

Annual Registration Statement / Annual Report 2020

(Form 56-1 One Report)

NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED



CONTENT

Vision , Mission , Goal and Strategy 2

Important financial information 4

Message from The Board of Director 5

Part 1 Business Operation

1. The Company group structure and operation 10
2. Risk Management 59
3. Driving business for sustainability 63
4. The clarification and analysis of the management 73
5. General Information and Important Information 99

Part 2 Corporate Governance

6. Corporate Governance Policy 103
7. Corporate Governance Structure and Important information about the board of director , Sub-committees management , employees and others 139
8. Corporate Governance Report 161
9. Internal Control and Related Party Transactions 163

Part 3 Finance Statement 179

Part 4 Confirmation of Information Accuracy

Attachment

Attachment 1 Details of Executive Directors Regulator and Company Secretary 275

Attachment 2 Details of Directors of Subsidiaries, Associates and Other Associated Companies 301

Attachment 3 Details about The Head of the Internal Audit and The Supervisor of The Company 304

Attachment 4 Details about The Asset Appraisal Items 308

Attachment 5 Details about The Business Ethics 320

Attachment 6 The Audit Committee's Report 345

Vision

To be a leading total logistics provider to International standard that is the first and best choice for the customers and its partners.

Mission

The Company's mission is to operate a comprehensive logistics service business with personnel who were expertise and service to customers with sincerity as well as creating the network of trade partners and international offices efficiently.







Goal

To be a professional company that helps reduce logistics costs to maximize efficiency and customer satisfaction.

Strategies

To provide personnel with expertise which offer the customers a comprehensive range of services, including consultation about planning related to, and the provision of, the most suitable transport methods, management that allows the customers to forward their freight on time with the lowest cost, by expanding their own branch offices in target countries and working with effective partners in abroad to be able to distribute products to destinations in various countries around the world.

The Board of Directors has set vision, mission, goals and strategies of the Company which is annually reviewed to provide coverage and clear indications of direction, goals, and reflect on the identity of the Company, as well as to keep pace with the dynamics of the business that moving fast forward by being efficiently and effectively for the benefit of the Company and the Shareholders as a whole.



Financial Highlight

Unit : Million Baht

	The Consolidated Financial Statement			The Company Financial Statement		
	2018	2019	2020	2018	2019	2020
Statement of comprehensive income						
Sales and service income	1,203.57	1,270.02	883.95	705.97	654.27	544.18
Net Profit	3.16	11.06	(26.07)	6.40	(12.85)	8.38
Statement of financial position						
Total Asset	736.58	812.54	757.69	557.32	630.46	663.51
Total Liability	413.28	502.96	480.86	243.13	332.16	359.78
Total shareholders' equity	323.30	309.58	276.83	314.19	298.30	303.73
Cash Flow Statement						
Cash flows from operating activities	16.97	10.05	35.55	6.05	13.80	34.73
Cash flows from investing activities	2.42	(5.42)	(2.12)	(14.96)	(16.87)	(50.42)
Cash flows from financing activities	(20.24)	3.63	(23.73)	(5.08)	13.55	13.25
Key Financial Ratio						
Gross profit margin (%)	18.90	20.20	19.50	20.10	21.99	20.64
Net profit margin (%)	0.28	0.87	(2.95)	0.91	(1.96)	1.54
Return on asset (%)	0.45	1.43	(3.32)	1.15	(2.16)	1.29
Debt to Equity ratio (%)	1.28	1.62	1.74	0.77	1.11	1.18
Return on equity (%)	1.29	3.96	(9.67)	2.25	(4.20)	2.78
Dividend payout (%)	-	0.64	-	-	0.64	-
Basic earnings per share(unit: Baht)	0.007	(0.024)	(0.057)	0.015	(0.028)	0.018



(Mr.Kitti Phuathavornskul)
Director

(General Polpol Maneerin)
Chairman of the Board

Message from The Board of Directors

In few years, there have been significant events affecting the world, in 2020, it is one of the years that the world and Thailand have been impacted by the COVID 19 epidemic, resulting in a recession and changes in society, business, and consumer behavior towards a New Normal, the Thai economy contracted 6.1 % from the expected 6.7 %, which is less than expected with economic recovery measures of the government sector. In particular, the Khon-la-Krueng project, which had a turnover of 0.3% of GDP through the project in the fourth quarter, resulted in positive growth in household spending after a contraction in the previous two quarters, the global economic recovery also caused Thai exports in the fourth quarter to contract less than the estimated 2.0 %. The rebound of an economy in Q4, 2020 has been discontinued due to a new coronavirus outbreak that started in mid-December 2020 to the present. The factor of the COVID vaccine is another important factor. There is still some uncertainty in the provision and distribution of vaccines to the majority of the population, including the effectiveness of the vaccine that still needs to be monitored. Moreover, political factors still affect the overall economy of the country from the movement of political protesters during October to November before starting to decline in early December the past. Under such circumstances, this has continually affected the burden of government in helping those affected by the economy.

The Thai economy outlook for the first quarter of 2021 is expected to contract compared to the same period last year. This is due to the new coronavirus outbreak as consumers are more cautious about spending and collecting cash flow. As a result, the purchasing power of consumers is even weaker. Half of the project and other projects from the government have only partially supported the purchasing power of the people. The business of manufacturing products for sale both domestically and internationally shrank in line with the declining orders. Also, the impact of a protracted container shortage and rising freight prices.

