, Auditor and Internal Audit Department's opinions and present to the Management for improvement as a suggestion including follow up those issues.
5. Internal Audit  
(1) Review the Company and ensure the independent Internal Audit and effective audit system.  
(2) Review the activities and structure of Internal Audit and approve Internal Audit Charter  
(3) Consider and give an opinion on the appointment, transfer, impeach or dismiss as well as determine and assess the annual performance of Internal Audit Supervisor to ensure the independent of the Company.  
(4) Review the Internal Audit with the Internal Audit Supervisor especially concerned internal system control and financial managing procedure.  
(5) Consider, give an opinion and suggest the budget and manpower of Internal Audit and present to the Management for approval.  
(6) Review the audit plan and scope of the audit of internal audit and the Company's financial audit as well as the advisor of internal audit (if any) and ensure the beneficence and non-duplication.
6. Financial Audit  
(1) Consider, select, nominate and propose remuneration to the external auditor by considering the trustworthy, sufficiency of resource of the audit and assigned personnel's experience including the performance in the past year as well as consider dismissal of the financial audit. Accordingly, Audit Committee provides opinions to the Board of Directors for next approval and consideration.  
(2) Review scope and audit procedure presented by the financial audit as well as consider reason of changes in audit plan (in case of change in audit plan later)  
(3) Suggest the auditor to review the necessary and important points of the Company and the subsidiary's financial audit.  
(4) Check the financial audit report, present to the Board of Directors for development, follow up the suggestion.  
(5) Consider the adequacy and efficiency of the coordination between the financial auditor and the internal auditor.  
(6) Acknowledge the financial audit report promptly regarding the suspicious conduct of CEO and President or any personnel who response in Management committed under section 281/2 paragraph 2, section 305, 306, 308, 309, 310, 311, 312 or section 313 of act and investigate immediately as well as report the preliminary investigation report to Securities and Exchange Commission (SEC) and the financial

- auditor within 30 days after receiving the report from the financial auditor.
7. Legality and applicable regulations
    - (1) Review the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand and all other applicable legislation.
  8. Report of the Audit Committee
    - (1) The Audit Committee must report the overall operation to the Board of Director's meeting and to consider at least once a quarter.
    - (2) Create an annual overall operation report of the Audit Committee showing lists according to regulations of the Stock Exchange of Thailand, arrange to be signed by Chairman of the Audit Committee and disclose in the Company's annual report.
    - (3) As a duty of the Audit Committee, if there is any suspicions or found anything which may affect the financial position and the Company's operation significantly, the Audit Committee must report to the Board of Directors for development in timely and appropriate manner.
      - (3.1) Conflicts of Interest
      - (3.2) Corruption, irregularities or significant errors in the Internal Control System
      - (3.3) Failure to comply with acts, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.
    - (4) If the Committee or Management fail to operate an improvement or proper behavior as above (3.1), (3.2) and (3.3) within proper due time. One of the Audit Committee may report the case related to (3.1), (3.2) and (3.3) to Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand.
  9. Good Corporate Governance
    - (1) Review the Company to support the good corporate governance continuously as well as guide the plan and give an important suggestion for the development
    - (2) Give precedence by supporting the Company's Good Corporate Governance to be one of the annual committee meeting agenda and also the annual shareholders meeting agenda.
    - (3) Follow up Chairman of the Audit Committee and ensure to receive a copy of report on interest under Section 89/14 from a company secretary within 7 business days from the date on which the company has received such report.
  10. Risk Management
    - (1) Review the standard of risk management policy and ensure the efficiency and effectiveness.
    - (2) Coordinate with Risk Management Committee and Management to consider and discuss the report and present the risk management progression to the Company
  11. Anti-Corruption

Review the Company's operation under the measure of anti-corruption as well as the financial report, internal control system and internal audit to ensure the effectiveness of operation, the accordance of regulations and the morality. If there are any suspicions of report or any behaviors which may affect to financial position and the Company's operation including corruption significantly, the audit committee will report to the Board of Directors for progression and improvement within due time.
  12. Other responsibilities
    - (1) Perform other duties assigned by the Board of Directors. The Audit Committee has responsibilities to

the Board of Directors while the responsibilities of entire activities to others are still belong to the Board of Directors

(2) Perform duties following notice of the Stock Exchange of Thailand

(3) Control the whistle blowing procedure when employees and stakeholders have inquiries or found suspicious behaviors against the regulations, laws, rules, ethics or corporate governance policies and to assure the whistle blower that the Company has an independent investigation procedure and appropriate monitoring operation.

(4) Control the special investigation as deemed necessary

#### **Tenure and Audit Committee Appointment**

1. Audit Committee holds tenures which last 3 years each term from the date on which they are appointed.
2. Audit Committee who retired by rotation may still be re-nominated or re-election but not the automatic extension.
3. Audit Committee may resign from the position at any time before the tenure by informing and submitting a letter of resignation with reasons to the Company. The Company will send copy of a letter of resignation to the Stock Exchange of Thailand as well as delivering to The Securities and Exchange Commission.
4. In case when position of Audit Committee becomes vacant due to reasons other than retirement by rotation, the Board of Directors will appoint a qualified person to be Audit Committee to ensure the complete number of members. A person who is appointed will hold a tenure which last remaining time of the tenure of the Director whom he/she replaces.
5. Audit Committee retirement
  - (a) Cease to be Audit Committees
  - (b) Complete the tenure
  - (c) Lack of qualifications of Audit Committee
  - (d) Pass away
  - (e) Resign
  - (f) Be impeached
  - (g) Serve a term of imprisonment or any legitimate order of imprisonment except offenses committed by negligence or misdemeanor
  - (h) Be an incompetent person or a quasi-incompetent person
  - (i) Be a bankrupt
6. If there are less than 3 Audit Committees, the Company should hasten the new committee appointment instantly or at least within 3 months from the date of incomplete audit committees to ensure the operations continuity of the Audit Committees which is related to regulations of maintaining the listing status on the Stock Exchange of Thailand.

### 3. Nomination and Remuneration Committee

Nomination and Remuneration Committees as of 31 December 2019 consists of 3 committees as follows;

Name – Surname		Position
1. Assoc. Prof. Kalyaporn	Panmarerng <sup>1/</sup>	Chairman of the Nomination and Remuneration Committee
2. Mr. Kanwat	Aran	Nomination and Remuneration Committee
3. Ph.D. Santisuk	Kosiarpanant	Nomination and Remuneration Committee

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Ms. Solossaya Khemsuk serves as the Secretary to the Nomination and Remuneration Committees.

**Remark<sup>1/</sup>** Appointment of Associate Professor Kalayaporn Panmarreung as Chairman of the Nomination and Remuneration Committee According to the resolution of the Board of Directors Meeting No. 5/2019, dated November 8, 2019, in replacement of ML Patcharaphon Devakul who resigned from the position. Chairman of the Nomination and Compensation Committee on 30 September 2019

#### Scopes, Duties and Responsibilities of Nomination and Remuneration Committee

Nomination and Remuneration Committees perform duties as assigned by the Board of Directors with scope and responsibilities as follows;

##### 1. Nomination

1.1 Set the rule and policy of the committee nomination and subcommittee nomination by considering appropriation in number, structure and element of committees this is suitable with size, category and business complication, determine the committee qualifications to present to the Board of Directors and/or ask for approval in the shareholders meeting.

1.2 Recruit select and present qualified candidates to hold the position of the Board of Directors and committees who have completed their terms and/or replace the vacant position and/or make new appointment.

1.3 Perform other nomination tasks as assigned by the Board of Directors.

1.4 Review and summarize the succession plan and management continuity which is proper with Chief Executive Position annually and report to the Board of Directors.

##### 2. Remuneration

2.1 Set the rule and policy of the committee remuneration and subcommittee remuneration and present to the Board of Directors and/or ask for approval in the shareholders meeting.

2.2 Consider necessary and proper remuneration both payment in the form of money and other forms of compensation to the Board of Directors and individual committee. Remuneration determination of

the Board of Directors, the Company's committees and subcommittees are considered to be appropriate with their respective duties, responsibilities and accomplishments, compare with similar business and with benefits that might be receiving from the committees and present to the Board of Directors for consideration and to the shareholders meeting for approval,

2.3 Response to the Board of Directors and perform duties of giving explanation, answer the question of remuneration in the shareholders' meeting.

2.4 Report the policy, measure/reason of remuneration determination to the committees and subcommittees as the Stock Exchange of Thailand's regulations as in the Annual Report (form 56-1) and the Company's Annual Report.

2.5 Perform other remuneration consideration tasks as assigned by the Board of Directors. Management and other sections must report or present the information and concerned documents to the Nomination and Remuneration Committees to support Nomination and Remuneration Committees performance and achievement.

#### 4. Executive Board of Directors

Executive Board of Directors as of 31 December 2019 consists of 3 directors as follows;

Name – Surname		Position
1. Mr. Santisuk	Kosiarpanant	Chairman of the Executive Committee
2. Mr. Ranut	Lieolertsakulchai	Committee Member
3. Mr, Vutthichai	Suriyavorawong	Committee Member

Ms. Solossaya Khemsuk serves as the Secretary to the Executive Board of Directors.

#### Scope, Duties and Responsibilities of Executive Board of Directors.

1. Oversee the business operations of the Company in accordance with the law, objectives, regulations, resolutions of Annual General Meeting under morality, accuracy and the protection of Company's interest. The Executive Board of Directors will be held at least once a month.
2. Consider following issues as necessary in business operation and present to the Board of Directors for approval or consideration.
  - 2.1 Policy, objective and the Company's annual plan
  - 2.2 The Company's annual budget
  - 2.3 Guideline, policy and investment objective for the operational framework
  - 2.4 Salary Structure, employee benefits for appropriate compensation to employees
3. Perform duties as assigned by the Board of Directors.
4. Have the authority to approve of opening bank account both domestic bank and overseas bank by considering the appropriation of overall financial management.

5. Have an authorization in following issues within the specific limit as following details;
  - 5.1 Control and determine the investing management guideline in accordance with the policy on the business undertaking as assigned by the Board of Directors and established law.
  - 5.2 Have the authority to give commands, rules, and notes to ensure operations with established policies and benefits of company and for maintaining operation discipline in the organization.

## 5. Risk Management Committee

Risk Management Committees as of 31 December 2019 consists of 3 directors as follows;

Name - Surname		Position
1. Mr, Vutthichai	Suriyavorawong	Chairman of the Risk Management Committee
2. Mr. Ranut	Lieolertsakulchai	Committee Member
3. Mr. Maitree	Rattanaworavipha	Committee Member

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Ms. Solossaya Khemsuk serves as the Secretary to the Risk Management Committees.

### Scope, Duties and Responsibilities of Risk Management Committee

1. Establish a risk management policy and set the framework of other risk management appropriately and efficiently.
2. Establish risk management plan and risk management procedure over the organization as a guideline in other specific operations.
3. Determine the financial amount or business type according to the risk and present to the Board of Directors and ask for approval to be a measure in operation or each risk situation.
4. Control and ensure the throughout communication of the measure and ensure the employees perform those measures.
5. Provide the assessment and analyze the possibility of damage systematically and constantly to ensure risk observation covers entire processes of business operation.
6. Support and develop risk management throughout the organization.
7. Perform duties as assigned by the Board of Directors covering any operations related to other important risk categories of the Company.



## 6. Corporate Governance Committee

Corporate Governance Committees as of 31 December 2019 consists of 3 committees as follows;

Name – Surname		Position
1. Mr. Vutthichai	Suriyavorawong	Chairman of Corporate Governance Committee
2. Mr. Ranut	Lieolertsakulchai	Committee Member
3. Mr. Patiphan	Plengchawee	Committee Member

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Ms. Solossaya Khemsuk serves as the Secretary to the Corporate Governance Committees.

### Scope of duties and responsibilities of the Corporate Governance Committee

1. Consider, propose policy and guideline recommendations / ethical and moral business guidelines on good corporate governance to the Board of Directors and Management to establish the regulation of organization as a standardized and correct regulation.
2. Control, provide advice, assess and review policy, Good Corporate Governance and business ethic in order to improve and upgrade the Company's Corporate Governance to International Standard.
3. Perform duties as assigned by the Board of Directors.

## 7. Corporate Social Responsibility Committee

Corporate Social Responsibility Committees as of 31 December 2019 consists of 3 committees as follows;

Name - Surname		Position
1. Ms.Saowaluk	Ninwaew	Chairman of Corporate Social Responsibility Committee
2. Mr. Panuwat	Prathumsri	Committee Member
3. Ms. Narumon	Rattanaworrawipha	Committee Member

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Ms. Solossaya Khemsuk serves as the Secretary to the Corporate Social Responsibility Committees.

### Scope, Duties and Responsibilities of Corporate Social Responsibility Committee

1. Control, give counsel, assess and review policy, Corporate Social Responsibility (CSR) Compliance for development and upgrade the Company's corporate governance to International Standard.
2. Perform other duties as assigned by the Board of Directors.

## 8. Executive Officer

The Company's management as of 31 December 2019 consists of 7 directors as follows;

	Name – Surname	Position
1.	Ph.D. Santisuk Kosiapanant	Chief Executive Officer
2.	Mr. Vutthichai Suriyavorawong	General Manager
3.	Ms. Saowaluk Ninwaew	Assistant General Manager
4.	Mr. Patiphan Plengchawee	Assistant General Manager
5.	Mr. Panuwat Prathumsri	Assistant General Manager
6.	Ms. Kanokwan Piritburana	Chief Financial Officer
7.	Ms. Ratchanee Hormsuwan	Chief Accountant

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

1. Have the authority to manage and control the operation relating to general management and regular operations.
2. Perform duties as assigned by the Board of Directors or Executive Board of Directors.
3. Have the authority to employ, appoint, transfer, dismiss, terminate, determine salary, reward, raise salary, remuneration, bonus to all employees from Deputy CEO onwards
4. Consider and approve the operating expenses within approved financial amount.
5. Consider and approve the investment in instruments and properties for the Company's account within approved financial amount.
6. Support ability and potential development of Committees, Management and all employees for empowering the organization.
7. Has the authority in any operations and the Company's business management which is necessary to general management as following details;
  - 7.1 Have the authority to give commands, rules, and notes to ensure operations with established policies and benefits of company and for maintaining operation discipline in the organization.
  - 7.2 Have the authority to perform and acts as the Company's representative to others in concerned business and benefits to the Company
  - 7.3 Approve the appointments of any advisors which is necessary to the operation under the specified scope
  - 7.4 Perform other duties as assigned by the Board of Directors or Executive Board of Directors.
  - 7.5 Other approvals apart from above are under the approval scope compliance and under the Company's Level of Authorization.

Anyhow, an approval for execution as well as any assignments which are the authority of Chief Executive Officer and are assigned to representatives or anyone who accept an assignment must not be done in such a way

that will render the Chief Executive Officer or persons authorized by Chief Executive Officer to approve an operation, liable for conflict of interest with the Company or subsidiary. In such cases, approval for transactions must be obtained from the Board of Directors and/or the shareholders meeting and must be reviewed by the Audit Committee in accordance with the Company's regulation and Securities and Exchange Commission (SEC) and/or the Stock Exchange of Thailand

**Company Secretary** (History Topic "Details of Director, Executive, Controlling Person and Company Secretary)

The Board of Directors' meeting no. 6/2017 held on 7 November 2017, Ms. Solossaya Khemsuk was appointed to hold a position of Company Secretary having a scope, duties and responsibilities as follows;

- 1) Provide primary advice to the Board of Director regarding laws, rules and other Company's regulations and monitor to ensure the right accordance including report the significant change to the Board of Directors.
- 2) Inform the Board of Directors and shareholders' resolutions and policies to Management and monitor the implementation.
- 3) Organize the shareholders meeting and the Board of Directors meeting in the line with laws, rules, the Company's regulations and other requirements.
- 4) Record the minutes of the shareholders meeting, the Board of Directors meeting and the Executive Board of Directors meeting as well as other beneficial opinions or summarize problem issues concerned organization and the committee, not the Management, and present to the shareholders. Monitor and ensure that the resolutions of the shareholders' meeting and the Board of Directors' meeting' are implemented.
- 5) Ensure that the Company's information is disclosed in accordance with the requirements, laws and the Company's information disclosure policy.
- 6) Communicate with shareholders and take care of shareholders appropriately. Ensure to inform privileges and company news.
- 7) File the important documents such as committee registrations, meeting invitation letter, the Board of Directors meeting report, the Company's annual report, shareholders meeting invitation letter and shareholders meeting report.
- 8) Ensure that the Company Secretary Section is the Corporate Record such as Juristic Person Registration, memorandum, regulation, shareholder registration and other business licenses.
- 9) Arrange the activities of the Board of Directors.
- 10) Company Secretary must enhance the knowledge and skill development and must be trained continuously and sufficiency.
- 11) Other duties concerned.

## Remuneration

### 1. Remuneration of Directors

#### (1) Money Remuneration

The Annual General Meeting no. 1/2018 held on 30 April 2018 approved remuneration of the Board of Directors, Audit Committees and Nomination Committees and considers the remuneration of Attendance Allowance with following details;

Position	Attendance Allowance
Chairman of the Board of Director	30,000 Baht per time
the Board of Director	20,000 Baht per time
Chairman of Audit Committee	25,000 Baht per time
Audit Committee	15,000 Baht per time
Chairman of Nomination and Remuneration Committee	25,000 Baht per time
Nomination and Remuneration Committee	15,000 Baht per time

In 2018 and 2019, Meeting Attendance Report and Attendance Allowance of the Board of Directors, Audit Committees and Nomination and Remuneration Committees are as follows;

Name - Surname		Board of Directors		Audit Committees		Nomination and Remuneration Committees	
		2018	2019	2018	2019	2018	2019
Asst Prof Dr.Wanchai	Rattanawong	7/7	6/6				
Assoc. Prof. Kalyaporn	Panmareng	6/7	6/6	5/5	4/4		0/1*
M.L. Patcharapakorn	Devakula	7/7	6/6	5/5	2/4	1/1	1/1
Mr. Kanwat	Aran	7/7	6/6	5/5	4/4	1/1	1/1
Mr. Rattawat	Suksaichon		1/6				
Mr. Santisuk	Kosiarpanant	6/7	6/6			1/1	1/1
Mr, Ranut	Lieolertsakulchai	7/7	6/6				
Mr. Vutthichai	Suriyavorawong*	5/7	6/6				

**Remark\*** Appointment of **Associate** Professor Kalayaporn Panmarreung as Chairman of the Nomination and Remuneration Committee According to the resolution of the Board of Directors Meeting No. 5/2019, dated November 8, 2019, in replacement of ML Patcharaphon Devakula who resigned from the position. Chairman of the Nomination and Compensation Committee on 30 September 2019

\*\* Appointment of Mr. Rattawat Suksaichol as a director of the company Audit Committee and Independent Director According to the resolution of the Board of Directors Meeting No. 5/2019, dated 8 November 2019, replacing ML Patcharaphon Devakula who has resigned from the position of director Audit Committee and Independent Director on 30 September 2019

Name - Surname	Board of Directors		Audit Committees		Nomination and Remuneration Committees	
	2018	2019	2018	2019	2018	2019
Asst Prof Dr.Wanchai Rattanawong	210,000	180,000				
Assoc. Prof. Kalyaporn Panmareng	140,000	120,000	100,000	100,000		-
M.L. Patcharapa-korn Devakula	140,000	80,000	30,000	30,000	25,000	40,000
Mr. Kanwat Aran	140,000	120,000	60,000	60,000	15,000	30,000
Mr. Rattawat Suksaichon		20,000				
Mr. Santisuk Kosiarpanant	140,000	120,000			15,000	30,000
Mr. Ranut Lieolertsakulchai	140,000	120,000				
Mr. Vutthichai Suriyavorawong	140,000	120,000				
<b>Total</b>	<b>1,050,000</b>	<b>880,000</b>	<b>190,000</b>	<b>190,000</b>	<b>55,000</b>	<b>100,000</b>

## (2) Other Remuneration

- None -

## 2 Remuneration of Management

In 2018 and 2019, the Company and Subsidiary paid remuneration to Management at the amount of 12.18 Million Baht and 13.10 Million Baht respectively. Stated remuneration is including salary, bonus, and gasoline expenses.

	2017	2018	2019
Number of Management (person)	6	7	7
Total Management Remuneration (Million Baht)	8.29	12.18	13.10

## Other Remunerations

The Annual General Meeting no. 2/2018 held on 22 June 2018 approved release and offer warrants of buying ordinary shares to Directors and employees of the Company and subsidiary (ESOP Warrant), totaling 30 million units and approved the allotment of newly issued ordinary shares of 30 million shares of 0.50 Baht each. The Company Management will get the allocation total 3.40 million shares.

## **Personnel**

### **(1) Number of Personnel**

Number of Personnel (exclude Management) in the Company and Subsidiary as of 31 December 2018 and 31 December 2019 consist of 263, 310 people and 349 respectively. The remuneration of employees in the Company and Subsidiary is 62.01 Million Baht, 81.63 Million Baht and 85.49 Million Baht respectively. The stated remuneration is salary, bonus, provident fund and other welfares,

### **Other Remunerations**

The Extraordinary General Meeting of Shareholders No. 2/2018 on 22 June 2018 passed a resolution to issue and offer warrants to purchase ordinary shares to the management and employees of the Company and its subsidiaries (ESOP Warrant) in the amount of 30 million. Unit and the allocation of 30 million additional ordinary shares of the Company at a par value of Baht 0.50 per share to support the exercise of rights under the Warrants Which accounted for 5.17 percent of the total number of shares sold after this public offering And the subsidiary will be allocated a total of 26.60 million shares

### **Personnel Development Policy**

The Company is seeing its importance of overseeing the remuneration to be related with the career paths. Moreover, the Company has a development plan to enhance their knowledge, skill and vision which concerned their job abilities such as supporting them to learn through electronic channels, providing the training or seminar by knowledgeable expert from outside organization, training by supervisors, taking on-the-job training as well as sharing knowledge and experience among colleagues and co-learning between Management and employees substantially. There is a rotation plan and a Tarrant project, including a succession plan for finding successors.



## Annual Report 2019

### 1. Employee Position Adjustment

#### Process

The Company established the rules and regulations of Employee Position Adjustment to be once a year or as appropriate. Career path is clearly provided to employees and Position Adjustment Committee was established which consists of Chief Executive Officer/Managing Director and General Manager. Human Resource and Administrator Supervisor is Committee Secretary.

#### Procedure / Method

Each Division Head will consider and nominate qualified employees as of established policies (005/2560), bring up to Human Resources and Administration as Committee Secretary for primary consideration and present to Committee for annual position adjustment consideration. In 2019, there were 6 position adjustments in level of Senior Officer and Primary Level Executive.

### 2. Provident Fund Establishment

The Company established Provident Fund called “Ayudhya Master Fund Registered Provident Fund” on 25 March 2011. Criteria and main points are as follows;

- Employee who completed 1 year working period or filled the position for 1 year will has the right to register to be a member of fund.
- Employer supports the contribution at 2% of monthly salary.
- In case of membership termination which is not by corruption, cause of damage or failure to work regulations or employer’s rules or resignation without submitting a letter, member will receive their total saving money and contribution.

### 3. Remuneration and Employee Welfare Policy

#### 3.1 Remuneration Policy

- The Company set the salary structure which set the minimum and maximum rate of each employee level as well as set the primary salary of new permanent employee in each level.
- The Company set the rules and regulations of annual salary adjustment by considering from performance both Competency and Key Performance Indicator (KPI) and each level of Executive participates in the consideration.
- Average annual salary adjustment is 4.5% per year.

The company has other remuneration to motivate employees such as commissions, etc.

#### 3.2 Welfare Policy

The Company provides appropriate welfare to employees as follows;

- Provide Social Security for all employees as required by laws.
- Hire disabled to work in the Company as their knowledge, ability and ensure their good life quality
- Provide Errand Leave, Sick Leave, Vacation and other leaves more than required by laws
- 10 Errand Leave / year with salary paying

- Sick Leave as indeed with 30 days paying
- 6 Vacation Days for permanent employees when completed 1 year working period
- Other Leaves such as Ordination Leave or other concerned religious activities
- Provide Health Insurance, Accident Insurance as well as Life Insurance to all employees apart from Social Security
- Provide urgent loan to relieve affliction or improve life quality
- Create an agreement with Government Housing Bank to support Home Loan
- Show empathy to employees by visiting sick or injured employees including being a host on funeral of employees' father, mother, spouse and children

#### **4. Personnel Development**

The Company focuses on personnel development to ensure efficiency and quality with professional service minded personnel. In 2019, the Company provided seminar training to each employee level with average training hours as follows;

High-Level Executives	221.50 hours / year
Middle-Level Executives	16 hours / year
Officer Level	86 hours / year

#### **5. Labor Dispute**

- None –

## Major Shareholder

### Registered capital and paid-up capital

The company has a total registered capital of 290,000,000 baht and has paid-up 275,000,000 baht, divided into 580,000,000 ordinary shares with a par value of 0.50 baht per share and 30,000,000 units from the issuance and offering of warrants to purchase ordinary shares to executives, employees. Of the company And subsidiaries (ESOP Warrant)

### List of shareholders as of the book closing date (as of March 9, 2020)

	Shareholder Name Lists	Number of Shares	Percentage (%)
<b>1</b>	<b>Family member of Dr. Santisuk Kosiarpanant</b>		
	Dr. Santisuk Kosiarpanant	298,037,757	54.19
	Mrs. Supaporn Surapanworavech	10,142,857	1.84
	Mr. Kayasith Kosiarpanant	20,142,857	3.66
	Mr. Ittirith Kosiarpanant	26,142,857	4.75
<b>2</b>	<b>Family member of Mr. Ranut Lieolertsakulchai</b>		
	Mr. Ranut Lieolertsakulchai	23,988,857	4.36
	Master.Rei Hirokawa	2,857,143	0.52
<b>3</b>	Mr.Sittichoke Saetang	8,153,000	1.48
<b>4</b>	Mr.Aphinan Horsaengchai	7,512,400	1.37
<b>5</b>	<b>Family member of Mrs. Saowaluk Ninwaw</b>		
	Mrs. Sulai Ninwaw	7,233,200	1.32
<b>6</b>	<b>Family member of Mr.Vutthichai Suriyavorawong</b>		
	Mr. Kiattichai Suriyavorawong	6,866,957	1.25
<b>7</b>	Mr. Patiphan Plengchawee	5,714,286	1.04
<b>8</b>	<b>Family member of Mr.Maitree Rattanaworavipha</b>		
	Mrs. Yuphawadee Keeraripienlert	4,278,986	0.78
<b>9</b>	Mr.Tanet Petchkul	4,250,000	0.77
<b>10</b>	Mrs.Somsri Osothsilp	3,800,000	0.69
<b>11</b>	Mrs.Suchada Phumthanawit	3,280,100	0.60
<b>12</b>	Mr.Wittaya Osothsilp	3,200,000	0.58
<b>13</b>	Mrs. Renu Suwanmongkol	3,082,900	0.56
<b>14</b>	Mr. Sermwit Osotsilp	3,000,000	0.55
<b>15</b>	Mr. Natthakit Sasiwattanasirikun	2,799,200	0.51
<b>16</b>	<b>Family member of Mr.Panuwat Prathumsri</b>		
	Ms. Jinda Ngaechoenkul	885,553	0.16
<b>17</b>	Other Shareholders	104,631,090	19.02

## Other Securities Issuance

The company passed a resolution of the extraordinary general meeting of shareholders on 22 June 2018 to approve the issuance and offering of warrants to purchase ordinary shares to the management, employees of the company and its subsidiaries (ESOP Warrant) in the amount of 30,000,000 units and allocate ordinary shares. New in the amount of 30,000,000 shares with a par value of 0.50 baht per share. To certify the exercise of the warrants offered to employees of the company and its subsidiaries which can be summarized as follows,

Warrants Issuer	: Sonic Interfreight Public Company Limited
Address of Warrants Issuer	: 79/349, 350, 1,2th Floor, Sathupradit Road, Chongnonsri, Yannawa, Bangkok 10120 Telephone Number 02-213-2999 Fax Number 02-213-2533
Name of Warrants	: Warrants to buy ordinary shares of Sonic Interfreight Public Company Limited which issue to the Company and subsidiaries' executives and employees ("SONIC-ESOP 2018") ("Warrants")
Type of Securities offering for sale	: Warrants to buy ordinary shares of the  Company which offer for sale to the  Company and subsidiaries' executives and employees
Type of Warrants	: name registered and non-transferable
Number of Warrants offering for sale	: Not exceeding 30,000,000 units
Date of Warrants Issuance	: 19 October 2018
Expiry Date of Warrants	: 18 October 2023
Age of Warrants	: 5 years from the date of warrants issuance. Anyhow, after the warrants issuance, the Company will not extend the validity of warrants.
Number of ordinary shares which is	: 30,000,000 shares  (valued Baht 0.50 per share) which allocated for exercising right is 5.17% of IPO and after the warrants exercising at total 580,000,000 shares.

Allocation Method : Warrants not more than 30,000,000 units. The Company will allocate directly to the Company and subsidiaries' executives and employees on the date of issuance and offering warrants.

Offering sale price per unit : Baht 0 (Baht Zero)

Exercise Ratio : 1 warrant is convertible to 1 ordinary share except when there is an adjustment on exercise ratio as the condition in No.5 of Exercise of Rights.

Exercise Price : Baht 1.95 per share which is same price with IPO except when there is an adjustment on exercise ratio

Condition and Period for Exercise of Rights : Except the case that the Company and subsidiaries' executives and employees are unable to exercise their rights of warrants

When due 2 years from the date of warrants issuance so that the first exercise date shall be 18 October 2020. The warrant holders can exercise their rights no more than 10% of allocated warrants as exercise price.

At the end of 3 years from the date of warrants issuance so that it shall be on 19 October 2021 (since 18 October 2021 is public holiday). The warrant holders can exercise their rights no more than 20% of allocated warrants as exercise price.

At the end of 4 years from the date of warrants issuance so that it shall be 18 October 2022. The warrant holders can exercise their rights no more than 30% of allocated warrants as exercise price.

At the end of 5 years from the date of warrants issuance so that it shall be 18 October 2023. The warrant holders can exercise total rights of warrants of allocated warrants as exercise price.

**"Date of Warrant Exercise"** is 18 October of every year except in 2021 shall be moved to 19 October 2021 (since 18 October 2021 is public holiday) as above Period Condition of Exercise of Rights. Accordingly, the first exercise date is 18 October 2020 which dues 2 years from the date of warrants issuance and the last exercise date is when due 5 years from the date of warrants issuance which is 18 October 2023. If the last exercise

Any warrants which are left over from exercise of rights or non-exercise of rights during the exercise period can be collected and exercised on the next exercise date throughout its validity. If warrants are due, any warrant which are non-exercised will be cancelled and expired.

Warrants Registrar	: Thailand Securities Depository Company Limited
Exercise of Rights Location	: Sonic Interfreight Public Company Limited 79/349 – 350, 1 st – 2 nd Floor, Sathupradit Road, Chongnonsri, Yannawa, Bangkok 10120 Telephone Number 02-213-2999 Fax Number 02-213-2533
Secondary Market for the Warrants	: The Company will not list the Warrants of this issuance on the MAI.
Secondary Market of ordinary shares Warrants exercise	: The Company will list ordinary shares which are from this Warrants exercise as the registered securities on the MAI.
Effect to Shareholders	: 1) Ordinary shares which issued as the exercise of rights in this issuance will have same right and equality as the Company's ordinary shares which issued earlier in all respects. 2) Besides 30,000,000 ordinary shares which allocated to support the Warrants exercise of rights, the Company may need to increase more capital to support an adjustment on exercise of rights in the specific event in the Notification of the Securities and Exchange Commission and the Notification of Capital Market Supervisory Board which concerned the issuance and sale offering of warrants to buy shares. 3) Effect to shareholders due to the issuance and sale offering to the Company and subsidiaries' executives and employees as of the effect calculation of shareholders.





# Board of Directors

Board of Directors as of 31 December 2019  
consists of 7 directors as follows



**Assoc. Prof. Dr. Wanchai Rattanawong**  
Chairman / Independent Director



**Assoc. Prof. Kalyaporn Panmarerng**  
Chairman of Audit Committee /  
Independent Director



**Mr. Kanwat Aran**  
Audit Committee / Independent Director



**Mr. Rattawat Suksaichol**  
Audit Committee / Independent Director



**Ph.D. Santisuk Kosiarpant**  
Director / Chief Executive Officer

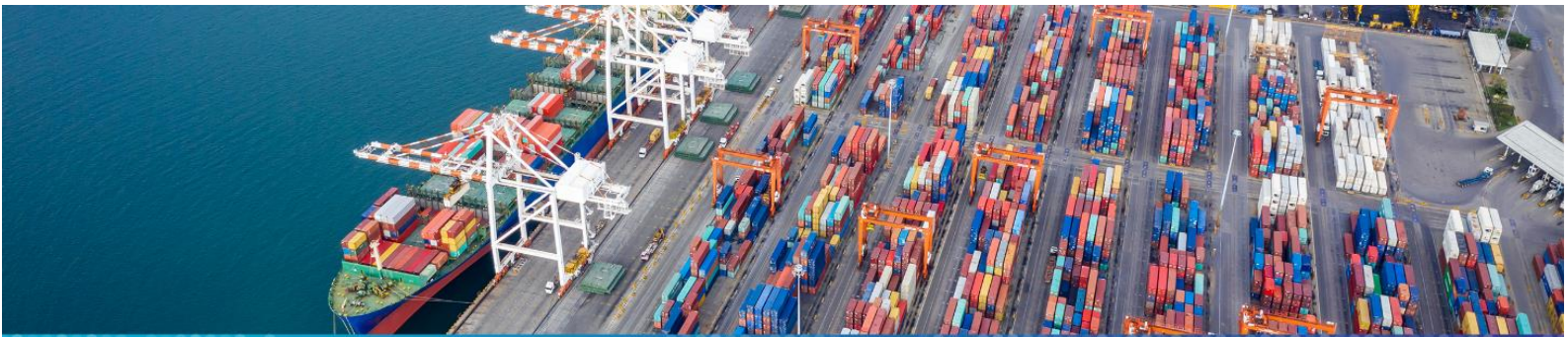


**Mr. Ranut Lieolertsakulchai**  
Director



**Mr. Vutthichai Suriyavorawong**  
Director





# Executive Officers

Executive Officers as of 31 December 2019  
consist of 7 executive officers as follows



**Dr. Santisuk Kosiarpanant**  
Chief Executive Officer



**Mr. Vutthichai Suriyavorawong**  
General Manager



**Ms. Saowaluk Ninwaew**  
Assistant General Manager



**Mr. Patiphan Plengchawee**  
Assistant General Manager



**Mr. Panuwat Prathumsri**  
Assistant General Manager



**Ms. Kanokwan Piritburana**  
Chief Financial Officer

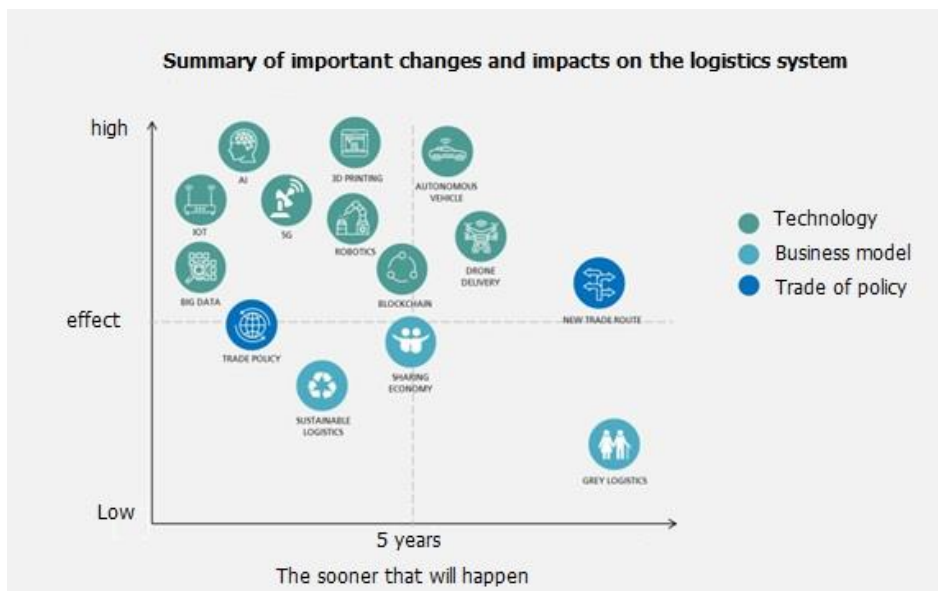


**Ms. Ratchanee Homsuwan**  
Chief Accountant

# Industry And Competitive Analysis

Since the world entered the digital and technology age, it has changed rapidly due to the intense competition in research and development in science, technology and innovation which has changed the world of the logistics industry. Changes from container transportation development about 50 years ago to find new business models, which will make the transportation of goods more convenient and faster by using modern technology to meet the needs of all types of customers that are able to manage resources efficiently. Additionally, considering business operations that focus on sustainability and environmentally friendly changes in technology within the era of globalization. This has resulted in international trade that can provide easier moveable and accessible modern technologies, innovations and affect businesses at all levels. Therefore, the changing trend in the international level has inevitably affected Thai entrepreneurs.

Logistics Strategy Development Division foresees Important for rapid change. Therefore, compiling important development trends for Logistics in Thailand for the year of year 2019, which will benefit the adjustment of Thai logistical operators in both the government sector and private sectors. Furthermore, this includes agencies related to the development of the country's logistical system to keep up with modern technology and trade changes. These changes include sharing economy, Internet of Things (IoT) technology, data analysis (including Big Data Analytics), considerate development to the environment, as well as compiling interesting start-up information both at home and abroad. This Includes the effects of trade wars and the risk of uncertainty of current trade policies, as well as a guideline for policy planning and technology development to increase competition ability is summarized as followed;



Author (2019). Division of Logistics System Development Strategy Vol.2 No.1, Jan-Mar 2019

## The development of the logistics system in Thailand with important change the trends in 2019

During the Digital Disruption era in which modern technology replaces existing technology and leads to new business models, the government plans to develop Thailand into Thailand 4.0 by determining 10 target industries

(S-Curve) to support change and become an industry. Drive the economy in the future into 5 existing industries with the potential to build up (First S-Curve) and 5 future industries (New S-Curve), which is an industry that Thailand has the potential to produce and is caused by a change in global production technology. Such as modern automotive industry, intelligent electronics industry, robotics industry for aviation and logistics industry, digital industry etc.

