

Wice Logistics Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of Wice Logistics Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Wice Logistics Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Wice Logistics Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wice Logistics Public Company Limited and its subsidiaries and of Wice Logistics Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Emphasis of Matter**

I draw attention to Note 11 to the consolidated financial statements, which describes the acquisition business of the Company. In January 2018, the Company purchased ordinary share of Universal Worldwide Transportation Limited, a company incorporated in Hong Kong Special Administrative Region of the People's Republic of China. The Company purchased 80,000 ordinary shares at par value of HKD 10 each (80% of Universal Worldwide Transportation Limited's ordinary shares). As at the date of acquisition, the Company recognised and measured the assets acquired and liabilities assumed at their fair value by applying the purchase price allocation method, and recognised goodwill and liabilities from acquisition investment in subsidiary by applying the acquisition method into the consolidated statements of financial position. My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### **Revenue recognition**

Since the revenue from service is the most significant amount in the income statement and is also the key indicator of business performance. In addition, the Group has services with a number of customers and there are a variety of commercial term. Moreover, the trends of import - export of automobile, parts and accessories, electrical appliances, and construction material industries have directly resulted in more intense competition in the import - export service providers. I have therefore focused on the audit of the actually occurring and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select service income transactions during the year to assess whether revenue recognition was consistent with the conditions, and in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring near the end of the accounting period.
- Reviewing credit notes issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Business combination and goodwill**

### *Business combination*

I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition business meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised: 2015) Business combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method by considering the methods and significant assumptions used in calculating the fair value of assets and liabilities, reviewing the components of the financial model, comparing significant assumptions with the Company's historical information and industry and related economic information with the Company's financial costs and industry and testing of the calculation of the fair value and reviewing the disclosures related to the business combination in the note to consolidated financial statements.

## *Goodwill*

I have focused my audit on the consideration of the impairment of goodwill which acquired in a business combination, as discussed in Note 4.7 to the consolidated financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and intangible assets.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry and involving internal expert to assist in the assessment of this information, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.

## **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Orawan Techawatanasirikul  
Certified Public Accountant (Thailand) No. 4807

EY Office Limited  
Bangkok: 25 February 2019



**Wice Logistics Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	208,225,224	203,674,781	46,338,502	151,850,528
Current investments	8	101,009,558	97,730,576	91,124,405	50,225,092
Trade and other receivables	6, 9	442,460,179	299,999,488	189,414,032	139,735,257
Short-term loans to related parties	6	9,394,859	-	-	-
Other current assets		34,719,934	6,524,115	9,988,166	2,004,118
<b>Total current assets</b>		<b>795,809,754</b>	<b>607,928,960</b>	<b>336,865,105</b>	<b>343,814,995</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	2,100,000	2,100,000	2,100,000	2,100,000
Investments in subsidiaries	11	-	-	453,047,053	344,635,200
Property, plant and equipment	12	223,528,841	143,326,629	156,898,785	144,067,295
Goodwill	11	139,842,134	99,400,479	-	-
Intangible assets	13	256,173,695	248,663,662	9,721,766	8,178,472
Deferred tax assets	19	-	-	5,263,650	4,898,626
Other non-current assets		2,347,536	2,402,438	578,643	2,036,630
<b>Total non-current assets</b>		<b>623,992,206</b>	<b>495,893,208</b>	<b>627,609,897</b>	<b>505,916,223</b>
<b>Total assets</b>		<b>1,419,801,960</b>	<b>1,103,822,168</b>	<b>964,475,002</b>	<b>849,731,218</b>

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

**Wice Logistics Public Company Limited and its subsidiaries**

**Statement of financial position (Continued)**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	6, 14	326,622,300	129,576,417	76,687,282	50,971,417
Current portion of long-term loans from bank		20,677	-	-	-
Current portion of liabilities under finance lease agreements	15	4,004,824	767,579	4,004,824	767,579
Income tax payable		15,550,215	10,928,612	13,458	1,476
Other current liabilities		9,581,067	11,219,844	9,456,906	8,389,241
<b>Total current liabilities</b>		<b>355,779,083</b>	<b>152,492,452</b>	<b>90,162,470</b>	<b>60,129,713</b>
<b>Non-current liabilities</b>					
Long-term loans from bank - net of current portion		225,049	-	-	-
Liabilities under finance lease agreements - net of current portion	15	7,213,302	13,699	7,213,302	13,699
Liability from acquisition investment in subsidiary	11	43,071,029	-	43,071,029	-
Provision for long-term employee benefits	16	18,151,319	16,831,776	16,992,103	10,709,785
Deferred tax liabilities	19	36,578,110	33,431,915	-	-
Other non-current liabilities		1,588,995	1,285,311	1,588,995	1,285,311
<b>Total non-current liabilities</b>		<b>106,827,804</b>	<b>51,562,701</b>	<b>68,865,429</b>	<b>12,008,795</b>
<b>Total liabilities</b>		<b>462,606,887</b>	<b>204,055,153</b>	<b>159,027,899</b>	<b>72,138,508</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
651,899,500 ordinary shares of Baht 0.50 each		325,949,750	325,949,750	325,949,750	325,949,750
Issued and paid-up					
651,899,500 ordinary shares of Baht 0.50 each		325,949,750	325,949,750	325,949,750	325,949,750
Share premium		347,778,911	347,778,911	347,778,911	347,778,911
Retained earnings					
Appropriated-statutory reserve	17	22,250,000	17,137,032	22,250,000	17,137,032
Unappropriated		126,438,370	117,308,558	109,305,107	86,620,164
Other components of shareholders' equity		1,369,384	6,517,295	163,335	106,853
Equity attributable to owners of the Company		823,786,415	814,691,546	805,447,103	777,592,710
Non-controlling interests of the subsidiary		133,408,658	85,075,469	-	-
<b>Total shareholders' equity</b>		<b>957,195,073</b>	<b>899,767,015</b>	<b>805,447,103</b>	<b>777,592,710</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,419,801,960</b>	<b>1,103,822,168</b>	<b>964,475,002</b>	<b>849,731,218</b>
		-	-	-	-