Today, shipping is the main transportation system for importing and exporting goods between countries. In particular, container shipping costs 60% of the world's total ocean freight. For Thailand that exports more products than imports, therefore, there is an unbalanced container usage structure. In addition, Thailand is still unable to produce quality cabinets and can be certified according to international standards As a result, 1.5 million TEUs have to be imported annually since the third quarter of 2020. Container shortage has resulted in a doubling of Thai shipping costs, especially in the main routes from Thailand to Europe and the United States, and significantly affects the export potential of Thailand which mainly due to the epidemic of COVID-19 that caused the US labor force, and Europe stopped work until causing a large number of imported containers to remain at the port in such a country. It is expected that the container shortage situation will begin to recover in the second quarter of 2021. However, will the economy improve or not? Still need to keep an eye on the new wave of COVID 19

Operating

Operating results for the year ended December 31st, 2020, the Group had a loss of 26.07 million baht have a net profit of 8.38 million baht, Although this year there has been the COVID-19 epidemic situation affecting all industries across the country and around the world, which the Company has also been affected, as can be seen from revenue generated this year. Customers affected by such situation have reduced their use of transportation service, which resulted in a decrease in the Company's gross profit. However, the Company tried to seek other sources to compensate for the decreasing income and gross profit margin and reduce expenses so that the Company could have a higher net profit. This can be seen from the fact that the Company has additional revenue from special projects at 11.07 million baht rental of tractor-trailer and container in the total amount of approximately 3.12 million baht and interest income from disposal of investments in subsidiaries amounting to 6.44 million baht. Operating results for the year ended December 31st, 2020, the Group had a loss of 26.07 million baht or 2.95 percent of revenue from services and sales revenue which decreased from the last year has net profit of 11.06 million baht as the gross profit of the group's transportation service has been reduced by the aforementioned cause. Moreover, in the second half of 2019, the Board of Directors acquired the new business unit operated by the subsidiary in Singapore (LG Container Line PTE LTD.). Because of this, there were the expenses and costs of business restructuring and operations of the subsidiary, contributing to the loss of 39.23 million Baht in 2020. However, the restructuring costs would be completed within the present year, and the profits of the subsidiary could be realized in the next years. Exclusive of the loss due to the restructuring costs, the group had the net profit for the year 2020 of 6.58 million Baht, accounting for 0.74 percent of the income from service provision and income from the sale

Also this year, the Board of Directors decided to close a subsidiary in Vietnam and to cease operations of a subsidiary in China, and sell of investment in Indonesia to halt any long-term losses that may arise from the impact of the COVID-19 epidemic situation to protect future interests of the Company and shareholders. The Company continues to monitor the situation closely to adjust management strategies and resolve the situation.

Sustainability Management

The company focuses on and is determined to drive business for sustainability to be a good organization of society. Adhere to and operate the business with consideration for profit growth. And develop in environmental dimensions, social dimensions, and good governance (ESG) that are covered in accordance with good corporate governance guidelines. Both the rights of shareholders Equitable treatment of shareholders Taking into account the role of stakeholders Disclosure of information and transparency Anti-Corruption Business As well as the responsibilities of the Board of Directors accurately and consistently throughout The company Has been assessed by the Thai Institute of Directors

Association (Thai IOD) and the Stock Exchange of Thailand. Which is a listed company with excellent corporate governance (Excellent CG Scoring) or 5 marks for the third consecutive year (2018 - 2020) and also received a 100% rating from the assessment program The quality of the 2020 Annual General Meeting of Shareholders (AGM) for the fourth consecutive year organized by the Thai Investors Association.

Under the operation of the Board of Directors, executives and employees who are committed to developing the organization together, aiming to develop the business implement the Company strategy and maintain standards continuously develop human resources organizations to have more potential, increase competitiveness to provide efficient service and effective management processes, encourage employees to innovate and participate in setting goals and direction of the organization. To support the expansion and growth of the economy and the Company in the future including adhering to business practices given to the company. We would also like to thank the managers and the employees who have put effort and helped the business with commitment. As a result, the Company is successful continuously. The Company, Subsidiaries.

The company is committed to operate the business under good corporate governance and manage the service to serve customers efficiently and effectively with personnel who expertise and provide customer service with sincerity for the continuous and sustainable growth of the Company.

Part 1
Business Operation

1. The Company Group's Structure and Operation

1.1 Policy and Business Overview

Company History

NCL International Logistics Public Company Limited ("Company" or "NCL") is a logistics provider. Established by Mr. Kitti Phuathavornskul, NCL International Logistics PCL Group was aimed to engage in international freight forwarding services. This Group was comprised of NCL International Logistics Public Company Limited (formerly known as "Regional First Jubilee Co., Ltd.), founded in 1994; VP International Logistics (Thailand) Co., Ltd. (VP); and Unitrans Global Co., Limited (UNI). At present, the Company has been closed.

The Company started international freight forwarding services in 1994, which were operated under VP International Logistics (Thailand) Co., Ltd. (VP). It started LCL freight forwarding for the route: Thailand - the Americas and expanded routes to Asia and Europe in 1996 and 2000, respectively.