Thai logistic service providers have to modernize their business models in line with changes in technology. In order to be able to compete at the national and international level, there are integration groups and building networks of Thai logistic service providers So strong that it can lead to the development of logistics services on the sharing economy concept To reduce costs and build Value added to the business, including the use of technology for sustainable and environmentally friendly logistics management, as well as adjusting the logistics business that supports the elderly society, such as encouraging the elderly Took part in the provision of logistics services In addition, Thai logistic service providers must monitor the changes in international trade that will affect business operations. To be able to plan and manage risks That will occur while conducting the logistics business Current and future situations.

### Thai Logistics Statistics

	Q3/60	Q4/60	Q1/61	Q2/61	Q3/61	Trend
Value of international trade	3,973,053	3,971,312	3,951,223	3,919,630	4,235,728	
Industrial production Index	111.34	111.84	121.34	112.03	112.39	
Product Delivery Index	112.16	111.53	116.62	111.88	111.24	
Finished goods inventory Index	110.18	108.29	110.94	106.72	110.88	
Inventory ratio Index	105.07	103.21	101.35	102.18	106.64	
Baltic Dry Index	1,356	1,366	1,055	1,385	1,540	
Gasohol 95	23.51	24.52	24.59	25.43	26.17	
Diesel	24.99	26.36	27.12	28.42	29.33	
NGV	13.27	13.48	13.49	13.47	14.52	

Source: Ministry of Commerce Lloyd's List of Industry Ministry and EPPO

# Risk Factors

## Risk of the Group's Business Operation

### 1. Risk on Business Operation

#### 1.1 Risk on the variability of freight charge

Freight costs are considered a primary cost. In the Group's business operations During 2017 - 2019, the cost of freight is accounted for 52.40 percent of the cost of Sea freight services. The Freight rates vary with demand fluctuations. And supply in the market The fluctuation of freight rates may affect the company's operations. And subsidiaries if unable to adjust the additional service fees according to the increased costs In general, the demand and supply for international shipping may change according to the world economy and trade which affects freight.

The Company and subsidiary are aware of this risk factor and has therefore planed the freight competitive price, in the line with market price. Moreover, there will be a price update regularly and above price will be used when offering customers. The Company and subsidiary's service fee policy is alculated from cost plus minimum profit. Consequently, the Company and subsidiary can manage risk from variability of freight charge.

#### 1.2 Risk on fluctuation of oil price

Since the Company, inland transport service providing business for support import and export has oil as the element of main cost in operation. For 2017 - 2019, the Group's average oil cost is 15.01% of total inland transport cost. Therefore, oil price fluctuation may affect on inland transport's business operation. However, the Company is following the fluctuation of oil price closely to decrease the risk of crude oil fluctuation. The Company offers transportation price to customers individually then in case of significant oil price change, the Company will consider cost structure and acceptable profit and will offer service price which was adjusted depending on variable oil cost and that will help decrease an impact from oil cost increase.

#### 1.3 Risk on Competition

The Company has risk from new competitors as transport business does not require high investment and that is an opportunity of subsidiary to join competition in the market. Moreover, there may be risk from vessel competition as vessel business is currently in recession, for instance, going bankrupt of top vessel in the world in 2016 and merger of large vessel companies to adjust to have higher competitiveness. It shows the higher vessel business competition. Besides, vessel started to provide more covering service by expanding the transport service section such as cargo loading service and customs clearance service to decrease transport cost and freight forwarder cost. However, the Company believes that we have proper total service with large number of oversea alliances in all over the world and also believes that the reputation and experience in logistics of Management and quality team will be able to response customer's need and maintain customers constantly. Those risks are not really significantly having an impact to the Company's operation.

#### 1.4 Risk on dependent on personnel

Logistics business requires personnel with knowledge and expertise in export and import various regulations including understanding the terms and conditions of logistics system and also experienced Management and personnel. The Company needs to rely on knowledgeable and skillful personnel, Mr. Santisuk Kosiarpnant, currently a chief executive officer and maintain customers' relationship due to his logistics industry's experience, negotiation skill, resolution skill, partners' relationship making and operation guideline to response customers' needs. Therefore, the Company has risk if lack of Mr. Santisuk Kosiarpnant, this would significantly effect on Management personnel and business operation.

The Company is well aware of the importance of personnel so that there is Succession Plan for personnel's development and training for future management ability. At present, the Company is planning to develop Management to be able to manage and decrease risks on dependent on stated personnel.

#### 1.5 Risk on dependent of the new technology

At present, there are various technologies. Many have come to play a role in transportation services Both domestic and international Therefore, the advent of those technologies has a direct and indirect effect on the company's services. The company There are measures to change the website layout to be more flexible in terms of providing services to customers such as opening menus so that customers can inquire online prices, etc., which is a platform on the company's own website.

For application development to meet the needs of customers, the company foresees that there will be a relatively high operating fee compared to the probability rate of the customer to use. Due to the current customers who come to use the service or use the service, almost 100% are customers from the company's sales staff.

The company Being aware of the importance of changes that are constantly occurring Therefore has a follow-up on various technologies That affect whether directly or indirectly to reduce the risk of relying on new technology as well.

## 2. Risk on financial

### 2.1 Risk on the fluctuation of foreign currency exchange

Due to the international freight service, the Company may have risk on currency exchange rate fluctuation as revenues and expenses are based on foreign currency. In 2017 - 2019 , the Company's revenues in foreign currency accounted for 9.05 % of total revenue, respectively, and expenses in foreign currency accounted for 8.48 % and of expenses/cost, respectively. Hence, currency exchange rate fluctuation the Company's financial statement and overall operation. Incomes and expenses caused from transactions with oversea partners and decreasing risk by Natural Hedge Foreign Currency Deposit. In addition, the Company has closely monitored news and exchange rate and the Company believes that it will be able to assess the situation and find a risk protection



However, in the past, the Company has never had an impact on business overall operation from the significant currency exchange rate fluctuation.

## **2.2. Risk on damage of impeachment from Free Zone**

As of 31 December 2019, the Company has a legal dispute which is being considered by the court. This has been an ongoing case since 2016, in which the company has the risk of payment of obligation, divided into 2 cases which are (1) Amount of 19.93 million baht. In the year 2019, the company received a letter explaining the progress of the investigation from the Crime Suppression Division regarding economic crimes. They informed the company that during the investigation, the investigating officer agreed not to sue the company in which the inquiry official proceeded to send the inquiry file to the public prosecutor for further consideration and (2) in the amount of 4.98 million baht. In the year 2019, the company received a letter explaining the progress of the investigation of the Crime Suppression Division on economic crime. The Royal Thai Police have informed a Pattaya prosecutor that there is an opinion not to sue the company and the prosecutor sent an investigation file to the Central Investigation Police Commander, and the Central Investigation Headquarters Attorney of the company. There is an opinion that when the prosecutor has rendered a verdict not to order the prosecution by the investigation officers of the Central Investigation Bureau and therefore, there is no reason to dispute the order. However, the consideration according to the regulations of the faculty NCPO does not have a time limit for consideration, and the lawyers of the company have followed up continuously to inquire about the progress of the ongoing investigation.

The Company's point of view is that both cases are not concerned with the Company and believes that the prosecutor in case1 and the commissioner of Central Investigation Bureau in case2 will determine not suing the Company as well. Accordingly, the Company will closely monitor the case and constantly assess the situation.

## **3 Risks that may affect the rights of securities holders**

### **3.1 Risk of a major shareholder with a power to manage administration policy**

At present, Mr. Santisuk Kosiarpanant is holding the Company's shares at 54.19 % of total paid-up capital (as of 9 March 2020), the majority that could control almost all resolutions of the shareholders' meeting as well as control policy and managing operation. Even if there was an earlier new shares to the public (before taking the warrant), Mr. Santisuk Kosiarpanant is still being a majority by holding the Company's shares at 54.19% of total paid-up capital after issuing new shares. Mr. Santisuk Kosiarpanant remains his ability to control almost all of resolutions in the shareholders' meeting including committee appointment or other resolution requesting that require a majority of the shareholders' meeting.

However, in order to make the Company's operation to be transparent and in balance of power, the Company restructured the organization by the skilful personnel and clearly determined the scope of operation and authorities to committees and executive officers. There was an appointment to 4 independent directors which are 3 audit committees to audit, be in balance of power and consider any approved transactions before bringing to the shareholders' meeting. Moreover, the Company has determined the measure to those who may

have a conflict and such concerned person will not be able to vote. The Company has appointed Internal Audit Department by employing outside and independent expertise and reported directly to Audit Committees. Main duties are supervise internal control system to meet the Company's requirements and to ensure transparency and balance of power to the shareholders.

### **3.2 Risk of effect from stock price from warrants which is issued to committees and employees to buy ordinary shares in lower price than the offer of newly issued ordinary shares to the public**

The shareholders meeting No. 2/2018 held on 22 June 2018 had the resolution approval on warrant proposal offering the Company's ordinary shares ("Warrants") and they are non-transferable to executive officers or employees, totalling 30,000,000 warrants, offering for sale with a par value of 0 Baht and the vesting period is 5 years after the date of issuing and offering the warrants. One warrant is convertible to one ordinary share at the IPO price or equal to 1.95 Baht per share (except any adjustment on regulations or conditions applied). Investors then has risk on effect of EPS Dilution and Control Dilution they get less profits and have less ownership which is equal to 5.17%, calculated from total shares after first sale to public and the warrants offering for sale totally to the Company and subsidiary's employees or equally 580,000,000 shares

Those warrants offering to executive officers and the Company and subsidiary's employees apply the conditions after 2 years from the date of warrants offered and sold. Warrant holders are entitled to first exercise not exceeding 10% of total warrants which each personnel gets the allocation from the Company. In every year after the date of first warrant, warrant holders can exercise not exceeding 20%, 30% and 100% of total warrants which each personnel gets the allocation from the Company respectively and this period specification helps protect increase capital in the earlier stage when the Company's shares are allowed to exercise in mai Stock Exchange. If the warrant holder apply the entire convertible right, there will converted to 30,000,000 ordinary shares which is equal to 5.17% of total shares after this first offer to public and the warrant exercise of all executive officers and the Company and subsidiary's employees (See details of warrant in attached document 6, Employee Stock Ownership Plan (ESOP).

## Risk Management Policy

Sonic Interfreight Public Company Limited focuses on Good Corporate Governance by applying the risk management procedure from The Committee of Sponsoring Organization of the Trade way Commission (COSO) over the Company. All executive officers and employees realize the responsibility to follow risk management policy to control risk and ensure the acceptable level and the Company's operation meets the objective.

- (1) All departments have the responsibilities to prepare risk assessment matrix, determine Key Risk Indicators (KPIs) including preparing risk relating report as the risk management procedure of the Company.
- (2) Indicating and controlling risk of impact on objective will be prepared systematically to ensure the acceptable risk level.
- (3) Consideration on which risk is acceptable i.e. in case that risk has high cost on risk management and may not worth the result or not worth for expenses on risk management plan or protection or out of control risk which comes from uncontrollable external factors must be approved by the Company's committees.
- (4) When employee found and perceives risk that may have an effect on the Company, employee must report risk to concerned section for next execution.
- (5) Abiding by risk management policy must be strict and continual under control of Management.
- (6) Risk management must be applied in all employee levels systematically and continuously and risk management procedure must be standardized in all over the company.
- (7) Risk management assessment must be monitored and ensure to review and develop regularly and adding risk management into one of normal operation.

## Corporate Governance

The Company realizes the importance of Good Corporate Governance as believes that Good Corporate Governance shows efficient, transparent and accountable management which helps build confidence and reliance to shareholders, investors, stakeholders and relating parties and it conduces to the Company's value adding and long-term sustainable growth. The Company is operating continuously to support Good Corporate Governance and aim the Committees and Management to improve and follow Corporate Governance according with International standard by bringing Good Corporate Governance which set by the Stock Exchange of Thailand to be principle of Company's Good Corporate Governance and determine the follow up to improve the principle to be related with guideline from the Stock Exchange of Thailand which may be changed in the future as of the appropriation and in accordance with changed situation. There are regulations which cover 5 sections as follows;

### Section 1 Right of Shareholders

The Company is aware and give precedence to basic rights of shareholders as an investor in stock and company's owner such as right in buy, sell, transfer their holding properties, right to receive Company's profit shares, rights to receive adequate information, rights in shareholders meeting attendance; vote in election or impeach Directors, appoint the financial auditor, approve any important and influential business transactions and any issues effect to Company such as dividend allocation, memorandum and Company's regulations determination or correction, capital increase or decrease and special transaction approve, etc.

The Company realizes and gives precedence to rights of shareholders. Accordingly, The Company has the obligation to support and facilitate in exercising rights of shareholders as follows;

- 1) The Company shall inform date, time, place and agenda by providing explanation and reason in each agenda or resolution as request in Annual and Extraordinary General Meeting of Shareholders Invitation Letter or in any documents attached agenda and avoids any actions that limit shareholders opportunity to learn Company's information.
- 2) The Company shall facilitate shareholders to exercise their rights to attend the meeting and vote properly and avoid any actions that limit shareholders opportunity to attend the meeting, for example, For shareholders meeting, the Company shall select the venue where is convenience to travel and shall attach location map in meeting invitation letter as well as selecting appropriate date and time and provide adequate meeting duration hours.
- 3) Before the date of shareholders meeting, the Company shall allow shareholders to submit opinions, suggestions or any inquiries prior to the meeting date by clearly setting the rule of inquiry submission and inform shareholders with shareholders invitation letter. The Company shall publish mentioned principle on the Company's website.

- 4) The Company shall support shareholders to use proxy right which is allowed to determine the direction of voting and nominate at least 1 independent committee as an alternative of giving proxy of shareholders.
- 5) In the shareholders meeting, the chairman shall manage the meeting in a timely manner and the Company shall allow shareholders to share their opinions, suggestions or ask a question in each agenda independently before determining by vote in any agendas.
- 6) The Company shall encourage all committees to attend the shareholders meeting to answer the question in the meeting.
- 7) The Company shall provide a resolution in the shareholders meeting in each matter in case there are many matters in each agenda such as Agenda for the appointment of directors.
- 8) The Company shall encourage using ballots in any important agendas such as connected transactions, acquisitions or dispositions, etc. to ensure transparency and accountability in vote counting.
- 9) The Company shall assign independent personnel to count votes in each agenda.
- 10) After the date of shareholders meeting, the Company shall prepare a minute correctly and completely in main point including take a minute of necessary inquiries, opinions and suggestions to shareholders for the review. Furthermore, the Company shall publish vote counting result as well as a minute of the shareholders' meeting on the Company's website for next consideration.
- 11) The Company shall send copy of a minute of the shareholders' meeting to the Stock Exchange of Thailand a minute of the shareholders' meeting within 14 days after the date of meeting.

## **Section 2 Equitable Treatment**

The Company gives precedence to equal treat to all shareholders including minority shareholders and foreign shareholders as the guideline to protect the rights from any discriminatory actions and build confidence in the investment with the Company. Hence there has been determined good corporate governance to behave to shareholders as follows;

- 1) The Company allows shareholders to propose meeting agenda, nominate directorship candidates and submit inquiries prior to the meeting date. Subsequently, proposing meeting agenda or nominating directorship candidates must be in the line with laws and the Company's regulations as well as determined principles and should be published on the Company's website.
- 2) The Company allows a proxy for shareholders who are unable to attend the meeting and set guidelines of voting to third parties or the Company's independent committees to be proxies to attend the meeting by specifying name, profile, and work experience of all independent committees to be considered one person to be proxy of shareholders.

- 3) The Company shall not introduce any additional agendas or change any important information without prior notice.
- 4) The Board of Directors encourages to vote by using ballots in every agenda as well as individual appointment for transparency and accountability.
- 5) The Company sets ethics of the Company's internal information and the securities trading to protect against the directors, management and employees abusing internal information to do so for personal gains or other persons' gains. The Company shall inform the guidelines and policies to everyone in the organization and monitor the results regularly.
- 6) Directors and Executives have a duty to report their security holdings and changes in their holdings in accordance with the Securities and Exchange Commission Act and report to the Board of Directors every time of stock trading.

### Section 3 Role of Stakeholders

The Company realizes all the Company's stakeholders should be treated by the Company as the rights required by law or co-agreement by considering the relationship and good cooperation for financial stability and organization stability. The good corporate governance is as follows;

- 1) The Company determined the ethics to stakeholders such as shareholders, customers, employees, partners and creditors, competitors, social and environment by announcing to directors, executives and all employees to be aware and perform strictly as well as set the discipline when not follow the code of conduct. Stakeholder regulations are as follows;

Shareholder : The Company shall operate business with transparency and efficiency in order to create value to business sustainably, aim to make great overall operation and sustainable growth for the maximum benefits to shareholders in long term as well as ensure transparent and reliable disclosure to shareholders.

Employee : The Company shall treat all employees equally, fairly and ensure appropriate compensation. Besides, the company also constantly gives precedence to personnel's skill, ability and potential development such as providing training class and seminar to all employees and trying to build motivation to skilful employees so that they will remain in the Company and continue develop the organization. Moreover, the Company has set the guidelines of anti-corruption as well as implanting all employees to follow laws and concerned regulations such as internal data restriction, etc.

Partner : The Company has procedure in selecting partner by allowing partners to compete on the same and fair basis then select partners under fairness and rule of assessment and selection. Besides, the Company also has made a contract properly and fairly to all partners, created tracing system to ensure the condition of contract well-following and protected corruption or misbehaviour in all

steps of selection procedures. The Company buys product from partner along with trade condition as well as follow the contract strictly.

**Customer** : The Company is responsible for customers by maintaining quality and standard of products and service as well as responding customers need completely and inclusively in order to emphasize long term customer satisfaction. Moreover, the Company considers customer's safety and hygiene on product consumption and Company service, correct and complete product and service information providing as well as providing channel for customers to contact or share feedback of improper product or service so that the Company will protect and solve the product and service problem quickly along with protect customers privacy and ensure not bringing for own or others' benefit improperly.

**Creditor** : The Company shall follow the condition on contract to creditor including principal repayment, interest payment and other collateral protection under concerned contract.

**Competitor** : The Company behaves in accordance with good competition under morality and law as well as supports and encourages competition policy freely and fairly.

**Social and Public:** The Company pays attention and gives priority to safety of social, environment and concerned people's life quality and support employees to be conscious and responsible for environment and social as well as ensure that employees abide by law and regulations strictly. In addition, the Company made an effort to take part in other activities which concern environment preservation and protection as well as promote the culture of the Company's local area.

- 2) The Company determined whistleblower rights protection to the Board of Directors in the issues of law violation financial report accuracy, and impaired internal control system or ethics abuse to the Board of Directors and audit committee directly.
- 3) The Company announced that Directors, Executives and employees acknowledge significant internal information may have an effect on change of stock price and the Company's stock trading must be suspended for 7 days prior to the day of overall operation announcement or any internal information public disclosure.

#### **Section 4 Information Disclosure and Transparency**

The Company recognizes the importance of disclosing its important information on a correctness, completeness, adequacy, consistency and timely basis in order that stakeholders will use for decision making. The Company has set the strict guidelines for Information Disclosure and Transparency as follows;

- 1) The Board of Directors or assigned person discloses information in accordance with the requirement via the Stock Exchange channel both information of periodic reports such as Financial Statement Form 56-

- 1 and Annual Report Form 56-2 and non-periodic reports such as acquisition/disposition of assets, connected transactions, joint ventures start/termination, capital increase/decrease, new security issuing, treasury stock, dividend/non-dividend paying, etc. as well as disclose information via Company's website on a complete, consistent, quick and timely basis.
- 2) The Board of Directors reports result of corporate governance via Annual Report Form 56-1 and Annual Report Form 56-2.
  - 3) The Board of Directors and Management submit Property Interest Report and Concerned Parties Interest Report under section 89/14 of the Securities Act and the Stock Exchange of Thailand 2008 and send to Company Secretary Office.
  - 4) The Board of Directors submits the report of the Board of Directors regarding the responsibility to Financial Statements, shown along with the auditor's report and provides the audit committee's corporate governance report in Annual Report.
  - 5) The Board of Directors determines to disclose name lists, roles of the Board of Directors and specific Directors, number of meeting time and number of Directors attendance in each year in Annual Report.
  - 6) The Board of Directors determines to disclose each remuneration type on each person as well as details of Management remuneration in Annual Report Form 56-1 and in Annual Report Form 56-2.
  - 7) The Board of Directors determines to establish Secretary Office in order to disclose Information as the Stock Exchange of Thailand's regulation along with provide business basic information, business operation guidelines and Company's future direction to people, shareholders, institutional investors, analysts and concerned government sector under fairness and morality.
  - 8) The Board of Directors determines to have Investor Relations to always deliver communication of information between Company, stakeholders and public.
  - 9) The Board of Directors encourages the Company to make the Management Discussion and Analysis or MD&A in order to be along with financial statement disclosure in every quarter. Accordingly, it is to ensure that investors will be informed and more realize in the change of financial status and overall operation aside from only numeric data in financial statement.
  - 10) The Board of Directors discloses auditor's fees and other services provided by the auditors.

## **Section 5 Responsibilities of the Board of Directors**

The Board of Directors, as a shareholder representative, is responsible for overseeing the management of the company in accordance with the laws, objectives and regulations of the company. By specifying the vision, mission, policy, goal, business plan of the company under expertise and ethics in conducting business as the core The essence of the guidelines for supervising the responsibilities of the Board of Directors are as follows:



## 1. Structure of the Board of Directors

- 1.1 Structure of the Board of Directors consists of members who are various equipped with knowledge, expertise, honesty, morality in business operation. The Board of Directors discloses policy of this structure of the Board of Directors as well as term position of each Director in the Annual Report.
- 1.2 The Board of Directors is composed of at least 5 directors but less than 10 directors. The number of directors at least one third or 3 directors of total number of directors must be an independent director in order to create appropriate balance in the consideration and voting matters. Consequently, all independent directors have the required qualifications as in Securities and Exchange Commission, Regulations of the Stock Exchange of Thailand as well as criteria, restriction and other related laws.
- 1.3 The Board of Directors has term of office not more than 3 years by concerned law. An independent director should hold term of office does not exceed 9 consecutive years unless the Board of Directors considers that the person deserve to be an independent director. In addition, Directors and Management can hold positions of Directors or Management in affiliates or other companies but must be under regulations of The Securities and Exchange Commission, the Stock Exchange of Thailand, other concerned criteria, regulations and laws by notifying in the Board of Director's meeting. However, each director can hold position of director in not more than 5 registered companies.
- 1.4 The Board of Directors is a representative of overall shareholders, not a representative of one shareholders group.
- 1.5 The Board of Directors sets the policy of non-independent director proportionally on a fairness of Controlling Shareholders' capital.
- 1.6 Ensure the committee's appointment is in the line with the Company's regulation and applicable laws while upholding transparency and clear in committee's recruitment and to pass the process of Nomination and Remuneration Committee. Consideration must consist of sufficient each person's educational background and work experience for benefit of decision making to the Board of Directors and shareholders.

As a regulation of the Company, in every Annual General Meeting, Directors must quit the position at least one third. If number of directors is unable to divide by three, number of resign must be nearest to one third. Directors who have to quit the position in their first year and second year after the company registration, there must be a drawing to select only one director. For the next years, the Directors who hold longest position will leave the position and may still be re-election.

- 1.7 The Board of Directors considers clear segregation of responsibilities in corporate governance and daily management. Chairman and Managing Director are elected from the Board of Directors. Chairman and Managing Director are considered a different person for the clear of roles and responsibilities to establish policies, oversee work and manage the operation. Accordingly, the Company clearly separates the roles and responsibilities between the Board and Management to hold the balance of operation

power. The Board's duty is to establish policies and oversee Management's work at the policy level. Management's duty is to administer the Company's operations in accordance with the established policies. The Chairman is not involved in daily management but supports and gives advice of business operation via Managing Director consistently while Managing Director is responsible for the Company's management under the established authority framework from the Board of Directors.

1.8 The Board of Directors determined that the Directors can hold the position in maximum 5 registered companies by considering work efficiency deliberately to ensure the Directors can still devote their time on the responsibilities adequately.

1.9 The Board of Directors set the policy of holding position in other companies as the established Company's regulations that the Directors are unable to run a business or hold shares in ordinary partnership or general partner in limited partnership or being directors of limited company or public limited company which operate the same business condition and being a the Company's competitor except there is notification in the shareholders meeting before the appointment resolution.

Besides, the Board of Directors does not have any policies to send Management to be a director in other companies out of the Group. In case that Executive Directors will hold a Director position in other company, there must be approval from the Board of Directors except for holding a position of Director in the non-profit organization. Accordingly, holding a position must not conflict with business concerned laws or regulations and must not use the Company's position to refer and encourage external business.

1.10 The Board of Directors appointed Company Secretary who is qualified with appropriate experience, has duties and responsibilities as Securities and Exchange Act, has the duties to counsel in law and other rules which the Board should be aware, performs duty to oversee the Board's activities including coordinates with other functions to ensure that the resolutions of the Board is implemented. Company Secretary Qualifications and Experiences are disclosed in Annual Report and published on the Company's website.

1.11 The Board of Directors support and encourage the Company Secretary to enhance the ability continually by joining training and developing knowledge in law, accounting or Company Secretary's duties.

## **2. Sub-Committees**

2.1 The Company has appointed sub-committees which consist of 1) Audit Committee as the regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand 2) Nomination and Remuneration Committee and 3) Executive Board of Directors to carry out specific duties and bring up issues to the Board of Director for approval or acknowledgement.

2.2 Sub-committee has right as established in each sub-committee authority. The Committee Chairman is not the chairman or a member in any sub-committees to ensure an exact independence of sub-committee's responsibility.

### **3. Roles, Duties and Responsibilities of Committee**

#### **3.1 Duties and Responsibilities of Committee**

The Board of Directors is responsible for shareholders regarding the Company's business operation and has duties to set the policy and direction of the Company's operation as well as oversee management in the line with targets, objectives, vision, strategy and business direction for long term business benefits to shareholders under the law framework and ethics of business operation. In the meantime, all groups of stakeholders' interests must be considered. Details are spelled out in the Charter of the Board of Directors.

#### **3.2 Good Corporate Governance Policy**

The Company has established the written policy of Good Corporate Governance to be presented in the Board of Director's meeting for approval. Corporate Governance Guide was published as an objective of being guideline to Committee, Executives and employees. Consequently, the Company will review the policy yearly.

#### **3.3 Code of Conduct**

The Board of Directors adhere the right and fair business operation by setting the policy to establish written Code of Conduct in order to utilize and disperse to Committee, Executives and employees, realize the moral standard in business operation and be a practical guideline, disclose the intention to operate business with fairness, morality and responsibility to stakeholders, consider social and environment through joining the training and other internal communications. These ethics reflect value and guideline that all employees perform themselves and carry out their works under code of ethics. The Company announces and informs all employees to acknowledge and follow strictly. The Committees have traced and ensured to follow those ethics seriously.

#### **3.4 Conflict of Interests**

The Board of Directors has reviewed conflict of interests cautiously. Consideration on transactions with potential to cause conflict of interest has clear guideline and in the best interests of the Company. The Committee has established the ethics of conflict of interests, the policy which not allow Committees, Executives and employees as well as related parties to seek for their own benefits that in conflict with the Company's benefits. The Committee should avoid any actions that related to cause

conflict of interests. Any person who is in related parties, stakeholders or related transaction has to inform the Company regarding related transactions and these persons are not involved in the transaction decision.

Audit Committee shall present the Board of Directors related transactions and conflict of interests which are carefully reviewed the appropriation. In addition, the Company strictly follows the regulations of Securities and Exchange Commission and the Stock Exchange of Thailand in the issue of pricing and other conditions with any parties who may have conflict of interest as if making transactions with third party.

Accordingly, the Board of Directors shall oversee and ensure to follow the regulations which related to procedure and information disclosure of transactions with potential to cause conflict of interest. Information disclosure is published in Financial Statement, Annual Report and in Annual Report Form 56-1.

### 3.5 Internal Controls

The Board of Directors recognizes the importance of corporate governance and internal control of both management level and efficient operation level. Internal control is an important strategy which builds the confidence to operation department to help decreasing business risk and help business operating efficiently. Resource allocation is appropriate, and it brings Company operations to achieve their goals. Internal control helps protecting assets of leakage, loss or from any corruptions, ensuring the correct and trustworthy financial report, ensuring personnel abide by laws and concerned regulations and protecting shareholders' investment fund. Therefore, the Company has established written internal controls policy to control and protect the Company's assets efficiently and provided budget plan and feasibility study before the investment decision. There is an internal control system which responsible by the department head to ensure the great system standard, protect any adverse events that may cause damage to the Company, develop personnel to be engaged with these regulations as well as applicable laws and be ready to be assessed and audited all the time.

The Board of Directors has assigned Audit Committee to response and review the suitability and efficiency of internal control system which provided by Management and also has created and reviewed control system in operation, financial report procedure, rules, regulations and policy adherence, operation conduct as well as risk management and given priority to alarms and irregularities.

The Company hires outside personnel which is independent to balance and perform the duty of internal system controller to review and ensure the sufficient internal control system. An Internal Controller shall report directly to Audit Committee. The Company shall regularly follow up the assessment to ensure the effective system. An internal control assessment and necessary system should be reviewed at least once a year and revealed in the Company's Annual Report.

### 3.6 Risk Management Policy

The Company will provide and review the risk management policy to decrease an effect to the Company appropriately. Risk Management Committee shall consider the policy both external and internal risk management to cover and comply with business's strategy and direction and report to the Board of Director for approval.

### 3.7 Whistleblowing Channel

The Committee has provided the clear guidelines to all stakeholders who would like to report clues via website or direct to the Company by report to Independent Committee or Audit Committee to review the details as the procedure and continue report to the Board of Director.

### 3.8 Committee report

The audit committee is responsible for reviewing financial reports. With the accounting department and the auditor attending the meeting together and presenting financial reports to the Board of Directors every quarter The Board of Directors is responsible for the consolidated financial statements of the company. And subsidiaries including financial information appearing in the annual report

## 4. Board Meeting

4.1 The Board of Director's meetings requires at least half of the total number of members to be present.

In case the Chairman is absent or unable to perform duty, the Vice Chairman will act as Chairman of the meeting (if any). If there is no Vice Chairman or unable to perform, the members present will elect one among them to preside over the meeting.

4.2 Decisions in the Board of Director's meetings are reached by a majority vote. One director has one vote except Directors who have conflict of interest in any agenda are not entitled to vote on that agenda. In case of tied votes, Chairman will have a casting vote.

4.3 The Board of Director's meeting is held at least once every 3 months. The Chairman sends the notice to the directors. In necessary cases, 4 or more directors have the right to request a meeting and the meeting date must be set within 14 days from the date of request.

4.4 The Chairman or assigned director from Chairman is a person who set the date, time and place of the Board of Director's meeting. The place of meeting can be other places apart from the Company head office area or it can be nearby province. If the Chairman or assigned director has not set the meeting place, the Company's head office will be held for the meeting.

4.5 The Chairman or assigned director will send the meeting notice by registered mail or deliver directly to directors or representatives by giving specific date, time, place and meeting agenda not less than 7 days prior to the date of meeting or faster than that.

4.6 The Board of Directors sets the meeting schedule in advance each year and notifies each director of the company. This does not include special meeting.

In 2019, the Board of Directors' schedule for the year 2020 was set in advance. (This meeting schedule is subject to change), excluding special meetings as follows,

No.	Board meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting
1.	24 November 2020	24 November 2020	24 November 2020
2.	12 May 2020	12 May 2020	-
3.	11 September 2020	11 September 2020	-
4.	11 November 2020	11 November 2020	11 November 2020

## 5. Directors' Self-Performance Evaluation

5.1 The directors and sub-committees have to do Self-Assessment at least once a year in order to consider the problems for the resolution.

5.2 The Company reveals the rules, procedures and result of assessment as an overall in the Annual Report.

Evaluation Chief Executive Officer Managing Director Company And the sub-committee has the evaluation process as follows

Rating definition is

Score	Assessment level
80 – 100	Excellent
79 – 70	Good
69 – 60	medium
59 – 0	Must improve

## Assessment method

### 1. Assessment of Chief Executive Officer / Managing Director

- Assessor: Board of Directors Through the screening of the Nomination Committee
- This Assessment model uses a rating method. In order for the appraiser to compare the evaluation results in each topic or compare the evaluation results of each year the meaning of the rating is as follows,

0	= No action is taken on that matter
1	= A small amount of work has been undertaken
2	= There has been a fair process
3	= Well done in that regard
4	= Excellent action on that matter
N / A	= No data or cannot be used

- Detailed ratings as follows,

Assessment Items	Number of items (sub-items)	score
1. Leadership Skill	6	24
2. Strategy Planning Skill	6	24
3. Operation Strategy Skill	6	24
4. Financial Management and Financial Accomplishment	6	24
5. Internal Relations	6	24
6. Relationships with external companies	5	20
7. Administration and relations with personnel	6	24
8. Succession Plan Management	3	12
9. Product knowledge and service Development	4	16
10. Personal Qualification	6	24
<b>Total</b>	<b>54</b>	<b>216</b>

Calculation of averages (%), including assessed scores \* 100/216

2. Evaluation of the Board of Directors Assessment

- Appraiser: Every director (self-assessment)
- This assessment method. Grading method in order for the appraiser to compare the evaluation results in each topic or compare the evaluation results of each year the meaning of the rating is as follows,

0 = Strongly disagree or there is no action in that regard

1 = Disagree or have a minor action

2 = Agree or proceed with the matter

3 = quite agree or have an action that is good

4 = Strongly agree or have an excellent process for that issues

- Rating details as follows,

Assessment Items	Number of items (sub-items)	score
1. The structure and qualifications of the committee in the following matters are appropriate. Make the board work efficient	9	36
2. The Board of Directors' meetings have been conducted as follows to allow the board to perform their duties efficiently	6	24
3. Roles, duties and responsibilities of the board Gave importance Take time to consider Review and comply with the following adequately	12	48
4. Other	2	8
<b>Total</b>	<b>29</b>	<b>116</b>

Calculation of averages (%), including assessed scores \* 100/116



### 3. Assessment of sub-committees

- Assessor : Chairman of the Board of Directors
- This assessment form, method of rating In order for the appraiser to compare the evaluation results in each topic or compare the evaluation results of each year The meaning of the rating is as follows,

0 = Strongly disagree or there is no action in that regard

1 = Disagree or have a minor action

2 = Agree or proceed with the matter

3 = quite agree or have an action that is good

4 = Strongly agree or have an excellent process for that issues

Rating details as follows,

Assessment Items	Number of items (sub-items)	คะแนน
1. Structure and qualifications of Directors in following items are appropriate and cause an efficient.	7	28
2. Sub-committees' meetings are conducted as follows for the directors to perform their duties efficiently.	6	24
3. Sub-committees' Roles, duties and responsibilities of the sub-committee Gave importance Take time to consider Review and comply with the following adequately.	23	92
<b>Total</b>	<b>36</b>	<b>144</b>

Calculation of averages (%), including assessed scores \* 100/114

In this regard, the said evaluation process Will be evaluated at around the time of November every year and use as a basis for comparison in the next year And or can evaluate the compensation to be suitable for the evaluation results as well

However, in the year 2019, the Board of Directors Meeting No. 5/2019, 8 November 2019, summarized the scores as follows,

Evaluation Details and average score

1. Chief Executive Officer

Assessment Items	Number of items (sub-items)	score
1. Leadership Skill	6	24
2. Strategy Planning Skill	6	24
3. Operation Strategy Skill	6	24
4. Financial Management and Financial Accomplishment	6	24
5. Internal Relations	6	24
6. Relationships with external companies	5	20
7. Administration and relations with personnel	6	24
8. Succession Plan Management	3	12
9. Product knowledge and service Development	4	16
10. Personal Qualification	6	24
<b>Total</b>	<b>54</b>	<b>216</b>
<b>Total score (%)</b>	<b>-</b>	<b>100</b>
<b>Average (%)</b>	<b>69.55 Medium</b>	

## 2. Executive Committee, General manager

### 2.1 Executive Committee, General manager

Assessment Items	Number of items (sub-items)	score
1. Leadership Skill	6	24
2. Strategy Planning Skill	6	24
3. Operation Strategy Skill	6	24
4. Financial Management and Financial Accomplishment	6	24
5. Internal Relations	6	24
6. Relationships with external companies	5	20
7. Administration and relations with personnel	6	24
8. Succession Plan Management	3	12
9. Product knowledge and service Development	4	16
10. Personal Qualification	6	24
<b>Total</b>	<b>54</b>	<b>216</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>69.90 Medium</b>	

### 2.2 Executive Committee, General manager

Assessment Items	Number of items (sub-items)	score
1. Leadership Skill	6	24
2. Strategy Planning Skill	6	24
3. Operation Strategy Skill	6	24
4. Financial Management and Financial Accomplishment	6	24
5. Internal Relations	6	24
6. Relationships with external companies	5	20
7. Administration and relations with personnel	6	24
8. Succession Plan Management	3	12
9. Product knowledge and service Development	4	16
10. Personal Qualification	6	24
<b>Total</b>	<b>54</b>	<b>216</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>69.67 Medium</b>	

## 3. Committee (Group Assessment)

Assessment Items	Number of items	score
1. Composition and qualifications of the board	9	36
2. Board meeting	6	24
3. Roles and responsibilities Affecting the company	12	48
4. Other	2	8
<b>Total</b>	<b>29</b>	<b>116</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>81.15 xcellent</b>	

#### 4. Director (Individual Appraisal)

Assessment Items	Number of items	score
1. Board of structure and qualifications	2	8
2. Board Meeting	4	16
3. Roles and responsibilities Affecting the company	5	20
<b>Total</b>	<b>11</b>	<b>44</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>77.27 Good</b>	

#### 5. Sub-committee (Group Assessment)

Assessment Items	Number of items	score
1. Board of structure and qualifications	7	28
2. Board Meeting	6	24
3. Roles and responsibilities Affecting the company	23	92
<b>Total</b>	<b>36</b>	<b>144</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>74.13 Excellent</b>	

## 6. Sub-committee (Individual Appraisal)

Assessment Items	Number of items	score
1. Board of structure and qualifications	2	8
2. Board Meeting	4	16
3. Roles and responsibilities Affecting the company	25	20
<b>Total</b>	<b>11</b>	<b>44</b>
<b>Total score (%)</b>	-	<b>100</b>
<b>Average (%)</b>	<b>99.81 Excellent</b>	

Rating definition is

Score	Assessment level
90 – 100	Excellent
80 – 89	Good
70 – 79	medium
60 – 69	Must improve

### 6. Remuneration

6.1 Remuneration of Directors is related to experiences, scope of duties, accountability and responsibility including benefits that the Company shall receive from each director. The Board of Director has set the obvious policies and rules of remuneration of directors and asked for approval from the shareholders meeting every year by considering from transparency and accountability as well as proper level, comparable with similar industry and adequate to persuade and maintain qualified directors. Moreover, wider scope of responsibilities is considered for assigned directors in sub-committee such as Audit Committee, etc.