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

**Wice Logistics Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income	6	1,832,113,432	1,396,367,967	860,119,265	632,208,571
Dividend income	6, 11	-	-	67,813,973	76,476,524
Other income	6	18,002,787	5,962,380	6,540,810	24,630,158
<b>Total revenues</b>		<u>1,850,116,219</u>	<u>1,402,330,347</u>	<u>934,474,048</u>	<u>733,315,253</u>
<b>Expenses</b>					
Cost of services	6	1,454,706,995	1,054,285,999	694,647,930	520,401,144
Selling expenses		41,956,009	46,133,506	33,042,892	23,115,112
Administrative expenses	6	208,616,620	170,920,406	81,086,830	77,057,127
<b>Total expenses</b>		<u>1,705,279,624</u>	<u>1,271,339,911</u>	<u>808,777,652</u>	<u>620,573,383</u>
<b>Profit before finance cost and income tax expenses</b>		<u>144,836,595</u>	<u>130,990,436</u>	<u>125,696,396</u>	<u>112,741,870</u>
Finance cost		<u>(4,877,970)</u>	<u>(184,040)</u>	<u>(4,135,814)</u>	<u>(184,040)</u>
<b>Profit before income tax expenses</b>		<u>139,958,625</u>	<u>130,806,396</u>	<u>121,560,582</u>	<u>112,557,830</u>
Income tax expenses	19	<u>(26,233,455)</u>	<u>(23,254,151)</u>	<u>(11,812,798)</u>	<u>(10,375,228)</u>
<b>Profit for the year</b>		<u>113,725,170</u>	<u>107,552,245</u>	<u>109,747,784</u>	<u>102,182,602</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		96,192,653	89,700,438	<u>109,747,784</u>	<u>102,182,602</u>
Non-controlling interests of the subsidiary		<u>17,532,517</u>	<u>17,851,807</u>		
		<u>113,725,170</u>	<u>107,552,245</u>		
<b>Earnings per share</b>	20				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.15</u>	<u>0.14</u>	<u>0.17</u>	<u>0.16</u>
Weighted average number of ordinary shares (shares)		<u>651,899,500</u>	<u>651,899,500</u>	<u>651,899,500</u>	<u>651,899,500</u>

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

**Wice Logistics Public Company Limited and its subsidiaries**

**Statement of comprehensive income (Continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
<b>Profit for the year</b>		<u>113,725,170</u>	<u>107,552,245</u>	<u>109,747,784</u>	<u>102,182,602</u>
<b>Other comprehensive income:</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency		(4,415,802)	(1,043,643)	-	-
Gain (loss) on changes in value of available-for-sale investments	8	(915,030)	1,199,295	70,709	133,197
Less: Income tax effect	19	<u>182,921</u>	<u>(239,775)</u>	<u>(14,227)</u>	<u>(26,555)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(5,147,911)</u>	<u>(84,123)</u>	<u>56,482</u>	<u>106,642</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Actuarial loss	16	(4,654,006)	-	(4,654,006)	-
Less: Income tax effect	19	<u>930,801</u>	<u>-</u>	<u>930,801</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>(3,723,205)</u>	<u>-</u>	<u>(3,723,205)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<u>(8,871,116)</u>	<u>(84,123)</u>	<u>(3,666,723)</u>	<u>106,642</u>
<b>Total comprehensive income for the year</b>		<u><u>104,854,054</u></u>	<u><u>107,468,122</u></u>	<u><u>106,081,061</u></u>	<u><u>102,289,244</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		87,321,537	89,616,315	<u>106,081,061</u>	<u>102,289,244</u>
Non-controlling interests of the subsidiary		<u>17,532,517</u>	<u>17,851,807</u>		
		<u><u>104,854,054</u></u>	<u><u>107,468,122</u></u>		

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

**Wice Logistics Public Company Limited and its subsidiaries**

**Cash flows statement**

**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	139,958,625	130,806,396	121,560,582	112,557,830
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	31,715,071	27,949,156	17,996,131	15,636,895
Reversal on allowance for doubtful accounts	71,527	(715,784)	71,527	(715,784)
(Gain) loss on sales of equipment	(1,308,410)	307,474	(1,308,410)	101,231
Gain on sales of current investments	(2,570,892)	(129,869)	(1,097,551)	-
Long-term employee benefits expense	(2,963,634)	3,158,520	3,158,357	2,167,180
Unrealised (gain) loss on exchange	(90,922)	428,370	(90,922)	540,987
Interest income	(1,830,960)	(608,354)	(214,579)	(509,236)
Dividend income	-	-	(67,813,973)	(76,476,524)
Interest expenses	2,979,613	184,040	4,135,814	184,040
Profit from operating activities before changes in operating assets and liabilities	165,960,018	161,379,949	76,396,976	53,486,619
Operating assets (increase) decrease				
Trade and other receivables	(57,900,616)	(21,628,342)	(49,410,390)	13,650,083
Other current assets	(20,551,663)	(2,400,534)	(7,984,048)	561,536
Other non-current assets	54,902	(483,811)	1,457,987	(400,575)
Operating liabilities increase (decrease)				
Trade and other payables	104,943,485	10,418,067	25,328,687	4,056,436
Other current liabilities	(1,638,777)	(1,245,742)	1,067,665	(2,415,609)
Provision for long-term employee benefits	(1,372,200)	-	(1,372,200)	-
Other non-current liabilities	303,684	303,684	303,684	303,684
Cash flows from operating activities	189,798,833	146,343,271	45,788,361	69,242,174
Cash paid for corporate income tax	(22,239,364)	(29,947,617)	(11,249,266)	(9,900,883)
<b>Net cash flows from operating activities</b>	<b>167,559,469</b>	<b>116,395,654</b>	<b>34,539,095</b>	<b>59,341,291</b>

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

**Wice Logistics Public Company Limited and its subsidiaries**

**Cash flows statement (Continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease in current investments	237,879	31,034,190	(38,099)	38,592,638
Decrease (increase) in restricted bank deposits	-	8,711,379	-	(1,928,250)
Increase in short-term loans to related parties	(9,394,859)	-	-	-
Acquisition of building and equipment	(82,355,063)	(9,125,364)	(12,973,456)	(10,950,702)
Acquisition of intangible assets	(2,272,460)	(1,942,078)	(2,172,460)	(4,354,546)
Proceed from sales of equipment and intangible assets	1,308,411	373,832	1,308,411	238,318
Interest income	1,811,303	566,958	194,922	532,167
Dividend income	-	-	67,813,973	76,476,524
Proceed from sales of current investments	429,517,093	10,487,340	366,672,638	-
Cash paid for acquisition of current investments	(431,378,092)	(48,000,000)	(406,365,592)	(48,000,000)
Cash paid for acquisition of investment in subsidiary	(3,275,068)	-	(67,855,329)	-
<b>Net cash flows from (used in) investing activities</b>	<b>(95,800,856)</b>	<b>(7,893,743)</b>	<b>(53,414,992)</b>	<b>50,606,149</b>
<b>Cash flows from financing activities</b>				
Cash receipt from long-term loan from bank	245,726	-	-	-
Repayments made on liabilities under finance lease agreements	(6,788,152)	(7,142,301)	(6,788,152)	(7,142,301)
Acquisition of non-controlling interest	42,000,010	-	-	-
Decrease in non-controlling interest	(1,939,120)	-	-	-
Interest expenses	(394,517)	(184,040)	(1,621,309)	(184,040)
Dividend paid	(97,890,130)	(69,982,770)	(78,226,668)	(52,147,960)
<b>Net cash flows used in financing activities</b>	<b>(64,766,183)</b>	<b>(77,309,111)</b>	<b>(86,636,129)</b>	<b>(59,474,301)</b>
Decrease in translation adjustments	(2,441,987)	(1,035,901)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,550,443</b>	<b>30,156,899</b>	<b>(105,512,026)</b>	<b>50,473,139</b>
Cash and cash equivalents at beginning of year	203,674,781	173,517,882	151,850,528	101,377,389
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>208,225,224</b>	<b>203,674,781</b>	<b>46,338,502</b>	<b>151,850,528</b>
	-	-	-	-