To restructure the management within the Group and eliminate potential conflicts of interest, VP ceased its operation in 2009 and in 2011, staff who founded UNI sold UNI shares to Mr. Phuathavornskul, the Company's major shareholder. Later, Mr. Phuathavornskul sold all UNI shares to external parties; however, UNI still utilized the Company's buildings for its business operations and relied on the Company in terms of documentation and accounting and financial management. However, at present, VP and UNI have been registered to cancel the Company. Therefore, only the Company that still operates in the business is NCL International Logistics Company Limited.

Since its inception, the Company has grown steadily and has been able to provide both LCL and FCL services and has acted as a customs broker and goods issuance agent. Growing continuously in the international freight forwarding business, in 2011, the Company invested in domestic freight forwarding services by purchasing tractor heads and trailer trucks to ensure service continuity. The first route established was the southern route and expanded to the East and Bangkok.

The company had been converted from "Company Limited" to Public Company Limited" and Registered in the Market of Alternative Investment (Mai) on November 11, 2014. Being well-established for over 20 years, it presently has a registered capital of 146.91 million baht which comprises 587.65 million ordinary shares and paid up registered capital of 113.53 million baht, which comprises 454.15 million ordinary shares with a par value of 0.25 baht per share

As of 31 December 2020, the Company has subsidiaries, associated companies, and companies in which the subsidiaries hold shares. ("Group"), a total of 9 companies, providing transport, sea freight and air freight forwarding

services, which cover full-container load (FCL), less-than-container load (LCL) and door-to-door load delivery. In addition, it serves as a customs broker, shipper owned containers (SOC) and engages in warehousing and domestic freight forwarding using tractor head and trailer truck, shipping agency and by air and other Joint Venture is production dialysis and selling equipment involved dialysis. Including the company, subsidiary, joint venture and other joint venture The Company has subsidiary and joint venture and holds shares by a subsidiary are 11 companies as details below:

1. NCL International Logistics Public Company Limited (“Company” or “NCL”)		
2. NCL Inter Logistics (S) Pte. Ltd. (“NCL(S)”)	(“Subsidiary”): Company holds shares	100 percent
2.1 NCL International Logistics USA Inc.	(“Subsidiary”): NCL(S) holds shares	100 percent
2.2 Qingdao National Container Line Co., Ltd.	(“Subsidiary”): NCL(S) holds shares	100 percent
2.3 Ningbo NCL Inter Logistics Co., Ltd.	(“Subsidiary”): NCL(S) holds shares	100 percent
2.4 LG Container Line Pte. Ltd.	(“Subsidiary”): NCL(S) holds shares	100 percent
2.5 NCL Inter Logistics Viet Nam Company Limited.	(“Subsidiary”): NCL(S) holds shares	49 percent
2.6 NCL International Logistics Private Limited	(“Subsidiary”): NCL(S) holds shares	100 percent
3. Grace Waters Med Co., Ltd.	(“Subsidiary”): Company holds shares	52.80 percent
4. Zim (Thailand) Co., Ltd.	(“Subsidiary”): Company holds shares	51 percent

1.1.1 Vision, Mission, Goal and Strategies in Operation

The Board of Directors has set vision, mission, goals and strategies of the Company which is annually reviewed to provide coverage and clear indications of direction, goals, and reflect on the identity of the Company, as well as to keep pace with the dynamics of the business that moving fast forward by being efficiently and effectively for the benefit of the Company and the Shareholders as a whole.

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1.1.2 Transition and Milestone Development

2020

January - April

- According to the spread of coronavirus disease in many countries around the world and the number of infected people is continually increasing, causing the Company to slow down the economy and affects most businesses and industries the above situation has a direct impact on the logistics business activities of the Group. It provides a full range of logistics services by land, air, and sea with a wide range of trading partners, partners, customers, and subsidiary offices in many countries.

- In this regard, such subsidiary companies in the United States (A subsidiary holds 100%) and Indonesia (A subsidiary company entered into a convertible loan agreement), etc. The government issued measures to prohibit people from leaving the area and travel to places that are vulnerable to infection unnecessarily, resulting in the company cannot work normally. The company has been assigned that employees can work from home so that the work can still be performed efficiently under such circumstances.

February

- On February 27, 2020, the meeting of the Board of Directors Has passed a resolution approving the capital increase in subsidiary NCL Inter Logistics (S) Pte., Ltd. for USD 0.77 million or equivalent to 25 million baht for expansion of operations of overseas subsidiaries.
- in April and in June, the Company transferred additional investment in NCL Inter Logistics (S) Pte. Ltd. of 1.09 million shares at a par value of SGD 1. Totaling SGD 1.09 million or equivalent to the amount of 25 million baht for business operation. The registration of the capital increase was completed on September 16, 2020, resulting in S $ 4 millions of paid-up capital.
- Later in July, the company has transferred an additional investment of S $ 0.35 million or equivalent to 7.90 million baht, resulting in as of December 31, 2020, NCL Inter Logistics (S) Pte. Ltd. has a registered and paid-up capital of SGD 4.32 million.
- In April and June, NCL Inter Logistics (S) Pte. Ltd. transferred an additional investment of 1.09 million shares in LG Container Line Pte. Ltd. at a par value of SGD 1 per share or equivalent to SGD 1.09 million For use in business operations. The registration of the capital increase was completed on September 16, 2020, resulting in S $ 2.34 millions of paid-up capital.
- Later in July, NCL Inter Logistics (S) Pte. Ltd. has transferred an additional investment of S $ 0.35 million as a result, as of December 31, 2020, LG Container Line Pte. Ltd. has a registered and paid-up capital of S $ 2.69 million.