6.2 Remuneration of Managing Director and Executive should be along with regulations and policy the Board of Director and/or Nomination and Remuneration Committee and/or Executive Committee has determined. For the most out of the Company, remuneration as salary bonus and compensation is at an appropriate level and related to each Executive's performance. Executive who has more duties and responsibilities shall receive more and appropriate remuneration as well as receiving same rate as business competitor to maintain quality management. Nevertheless, the Company and shareholders' benefit must be considered.

6.3 Nomination and Remuneration Committee evaluates Managing Director every year for remuneration consideration by using agreed norm with Managing Director as concrete criteria including financial

performance, long term strategy objective performance and Executive Development. Committee shall consider the assessment and the Chairman shall inform the notification of result to all directors.

## **7. Director and Executive Development**

7.1 Directors support and facilitate to have training and provide knowledge to concerned person in corporate governance, committee, Audit Committee, Executive and Company Secretary to ensure continuous improvement.

7.2 Every time of new director's appointment, Management Division shall provide necessary documents and information as well as providing business introduction and business operation guideline to new director.

7.3 Directors determine Managing Director to report development plan and follow up on a regular basis. Managing Director and Chief Executive are well prepared to hand on their jobs when unable to perform their duties.

7.4 Directors provide Executive Development Program. Managing Director reports yearly regarding the annual overall operation and consider simultaneously when considering succession plan.

## Directors Structure

### Board of Directors

The Board of Directors consists of Expert Directors with knowledge, abilities and experiences in Management Level from many organizations and able to utilizes their knowledge for setting business direction efficiently as well as causing the maximum benefit to the Company and shareholders. Directors play an important role in setting policy and overall operation as well as playing a role to monitor, review, oversee management operation and evaluate the Company's overall operation to be established plan.

The Board of Directors has considered, reviewed and approved the vision, mission, strategy, goals, and directions of the company's business operations. Including reviewing important policies to be appropriate and consistent with business operations in accordance with good corporate governance principles such as corporate governance policies Anti-Corruption Policy etc.

The Board has monitored the implementation of the company's strategies. During every quarter of the Board of Directors' meeting, the Board monitors the performance of the management by outlining a report on the results of operations and results of the company especially in terms of financial goals and plans in order to be in accordance with the companies strategies.

At the present time, the Company consists of 7 directors; 3 Executives and 4 non-Executives which are inclusive of 3 Audit Committees. This committee structure will help balance the vote in any agenda. Besides, the Board of Director has appointed sub-committees in order to support corporate governance as follows;

#### Directors Organization

- 1) The Board of Directors does not need to be the Company's shareholder.
- 2) The Board of Directors consists of at least 5 Directors and not less than half of total Directors must reside in the Kingdom of Thailand.
- 3) The Board of Directors consists of at least one third Independent Committee of total number of directors but not less than 3 committees.
- 4) The Board of Directors selects one director to be a Chairman. In case The Board of Directors considered as deemed appropriate, they are able to select one director or more to be Vice Chairman. Vice Chairman has duties as established regulations which Chairman assigns.

## Scope of Duties of the Board of Directors

- 1) Oversee the Company's operations to ensure that they are in line with the applicable laws, the Company's articles of association, and the resolution of the shareholders' meeting while upholding "Best Practice for Directors of Listed Companies" as determined by the Stock Exchange of Thailand.
- 2) Prepare the shareholders' meeting as the Annual General Meeting within 4 months after the end of the fiscal period.
- 3) Ensure to have Balance Sheet and Profit and Loss Statement at the end of fiscal period which are proved by auditor and present to the shareholders' meeting in the Annual General Meeting for consideration and approval.
- 4) Set the Company's vision, mission, goals, guidelines, policies, business plans and budget. Oversee the Company's management to ensure adherence to the established policies. However, the issues which required by law that the Company should receive votes in the shareholders' meeting such as increasing or decreasing capitals, issuing debentures, sale or transfer of all or part of company to others or buy or receive transfer all company to be under company, editing memorandums or regulations, etc., the Board of Directors must approve before the procedure.
- 5) Monitor the Management's operation and ensure to be in line with established plan and budget continuously. Review the policies, plans and budgets regularly.
- 6) Oversee the Company to be in accordance with applicable laws of Securities and Exchange, Notification of the Stock Exchange of Thailand such as related transactions, Acquisition and Disposition of assets, other applicable laws, etc.
- 7) Consider and set the management structure. Appoint the Executive Board of Directors, Chairman of the Executive Board of Directors, other sub-committees and Chief Executive Officer. Set the scope of duties and responsibilities of the Executive Board of Directors, Chairman of the Executive Board of Directors, other sub-committees and Chief Executive Officer.
- 8) Provide Annual Report of the Board of Directors and response to prepare and reveal financial statement to show financial status and overall operation in the past year. Present to the shareholders' meeting for consideration and approval.
- 9) Assign one director or more or other person to perform on behalf of the Board of Directors which is under control of the Board of Directors or give proxy to those people and ensure they have proper right as the Board of Directors in a timely manner. The Board of Directors may cancel, abrogate, change or edit the authorization when deems appropriate. Accordingly, giving an authorization must not be in line that allow those people to be able to consider and approve related transactions between themselves and stakeholders or may cause any conflicts with Company or subsidiaries in other ways as announced in the Notification of the Capital Market Supervisory Board and/or Stock Exchange of

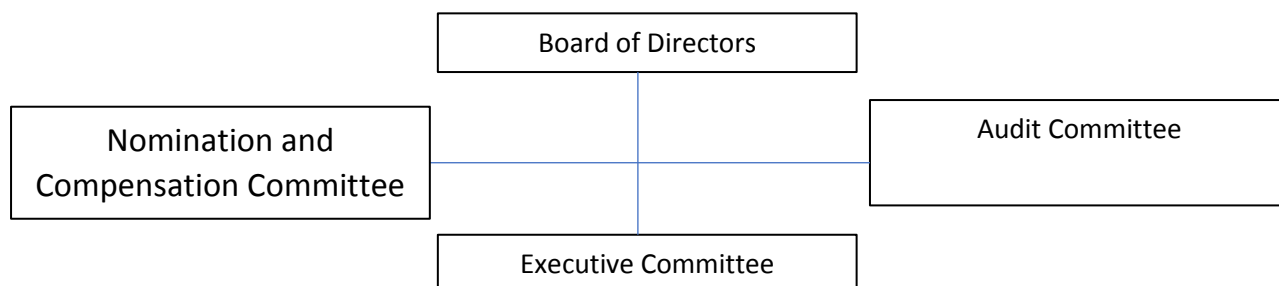


Thailand and/or other concerned notifications except transactions which approved due to policies and regulations that the Board of Directors has considered and approved.

- 10) Appoint Company Secretary to have responsibilities in other operations to ensure the Company or the Board of Directors' benefit such as preparing the Board of Directors' registration, invitation letter of the Board of Directors' meeting, invitation letter of the shareholders' meeting, etc.

## Sub-Committees

### 1) Audit Committee



#### (A) Structure

- (1) Audit Committee must be the Company's Independent Committee.
- (2) Audit Committee must be appointed by the Board of Directors.
- (3) Audit Committee must consist of at least 3 Independent Committees which are knowledgeable with adequate experiences.
- (4) At least 1 Audit Committee must be adequate knowledgeable and experienced in finance or accounting to review the financial statement's accountability.
- (5) Audit Committee can hold the position of Audit Committee not more than 5 listed companies.
- (6) The Board of Directors elects one Audit Committee to be the Chairman of Audit Committee.

#### (B) Duties and Responsibilities of Audit Committee

##### 1) The Charter of Audit Committee

- (1) Prepare the Charter of Audit Committee; Responsibilities of Audit Committee.
- (2) Content in the Charter of Audit Committee must be clear and indicate the meaning, definition as well as duties of Audit Committee.
- (3) Review the Charter of Audit Committee to be updated and related to the Company's operation and ensure that it is able to utilize efficiently at least once a year.

##### 2) Financial Report

Oversee the Company and ensure the disclosure of Financial Report to be accurate, complete, adequate, reliable and timely by cooperating with Financial Auditor and concerned Management who response in the Financial Report both quarterly and annually.

##### 3) Related Transactions and Conflict of Interests

- (1) Consider related transactions and conflict of interests to be in line with laws and regulations of the Stock Exchange of Thailand to ensure those transactions are reasonable and in the best interests

of the Company.

- (2) Review the disclosure in case that related transactions, or any transactions may cause conflict of interests to be accurate and complete.

#### 4) Internal Control

- 1) Review the Company's internal control to be appropriate and effective.
- 2) Consider the audit report and suggestion from financial auditor and internal control division. Report to Management for resolution as well as follow up the result from that suggestion.

#### 5) Internal Audit

- (1) Review the Company's internal audit to be independent and with effective internal audit system.
- (2) Review activities and internal audit division's structure and approve the Charter of Internal Audit.
- (3) Consider the appointment, transfer, remove or layoff including setting and evaluating annual performance of Internal Audit Supervisor to ensure independence of this division.
- (4) Review internal audit plan with Internal Audit Supervisor especially in any plans concerned internal control system and financial management.
- (5) Consider and monitor budget and manpower of Internal Audit Division and bring up to Management for approval.
- (6) Consider audit plan and scope of audit of the Company's internal auditor and financial auditor as well as internal audit advisor (if any) and ensure to have good relationship and not overlapping.

#### 6) Financial Audit

- (1) Consider, select, nominate, propose remuneration to Financial Auditor and ensure the get independent financial auditor by considering trustworthiness, resource sufficiency, audit volume of that audit organization and experiences of assigned personnel to audit the Company's finance including reviewing overall operation in the past years and considering terminate a financial auditor. Accordingly, Audit Committee shall present all opinions to the Board of Directors for next consideration.
- (2) Review scope and method of auditing and consider reasons to adjust auditing plan (in case there is an adjustment afterwards).
- (3) Advise Financial Auditor to review or verify any transactions which are considered that they are necessary and important during auditing the Company or subsidiaries' financial statement.
- (4) Review the Financial Audit Report, present to Management for resolutions and monitor the operation afterwards.
- (5) Consider adequacy and effectiveness in cooperation between Financial Auditor and Internal Auditor.
- (6) Acknowledge the Financial Audit Report without delay when there are any suspicious behaviors that the Chairman of Executive Board of Directors or any persons concerned the Company's operation committed an offence as Section 281/2 Paragraph 2 Act 305, 306, 308, 309, 310, 311,

312 or 313 of Act and process the investigation immediately as well as reporting primary investigation report to The Securities and Exchange Commission and Financial Auditor within 30 days from the date of incident report.

(7) Laws and concerned regulations

Review the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and all other applicable legislation.

8) Report of Audit Committee

- (1) Audit Committee must report the overall operation to the Board of Directors' meeting for acknowledgement and consider the report at least once per quarter.
- (2) Prepare the results of annual overall operation by showing the established transactions by the Stock Exchange of Thailand and must be signed by the Chairman of Audit Committee as well as preparing disclosure and being disclosed in the Company's Annual Report.
- (3) During performing duties of Audit Committee, if there are any inquiries or any of following matters which may have a significant impact on the Company's financial position and results of operations, the Audit Committee must report to the Board of Director for resolution within the time that the Audit Committee deems appropriate.

(3.1) Conflict of Interests

(3.2) Corruption, irregularities or any significant errors in the internal control system

(3.3) Failure to comply with acts, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.

- (4) If the Board of Director or Management do not process any resolutions on transactions or any actions in accordance with (3.1), (3.2) and (3.3) above within the time that the Audit Committee deems appropriate, any one of Audit Commit may be able to report transactions or any actions in accordance with (3.1), (3.2) and (3.3) to The Securities and Exchange Commission or the Stock Exchange.

9) Good Corporate Governance

- (1) Review and ensure the Company has consistent good corporate governance development procedure. Give guidelines and necessary advices for improvement.
- (2) Give priority and support the Company to set the good corporate governance to be an agenda in the Board of Directors' meeting and the shareholders' meeting.
- (3) Oversee the Chairman of Audit Committee to receive the copy of interest according to Section 89/14 of Act from Company Secretary within 7 business days from the date of report.

10) Risk Management

- (1) Review the Company's risk management to be standardized with efficiency and effectiveness.
- (2) Coordinate with Risk Management Committee and Management to consider, discuss and report the Company's risk management progress.

11) Anti-Corruption

Review the Company's business operation according to anti-corruption policies, financial statement, internal control system and internal auditing to ensure all operations in each division is effective, abide by law, related to regulations, moral and ethic. If there is any inquiries of transactions any actions which have significant impact to the Company's financial position and results of operation including corruption, the Audit Committee must report to the Board of Directors for improvement within the time that the Audit Committee deems appropriate.

#### 12) Other responsibilities

- (1) Other duties assigned by the Board of Directors with deems appropriate from the Audit Committee. Audit Committee has responsibilities to the Board of Directors as duty and responsibility assigned from the Board of Directors. While entire activities and responsibilities of the Company to external people still under responsibility of entire Board of Directors.
- (2) Have duties as required by the regulations of the Stock Exchange.
- (3) Oversee the whistle blowing procedure in case employees or any stakeholders have inquiries or found any suspicious actions of violation, breaking the laws, rules, regulations, ethics or corporate governance policies. Ensure the independent investigation to the whistle blower and appropriate monitoring.
- (4) Oversee special investigation as necessary.

### **(1) Nomination and Remuneration Committee**

#### **(A) Structure**

- 1) Nomination and Remuneration Committee is appointed by the Board of Directors and composed of at least 3 members, comprising of more than half of the independent directors.
- 2) Independent Director holds position of Chairman of Nomination and Remuneration Committee.

#### **(B) Duties and Responsibilities of Nomination and Remuneration Committee**

##### 1) Nomination

- (1) Establish the rules and policies on nomination of directors and sub-committees. Consider the appropriation in numbers, structure and director organization which is in accordance with size, type and business complication. Set the directors' qualifications to present to the Board of Directors and/or ask for approval in the shareholders' meeting.
- (2) Recruit, select and offer the qualified candidates to replace Directors who have completed their terms and/or for open positions and/or new appointment.
- (3) Perform other tasks as assigned by the Board of Directors.
- (4) Review and summarize the succession plan for executive management positions yearly and report to the Board of Directors.

## 2) Remuneration

- (1) Set the rules of remuneration determination of the Board of Directors and subcommittees. Present to the Board of Directors and/or ask for approval in the shareholders' meeting.
- (2) Consider necessary and reasonable remuneration in the form of money and other forms of compensation of the Board of Directors and sub-committees individually. Remuneration of the Board of Directors and sub-committees is considered from duties, responsibilities, performance and comparing with similar industry in other companies and benefits which may receive from directors. Review and present to the shareholders' meeting for approval.
- (3) Responsible for the Board of Directors, give advice, answer the questions regarding remuneration in the shareholders' meeting.
- (4) Report policies, rules/reasons of remuneration determination of directors and sub-committees as required by the Stock Exchange of Thailand which published in the Company's Annual Report and Form 56-1.
- (5) Perform other tasks assigned by Management regarding remuneration determination. Other divisions must report or present information and concerned documents to Nomination and Remuneration Committee to support the operation and ensure the accomplishment.

## **(2) Executive Board of Directors**

### **(A) Structure**

- 1) Executive Board of Directors consists of directors and/or the Company's management at total of not less than 2 members.
- 2) The Board of Directors appoints one of Executive Board of Directors to be Chairman of Executive Board of Directors.
- 3) Executive Board of Directors can appoint one employee to be Secretary of Executive Board of Directors to support operations regarding the meeting arrangement, agenda preparation, document sending and minute of meeting matters.

### **(B) Duties and Responsibilities of Executive Board of Directors**

- (1) Oversee and manage the Company's business in accordance with the laws, objectives, regulations of the shareholders' meeting, regulations of the Annual General Meeting under honesty, carefulness to the Company's benefit. Hold the Executive Board of Directors' meeting at least once a month.
- (2) Consider matters before being presented to the Board of Directors for approval and accordingly.

- (A) Policies, objectives, the Company's Annual Plan
  - (B) The Company's Annual Financial Budget
  - (C) Guidelines, Policies, and Investment Goals to be operational framework for Management's Operation
  - (D) Wage Rate Structure, Employee Welfare as a reasonable compensation to employees
- 3) Perform other tasks as assigned by the Board of Directors.
- 4) Authorize and approve to open deposit account and manage deposit account of domestic and oversea bank under appropriate consideration among overall financial management.
- 5) Authorize following matters under the specific scope as following details;
- (A) Control and set the Company's investment management guidelines within scope that assigned by the Board of Directors and required by laws.
  - (B) Announce rules, regulations, announcements and memos to ensure the operation is in the line with policies and the best interest of the Company and to maintain the discipline in the organization.

### **(3) Risk Management Committee**

#### **(A) Structure**

- (1) Risk Management Committee is appointed by the Board of Directors.
- (2) Risk Management Committee consists of the Board of Directors and/or the Company's Management with total at least 3 members. Risk Management Committee appoints one member to be Chairman of Risk Management Committee.
- (3) Chairman of Risk Management Committee appoints one member to be Secretary of Risk Management Committee.
- (4) Risk Management Committee holds tenures which last 3 years each term. Risk Management Committee who completed their terms may still be re-nominated for re-election.
- (5) Besides completing the terms, Risk Management Committee will last remaining the term when pass away, resign, lack of qualifications or due to any reasons that not holding tenure of the Board of Directors or the Company's employees (as the case may be).
- (6) In case when position of Risk Management Committee becomes vacant due to reasons other than retirement by rotation, Risk Management Committee appoints one person who is qualified as mentioned above to hold a tenure which last remaining time of the tenure of the Director whom they replace.

#### **(B) Duties and Responsibilities of Risk Management Committee**

- (1) Establish a risk management policy framework and other risk management strategy which are related to business operation properly and efficiently.
- (2) Set a risk management plan and procedure throughout the organization to be guidelines in overall operations.
- (3) Set the budget or type of business according to the risk. Bring up to the Board of Directors for approval to be operational criteria on each risk category.
- (4) Oversee and ensure the measures are well communicated and employees follow those measures.
- (5) Provide the assessment and analysis of damage which may cause systematically and continuously to ensure that the risk explore are covered all procedures of business operations.
- (6) Support and develop risk management for entire organization.
- (7) Perform other tasks assigned by the Board of Directors which cover all concerned operations with other important risks to the Company.

#### **4) Corporate Governance Committee**

##### **(A) Structure**

- 1) Corporate Governance Committee is appointed by the Board of Directors and comprising of at least 3 members.
- 2) Corporate Governance Committee holds tenures which last 3 years each term. Corporate Governance Committee who completed their terms may still be re-nominated for re-election.
- 3) In case when position of Corporate Governance Committee becomes vacant due to reasons other than retirement by rotation as 2.2 that is dismissal of being directors or employees, resign or impeachment by the Board of Directors, the Board of Directors will appoint a qualified person to be Corporate Governance Committee to ensure the complete number of members as required by the Charter. Mentioned person who is appointed will hold a tenure which last remaining time of the tenure of the Director whom he/she replaces.

##### **(B) Duties and Responsibilities of Corporate Governance Committee**

- 1) 1) Consider the guidelines Suggesting policy / regulations of business ethics and morality as in accordance with good corporate governance. Present to the Board of Directors and Management to be the standardized organization's regulations and right guidelines.
- 2) Oversee, supervise, assess and review the policies, good corporate governance and business ethics for development and implementation of good corporate governance to International Standard.
- 3) Perform other tasks assigned by the Board of Directors.



## Nomination of Directors and Executives

Selecting candidates to be the Company's committee will consider from qualifications as Section 68, Public Limited Companies Act, B.E. 2535 and concerned Notifications of the Stock Exchange of Thailand. Besides, The Committee selects candidates taking into account their competence, expertise in various fields which will affect good business operation with their advices, opinions from direct experience, leadership, vision, integrity, ethics transparent work experience and ability to voice their opinions independently. Then, all name lists will be presented in the shareholders' meeting for appointment consideration.

- 1) Nomination and Remuneration Committee recruits and present name of qualified person as required by the Charter to hold the position of the Board of Directors. Name will be presented in the Board of Directors' meeting for approval in the next shareholders' meeting.
- 2) The Shareholders' meeting appoints the Board of Directors. However, the appointment of the vacant position due to reasons other than retirement by rotation must be done by Nomination and Remuneration Committee by selecting qualified person as required by the Charter and presenting to the Board of Directors' meeting for approval except that tenure of those directors are less than 2 months. Accordingly, appointed directors will hold a tenure which last remaining time of the tenure of the Director whom they replace.
- 3) At every annual shareholders' meeting, one third of the total directors will be retire from their positions. If the number of directors cannot be divided by three, the directors will retire by the number nearest to one third of the total directors. Directors who are retired by rotation may be re-elected. Directors who required to retire at the first year and the second year after registration, drawing lots will be provided. In subsequent years, the directors who have been in the longest term will retire. Besides the above retirement, the Board of Directors may dismiss from the position with following reasons;
  - 1) Pass Away
  - 2) Resign
  - 3) Lack of qualifications which required by the Charter or having prohibited characteristics according to law.
  - 4) The shareholders' meeting voted the position dismissal with votes not less than three quarter (3/4) of total shareholders who attended the meeting, have the right to vote and hold shares total not less than half of total shares holding by shareholders who attended the meeting and have the right to vote.
  - 5) A court orders

Any directors may resign from their positions by submitting a letter of resignation to the Company. The resignation will be deemed effective from the date on which the letter of resignation is received by the Company.

## Independent Directors Appointment

The Board of Directors and Nomination and Remuneration Committee will coordinate considering basic qualifications and disqualifications of persons who will hold the position of Independent Directors as in accordance with Public Limited Companies Act, applicable laws of the Stock Exchange, Notifications of the Capital Market Supervisory Board as well as announcements, regulations and concerned rules, consider from highly competent candidates' past work experience and bring up to the Board of Directors and the shareholders' meeting for appointment consideration. The number of independent directors will not be less than 3 directors and each independent qualification will accord with the Notification of the Securities and Exchange Commission No. 39/2559, Application for Approval and Granting of Approval for Offering of Newly Issued Shares as follows;

- 1) Hold share not more than 1% of total shares with voting rights of the Company, its parent company, subsidiary, associate company, major shareholder or the controlling person. Accordingly, any shares held by related person with independent director will be included.
- 2) Neither being nor used to be Executive Director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company subsidiary, associate company, same level subsidiary, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of filling an application with the Stock Exchange of Thailand. Such prohibited characteristics will exclude the case where the independent directors used to be a government official or advisor of a government agency which is major shareholder or controlling person of the applicant;
- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child as well as spouse of child, executive, major shareholder, controlling person or nominated person to be director, executive or controlling person of the Company or its subsidiary.
- 4) Not having or having had a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder or controlling persons in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least 2 years prior to the date of filing the application with the Stock Exchange Of Thailand.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the applicant or from Baht 20 Million or more, whichever amount is lower. In

this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of 1 year to the date of establishing the business relationship with the related person.

- 5) Not being or having been an auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than 2 years prior to the date of filing the application with the Stock Exchange of Thailand.
- 6) Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the applicant, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than 2 years prior to the date of filing the application with the Stock Exchange of Thailand.
- 7) Not being a director who is appointed as the representative of directors of the applicant, major shareholder, or shareholder who is a connected person of a majority shareholder.
- 8) Not undertaking any business of the same nature and in significant competition with the business of the applicant or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than 1% of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the applicant or its subsidiary.
- 9) Not having any other characteristics that cause the inability to express independent opinions on the business operation of the applicant.

#### **Audit Committee Appointment**

- 1) Nomination and Remuneration Committee recruits and presents qualified person as required by the Charter to hold the position of Audit Committee. Name will be presented in the Board of Directors' meeting for the consideration.
- 2) Audit Committee has 3 years of each term from the date of appointment.
- 3) Audit Committee who completed their tenure may be re-elected but not an automatically extension.
- 4) Audit Committee may resign from the position at any time before the tenure by informing and submitting a letter of resignation with reasons to the Company. The Company will send copy of

a letter of resignation to the Stock Exchange of Thailand as well as delivering to The Securities and Exchange Commission.

- 5) In case when position of Audit Committee becomes vacant due to reasons other than retirement by rotation, the Board of Directors will appoint a qualified person to be Audit Committee to ensure the complete number of members. A person who is appointed will hold a tenure which last remaining time of the tenure of the Director whom he/she replaces.
- 6) Audit Committee may dismiss from position when
  - (A) Termination
  - (B) Complete the tenure
  - (C) Lack of qualifications of Audit Committee
  - (D) Pass Away
  - (E) Resign
  - (F) Be Impeached
  - (G) Serve a term of imprisonment or any legitimate order of imprisonment except offenses committed by negligence or misdemeanor
  - (H) Be an incompetent person or a quasi-incompetent person
  - (I) Be a bankrupt
- 7) If there are less than 3 Audit Committees, the Company should hasten the new committee appointment instantly or at least within 3 months from the date of incomplete audit committees to ensure the operations continuity of the Audit Committees which is related to regulations of maintaining the listing status on the Stock Exchange of Thailand.

### **Supervisory of Subsidiaries and Associate Companies' Business Operation**

The Company will invest as the policy that the Board of Directors approved. Investment in subsidiaries or associate companies in case of approval, the Company will supervise by sending the Company's representative which is director to be a representative in subsidiary or associate company at least as proportion of the Company's shareholding and follow the regulations of the Stock Exchange of Thailand which regarding related transactions or acquisition and disposition of assets strictly. In the event that may have a significant impact to the Company, the Board of Directors' meeting must approve the transactions.

### **Internal Information Usage Policy**

The company realized the importance of internal information control to be in line with good corporate governance, adhere with good governance, honesty in business operation and to ensure that an investor in the Company's assets receive reliable information equally and in time. The Company has set the internal information regulations and securities trading regulations of Executive Board of Directors and employees to be in accordance with applicable assets laws and focus on business transparency which can be summarized as follows;

1. Directors, Executives and the Company's employees who receive internal information, must not be the Company's financial information or any internal information that has impacts on the change of securities price which is not disclosed to public or the Stock Exchange of Thailand for purchase or sell the Company's securities which may be personal gain and others gains by avoid or refrain doing so during 30 days prior to the public disclosure and at least 2 business days after the disclosure to the public.
2. The Company has duties to disclose information of important business operation to public thoroughly by media and the method which is required and set by the Stock Exchange of Thailand and the Company's information disclosure policy and through other media of Investor Relations and Public Relations to ensure the information reach all investor group in good time and equally.
3. The Company has strict discipline of computer and information security protection to ensure that information is secure and not disclosed. Accordingly, the Company has limited to access internal information which is not disclosed to public but only to concerned person such as Finance and Accounting Officer, Investor Relations Officer and Corporate Governance Officer.

If there are any actions which violate the above rules and disciplines, the Company will apply the disciplinary actions as deems appropriate such as verbal warning, written warning, salary reduction, suspension, termination without compensation or legal action.

### **Audit Fees**

The financial statements of the Company and its subsidiaries Has been verified And reviewed by Ms. Nopanuch Aphichatsatien, certified public accountant no. 5266, PricewaterhouseCoopers ABAS Co., Ltd. has expenses for the year 2018 and 2019 totalling 2.79 million baht. And 2.65 million baht.

## Guidelines for the practice of good corporate governance (5 practices)

By the Securities and Exchange Commission Most recently announced For the purpose of being a guideline, the board of directors of listed companies will apply to oversee the business to have good long-term performance. Reliable for shareholders and those around you for the purpose of creating sustainable value in the business. Meet the expectations of both the business sector, investors as well as the capital market and society as a whole.

The Board of Directors recognizes the importance of establishing and promulgating good corporate governance principles in accordance with the said practice in the company. To be a guideline in conducting business for all relevant sectors The 5 guidelines, including guidelines for each of the practices, are applied to suit the business context of the company. The 5 practices are as follows,

- Principle 1      Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2      Define Objectives that Promote Sustainable Value Creation
- Principle 3      Strengthen Board Effectiveness
- Principle 4      Ensure Effective CEO and People Management
- Principle 5      Nurture Innovation and Responsible Business

### Good Governance

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 1.1	The Board of Directors should understand its leadership role and realize its responsibilities in overseeing the company and ensure the good governance, including:
Guidelines	<ol style="list-style-type: none"> <li>1) Define objectives</li> <li>2) Determine strategies, operation policy as well as allocating necessary resource to achieve the objectives and targets</li> <li>3) Monitor, evaluate and report on performance</li> </ol>
Principle 1.2	The Board of Directors should exercise its leadership role and pursue the following governance outcomes;
Guidelines	<ol style="list-style-type: none"> <li>1) Competitiveness and performance with long-term perspective</li> <li>2) Ethical and responsible business</li> <li>3) Good corporate citizenship</li> <li>4) Corporate resilience</li> </ol>
Principle 1.3	The Board of Directors should oversee all directors and executives perform their duty with care and loyalty and ensure the company to operate business in accordance with laws, rules and the Shareholder's Meeting Resolution.

Guidelines	<ol style="list-style-type: none"> <li>1) The Company must abide by law, rules and other regulations related to Securities and Exchange Act B.E.2535 (1992).</li> <li>2) The Board of Directors must oversee the Company to have adequate systems and ensure that the company operation complies with applicable law, rules, the Shareholder’s Meeting resolution as well as policy or specified matters with necessary approved procedure such as investment, related transaction, related party transaction, acquisition or disposal of assets and dividend payment, etc.</li> </ol>
Principle 1.4	<p>The Board of Directors should understand scopes and responsibilities of the Board and set the scope of duty assignment and responsibilities to Managing Director and Management clearly as well as monitoring Managing Director and Management’s performance of assigned duties.</p>
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors should make charter or Board charter which indicates roles and responsibilities of the Board as a reference when performing duty and the Board should review the charter regularly at least once a year as well as always reviewing roles and responsibilities division among the Board, Managing Director and Management to be in accordance with the organization vision.</li> <li>2) The Board of Directors should understand scopes and responsibilities itself and provide written direction of authority to Management. However, the assignment does not release duty of responsibility of the Board. The Board of Directors still needs to monitor Management to perform duties as assigned.</li> </ol> <p>Accordingly, the scopes of duties of the Board of Directors, Managing Director and Management are divided to principles as follows;</p> <ul style="list-style-type: none"> <li>➤ <u>Matters which the Board should have primary responsibility</u> <ol style="list-style-type: none"> <li>a) Defining objectives and business model</li> <li>b) Developing culture of compliance, ethical conduct and lead by example</li> <li>c) Overseeing structure and practice of the Board of Directors for achieving the company’s objectives</li> <li>d) Ensuring suitable selection, remuneration, development and assessment of CEO</li> <li>e) Ensuring appropriate compensation that attracts the personnel</li> </ol> </li> <li>➤ <u>Matters which is involving shared responsibility with Management</u> <ol style="list-style-type: none"> <li>a) Setting and reviewing strategies, targets and annual plan</li> <li>b) Ensuring appropriateness of risk management system and internal control</li> <li>c) Defining Management’s responsibilities</li> <li>d) Setting scopes of resource allocation, development and budgets such as policies, human resource development plan and IT policy</li> <li>e) Monitoring and evaluating performance</li> </ol> </li> </ul>

	f) Ensuring financial disclosure and financial statement to be reliable
	<p>➤ <u>Matters which should not get involved with</u></p> <p>a) Executing the activities to be under strategies, policies and plans that the Board of Directors approved (The Board of Directors shall allow Management to response and make decision on purchasing, procurement, staffing, etc. that conduct and operations are in compliance with the company's policies and monitoring without intervention except when necessary.</p> <p>b) Getting involved in prohibited matters such as any transaction approval which the Board of Director may have interest, etc.</p>
<u>Principle 2</u>	Define Objectives that Promote Sustainable Value Creation
Principle 2.1	The Board of Director should define objectives that promote sustainable value creation to the company, stakeholders and overall social.
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Director should ensure that the company has clearly and properly defined objectives which are able to support the company's business model and communicate to all concerned to drive to the same direction in the form of the company's vision and values or principles and purposes or others.</li> <li>2) When accomplishing objectives or main targets, the Board of Directors shod set the business model which is sustainable value creation to the company, stakeholders and overall social by considering factors as follows; <ol style="list-style-type: none"> <li>a) Environment and changes of other factors including the appropriate use of innovation and technology</li> <li>b) Customers and stakeholders' need</li> <li>c) Readiness, proficiency, competitiveness of the company</li> </ol> </li> <li>3) The company's values should have part of reflect characteristics of good corporate governance such as accountability, integrity, transparency, due consideration of social and environmental responsibilities, etc.</li> <li>4) The Board of Director should promote communication and reinforce the company's objectives and main targets to reflect in decision making and operation of all levels staffs until it became corporate culture.</li> </ol>
Principle 2.2	The board of Directors should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilizing innovation and technology effectively.
Guidelines	<ol style="list-style-type: none"> <li>1) The board of Directors should ensure that the company's strategies and annual plan are in accordance with the company's main objectives while considering the business</li> </ol>



	<p>environment, opportunities, and the company’s acceptable risk. The board of Directors should support to review objectives, goals and strategies in medium-term 3-5 years to ensure the strategies and annual plan are annually reviewed its long-term effect and updated as appropriate.</p> <p>2) The Board of Director should ensure that there is environment, factors, and risk analysis in the strategy and annual plan which may impact concerned stakeholders in the value chain including other factors which may influence the company’s achievement. The company should ensure that a mechanism for stakeholders’ engagement is in place as follows;</p> <ul style="list-style-type: none"> <li>a) Clearly define practices and procedures of communication channel between stakeholders and the company to ensure that enable the company to access and receive information or stakeholders’ need in each group.</li> <li>b) Clearly identify related stakeholder both internal and external as individual, groups, and organizations such as employees, investors, customers, business partners, communities, society, environment, government sector and regulator.</li> <li>c) Identify matters and expectations of stakeholders for analysis, prioritizing and considering the impact which will cause the company and stakeholders. Accordingly, to select important matter to be value creation with stakeholders.</li> </ul> <p>3) When developing strategies, the Board of Director should promote innovation creation and use of innovation and technology to enhance competitiveness, respond to stakeholders and remain under social and environmental responsibilities.</p> <p>4) When considering the company’s targets which consider appropriateness of business environment and the company’s potential, the Board of Director should set the targets both financial and non-financial. Besides, the company should ensure the targets will not lead to illegal or unethical conduct.</p> <p>5) The Board of Director should oversee and ensure to have objectives and targets communication in the strategies and plans throughout the organization.</p> <p>6) The Board of Director should oversee and ensure appropriate resource allocation and monitor the implementation of the company’s strategies and annual plans which may assign the person to be responsible to this matter.</p>
<u>Principle 3</u>	Strengthen Board Effectiveness
Principle 3.1	The Board of Directors should be responsible for determining and reviewing the Board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company’s objectives.
Guidelines	1) The Board of Directors should ensure the Board consists of directors with various qualifications, skills, experiences, abilities, character traits as well as gender and age which are necessary for achieving the company’s objectives and main targets. The Board of Directors should establish a skills matrix to

	<p>ensure that the Board is overall with appropriate qualifications and able to understand and respond the stakeholders' need. Besides, there must be at least 1 non-executive director who is experienced in business or in main industry of the company.</p> <p>2) The Board of Directors should consider the appropriate number of directors. Director should consist of no less than 5 members and no more than 12 members to ensure the efficient operation.</p> <p>3) The Board of Directors should balance the proportion between executive directors and non-executive directors properly by;</p> <p>a) Majority of the Board of Directors should be non-executive directors who are able to give opinions independently on management's operation.</p> <p>b) Number and qualifications of the independent non-executive directors should be in line with Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors should oversee the independent director to be able to work with all directors efficiently and give opinion independently.</p> <p>4) The Board of Directors should disclose the diversity of policies, information of director including age, gender, education, experience, shareholding proportion, years of director and director position in other listed companies in the annual report and on the company's website.</p>
Principle 3.2	<p>The Board of Directors should select an appropriate person as the chairman and ensure that the Board composition serves the best interest of the company, enabling the Board to make its decisions as a result of exercising independent judgment.</p>
Guidelines	<p>1) Chairman of the Board of Directors should be an independent director.</p> <p>2) Chairman and CEO have different roles and responsibilities. The Board of Directors should clearly set authorities and roles of Chairman and CEO to ensure there will be no unlimited power and ensure power balance. Chairman position and CEO position should be separated.</p> <p>3) Chairman is responsible for leading the Board of Directors. Duties of Chairman are as follows;</p> <p>a) Overseeing, monitoring and ensuring that the Board performs duties efficiently and achieve the organization's objectives.</p> <p>b) Ensuring that all directors take part in the company's ethical culture support and good corporate governance.</p> <p>c) Setting the Board Meeting agenda by discussing with CEO and ensuring the necessary matters are including in the agenda.</p> <p>d) Allocating time sufficiently for Management to propose the issues and for directors to debate necessary matters thoroughly. Encouraging directors to exercise their independent judgment.</p>

	<p>e) Promoting good relationship between executive directors and non-executive directors and between the Board of Directors and Management.</p> <p>4) In the event that Chairman and CEO are not clearly separated, i.e., Chairman and CEO is the same person, Chairman is not an independent director, Chairman and CEO are family members or Chairman is a member of Management Team or has been assigned a management role. The Board of Directors should ensure the power balance between the Board of Directors and Management by considering;</p> <p>a) The Board of Directors consists of independent director more than half or</p> <p>b) Appointing one independent director to participate in considering the Board Meeting's agenda</p> <p>5) The Board of Directors should establish the policy that the tenure of an independent director should not exceed 9 years consecutively from the date of appointment. In the event that an independent director shall continue the tenure, the Board of Directors should consider and review as deemed necessary.</p> <p>6) The Board of Director should appoint sub-committees to ensure important matters, specific matters are reviewed thoroughly and ensure to screen information and to propose action for approval.</p> <p>7) The Board of Director should disclose the roles and responsibilities of the Board and sub-committees, the number of meetings and the number of directors attending the meetings in the previous year and all sub-committees performance.</p>
Principle 3.3	The Board of Directors should ensure and oversee the selection and nomination of directors is transparent and clear in order to have qualified directors which are in accordance with established policy.
Guidelines	<p>1) The Board of Directors should establish Nomination Committee. Majority of its members and Chairman should be independent directors.</p> <p>2) Nomination Committee should set the meeting for considering criteria and nomination process to ensure that the qualified directors are with proper knowledge, skills and the profiles meet the requirements and give opinions to the Board before proposing to the Shareholders' Meeting for appointment. Besides, shareholders should receive adequate information regarding candidates for their consideration.</p> <p>3) Nomination Committee should review rules and nomination process to suggest to the Board before nominating directors who completed their terms. In the event that Nomination Committee proposes the same director, that director's performance should be considered.</p>