**Supplemental cash flows information**

Non-cash items consist of

Acquisitions of motor vehicles under finance

lease agreements

17,225,000

17,225,000

-

Accrued provision for long-term employee benefits

157,845

157,845

-

Liability and accrued interest from acquisition investment

in subsidiary

43,071,029

43,071,029

-

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

Araya Kongsoonthorn

(Director)

Chudet Kongsoonthorn

(Director)

Wice Logistics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of equity							
					Other comprehensive income							
					Exchange	Surplus		Surplus on change	Total other	Total equity	Equity attributable	
					differences on	on changes		in percentage	components of	attributable	to non-controlling	Total
					translation of	in value of	Surplus on business	shareholding	shareholders'	to owners of	interests of	shareholders' equity
					financial	available-for-sale	combination under	in subsidiary	equity	the Company	the subsidiary	
					statements in	investments	common control					
Note	Issued and paid-up share capital	Share premium	Retained earnings		foreign currency							
			Appropriated	Unappropriated								
<b>Balance as at 1 January 2017</b>	325,949,750	347,778,911	14,274,367	82,618,745	(2,664,443)	(64,043)	5,597,942	3,731,962	6,601,418	777,223,191	85,058,473	862,281,664
Profit for the year	-	-	-	89,700,438	-	-	-	-	-	89,700,438	17,851,807	107,552,245
Other comprehensive income for the year	-	-	-	-	(1,043,643)	959,520	-	-	(84,123)	(84,123)	-	(84,123)
Total comprehensive income for the year	-	-	-	89,700,438	(1,043,643)	959,520	-	-	(84,123)	89,616,315	17,851,807	107,468,122
Unappropriated retained earnings												
transferred to statutory reserve	17	-	-	2,862,665	(2,862,665)	-	-	-	-	-	-	-
Dividend paid	23	-	-	-	(52,147,960)	-	-	-	-	(52,147,960)	(17,834,811)	(69,982,771)
<b>Balance as at 31 December 2017</b>	325,949,750	347,778,911	17,137,032	117,308,558	(3,708,086)	895,477	5,597,942	3,731,962	6,517,295	814,691,546	85,075,469	899,767,015
<b>Balance as at 1 January 2018</b>	325,949,750	347,778,911	17,137,032	117,308,558	(3,708,086)	895,477	5,597,942	3,731,962	6,517,295	814,691,546	85,075,469	899,767,015
Profit for the year	-	-	-	96,192,653	-	-	-	-	-	96,192,653	17,532,517	113,725,170
Other comprehensive income for the year	-	-	-	(3,723,205)	(4,415,802)	(732,109)	-	-	(5,147,911)	(8,871,116)	-	(8,871,116)
Total comprehensive income for the year	-	-	-	92,469,448	(4,415,802)	(732,109)	-	-	(5,147,911)	87,321,537	17,532,517	104,854,054
Increase in non-controlling interests of subsidiary												
from acquisition of investment in subsidiary	11	-	-	-	-	-	-	-	-	-	50,582,134	50,582,134
Unappropriated retained earnings transferred												
to statutory reserve	17	-	-	5,112,968	(5,112,968)	-	-	-	-	-	-	-
Dividend paid	23	-	-	-	(78,226,668)	-	-	-	-	(78,226,668)	(19,781,462)	(98,008,130)
<b>Balance as at 31 December 2018</b>	325,949,750	347,778,911	22,250,000	126,438,370	(8,123,888)	163,368	5,597,942	3,731,962	1,369,384	823,786,415	133,408,658	957,195,073

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

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

Wice Logistics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements							
			Retained earnings		Other components of equity		
					Other comprehensive income		
					Surplus		
					on changes		Total other
					in value of		components of
					available-for-sale		shareholders'
					investments		equity
							Total
							shareholders'
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The accompanying notes are an integral part of the financial statements.

Araya Kongsoonthorn

(Director)

Chudet Kongsoonthorn

(Director)



## Wice Logistics Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2018

#### 1. General information

Wice Logistics Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in an international air and sea freight forwarding, customs broker, inland transportation, cross-border transport, multimodal transport operator, warehousing service and all freight related services for imports and exports. The registered office of the Company is at 88/8 Nonsee Road, Chong-nonsee, Yannawa, Bangkok.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Wice Logistics Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			%	%
Sun Express (Thailand) Company Limited	Freight forwarder and all freight related services for imports and exports	Thailand	99.99	99.99
Euroasia Total Logistics Company Limited	Cross-Border Transport Services	Thailand	40.00	-
..... Araya Kongsoonthorn (Director)		..... Chudet Kongsoonthorn (Director)		

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			%	%
Wice Logistics (Singapore) Pte. Ltd.	Freight forwarder and all freight related services for imports and exports	Singapore	70.00	70.00
Wice Logistics (HongKong) Limited (Formerly known as "Universal Worldwide Transportation Limited")	Freight forwarder and all freight related services for imports and exports	Hong Kong	80.00	-
Guangzhou Wice Logistics Limited (Formerly known as "Guangzhou Universal Worldwide Transportation Limited" 100% held by Wice Logistics (HongKong) Limited)	Freight forwarder and all freight related services for imports and exports	China	100.00	-
Euroasia Total Logistics (M) Sdn Bhd (40% held by Euroasia Total Logistics Company Limited and 60% held by major shareholders' Euroasia Total Logistics Company Limited)	Cross-Border Transport Services	Malaysia	100.00	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

- e) The assets and liabilities in the financial statements of overseas subsidiary companies is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
  - f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in a subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and classifications directed towards disclosers in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019 in the future**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarification directed towards disclosures in the notes to financial statements.