May

- On 8 May 2020, the 2020 Annual General Meeting of Shareholders approved a decrease in the registered capital of the Company by 33,375,123 baht from 146,913,185 baht to 113,538,062 baht by reducing 133,500,490 ordinary shares at par value 0.25 baht per share, which is the remaining shares from the issuance and offering of warrants No. 2 (NCL-W2) and No. 3 (NCL-W3), which expires on 29 June 2018 and on December 6, 2019, respectively.
- And approved the amendment of the Memorandum of Association to be in line with the reduction of the Company's registered capital from 587,652,738 shares to 454,152,248 shares.
- The Company has registered the capital reduction and amended the Memorandum of Association with the Ministry of Commerce. Already on June 5, 2020
- On May 13, 2020, a meeting of the Board of Directors Approved the closure of NCL Inter Logistics Vietnam Company Limited, a subsidiary in Vietnam. It holds shares through NCL Inter Logistics (S) Pte. Ltd. due to significant losses and

increased operating expenses. In addition, the situation of the epidemic of coronavirus infection in 2019, which affects the transportation of goods, contributes to a significant decrease in the Company's revenue. Therefore, the said company should be closed. Before it gets more affected For the benefit of the company and the shareholders in the future Currently in the process of registering the dissolution of the business

June
- With the ongoing widespread spread of the coronavirus disease (Covid-19) epidemic, resulting in the company, the two subsidiaries in China, Qingdao National Container Line Co., Ltd. and Ningbo NCL Inter Logistics Co., Ltd., were decided to halt recognition of losses due to the impact of the epidemic situation. Coronavirus Disease 2019 in China
- As of June 31, 2020, the Company received payment from receivables from the sale of investment in SSK, the first installment was 11 tractor trucks and 78 tails with a market value of 41.98 million baht. Complete the registration of ownership transfer.

July
- Mr. Wantenan Techamorakot, the position of Managing Director, the Risk Management Committee, and the Executive Directors of the Company request to resign from the position. Because there are other missions Effective from July 1, 2020, onwards, resulting in a decrease of the Company's directors from 8 to 7, with 4 being independent directors and 3 executive directors.

- On July 13, 2020, at a meeting of the Board of Directors approved the issuance and offering of the Company's newly issued convertible debentures to a specific investor and a person who is not connected to the Company in the amount not exceeding 300 million baht for the company have sufficient capital to support investment or business expansion in the future and to approve an increase in the Company's registered capital of 30,500,000 baht from the original registered capital of 113,538,062 baht to the newly registered capital of 144,038,062 baht by issuing new ordinary debentures in the amount not exceeding 122,000,000 shares. At a par value of 0.25 baht to accommodate the conversion of convertible debentures.

August
- To propose to the Extraordinary General Meeting of Shareholders which will be held on August 28, 2020. On August 26, 2020, the said an extraordinary general meeting of shareholders has been canceled, including all relevant agendas after the company and investors had negotiations again due to the change of the contract. the material conditions of the said contract. the company has conducted

negotiations with full force to protect the best interests of the shareholders, but not as effective due to the high value of the transactions and the long duration. Therefore, this operation has been carefully reviewed by the Board of Director, and based on the advantages, disadvantages, and risks that may arise. It has, therefore, passed a resolution to cancel the issuance and offering of the said convertible debentures to protect the interests of the company and to shareholders in the future. This action does not affect the operations of the company in any way.

- On August 31, 2020, a meeting of the board of directors of NCL Inter Logistics (S) Pte. Ltd. approved to dispose of the entire investment in PT.NCL INTER LOGISTIK INDONESIA, a subsidiary with an interest through control by NCL Inter Logistics (S) Pte. Ltd. at a total cost of USD 60,000 to another shareholder of the subsidiary. On 31 August 2020, NCL Inter Logistics (S) Pte. Ltd. entered into a share purchase agreement with such a shareholder, and as a result, PT.NCL INTER LOGISTIK INDONESIA has ended as a subsidiary of the Company as from such date.

2019

February
- NCL Inter Logistics (S) Pte., Ltd. (a subsidiary in Singapore), a subsidiary of the Company. established “NCL International Logistics Private Limited” in Republic of India, which NCL Inter Logistics (S) Pte. Ltd. had shareholding at 100 percent of INR 5,000,000 (USD 70,000) registered share capital. Such company was completed for incorporation on 22 February 2019. As at 31 December 2019, NCL International Logistics Private Limited has INR 286,000 (USD 4,086) paid-up share capital and has yet operated.

April
- The Annual General Meeting of Shareholders for the year 2019 had approved the dividend payment at the rate of 0.0067 baht per share, totaling Baht 3,042,819.21 and will be due to pay on May 24, 2019

- On 26 April 2019, the Annual General Meeting of SSK Inter Logistics Company Limited’s shareholders approved the capital decrease of 1,699,280 shares, from 16,874,280 shares to 15,175,000 shares. As a result, the Company had shareholding increased from 75.35 percent to 83.79 percent. On 4 September 2019, the Extraordinary General meeting of such company’s shareholders approved the capital decrease of 1,600,000 shares, from 15,175,000 shares to 13,575,000 shares. As a result, the Company had shareholding increased from

83.79 percent to 93.66 percent. The registration of capital decrease was completed on 16 September 2019.