	<p>4) In the event that the Board of Directors has appointed any person to be the advisor to the Nomination Committee, relevant information about that consultant should be disclosed in the annual report, including information about independence and conflict of interest.</p>
Principle 3.4	<p>When proposing remuneration of director to the Shareholders' Meeting for approval, the Board of Directors should consider the structure and remuneration are appropriate with responsibilities and attractive directors to lead the company to reach the targets both in short and long term targets.</p>
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors should establish Remuneration Committee. Majority of its members and Chairman are independent directors to consider and review the policies of remuneration.</li> <li>2) The remuneration of the board should be consistent with the company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration, comparable to industry practice.</li> <li>3) Shareholders must approve the Board of Directors' remuneration structure, including level and pay components (both financial and non-financial compensation). The Board of Directors should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and meeting attendance fee) and remuneration paid according to the company's overall operation (such as bonus and rewards). The remuneration should reflect the values that the company creates for shareholders taking a long-term perspective on company performance, and the pay level should not be too high so as to avoid the Board excessively focusing on the company's short-term results.</li> <li>4) The Board of Directors should disclose the policies and rules of remuneration which reflect duties and responsibilities of each member as well as the pay component and level of compensation. The disclosed remuneration should include each director's remuneration from being director at the subsidiaries.</li> <li>5) In the event that the Board of Director appoints any person to be advisor to the Remuneration Committee, that advisor's information should be disclosed in the annual report as well as independent information or non-conflict of interest information.</li> </ol>
Principle 3.5	<p>The Board of Director should ensure that all directors have responsibilities and allocate their time sufficiently.</p>
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Director should ensure that there is a mechanism to support directors to understand their roles and responsibilities.</li> <li>2) The Board of Director set the policy to directors of holding position in other companies by considering performance of directors who hold multiple positions in many companies. To ensure that director can dedicate their time in performing duties adequately, number of</li> </ol>

	<p>listed companies is set to be not exceeding 5 listed companies. The effectiveness of duty performing may decrease significantly when director hold too many seats in the listed companies.</p> <p>3) The Board of Director should ensure to report and disclose the holding positions of directors in other companies.</p> <p>4) In the event that the Board of Directors hold director of executive position or have interest both directly and indirectly in other companies or be able to use opportunities or the company's information for personal gains, the Board of Directors should ensure that the company has adequate measure and report shareholders as appropriate.</p> <p>5) Each director should attend not less than 75% of all board meetings in any whole financial reporting year.</p>
Principle 3.6	<p>The Board of Directors should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.</p>
Guidelines	<p>1) The Board of Directors should consider and set governance policies to its subsidiaries including;</p> <ul style="list-style-type: none"> <li>a) Authority to appoint subsidiary directors, executives, or controlling persons. The Board of Director should have the authority to appoint except when those companies are small operating companies which is operating arms of the company, the Board of Director may delegate this authority to CEO.</li> <li>b) Duties and responsibilities of representative of those companies in a) to oversee the company representatives ensure the practice is in accordance with subsidiaries' policies. If the subsidiary has investors other than the company, the Board of Directors should require the company's appointed representatives to perform their best roles for the subsidiaries' interest and to be in accordance with policies of the company.</li> <li>c) Internal Control of subsidiaries which should be appropriate and concise adequately and all transactions are in line with laws and concerned rules.</li> <li>d) The integrity and timely disclosure of the material information of the subsidiary, including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases and termination of subsidiary, etc.</li> </ul> <p>2) For businesses that the company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the board should ensure that shareholder agreements or other agreements are in place to enable the company's performance monitoring and participation in the businesses'</p>

	<p>management, including for approval of significant transactions and decisions. This is to ensure that the company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.</p>
Principle 3.7	<p>The Board of Directors should conduct a formal annual performance evaluation of the Board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the Board.</p>
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors and sub-committees should evaluate performance at least once a year to encourage the Board to consider and improve for further development. Standard should be set to be used in comparison with performance significantly.</li> <li>2) The annual assessment of the performance of the board and committees as a whole and on an individual director level should be based on self-evaluation, or alternatively, on cross-evaluation together with self-evaluation. The criteria, process, and results of the evaluation should be disclosed in the annual report.</li> <li>3) The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.</li> <li>4) The evaluation results should be used for ensuring that the directors collectively possess the right combination of knowledge, skills, and experience.</li> </ol>
Principle 3.8	<p>The Board of Directors should ensure that the Board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law as well as always supporting all directors in learning and refreshing their skills and knowledge necessary to perform their directors' roles.</p>
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors should ensure that newly appointed directors receive suggestion and useful information to perform duties including understanding in objectives, main target, vision, mission, corporate value and the nature of business and the company's operation.</li> <li>2) The Board of Directors should oversee directors to attend training and developing class to improve their knowledge continuously.</li> <li>3) The Board of Directors should understand laws, rules, standards, risks and business environment as well as receiving updated information.</li> <li>4) The Board of Directors should always disclose training report and knowledge development of the Board in the annual report.</li> </ol>
Principle 3.9	<p>The Board of Directors should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills, and experience to support the Board in performing its duties.</p>

Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors should set the meeting schedule and meeting agenda in advance to ensure directors will be able to manage their time and attend the meeting.</li> <li>2) The number of the Board Meetings should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board should meet at least 4 times per financial year. If the Board Meetings are not held monthly, the Board should receive a report on the company's performance for the months in which the Board does not hold a board meeting, so that it can monitor management and company performance continuously and promptly.</li> <li>3) The Board of Directors should have a mechanism that allows each board member and management to propose the inclusion of relevant items on the meeting agenda.</li> <li>4) Meeting Documents should be sent to directors at least 7 days prior to the date of meeting.</li> <li>5) The Board of Directors should encourage the CEO to invite key executives to attend the Board Meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the Board to gain familiarity with key executives and assist succession planning.</li> <li>6) The Board of Directors should have access to accurate, relevant, timely and clear information required for their respective roles from the chief executive officer, company secretary, or designated executive. If necessary, to discharge their responsibilities, the board may seek independent professional advice at the company's expense.</li> <li>7) Non-executive directors should be able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the company's chief executive officer.</li> <li>8) The Board of Directors should appoint a company secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board resolutions. The board should disclose the qualifications and experience of the company secretary in its annual report and on the company's website.</li> <li>9) The company secretary should receive ongoing training and education relevant to performing his/her duties. The company secretary is also encouraged to enroll on a company secretary certified program.</li> </ol>
<u>Principle 4</u>	Ensure Effective CEO and People Management

Principle 4.1	The Board of Directors should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.
Guidelines	<ul style="list-style-type: none"> <li>a) The Board of Directors should establish, or assign the nomination committee to establish, the criteria and procedures for nomination and appointment of the chief executive officer.</li> <li>b) The Board of Directors should ensure that the chief executive officer appoints knowledgeable, skilled, and experienced key executives. The board or the nomination committee together with the chief executive officer should establish the criteria and procedures for nomination and appointment of key executives.</li> <li>c) To ensure business continuity, the board should ensure that development and succession plans for the chief executive officer and key executives are in place. The board should annually request reporting on the implementation of the development and succession plans from the chief executive officer.</li> <li>d) The Board of Directors should promote continuous development and education of the chief executive officer and key executives that is relevant to their roles.</li> <li>e) The Board of Directors should establish set clear policies and guidelines for the chief executive officer and key executives serving or wishing to serve as a director in other companies. The policies should set out permissible appointments and the permissible number of companies in which they are allowed to simultaneously serve as a director.</li> </ul>
Principle 4.2	The Board of Directors should ensure an appropriate compensation structure and performance assessment.
Guidelines	<ul style="list-style-type: none"> <li>1) The Board should ensure that the compensation structure rewards individual performance, incentivizes the chief executive officer, key executives, employees and staff at all levels to act in support of the company's objectives and values, and fosters long-term commitment by aligning incentives with future company performance through: <ul style="list-style-type: none"> <li>a) appropriate combination of salary and other short-term compensation such as bonus, and long-term compensation such as employee stock ownership plan participation,</li> <li>b) ensure that the individual total compensation takes into account industry standards and company performance</li> <li>c) determine and communicate performance evaluation criteria.</li> </ul> </li> <li>2) Non-executive directors are responsible for setting the remuneration and assessment for CEO as follows; <ul style="list-style-type: none"> <li>a) ensure that the chief executive officer's performance evaluation is based on pre-determined criteria that have been communicated to the chief executive officer in advance. The performance evaluation criteria should incentivize the chief</li> </ul> </li> </ul>



	<p>executive officer to perform his/ her duties in support of the company's objectives, values, and long-term sustainable value creation,</p> <p>b) perform or delegate to the remuneration committee, the annual performance evaluation of CEO. The chairman or a designated senior director should communicate the results including development areas of the performance evaluation to CEO.</p> <p>c) approve annual compensation of CEO, consider the performance of CEO and other relevant factors.</p> <p>3) The Board of Directors should approve the rules and factors of assessment and compensation structure and ensure that CEO assesses performance of executives in accordance with the rule.</p> <p>4) The Board of Directors should oversee to have rules and factors of the organization assessment.</p>
Principle 4.3	The Board of Directors should understand its responsibilities in the context of the company's shareholder structure and relationships which may impact the company's management and operation.
Guidelines	<p>1) The Board of Directors should understand the company's shareholder structure and relationships which is including written and non-written family agreements, shareholder agreements, or group company policies and may impact on the management control.</p> <p>2) The Board of Directors should oversee and ensure that the agreement as 4.3.1 shall not be an obstacle to the Board of Directors' performing duties such as succession planning.</p> <p>3) The Board of Directors should oversee that information is properly disclosed as agreements that have an impact on the company's control.</p>
Principle 4.4	The Board of Directors should monitor and oversee human resource management and development to ensure the suitable number of personnel, knowledge, skill and motivation.
Guidelines	<p>1) The Board of Director should ensure that the company is properly staffed, and that human resources management is in line with the company's objectives and furthers sustainable value creation. All employees and staff must receive fair treatment.</p> <p>2) The Board of Directors should ensure that the company establishes a provident fund or other mechanisms to oversee employees saving for their retirement as well as supporting to have training and development program for employees that promotes financial literacy and educates employees and staff on life path investments that are suitable for their age and risk level or ensure to have policy.</p>
<u>Principle 5</u>	Nurture Innovation and Responsible Business

Principle 5.1	The Board of Directors should give importance and support innovation creation that causes business value together with benefits for its customers, other stakeholders, society, and responsible for social and environment.
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Director should give importance in corporate culture creation to support the innovation and oversee management to review the strategy, operational development plan and performance monitoring.</li> <li>2) The Board of Directors should support innovation creation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes and collaborating with partners.</li> </ol>
Principle 5.2	The Board of Directors should monitor and oversee management to operate business with social and environment responsibilities and in the line with operational plan to ensure that all sections in the organization operate in accordance with objectives, main target and the company's strategy plan.
Guidelines	<ol style="list-style-type: none"> <li>1) The Board of Directors should encourage the mechanism to ensure that company's operations with ethics reflect the responsibility of environmental and social standards and ensure that appropriate company-wide policies and procedures are implemented to further the company's objectives, goals and strategies in support of sustainable value creation. Policies and procedures for running the business fairly and respecting and adhering to stakeholders' rights should at least cover the matters as follows; <ol style="list-style-type: none"> <li>a) Responsibilities to employee and workers by adhering with applicable law and relevant standard with fairness and respect human right including fair remuneration and other compensations, proper welfare which is not less than or more than applicable law, health care and workplace safety, training, potential development and other skills development.</li> <li>b) Responsibilities to customers by adhering with applicable law and relevant standard with health care and workplace safety, fairness, information privacy, after sales service throughout product, customer satisfaction following to improve products and services as well as advertising, sales conduct must be with responsibilities and not misleading or take any advantages for the customers' misunderstanding.</li> <li>c) Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting and supervising business partners to respect human rights, social and environmental responsibilities and the workers fairly including monitoring and evaluating that business partners operates business sustainably.</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>d) Responsibilities to the community by applying business knowledge and experience to develop and follow up on the success of projects that can concretely add value to the community while respecting community interests.</li> <li>e) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the company’s operation including in the raw material use, energy use, water use, renewable resources use, rehabilitating the diversity of biology, waste management, and greenhouse gas emissions, etc.</li> <li>f) Fair competition by operating business with transparency and not creating unfair advantages in competition.</li> <li>g) Anti- corruption by ensuring that the company complies with applicable anti-corruption law and relevant standards. The company should have and announce policies of anti-corruption s to the public with participation in private sector anti-corruption initiatives and certification programs. The Board should encourage the company to collaborate with other companies and business partners to establish and announces anti-corruption policy as well as participation in networks.</li> </ul>
Principle 5.3	<p>The Board of Directors should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.</p> <ul style="list-style-type: none"> <li>1) The Board of Directors should realize the company’s resource needs and each resource usage effect.</li> <li>2) The board should have a thorough understanding of how the business model affects resources optimization in support of ethical, responsible, and overall sustainable value creation.</li> <li>3) The Board of Directors should ensure the company’s objectives have reviews and develops the company’s efficient use of resources and always considering changes of internal and external factors.</li> </ul>
Principle 5.4	<p>The Board of Directors should establish a framework for governance of enterprise IT that is aligned with the company’s business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company’s objectives.</p>
Guidelines	<ul style="list-style-type: none"> <li>1) The Board of Directors should ensure that the company has an IT resource allocation policy that ensures adequacy to business operation and the solution to support in case of unable to allocate resources as planned.</li> <li>2) The Board of Directors should oversee that risk management covers IT risk management.</li> <li>3) The Board of Directors should provide IT safety and security policy.</li> </ul>

Disclose details on the company's website, [www.sonic.co.th](http://www.sonic.co.th) Investor Relations Which describes the guidelines And approved in the Board of Directors Meeting No. 4/2017 on 16 August 2017 and review the operational guidelines in the Board of Directors Meeting No. 5/2019 on 8 November 2019 has been completed.

## Internal Control and Risk Management

At the Audit Committee Meeting No. 4/2018 on 13 November 2018, all 3 Independent Committees attended the meeting and resolved to appoint Pattarakiat Audit and Consulting Co., Ltd. to be the Company and subsidiaries' internal control auditor. Mr. Chairaj Pattarakiatpong, Managing Director and Head of Internal Control, was assigned to be the Internal Auditor due to his suitability, independence and 19-year internal auditing experience as well as the certification of Certified Public Accountant (CPA) and Certified Internal Auditor (CIA) The Institute of Internal Auditors (IIA) – USA (1st Class of 1998 and he was 1 of total 5 first certified persons in Thailand) and Chain of Command (as the Charter of Internal Audit) 1. The Internal Audit Office belongs to Audit Committee, Director of The Internal Audit Office is the Top Executive of The Internal Audit Office which is unable to assign others to control or oversee. 2. Audit Committee considers the approval of appointment, transfer, impeachment, remuneration and compensation of Director of Internal Control as the Company's policies, budgets and regulations. In 2019, the Company has processed as follows;

- The Company has overseen the Charter of Internal Audit
- The Company has indicated risk factors, assessed risk and managed risk properly.
- Information of Financial Statement, Management and Operation were prepared reliably and in timely manner.
- The Company's business operation and other operations were in accordance with policies, regulations and applicable laws.
- The Company has provided resources and assets efficiently and preservation has been well controlled sufficiently.
- The Company's resources and assets were used efficiently, cost-effective and not cause any corruptions.
- The Company has assessed correctness, accountability and sufficiency of systems and information system as well as information security system to ensure strict, appropriate and efficient internal control.
- The Company has observed or reviewed assigned jobs from the Company's Committee, Audit Committee, Executive Committee or Managing Director to find failures in operation and any corruption issues.
- The Company has operated and achieved the planned projects and objectives.
- The Company has improved quality continuously in all control procedures and activities. If independence was affected both in fact and by obvious behaviors, Internal Auditor must disclose the details of impact and report directly to the Company's Audit Committee.

Accordingly, Risk Assessment Report is the risk indicator that shows the impact of Company's operation including;

1. Impact from economic and financial condition
2. Management Attitude
3. Human Resources
4. Personnel Dependence
5. Customer Satisfaction
6. Operation is not according to established plan or operation procedure.
7. Government Policy
8. Quality of Internal Control System
9. Assessment from other institutes
10. Acceptance of Internal Control System Audit
11. Risk of debtor's arrears
12. Risk of compliance and applicable laws
13. Management and readiness of information system
14. Interruption of business operation
15. Unclear and improper communication channel management

The company has the opinion that the Internal control and risk management are appropriate and directly reported to the Audit Committee and the Chief Executive Officer is appropriate, adequate and consistent. Moreover, the Charter of Internal Audits which is signed by the Chairman of Audit Committee and Chief Executive Officer indicates the mission, chain of command, scope of operations, duties and responsibilities, audit authority, professional operational standards, personnel development, audit operations and auditing reports. Accordingly, the company believes that the appointment of Pattarakiat Audit and Consulting Co., Ltd. which reports to the Audit Committee and the Chief Executive Officer will be a vital mechanism of internal control and internal auditing as well as having monitoring system to enhance and improve the errors found from audits and ensure to increase efficiency and effectiveness. Additionally, it also serves to decrease the risk of business operations. The Company Committee has an opinion that the Company has adequate, appropriate and independent internal control system and be in the line with The Assessment of Adequacy of Internal Control of The Securities and Exchange Commission. Herewith the Assessment as below forms;

## Assessment of Adequacy of Internal Control System

### Control Environment

#### 1. The Company shows consistency in value of integrity and morality.

Questions	Yes	No
<p>1.1 Committees and Executives set the guidelines and commitments are on the principle of honesty and ethics in covered operations.</p> <p style="padding-left: 40px;">1.1.1 Daily duties and making decisions in various matters</p> <p style="padding-left: 40px;">1.1.2 Dealing with partners, customers and outsiders</p>	✓	
<p>1.2 Provide written regulations to Executives and employees with honesty and covered ethics.</p> <p style="padding-left: 40px;">1.2.1 Provide appropriate Code of Conduct to Executives and employees.</p> <p style="padding-left: 40px;">1.2.2 Provide regulations not allow Executives and employees perform themselves in the way that may cause conflict of interest to the organization including anti-corruption which may cause organization damage<sup>1</sup>.</p> <p style="padding-left: 40px;">1.2.3 Provide appropriate penalty when there are any violations from above regulations.</p> <p style="padding-left: 40px;">1.2.4 Provide communication and inform above regulations and penalties to Executives and employees such as including in New Employees Orientation, providing annual sign sheet for employee acknowledgement and broadcasting Code of Conduct.</p>	✓	
<p>1.3 Provide monitoring procedure and Code of Conduct Compliance Assessment</p> <p style="padding-left: 40px;">1.3.1 Monitoring and Assessing by Internal Control Division or Compliance Unit</p> <p style="padding-left: 40px;">1.3.2 Self-Assessment by Executives and employees</p> <p style="padding-left: 40px;">1.3.3 Assessment by Independent Expert from outside organization</p>	✓	
<p>1.4 Provide immediate action when there are any violations on regulations which concern honesty and ethics.</p> <p style="padding-left: 40px;">1.4.1 Provide process that can detect violations within reasonable time.</p> <p style="padding-left: 40px;">1.4.2 Provide process that is able to punish or take action with violation appropriately and in a timely manner.</p>	✓	

<sup>1</sup> The Company should set the Internal Control as the anti-corruption measure which suits the Company's risk.

Questions	Yes	No
1.4.3 Rectify the misbehaviour that is against the honesty and ethics appropriately and in a timely manner.		

2. Committee is independent from Executives, performs duty of oversight and develops the internal control operation.

Questions	Yes	No
2.1 Set the roles and duties of Committee apart from Executives by clearly reserve the right and authority of Committee.	✓	
2.2 The Committee oversees and ensures to set clear and accountable business operation goals to be the operation guidelines for Executives and employees.	✓	
2.3 The Committee oversees the Company to set the roles and duties of Committee and Executives as in accordance with laws and the Charter which cover important roles of Audit Committee, Financial Auditor, Internal Auditor and a responsible person to Financial Statement.	✓	
2.4 The Committee has knowledge of the Company's business and beneficial expertise to the Company or able to give advice on specific matters.	✓	
2.5 The Committee consists of Independent Committee who is knowledgeable, accountable and truly independent such as being not in a business relationship with the Company, not in any other relationships which may influence on discretion and performs duty independently and properly.	✓	
2.6 The Committee oversees Internal Control Development and Compliance which cover Control Environment Establishment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.	✓	



3. Executive Division provided the report line structure, authority determination and appropriate responsibilities to ensure the Organization achieve the objectives under the oversight of Committee.

Questions	Yes	No
3.1 High-Level Executives set the organization structure which supports the objective achievement by considering the suitability both in business and law as well as providing efficient internal control such as duty separation in an important section which cause the balance check, providing internal control which belongs to Audit Committee and providing clear report line, etc.	✓	
3.2 High-Level Executives set the Company's report line by considering the appropriateness of authority, responsibility and communication.	✓	
3.3 Set, assign and limit authority and responsibility properly between the Board of Directors, High-Level Executives, Executives and employees.	✓	

4. The Organization shows intention of motivation in personnel development and knowledgeable personnel maintaining.

Questions	Yes	No
4.1 The Company has policies and method to recruit, develop and maintain the knowledgeable personnel. The Company has consistent procedure to oversee policy and compliance.	✓	
4.2 The Company has procedure of assessing operation, giving motivation or awards to personnel with good performance, handling with personnel who do not achieve the targets as well as the communication these procedures to Executives and employees.	✓	
4.3 The Company has solution procedure or keeps up with lacking of knowledgeable personnel appropriately and in time.	✓	
4.4 The Company has procedure to recruit, develop and maintain Executives and all employees such as providing monitoring system and training.	✓	
4.5 The Company provided plan and important succession plan.	✓	

5. The Organization determined the personnel to have duties and responsibilities of internal control and ensure to achieve the objectives.

Questions	Yes	No
5.1 The Committee and Executives have compulsory procedure and communication to all personnel to have responsibilities in internal control and provided the operation resolution when needed.	✓	
5.2 The Committee and Executives set the Key Performance Indicator, way to create motivation, giving awards appropriately by considering Code of Conduct Compliance and the Company's short-term and long-term objectives.	✓	
5.3 The Committee and Executives assessed the motivation and giving awards continuously by focusing on connection with accomplishment of internal control compliance.	✓	
5.4 The Committee and Executives considered not putting too much pressure on each personnel when performing duties.	✓	

#### Risk Assessment

6. The Organization set the objectives clearly and adequately to be able to indicate and assess risks which concern the Organization's objective achievement.

Questions	Yes	No
6.1 The Company is able to comply with regular certified accounting standard and suit the business at the present time. The Company is able to show that the financial statement is concrete and complete. The Company's right and obligation can be disclosed correctly, with proper value and complete,	✓	
6.2 The Company set the main point of financial statement by considering the necessary factors i.e. financial statement user, statement size and business trend.	✓	
6.3 The Company's financial statement truly reflects the Company's activities operations.	✓	

Questions	Yes	No
6.4 The Committee or Risk Management Committee approved and communicated Risk Management Policy to Executives and all employees to ensure their acknowledgement and compliance until it became the corporate culture.	✓	

**7. The Organization indicated and analysed all types of risk which may impact the objective achievement throughout the Organization.**

Questions	Yes	No
7.1 The Company indicated all types of risk which may impact the business operation both in organization level, business section, department and other duties.	✓	
7.2 The Company analysed all types of risk which may affect from both internal and external factors including risk on strategy, operation, compliance report and information technology.	✓	
7.3 All Executives level participates in risk management.	✓	
7.4 The Company assessed an importance of risk by considering both risk opportunity and impact.	✓	
7.5 The Company has measure and operational plan to manage risk which may be risk acceptance, risk reduction, risk avoidance or risk sharing.	✓	

8. The Organization considered corruption opportunities in Risk Assessment of the Organization's objective achievement.

Questions	Yes	No
8.1 The Company assessed corruption opportunities which cover all kinds of corruptions such as false financial report, asset damage, corruption, management override of internal controls, changing important information in the report, error acquisition or disposition of assets, etc.	✓	
8.2 The Company reviewed the operation's objectives deliberately by considering the possibility of established goals, reasonability of motivation or compensation to employees and ensure that it is not the kind of support misbehaviour such as not setting too high sales target until it causes a motivation of setting their sales target, etc.	✓	
8.3 Audit Committee considered and inquired Executives regarding the opportunity of corruption and measure that the Company has operated to prevent or solve the corruption.	✓	
8.4 The Company communicated to all employees to ensure their acknowledgement and established policy and regulation compliance.	✓	

9. The Organization can indicate and assess changes which may impact internal control system.

Questions	Yes	No
9.1 The Company assessed changes of external factors which may impact business operation, internal control and financial statement as well as setting response measure to change adequately.	✓	
9.2 The Company assessed changes of business model which may have impact to business operation, internal control and financial statement as well as setting response measure to change adequately.	✓	
9.3 The Company assessed changes of Head of Organization which may have impact to business operation, internal control and financial statement as well as setting response measure to change adequately.	✓	

## Control Activities

10. The Organization has control measures which help decreasing risk of objective non-accomplishment to be in acceptable level.

Questions	Yes	No
10.1 The Company's control measures are appropriate with risk and organization identity such as environment, work complication, work description, scope of operation and another characteristic.	✓	
<p>10.2 The Company has written internal control measures which cover many procedures properly i.e. measures and regulations of financial transactions, purchasing, regular management as well as scope determination, authority and approval order of each Executive level which is clear and strict to ensure the corruption protection such as limiting financial amount and approval authority of each Executive level, process of investment approval, purchasing process and method of seller selection, information and details of purchasing decision recording, process of issuing materials or other tools, etc. Process is as follows;</p> <p>10.2.1 Data collection of Major Shareholders, Directors, Executives, related persons to those persons and connected persons or transactions which may have conflict of interest and always ensures the updated data.</p> <p>10.2.2 In case the Company approved a transaction or made a contract with related person in long-term binding such as sale contract, loan or guarantee, the Company monitored to ensure that they comply with agreed condition throughout the contract period such as following punctual reimbursement or reviewing as contract appropriateness, etc.</p>	✓	
10.3 The Company set the various and appropriate internal controls i.e. manual and automated or preventing control and monitor.	✓	
10.4 The Company set the internal control on all levels of organization i.e. all in Company group, business section, department or operation.	✓	
<p>10.5 The Company completely separated these 3 work fields for cross check process that is</p> <p>(1) Approval Authority</p> <p>(2) Accounting Transaction and Information Recording Authority and</p> <p>(3) Assets Management</p>	✓	

11. The Organization selected and developed Control Activities by technology to help supporting the objective achievement.

Questions	Yes	No
11. The Company should set the relationship between using information technology in work operation and regular control of information system.	✓	
11.2 The Company should set the proper control of infrastructure in technology system.	✓	
11.3 The Company should set the proper safety control in technology system.	✓	
11.4 The Company should set the proper control of acquisition process, development and technology system maintenance.	✓	

12. The Organization provided Control Activities through policies which determined expectation and operational procedure to ensure the established policies conduce to the practicable operation.

Questions	Yes	No
12.1 The Company has strict policies to monitor the transactions of Major Shareholders, Directors, Executives, those related persons to pass the established processes such as the Company's regulations, the Stock Exchange of Thailand's criteria, the office's criteria, etc. to prevent finding opportunity or bringing the Company's interest to be personal gains.	✓	
12.2 The Company has policies to allow the transaction approval with person who has no interest in that transaction.	✓	
12.3 The Company has policies to consider transaction approval for the Company's best interest and consider as if it is transaction with outsiders (at arms' length basis).	✓	
12.4 The Company has monitoring procedure of the Company and subsidiaries' operation including setting guidelines to person who was appointed to be Committee or Executive in the Company or subsidiaries. <i>(If the Company has no investment in subsidiaries or associate companies, please skip this question.)</i>	✓	

Questions	Yes	No
12.5 The Company set roles and responsibilities of Policies and Procedures Compliance by Executives and employees.	✓	
12.6 Policies and Procedures Compliance are utilized at the appropriate time by personnel with ability as well as coverage of failure resolution in working operation.	✓	
12.7 The Company always reviews appropriate policies and compliance.	✓	

### Information & Communication

#### 13. The Organization has concerned and quality information to support the established internal control operation.

Questions	Yes	No
13.1 The Company set the essential data in operation both from internal and external which has quality and concern work.	✓	
13.2 The Company considers cost, expected benefit as well as quantity and correctness of data.	✓	
13.3 The Company operates to ensure the Committee has adequate and important data for decision making. Example of important data is Details of proposing issue to consider, reasons, impact to the Company and other alternatives.	✓	
13.4 The Company operates to ensure the Committee receives an invitation to a meeting or supporting documents which specific necessary and adequate information for consideration before the meeting at least within minimum duration required by law.	✓	
13.5 The Company operates to ensure the minutes of Committee Meeting consist of proper details to be able to check back suitability of each committee performance such as recording committee inquiries, opinions or notice of committee in considering issue, opinions of committee who disagreed with the proposal and reasons, etc.	✓	
13.6 The Company operates as follows; 13.6.1 File and classify important documents completely. 13.6.2 In case of receiving report of Financial Auditor or Internal Auditor that	✓	

Questions	Yes	No
errors of Internal Control were found, the Company took actions and solved the problems completely.		

**14. The Organization communicates internal data including objectives and responsibilities of vital internal control which is necessary to support a smooth planned internal control.**

Questions	Yes	No
14.1 The Company has effective internal data communication and appropriate communication channel to support internal control.	✓	
14.2 The Company always reports important information to the Board of Directors and the Board of Directors can reach information source which is necessary for operation or review other issues as needed such as defining person to be center of communication besides information from Executives, contact information from financial auditor, internal auditor, holding a meeting between Board and Executives as requested by Committee, holding meeting activities between Board and Executives apart from the Board of Directors' meeting, etc.	✓	
14.3 The Company provided special or confidential communication channel for any persons in the Company to be able to report clues or call the whistle-blower hotline regarding defalcation or corruption in the Company securely.	✓	

**15. The Organization communicates with outside agencies regarding the issues which may impact internal control.**

Questions	Yes	No
15.1 The Company has information communication procedure with external stakeholders efficiently and has appropriate communication channel for support internal control such as providing staffs or Investor Relations Department, Whistle-blowing Center, etc.	✓	
15.2 The Company provided special or confidential communication channel for any persons in the Company to be able to report clues or call the whistle-blower hotline regarding defalcation or corruption in the Company securely.	✓	



## Monitoring Activities

**16. The Organization monitors and assesses internal control to ensure the complete and appropriate operation.**

Questions	Yes	No
16.1 The Company provided monitoring procedure of business ethics compliance and prohibitions of Executives and employees which may cause conflict of interest such as determining each section to monitor the compliance and report the commander, etc.	✓	
16.2 The Company provided compliance audit as established internal control system by providing self-assessment and/or independent assessment by Internal Auditor.	✓	
16.3 Monitoring frequency and assessment are appropriate with changes of the Company.	✓	
16.4 Monitor and assess the internal control system by experts.	✓	
16.5 The Company set the guidelines of how to report internal audit results to Audit Committee.	✓	
16.6 The Company supports Internal Auditor to perform duties as International Standards for the Professional Practice of Internal Auditing, IIA.	✓	

**17. The Organization assesses and communicates errors of internal control in time to responsible person including High-Level Executives and Committee appropriately.**

Questions	Yes	No
17.1 The Company assesses, communicates errors of internal control and takes action for resolutions immediately when overall operations was significantly different than established targets.	✓	
17.2 The Company's report measures are as follows; 17.2.1 Executive Department must report the Board of Directors immediately when there is incident or suspicion of critical corruption, law violation or other misbehaviors which may significantly impact the Company's reputation and financial position. 17.2.2 Report vital errors with resolution guidelines (even though the procedure	✓	

has started) to the Board of Directors / Audit Committee for consideration within a timely manner.

17.2.3 Report the progress of errors improvement which is significant main point to the Board of Directors / Audit Committee.

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# Code of Conduct

## Section1 Definition and Glossary

### Definition of Morality and Ethic

Morality is behaviour used to be principle of conduct which is basically from religion or custom of each society.

Ethic is a model of proper conduct which shows morality and code of conduct in profession which the company expects all employees to comply for the company and their own reputation and honor maintaining.

### Glossary

Company	means	Sonic Interfreight Public Company Limited.
Stakeholder	means	Executive Director, employee, stakeholder and related person which may cause conflict of interest both directly and indirectly and conduce towards the Company's benefit transfer
Executive	means	Chief Executive Officer / Managing Director / Manager and first 4 Executives from Managing Director
Security	means	Ordinary shares, warrants or transferable securities in the present time and in the future
Related Person	means	Close relative which means person having blood relation, spouse, father, mother or adopter who adopts relatives or adopted child as well as spouse of relatives and child) Controlling person as follows; - A juristic which person or juristic proxy or representative hold share more than 25% of total voting rights whether directly or indirectly. - A juristic which person or juristic proxy or representative has controlling authority to appoint and impeach Directors from half of total Directors. - A juristic which person or juristic proxy or representative is a Director.
Competitor	means	A person or a company engaged in same industry which offers similar or same product or service.
Partner	means	Supplier who provides goods and service to the Company
Internal Information	means	Information which is undisclosed to public and being vital information, which has impact to stock price.

## Section 2 Morality and other Business Ethics

### 2.1 Stockholding and Conflict of Interest

- Avoid any actions which may have conflict of interest to the Company even from communication with related commercial person such as partner, competitor or from opportunity or information from being employee to use as personal gains and in the term of running business which competes with the Company or other works apart from the Company's assignment which impact the Company's responsibilities and duties.
- Prohibit the Company's employees who have interest approve any transactions on behalf of the Company to prevent any conflict of interests which may happen and in the event of dealing business with the Company all in personal, family or on behalf of any juristic person which employees have authority, employees must disclose interest to the Company before doing transactions.
- The Board of Directors and Executives must carefully consider conflict of interest of related transactions between the Company and person or juristic person which may have conflict of interest with honesty, reasons and independence under scope of good ethics by considering the Company's best interest.
- Executive Directors must report related transactions and management of the Company or subsidiaries.

### 2.2 Securities Trading and Internal Information Usage

- Executive Directors and employees at all levels are prohibited to use the Company's inside information which has significant main point and not disclosed to public for their personal or other gains until reaching 24 hours after the public discloser.
- Employees at all levels must keep confidential and not disclose the customers and commercial information. The Company employees must not disclose customer's secret both to employees and non-related external party except required by law and be a disclosure for suing objective or the Board of Directors made written approval.
- Executive Directors, employees and related person are prohibited to disclose or transmit the Company's information or secret to non-related person including family, relatives, friends, etc.
- Information disclosure must be by Executives or authorized employees. Regular employees do not have duties on information disclosure. In the event of information disclosure inquiries, employees will advise the questioner to ask the responsible person to ensure correct information and being in one direction.
- Not give advice or suggestion of the Company's securities trading except being concerned issues which assigned by the Company.
- Directors, Executive and employees in the Company who have knowledge of inside information are prohibited to buy or sell securities until reaching 1 month after the public disclosure of financial statement both quarterly and annually or information which have impact to public stock price and after 2 business days after the disclosure of the Company's financial statement and information to concerned department.
- Executive Directors, Managers and employees in Accounting and Finance Department must make trading report within 2 business days to Company Secretary when there are securities trading to ensure further concerned compliance.

- Executive Directors, Managers and employees in Accounting and Finance Department must report their securities holding and related person in accordance with the Securities and Exchange Commission Act every quarter to Company Secretary.

### **2.3 Customers Treatment**

- Service customers under moral condition and be on a moral remuneration basis for both sides.
- The Company's employees must dedicate and intent to improve quality of service in accordance with application regulations, with reasonable price and up-to-date.
- Comply with contract or other agreements strictly. In the event of unable to comply with one of agreements, the employees must hasten to inform partners and/or creditors in advance for co-consideration and finding resolutions.
- Keep customers' secret except when customers agree to disclose by written or applicable laws including not bringing customers' data for personal gains and others.

### **2.4 Competitor Treatment**

- Directors, Executives, Managers and employees conduct under rules of good competition.
- Not engage in dishonest or inappropriate search for competitors' inside information or trade secrets.
- Not destroy competitors' reputation by calumny or attack without reasonable information.

### **2.5 Procurement and Partner Treatment**

- There must be transparent and fair process in procurement procedure and for its best interest to the Company.
- The Company's employees must process procurement and provide service by considering the need, worthiness, cost and quality. Employees must provide information to partners fairly and correctly, not conceal, have bias or being discrimination to partners.
- In event of contact partners, employees must keep documents and evidence of negotiation, draft contract, agreement and compliance as evidences within a time required by law.
- Not ask, receive or pay any dishonest interest in trading with partners.
- Comply with agreement strictly. In the event of unable to comply with agreements or partners are unable to follow the contracts or any other reasons that unable to comply with contracts, the employees must inform commander immediately for consideration and finding further resolutions.

### **2.6 Shareholder Treatment**

- Perform duties with honesty, carefulness, prudence and fairness to major and minor shareholders for their overall best benefits along with making decision under profession measures.
- Set the Dividend Payment Policy appropriately to shareholders. Dividend Payment may vary as depending on overall operation, financial position and investment plan of the Company.
- Establish the Board of Directors and Sub-Committees to approve the business direction, business plan and annual budget by considering the Company's best interest, shareholders and stakeholders.

- Announce and explain actual status of the Company, turnover, financial position, accounting and other reports consistently and completely as the principle of concerned departments.
- Shareholders and stakeholders can report or complain conflict of interest which may impact the Company to Directors through Company Secretary to gather and screen the primary facts to and present to the Board of Directors or Sub-Committees.

## **2.7 Creditor Treatment**

- Treat creditors with fairness. Not ask, receive or pay any dishonest interest in trading with creditors.
- Follow agreed conditions strictly. In the event of unable to comply with one of agreements, the employees must hasten to inform creditors in advance for co-consideration and finding resolutions.

## **2.8 Corporate Social Responsibility (CSR)**

- Response, adhere and support responsibility to social, education, religion, art and culture as well as local custom where in the area of the Company location.
- Carry out the activities to create social, community and environment to make the community in the Company location a better life quality both processing by the Company and coordinate with government and community.
- Give priority to accident prevention, waste emissions control of partner in the Company's industrial estate to be in acceptable standard level and in accordance with regulations of concerned departments.
- The Company cultivates conscious of social and environment responsibility within the Company and partners as well as using resource, materials or other equipment efficiently.

## **2.9 Respect for Human Rights and Fair Treatment of Workers**

- Give importance to environment in workplace and ensure life safety and employees' properties and adhere the labor law strictly.
- Not support labor unfair practice, child labor and illegal alien labor.
- Give importance to principle of human rights to all employees at all levels
- The Company shall recruit and hire personnel to position with morality by considering each position's qualifications, educational competence, experiences and other specifications which are necessary for jobs, treat all employees equally without discrimination in term of gender, age, nationality, religion, education or any other status not directly related to their work performance.
- Appointment, transfer, giving award and punishment are with honesty and on a basis of knowledge, competence and suitability of each employee.
- The Company shall keep employees' personal data such as biography, family profile, health profile, work experience, etc. Disclosure or employees' personal data transfer are able to do only when that employee approved.
- Give remuneration fairly and appropriate with duties and responsibilities.
- Hold an orientation and hand employee handbook to all new employees. Ensure they acknowledged and understood benefits they will get as a fair employment and adherence to labor law strictly.