.....  
 Araya Kongsoonthorn  
 (Director)

.....  
 Chudet Kongsoonthorn  
 (Director)

The management of the Company and its subsidiaries believe that the most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involve changes to key principles, as summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

#### **(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Rendering of services*

Service revenue is recognised when services have been rendered.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividend income*

Dividend income is recognised when the right to receive the dividends is established.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

##### **4.3 Trade and other receivables**

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

#### 4.4 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost loss impairment losses (if any).

The fair value of investment unit is based on the net assets value of investments at the end of reporting period.

The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and yard	20 years
Furniture, fixtures and office equipment	5 years
Computers	3 - 5 years
Motor vehicles	5 - 10 years
Container ana container equipment	10 years

Depreciation is included in determining income. No depreciation is provided on land, and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss on the straight-line basis over the economic useful life as follows:

	<u>Useful lives</u>
Customer relationship	10 years, 25 years
Stock rights option	4 years
Computer software	3 - 5 years

#### **4.7 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.8 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

.....  
 Araya Kongsoonthorn  
 (Director)

.....  
 Chudet Kongsoonthorn  
 (Director)

#### **4.9 Long-term leases**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the leased asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on the straight-line basis over the lease term.

#### **4.10 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)



#### **4.12 Liability from acquisition investment in subsidiary**

The Company recognised liability from acquisition investment in subsidiary, which calculated the price that would have been expected to be payment as specify in share purchase agreement, and discounted to the present value. The above liability was presented as non-current liability in the statement of financial position, including the interest expenses from the acquisition investment in subsidiary. The liability will be reassessed every accounting period and the difference will be recognised to profit or loss.

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

###### ***Defined contribution plans***

The Company and its subsidiary in Thailand and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the Company and its subsidiary's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans and other long-term employee benefits***

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiary provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income. While actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

#### **4.14 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

#### **4.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

### **Consolidation of subsidiary that the Company holds less than half of shares**

The management of the Company determined that the Company has control over Euroasia Total Logistics Company Limited, even though the Company holds 40% of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities. As a result, Euroasia Total Logistics Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	8.1	13.0	Close to market price
Rental income and other service	-	-	0.2	22.6	As stipulated in the agreement
Dividend income	-	-	67.8	76.5	As declared
Cost of services	-	-	30.7	2.0	Close to market price
Acquisition of fixed assets	-	-	-	5.6	Close to market price
Interest expenses	-	-	1.5	-	Interest rate 7.12% per year
<u>Transactions with management and directors</u>					
Land and buildings rental expenses	1.6	1.9	1.6	1.9	As stipulated in the agreement

As at 31 December 2018 and 2017, the balances of the accounts between the Company, and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	1,373	145
Total trade and other receivables - related parties	-	-	1,373	145
<u>Trade and other payables - related parties (Note 14)</u>				
Subsidiaries	-	-	4,448	7,444
Related individuals (Management and directors)	-	-	78	-
Total trade and other payables - related parties	-	-	4,526	7,444

### Short-term loans to related person or related party

The short-term loans to related person or related parties carried interests at rates of 1.5% - 2% per annum. These loans are due for repayment on demand and no security guarantees.

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Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

As at 31 December 2018 and 2017, the balance of loans between the subsidiary and related person and and related party and the movement are the follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Loans to related parties	Related by	Balance as at			Balance as at
		1 January 2018	Increase during the year	Decrease during the year	31 December 2018
Mr. Lee Yik Chieh	Subsidiary's director	-	2,393	-	2,393
Euroasia Total Logistics (Shanghai) Limited	Related company (related by common shareholder)	-	7,085	-	7,085
Total		-	9,478	-	9,478

#### Loan from related party

As at 31 December 2018 and 2017, the balance of loan between the Company and the related company and the movement are presented the follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loan from related party	Related by	Balance as at			Balance as at
		1 January 2018	Increase during the year	Decrease during the year	31 December 2018
Sun Express (Thailand) Company Limited	Subsidiary	-	72,000	(72,000)	-
Total		-	72,000	(72,000)	-

#### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	54,987	46,122	24,216	13,970
Post-employment benefits	828	1,193	828	817
Total	55,815	47,315	25,044	14,787

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Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	290	98	-	-
Bank deposits	207,935	203,577	46,339	151,851
Total	208,225	203,675	46,339	151,851

As at 31 December 2018 and 2017, bank deposits in saving accounts carried interests between 0.15% and 0.38% per annum.

## 8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Investments in open-end fund - Cost	88,833	84,401	88,820	48,030
Add: Unrealised gain on changes in value of investments	204	1,119	204	133
Investments in open-end fund				
- Fair value	89,037	85,520	89,024	48,163
Fixed deposits	11,973	12,211	2,100	2,062
Total current investments	101,010	97,731	91,124	50,225

During the year ended 31 December 2018, the Company and its subsidiaries sold available-for-sale securities with book values totaling Baht 426.9 million (2017: Baht 10.3 million) and recognised gains on the sales amounting to Baht 2.3 million (2017: Baht 0.1 million) in profit or loss. This amount included losses transferred from loss on valuation of available-for-sale securities in other comprehensive income, amounting to Baht 0.3 million (2017: Baht 0.1 million).

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Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b><u>Trade accounts receivable - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	-	-	96	136
Past due				
Up to 3 months	-	-	896	-
3 - 6 months	-	-	1	-
Total trade accounts receivable - related parties	-	-	993	136
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	136,969	133,966	85,444	41,530
Past due				
Up to 3 months	226,256	113,385	68,631	54,933
3 - 6 months	44,634	14,474	2,647	13,477
6 - 12 months	3,396	5,356	3,514	5,221
Over 12 months	1,382	364	1,382	366
Total	412,637	267,545	161,618	115,527
Less: Allowance for doubtful accounts	(447)	(376)	(447)	(376)
Total trade accounts receivable - unrelated parties, net	412,190	267,169	161,171	115,151
Total trade accounts receivable - net	412,190	267,169	162,164	115,287
<b><u>Other receivables</u></b>				
Advance receivables - related parties	-	-	-	9
Advance receivables - unrelated parties	27,835	31,704	25,724	23,377
Other receivables - related parties	-	-	380	-
Other receivables - unrelated parties	2,435	1,126	1,146	1,062
Total other receivables	30,270	32,830	27,250	24,448
Trade and other receivables - net	442,460	299,999	189,414	139,735

## 10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure a fuel credit card and bank guarantees issued by bank on behalf of the Company and its subsidiary to secure cargo usages, as disclosed in Note 24.3.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)



## 11. Investments in subsidiaries

11.1 As at 31 December 2018 and 2017, details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividends received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Sun Express (Thailand) Company Limited	Baht 54 million	Baht 54 million	99.99	99.99	53,998	53,998	23,427	36,192
Euroasia Total Logistics Company Limited	Baht 70 million	-	40.00	-	28,000	-	-	-
WICE Logistics (Singapore) Pte.	SGD 0.7 million	SGD 0.7 million	70.00	70.00	290,637	290,637	44,387	40,284
WICE Logistics (Hong Kong) Limited (Formerly known as "Universal Worldwide Transportation Limited")	SGD 0.8 million	-	80.00	-	80,412	-	-	-
Total					453,047	344,635	67,814	76,476

On 9 November 2017, the Board of Directors of the Company had a resolution to approve a restructuring of Sun Express (Thailand) Co., Ltd. to discontinue its operations with all costumers and transfer to the Company since 31 December 2017 onwards.