- On 30 April 2019, the Company's Board of Directors approved the resolution disposal on investment in LG Container Lines Company Limited which is a subsidiary, to GTX Logistics (Thailand) Co., Ltd. in full amount at cost, comprising of 599,999 ordinary shares with a par value of Baht 10, totaling Baht 5,999,990. LG Container Lines Company Limited ended being the Company's subsidiary since the agreement date.

May

- SIM (Thailand) Company Limited has approved the interim dividend payment from the operations for the year ended December 31, 2018 to the shareholders at the rate of Baht 277.30 per share and the Company has received the dividends in proportion to the holding shares in the amount of 1.4 million baht on May 28, 2019

- Disposal of investment in LG Container Line Company Limited, a subsidiary, to a local company on May 1, 2019. The Company entered into a share purchase agreement with that company in order to dispose of the investment at cost with ordinary shares for 599,999 shares, par value of Baht 10 per share, in total amount Baht 5,999,990. The Company received full payment from the sale on October 3, 2019, with the Company recognizing the gain from the sale of that investment of 11 million baht in the consolidated statement of comprehensive income for the current year.
- In May 2019, NCL Inter Logistics (S) Pte. Ltd. adjusted shareholder structure of NCL Inter Logistics Vietnam Company Limited by transferring additional investments in such subsidiary amounting to VND 1,225,000,000 equivalent to USD 50,000, and registered being such company's shareholders with shareholding at 49 percent of VND 2,500,000,000 registered and paid-up share capital. Later, in November 2019, there is new shareholder which is a company in Vietnam has invested in NCL Inter Logistics Vietnam Company Limited in the proportion of 51 percent shareholding, totaling VND 1,275,000,000 of VND 2,500,000,000 registered share capital. In addition, the Company's management considers revising Convertible loan agreement by adjusting the loan amount from USD 100,000 to USD 51,000 resulting from investment of new shareholder which makes shareholding percentage decreasing from 100 percent to 49 percent. As a result

of the investment of new shareholders as a result, the proportion of shareholding decreased from 49 percent to December 31, 2019.

August - On August 13,2019, the meeting of the Board of Directors has approved to increase the capital in NCL Inter Logistics (S) Pte., Ltd in the amount of 25 million baht to expand the operations of foreign subsidiaries. During the year 2019, the Company transferred additional investment in NCL Inter Logistics (S) Pte., Ltd in the amount of SGD 1,325,365. from the previous registered capital of SGD 1,574,635 Singapore dollars to SGD 2,900,00 and the registration process was completed on December 2, 2019.

September - On September 9, 2019, LG Container Line Pte., Ltd. (a subsidiary in Singapore) entered into a Non-Vessel Operating Common Carrier (NVOCC) division with LG Container Lines Co., Ltd. (a company in Thailand) in the amount of 25 million baht. The subsidiary company has made payment for the purchase of these segments and received the assets transferred on the date of the contract. From the purchase of this segment, the Company has a relationship with customers and technical knowledge which is presented as the whole intangible asset.

October - Mr.Korn Dabbaransi has submitted his resignation from the Chairman and Independent Director of the Company. The resignation will be effective from October 9, 2019. The Board of Directors Meeting No. 6/2019, on November 11,2019, passed a resolution to approve the appointment of General Porpol Maneerin, Independent Director, to be the Chairman of the Board of Directors and vacate the audit committee Risk Management Committee and the Nomination and Remuneration Committee with effect from November 12,2019 onwards.

November - The Company has entered into an agreement with EL AL ISRAEL AIRLINE LTD. (Israel) to be the sole air freight forwarder in Thailand which the contract will be effective from 1st of November onwards

- On November 11, 2019, the meeting of the Board of Directors of the Company has approved the disposal of investment in SSK Logistics Company Limited (which has a subsidiary status of the Company) in which the Company holds 12,714,999 shares, representing 93.66%, with the whole sale price of per par value of 10 baht per share, in total of 127,149,990 baht by selling to Mr. Suksan Kittiphattaraphong

which is a director in SSK Inter Logistics Company Limited and resulting in SSK Inter Logistics Company Limited ending its subsidiary since that date.

2018

February - On 20 February 2018, a meeting of the Company's Board of Directors approved the capital increase in NCL Inter Logistics (S) Pte. Ltd., a subsidiary, of USD 1,260,000 to expand business in foreign countries. During the year, the Company has transferred a fund for the capital increase amounting to USD 420,000 by increasing the registered share capital from SGD 1,000,000 to SGD 1,574,635. The registration of increased share capital was completed on 28 December 2018.

- The Board of Directors approved NCL International Logistics Public Company Limited. to purchase share of Grace Water Med Co., Ltd. from Mr. Thongchai Phami (Shareholder) number of 3,340 shares at 1,500 baht per share, the total amount is 5,010,000 baht. The purpose is for the company to have the power to control by totalitarianism. At present, the company holds the share in proportion of 44.45% will turn into the share proportion of 52.80%. which has funding from the Company's working capital which does not affect the operation of the Company in any way. In this regard, the Board of Directors has considered the appropriateness of the purchase price by taking into account various relevant factors thoroughly.

- NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, established NCL International Logistics USA INC. in February 23, 2018 (Registered in the United States of America) to provide international freight forwarder with registered capital of USD 100,000. to expand business base in foreign countries and increase source of revenues. On 19 July 2018, NCL Inter Logistics (S) Pte. Ltd. transferred additional investment in NCL International Logistics USA Inc. of USD 30,000 by increasing investment from USD 100,000 to USD 130,000. The registration of increased shares capital of NCL International Logistics USA Inc. was completed on 8 October 2018. NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent

May - The Board of Directors carefully considered and then approved agreed to dissolution its subsidiary Legacy Asia Capital Pte., Ltd. (Registered in Singapore) for the leasing container business. Buss Capital GmbH, which as sponsor of

funding to Legacy could not support the funding of business operations for the Legacy continually due to the bankruptcy. As a result, the Legacy does not have sufficient funds for business operations and expansion, which this could result a problem in the business and cause the loss increase in the future.

- NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, established Qingdao National Container Line Company Limited in May 18, 2018 (Registered in China) to provide international freight forwarder with registered capital of CNY 5,000,000. to expand business base in foreign countries and increase source of revenues. As at 31 December 2018, Qingdao National Container Line Company Limited has paid-up shares capital by CNY 346,375. NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent

July

- The Company has approved the Issuance of the Warrants to Purchase the Newly Issued Ordinary Shares of the Company ("NCL-W3") to the existing shareholders of the company (Right Offering) in the total number not exceed 65,000,000 units at no cost to be allocated to the existing shareholders of the company ratio of every 7 existing ordinary shares for 1 unit of warrants (as the case may be, the fraction of warrant under 1 unit shall be rounded down). The existing price is 2.40 Baht per share. The term of warrant is 16 months from the issuance date.

- The Company has approved the Increase of Registered Capital of the Company amount 26,000,000 Baht from 120,913,184.50 Baht to 146,913,184.50 Baht by Issuance of the Newly Issued Ordinary Shares amount not exceed 104,000,000 shares at par value of 0.25 Baht per share to accommodate the exercise of NCL-W3 Warrant

- On July 20, 2018, the Company has approved the Articles of Association on article 51 on the company seal. The statement shall be carried out in accordance to the core business of the company, which is the service provider of International Sea Freight Transport. The company agreed to change the company seal, which is easy for customer both in domestic and overseas to remember and supporting sales of the company's product and service by using the new company seal is as follows:

ตราประทับบริษัทใหม่

NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED
บริษัท เอ็นซีแอล อินเตอร์เนชั่นแนล โลจิสติกส์ จำกัด (มหาชน)

- The Company disposed investment in Legacy Asia Capital Pte. Ltd. in full amount at cost, comprising of 140,000 ordinary shares with a par value of SGD 1, totaling SGD 140,000, to a shareholder of Legend Shipping PTE. Ltd. which is a related company in Singapore. As a result, Legacy Asia Capital Pte. Ltd. ended being the Company's subsidiary since thereon

- The Company registered to change the name of the subsidiary company from Legend Shipping (Thailand) Company Limited to LG Container Line Company Limited. The change was registered at the Department of Business Development Ministry of Commerce already

- NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, established LG Container Line Pte. Ltd. in July 27, 2018 (Registered in Singapore) for the purpose of being the principal of LG Container Lines Company Limited (formerly known as "Legend Shipping (Thailand) Co., Ltd."), a subsidiary, as an agent in Thailand to provide international freight forwarder with registered capital of SGD 10,000 (paid-up shares capital by SGD 10,000). NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent

- NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, has invested in PT. NCL INTER LOGISTIK INDONESIA which was established in Indonesia through entering into Convertible loan agreement amounting to USD 60,000 which shareholding was equivalent to 60 percent of registered share capital and entering into Business cooperation agreement for the purpose of controlling either directly or indirectly business operation and management of such company. The Company has controlled and directed various operating activities including financial policy since the agreement date. Such company became subsidiary company since thereon

August - NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, has invested in NCL Inter Logistics Vietnam Company Limited which was established in Vietnam through entering into Convertible loan agreement amounting to USD 100,000 which shareholding was equivalent to 100 percent and entering into Business cooperation agreement for the purpose of controlling either directly or indirectly business operation and management of such company. The Company has controlled and directed various operating activities including financial policy since the agreement date. Such company became subsidiary company since thereon

November - NCL Inter Logistics (S) Pte. Ltd. Which is the Company's subsidiary, established Ningbo National Container Line Company Limited in November 30, 2018 (Registered in China) to provide international freight forwarder with registered capital of CNY 5,000,000. to expand business base in foreign countries and increase source of revenues. As at 31 December 2018, Ningbo NCL Inter Logistics Company Limited has not yet operated and no paid-up share capital. NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent

1.2 Nature of the Business

NCL International Logistics Public Company Limited, subsidiaries and associates ("The Group") operates the business management of logistics service provider and produces and sells dialysis solution for kidney disease patients with an artificial kidney and distributing medical supplies for use in hemodialysis group.