- Focus on development and provide training to Directors, Executives and employees continuously to increase potential in their work performance and support employees' career progress.
- Establish provident fund to employees to encourage employees to save money in long term for their own and family when resign, retire, disabled or pass away.

#### **2.10 Giving or Receiving Gifts**

- Executives and employees will not ask or consent to receive money, gifts or any other interest from the Company's business related person.
- Executives and employees may receive or give gifts which must not affect to any business decision making of receivers.
- In case there is necessary incident to receive gifts or other properties which cost more than 3,000 Baht, employees must report commander respectively.
- Giving or receiving gifts are able to do when it is with transparency, in public or disclosable.
- Executives and employees can hold a business reception for guests for the Company's business interest as approval authority of the Company's employees and avoid an excessive reception from business related person or future partners.

#### **2.11 Information Technology and Communication Usage**

- The Company has policies to support and only use devices, programs with legal copyright.
- Employees must not use the Company's computer to publish improper information in term of morality, custom, tradition or legal violation.
- In the event that the Company's employees ask commander for approval to allow external officer use the Company's information, an employee who ask for authorization must control usage and response in damage which may cause the Company.
- The Company has the right to check, search, monitor, investigate and control information usage of the Company's employees to ensure safety of information system.

#### **2.12 Non-Infringement of Intellectual Property**

- Any works came from duties performing is considered the Company's intellectual property.
- The Company has policies not to perform any actions of infringement of intellectual property whether copyright, patent, trademark, trade secret and other intellectual property according to the law.

#### **2.13 Assets of Company Usage and Care**

- The Company's employees have duties and responsibilities to take care of assets both tangible and intangible not to damage, lost and use assets efficiently. Employees must learn and understand method of usage and safety suggestion of assets, utilize for its best benefit and not bring the Company's assets for personal gains or others.
- All of Company's employees strictly avoid the confidential information disclosure or utilization.
- All of Company's employees must control confidential information properly.

## 2.14 Ethics Management and Treatment

- All of Company's employees must comply with ethics strictly, If violations or any actions against the Company's ethics are found, the Company will punish as the offence in each case.
- Executives and commander must be a role model, comply with ethics, inspect and encourage controlees to follow the established ethics.
- In the event of exception request, employees and Directors must get a written approval from the Board of Directors.
- All of Company's employees must sign the acknowledgment when becoming employees and when there are some changes.

## 2.15 Anti-Corruption

- Provide training to employee to ensure the knowledge of the Company's Anti-Corruption policies and regulations.
- Support and cooperate with government sector, private sector, corporate governance sector and all sectors of Thai social for reducing corruption and upgrading country development.
- Prohibit Directors, Executives and employees to accept all kinds of corruption both direct and indirect such as receiving gifts, giving gifts, holding a reception, money collection, donation money and other interests from business related person.

Consequently, the Company has provided channel to stakeholders to report clues, give suggestions, complain in term of corruption or any actions which are not in accordance with the Company's regulations to the Board of Directors directly by sending mail to below address.

## Section 3 Morality Management and Business Ethics

### 3.1 Management for Acknowledgement of Executives and Employees

To ensure Executives and Employees acknowledged moral regulations and business ethics, all of Company's employees sign and certify the acknowledgement of content of the Company's morality and business ethics.

All new employees must sign the form to affirm that they have read moral regulations and business ethics for the Company's business operation and they accepted to comply with regulations of ethics. Accordingly, employees are unable to excuse the unread or unsigned the form in order not to comply.

These morality and ethics in business operation will be regularly improved to ensure that it is updated with changed principles. Consequently, if there is any addition or cancellation of any ethics, must report the Board of Directors.

### 3.2 Actions which are within the scope of morality and business ethics violations.

1. Not comply with moral regulations and business ethics.

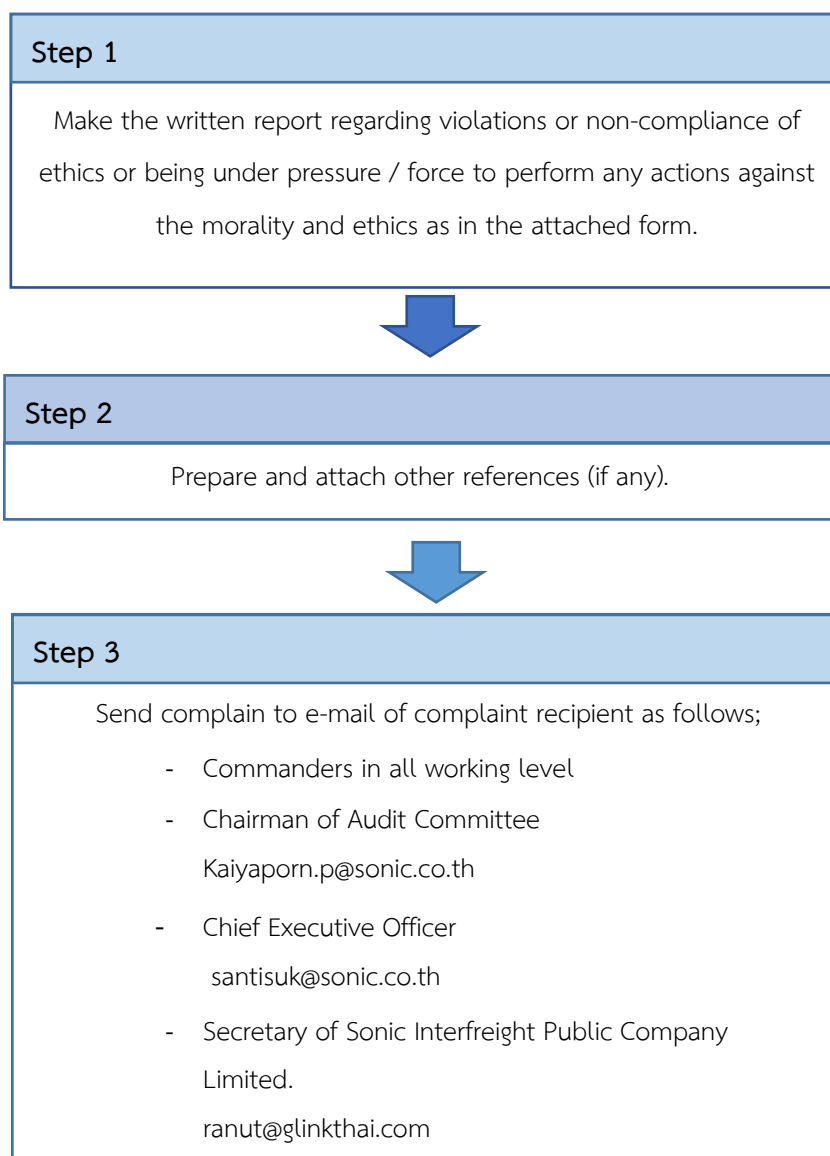


2. Advise, encourage or support others not to comply with ethics.
3. Ignore when violations of the ethics are found in the event of acknowledge or should acknowledge as it is related or under own responsibilities.
4. Not cooperate or obstruct truth investigation which claimed the violations or non-compliance.

### 3.3 Principles when violations or non-compliance of morality and ethics are found

The Company's Directors, Executives and all employees must give importance to morality and business ethics. In the event of violations are found, the Company's employees must report the non-conduct of morality and business ethics. In the event of violations or non-compliance of ethics or being forced to conduct any actions against the morality and ethics are found, employees can send complaints as following process;

#### Process and Step of Report



### 3.4 Management of violations or non-compliance of morality and ethics report

#### *Fact Gathering*

A complaint recipient must process and summarize primary result within 45 days from the date of receiving report.

#### *Information Scrutinization*

A complaint recipient will present issues to a representative of Executives who takes part in the consideration including;

1. A representative from Manage Level upwards in the section of complaint and must be a person with no conflict of interest or any benefits with complainant.
2. A representative from Human Resources Executive
3. Company Secretary or Head of Internal Control

#### *Action Measures to stop violations or non-compliance of morality and ethics*

A Representative who attended the consideration will set the action measures to stop violations or non-compliance of Morality and Ethics and relieve damage to affected person by considering trouble and damage by giving the report the operation results to the top commander of affected person and to the Top Executive.

### 3.5 Disciplinary Action

The Company will consider and set the discipline which is appropriate with character and situation of each category of ethics violation. Level of discipline will be different depending on seriousness of fault.

In the event of light or first violation, the Company will issue a warning letter by the person in topic 3.4 will summarize result and penalty to Chief Executive Officer / Managing Director for approval.

In the event of serious violation, the violator may be punished with serious penalties as follows;

- Suspension without salary
- Layoff
- Take legal action both civil and criminal

A representative from Executive Department who attended the consideration will summarize the result and penalty to Chief Executive Officer / Managing Director for approval.

### 3.6 Protection Measure to reporter, complainant or cooperate person in violations or non-compliance of morality and ethics report

1. The Company will keep data and body of to reporter, complainant or cooperate person in violations or non-compliance of morality and ethics as confidential.
2. The Company will disclose information as much as necessary by considering safety and damage of reporter regarding information source or related person.
3. An injured person will get relief by appropriate and fa

## Anti-Corruption Policy

The Company operates business by giving importance in anti-corruption and in adherence with morality, ethics, transparent management and responsibility to all stakeholders. Accordingly, the Company set the Code of Conduct to Directors, Executives and employees in business ethics and employee ethics which is part of “Corporate Governance” of the Company. Corruption means “ Conduct or non-conduct in duty position or using power of position improperly, violation of law, morality, rules or policies of the Company to seek the benefit wrongfully in all types such as asking, receiving, offering or giving properties including other interests to government officer or other business related person, etc.”

Besides, the Company set the policies of anti-corruption as a guideline to conduct as follows;

- Directors, Executives and employees will not perform or support corruption in whatever and will comply with anti-corruption measures strictly.
- Directors, Executives and employees have duties to comply with good corporate governance and anti-corruption. The Board of Directors assigned Executives Department to communicate the anti-corruption measures and compliance.
- Create corporate culture with honesty and adhere to fairness.
- Provide training to employees in the organization to encourage the employees to perform duties with honesty and be ready to bring regulations and ethics of good corporate governance to be principle of work operation strictly in the entire organization.
- The Company provided Human Resources Management Procedure which reflects the adherence to anti-corruption measures such as recruitment, training, performance assessment, remuneration and promotion.
- The Company provided internal control to ensure that internal control system helps the Company to achieve the established targets including auditing operation in all sections to be in line with regulations, rules, help finding faults or weak points, giving advice of work operation development to be efficient and effective as good corporate governance.
- Cooperate with government sector in determining all sections which are partners of contract with government sector to disclose Submission of Income Statement to The Office of the National Counter Corruption Commission (NACC).
- Assign Company Secretary and Head of Internal Control to be person who response to generate good corporate governance.

## Membership of Thailand's Private Sector Collective Action Coalition Against Corruption

The company has signed a declaration of intent to participate in the coalition project. Of the Thai private sector in combating corruption (CAC) to participate in the spirit of anti-corruption And do not accept any form of corruption Up from the business operations of the company Or from working in an organization on 8 November 2019

The company is committed to conducting business with honesty and transparency in accordance with all laws relating to anti-bribery and corruption and good corporate governance. The company is aware and adheres to anti-corruption in all forms and without exception. And not to engage in direct or indirect corruption, all directors, executives and employees in the organization must adhere to comply.

## Corporate Social Responsibilities: CSR

The Company aims to develop business to grow sustainably along with Social Responsibility and to ensure the Company's business development in sustainable. The Committee set the Corporate Social Responsibility or CSR to operate business under good corporate governance and adhere with morality along with environment care and social responsibility consciousness by considering inside and outside stakeholders from the shareholders, employees, customers, community as well as wide social. According, it is for sustainable business development.

### Scope of Social Responsibilities Operation Guidelines

Business operation is under good corporate governance and adheres with morality along with environment care and social responsibility consciousness by considering inside and outside stakeholders from the shareholders, employees, customers, community as well as wide social. According, it is for sustainable business development. The Company's Social Responsibilities Guidelines cover as follows;

1. Fair Business Conduct
2. Anti - Corruption
3. Fair Labor Practice
4. Consumer Responsibility
5. Social and Environment Responsibility

In the year 2019, the working group presented the project and considered by the working group And present to the committee Which is summarized as follows;

#### **Project 1 National Children's Day Festival 2020 (as an ongoing project every year)**

In this regard, the project was carried out in close proximity to the Khlong Klong La Khao Khao community area at the Sonic Interfaith Public Company Limited, Soi King Kaew 21, King Kaew Road, Village No. 15, Bang Phli Yai Subdistrict, Bang Phli District, Samut Prakan Province.



**Project 2 Volunteer planting 100,000 trees.** Sonic Inter Freight Public Company Limited together with Petchaboon Forestry Center (Allowing facilities and staffing for procurement and procedures for reforestation activities) for customers to participate as follows:

"When customers use SONIC Transport service by Booking 1 cabinet, equal to donating to 1 plant"





**Project 3 Donating a helmet (Helmets) At Bang Phli Police Station,** the company supports helmet (Helmet) to Bang Phli Police Station, Bang Phli District, Samut Prakan Province To carry out the project To reduce accidents Reduce the loss of life and property for fellow humans.



**Project 4 Supporting activities "Volunteer Logistics Childhood" of students of the Faculty of Logistics Engineering Sripatum University, at Ban Nonthaphum** By this project, the company Donated necessary goods to the Nonthaphum Protection and Development Center Nonthaburi Province, No. 78/5 Moo 1, Soi Tiwanon-Pak Kred 1, Tiwanon Road, Bang Talat Subdistrict, Pak Kred District Nonthaburi Province





## Activities for the benefit of society and the environment

### (After process)

The Company set guidelines to organize activities by establishing the activities policy for overall social and environment benefits to ensure the business operates under transparent operational philosophy, considers benefits of related people from the upstream to the downstream sustainably and gives importance to social responsibility with environment care.

#### 1. Organization

Improve skills, ability and work competence as well as cultivating consciousness of social and environment support and anti – corruption.

#### 2. Partners, Direct and Indirect Beneficiary

Operate business with transparency and accountability. Plan clear framework and build confidence in the Company's growth sustainably.

#### 3. Community and Nation

Support and encourage activities which benefit to social by cooperating with government and private sector in community social development and focusing on cultivating community people's consciousness to take care each other both safety in life and health and cultivating to be honest.

The Company set 4 projects of activities for social and environment which are quality of life development in community of Bangplee District and Bang kaew, the communities near Kingkaew Distribution Center. The Company supported providing knowledge of safety in traveling, rehabilitation of patients in community and health development. At present, the Company has consulted with head of community to acknowledge problems and cooperate with community in finding solutions for those problems.

### Environment

The Company aims to create values in the organization to ensure environmental consciousness by giving precedence to the partner company's employees, people in community and country with details as follows;

#### 1. Organization

As the Company is Logistics Service Provider, it is undeniable that the Company has to take part with creating more pollution. Therefore, the Company foresees its importance of pollution reduction attempt by issuing the policies as follows;

- Monitor and abide the applicable environmental laws
- Give importance to transport vehicles maintenance by using only vehicles with exhaust gas control as EURO4 Standard.
- Give importance to knowledge development with employees to ensure

environmental consciousness and efficient resource usage regardless of environmental activities, environmental training encouragement.

- Improve inside and outside areas of the Company to be Green Company.

## 2. Partners, Direct and Indirect Beneficiary

The Company has clear policies against the environmental misbehaviours such as not allowing oversized transportation as required by law, not allowing partners to provide service with inoperative vehicles, not dealing with partners that the operation causes pollution and not dealing with whomever against the environmental development participation.

## 3. Community and Nation

The Company encourages and support government and private sectors to drive the beneficial projects of environmental development.

Business Operation which affects social responsibility

- None -

## Safety Statistics 2019

From the previous year's operation, there was safety statistics at 42,531 times which is equal to 99.90% and unsafety statistics was at 42 times which is equal to 0.10%. Accordingly, it showed that unsafety statistics from work operation was much less when comparing with safety statistics. Below further details show safety statistics separated by quarter in 2019 as follows;

	Number of Containers (trips)	Number of Safety (times)	Number of Accidents (times)	Safety (%)	UnSafety (%)
Q1	9,436	9,421	15	99.84	0.16
Q2	9,990	9,979	11	99.89	0.11
Q3	11,340	11,332	8	99.93	0.07
Q4	11,807	11,799	8	99.93	0.07
<b>TOTAL</b>	<b>42,573</b>	<b>42,531</b>	<b>42</b>	<b>99.90</b>	<b>0.10</b>

## Legal dispute

As of 31 December 2019, the company come to the conclusion there is no legal dispute which may have an effect on the company's assets. Which is higher than 5.00 percent of shareholders' equity.

## Information of Directors,

Executives and Controlling Persons, Controlling Persons and Company Secretary as of 31 December 2019.

<b>Name - Surname</b>	:	<b>Assoc. Prof. Dr. Wanchai Rattanawong</b>
<b>Type of director</b>	:	Chairman and Independent Director
<b>Ages</b>	:	56 Years
<b>Nationality</b>	:	Thai
<b>Educational background</b>	:	Ph.D., of Manufacturing, Swinburne University of Technology Melbourne Australia
	:	Master of Computer Integrated Manufacturing, Swinburne University of Technology Melbourne Australia
	:	Master of Science in Physics, Srinakharinwirot University (Prasanmitr)
	:	Bachelor of Science in Physics, Srinakharinwirot University (Bangsan)
<b>Director Training Program</b>	:	Certificate of Director Certification Program (DCP) Class of 201/2015 Certificate of Director Accreditation Program (DAP) Class of 110/2014 Certificate of Advanced Audit Committee Program (AACP) Class of 16/2014
<b>Work experience</b>		
2018– Present	Director of the Institute for Logistics Research and Development	University of The Thai Chamber of Commerce /Educational Institution
2017 - Present	Director	LRDI (Thailand) Company Limited/ Electronic Research and Development
2016 – Present	Nomination and Remuneration Committee	PTG Energy Public Company Limited / Retail, Wholesale and Oil Transportation Service Provider
2016 – 2018	Senior Vice President for Organization Development	University of The Thai Chamber of Commerce /Educational Institution
2015– Present	Chairman of the Board	Sonic Interfreight Public Company Limited / Logistics
2014 – Present	Corporate Governance Committee Company director And Independent Director	PTG Energy Public Company Limited / Retail, Wholesale and Oil Transportation Service Provider
2012 –2015	Dean of the Faculty of Engineering and Director of Logistics Research Center	University of The Thai Chamber of Commerce /Educational Institution
2011 – Present	Director	New Frontier Consultants Ltd. /Advisory in commerce, industry and educational institute.
<b>Current position</b>	:	Chairman of the Board Sonic Interfreight Public Company Limited
<b>Shareholding Proportion (%)</b>	:	None
<b>Family relationship with management or major shareholder:</b>		None

## History of Work

### Position as a director / executive in the business

(A) Number of companies holding non-listed companies

Company director LRD (Thailand) Company Limited

Company director New Frontier Consultants Ltd.

(B) Name of listed company

(other)

Nomination and Remuneration PTG Energy Public Company Limited

Committee

Corporate Governance Committee

Company director And

Independent Director

(C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 4 Years (2015 - Present) (Appointed as a director on 11 November 2015)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : 6/6

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Assoc. Prof. Kalyaporn Panmarerng**

**Type of director** : Chairman of Audit Committee/ Nomination and Remuneration Committee / Independent Director

**Ages** : 67 years

**Nationality** : Thai

**Educational background** : Master of Business Administration, National Institute of Development Administration  
Bachelor of Accounting, Bangkok University

**Director Training Program** : Certificate of Director Accreditation Program (DAP), Class of 28/2004  
: Certificate of Audit Committee Program (ACP) Class of 19/2006  
: Certificate of Certificate Visiting Colleague Program, University of Hawaii at Manao, USA  
: Certificate of Top University Executive Program (Class of 8) Ministry of University Affairs

**Work experience**

2019 – Present	Audit Committee, Chairman of	Sonic Interfreight Public Company Limited / Logistics Nomination and Remuneration Committee
2017 – Present	Vice President for Planning	Sripatum University / Education and Quality of Insurance
2015 – Present	Chairman of Audit Committee	Sonic Interfreight Public Company Limited / Logistics
2016 – Present	Director	President Automobile Industries Company Limited / Auto Air Conditioning Part Industry
2009 – Present	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee and Chairman of Risk Management Committee	Chow Steel Industries Public Company Limited / Steel Industry
2004 – Present	Finance Committee and Treasurer	Thailand Ethanol Biodiesel Club / Foundation
2002 – Present	Internal Control Auditor	Office of the Higher Education Commission /Education
2002 – 2017	Assistant to President for Planning and Quality Assurance	Sripatum University / Education

**Shareholding Proportion (%)** : Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee  
Sonic Interfreight Public Company Limited

**Company shareholding** : None

**Family relationship with management or major shareholder:** None



**Name - Surname** : **Mr. Kanwat Aran**

**Type of director** : Committee, Nomination and Remuneration Committee

**Ages** : 53 Years

**Nationality** : Thai

**Educational background** : Master of Laws in Business Law, Ramkhamhaeng University  
: Master of Business Administration (Organization Management), Sripatum University

**Director Training Program** : Certificate of Director Accreditation Program (DAP), Class of 78/2009

**Work experience**

2019– present	Director	Slamnuwat Company Limited / Real Estate
2016 – present	Director	President Automobile Industries Company Limited / Auto Air Conditioning Part Industry
2015 – present	Audit Committee	sonic Interfreight Public Company Limited / Logistics
2015 – present	Director	Triple T Consult Company Limited / Legal Consultant
2012 – present	Director	K and Partner Company Limited /Lawyer and Business Consultant
2009 – present	Director	Chow Steel Industries Public Company Limited / Steel Industry

**Current position** : Audit Committee, Nomination and Remuneration Committee  
Sonic Interfreight Public Company Limited / Logistics

**Shareholding Proportion (%)** : None

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

- (A) Number of companies holding non-listed companies
- |          |   |
|----------|---|
| Director | President Automobile Industries Company Limited |
| Director | Triple T Consult Company Limited                |
| Director | K and Partner Company Limited                   |
| Director | Slamnuwat Company Limited                       |
- (B) Name of listed company  
(other)  
Director Chow Steel Industries Public Company Limited
- (C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 4 years ( 2015- present) (Appointed as a director on 11 November 2015)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None



**Meeting attendance in 2019**

: 6/6

**Forbidden properties**

There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Mr. Rattawat Suksaichon**

**Type of director** : Audit Committee And Independent Director

**Ages** : 62 Years

**Nationality** : Thai

**Educational background** : Bachelor of Law Thammasat University

**Director Training Program** : Advanced Master of Management Program (NIDA) Class of No.1  
 : Certificate of Strategy CFO in Capital Markets Program 2558  
 : Certificate of Director Accreditation Program (DAP)77/2552  
 : Certificate of Financial Statement for Directors (FSD) 6/2552  
 : Certificate of Director Certification Program (DCP) 128/2553  
 : Certificate of Successful Formulation & Execution of Strategy (SFE) 13/2554  
 : Certificate of Role of the Compensation Committee (RCC) 15/2555  
 : Certificate of Role of the Nomination and Governance committee (RNG) 3/2555

**Work experience**

2019 - Present	Audit Committee And Independent Director	Sonic Interfreight Public Company Limited / Logistics
2018 - Present	Company director	Pinthong Industrial Park Company Limited
2017 - Present	Nomination and Remuneration Committee	Sanko Diecasting (Thailand) Public Company Limited
2016 - Present	Chief Executive Officer	Sanko Diecasting (Thailand) Public Company Limited
2016 - Present	Executive Committee	Sanko Diecasting (Thailand) Public Company Limited
2001 - Present	Company director	Sanko Diecasting (Thailand) Public Company Limited
2001 – 2016	Deputy Chief Executive Officer	Sanko Diecasting (Thailand) Public Company Limited

**Current position** : Audit Committee And Independent Director  
 Sonic Interfreight Public Company Limited

**Shareholding Proportion (%)** : None

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

- (A) Number of companies holding non-listed companies  
 Company director Pinthong Industrial Park Company Limited
- (B) Name of listed company  
 (other)

Nomination and Remuneration Sanko Diecasting (*Thailand*) Public Company Limited

Committee

Executive Committee Sanko Diecasting (*Thailand*) Public Company Limited

Company director Sanko Diecasting (*Thailand*) Public Company Limited

Chief Executive Officer Sanko Diecasting (*Thailand*) Public Company Limited

Deputy Chief Executive Officer Sanko Diecasting (*Thailand*) Public Company Limited

(C) Specify the name of the business type in the event that it may cause a conflict of interest : None

**Number of years in the position** : 4 months (2019 - Present) (Appointed as a director on 8 November 2019)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : 1/6

**Forbidden properties** There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Dr. Santisuk Kosiapanant (Ph.D.)**

**Type of director** : Director/ Chief Executive Officer

**Ages** : 56 Years

**Nationality** : Thai

**Educational background** : PhD of Logistics University of the Thai Chamber of Commerce  
: Master of Business Administration in Marketing Kasetsart University  
: Bachelor of Business Administration (Marketing) , Assumption University

**Director Training Program** : Certificate of Director Accreditation Program (DAP) Class of 131 /2016  
Thai Institute of Directors (IOD)  
: Certificate of Strategic CFO in Capital Markets Program class of No. 5 The Stock Exchange of Thailand  
: Certificate of Public Economic Management for Executives, Class of 17, King Prajadhipok's Institute  
: Certificate of Chief Transformation Officer (CTO Course) Market for Alternative Investment with mai Listed Company Association (maiA)  
: Certificate of Advanced Master of Management Program Class of No. 4, Graduate School Public administration from National Institute of Development Administration (NIDA)

**Work experience**

2017- Present	Director	SK Inter Property Co., Ltd. / Buy and sell Real estate
2015- Present	Director	Grand Link Logistics Co., Ltd. / Logistics
2013- Present	Director	The Design Inter Property Co., Ltd / Real estate development and business
1995- Present	Director Chief Executive Officer	Sonic Interfreight Public Co., Ltd / Logistics

**Current position** : Director/ Chief Executive Officer  
Sonic Interfreight Public Co., Ltd

**Shareholding Proportion (%)** : 54.19

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

- (A) Number of companies holding non-listed companies
- |          |                                    |
|----------|------------------------------------|
| Director | SK Inter Property Co., Ltd.        |
| Director | Grand Link Logistics Co., Ltd.     |
| Director | The Design Inter Property Co., Ltd |
- (B) Name of listed company  
(other)  
-None-
- (C) Specify the name of the business type in the event that it may cause a conflict of interest : None

**Number of years in the position** : 24 Years (1995 - Present) (Appointed as a director on 13 December 1995)

: None

**Direct and indirect interests in any  
business in which the company or  
subsidiary is a party**

**Meeting attendance in 2019** : 6/6

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Mr. Vutthichai Suriyavorawong**

**Type of director** : Director

**Ages** : 61 Years

**Nationality** : Thai

**Educational background** : Vocational Certificate, Bangkok Business College

**Director Training Program** : Certificate of Director Accreditation Program (DAP) รุ่นที่ 142/2017  
: Executive Micro MBA in Action 4.0 2018 Chulalongkorn University' & Certificate of Dangerous Goods Regulation – Awareness 2019

**Work experience**

1999 – Present	Director	Sonic Interfreight Public Company Limited / Logistics
1995 – 1999	General manager	Solex Express Company Limited / Logistics

Current position : Director  
Sonic Interfreight Public Company Limited

**Shareholding Proportion (%)** : No shares held

**Family relationship with management or major shareholder:** None

#### History of Work

##### Position as a director / executive in the business

(A) Number of companies holding non-listed companies

-None-

(B) Name of listed company

(other)

-None-

(C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 20 Years (1999 - Present) (Appointed as a director on 5 April 2017)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : 6/6

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Mr. Ranut Lieolertsakulchai**  
**Type of director** : Director  
**Ages** : 46 Years  
**Nationality** : Thai  
**Educational background** : Bachelor of Arts in Mass Communication, Ramkhamhaeng University  
**Director Training Program** : Certificate of Director Accreditation Program (DAP), Class of 131 /2016  
: Certificate of Customs Specialist No.1490  
: Certificate of Executive Micro MBA in Action 4.0  
: Certificate of Finance for Non-Finance Program, Class of 3  
: Certificate of Operation Supply Chain Management  
: Certificate of Occupational Standards and  
Logistics Professional Standard, Class of 4  
Certificate of Digital Economy for Management (DE4M) Class of No.11

**Work experience**

2016 – Present	General manager	Grand Link Logistics Co., Ltd.
2016 – Present	Director	Sonic Interfreight Public Co., Ltd./ Logistics
2012 – 2015	General manager	Genesis Logistics Co., Ltd./ Logistics

**Current position** : Director  
Sonic Interfreight Public Co., Ltd.

**Shareholding Proportion (%)** : 4.36

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

- (A) Number of companies holding non-listed companies  
-None-  
Name of listed company
- (B) (other)  
-None-
- (C) Specify the name of the business type in the event that it may cause a conflict of interest : None

**Number of years in the position** : 3 Years (2016 - Present) (Appointed as a director on 26 April 2016)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : 6/6

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Ms.Saowaluk Ninwaew**

**Type of director** : Executive

**Ages** : 47 Years

**Nationality** : Thai

**Educational background** : Master of CEO MBA Program in Logistics, University of The Thai Chamber of Commerce  
: Bachelor of Business Administration (Marketing), Siam University

**Director Training Program** : None

**Work experience**

2015 - present	Deputy General Manager	Sonic Interfreight Public Co.,Ltd /Logistic
2010 - 2015	General manager of marketing	Genesis Logistics Co.,Ltd/ Logistics

**Current position** : Deputy General Manager  
Sonic Interfreight Public Co.,Ltd

**Shareholding Proportion (%)** : None

**Family relationship with management or major shareholder:** None

#### History of work

##### Position as a director / executive in the business

- (A) Number of companies holding non-listed companies  
-None-  
Name of listed company
- (B) (other)  
-None-
- (C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 4 years ( 2015- present) (Appointed as a Executive officers 16 November 2015)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : None

**Forbidden properties** here is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : Mr. Patiphan Plengchawee

**Type of director** : Executive

**Ages** : 39 Years

**Nationality** : Thai

**Educational background** : Bachelor of Science (Printing Technology and Communication), Rajamangala



**Director Training Program** : -None-

**Work experience**

2017 – Present	Deputy General Manager	Sonic Interfreight Public Company Limited / Logistics
2016 - 2017	Marketing Manager	Sonic Interfreight Public Company Limited / Logistics
2010 – 2015	Branch Manager	Genesis Logistics Company Limited / Logistics
2006 - 2015	Sales Manager	Genesis Logistics Company Limited / Logistics

**Current position** : Deputy General Manager  
Sonic Interfreight Public Company Limited

**Shareholding Proportion (%)** : 1.04

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

(A) Number of companies holding non-listed companies

- None -

Name of listed company

(B) (other)

- None -

(C) Specify the name of the business type in the event that it may cause a conflict of interest : None

**Number of years in the position** : Years (2017 - Present) (Appointed as a Executive officers 16 November 2015)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : None

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Mr. Panuwat Prathumsri**  
**Type of director** : Manager  
**Ages** : 41 Years  
**Nationality** : Thai  
**Educational background** : Master of Business Administration ( Logistics and Supply Chain Management),  
Sripatum University  
: Master of Business Administration, Ramkhamhaeng University  
: Bachelor of Economics (Business Economics), Sripatum University  
**Director Training Program** : None  
**Work experience**  
2009 – Present Assistant General Manager Sonic Interfreight Public Company Limited / Logistics  
2009 – 2018 Transport manager Sonic Interfreight Public Company Limited / Logistics  
Current position : Assistant General Manager  
**Shareholding Proportion (%)** : None  
**Family relationship with management or major shareholder:** None

#### History of Work

##### Position as a director / executive in the business

- (A) Number of companies holding non-listed companies  
-None
- (B) Name of listed company  
(other)  
-None
- (C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 10 Years (2009-Present) (Appointed as a Executive officers 16 November 2015)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : None

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : Ms. Kanokwan Piritburana  
**Type of director** : Chief Financial Officer  
**Ages** : 42 Years  
**Nationality** : Thai  
**Educational background** : Master of Science (Accounting Information System), Chulalongkorn University  
: Bachelor of Business Administration (Accounting), Ramkhamhaeng University  
**Director Training Program** : Certificate of CFO's Orientation Course for New IPOs, Thailand Securities Institute,

the Stock Exchange of Thailand

- : Certificate of Strategic CFO in Capital Markets Program Class of 9/2562
- : Certificate of "SEC policy on capital market development and work support Of listed companies "Year 2019 (2 hours)
- : Certificate of "Automation & RPA(Robot Process Automation) for Accounting" 2019 (2 hours))
- : Certificate of "Quarterly Review of Financial Statements' Year 2019" (2 hours)

**Work experience**

2017 – Present	Chief Financial Officer	Sonic Interfreight Public Company Limited / Logistics
2016 – 2017	Accounting and Finance Manager	Sonic Interfreight Public Company Limited / Logistics
2013 - 2016	Assistant Director of Accounting and Finance	Rama 3 Honda Cars Company Limited / Car Dealer and Service
2010 - 2013	ERP and Accounting Integrator	Almacom (Thailand) Limited / Business Information Technology System Installation and Consultant

**Current position** : Chief Financial Officer  
Sonic Interfreight Public Company Limited

**Shareholding Proportion (%)** : None

**Family relationship with management or major shareholder:** None

**History of work**

**Position as a director / executive in the business**

(A) Number of companies holding non-listed companies

-None-

(B) Name of listed company

(other)

-None-

(C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 2 Years (2017- present) ((Appointed as a Executive officers 1 October 2017)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** :

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

**Name - Surname** : **Ms. Ratchanee Hormsuwan**

**Type of director** : Accountant

**Ages** : 45 Years

**Nationality** : Thai

**Educational background** : Bachelor of Business Administration (Accounting), Suan Dusit University  
:

**Director Training Program** : Certificate of Key points Income and Income Expenses to correct in accordance with accounting standards Class of 65  
: Certificate of Comprehensive tax issues for international shipping, maritime, and aircraft businesses  
: Certificate of The main financial reporting standards adopted in the year 2019  
: Certificate of The Insights of analysis financial statements

**Work experience**

2018 – present	Accountant	Sonic Interfreight Public Company Limited / Logistics
2009 – 2017	Accountant	Sonic Interfreight Public Company Limited / Logistics

**Current position** : Chief Accountant  
Sonic Interfreight Public Company Limited

**Shareholding Proportion (%)** : None

**Family relationship with management or major shareholder:** None

#### History of work

##### Position as a director / executive in the business

- (A) Number of companies holding non-listed companies  
- None -
- (B) Name of listed company  
(other)  
- None -
- (C) Specify the name of the business type in the event that it may cause a conflict of interest: None

**Number of years in the position** : 1 Years (2017- present) ((Appointed as a Executive officers 1 January 2018)

**Direct and indirect interests in any business in which the company or subsidiary is a party** : None

**Meeting attendance in 2019** : None

**Forbidden properties** : There is no record of criminal offense in the offense. Property Which was done dishonestly

## Board of Directors' Responsibility for Financial Statement

The Board of Directors of Sonic Interfreight Public Company Limited realizes the duties and responsibilities as a Director of registered company to response the Company and subsidiaries financial statement. The financial statement was prepared under the Generally Accepted Accounting Principles by considering proper accounting policy and ensures to always practice with careful discretion and reasonable principle. Necessary information disclosure is complete and adequate in notes to financial statement as well as explanation and analysis, financial position and overall operation of the Company and subsidiary for its best interest to shareholders and general investors. Accordingly, the financial statement was audited and commented without condition by Independent Certified Public Accountant.

The Board of Directors provided good corporate governance as well as providing and remaining risk management system and internal control to ensure correct, complete, in time and adequate accounting information entry as well as protecting corruption or abnormal operation significantly. The Board of Directors appointed Audit Committee which consists of Independent Directors who oversee and review the financial statement to be reliable and correct as well as evaluate internal control system and internal auditing to be efficient. An opinion of Audit Committee regarding this matter is shown on Audit Committee Report on this Annual Report.

The Board of Directors has an opinion that the Company's internal control system is effective which is in the satisfied level and being able to build confidence to the Company's financial statement as of fiscal year on 31 December 2019.