On 4 January 2018, the Company purchased ordinary share of Universal Worldwide Transportation Limited, amounting to 80,000 ordinary shares with par value of HKD 10 each (80% of Universal Worldwide Transportation Limited's ordinary shares). The Company made a partially payment by cash, amounting to Baht 39.86 million. In addition, the Company received shares transfer of Universal Worldwide Transportation Limited from acquisition and registered the change in shareholders' list on the same date. According to share purchase agreement, the Company will pay the remain value of acquisition shares not exceed USD 2.21 million, which calculated from the actual operating results of such company as from the acquisition date to the year 2022.

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Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

Fair value and book value of net assets of Universal Worldwide Transportation Limited at acquisition date are summarised below.

(Unit: Thousand Baht)

	<u>Fair value</u>	<u>Book value</u>
<b>Assets</b>		
Cash and cash equivalents	36,580	36,580
Trade and other receivables	84,414	84,414
Other current assets	7,644	7,644
Equipment	185	185
Intangible assets - customer relationship	18,700	-
Total assets	<u>147,523</u>	<u>128,823</u>
<b>Liabilities</b>		
Trade and other payables	91,715	91,715
Provision for long-term employee benefits	1,170	1,170
Deferred tax liabilities	4,675	-
Total liabilities	<u>97,560</u>	<u>92,885</u>
Total net assets	<u>49,963</u>	<u>35,938</u>
Shareholding percentage (%)	80	
Net assets from purchasing of subsidiary	39,970	
Excess of cost of acquisition over net assets	<u>40,442</u>	
Cash paid for acquisition of investment in subsidiary	80,412	
Less: Cash and cash equivalents at the acquisition date of subsidiary	(36,580)	
Contingent liability from acquisition investment in subsidiary	<u>(40,557)</u>	
Net cash paid for purchasing of subsidiary	<u><u>3,275</u></u>	

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

At the acquisition date, the Company estimated the liability from acquisition share capital of that company. The remaining amount was presented as liability in the statement of financial position under the caption of “liability from acquisition investment in subsidiary” were as follows.

	(Unit: Thousand Baht)
	2018
Liability from acquisition investment in subsidiary	40,557
Add: Interest expense from acquisition investment in subsidiary	2,514
Total	43,071

Details of acquisition of Universal Worldwide Transportation Limited are as follows:

	(Unit: Thousand Baht)
Purchase price - cash paid	80,412
Fair value of net assets received	(39,970)
Goodwill	40,442

Baht 40.4 million of goodwill is the business value of customer relationship of Universal Worldwide Transportation Limited to move the business forward and generate profit to the shareholders.

As at 31 December 2018 and 2017, the book value of goodwill are presented below.

	(Unit: Thousand Baht)
Balance as at 31 December 2017	99,400
Increase during the year	40,442
Balance as at 31 December 2018	139,842

Operating results of the subsidiary from 4 January 2018 (acquisition date) to 31 December 2018 is gain from operation amounting to Baht 11.3 million. These transaction already included in the consolidated financial statements.

On 24 January 2018, Universal Worldwide Transportation Limited has processed to change its name to “Wice Logistics (Hong Kong) Limited”. In addition, its subsidiary has changed its name from “Guangzhou Universal Worldwide Transportation Limited” to “Guangzhou Wice Logistics Limited”.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

On 21 August 2018, the Board of Directors' Meeting of the Company resolved to enter into a joint venture agreement to establish a new joint venture company that operates cross-border transportation services among China, Hong Kong and Southeast Asia. Subsequently on 22 August 2018, the Company entered into the joint venture agreement to establish the new joint venture company under the name of "Euroasia Total Logistics Co., Ltd.", which is engaged in cross-border transport services among China, Hong Kong and Southeast Asia, with registered share capital of Baht 70 million, comprising 7,000,000 ordinary shares of Baht 10 per share. The Company has 40% interest in this company, comprising 2,800,000 ordinary shares of Baht 10 per share, totaling Baht 28 million. The remaining shares of Baht 42 million, or approximately 60% of registered capital belongs to other shareholders. Such company registered the issued and paid-up share capital with the Ministry of Commerce on 14 September 2018. Moreover, the management considered that the Company has controlled and direct various operating activities including financial policy. The management therefore considered the above company to be a subsidiary company.

On 24 September 2018, Sun Express Logistics Pte. Ltd is a subsidiary company, changed its name to "Wice Logistics (Singapore) Pte. Ltd." The new name comes into effect from 28 September 2018 onward.

#### 11.2 Details of Euroasia Total Logistics Company Limited as a subsidiary that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held		Accumulated balance of		Profit/loss allocated to		Dividend paid to non-controlling	
	by non-controlling interests		non-controlling interests		non-controlling interests		interest during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
Euroasia Total	60.00	-	40.06	-	(4.78)	-	-	-
Logistics								
Company Limited								

#### 11.3 Summarised financial information of Euroasia Total Logistics Company Limited that based on amounts before inter-company elimination about a subsidiary that has material non-controlling.

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 Araya Kongsoonthorn  
 (Director)

.....  
 Chudet Kongsoonthorn  
 (Director)

Summarised information about financial position.

	(Unit: Million Baht)
	2018
Current assets	36.9
Non-current assets	67.8
Current liabilities	(38.2)
Non-current liabilities	(0.2)

Summarised information about comprehensive income.

	(Unit: Million Baht)
	For the year ended
	31 December 2018
Revenue	12.2
Loss	6.5
Total comprehensive income	6.5

Summarised information about cash flows.