1.2.1 The Company's Revenue Structure

The Company's revenue structure, classified by services, as shown in the Company's consolidated and separate financial statements is as follows:

Description	2018		2019		2020	
	Million baht	%	Million baht	%	Million baht	%
1. Revenues from services						
1.1 International freight transport						
1.1.1 Sea freight	966.05	79.16	1,012.15	77.33	733.57	79.98
1.1.2 Air freight	25.51	2.09	37.81	2.89	40.76	4.44
1.1.3 Other services	0.05	0.01	0.05	0.01	0.04	0.01
Total revenues from international freight transport services	991.61	81.26	1,050.01	80.23	774.37	84.43
1.2 Domestic freight transport by trucks[1)]	127.30	10.43	102.32	7.81	6.24	0.68
Total revenues from the services	1,118.91	91.69	1,152.33	88.04	780.61	85.11
2. Revenue from the sale of hemodialysis and durable products[2)]	84.66	6.94	117.69	8.99	103.34	11.27
Other revenues[3)]	16.75	1.37	11.68	0.89	32.94	3.59
Gain on disposal of investment in subsidiaries	-	-	27.18	2.08	0.27	0.03
Total revenues	1,220.32	100	1,308.88	100.00	917.16	100.00

Note 1) For the revenue from domestic transportation by hauling truck-towing trucks under the operation of SSK Inter Logistics Co., Ltd. (SSK) since 15th August 2017, since it is a subsidiary of the company, from the mentioned date until 31st October, 2019 (the date on which the company sold the whole amount of SSK shares to third parties), the revenue from domestic transportation since September 2017 was from domestic transportation by small transportation vehicles used in the product distribution transportation project under the operation of NCL International Logistics Public Company Limited.

2) Revenues from dialysis solution and medical supplies was caused by Grace Waters Med Co., Ltd. (the subsidiary) since 1 March 2018.

3) Other revenue includes consulting fee revenue, rental income, gain (loss) on foreign exchange and interest income, etc.

1.2.2 Nature of Products and Services

NCL International Logistics Public Company Limited, subsidiaries and associates ("The Group") operates

1. **Provide logistics service provider**, which includes planning, management and offering solutions to customers. In order to ensure that the process of moving the product of the customer from the source to the destination with the shortest time and the lowest cost.

The nature of services rendered by the Company is divided into two major groups: international freight transport and domestic freight transport. The details of the two individual service groups are as follows:

1.1 International transport management services The services deal with managing the flow of goods from the loading point to export from Thailand to destinations in over 180 countries, covering all the major trade routes across the world, as well as managing the flow of goods transported from other countries to the unloading point in Thailand. The Company renders both sea and air freight services. The Company has no freighters; however, to serve its customers it can arrange to use them as well as containers from freight operators, i.e. shipping lines or airlines. Furthermore, the Company coordinates its services with its trade partners in different countries to manage the flow of goods from ports or airports in these countries to its local destinations. Income earned from the services constitutes the Company's major revenue. In 2019 and 2020, the Company's revenue from international freight transport equated to 1,050.01 million baht and 774.37 million, respectively, which represented 80.35 and 84.43 percent of the overall revenue, respectively.

The Company's international freight transport services can be divided according to the following transport modes:

1.1.1 International sea freight transport: Currently, the Company renders sea freight transport services across five continents, namely Europe, America, Asia, Australia, and Africa, which cover main ports of major trade areas in over 180 countries. Sea freight transport can be divided into three types as follows:

- Full container load (FCL), which is suitable for customers with a large quantity of goods in hand, where it is economical to rent a whole container solely for their goods without having to share the container with other customers. The Company will find different sizes of containers according to the needs of the customer, provide shipping lines in line with the Customer's schedule and requirements, and serve as a customs broker and goods issuance agent.
- Less than container load (LCL), which is suitable for customers with fewer goods for transit, the quantity of which is not economical to warrant the renting of a whole container solely for their goods. The Company will gather goods from individual customers and allocate loading space in the reserved container, and then it will calculate the space and place the goods suitably for

their types and requirements of each customer. This is to ensure that each customer's goods are put in the same container safely and are delivered on time at the lowest cost. However, since the majority of the customers are operators rendering freight transport services as the Company, they have the abilities to handle their own customs documentation on their own.

- Shipper Owned Container (SOC): The Company will provide the empty containers for customers to contain their own goods, not necessary to wait for the containers from the shipping agents. In some shipping agents who have no containers to service their customers, the Company will be provided the containers for their customers instead.
- Rental container cargo service: The Group will rent the containers for further renting to customers who provide transportation management services as well as the Group.

1.1.2 International air freight transport: This is a fast mode of transport, which takes a shorter time to transport goods to destinations compared to sea freight transport. However, as it bears a higher cost, it is suitable for transporting perishable or temperature-sensitive goods, such as fresh fruits and vegetables, goods with that are high value or need special care, e.g. gems and gold, as well as goods with a low weight and quantity that require fast delivery, e.g. documents and printed materials. The Company finds an airline according to the customer's schedule and requirements and serves as a customs broker and a goods issuance agent. Currently, the Company is able to provide air shipment services to over 180 countries. Since November, 2019, the company had been appointed as an agent for Israel Airlines resulting in the increasing revenue from international air transportation.

1.1.3 Other services: The Company provides services concerning customs formalities and relevant documentation, and serves as a goods issuance agent. The services require experts in customs formalities and regulations pertaining to importation and exportation so that the customers can comply with relevant laws in each country and receive or send goods on time.



International Freight Transport and Containers



Log Freight

At present, the Company has two international freight management offices at its head office in Bangkok and its branch office in Hat Yai, Songkhla.

In the end of 2014, the Company invested in NCL Inter Logistics (s) Pte. Ltd., based in Singapore in order to provide international freight management services from Singapore to destinations in different regions. The main target is America, Asia and Europe.