Assoc. Prof. Dr. Wanchai Rattanawong  
Chairman of the Board of Directors

# Financial Positions and Operating Performance

## Statement of Financial Position

Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Assets</u></b>						
<b><u>Current assets</u></b>						
Cash and cash equivalents	55.56	9.58%	246.24	29.24%	130.33	15.08%
Short-term investments	1.04	0.18%	1.15	0.14%	-	0.00%
Trade and other receivables, net	158.93	27.41%	203.28	24.14%	184.21	21.31%
Contract assets	-	0.00%	-	0.00%	3.35	0.39%
Current portion of finance lease receivables	-	0.00%	-	0.00%	1.85	0.21%
Other current assets	0.92	0.16%	1.06	0.13%	2.74	0.32%
<b>Total current assets</b>	<b>216.45</b>	<b>37.33%</b>	<b>451.73</b>	<b>53.65%</b>	<b>322.48</b>	<b>37.31%</b>
<b><u>Non-current assets</u></b>						
Finance lease receivables	-	0.00%	-	0.00%	14.19	1.64%
Restricted deposits at financial institutions	0.1	0.02%	-	0.00%	-	0.00%
Investment in associate	3.32	0.57%	3.28	0.39%	3.15	0.36%
Other long-term investments, net	0.15	0.03%	0.15	0.02%	0.15	0.02%
Property, plant and equipment, net	344.04	59.34%	369.62	43.89%	506.72	58.61%
Intangible assets, net	0.86	0.15%	0.74	0.09%	0.63	0.07%
Deferred tax assets, net	2.86	0.49%	1.65	0.20%	1.02	0.12%
Other non-current assets	12.03	2.07%	14.94	1.76%	16.16	1.87%
<b>Total non-current assets</b>	<b>363.36</b>	<b>62.67%</b>	<b>390.38</b>	<b>46.35%</b>	<b>542.02</b>	<b>62.69%</b>
<b>Total assets</b>	<b>579.81</b>	<b>100.00%</b>	<b>842.11</b>	<b>100.00%</b>	<b>864.5</b>	<b>100.00%</b>

Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Liabilities and equity</u></b>						
<b><u>Current liabilities</u></b>						
Short-term borrowings from financial institutions	87.6	15.11%	60.00	7.12%	27.5	3.18%
Trade and other payables	54.32	9.37%	78.91	9.37%	57.28	6.63%
Current portion of finance lease liabilities	16.15	2.78%	16.37	1.94%	16.65	1.93%
Current portion of long-term borrowings from financial institutions	12.99	2.24%	10.77	1.28%	14.37	1.66%
Accrued income tax	2.59	0.45%	0.36	0.04%	0.6	0.07%
Other current liabilities	10.78	1.86%	16.24	1.93%	14.64	1.69%
<b>Total current liabilities</b>	<b>184.43</b>	<b>31.81%</b>	<b>182.65</b>	<b>21.68%</b>	<b>131.04</b>	<b>15.16%</b>
<b><u>Non-current liabilities</u></b>						
Long-term borrowings from financial institutions	41.86	7.22%	31.17	3.70%	69.14	8.00%
Finance lease liabilities	77.62	13.39%	59.22	7.03%	42.7	4.94%
Employee benefit obligations	5.28	0.90%	5.85	0.69%	7.84	0.91%
Deferred tax liabilities, net	-	0.00%	0.06	0.01%	0.59	0.07%
Other non-current liabilities	3.45	0.60%	2.33	0.28%	1.04	0.12%
<b>Total non-current liabilities</b>	<b>128.21</b>	<b>22.11%</b>	<b>98.63</b>	<b>11.71%</b>	<b>121.31</b>	<b>14.04%</b>
<b>Total liabilities</b>	<b>312.64</b>	<b>53.92%</b>	<b>281.28</b>	<b>33.39%</b>	<b>252.35</b>	<b>29.20%</b>

Item	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Equity</b>						
<b>Share capital</b>						
Authorised share capital 580,000,000 ordinary shares of par Baht 0.50 each	290		290		290	
Issued and paid-up share capital 550,000,000 ordinary shares of paid-up at Baht 0.50 each	200	34.49%	275	32.66%	275	31.81%
Share premium	-	0.00%	208.14	24.72%	208.14	24.08%
Share-based payment reserve	-	0.00%	1.02	0.12%	6.07	0.70%
Retained earnings						
Appropriated - legal reserve	7.17	1.24%	8.84	1.05%	11.08	1.28%
Unappropriated	3.92	0.68%	10.83	1.29%	62.53	7.23%
Other components of equity	52.31	9.02%	52.31	6.21%	43.69	5.05%
Equity attributable to the parent	263.4	45.43%	556.14	66.05%	606.51	70.15%
Non-controlling interests	3.77	0.65%	4.69	0.56%	5.64	0.65%
<b>Total equity</b>	<b>267.17</b>	<b>46.08%</b>	<b>560.83</b>	<b>66.61%</b>	<b>612.15</b>	<b>70.80%</b>
<b>Total liabilities and equity</b>	<b>579.81</b>	<b>100.00%</b>	<b>842.11</b>	<b>100.00%</b>	<b>864.5</b>	<b>100.00%</b>



## Statements of Comprehensive Income

Item	Consolidated financial statements					
	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from services	964.30	100.00%	1,152.41	100.00%	1,145.55	100.00%
Cost of services	(760.99)	(78.92%)	(922.38)	(80.04%)	(904.83)	(78.99%)
<b>Gross profit</b>	203.31	21.08%	230.03	19.96%	240.72	21.01%
Other income	2.43	0.25%	2.85	0.25%	4.94	0.43%
Selling expenses	(50.40)	(5.23%)	(62.91)	(5.46%)	(71.53)	(6.24%)
Administrative expenses	(82.18)	(8.52%)	(99.27)	(8.61%)	(103.17)	(9.01%)
Finance costs	(8.15)	(0.85%)	(11.26)	(0.98%)	(7.24)	(0.63%)
Share of profit (loss) from associate	(4.43)	(0.46%)	0.86	0.07%	(0.13)	(0.01%)
<b>Profit before income tax</b>	60.58	6.28%	60.30	5.23%	63.59	5.55%
Income tax expense	(12.66)	(1.31%)	(11.90)	(1.03%)	(15.46)	(1.35%)
<b>Net profit for the year</b>	47.92	4.97%	48.40	4.20%	48.13	4.20%

## Statements of Cash Flows

Item	Consolidated financial statements		
	2017	2018	2019
	Million	Million	Million
	Baht	Baht	Baht
<b>Cash flows from operating activities</b>			
Profit before income tax	60.58	60.30	63.59
<b>Adjustments for :</b>			
Depreciation and amortisation charge	26.21	19.72	22.52
Doubtful debts and bad debts	2.20	1.14	0.83
Impairment expense for investment in associate	-	0.89	-
Share of (profit) loss from associate	4.43	(0.86)	0.13
Provision from litigation	-	-	0.40
Gain on disposal of equipment	(1.47)	(1.60)	(1.38)
Loss from building and equipment and intangible assets written-off	0.36	0.09	0.08
Share-based payment expense	-	1.02	5.05
Employee benefit expense	0.91	1.48	1.99
Unrealised (gain) loss from exchange rate	0.20	0.02	0.13
Amortised deferred financing fee	0.02	0.02	0.06
Interest expenses	8.13	11.23	7.18
Interest income	(0.11)	(0.63)	(2.26)
<b>Changes in working capital:</b>			
Trade and other receivables	(25.16)	(46.99)	11.06
Contract assets	-	-	(3.35)
Other current assets	0.06	(0.13)	(1.68)
Other non-current assets	0.13	0.50	0.35
Trade and other payables	1.45	14.33	(7.34)
Other current liabilities	(0.36)	5.46	(2.00)
Other non-current liabilities	(1.49)	(1.12)	(1.26)
<b>Cash flows from operating activities</b>	<b>76.09</b>	<b>64.87</b>	<b>94.10</b>
Interest paid	(8.09)	(11.24)	(7.22)
Interest receipt	0.16	0.18	2.52
Income tax paid	(11.82)	(16.45)	(15.62)
<b>Net cash generated from operating activities</b>	<b>56.34</b>	<b>37.36</b>	<b>73.78</b>

Item	Consolidated financial statements		
	2017	2018	2019
	Million Baht	Million Baht	Million Baht
<b>Cash flows from investing activities</b>			
Decrease in restricted deposits at financial institutions	-	0.10	-
Cash receipt (payment) for acquisition of short-term investments			
Cash payment for acquisition of property, plant and equipment and intangible assets	7.16 (14.49)	(0.11) (38.04)	1.15 (168.40)
Cash receipt from disposal of equipment and	1.88	4.38	1.75
Cash payment for investment in finance lease receivables	-	-	(17.00)
Cash receipt (payment) for liquidation of a subsidiary	-	-	0.96
Dividends receipt	-	1.95	-
<b>Net cash received from (used in) investing activities</b>	<b>(5.45)</b>	<b>(31.72)</b>	<b>(181.54)</b>
<b>Cash flows from financing activities</b>			
Net cash repayment to short-term borrowings			
from financial institutions	82.60	(27.60)	(32.50)
Cash receipt from long-term borrowings			
from financial institutions	6.00	-	52.95
Cash repayment to long-term borrowings			
from financial institutions	(14.21)	(12.93)	(11.45)
Cash repayment to finance lease liabilities	(14.49)	(18.17)	(16.24)
Cash receipt from issue of share capital	130.00	292.50	-
Cash payment for share issue costs	-	(9.13)	(0.24)
Dividends paid to shareholders	(210.01)	(38.75)	-
Dividends paid to non-controlling interests	(5.67)	(0.88)	(0.67)
<b>Net cash received from (used in) financing activities</b>	<b>(25.78)</b>	<b>185.04</b>	<b>(8.15)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25.11</b>	<b>190.68</b>	<b>(115.91)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>30.45</b>	<b>55.56</b>	<b>246.24</b>
<b>Closing balance of cash and cash equivalents</b>	<b>55.56</b>	<b>246.24</b>	<b>130.33</b>

Remark: /1 Earnings per share are calculated from the weighted average net profit per number of common shares during the period.

## Key Financial Ratios

Key Financial Ratios	Unit	Consolidated financial statements		
		2017	2018	2019
<b>Liquidity Ratio</b>				
Current ratio	(times)	1.17	2.47	2.46
Quick ratio	(times)	1.17	2.47	2.44
Cash flow liquidity ratio	(times)	0.3	1.35	0.99
Account receivable turnover	(times)	6.53	6.36	5.91
Average collection period	(days)	55.89	57.36	61.73
Account payable turnover	(times)	13.88	13.85	13.29
Payment period	(days)	26.29	26.36	27.47
Cash Cycle	(days)	29.6	31	34.26
<b>Profitability Ratio</b>				
Gross profit margin	%	21.08%	19.96%	21.01%
Operating profit margin	%	7.11%	6.19%	6.16%
EBITDA margin	%	9.85%	7.92%	8.15%
Other profit margin	%	0.25%	0.25%	0.43%
Cash to profit margin	%	81.97%	52.22%	104.15%
Net profit margin	%	4.74%	4.04%	4.04%
Return on equity	%	16.34%	11.38%	8.00%
<b>Efficiency Ratio</b>				
Return on assets	%	12.21%	10.06%	8.30%
Return on fixed assets	%	21.56%	19.09%	16.13%
Assets turnover	(times)	1.72	1.63	1.35
<b>Financial Policy Ratio</b>				
Debt to equity ratio	(times)	1.19	0.51	0.42
Interest coverage ratio	(times)	9.46	5.38	13.33
Debt service coverage ratio (Cash Basis)	(times)	0.24	0.63	0.41
Dividend payout ratio/1	%	194.66%	75.20%	61.41%

Remark: /1 Dividend payout ratio Calculated from dividends paid to net profits for the same accounting period of the separate financial Statements. The dividend payment rate of 2017 is a dividend payment from retained earnings. And the operating results for the year 2017 before being listed on the Stock Exchange of Thailand

Statements of Comprehensive Income	For the year ended 31 December			
	2018	2019	Increase / (Decrease)	
			Amount	%
Revenues from services	1,152.41	1,145.55	(6.86)	(0.60)
Cost of services	922.38	904.83	(17.55)	(1.90)
Gross profit	230.03	240.72	10.69	4.65
Other income	2.85	4.94	2.09	73.33
Selling & Administrative expenses	162.18	174.70	12.52	7.72
Finance costs	11.26	7.24	(4.02)	(35.70)
Share of profit (loss) from associate	0.86	(0.13)	(0.99)	(115.12)
Income tax	11.90	15.46	3.56	29.92
Net profit for the period	48.40	48.13	(0.27)	(0.56)
Other comprehensive income (expense):	0.73	-	(0.73)	(100.00)
Total comprehensive income for the year	49.13	48.13	(1.00)	(2.04)
Total comprehensive income for the period attributable to:				
Owners of the parent	47.32	46.53	(0.79)	(1.67)
Non-controlling interests	1.81	1.60	(0.21)	(11.60)

### Revenues

Revenue from services of the Group for the year 2018 and 2019 was 1,152.41 million baht and 1 million baht respectively. In 2019, the Group's revenue decrease from 2018 at 6.86 million baht or 0.560 percent. The company services could be divided into 4 main categories as detail;

Unit: million baht

Revenues from services	For the year ended 31 December			
	2018	2019	Increase / (Decrease)	
			Amount	%
- Sea freight	759.25	744.81	(14.44)	(1.90)
- Land transport	301.86	333.44	31.58	10.46
- Air freight	83.02	54.11	(28.91)	(34.82)
- Other services/1	8.28	13.19	4.91	59.30
<b>Total revenues from services</b>	<b>1,152.41</b>	<b>1,145.55</b>	<b>(6.86)</b>	<b>(0.60)</b>

1. The revenue from sea freight service for the year 2018 and 2019 were 759.25 million baht and 744.81 million baht respectively. In 2019, the sea freight revenue decrease from 2018 at 14.44 million baht or has to decrease 1.90 percent Which is in line with the value of exports and imports of Thailand in the year 2019 that has decreased<sup>1</sup> and the appreciation of foreign exchange rates.

2. The land transport service generated revenue of 301.86 million baht and 333.44 million baht in the period of 2018 and 2019. The land transportation service increased in total 31.58 million baht or 10.46 percent in these periods resulted from new-truck investment to support the additional requirement on this service type. (Additional detail in “Assets in Business Operation”)

3. Revenue from air freight for 2018 and 2019 is 83.02 million baht and 54.11 million baht, respectively. In the year 2019, the group's revenue from air freight services decreased from 2018. of 28.91 million Baht or a decrease of 34.82 percent, in line with the value of exports and imports in Thailand in the year 2019 and the appreciation of foreign exchange.

4. Other service income includes service fees for collection and distribution centers. Service fees for dangerous goods Rental of property of associated company and office service fees and others for the years 2018 and 2019 are valued at 8.28 million baht and 13.19 million baht respectively. In the year 2019, the Group increased service revenue from the year 2018 by 4.91 million baht or 59.30 percent increase, mainly from the service income and product distribution from the investment that the IPO wanted. Increased customer service.

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1 Source: Economic and financial report, December 2019, Bank of Thailand

## Gross Profit

The company's gross profit in 2018 was 230.03 million baht and in 2019 was 240.72 million baht which increasing of 10.69 million baht or equal to 4.65% which detail as follow:

Unit: million baht

Gross profit	For the year ended 31 December			
	2018	2019	Increase / (Decrease)	
			Amount	%
- Sea freight	172.94	182.94	10.00	5.78
- Land transport	35.72	32.97	(2.75)	(7.70)
- Air freight	13.45	15.54	2.09	15.54
- Other services/1	7.92	9.27	1.35	17.05
<b>Gross profit</b>	<b>230.03</b>	<b>240.72</b>	<b>10.69</b>	<b>4.65</b>

Gross profit margin	For the year ended 31 December		
	2018	2019	Increase / (Decrease)
	%	%	%
- Sea freight	22.78	24.56	1.78
- Land transport	11.83	9.89	(1.94)
- Air freight	16.20	28.72	12.52
- Other services/1	95.77	70.28	(25.49)
<b>Gross profit margin</b>	<b>19.96</b>	<b>21.01</b>	<b>1.05</b>

1. The company's gross profit on sea freight in the 2018 was 172.94 million baht, and in the year of 2019 was 182.94 million baht which increase by 5.78 percent or 10 million baht.

The Gross profit margin for the year 2018 and 2019 was increased from 22.78 percent and 24.56 percent, which resulted from the company's expanding to the new big-volume shipment customers from the year 2019, which was due to the companies more effective and efficient management strategy.

2. The company's gross profit on land-transport in the year of 2018 was 35.72 million baht, and in the period of 2019 was 32.97 million baht which decrease by 7.70 percent or 2.75 million baht.

The Gross profit margin from land-transportation services for 2018 and 2019 was 11.83 and 9.89 percent, which in 2019, gross profit margin for land-transportation decreased from 2018. Due to the group of the company is in the process of increasing of cars to serve the demand of customers. Therefore, there is a need to use more car services from subcontractors.

3. The company's gross profit on air freight in the year of 2018 was 13.45 million baht, and in the year of 2019 was 15.54 million baht. which Increase by 15.54 percent or 2.09 million baht.

The gross profit margin from air freight services for the year 2018 and 2019 is 16.20% and 28.72% which is in the year 2019. An increase from the year 2018 due to in the year 2019 the group of companies Has adjusted the strategy of air freight services.

4.The company's gross profit on other services in the year of 2018 was 7.92 million baht, and in the year of 2019 was 9.27 million baht which increase by 17.05 percent or 1.35 million baht.

The Gross profit margin from the year of 2017 to 2018 was increased from 95.65 percent and 70.28 percent Which is the year 2019, gross profit margin for other services Has decreased from the year 2018 due to the recognition of increased depreciation costs due to the improvement of the distribution center

#### Other income

The company's Other income of the Group consists of the difference of profit sharing from dissolution of subsidiaries. Interest income from bank accounts Exchange Gain from disposal of assets and other income, etc. for the years 2018 and 2019 are worth 2.85 million baht and 4.94 million baht respectively

#### Selling and Administrative Expenses.

In the year of 2018 and 2019, the company's expenses were 162.18 million baht and 174.70 million baht respectively. in the year 2019 the group had selling and administrative expenses Increased from the year 2018 by 12.52 million baht or increased at the rate of 7.72% due to the reason that the company set aside the stock-based expenses (ESOP-warrants), the adjustment of annual staff expenses Including the provision for compensation for retired employees According to the Labour Protection Act No. 7 B.E. 2019

#### Finance Cost

In the year 2018 and 2019, the company's finance cost was 11.26 million baht. and 7.24 million baht respectively. In the year 2019, the group of companies had the financial costs decreased from the year 2018 by 4.02 million baht or decreased at the rate of 35.70%. Due to the group of companies Can reduce the use of short-term loans from banks and reduced interest rates on loans.



#### Share of profit (loss) of associate

In the year of 2018 and 2019, the share of profit (loss) of associate was equivalent to loss of 0.13 million baht and profit of 0.86 million baht respectively. Associated company is in the process of liquidation.

#### Income tax expense

The company's income tax expense for the year 2018 and 2019 were 11.90 million baht and 15.46 million baht respectively. In the year 2019, the Group has income tax expenses An increase of 3.56 million baht from the year 2018 or an increase of 29.92 percent

#### Net Profit

The comprehensive income Of the group company (Owners of the parent) For the year 2018 and 2019 equals 47.32 and 46.53 million baht or equivalent to the net profit margin for the year 2018 and 2019 equals 4.04 percent compared to total revenue 20 percent respectively.

## Asset

Asset	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets	216.45	37.33	451.73	53.65	322.48	37.31
Non-current assets	363.36	62.67	390.38	46.35	542.02	62.69
<b>Total assets</b>	<b>579.81</b>	<b>100.00</b>	<b>842.11</b>	<b>100.00</b>	<b>864.50</b>	<b>100.00</b>

As of 31 December 2017, 31 December 2018 and 31 December 2019, the Company's total assets was 579.81 million baht, 842.11 million baht and 864.50 million baht respectively. The total assets as of 31 December 2018 and 31 December 2019 has increased by 262.30 million baht and 22.39 million baht compared to that of the previous year, or 45.24 percent and 2.66 percent increase year-on-year respectively.

In 2019, the significant changes in the company's total assets include the detail as follow;

1. Cash and equivalent, decreased by 115.91 million baht or 47.07 percent, due to the use of cash received from the issuance and offering of ordinary shares for the first time (IPO) to gradually invest in assets according to IPO objectives.

2. Trade and other receivables increase of 19.07 million baht or equal to 9.38 percent resulted from decrease of income. Trade accounts receivable of the Group Most of them are overdue for more than 3 months, with the average collection period of the Group as at December 31, 2017, December 31, 2018 and December 31, 2019 equals 55.89 days, 57.36 days, and 61.73 days respectively, which is considered a normal level of time.

3. Financial lease receivables in the amount of Baht 16.04 million for hire purchase of tractor and chassis.

4. Property, plant and equipment, net An increase of 137.10 million baht or an increase of 37.09% due to investment in land purchase to expand the area of logistics services Pinthong Project, Si Racha District, Chon Buri Province, purchase transportation vehicles for the land transportation business and develop the collection and distribution center According to the purpose of using IPO funds.

## Liabilities

Liabilities	Consolidated financial statements					
	31 December 2017		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities	184.43	58.99	182.65	64.94	131.04	51.93
Non-current liabilities	128.21	41.01	98.63	35.06	121.31	48.07
<b>Total liabilities</b>	<b>312.64</b>	<b>100.00</b>	<b>281.28</b>	<b>100.00</b>	<b>252.35</b>	<b>100.00</b>

As of 31 December 2017, 31 December 2018 and 31 December 2019, the Company's total liabilities is 312.64 million baht, 281.28 million baht and 252.36 million baht respectively. The total liabilities as of 31 December 2018 and 31 December 2019 has decrease by 31.36 million baht and decreased 28.93 million baht compared to that of the previous year, or 10.03 percent decrease and 10.29 percent decrease year-on-year respectively.

In 2019, the company's total liabilities had significant changes as follow;

1. Trade and other payables decrease of 21.63 million baht or 27.41 percent resulted from the reduced cost of service.
2. Loan from financial institutions decreased of 32.50 million baht or 54.17 percent. resulted from the companies Received money from the initial public offering (IPO) (the purpose of utilizing funds as working capital)
3. Long-term loans from financial institutions An increase of 41.57 million baht or an increase of 99.12% due to the Group borrowing additional funds from IPOs to invest in buying land to expand the logistics service area Pinthong Project, Si Racha District, Chonburi Province

## Equity

As of 31 December 2017, 31 December 2018 and 31 December 2019, the Company's shareholders' equity is 267.17 million baht, 560.83 million baht and 612.15 million baht respectively. The shareholders' equity as of 31 December 2018 Increased from previous year by 293.66 million baht and 31 December 2019 increased from previous year by 51.32 million baht or 109.92 percent and 9.15 percent respectively.

In 2019, Equity of the group's owners There is an important change. Increase from operating profit for the year And the increase of reserve payment using stock as a basis.

## Liquidity Analysis

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

Statements of Cash Flows	Consolidated financial statements		
	31 December 2017	31 December 2018	31 December 2019
	Million Baht	Million Baht	Million Baht
Net cash received from operating activities	56.34	37.36	73.78
Net cash received from (used in) investing activities	(5.45)	(31.72)	(181.54)
Net cash received from (used in) financing activities	(25.78)	185.04	(8.15)
<b>Net increase in cash and cash equivalents</b>	<b>25.11</b>	<b>190.68</b>	<b>(115.91)</b>
Opening balance of cash and cash equivalents	30.45	55.56	246.24
Closing balance of cash and cash equivalents	55.56	246.24	130.33

### Cash flows from operation activities

In 2017, 2018 and 2019, the Company's net cash flows generated from operating activities was 56.34 million baht ,37.36 million baht and 73.78 million baht respectively.

The company's net cash flows generated from operating activities in the period of 2018 is significantly decreased from period year of 2019, The main factor from the group of companies There was a change in working capital of trade and other receivables increased by 58.05 million baht and the change in working capital of trade and other payables decreased by 21.67 million baht due to the decreased cost of services of the Group.

### Cash flows from investing activities

In 2017, 2018 and 2018, the Group had net cash flows used in investing activities in the amount of 5.45 million baht, 31.72 million baht and 181.54 million baht respectively.

In the year 2019, cash flows are used in investing activities. From additional investment in Pinthong Project, Si Racha District, Chon Buri Province, which is divided into 77.45 million baht of land, construction in progress of 30.26 million baht, including investment in vehicles 40.37 million baht and investment in financial lease receivables of 16.99 million baht.

### Cash flows from financing activities

In 2017, 2018 and 2018, the Group had net cash flows from (used in) financing activities in the amount of (25.78) million baht, 185.04 million baht, and (8.15) million baht respectively.

In 2019, Net of cash flows from financing activities are used The main factor comes from The company group Repayments of short-term loans from financial institutions 32.50 million baht, received long-term loans from financial institutions 52.95 million baht and repay long-term loans and liabilities under finance lease 2727 million baht.



## Independent Auditor's Report

To the shareholders and the Board of Directors of Sonic Interfreight Public Company Limited

### My opinion

In my opinion, the consolidated financial statements of Sonic Interfreight 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.

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## 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. I determined one key audit matter: revenue recognition. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group has revenue from providing international freight forwarding, land transportation and other services. During 2019, the Group's and Company's aggregate service revenues were Baht 1,146 million and Baht 715 million, respectively. Revenue recognition on each service varies according to the nature of the service and the conditions in the service agreement. This is disclosed in Note 2.19, 'Accounting policies - Revenue Recognition', to the financial statements. Management determined the appropriateness of the revenue recognition by ensuring there was an actual occurrence and checking that the revenue was recognised in the period in which the control of services was transferred.</p> <p>I focussed on revenue recognition because it is material to the financial statements. Also, determining the appropriate revenue recognition point for the Group's various services is complex. Plus, changes were made to revenue recognition principles and approach in the current period to comply with the requirements of Thai Financial Reporting Standard 15 'Revenue from Contracts with Customers' which was effective 1 January 2019.</p>	<p>I audited the revenue recognition of the Group by performing the following:</p> <ul style="list-style-type: none"> <li>• understanding, evaluating and validating the key internal controls over the Group's revenue cycle by inquiring them with the relevant personnel. This involved sampling revenue transactions to validate key internal controls for revenue recording at the appropriate recognition points, according to the service conditions. I also examined whether the accounting records were reviewed accurately by the relevant personnel, and whether approval was from authorised persons.</li> <li>• testing revenue recognition in accordance with control transfer principles by identifying types of contracts and performance obligations, including transaction price determination and allocation of transaction price to each performance obligation as determined by Group management, and inspecting relevant documents such as booking confirmations and bills of lading to assess whether the Group's revenue recognition principles comply with the financial reporting standard.</li> <li>• performing substantive tests on transactions by sampling each service revenue transaction type to check whether the control of service was transferred to the customers, which involved checking invoices against the related bills of lading and other documents to ensure the transactions were carried out. For collected revenue transactions, I traced cash receipt transactions to invoices and transaction in bank statements.</li> <li>• testing a sample of revenue transactions that occurred near the end of the accounting period, in a period running before and after the period end, in accordance with the risk determined by the terms of each type of service to check that revenue was recorded in the correct period.</li> <li>• requesting the accounts receivable confirmation by focussing on customers with significant outstanding balances. This was to check that the Group's revenue represents valid revenue transactions and that the accounts receivables exist.</li> <li>• testing the appropriateness of journal entries including other adjusting entries related to revenue to assess if there were any invalid revenue transactions.</li> </ul> <p>I didn't find any material exceptions from my work. Revenue recognition was consistent with the available evidence.</p>





### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



**Nopanuch Apichatsatien**  
Certified Public Accountant (Thailand) No. 5266  
Bangkok  
24 February 2020



**Sonic Interfreight Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	130,331,685	246,238,260	88,025,175	203,852,591
Short-term investments		-	1,152,109	-	-
Trade and other receivables, net	8	184,208,744	203,282,658	135,069,362	139,089,104
Contract assets		3,352,254	-	1,498,971	-
Current portion of finance lease receivables	9	1,848,152	-	1,848,152	-
Other current assets		2,734,237	1,058,005	2,482,102	685,073
<b>Total current assets</b>		<b>322,475,072</b>	<b>451,731,032</b>	<b>228,923,762</b>	<b>343,626,768</b>
<b>Non-current assets</b>					
Finance lease receivables	9	14,189,408	-	14,189,408	-
Investment in an associate	10	3,154,942	3,281,628	3,154,942	3,281,628
Investments in subsidiaries	11	-	-	25,094,590	27,279,000
Other long-term investments, net		150,000	150,000	150,000	150,000
Property, plant and equipment, net	12	506,724,309	369,614,103	493,673,441	360,686,821
Intangible assets, net	13	633,201	738,549	68,786	84,087
Deferred tax assets, net	14	1,018,934	1,650,954	-	-
Other non-current assets		16,158,067	14,940,715	10,831,885	9,259,683
<b>Total non-current assets</b>		<b>542,028,861</b>	<b>390,375,949</b>	<b>547,163,052</b>	<b>400,741,219</b>
<b>Total assets</b>		<b>864,503,933</b>	<b>842,106,981</b>	<b>776,086,814</b>	<b>744,367,987</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

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

**Sonic Interfreight Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings					
from financial institutions	15	27,500,000	60,000,000	27,500,000	60,000,000
Trade and other payables	16	57,284,052	78,909,425	40,180,097	49,183,770
Current portion of long-term borrowings					
from financial institutions	15	14,367,021	10,772,872	14,367,021	10,772,872
Current portion of finance lease liabilities	15	16,647,292	16,368,370	16,647,292	16,368,370
Accrued income tax		603,245	356,153	-	-
Other current liabilities		14,641,009	16,237,995	9,524,806	10,450,922
<b>Total current liabilities</b>		<b>131,042,619</b>	<b>182,644,815</b>	<b>108,219,216</b>	<b>146,775,934</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	15	69,136,949	31,174,832	69,136,949	31,174,832
Finance lease liabilities	15	42,702,897	59,216,596	42,702,897	59,216,596
Employee benefit obligations	17	7,836,303	5,848,674	6,304,329	4,813,276
Deferred tax liabilities, net	14	592,945	60,667	592,945	60,667
Other non-current liabilities		1,048,080	2,329,567	696,878	2,131,139
<b>Total non-current liabilities</b>		<b>121,317,174</b>	<b>98,630,336</b>	<b>119,433,998</b>	<b>97,396,510</b>
<b>Total liabilities</b>		<b>252,359,793</b>	<b>281,275,151</b>	<b>227,653,214</b>	<b>244,172,444</b>

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

**Sonic Interfreight Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
580,000,000 ordinary shares					
of par Baht 0.50 each					
18	290,000,000	290,000,000	290,000,000	290,000,000	
Issued and paid-up share capital					
550,000,000 ordinary shares					
of paid-up at Baht 0.50 each					
18	275,000,000	275,000,000	275,000,000	275,000,000	
Share premium	18	208,135,263	208,135,263	208,135,263	208,135,263
Share-based payment reserve	27	6,074,645	1,024,444	6,074,645	1,024,444
Retained earnings					
Appropriated - legal reserve					
19	11,077,753	8,838,571	11,077,753	8,838,571	
Unappropriated					
	62,529,098	10,829,100	48,145,939	7,197,265	
Other components of equity		43,688,310	52,314,537	-	-
<b>Equity attributable to the parent</b>		606,505,069	556,141,915	548,433,600	500,195,543
Non-controlling interests		5,639,071	4,689,915	-	-
<b>Total equity</b>		612,144,140	560,831,830	548,433,600	500,195,543
<b>Total liabilities and equity</b>		864,503,933	842,106,981	776,086,814	744,367,987

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

Sonic Interfreight Public Company Limited  
 Statements of Comprehensive Income  
 For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues from services		1,145,550,494	1,152,406,923	714,710,542	678,765,488
Cost of services		(904,827,367)	(922,373,299)	(564,747,314)	(541,001,149)
<b>Gross profit</b>		<b>240,723,127</b>	<b>230,033,624</b>	<b>149,963,228</b>	<b>137,764,339</b>
Other income	20	4,938,984	2,847,147	25,175,540	15,577,393
Selling expenses		(71,534,333)	(62,914,233)	(37,822,697)	(33,734,866)
Administrative expenses		(103,168,434)	(99,269,511)	(77,539,590)	(70,998,022)
Finance costs	21	(7,238,664)	(11,255,161)	(7,238,286)	(10,988,374)
Share of profit (loss) from associate	10	(126,686)	856,393	-	-
<b>Profit before income tax</b>		<b>63,593,994</b>	<b>60,298,259</b>	<b>52,538,195</b>	<b>37,620,470</b>
Income tax expense	23	(15,461,399)	(11,900,843)	(7,754,555)	(4,707,412)
<b>Net profit for the year</b>		<b>48,132,595</b>	<b>48,397,416</b>	<b>44,783,640</b>	<b>32,913,058</b>
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of employee benefit obligations, net of tax		-	733,870	-	180,389
Total items that will not be reclassified to profit or loss		-	733,870	-	180,389
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>733,870</b>	<b>-</b>	<b>180,389</b>
<b>Total comprehensive income for the year</b>		<b>48,132,595</b>	<b>49,131,286</b>	<b>44,783,640</b>	<b>33,093,447</b>
<b>Profit for the year attributable to:</b>					
Owners of the parent		46,532,729	46,626,069	44,783,640	32,913,058
Non-controlling interests		1,599,866	1,771,347	-	-
		<b>48,132,595</b>	<b>48,397,416</b>	<b>44,783,640</b>	<b>32,913,058</b>
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the parent		46,532,729	47,325,093	44,783,640	33,093,447
Non-controlling interests		1,599,866	1,806,193	-	-
		<b>48,132,595</b>	<b>49,131,286</b>	<b>44,783,640</b>	<b>33,093,447</b>
<b>Earnings per share</b>					
Basic earnings per share	24	0.08	0.11	0.08	0.08

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

Sonic Interfreight Public Company Limited  
 Statements of Changes in Equity  
 For the year ended 31 December 2019

Consolidated financial statements												
Attributable to owners of the parent												
Notes	Attributable to owners of the parent					Other components of equity						
	Issued and paid-up share capital	Share premium	Share-based payment reserve	Retained earnings		Difference arising from business combination under common control	Change in parent's ownership interests in subsidiaries	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity	
Baht	Baht	Baht	Appropriated-legal reserve	Unappropriated	Baht							Baht
<b>Balance as at 1 January 2018</b>	200,000,000	-	-	7,172,011	3,920,567	52,139,388	175,149	52,314,537	263,407,115	3,765,304	267,172,419	
Share issuance	18	75,000,000	208,135,263	-	-	-	-	-	283,135,263	-	283,135,263	
Share-based payment reserve	27	-	-	1,024,444	-	-	-	-	1,024,444	-	1,024,444	
Legal reserve	19	-	-	1,666,560	(1,666,560)	-	-	-	-	-	-	
Dividends	25	-	-	-	(38,750,000)	-	-	-	(38,750,000)	(881,582)	(39,631,582)	
Total comprehensive income for the year		-	-	-	47,325,093	-	-	-	47,325,093	1,806,193	49,131,286	
<b>Balance as at 31 December 2018</b>		<u>275,000,000</u>	<u>208,135,263</u>	<u>1,024,444</u>	<u>8,838,571</u>	<u>10,829,100</u>	<u>52,139,388</u>	<u>175,149</u>	<u>52,314,537</u>	<u>556,141,915</u>	<u>4,689,915</u>	<u>560,831,830</u>
<b>Balance as at 1 January 2019</b>		275,000,000	208,135,263	1,024,444	8,838,571	10,829,100	52,139,388	175,149	52,314,537	556,141,915	4,689,915	560,831,830
Retrospective adjustments from change in accounting policies	2	-	-	-	-	(1,219,776)	-	-	(1,219,776)	25,263	(1,194,513)	
<b>Balance as at 1 January 2019 (restated)</b>		275,000,000	208,135,263	1,024,444	8,838,571	9,609,324	52,139,388	175,149	52,314,537	554,922,139	4,715,178	559,637,317
<b>Transactions with owners during the year</b>												
Share-based payment reserve	27	-	-	5,050,201	-	-	-	-	5,050,201	-	5,050,201	
Legal reserve	19	-	-	2,239,182	(2,239,182)	-	-	-	-	-	-	
Dividends	25	-	-	-	-	-	-	-	-	(673,337)	(673,337)	
Liquidation of a subsidiary		-	-	-	-	8,626,227	(8,626,227)	-	(8,626,227)	(2,636)	(2,636)	
Total comprehensive income for the year		-	-	-	-	46,532,729	-	-	46,532,729	1,599,866	48,132,595	
<b>Balance as at 31 December 2019</b>		<u>275,000,000</u>	<u>208,135,263</u>	<u>6,074,645</u>	<u>11,077,753</u>	<u>62,529,098</u>	<u>43,513,161</u>	<u>175,149</u>	<u>43,688,310</u>	<u>606,505,069</u>	<u>5,639,071</u>	<u>612,144,140</u>

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

**Sonic Interfreight Public Company Limited**  
**Statements of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2019**

		Separate financial statements					
		Issued and paid-up share capital	Share premium	Share-based payment reserve	Retained earnings		
					Appropriated- legal reserve	Unappropriated	Total equity
Notes		Baht	Baht	Baht	Baht	Baht	Baht
	<b>Balance as at 1 January 2018</b>	200,000,000	-	-	7,172,011	14,520,378	221,692,389
18	Share issuance	75,000,000	208,135,263	-	-	-	283,135,263
27	Share-based payment reserve	-	-	1,024,444	-	-	1,024,444
19	Legal reserve	-	-	-	1,666,560	(1,666,560)	-
25	Dividends	-	-	-	-	(38,750,000)	(38,750,000)
	Total comprehensive income for the year	-	-	-	-	33,093,447	33,093,447
	<b>Balance as at 31 December 2018</b>	<u>275,000,000</u>	<u>208,135,263</u>	<u>1,024,444</u>	<u>8,838,571</u>	<u>7,197,265</u>	<u>500,195,543</u>
	<b>Balance as at 1 January 2019</b>	275,000,000	208,135,263	1,024,444	8,838,571	7,197,265	500,195,543
2	Retrospective adjustments from change in accounting policies	-	-	-	-	(1,595,784)	(1,595,784)
	<b>Balance as at 1 January 2019 (restated)</b>	275,000,000	208,135,263	1,024,444	8,838,571	5,601,481	498,599,759
	<b>Transactions with owners during the year</b>						
27	Share-based payment reserve	-	-	5,050,201	-	-	5,050,201
19	Legal reserve	-	-	-	2,239,182	(2,239,182)	-
	Total comprehensive income for the year	-	-	-	-	44,783,640	44,783,640
	<b>Balance as at 31 December 2019</b>	<u>275,000,000</u>	<u>208,135,263</u>	<u>6,074,645</u>	<u>11,077,753</u>	<u>48,145,939</u>	<u>548,433,600</u>

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

Sonic Interfreight Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidate		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		63,593,994	60,298,259	52,538,195	37,620,470
Adjustments for:					
Depreciation and amortisation charge	12,13	22,524,402	19,716,318	21,769,591	18,784,634
Doubtful debts and bad debts		823,705	1,138,781	485,156	585,827
Impairment expense for investment in associate	10	-	891,478	126,686	35,085
Share of (profit) loss from associate	10	126,686	(856,393)	-	-
Dividend income	20	-	-	(10,021,664)	(13,121,117)
Provision from litigation		400,000	-	400,000	-
Gain from liquidation of a subsidiary	11	-	-	(12,034,160)	-
(Gain) loss on disposals of equipment		(1,378,884)	(1,600,965)	132,989	(1,277,834)
Loss from building and equipment and intangible assets written-off		77,542	90,121	74,698	89,581
Share-based payment expense	27	5,050,201	1,024,444	2,777,611	563,444
Employee benefit expense	17	1,987,629	1,483,502	1,491,053	785,422
Unrealised (gain) loss from exchange rate		127,497	17,715	49,209	(5,961)
Amortised deferred financing fee	15	56,462	20,922	56,462	20,922
Interest expenses		7,182,202	11,234,239	7,181,824	10,967,452
Interest income	20	(2,260,701)	(628,693)	(2,203,047)	(552,664)
Changes in working capital:					
Trade and other receivables		11,064,193	(46,993,850)	(3,941,415)	(45,979,768)
Contract assets		(3,352,254)	-	(1,498,971)	-
Other current assets		(1,676,232)	(134,848)	(1,797,029)	(57,453)
Other non-current assets		354,825	502,233	(25)	173,423
Trade and other payables		(7,336,772)	14,330,978	5,588,066	13,603,006
Other current liabilities		(1,996,986)	5,458,359	(1,326,116)	4,521,773
Other non-current liabilities		(1,262,798)	(1,120,024)	(1,415,765)	(507,576)
Cash flows generated from operations		94,104,711	64,872,576	58,433,348	26,248,666
Interest paid		(7,224,760)	(11,236,898)	(7,224,382)	(10,984,070)
Interest receipt		2,517,927	180,833	2,460,417	105,038
Income tax paid		(15,622,186)	(16,452,799)	(8,886,654)	(7,808,660)
Net cash generated from operating activities		73,775,692	37,363,712	44,782,729	7,560,974

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

**Sonic Interfreight Public Company Limited**

**Statements of Cash Flows (Cont'd)**

**For the year ended 31 December 2019**

	Notes	Consolidate financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from investing activities</b>					
Decrease in restricted deposits at financial institutions		-	100,000	-	-
Cash receipt (payment) for acquisition of short-term investments		1,152,109	(112,411)	-	-
Cash payment for acquisition of property, plant and equipment and intangible assets		(168,394,232)	(38,045,030)	(163,878,176)	(36,457,876)
Cash receipt from disposals of equipment		1,745,362	4,379,955	172,540	4,332,874
Cash payment for investment in finance lease receivables	9	(16,995,327)	-	(16,995,327)	-
Cash receipt from finance lease receivables	9	957,767	-	957,767	-
Cash receipt (payment) for liquidation of a subsidiary	11	(2,636)	-	16,583,360	-
Dividends receipt		-	1,949,500	10,021,664	15,070,617
Net cash used in investing activities		(181,536,957)	(31,727,986)	(153,138,172)	(17,054,385)
<b>Cash flows from financing activities</b>					
Net cash repayment to short-term borrowings from financial institutions		(32,500,000)	(27,600,000)	(32,500,000)	(14,600,000)
Cash receipt from long-term borrowings from financial institutions	15	52,946,353	-	52,946,353	-
Cash repayment to long-term borrowings from financial institutions	15	(11,446,549)	(12,925,159)	(11,446,549)	(12,925,159)
Cash repayment to finance lease liabilities	15	(16,234,777)	(18,174,867)	(16,234,777)	(18,174,867)
Cash receipt from issue of share capital	18	-	292,500,000	-	292,500,000
Cash payment for share issue costs		(237,000)	(9,127,737)	(237,000)	(9,127,737)
Dividends paid to shareholders		-	(38,750,000)	-	(38,750,000)
Dividends paid to non-controlling interests		(673,337)	(881,582)	-	-
Net cash received from (used in) financing activities		(8,145,310)	185,040,655	(7,471,973)	198,922,237
<b>Net increase (decrease) in cash and cash equivalents</b>		(115,906,575)	190,676,381	(115,827,416)	189,428,826
Opening balance of cash and cash equivalents		246,238,260	55,561,879	203,852,591	14,423,765
<b>Closing balance of cash and cash equivalents</b>		<b>130,331,685</b>	<b>246,238,260</b>	<b>88,025,175</b>	<b>203,852,591</b>

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



**Sonic Interfreight Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2019**

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**Non-cash transactions**

Significant non-cash transactions during the year ended 31 December are as follows:

	Consolidate financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Purchases of building, equipment and intangible assets by credit	1,579,048	10,000,000	1,242,961	10,000,000
Additions of finance lease receivables	16,995,327	-	16,995,327	-
Accrued share issue costs	-	237,000	-	237,000

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

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## 1 General information

Sonic Interfreight Public Company Limited (the Company) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

Head office: 79/349, 350, 1<sup>st</sup>, 2<sup>nd</sup> Floor, Sathupradit Rd., Chongnonsi, Yannawa, Bangkok.