	(Unit: Million Baht)
	For the year ended
	31 December 2018
Cash flow from operating activities	3.9
Cash flow from investing activities	(69.4)
Cash flow from financing activities	72.3
Net increase in cash and cash equivalents	6.8

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

## 12. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings and yard	Furniture and fixtures	Office equipment	Computer equipment	Motor vehicles	Container and container equipment	Total
<b>Cost</b>								
1 January 2017	23,800	53,773	14,127	7,946	17,035	123,173	-	239,854
Additions	-	-	4,322	1,475	1,061	5,351	-	12,209
Disposals	-	-	(1,108)	(1,325)	(1,453)	(5,818)	-	(9,704)
Translation adjustment	-	-	(92)	(30)	(103)	-	-	(225)
31 December 2017	23,800	53,773	17,249	8,066	16,540	122,706	-	242,134
Increase from acquisition of subsidiary	-	4,373	198	418	819	3,754	-	9,562
Additions	420	7,630	521	791	2,713	69,994	17,396	99,465
Disposals	-	-	-	-	(30)	(4,477)	-	(4,507)
Transfer in (out)	-	-	-	-	-	1,300	(1,300)	-
Translation adjustment	-	(40)	(202)	(88)	(238)	(1,274)	-	(1,842)
31 December 2018	24,220	65,736	17,766	9,187	19,804	192,003	16,096	344,812
<b>Accumulated depreciation</b>								
1 January 2017	-	20,695	13,678	5,926	12,437	36,399	-	89,135
Depreciation for the year	-	2,688	956	844	1,520	10,612	-	16,620
Depreciation on disposals	-	-	(1,108)	(968)	(1,038)	(3,619)	-	(6,733)
Translation adjustment	-	-	(92)	(23)	(100)	-	-	(215)
31 December 2017	-	23,383	13,434	5,779	12,819	43,392	-	98,807
Increase from acquisition of subsidiary	-	4,373	198	226	819	3,754	-	9,370
Depreciation for the year	-	2,873	1,012	914	1,645	11,477	222	18,143
Depreciation on disposals	-	-	-	-	(2)	(4,477)	-	(4,479)
Translation adjustment	-	(40)	(200)	(58)	(225)	(35)	-	(558)
31 December 2018	-	30,589	14,443	6,861	15,056	54,111	222	121,283
<b>Net book value:</b>								
31 December 2017	23,800	30,390	3,815	2,287	3,721	79,314	-	143,327
31 December 2018	24,220	35,147	3,322	2,326	4,748	137,892	15,874	223,529
Depreciation for the year								
2017 (Baht 9.6 million included in cost of services, and the balance in selling and administrative expenses)								16,620
2018 (Baht 11.5 million included in cost of services, and the balance in selling and administrative expenses)								18,143

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and yard	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
<b>Cost:</b>							
1 January 2017	23,800	53,773	6,482	4,479	8,350	115,255	212,139
Additions	-	-	4,322	919	907	4,802	10,950
Disposals	-	-	-	-	-	(863)	(863)
31 December 2017	23,800	53,773	10,804	5,398	9,257	119,194	222,226
Additions	420	7,630	466	255	413	21,015	30,199
Disposals	-	-	-	-	-	(4,477)	(4,477)
31 December 2018	24,220	61,403	11,270	5,653	9,670	135,732	247,948
<b>Accumulated depreciation:</b>							
1 January 2017	-	20,695	6,063	3,351	4,258	29,475	63,842
Depreciation for the year	-	2,688	949	385	1,336	9,822	15,180
Depreciation on disposals	-	-	-	-	-	(863)	(863)
31 December 2017	-	23,383	7,012	3,736	5,594	38,434	78,159
Depreciation for the year	-	2,873	1,002	585	1,461	11,446	17,367
Depreciation on disposals	-	-	-	-	-	(4,477)	(4,477)
31 December 2018	-	26,256	8,014	4,321	7,055	45,403	91,049
<b>Net book value:</b>							
31 December 2017	23,800	30,390	3,792	1,662	3,663	80,760	144,067
31 December 2018	24,220	35,147	3,256	1,332	2,615	90,329	156,899
<b>Depreciation for the year</b>							
2017 (Baht 8.5 million included in cost of services, and the balance in selling and administrative expenses)							15,180
2018 (Baht 11.2 million included in cost of services, and the balance in selling and administrative expenses)							17,367

As at 31 December 2018, the Company had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 58.3 million (2017: Baht 40.4 million).

As at 31 December 2018, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 36.9 million (2017: Baht 33.5 million) (The Company only: Baht 13.9 million, 2017: Baht 16.1 million).

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

### 13. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Customer relationship	Stock rights option	Computer software	Total
As at 31 December 2018:				
Cost	272,650	3,878	11,318	287,846
Less: Accumulated amortisation	(28,059)	(2,114)	(1,499)	(31,672)
Net book value	244,591	1,764	9,819	256,174
As at 31 December 2017:				
Cost	253,950	4,367	9,047	267,364
Less: Accumulated amortisation	(16,286)	(1,546)	(868)	(18,700)
Net book value	237,664	2,821	8,179	248,664

(Unit: Thousand Baht)

	Separate financial statements			
	Customer relationship	Stock rights option	Computer software	Total
As at 31 December 2018:				
Cost	-	-	11,218	11,218
Less: Accumulated amortisation	-	-	(1,496)	(1,496)
Net book value	-	-	9,722	9,722
As at 31 December 2017:				
Cost	-	-	9,046	9,046
Less: Accumulated amortisation	-	-	(868)	(868)
Net book value	-	-	8,178	8,178

.....  
Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)



A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	248,664	258,843	8,178	4,620
Additions in computer software	2,272	4,526	2,173	4,355
Increase from acquisition of investment in subsidiary	18,700	-	-	-
Disposals of computer software	-	(2,583)	-	-
Amortisation	(13,930)	(11,440)	(629)	(457)
Adjustment	-	(682)	-	(340)
Net book value at end of year	<u>255,706</u>	<u>248,664</u>	<u>9,722</u>	<u>8,178</u>

#### 14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade accounts payable - related parties	-	-	4,353	68
Trade accounts payable - unrelated parties	273,632	100,995	61,362	36,086
Other payables - related party	78	-	173	7,376
Other payables - unrelated parties	<u>52,912</u>	<u>28,581</u>	<u>10,799</u>	<u>7,441</u>
Total trade and other payables	<u>326,622</u>	<u>129,576</u>	<u>76,687</u>	<u>50,971</u>

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Araya Kongsoonthorn  
(Director)

.....  
Chudet Kongsoonthorn  
(Director)

## 15. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated / separate financial statements	
	2018	2017
Liabilities under finance lease agreements	11,744	790
Less: Deferred interest expenses	(526)	(8)
Total	11,218	782
Less: Portion due within one year	(4,005)	(768)
Liabilities under finance lease agreements - net of current portion	7,213	14

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under the finance lease agreements of the Company were as follows:

	(Unit: Thousand Baht)		
	Consolidated / Separate financial statements		
	As at 31 December 2018		
	Less than		
	1 year	1 - 4 years	Total
Future minimum lease payments	4,006	7,213	11,219
Deferred interest expenses	(1)	-	(1)
Present value of future minimum lease payments	4,005	7,213	11,218

	(Unit: Thousand Baht)		
	Consolidated / Separate financial statements		
	As at 31 December 2017		
	Less than		
	1 year	1 - 4 years	Total
Future minimum lease payments	775	15	790
Deferred interest expenses	(7)	(1)	(8)
Present value of future minimum lease payments	768	14	782

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 Araya Kongsoonthorn  
 (Director)

.....  
 Chudet Kongsoonthorn  
 (Director)

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire from the Company was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits</b>	16,832	13,673	10,710	8,543
Included in profit or loss:				
Current service cost	(3,242)	2,998	2,880	2,084
Interest cost	278	323	278	205
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumption changes	1,033	-	1,033	-
Financial assumption changes	(49)	-	(49)	-
Experience adjustment	3,670	-	3,670	-
Benefits paid during the year	(1,530)	(162)	(1,530)	(122)
Increase from acquisition of subsidiary	1,170	-	-	-
Translation adjustment	(11)	-	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>18,151</b>	<b>16,832</b>	<b>16,992</b>	<b>10,710</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cost of services	2,366	1,217	1,207	921
Selling and administrative expenses	1,951	2,104	1,951	1,368
Total expenses recognised in profit or loss	<u>4,317</u>	<u>3,321</u>	<u>3,158</u>	<u>2,289</u>

The Company and its subsidiary expect to pay Baht 4.7 million of long-term employee benefits during the next year (Separate financial statements: Baht 4.7 million) (2017: Baht 1.54 million, separate financial statements: Baht 0.68 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 4.8 years (Separate financial statements: 4.8 years) (2017: 5 years, separate financial statements: 5 years).

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.81	2.30 - 2.40	1.81	2.40
Future salary increase rate	4	5	4	5
Employee turnover rate (depending on age)	0 - 49	0 - 34	0 - 49	0 - 34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.69)	0.76	(0.69)	0.76
Salary increase rate	0.63	(0.58)	0.63	(0.58)
Turnover rate	(0.77)	0.36	(0.77)	0.36

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.77)	0.84	(0.48)	0.51
Salary increase rate	0.86	(0.79)	0.53	(0.49)
Turnover rate	(0.84)	0.37	(0.52)	0.19

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 3 million (The Company only: Baht 3 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

#### 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

#### 18. Expenses by nature

During the years ended 31 December 2018 and 2017, significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries and wages and other				
employee benefits	194,022	194,751	140,777	113,725
Depreciation and amortisation	18,777	17,219	17,996	15,637
Rental expenses from operating lease				
agreements	23,437	24,775	11,116	12,003

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

## 19. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge				
for the year	26,860	25,697	11,261	9,895
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(627)	(2,443)	552	480
<b>Income tax expenses reported in</b>				
<b>the statement of</b>				
<b>comprehensive income</b>	<u>26,233</u>	<u>23,254</u>	<u>11,813</u>	<u>10,375</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to gain (loss) on changes				
in value of available-for-sale investments	183	(240)	(14)	(27)
Deferred tax relating to actuarial loss	931	-	931	-
	<u>1,114</u>	<u>(240)</u>	<u>917</u>	<u>(27)</u>

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	140,045	130,780	123,451	112,558
Applicable tax rate	8.25% - 25%	17%, 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	28,555	26,018	24,690	22,512
Effects of:				
Non-deductible expenses	163	2,901	134	2,678
Additional expense deductions allowed	(1,330)	(4)	-	-
Non-taxable incomes	(528)	(3,218)	(13,563)	(15,295)
Others	(627)	(2,443)	552	480
Total	(2,322)	(2,764)	(12,877)	(12,137)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>26,233</b>	<b>23,254</b>	<b>11,813</b>	<b>10,375</b>

The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	90	75	90	75
Allowance for impairment of assets	-	4	-	1
Provision for long-term employee benefits	3,398	3,323	3,398	2,142
Deferred rental expenses	318	257	318	257
Accumulated depreciation - Motor vehicles	1,499	2,450	1,499	2,450
Total deferred tax assets	5,305	6,109	5,305	4,925
<b>Deferred tax liabilities</b>				
Unrealised gain on changes in value of available-for-sale investments	41	224	41	27
Intangible assets - Customer relationship	41,842	39,317	-	-
Total deferred tax liabilities	41,883	39,541	41	27
Deferred tax assets (liabilities) - net	(36,578)	(33,432)	5,264	4,898

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

## 20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements					
For the years ended 31 December					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2018	2017	2018	2017	2018	2017
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
96,193	89,700	651,900	651,900	0.15	0.14

  

Separate financial statements					
For the years ended 31 December					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2018	2017	2018	2017	2018	2017
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
109,748	102,183	651,900	651,900	0.17	0.16

## 21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its services and have three reportable segments were sea freight, air freight and logistics.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)



The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017.

(Unit: Million Baht)

For the year ended 31 December 2018						
	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Service income</b>						
Revenue from						
external customers	610	855	367	1,832	-	1,832
Inter-segment revenue	21	48	3	72	(72)	-
<b>Total revenue</b>	<b>631</b>	<b>903</b>	<b>370</b>	<b>1,904</b>	<b>(72)</b>	<b>1,832</b>
<b>Operating results</b>						
<b>Segment profit</b>	<b>134</b>	<b>173</b>	<b>82</b>	<b>389</b>	<b>-</b>	<b>389</b>
Other income						18
Depreciation and amortisation						(33)
Selling and administrative expenses						(229)
Finance cost						(5)
<b>Profit before income tax expenses</b>						<b>140</b>
Income tax expenses						(26)
<b>Profit for the year</b>						<b>114</b>
<b>Segment total assets</b>						
Unallocated assets						1,420
<b>Total assets</b>						<b>1,420</b>

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

(Unit: Million Baht)

For the year ended 31 December 2017						
	Sea freight	Air freight	Logistics	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Service income</b>						
Revenue from						
external customers	634	466	296	1,396	-	1,396
Inter-segment revenue	14	18	9	41	(41)	-
<b>Total revenue</b>	<b>648</b>	<b>484</b>	<b>305</b>	<b>1,437</b>	<b>(41)</b>	<b>1,396</b>
<b>Operating results</b>						
<b>Segment profit</b>	<b>171</b>	<b>135</b>	<b>45</b>	<b>351</b>	<b>-</b>	<b>351</b>
Other income						6
Depreciation and amortisation						(28)
Selling and administrative expenses						(198)
<b>Profit before income tax expenses</b>						<b>131</b>
Income tax expenses						(23)
<b>Profit for the year</b>						<b>108</b>
<b>Segment total assets</b>						
Unallocated assets						1,104
<b>Total assets</b>						<b>1,104</b>