1<sup>st</sup> Branch: 84, Moo 15, Soi Kingkaew 21, Kingkaew Road, Bangpleeyai, Bangplee, Samutprakan.

2<sup>nd</sup> Branch: 84/1, Moo 15, Kingkaew Road, Bangpleeyai, Bangplee, Samutprakan.

3<sup>rd</sup> Branch: 198/30 Moo 9 Tungskula, Sriracha, Chonburi.

The Company registered the change of the Company's status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 1 December 2017. The Company's ordinary shares are traded in the Market for Alternative Investment (MAI) on 19 October 2018.

The principal business operations of the Company and its subsidiaries (together "the Group") are the business of freight forwarder and providing relevant logistics services.

These consolidated and separate financial statements were authorised for issue 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 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 and have significant impacts 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 Group has adopted the new TFRS 15, *Revenue from contracts with customers* from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of TFRS 15.

Statement of financial position	Consolidated financial statement			
	As at 31 December 2018 Previously reported Baht	Adjustments Baht	Reclassification Baht	As at 1 January 2019 Restated Baht
<b>Assets</b>				
Trade and other receivables, net	203,282,658	(6,961,916)	(589,445)	195,731,297
Contract assets	-	-	589,445	589,445
<b>Liabilities</b>				
Trade and other payables	78,909,425	(5,767,403)	-	73,142,022
<b>Equity</b>				
Retained earnings - Unappropriated	10,829,100	(1,219,776)	-	9,609,324
Non-controlling interests	4,689,915	25,263	-	4,715,178
Statement of financial position	Separate financial statement			
	As at 31 December 2018 Previously reported Baht	Adjustments Baht	Reclassification Baht	As at 1 January 2019 Restated Baht
<b>Assets</b>				
Trade and other receivables, net	139,089,104	(7,256,227)	(589,445)	131,243,432
Contract assets	-	-	589,445	589,445
<b>Liabilities</b>				
Trade and other payables	49,183,770	(5,660,443)	-	43,523,327
<b>Equity</b>				
Retained earnings - Unappropriated	7,197,265	(1,595,784)	-	5,601,481

The reclassifications made upon adoption of TFRS 15 mainly concern the following items.

- The accounts receivable of Baht 589,445 that, under TAS 18, were recognised under trade and other receivables, are reclassified as contract assets under TFRS 15.

The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

	<b>Consolidated financial statements</b>		
	<b>Amounts as reported Baht</b>	<b>Impacts from TFRS 15 Baht</b>	<b>Amounts under the previous revenue standards Baht</b>
<b>Statement of financial position as at 31 December 2019</b>			
<b>Assets</b>			
Trade and other receivables, net	184,208,744	18,140,871	202,349,615
Contract assets	3,352,254	(3,352,254)	-
<b>Liabilities</b>			
Trade and other payables	57,284,052	11,340,645	68,624,697
<b>Equity</b>			
Retained earnings - Unappropriated	62,529,098	3,381,848	65,910,946
Non-controlling interests	5,639,071	66,124	5,705,195
<b>Statement of comprehensive income for the year ended 31 December 2019</b>			
Revenues from services	1,145,550,494	7,826,701	1,153,377,195
Cost of services	904,827,367	5,573,242	910,400,609
<b>Net profit:</b>			
Owners of the parent	46,532,729	2,162,072	48,694,801
Non-controlling interests	1,599,866	91,387	1,691,253
	48,132,595	2,253,459	50,386,054
Basic earnings per share	0.08	-	0.08

	Separate financial statements		
	Amounts as reported Baht	Impacts from TFRS 15 Baht	Amounts under the previous revenue standards Baht
<b>Statement of financial position as at 31 December 2019</b>			
<b>Assets</b>			
Trade and other receivables, net	135,069,362	9,780,065	144,849,427
Contract assets	1,498,971	(1,498,971)	-
<b>Liabilities</b>			
Trade and other payables	40,180,097	6,424,033	46,604,130
<b>Equity</b>			
Retained earnings - Unappropriated	48,145,939	1,857,061	50,003,000
<b>Statement of comprehensive income for the year ended 31 December 2019</b>			
Revenues from services	714,710,542	1,024,867	715,735,409
Cost of services	564,747,314	763,590	565,510,904
<b>Net profit:</b>			
Owners of the parent	44,783,640	261,277	45,044,917
Basic earnings per share	0.08	-	0.08

The adoption of TFRS 15 mainly affects the Group's accounting treatment on determining the timing of revenue and cost recognition. Revenues from freight forwarding, transportation, and other related services are recognised over time replacing the revenue recognition when services have been rendered. Contract assets related to the services which have not been invoiced, with essentially the same risk profile as trade receivables have been recognised in the statement of financial position.

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

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period.

#### 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.

#### b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised in 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.

### **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. Initial direct costs are included in initial measurement of the 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) Equity method**

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

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

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

#### **e) Changes in ownership interests**

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

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

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

#### **f) 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 are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.



## **2.4 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.

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

## **2.5 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

## **2.6 Trade accounts receivable**

Trade receivables are amounts due from customers for 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.

## **2.7 Investments in debt and equity securities**

Investments other than investments in subsidiaries and associates are initially recognised at fair value of consideration paid plus direct transaction cost.

### *General investments*

General investments are carried at cost less impairment.

### *Disposal of investments*

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.

## **2.8 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and 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. 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:

Land improvements	20 years
Buildings and building improvements	5 - 30 years
Warehouse	20 years
Machine and equipment	5 years
Furniture, fixture and office equipment	5 years
Vehicles	2 - 20 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.

## **2.9 Intangible assets**

### *Acquired computer software*

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

## **2.10 Leasehold right**

Leasehold right is expense paid for right to use building space. Leasehold right is amortised using straight-line method over rental agreements of 30 years.

Leasehold right that will be amortised within 1 year from the reporting date is presented in prepaid expenses under trade and other receivable, net. The rest leasehold is presented under other non-current assets.

## **2.11 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, and 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.

## **2.12 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 period.

### *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.



### **2.13 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.

### **2.14 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.

## **2.15 Employee benefits**

### **a) Defined contribution plan**

The Group pays contributions to a separate fund on a voluntary basis. 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.

### **b) 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 every year 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.

### **c) 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.

## **2.16 Share-based payment**

The Group grants the warrants to the Group's executives and employees which are equity-settled, share-based compensation plans, under which the entity receives services from executives and employees. The Group measures services received by reference to the fair value of the warrants and gradually recognised as expense in profit or loss corresponding to increase in "share-based payment reserve" in equity throughout the vesting period.

In the case that the Group grant the warrants to subsidiary's executives and employees 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 the Company's separated financial statements undertakings, with a corresponding credit 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 and share premium.

## **2.17 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.

## **2.18 Share capital**

Ordinary shares are classified as equity.

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

## **2.19 Revenue recognition**

Main 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 recorded net of value added tax. The Group recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

The Group recognises contracts that involve delivery or provision of multiple products or services separately based on each distinct performance obligation. 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 fulfilment of the obligation to the customer.

#### *Services*

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

#### *Contract assets*

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

#### *Interest income*

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

#### *Dividend income*

Dividend income is recognised when the right to receive payment is established.

### **2.20 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**

### **Financial risk factors**

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

#### **1. Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect Thai Baht. Foreign exchange risk arises from future commercial transactions as well as the recognition of assets and liabilities denominated in foreign currencies. The Group has bank deposits in foreign currencies to manage receipt and payment transactions carried out in foreign currencies. The Group does not enter into the derivatives instruments to hedge foreign exchange risk.

#### **2. Interest rate risk**

The Group has interest rate risk from borrowings and debentures at fixed and floating interest rates. The Group has no significant interest-bearing assets.

#### **3. Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit.

#### **4. Liquidity risk**

The Group manages 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.

#### 4 Critical estimates and judgements

Estimates 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.

##### Useful lives of buildings and equipment and intangible assets

Management determines the useful lives and the carrying value of buildings and equipment, including vehicles, and intangible assets judgments in respect of remaining useful lives and residual values of these assets. The assets' residual values and useful lives are reviewed at least annually. The Group disposes or writes off obsolete or unutilised assets.

##### Share-based payments

The Group measures warrants granted to the Group's executives and employees by reference to the fair value of the warrants at the grant date. Fair value has been recognised depending on the assumptions used in the valuation of warrants' fair value. The variability of those assumptions would affect to employee expense recognised in each year.

Management determines the appropriateness of the assumptions used in the equity's fair valuation. Additional information of key assumptions used in assessing the fair value is disclosed in Note 27.

#### 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 Segment information

The Group discloses three operating segments which include freight forwarding, land transportation, and others. The three segments are determined pursuant to business activities and operating results that are regularly reviewed by Chief Operating Decision Makers.

	Consolidated financial statements For the year ended 31 December							
	Freight forwarding		Land transportation		Others		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues	857,215,121	877,333,095	352,873,381	320,085,221	1,503,940	2,227,883	1,211,592,442	1,199,646,199
Less Inter-segment revenues	(45,109,533)	(27,008,585)	(19,428,475)	(18,223,880)	(1,503,940)	(2,006,811)	(66,041,948)	(47,239,276)
<b>Total Revenues</b>	<b>812,105,588</b>	<b>850,324,510</b>	<b>333,444,906</b>	<b>301,861,341</b>	<b>-</b>	<b>221,072</b>	<b>1,145,550,494</b>	<b>1,152,406,923</b>
<b>Gross profit</b>	<b>207,752,211</b>	<b>194,092,236</b>	<b>32,970,916</b>	<b>35,720,316</b>	<b>-</b>	<b>221,072</b>	<b>240,723,127</b>	<b>230,033,624</b>
Other income							4,938,984	2,847,147
Selling expenses							(71,534,333)	(62,914,233)
Administrative expenses							(103,168,434)	(99,269,511)
Finance costs							(7,238,664)	(11,255,161)
Share of profit (loss) from associate							(126,686)	856,393
<b>Profit before income tax</b>							<b>63,593,994</b>	<b>60,298,259</b>
Income tax expense							(15,461,399)	(11,900,843)
<b>Net profit for the year</b>							<b>48,132,595</b>	<b>48,397,416</b>

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Timing of revenue recognition is summarised as follows:

	Consolidated financial statements			
	For the year ended 31 December			
	Freight forwarding	Land transportation	Others	Total
	2019	2019	2019	2019
	Baht	Baht	Baht	Baht
Over time	740,200,194	333,444,906	-	1,073,645,100
Point in time	71,905,394	-	-	71,905,394
	812,105,588	333,444,906	-	1,145,550,494

The segment revenue information for the year ended 31 Dec 2018 has been prepared in accordance with TAS 18 (old revenue recognition standards). Therefore, the segment revenue information presented in the current and prior years are not comparable. The comparable revenue information is disclosed in note 2.2.1 a.

## 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash on hand	-	74	-	50
Bank deposits	72,355,145	93,530,278	30,048,635	51,144,633
Deposits up to 3 months	57,976,540	152,707,908	57,976,540	152,707,908
Total	130,331,685	246,238,260	88,025,175	203,852,591

Bank deposits comprise deposits in current bank accounts and saving bank accounts. The interest rates on saving bank accounts were 0.10% to 0.38% per annum (2018: 0.10% to 0.75% per annum).

The interest rate on deposits up to 3 months was 0.60% to 1.70% per annum (2018: 0.80% to 1.30% per annum) and these deposits will mature at an average of 47 days (2018: 46 days).

## 8 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Trade receivable - third parties	179,268,369	198,535,418	128,692,982	131,973,892
- related parties (Note 26)	-	-	839,237	1,116,988
<u>Less</u> Allowance for doubtful accounts	(3,685,099)	(4,215,802)	(1,639,115)	(1,195,462)
Total trade receivable, net	175,583,270	194,319,616	127,893,104	131,895,418
Prepaid expenses	6,444,037	5,998,906	5,637,315	5,234,274
Advanced payments	785,302	640,156	785,302	640,156
Accrued income	191,548	1,656,932	191,170	1,037,985
Others	1,204,587	667,048	562,471	281,271
Total	184,208,744	203,282,658	135,069,362	139,089,104

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Outstanding trade receivable as at 31 December can be analysed by overdue period as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Up to 3 months	173,907,148	188,437,642	127,764,701	128,240,228
3 - 6 months	1,964,238	5,094,107	213,281	3,730,566
6 - 12 months	816,931	1,247,414	-	522,324
Over 12 months	2,580,052	3,756,255	1,554,237	597,762
Total trade receivable	179,268,369	198,535,418	129,532,219	133,090,880
<u>Less</u> Allowance for doubtful accounts	(3,685,099)	(4,215,802)	(1,639,115)	(1,195,462)
Total	175,583,270	194,319,616	127,893,104	131,895,418

## 9 Finance lease receivables

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Current	1,848,152	-
Non-current	14,189,408	-
Total	16,037,560	-

During the year ended 31 December 2019, the Company entered into agreements for leasing vehicles to third parties. The agreements are classified as finance lease with the contract interest rate of 4.00% per annum and the effective interest rate of 8.03% - 11.15% per annum.

The movement of finance lease receivables is as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Opening book amount	-	-
Additions	16,995,327	-
Cash receipt from finance lease receivables	(957,767)	-
Closing book amount	16,037,560	-

Finance lease receivables - minimum lease payments:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Not later than 1 year	3,110,280	-
Later than 1 year but not later than 5 years	12,441,121	-
Later than 5 years	5,442,991	-
Total	20,994,392	-
<u>Less</u> Future finance charges on finance leases	(4,956,832)	-
Present value of finance lease receivables	16,037,560	-

The present value of finance lease receivables is as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Not later than 1 year	1,848,152	-
Later than 1 year but not later than 5 years	9,138,067	-
Later than 5 years	5,051,341	-
<b>Total</b>	<b>16,037,560</b>	<b>-</b>

## 10 Investments in an associate

The Group had the following associate at 31 December 2019:

Name	Place of business/ country of incorporation	% of ownership interest		Nature of the relationship	Measurement method
		31 December 2019	31 December 2018		
GLS Interfreight Co., Ltd.	Thailand	38.99	38.99	Note 1	Equity method

Note 1: GLS Interfreight Co., Ltd. is freight forwarder and strategic partnership for the Group, providing service both export and import to customers.

At the Extraordinary Shareholders' Meeting no. 1/2561 of GLS Interfreight Co., Ltd. on 17 January 2018, the shareholders passed the extraordinary resolution to cease the Company's operation and liquidate the Company which was effective on 28 February 2018. On 13 March 2018, the Company has already registered of liquidation with Department of Business Development, Ministry of Commerce. Currently, it is on the process of liquidation.

### Contingent liabilities

There are no contingent liabilities in respect of the Group's interest in associate.

### Movement of investment in associate

	Consolidated financial information (Investment in equity method)		Separate financial information (Investment at cost method)	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	3,281,628	3,316,713	3,281,628	3,316,713
Impairment charge	-	(891,478)	(126,686)	(35,085)
Share of profit (loss) from associate	(126,686)	856,393	-	-
<b>As at 31 December</b>	<b>3,154,942</b>	<b>3,281,628</b>	<b>3,154,942</b>	<b>3,281,628</b>

## 11 Investment in subsidiaries

As at 31 December, the subsidiaries included in consolidated financial statement. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Name	Country of incorporation	Nature of business	Proportion of ordinary shares directly held by the Company (%)		Proportion of ordinary shares held by non-controlling interest (%)		Investment at cost method (Baht)	
			2019	2018	2019	2018	2019	2018
Grandlink Logistics Co., Ltd.	Thailand	Freight forwarding	93.70	93.70	6.30	6.30	25,094,590	22,729,800
Genesis Logistics Co., Ltd.	Thailand	Freight forwarding	-	99.98	-	0.02	-	4,549,200



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*Movement of investment in subsidiaries*

	<b>Separate financial information (Investment at cost method)</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
As at 1 January	27,279,000	26,910,200
Capital contribution under employee benefits scheme of a subsidiary	2,364,790	368,800
Liquidation of a subsidiary	(4,549,200)	-
As at 31 December	25,094,590	27,279,000

At the Extraordinary shareholders' meeting no. 2/2558 of Genesis Logistics Co., Ltd. on 21 October 2015, the shareholders approved the Company's liquidation which will be effective on 30 October 2015 and approved to process the registration of liquidation with Department of Business Development, Ministry of Commerce, accordingly.

On 28 May 2019, the Company received a return of capital of Baht 16.58 million. The settlement difference of the cost of investment of Baht 4.55 million and the return of capital which was Baht 12.03 million was recognised to the separate statements of comprehensive income for the year. The liquidator completed the liquidation and registered this with the Department of Business Development on 4 June 2019.

12 Property, plant and equipment, net

	Consolidated financial statements							
	Land Baht	Land improvements Baht	Warehouse, buildings and building improvements Baht	Machine and equipment Baht	Furniture, fixture, and office equipment Baht	Vehicles Baht	Assets under installation and construction in progress Baht	Total Baht
<b>At 1 January 2018</b>								
Cost	147,076,890	10,020,444	71,270,617	9,468,157	18,507,267	236,583,152	1,542,424	494,468,951
Less Accumulated depreciation	-	(556,448)	(28,688,353)	(7,397,728)	(14,970,502)	(98,818,285)	-	(150,431,316)
<b>Net book amount</b>	<b>147,076,890</b>	<b>9,463,996</b>	<b>42,582,264</b>	<b>2,070,429</b>	<b>3,536,765</b>	<b>137,764,867</b>	<b>1,542,424</b>	<b>344,037,635</b>
<b>For the year ended 31 December 2018</b>								
Opening net book amount	147,076,890	9,463,996	42,582,264	2,070,429	3,536,765	137,764,867	1,542,424	344,037,635
Additions	5,324,149	-	4,100,086	587,865	3,317,078	33,992,079	668,723	47,989,980
Transfers	-	-	259,276	-	-	-	(259,276)	-
Disposals and write-offs, net	-	-	-	(36,238)	(12,085)	(2,817,631)	-	(2,865,954)
Depreciation charge	-	(501,022)	(3,142,534)	(559,788)	(1,524,062)	(13,820,152)	-	(19,547,558)
<b>Closing net book amount</b>	<b>152,401,039</b>	<b>8,962,974</b>	<b>43,799,092</b>	<b>2,062,268</b>	<b>5,317,696</b>	<b>155,119,163</b>	<b>1,951,871</b>	<b>369,614,103</b>
<b>At 31 December 2018</b>								
Cost	152,401,039	10,020,444	72,839,288	8,635,927	21,518,461	257,313,125	1,951,871	524,680,155
Less Accumulated depreciation	-	(1,057,470)	(29,040,196)	(6,573,659)	(16,200,765)	(102,193,962)	-	(155,066,052)
<b>Net book amount</b>	<b>152,401,039</b>	<b>8,962,974</b>	<b>43,799,092</b>	<b>2,062,268</b>	<b>5,317,696</b>	<b>155,119,163</b>	<b>1,951,871</b>	<b>369,614,103</b>

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	Consolidated financial statements							Total Baht
	Land Baht	Land improvements Baht	Warehouse, buildings and building improvements Baht	Machine and equipment Baht	Furniture, fixture, and office equipment Baht	Vehicles Baht	Assets under installation and construction in progress Baht	
<b>For the year ended 31 December 2019</b>								
Opening net book amount	152,401,039	8,962,974	43,799,092	2,062,268	5,317,696	155,119,163	1,951,871	369,614,103
Additions	77,454,492	-	-	6,148,950	5,666,365	40,374,559	30,264,114	159,908,480
Transfers	-	6,517,743	12,380,579	-	330,898	-	(19,229,220)	-
Disposals and write-offs, net	-	-	(2)	(60,939)	(3,463)	(379,616)	-	(444,020)
Depreciation charge	-	(744,252)	(3,729,836)	(819,845)	(2,008,806)	(15,051,515)	-	(22,354,254)
<b>Closing net book amount</b>	<b>229,855,531</b>	<b>14,736,465</b>	<b>52,449,833</b>	<b>7,330,434</b>	<b>9,302,690</b>	<b>180,062,591</b>	<b>12,986,765</b>	<b>506,724,309</b>
<b>At 31 December 2019</b>								
Cost	229,855,531	16,538,187	86,671,814	14,655,707	23,969,501	286,751,642	12,986,765	671,429,147
<u>Less</u> Accumulated depreciation	-	(1,801,722)	(34,221,981)	(7,325,273)	(14,666,811)	(106,689,051)	-	(164,704,838)
<b>Net book amount</b>	<b>229,855,531</b>	<b>14,736,465</b>	<b>52,449,833</b>	<b>7,330,434</b>	<b>9,302,690</b>	<b>180,062,591</b>	<b>12,986,765</b>	<b>506,724,309</b>

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	Separate financial statements							Total Baht
	Land Baht	Land improvements Baht	Warehouse, buildings and building improvements Baht	Machine and equipment Baht	Furniture, fixture, and office equipment Baht	Vehicles Baht	Assets under installation and construction in progress Baht	
<b>At 1 January 2018</b>								
Cost	147,076,890	10,020,444	51,799,376	7,813,921	8,642,161	232,128,547	1,542,424	459,023,763
Less Accumulated depreciation	-	(556,448)	(18,696,496)	(7,073,304)	(6,951,145)	(89,590,501)	-	(122,867,894)
<b>Net book amount</b>	<b>147,076,890</b>	<b>9,463,996</b>	<b>33,102,880</b>	<b>740,617</b>	<b>1,691,016</b>	<b>142,538,046</b>	<b>1,542,424</b>	<b>336,155,869</b>
<b>For the year ended 31 December 2018</b>								
Opening net book amount	147,076,890	9,463,996	33,102,880	740,617	1,691,016	142,538,046	1,542,424	336,155,869
Additions	5,324,149	-	4,100,086	84,804	2,256,385	33,992,079	668,723	46,426,226
Transfers	-	-	259,276	-	-	-	(259,276)	-
Disposals and write-offs, net	-	-	-	(5)	(6,370)	(3,135,089)	-	(3,141,464)
Depreciation charge	-	(501,022)	(2,558,098)	(321,196)	(793,676)	(14,579,818)	-	(18,753,810)
<b>Closing net book amount</b>	<b>152,401,039</b>	<b>8,962,974</b>	<b>34,904,144</b>	<b>504,220</b>	<b>3,147,355</b>	<b>158,815,218</b>	<b>1,951,871</b>	<b>360,686,821</b>
<b>At 31 December 2018</b>								
Cost	152,401,039	10,020,444	56,158,738	6,525,350	10,711,613	252,427,311	1,951,871	490,196,366
Less Accumulated depreciation	-	(1,057,470)	(21,254,594)	(6,021,130)	(7,564,258)	(93,612,093)	-	(129,509,545)
<b>Net book amount</b>	<b>152,401,039</b>	<b>8,962,974</b>	<b>34,904,144</b>	<b>504,220</b>	<b>3,147,355</b>	<b>158,815,218</b>	<b>1,951,871</b>	<b>360,686,821</b>

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	Separate financial statements							Total Baht
	Land Baht	Land improvements Baht	Warehouse, buildings and building improvements Baht	Machine and equipment Baht	Furniture, fixture, and office equipment Baht	Vehicles Baht	Assets under installation and construction in progress Baht	
<b>For the year ended 31 December 2019</b>								
Opening net book amount	152,401,039	8,962,974	34,904,144	504,220	3,147,355	158,815,218	1,951,871	360,686,821
Additions	77,454,492	-	-	4,619,301	3,649,720	39,118,710	30,264,114	155,106,337
Transfers	-	6,517,743	12,380,579	-	330,898	-	(19,229,220)	-
Disposals and write-offs, net	-	-	-	(4)	(607)	(379,616)	-	(380,227)
Depreciation charge	-	(744,252)	(3,145,386)	(449,777)	(1,231,072)	(16,169,003)	-	(21,739,490)
<b>Closing net book amount</b>	<b>229,855,531</b>	<b>14,736,465</b>	<b>44,139,337</b>	<b>4,673,740</b>	<b>5,896,294</b>	<b>181,385,309</b>	<b>12,986,765</b>	<b>493,673,441</b>
<b>At 31 December 2019</b>								
Cost	229,855,531	16,538,187	68,539,317	11,143,624	13,830,602	287,048,455	12,986,765	639,942,481
Less Accumulated depreciation	-	(1,801,722)	(24,399,980)	(6,469,884)	(7,934,308)	(105,663,146)	-	(146,269,040)
<b>Net book amount</b>	<b>229,855,531</b>	<b>14,736,465</b>	<b>44,139,337</b>	<b>4,673,740</b>	<b>5,896,294</b>	<b>181,385,309</b>	<b>12,986,765</b>	<b>493,673,441</b>

Depreciation has been charged to profit or loss as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of services	19,702,599	16,413,979	18,804,480	16,759,212
Administrative expenses	2,651,655	3,133,579	2,935,010	1,994,598
	22,354,254	19,547,558	21,739,490	18,753,810

The Group is a lessee under a finance lease, comprise vehicles as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Cost - capitalised finance leases	108,298,552	109,871,452
<u>Less</u> Accumulated depreciation	(26,875,515)	(21,736,968)
Net book amount	81,423,037	88,134,484

The Group's and the Company's land and premises at net book value of Baht 288.73 million (2018: 186.85 million) are pledged as collateral against bank overdrafts, promissory note, credit facility and loan from financial institutions (Note 15).

### 13 Intangible assets, net

	Consolidated financial statements		Separate financial statements	
	Computer Baht	Software Baht	Computer Baht	Software Baht
<b>At 1 January 2018</b>				
Cost		1,419,299		286,880
<u>Less</u> Accumulated amortisation		(563,883)		(200,462)
<b>Net book amount</b>		855,416		86,418
<b>For the year ended 31 December 2018</b>				
Opening net book amount		855,416		86,418
Additions		55,050		31,650
Disposals, net		(3,157)		(3,157)
Amortisation charge		(168,760)		(30,824)
<b>Closing net book amount</b>		738,549		84,087
<b>At 31 December 2018</b>				
Cost		1,445,469		289,650
<u>Less</u> Accumulated amortisation		(706,920)		(205,563)
<b>Net book amount</b>		738,549		84,087
<b>For the year ended 31 December 2019</b>				
Opening net book amount		738,549		84,087
Additions		64,800		14,800
Amortisation charge		(170,148)		(30,101)
<b>Closing net book amount</b>		633,201		68,786
<b>At 31 December 2019</b>				
Cost		1,510,269		304,450
<u>Less</u> Accumulated amortisation		(877,068)		(235,664)
<b>Net book amount</b>		633,201		68,786

Amortisation recognised in administrative expenses in profit or loss.

#### 14 Deferred income taxes, net

The analysis of deferred tax assets, net and deferred tax liabilities, net is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred income tax assets, net	1,018,934	1,650,954	-	-
Deferred income tax liabilities, net	(592,945)	(60,667)	(592,945)	(60,667)
Deferred income taxes, net	425,989	1,590,287	(592,945)	(60,667)

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	1,590,287	2,868,999	(60,667)	1,033,317
Credited to profit or loss (Note 23)	(1,164,298)	(1,095,246)	(440,078)	(1,141,087)
Credited to other comprehensive income	-	(183,466)	-	(45,097)
Charged directly to investment in subsidiaries	-	-	(92,200)	92,200
At 31 December	425,989	1,590,287	(592,945)	(60,667)

Deferred income taxes presented by types of deferred tax assets and deferred tax liabilities as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred income tax assets	3,285,406	3,116,601	2,523,229	1,647,627
Deferred income tax liabilities	(2,859,417)	(1,526,314)	(3,116,174)	(1,708,294)
Deferred income taxes, net	425,989	1,590,287	(592,945)	(60,667)

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The movements of deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements						Total Baht
	Employee benefit obligations Baht	Allowance for doubtful accounts Baht	Allowance for impairment of other long-term investments Baht	Allowance for impairment of investment in associate Baht	Depreciation expense Baht	Share-based payment Baht	
<b>Deferred tax assets</b>							
At 1 January 2019	1,169,737	843,160	20,000	220,991	657,824	204,889	3,116,601
Charged/(credited) to profit or loss	397,524	(106,140)	-	25,337	(611,238)	463,322	168,805
At 31 December 2019	1,567,261	737,020	20,000	246,328	46,586	668,211	3,285,406
At 1 January 2018	1,056,504	763,670	20,000	213,974	1,053,098	-	3,107,246
Charged/(credited) to profit or loss	296,700	79,490	-	7,017	(395,274)	204,889	192,822
Credited to other comprehensive income	(183,467)	-	-	-	-	-	(183,467)
At 31 December 2018	1,169,737	843,160	20,000	220,991	657,824	204,889	3,116,601



**Sonic Interfreight Public Company Limited**  
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	<b>Consolidated financial statements</b>
	<b>Finance lease liabilities</b>
	<b>Baht</b>
<b>Deferred tax liabilities</b>	
At 1 January 2019	(1,526,314)
Credited to profit or loss	(1,333,103)
At 31 December 2019	(2,859,417)
At 1 January 2018	(238,247)
Credited to profit or loss	(1,288,067)
At 31 December 2018	(1,526,314)

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	Separate financial statements					Total Baht
	Employee benefit obligations Baht	Allowance for doubtful accounts Baht	Allowance for impairment of other long-term investments Baht	Allowance for impairment of investment in associate Baht	Share-based payment Baht	
<b>Deferred tax assets</b>						
At 1 January 2019	962,655	239,092	20,000	220,991	204,889	1,647,627
Charged to profit or loss	298,211	88,731	-	25,338	555,522	967,802
Credited directly to investment in subsidiaries	-	-	-	-	(92,200)	(92,200)
At 31 December 2019	1,260,866	327,823	20,000	246,329	668,211	2,523,229
At 1 January 2018	850,668	197,176	20,000	213,974	-	1,281,818
Charged to profit or loss	157,084	41,916	-	7,017	112,689	318,706
Credited to other comprehensive income	(45,097)	-	-	-	-	(45,097)
Charged directly to investment in subsidiaries	-	-	-	-	92,200	92,200
At 31 December 2018	962,655	239,092	20,000	220,991	204,889	1,647,627

	Separate financial statements		
	Finance lease liabilities Baht	Depreciation expense Baht	Total Baht
<b>Deferred tax liabilities</b>			
At 1 January 2019	(1,526,314)	(181,980)	(1,708,294)
Credited to profit or loss	(1,333,104)	(74,776)	(1,407,880)
At 31 December 2019	(2,859,418)	(256,756)	(3,116,174)
At 1 January 2018	(238,247)	(10,254)	(248,501)
Credited to profit or loss	(1,288,067)	(171,726)	(1,459,793)
At 31 December 2018	(1,526,314)	(181,980)	(1,708,294)

## 15 Borrowings

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
<b>Current</b>		
Promissory notes	27,500,000	60,000,000
Current portion of:		
Long-term borrowings from financial institutions	14,367,021	10,772,872
Finance lease liabilities	16,647,292	16,368,370
Total current borrowings	58,514,313	87,141,242
<b>Non-current</b>		
Long-term borrowings from financial institutions	69,136,949	31,174,832
Finance lease liabilities	42,702,897	59,216,596
Total non-current borrowings	111,839,846	90,391,428
Total borrowings	170,354,159	177,532,670

The borrowings include secured borrowings (finance lease and bank borrowings) in a total amount of Baht 170.35 million (2018: Baht 177.53 million). The bank borrowings are secured by the land and buildings of the Group (note 12). Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The fair values of current borrowings are approximate their carrying amounts, as the impact of discounting is not material. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 3.87% - 5.34% per annum (2018: 4.99% - 6.71% per annum) and are within the level 2 of the fair value hierarchy.

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The effective interest rates at the statement of financial position date were as follows:

	Consolidated and separate financial statements	
	2019 %	2018 %
Promissory notes	3.50	4.60
Borrowings from financial institutions	3.87 - 5.34	4.99 - 6.71
Finance lease liabilities	3.76 - 5.43	3.76 - 5.35

**Movement**

The movements of long-term borrowings during the years ended 31 December are as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Opening book amount	41,947,704	54,851,941
Additions	52,946,353	-
Repayments	(11,446,549)	(12,925,159)
Amortisation of deferred financing fee	56,462	20,922
Closing book amount	83,503,970	41,947,704

The movements of finance lease liabilities during the years ended 31 December are as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Opening book amount	75,584,966	93,759,833
Repayments	(16,234,777)	(18,174,867)
Closing book amount	59,350,189	75,584,966

**Details of long-term borrowings from financial institutions**

Number	Outstanding balance (Million Baht)	Contract period	Interest rate (per annum) %	Collateral
1	4.16	October 2015 to September 2022	MLR minus 1.50	Land and premises of the Company
2	27.01	April 2016 to October 2023	MLR minus 2.00	Land and premises of the Company
			(1st - 2nd year)	
			MLR minus 1.50	
			(after 2nd year)	
3	34.84	July 2019 to July 2026	MLR minus 2.25	Land and premises of the Company
4	17.49	September 2019 to September 2025	MLR minus 2.60	Land and premises of the Company
	83.50			

The Group is subject to key financial covenants, including Debt Service Coverage Ratio not less than 1.2, Current Ratio not less than 1, and Debt to Equity ratio over than 2.5.

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
<b>Maturity of long-term borrowings:</b>		
Not later than 1 year	14,367,021	10,772,872
Later than 1 year but not later than 5 years	57,394,150	31,174,832
Later than 5 years	11,742,799	-
<b>Total</b>	<b>83,503,970</b>	<b>41,947,704</b>
<b>Minimum lease payments of finance lease liabilities:</b>		
Not later than 1 year	18,976,015	19,307,846
Later than 1 year but not later than 5 years	45,097,552	64,073,566
<b>Total</b>	<b>64,073,567</b>	<b>83,381,412</b>
<u>Less</u> Future finance charges on finance leases	(4,723,378)	(7,796,446)
<b>Present value of finance lease liabilities</b>	<b>59,350,189</b>	<b>75,584,966</b>
<b>Present value of finance lease liabilities:</b>		
Not later than 1 year	16,647,292	16,368,370
Later than 1 year but not later than 5 years	42,702,897	59,216,596
<b>Total</b>	<b>59,350,189</b>	<b>75,584,966</b>

#### Credit facilities

Unused credit facilities for bank overdrafts, promissory notes and long-term borrowings from financial institutions are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Total facilities	411.79	293.10	356.79	238.10
Unused facilities	270.01	151.51	215.51	98.01

Credit facilities are collateralised by land and buildings of the Company and its subsidiary (2018: Company's director, land and buildings).

#### 16 Trade and other payable

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payable - third parties	41,955,242	68,781,067	28,827,939	40,244,941
- related parties (Note 26)	-	-	1,284,864	2,579,571
Accrued expenses	8,371,286	9,306,575	5,181,623	5,941,863
Advance received	404,439	563,594	160,000	160,000
Others	6,553,085	258,189	4,725,671	257,395
<b>Total</b>	<b>57,284,052</b>	<b>78,909,425</b>	<b>40,180,097</b>	<b>49,183,770</b>

## 17 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position:				
Retirement benefits	7,836,303	5,848,674	6,304,329	4,813,276
Expense charge included in operating profit for:				
Retirement benefits	1,987,629	1,483,502	1,491,053	785,422
Remeasurement for:				
Retirement benefits	-	(917,337)	-	(225,486)

### Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	5,848,674	5,282,509	4,813,276	4,253,340
Current service cost	1,828,477	1,305,711	1,370,769	652,217
Interest expense	159,152	177,791	120,284	133,205
Remeasurements				
Actuarial gains arising from changes in demographic assumptions	-	(1,175,276)	-	(603,399)
Actuarial losses arising from changes in financial assumptions	-	223,979	-	170,516
Past service costs and losses arising from settlements	-	33,960	-	207,397
At 31 December	7,836,303	5,848,674	6,304,329	4,813,276

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. 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 effects of the amendment were recognised as current service cost during the year.