### Geographic information

During the years ended 31 December 2018 and 2017, revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)		
	2018	2017
Revenue from external customers		
Thailand	108,066	298,213
Singapore	254,179	268,844
Hong Kong	76,296	-
China	361,357	163,935
Malaysia	7,373	-
United State of America	121,380	149,136
Others	903,462	516,240
<b>Total</b>	<b>1,832,113</b>	<b>1,396,368</b>
Non-current assets (other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts)		
Thailand	540,558	495,186
Singapore	709	707
Hong Kong	1,411	-
Malaysia	48,666	-
<b>Total</b>	<b>591,344</b>	<b>495,893</b>

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

### Major customers

For the years ended 31 December 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

## **22. Provident fund**

The Company and its subsidiary in Thailand and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiary contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by TISCO Assets Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2018 amounting to approximately Baht 3.04 million were recognised as expense in consolidated financial statement (Separate financial statements: Baht 2.9 million) (2017: Baht 2.9 million, Separate financial statements: Baht 1.88 million).

## **23. Dividends**

Dividend declared during the years ended 31 December 2018 and 2017 consisted of the followings.

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Dividend payment date
Final dividends for 2016	Annual General Meeting of shareholders on 20 April 2017	52.1	0.08	16 May 2017
Total dividends paid in 2017		52.1	0.08	
Final dividends for 2017	Annual General Meeting of shareholders on 25 April 2018	78.2	0.12	16 May 2018
Total dividend paid in 2018		78.2	0.12	

## **24. Commitments and contingent liabilities**

### **24.1 Capital commitment**

As at 31 December 2018, the Company had capital commitment of approximately Baht 10.9 million (2017: Baht 0.65 million), relating to the leasing of Prime mover and trailer for business operation.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

## 24.2 Operating lease and long-term service commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space and long-term service agreements. The terms of the agreements are generally between 1 and 20 years.

Future minimum lease payments required under these non-cancellable operating leases agreements and long-term service agreements were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	2018	2017
Payable:		
In up to 1 year	26.4	27.5
In over 1 and up to 5 years	23.3	15.1
In over 5 years	18.4	19.9

## 24.3 Guarantees

As at 31 December 2018 and 2017, there were outstanding bank guarantees of approximately Baht 2.1 million, SGD 0.4 million and HKD 1.8 million issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

## 25. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiary had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	89.03	-	89.03
<b>Liability for which fair value are disclosed</b>				
Derivatives				
Foreign currency forward contracts	-	0.06	-	0.06

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(Director)

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Chudet Kongsoonthorn  
(Director)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	85.52	-	85.52

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2018				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	89.02	-	89.02
<b>Liability for which fair value are disclosed</b>				
Derivatives				
Foreign currency forward contracts	-	0.06	-	0.06

(Unit: Million Baht)

Separate Financial Statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Investment units	-	48.16	-	48.16

## 26. Financial instruments

### 26.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, short-term loans, restricted bank deposits, trade and other payables, long-term loans from banks and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

## Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and short-term loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and short-term loans as stated in the statement of financial position.

## Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and short-term loans and long-term loans from banks. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2018						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Average interest rate (% per annum.)	
Within 1 year	1-5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	208	-	208	0.15 - 0.38
Current investments	101	-	-	-	101	0.35 - 0.90
Trade and other receivables	-	-	-	442	442	-
Short-term loans to related person or related parties	9	-	-	-	9	1.50 - 2.00
Restricted bank deposits	2	-	-	-	2	0.35 - 1.00
	112	-	208	442	762	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	327	327	-
Liabilities under finance lease agreements	11	-	-	-	11	3.25 - 11.07
	11	-	-	327	338	

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2017

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Average interest rate (% per annum.)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	204	-	204	0.15 - 0.38
Current investments	61	-	-	37	98	0.35 - 1.00
Trade and other receivables	-	-	-	300	300	-
Restricted bank deposits	2	-	-	-	2	0.35 - 1.00
	63	-	204	337	604	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	130	130	-
Liabilities under finance lease agreements	1	-	-	-	1	4.29 - 11.07
	1	-	-	130	131	

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2018

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Average interest rate (% per annum.)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	46	-	46	0.25 - 0.38
Temporary investments	91	-	-	-	91	0.90
Trade and other receivables	-	-	-	189	189	-
	91	-	46	189	326	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	77	77	-
Liabilities under finance lease agreements	11	-	-	-	11	3.25 - 11.09
	11	-	-	77	88	

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(Director)

Chudet Kongsoonthorn  
(Director)

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Average interest rate (% per annum)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	152	-	152	0.25 - 0.38
Temporary investments	50	-	-	-	50	0.90 - 1.00
Trade and other receivables	-	-	-	140	140	-
	50	-	152	140	342	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	51	51	-
Liabilities under finance lease agreements	1	-	-	-	1	4.29 - 11.07
	1	-	-	51	52	

### Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from sales and purchase of services that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.7	2.9	0.6	0.3	32.45	32.68
HK dollar	-	-	0.7	-	4.14	4.18
SG dollar	-	-	0.1	-	23.69	24.45
JPY	-	-	1.8	-	0.29	0.29

As at 31 December 2018, the outstanding foreign exchange contracts of the Company are summarised below.

Foreign currency	Bought amount	Contractual exchange rate - bought	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	7.6	32.33 - 33.22	21 February - 3 July 2019

Araya Kongsoonthorn  
(Director)

Chudet Kongsoonthorn  
(Director)



As at 31 December 2018, the Company would have unrealised loss approximately Baht 0.06 million, if the Company recorded the forward contracts at fair value.

## **26.2 Fair values of financial instruments**

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rate close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## **27. Capital management**

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018 and 2017, the Group's debt-to-equity ratio was 0.48:1 and 0.23:1, respectively (the Company's was 0.20:1 and 0.09:1, respectively).

## **28. Events after the reporting period**

The meeting of the Company's Board of Directors held on 25 February 2019 passed a resolution to propose to the Annual General Meeting of the Company's shareholders of the year 2019 for an approval of a dividend payment from the operations for the year 2018. The Company will pay a cash dividend at Baht 0.13 per share, or equivalent to amount of not exceed Baht 84.75 million. Dividend will be paid and accounted for after the approval of the Annual General Meeting of the Company's shareholders.

## **29. Approval of consolidated financial statements**

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 February 2019.

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Araya Kongsoonthorn  
(Director)

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Chudet Kongsoonthorn  
(Director)