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Discount rate	1.76 - 4.38	1.76 - 4.38	1.76 - 4.38	1.76 - 4.38
Inflation rate	2.5	2.5	2.5	2.5
Salary growth rate				
Monthly employees	3.5 - 10.0	3.5 - 10.0	3.5 - 10.0	3.5 - 10.0
Daily employees	3.5	3.5	3.5	3.5
Employee turnover rate				
Monthly employees	0.0 - 30.0	0.0 - 30.0	0.0 - 30.0	0.0 - 30.0
Daily employees	0.0 - 60.0	0.0 - 60.0	0.0 - 60.0	0.0 - 60.0



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Sensitivity analysis for each significant assumption used is as follows:

	<b>Consolidated financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Increase (decrease)</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	
<b>%</b>	<b>%</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
Discount rate	1	1	(434,471)	(358,787)	497,499	408,222
Salary growth rate	1	1	548,428	399,808	(486,620)	(358,609)
Staff turnover rate	20	20	(780,411)	(515,474)	1,199,866	784,763

	<b>Separate financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Increase (decrease)</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	
<b>%</b>	<b>%</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
Discount rate	1	1	(269,506)	(239,169)	305,466	268,101
Salary growth rate	1	1	343,605	262,410	(308,368)	(238,872)
Staff turnover rate	20	20	(420,559)	(274,554)	657,252	423,722

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 to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Changes in bond yields**

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

**Inflation risk**

Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 11.8 years (2018: 11.8 years).

Expected maturity analysis of undiscounted retirement and post-employment medical benefits are as follows:

	<b>Consolidated financial statements</b>	
	<b>2019</b>	<b>2018</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Not later than 1 year	-	0.72
Later than 1 year but not later than 5 years	6.92	6.50
Later than 5 years	10.37	10.07
<b>Total</b>	<b>17.29</b>	<b>17.29</b>

## 18 Share capital and premium on share capital

	Authorised share capital		Paid-up share capital		Share Premium
	Number of Shares	Ordinary Shares Baht	Number of Shares	Ordinary Shares Baht	Baht
<b>At 1 January 2018</b>	580,000,000	290,000,000	400,000,000	200,000,000	-
Issue of shares	-	-	150,000,000	75,000,000	217,500,000
Share issue costs	-	-	-	-	(9,364,737)
<b>At 31 December 2018</b>	580,000,000	290,000,000	550,000,000	275,000,000	208,135,263
<b>At 31 December 2019</b>	580,000,000	290,000,000	550,000,000	275,000,000	208,135,263

The total authorised number of ordinary shares is 580,000,000 shares (2018: 580,000,000 shares) with a par value of Baht 0.50 per share (2018: Baht 0.50 per share). The issued and fully paid-up ordinary shares is 550,000,000 shares (2018: 550,000,000 shares).

In October 2018, the Company initial public offered its ordinary shares of 150,000,000 shares, with the par value of Baht 0.50 per share. The offering price of these shares was Baht 1.95 per share, totalling Baht 292.50 million. The Company recorded expenses in respect of shares distribution amount of Baht 9.36 million as a deduction to the share premium in the statement of change in equity.

## 19 Legal reserve

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
At 1 January	8,838,571	7,172,011
Appropriation during the year	2,239,182	1,666,560
At 31 December	11,077,753	8,838,571

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

## 20 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Dividend income	-	-	10,021,664	13,121,117
Gain on disposal of a subsidiary (Note 11)	-	-	12,034,160	-
Gain on exchange rate	137,722	-	137,722	-
Interest income	2,260,701	628,693	2,203,047	552,664
Gain on disposals of equipment	1,511,873	1,600,965	-	1,277,834
Others	1,028,688	617,489	778,947	625,778
<b>Total</b>	<b>4,938,984</b>	<b>2,847,147</b>	<b>25,175,540</b>	<b>15,577,393</b>



## 21 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings from financial institutions	4,165,595	7,285,989	4,165,217	7,019,202
Finance lease	3,073,069	3,969,172	3,073,069	3,969,172
<b>Total</b>	<b>7,238,664</b>	<b>11,255,161</b>	<b>7,238,286</b>	<b>10,988,374</b>

## 22 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Freight cost, transportation cost and other fees	815,123,561	843,870,348	476,658,992	462,152,964
Staff costs	112,589,922	100,055,065	77,951,509	66,385,744
Fuel expenses	41,754,272	41,917,754	41,735,786	41,891,914
Commission fee	28,644,767	24,442,793	14,585,442	13,927,878
Depreciation and amortisation expense	22,524,402	19,716,318	21,769,591	18,784,634
Repair and maintenance expense	10,226,733	6,908,594	10,102,342	6,783,631
Office utilities	2,392,910	2,214,442	1,237,067	1,172,767
Rental and related service expense	1,219,223	1,175,911	1,855,174	1,838,073
Other expenses	45,054,344	44,255,818	34,213,698	32,796,432
	<b>1,079,530,134</b>	<b>1,084,557,043</b>	<b>680,109,601</b>	<b>645,734,037</b>

## 23 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Current tax:</b>				
Current tax on profit for the year	14,297,101	10,805,597	7,314,477	3,566,325
<b>Deferred tax:</b>				
Decrease in deferred tax assets (Note 14)	632,020	184,728	-	-
Increase in deferred tax liabilities (Note 14)	532,278	910,518	440,078	1,141,087
	<b>1,164,298</b>	<b>1,095,246</b>	<b>440,078</b>	<b>1,141,087</b>
<b>Income tax expense</b>	<b>15,461,399</b>	<b>11,900,843</b>	<b>7,754,555</b>	<b>4,707,412</b>

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the parent company is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Profit before tax	63,593,994	60,298,259	52,538,195	37,620,470
Tax calculated at a tax rate of 20% (2018: 20%)	12,718,799	12,059,652	10,507,639	7,524,094
Tax effect of:				
Revenues that are granted income tax exemption	-	-	(2,004,333)	(2,624,223)
Associate's result reported	25,337	(171,279)	-	-
Revenues treated as revenues under the Revenue Code	2,815,994	-	52,255	-
Expenses not treated as expenses under the Revenue Code	1,584,727	751,190	814,002	472,930
Expenses that are deductible at a greater amount	(1,683,458)	(738,720)	(1,615,008)	(665,389)
Income tax expense	15,461,399	11,900,843	7,754,555	4,707,412

#### 24 Earnings per share

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit attributable to ordinary shareholders of the Parent (Baht)	46,532,729	46,626,069	44,783,640	32,913,058
Weighted average number of ordinary shares (Shares)	550,000,000	430,410,959	550,000,000	430,410,959
<b>Basic earnings per share (Baht per share)</b>	<b>0.08</b>	<b>0.11</b>	<b>0.08</b>	<b>0.08</b>

There was no effects of dilutive ordinary shares on calculation of diluted earnings per share from warrants since the fair value of Company's ordinary shares as at 31 December 2019 was lower than the exercise price of the warrants. So no diluted earnings per share are presented.

## 25 Dividends

### 2019

#### Subsidiary

At the General Shareholders' Meeting of Grandlink Logistics Co., Ltd. no. 1/2562 held on 26 March 2019, the shareholders passed the resolution to approve dividends payment at the rate of Baht 34.50 per share for 310,000 ordinary shares, totalling Baht 10.70 million. The dividends were paid in March 2019.

### 2018

#### Company

At the General Shareholders' Meeting of the Company no. 1/2561 held on 30 April 2018, the shareholders passed the resolution to approve dividends payment at the rate of Baht 0.035 per share for 400,000,000 ordinary shares, totalling Baht 14.00 million. The dividends were paid in May 2018.

At the Board of Directors' Meeting of the Company no. 7/2561 held on 13 November 2018, the directors passed the resolution to approve interim dividends payment at the rate of Baht 0.045 per share for 550,000,000 ordinary shares, totalling Baht 24.75 million. The dividends were paid in December 2018. Then, at the General Shareholders' Meeting of the Company no. 1/2562 held on 23 April 2019, the shareholders acknowledged this dividends payment.

#### Subsidiary

At the General Shareholders' Meeting of Grandlink Logistics Co., Ltd. no. 1/2561 held on 30 April 2018, the shareholders passed the resolution to approve dividends payment at the rate of Baht 45.17 per share for 310,000 ordinary shares, totalling Baht 14.00 million. The dividends were paid in May 2018.

## 26 Related party transactions

### a) Major shareholders

The Group is controlled by the following party:

Name	Type	Country	% of ownership interest	
			31 December 2019	31 December 2018
"K. Arpanant" family	Ultimate controlling party	Thailand	64.45	64.24

The remaining 35.55% (2018: 35.76%) of the shares are widely held.

**b) Transactions with related parties**

Transactions with related parties are as follows:

	Consolidated financial statement		Separate financial statement		Pricing policies
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	
<b>Service income:</b>					
Subsidiary	-	-	29,356,770	27,159,364	Carried out on commercial terms and conditions and at market prices
<b>Cost of services:</b>					
Subsidiary	-	-	35,179,738	18,077,883	Carried out on commercial terms and conditions and at market prices
<b>Dividend income:</b>					
Subsidiary	-	-	10,021,664	13,121,117	Carried out on declared dividends payment
<b>Other income:</b>					
Subsidiary	-	-	10,330	8,289	Carried out on cost
Associate	-	650	-	550	
	-	650	10,330	8,839	
<b>Administrative expenses:</b>					
Subsidiary	-	-	1,505,440	2,037,927	Carried out at market price (Compared to rental fee rate in the nearby area for rental expense)
Associate	-	97,544	-	25,151	
	-	97,544	1,505,440	2,063,078	

**c) Outstanding balances arising from sales and purchases of goods and services**

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Consolidated financial statement		Separate financial statement	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
<b>Trade receivables:</b>				
Subsidiaries	-	-	839,237	1,116,988
<b>Deposits of office rental and related services:</b>				
Subsidiaries	-	-	405,000	405,000
<b>Trade payables:</b>				
Subsidiaries	-	-	1,279,761	2,579,571
<b>Accrued cost:</b>				
Subsidiaries	-	-	5,103	-

d) **Key management compensation**

Key management includes directors (executive and non-executive) and members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statement		Separate financial statement	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other				
short-term employee benefits	12,861,960	12,326,326	9,587,882	8,439,223
Post-employment benefits	1,004,066	301,880	901,984	275,890
Share-based payment	117,838	23,904	117,838	23,904
	13,983,864	12,652,110	10,607,704	8,739,017

**27 Share-based payment**

On 19 October 2018, the Company granted warrants ("Sonic - ESOP 2018") to executives and to selected employees. The exercise price of the granted warrants is Baht 1.95. The warrants are exercisable after completed of two years from the grant date. The warrants' period is five years. The number of units can be exercised according to the condition and the timing of the announcement for the right of warrants.

Movements of share-based payment reserve recognised in equity for the year ended 31 December are as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
As at 1 January 2019	1,024,444	-
Reserve during the year	5,050,201	1,024,444
As at 31 December 2019	6,074,645	1,024,444

Details of warrants are below:

	Grant date	Issued units Units	Exercise Ratio unit/share	Exercise price Baht/unit	Exercise period	
					Start	End
Sonic - ESOP 2018	19 October 2018	30,000,000	1 : 1	1.95	19 October 2018	18 October 2023

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Consolidated and separate financial statements	
	Average exercise price (Baht per share)	Number of warrants (Units)
As at 1 January 2019	1.95	30,000,000
As at 31 December 2019	1.95	30,000,000

**Sonic Interfreight Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

The Company assessed the fair value of the warrants using the Binomial Tree model. The key assumptions of valuation model are as follows:

<b>Assumptions</b>	<b>Sonic - ESOP 2018</b>
Fair value of the stock for the exercise warrants as at the valuation date (Baht)	1.84
The volatility of the stock price for the exercise warrants (%)	42.67
Probability of the stock's price pattern for the exercise warrants	
- Probability that the price will increase (%)	39.2 - 42.3
- Probability that the price will decrease (%)	57.7 - 60.9
Discount rate (%)	2.43

The amounts recognised in the financial statements for the year ended 31 December:

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Investments in subsidiaries, in the statement of financial position	-	-	2,272,590	461,000
Share-based payment expense in profit or loss	5,050,201	1,024,444	2,777,611	563,444
Share-based payment reserve in equity	5,050,201	1,024,444	5,050,201	1,024,444

## 28 Commitments

### a) Capital expenditure commitments

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

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	<b>2019 Million Baht</b>	<b>2018 Million Baht</b>	<b>2019 Million Baht</b>	<b>2018 Million Baht</b>
Property, plant and equipment	2.24	-	2.02	-
Intangible assets	1.88	1.87	0.01	-
Total	4.12	1.87	2.03	-

### b) Non-cancellable operating leases - where a Group is the lessee

The Group various buildings, photo copiers, other equipment and cleaning services under non-cancellable operating lease agreements. The lease terms are between 1 to 30 years, and the majority of the leases are renewable at the end of the lease period at market rate.

As at 31 December, the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	<b>2019 Million Baht</b>	<b>2018 Million Baht</b>	<b>2019 Million Baht</b>	<b>2018 Million Baht</b>
Not later than 1 year	1.68	2.20	1.32	1.84
Later than 1 year but not later than 5 years	1.17	1.52	0.62	0.73
Later than 5 years	0.85	0.94	-	-
	3.70	4.66	1.94	2.57



**c) Letter of guarantee**

The Group has contingent liabilities from letter of guarantees issued by financial institutions to Custom Department and customers in respect of service agreements as follows:

	Consolidated		Separate	
	financial statement		financial statement	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Letter of guarantee	2.09	2.59	1.59	1.09

**29 Litigations and disputes of the Group**

**Company**

- On 21 June 2016, the Customs Department issued a letter informing the Company that it would revoke the Company's licence to operate in the King Kaew LCL free zone. The Customs Department said that someone took a car out of the free zone area in the grace period during the flood crisis in 2011. However, the car was not returned to the free zone area within the extension period granted by the Customs Department. Revenue from the free zone operation for the year ended 31 December 2016, which was the last year of the operation, was Baht 7.21 million.

On 15 December 2016, the Company filed a lawsuit against the Customs Department and its Director General in the Central Administrative Court (the Court). The lawsuit asked the Court to 1) cancel or revoke the cancellation of the Company's licence to operate in the free zone area, 2) request that the Customs Department pay Baht 33 million with an interest rate of 7.5% per annum for any losses caused by this matter, and 3) consider a petition for a temporary injunction on the stay of execution of the cancellation of the Company's licence to operate in the free zone at the Court's discretion.

On 28 April 2017, the Court dismissed the Company's petition for a temporary injunction on the stay of execution submitted on 15 December 2016. As a result, the Company's operation in the free zone cannot be resumed.

Then, on 11 October 2017, Bang Sao Thong Customs Service Division issued a letter informing the Company that it must pay duty based on the duty assessment for the car of Baht 19.93 million. This amount excludes surcharge calculated from the date of prosecution until the full amount of payment is made. This is the Company's obligation according to the insurance and bond agreement for a free zone operator dated 11 March 2009.

The Group's management decided that a provision for such amount will not be recognised in the financial statements for the year ended 31 December 2019. This is because the Company issued a dispute letter, dated 24 October 2017, to the Head the Bang Sao Thong Customs Service Division II, opposing the enforcement of the insurance and bond agreement for the free zone operator. The letter is to request the Customs Department to postpone the duty payment until the court case is finalised by the Court. This is also related to the progress of the Customs Department lawsuit alleging that the Company was involved in taking a car out of the free zone area. Regarding this, the Inquiry Official believes that a non-prosecution order will be executed for the Company since the witnesses and evidence were not enough to issue a prosecution order. For the next step, the Inquiry Official will pass the investigation report to the attorney to determine whether to issue a prosecution order against the Company. If the Company wins the court case, the Company will have no tax liability on the assessed amount. The Company has concluded that the duty payment is not probable.

- On 3 December 2014, the Company received a summons from the Economic Crime Suppression Division of the Royal Thai Police, regarding avoidance of customs duty for a car imported in 2011, which request that Company pay compensation for the car's value of Baht 1.90 million and related tax of Baht 3.08 million. However, the prosecuting attorney in Pattaya decided not to file a lawsuit against the Company and instead passed the case to the Commissioner of the Central Investigation Bureau and the Office of the Attorney General, respectively. This case is currently being considered by the Office of the Attorney General. The Company's lawyer believes that the Office of the Attorney General will agree with the prosecuting attorney's opinion.

The ultimate outcome of the case and its potential liabilities cannot presently be determined. However, the Group's management considers that the need to pay for this case is not probable, so the Group has not established a provision for potential liabilities arising from the claims in the financial statements.

3. On 22 October 2018, an insurance company, for a chemical trading company, filed a lawsuit in Bangkok South Civil Court against the Company to claim compensation resulting from a mistake in the delivery of chemical products. The mistake impaired the buyer's manufacturing process. The total compensation claimed by the chemical trading company was Baht 4.79 million. After inspecting the damage, the insurance company paid compensation of Baht 3.88 million to the chemical trading company. The insurance company's lawsuit requested this compensation with interest totalling Baht 3.94 million at a 7.5% interest rate per annum calculated from the date of prosecution until the full amount of payment is made to the plaintiff. On 9 January 2019, the Company presented its testimony in court and filed a petition to use the Company's subcontractor as a joint defendant.

On 24 October 2018, the chemical trading company filed a lawsuit in Bangkok South Civil Court against the Company requesting the remaining compensation claim of Baht 0.97 million that the insurer did not pay. This also includes a 7.5% interest rate per annum calculated from the date of prosecution until the payment is made in full. On 2 January 2019, the Company presented its testimony in court and filed a petition to use the Company's subcontractor as a joint defendant.

On 27 January 2020, which is an event occurring after the reporting date, the Bangkok South Civil Court made a judgement on the lawsuit filed by the chemical trading company against the Company. According to the decision, the Company and its subcontractor joint defendant must pay the plaintiff's claim in full. It was considered that the damage derived from the negligence of the joint defendant, and that the Company as principal must take responsibility, along with the joint defendant, for the violation committed by the joint defendant.

However, the Group's management decided, based on the available evidence and judgement of the Bangkok South Civil Court that Company did not directly cause the damage, so it is not probable that the Company will ultimately be liable to pay damages to the insurance company and the chemical trading company. The Group's lawyer and management are currently studying the judgement of the Bangkok South Civil Court in preparation for an appeal. The ultimate outcome of the cases cannot presently be determined. Thus, the Group has not established a provision for potential liabilities arising from the claims in the financial statements.

### 30 Events occurring after the reporting period

At the Board of Directors' Meeting of the Company no. 1/2563 held on 24 February 2020, the directors passed the resolution to seek the shareholders' approval for the dividends payment from the operating result for the year ended 31 December 2019 to the shareholders at the rate of Baht 0.05 per share for 550,000,000 ordinary shares, totalling Baht 27.50 million. Such payment of dividends will be made only the shareholders entitled to receive dividends according to the Company's Articles of Association, whose names appear in the shareholders register book as of the date on which the list of shareholders to dividends are determined, which is 30 April 2020. The dividend payment shall be made in May 2020.



## Related-Party Transactions

1. Details and type of relationship between people or related transactions which may have conflict of interest with the Company.

Persons / Juristic Persons which may have conflict	Relationship
GLS Interfreight Co., Ltd (“GLS”)	<ul style="list-style-type: none"> <li>- Subsidiary, holding 38.99% of total sharers and has same group of Directors with the Company.</li> <li>- A company that operates International Freight Forwarder Business.</li> <li>- At present, the business has been discontinued. The shareholders of the company have passed a resolution to cease operations on February 28, 2018</li> </ul>
PK Good Tire Co., Ltd	<ul style="list-style-type: none"> <li>- There was a company that Mr. Patiphan Pleng Chawi, who is a company executive,</li> </ul>
President Automobile Industry Co., Ltd.	<ul style="list-style-type: none"> <li>- A company that Assoc. Prof. Kalyaporn Panmarerng and Mr. Kanwat Arun, the Company’s Independent Director, are Directors.</li> <li>- A company that manufactures car air conditioning parts.</li> </ul>
Dr. Santisuk Kosiapanant (Ph.D.)	Major Shareholder / Board of Director/ CEO / Authorized Signatory/ holding 55.10% of the total shares.
Pinthong Industrial Park Public Company Limited	<ul style="list-style-type: none"> <li>- Is a company in which Mr. Rattawat Suksaichol, who is an independent director of the company is a director</li> <li>- A company that do the Real estate business for rent</li> </ul>

2.Related party transactions between Sonic Interrupted Public Company Limited and parties that may have conflicts ended December 31, 2018 and 2019

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
<p>- GLS Inter Freight Co., Ltd. "GLS"</p> <p>- Associated companies of the company Holds 38.99% of the shares and has the same committee as the company</p> <p>- Business of international freight forwarding business</p> <p>- At present, the business has been discontinued. The shareholders of the company have passed a resolution to cease operations on February 28, 2018</p>	<p><u>Service income</u></p> <p>Sonic provided service to GLS.</p>	0.00	0.00	<p>The Company provides sea freight transportation services to GLS, an affiliated company that is in the process of discontinuing operations. GLS has shareholders, with foreign companies acting in coordination to provide affiliated services. Network of foreign holding companies Which have charge between each other Considered as revenue and cost of operation Which includes freight charges And service fees for making transportation formalities Which the company has the same pricing policy and terms of trade with other customers.</p> <p><b><u>Opinion of the Audit Committee</u></b></p> <p>Since it is a service item According to the market price and normal trading conditions</p> <p>Therefore have an opinion that the transaction is fair and reasonable</p>
	<p><u>Receivable – Related Transactions</u></p> <p>Beginning</p>	0.00	0.00	
	<p>Increase</p>	0.59	0.59	
	<p>Decrease</p>	(0.59)	(0.00)	
	<p>Ending</p>	0.00	0.00	
	<p><u>Service Cost</u></p> <p>Sonic receives service from GLS.</p>	0.00	0.00	
	<p><u>Account Payable - Related Transactions</u></p> <p>Beginning</p>	0.00	0.00	
	<p>Increase</p>	91.60	0.59	
	<p>Decrease</p>	(91.60)	(0.00)	
	<p>Ending</p>	0.00	0.00	

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction	
		31 December 2018	31 December 2019		
<ul style="list-style-type: none"> <li>- GLS Inter Freight Co., Ltd. "GLS"</li> <li>- Associated company of the company Holds 38.99% of the shares and has the same committee as the company</li> <li>- Business of international freight forwarding business</li> <li>- At present, the business has been discontinued. The shareholders of the company have passed a resolution to cease operations on February 28, 2018</li> </ul>	<u>Service income</u>	0.55	0.00		
	Sonic provided service to GLS.	<u>Receivable – Related Transactions</u>		<u>Receivable – Related Transactions</u>	
		Beginning	0.00	Beginning	0.00
		Increase	0.59	Increase	0.00
		Decrease	(0.59)	Decrease	(0.00)
		Ending	0.00	Ending	0.00
	<u>Other Services</u>	25.15		0.00	
	<u>Revenue</u>				
	Sonic receives of water, electricity, telephone charges from GLS.	<u>Account Payable - Related Transactions</u>		<u>Account Payable - Related Transactions</u>	
		Beginning	0.00	Beginning	0.00
		Increase	91.60	Increase	0.00
		Decrease	(91.60)	Decrease	(0.00)
		Ending	0.00	Ending	0.00
	<u>Cost of purchase of property</u>	175.12		0.00	
	Sonic purchased assets from GLS.	<u>Account Payable - Related Transactions</u>		<u>Account Payable - Related Transactions</u>	
	Beginning	0.00	Beginning	0.00	
	Increase	91.60	Increase	0.00	
	Decrease	(91.60)	Decrease	(0.00)	
	Ending	0.00	Ending	0.00	

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
Mr. Santisuk Kosiarpnant Major shareholder / Director / Executive Chairman / Authorized Director 55.10%	<p><u>Guarantee all loan agreements and overdrafts.</u></p> <p>On 24/12/2018, the bank released the guarantee obligations on behalf of Mr. Santisuk Kosiarpnant Personal guarantees for the company</p>	-	-	<p>The company has credit facilities with financial institutions creditors for use in expanding and operating the business. Personal guarantee for the company Such guarantees are in accordance with the conditions of the financial institutions. Which Mr. Santisuk Kosiarpnant does not receive any compensation from the guarantee</p> <p><u>Opinion of the Audit Committee</u></p> <p>As it is a financial aid transaction to support normal business To support normal business Under trading conditions</p> <p>Therefore should consider approving the said transaction</p>

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
Mr. Santisuk Kosiarpnant Major shareholder / Director / Executive Chairman / Authorized Director 55.10%	<p><u>Guarantee the vehicle leasing contract for the company</u></p> <p>On 24/12/2018, the bank released the guarantee obligations on behalf of Mr. Santisuk Kosiarpnant Personal guarantees for the company</p>	-	-	<p>The company plans to increase the capacity of the transport business by car. By having entered into a vehicle hire purchase agreement with a financial institution, whereby the directors are required to be the guarantor of the said contract.</p> <p><u>Opinion of the Audit Committee</u></p> <p>As it is a financial aid transaction to support normal business To support normal business Under trading conditions</p> <p>Therefore should consider approving the said transaction</p>

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
<p><b>PK Good Tire Company Limited</b></p> <p>- Is a company that Mr. Patiphan Pleng Chawi, who is a company executive, is a director Businesses selling tires, pan wheels and all types of automotive equipment</p>	<p><u>Service income</u></p> <p>Sonic Has provided services to PK Good Tire Company Limited</p>	41.92	7.32	<p>The Company provides sea freight and transportation management services to PK Good Tire Company Limited, which operates Selling tires, frying pan, wheels and equipment of all types of vehicles by PK Good Tire Co., Ltd. There is a shareholder by Mr. Priyan Plengchawi, who is the executive of the company, is a director with service fees charged. Considered as revenue and cost of operation Which includes the cost of doing transportation formalities, transportation costs by the company Have the same pricing policy and terms of trade as other customers In addition, the company has purchased spare parts for road tires from PK Good Tire Co., Ltd.</p> <p><b><u>Opinion of the Audit Committee</u></b></p> <p>Since the service provided by PK Good Tire Company Limited is in accordance with normal business conditions Same as other customers</p> <p>Therefore consider and approve the said report</p>
	<p><u>Receivable – Related Transeactions</u></p>	<p>Beginning 0.00</p> <p>Increase 58.76</p> <p>Decrease (11.30)</p> <p>Ending 47.46</p>	<p>Beginning 47.46</p> <p>Increase 7.84</p> <p>Decrease (55.30)</p> <p>Ending 0.00</p>	
	<p><u>Cost of spare parts</u></p> <p>Sonic purchased tires from PK Good Tires Company Limited.</p>	1,544.90	2,775.70	
	<p><u>Account Payable - Related Transactions</u></p>	<p>Beginning 0.00</p> <p>Increase 1,544.90</p> <p>Decrease (1,544.90)</p> <p>Ending 0.00</p>	<p>Beginning 0.00</p> <p>Increase 2,775.70</p> <p>Decrease (2,747.70)</p> <p>Ending 28.00</p>	

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
<p><b>President Automobile Industry Company Limited</b></p> <p>- Is a company in which Mrs. Kalayaporn Panmarreung and Mr. Nawat Aran who are independent directors of the company Is a director</p> <p>- Engaging in the business of producing auto parts, air conditioner type</p>	<p><u>Service income</u></p> <p>Sonic provided service to President Automobile Industry Co., Ltd.</p>	<p>762.86</p> <p><u>Receivable – Related Transactions</u></p> <p>Beginning 0.00</p> <p>Increase 845.24</p> <p>Decrease (479.44)</p> <p>Ending 365.80</p>	<p>345.90</p> <p><u>Receivable – Related Transactions</u></p> <p>Beginning 365.80</p> <p>Increase 519.64</p> <p>Decrease (839.07)</p> <p>Ending 46.38</p>	<p>The company provides sea freight transportation services to President Automobile Industry Company Limited, a business service provider. Manufacture of auto parts In which President Automobile Industry Company Limited has Mrs. Kalayaporn Panmarreung as a co-director Which have charge between each other Considered as revenue and cost of operation Which includes freight charges And service fees for making transportation formalities Which the company has the same pricing policy and terms of trade with other customers</p> <p><b><u>Opinion of the Audit Committee</u></b></p> <p>As the service provided by President Automobile Industry Co., Ltd. is in accordance with normal business conditions Same as other customers</p> <p>Therefore consider and approve the said report</p>

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction		
		31 December 2018	31 December 2019			
<b>Pinthong Industrial Park Public Company Limited</b> Being a company in which Mr. Rattawat Suksaichol, who is an independent director of the Company is a director Operate real estate business for rental property income	<u>Service income</u>	0.00	43.16	The company receives public utility services from Pinthong Industrial Park Public Company Limited The service provider engages in the real estate business for profit by renting real estate Pinthong Industrial Park Public Company Limited With Mr. Rattawat Suksaichol as a director  <u>Opinion of the Audit Committee</u> Due to the service provided with Pinthong Industrial Park Public Company Limited is in accordance with normal trade conditions. Same as other customers  Therefore consider and approve the said report		
	Sonic receives public utility services from Pinthong Industrial Park Public Company Limited	<u>Account Payable - Related Transactions</u>	<u>Account Payable - Related Transactions</u>			
		Beginning	0.00		Beginning	0.00
		Increase	0.00		Increase	46.18
		Decrease	(0.00)		Decrease	(23.09)
		Ending	0.00		Ending	23.09



3.Related party transactions between Grand Link Logistics Company Limited and parties that may have conflicts between 31 December 2018 and 2019

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction		
		31 December 2018	31 December 2019			
<ul style="list-style-type: none"> <li>- GLS Inter Freight Co., Ltd. "GLS"</li> <li>- Associated companies of the company Holds 38.99% of the shares and has the same committee as the company</li> <li>- Doing business in international shipping agents</li> <li>- At present, the business has been discontinued. The shareholders of the company have passed a resolution to cease operations on February 28, 2018</li> </ul>	<u>Service income</u>	0.00	0.00	<p>The Company provides sea freight transportation services to GLS, a subsidiary company that is in the process of shutting down operations. In which GLS has shareholders by foreign companies which are responsible for coordinating services in the networks of foreign holding companies. Which have charge between each other Considered as revenue and cost of operation Which includes freight charges And service fees for making transportation formalities Which the company has the same pricing policy and terms of trade with other customers</p> <p><b><u>Opinion of the Audit Committee</u></b> Since it is an asset acquisition transaction according to the market price and normal trading conditions</p>		
	<b>Grandlink provides services to GLS.</b>	<u>Receivable – Related Transactions</u>			<u>Receivable – Related Transactions</u>	
		Beginning	107.30		Beginning	0.00
		Increase	0.00		Increase	0.00
		Decrease	(107.30)		Decrease	(0.00)
		Ending	0.00		Ending	0.00
	<u>Service cost</u>	0.00	0.00			
	<b>Grandlink received services from GLS.</b>	<u>Account Payable - Related Transactions</u>			<u>Account Payable - Related Transactions</u>	
		Beginning	59.30		Beginning	0.00
		Increase	77.46		Increase	0.00
	Decrease	(136.76)	Decrease	(0.00)		
	Ending	0.00	Ending	0.00		

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
<p><b>GLS Inter Freight Co., Ltd. "GLS"</b></p> <ul style="list-style-type: none"> <li>- Associated companies of the company Holds 38.99% of the shares and has the same committee as the company</li> <li>- Business of international freight forwarding business</li> <li>- At present, the business has been discontinued. The shareholders of the company have passed a resolution to cease operations on February 28, 2018</li> </ul>	<u>Office rental income</u> <b>Grandlink provides office services for GLS.</b>	0.00	0.00	Therefore have an opinion that the transaction is fair and reasonable
	<u>Other service income</u> Grandlink has a cleaning service. And document printing, bank fees to GLS	0.00	0.00	Since GLS does not have a proprietary office building. Therefore rented office space from Grandlink to use as a GLS office. The rental period is from 10 April 2014 to 9 April 2017, with the rental payment of 48,772.50 baht per month or 95.63 baht per square meter. And service fees for procurement and construction of facilities for the convenience of space for rent of buildings at the rate of 73,154.97 baht per month. Or 143.44 baht per square meter. And as of 1 October 2016, the rental area has been reduced to 50 percent of the previous area. And with a monthly rental rate of 24,386.25 baht
	<u>Cost of other services</u> Grandlink receives electricity, telephone service charges from GLS.	72.39	0.00	And the rental fee that the company charges at a normal rate that nearby office buildings rent
		<u>Account Payable - Related Transactions</u> Beginning 59.30 Increase 77.46 Decrease (136.76) Ending 0.00	<u>Account Payable - Related Transactions</u> Beginning 0.00 Increase 0.00 Decrease (0.00) Ending 0.00	
	<u>Cost of purchase of property</u> <b>Grandlink buys assets from GLS</b>	220.30	0.00	

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
Mr. Santisuk Kosiarpnant Shareholder / Director / Authorized directors	<u>Guarantee all loan agreements and overdrafts.</u> On 24/12/2018, the bank released the guarantee obligations on behalf of Mr. Santisuk. Kosi Apanan Personal guarantees for the company	<u>Account Payable - Related Transactions</u> Beginning                      59.30 Increase                         77.46 Decrease                        (136.76) Ending                            0.00 -	<u>Account Payable - Related Transactions</u> Beginning                      0.00 Increase                         0.00 Decrease                        (0.00) Ending                            0.00 -	<u>Opinion of the Audit Committee</u> Since it is an asset acquisition transaction according to the market price and normal trading conditions  Therefore have an opinion that the transaction is fair and reasonable  The company has credit facilities with financial institutions creditors for use in expanding and operating a business with Mr. Santisuk Kosiarpnant To be Personal guarantee for the company Such guarantees are in accordance with the conditions of the financial institutions. Which Mr. Santisuk does not receive any compensation from the guarantee  <u>Opinion of the Audit Committee</u> As it is a financial aid transaction to support normal business To support

Persons / juristic person who may have conflict / Type of business	Type and Details of Transaction	Value of Related of transactions (Thousand Baht)		Necessity and reasonability of Transaction
		31 December 2018	31 December 2019	
				<p>normal business Under trading conditions</p> <p>Therefore should consider approving the said transaction</p>

## Dividend Payment Policy

It is the Company's policy to pay dividend to shareholders in a proportion that is no less than 50% of net profit after income tax and contingency fund by law and other fund (if any). However, dividend payment is subject to change depending on overall operation, financial status, liquidity, business expansion, necessity of revolving fund in operation, investment plan and future business expansion, market condition, appropriateness and other factors which concern the Company's operation and management. It is under the condition that the Company must have adequate cash in business operation and that operation will cause best interest to shareholders as the Board of Director and/or shareholders see as appropriate.

Accordingly, the Board of Directors' resolution of dividend payment approval must be presented shareholders for approval except interim dividend which the Board of Directors has authorization to approve and report to shareholders in the next meeting.

## Company Location

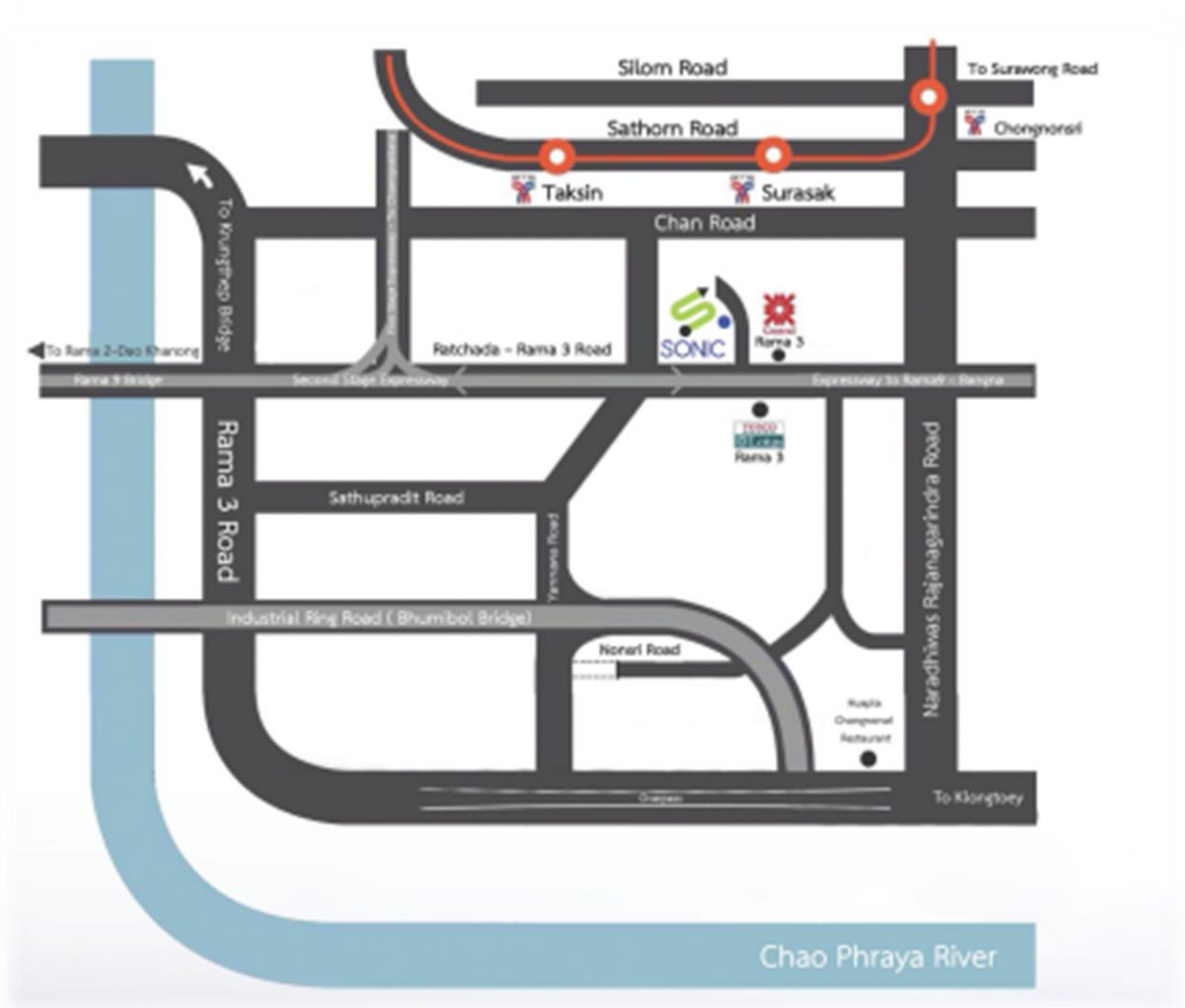
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