In early 2016, the Company invested with Legend Shipping Pte Ltd. based in Singapore to establish a subsidiary, Legend Shipping (Thailand) Co., Ltd. In order to provide international freight management and empty container services to customers, Later in the year 2018, Legend Shipping (Thailand) Co.,Ltd. changed its name to LG Container Line Co.,Ltd. due to the change of the investor, but the Company still maintained the investment proportion and the Company continues to operate as usual. Until the beginning of 2019, LG Container Line Co., Ltd. transferred its container management business to LG Container Line Pte. Ltd. in Singapore established in 2018. This caused LG Container Line Company Limited to have only representative business. Therefore, the company sold all shares in LG Container Line Co., Ltd .to third parties on 30th April, 2019.

In late 2016, the Company invested in Legacy Asia Capital Pte. Ltd. based in Singapore in order to provide container rental service and sold all of the investment in that company at cost amount to one shareholder of Legacy Asia Capital Pte. Ltd. in the mid of 2018.

In the end of 2017, the company has invested in Sim (Thailand) Co., Ltd., which operates as a shipping agency for Israel to deliver the goods by sea container.

During the year 2018, the subsidiary, NCL Inter Logistics (s) Pte. Ltd., which located in Singapore has established NCL International Logistics USA Inc. in the United States, Qingdao National Container Line Company Limited and Ningbo NCL Inter Logistics Co., Ltd. in China, LG Container Line Pte. Ltd. in Singapore and invested in PT NCL Inter Logistics Indonesia and NCL Inter Logistics Vietnam Company Limited to expand the revenue base for international transportation management services from the country where the office is located to destinations in different regions.

During the year 2019, the subsidiary NCL Inter Logistics (s) Pte. Ltd., located in Singapore established NCL International Logistics Private Limited in India to support the revenue base expansion in international transportation management services. However, the operation had not yet been started.

1.2 Domestic transport services in the year 2011, the Company started rendering domestic freight transport services by tractor heads and trailer trucks in order to (1) extend its range of services for its existing customers using the Company's international transport services and (2) to expand its business using its expertise in logistics services to serve customers that need freight forwarding in the country. In 2015, the Company has 65 tractor heads and 98 trailer trucks. The trailers trucks are available in both skeleton frame, which are used for carrying containers, and flatbed, which are for carrying containers or cargo directly. The Company forwards goods en route from factories to loading points for exportation, from the loading points for importation into factories or other destinations in the country, and from origins to destinations in different countries, as required by customers. The Company's existing service points are as follows:

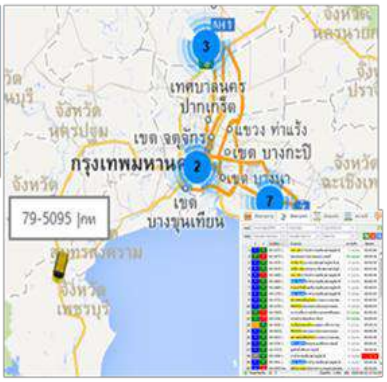
- **Service point in Had Yai:** This service point is situated in Had Yai district, Songkhla
- **Service point in Surat Thani:** This service point is situated in Phunphin district, Surat Thani, which offers both short and long-distance transport service. The short-distance transport takes not over one

day, which involves delivering goods from factories in Surat Thani to ports or railway stations within the same province or to ports in the southern region, such as the Phuket Port. The long-distance transport takes more than one day, which involves delivering goods from factories in Surat Thani to Bangkok or other provinces and sending goods from destination provinces or nearby provinces back to the southern provinces.

- **Service point at Rama II:** Located at Rama II, Bangkok, at present there are both short and long distance services; short – distance service such as the service of empty containers to pick up the goods at the factories in Laem Chabang area and pick up the goods from the factories to Laem Chabang Port, KlongToey Port. For long – distance service such as the service of empty container to pick up the goods in Central and East of Thailand then deliver the goods at Laem Chabang Port and KlongToey Port.



Tractor Heads and Trailer Trucks



GPS Tracking

In early 2016, the Company decided to separate domestic transportation business, by co-establishing joint ventures with high potential outsiders who specializes in the transportation business as well as long experience and can also expand major customers base to the Company. Newly established Company is SSK Inter Logistics Co., Ltd. ("Subsidiaries" or "SSK") The Company used the working capital of the Company and transferred assets which are all truck heads-trailer trucks as capital investment in the joint venture to reduce the burden of expenses; both cost and depreciation of the Company, and to optimize cost management, and also encourage the Company to have stable, sustainable growth in the future. One more shipping service point is set up:

- **Saraburi Service Point:** Located in KaengKhoi District, Saraburi. The majority of the merchandise are construction material. Currently, transportation services are available for both short and long distances.

The Transportation business under the joint venture has operated for one period of time and it appears that the economic is slowdown resulted in sales volume of cement or using cement trucks not enough for the expense. As a result, both parties decided to sell the cement trucks to decrease the impact which would happen in the future and canceled the joint venture in August 2017 as following.

- Sale the assets which are tractors and trailers parts which using for cement transportation. There are 48 tractors and 55 trailers parts to the other party at book value to achieve maximum benefit to SSK as the price is higher than in the market price which is compared with book value (Reference to the market price of the second hand cement truck; comparison the types and the similar of age, as of May 31, 2017).
- Payback by decrease the capital to another party for 12,125,720 shares at the par value of 10 Baht (par value set from the beginning), in total 121,257,200.00 Baht and the accumulated loss of such investments from the commencement of the business until May 31, 2017 as the proportion of investment for 17,430,400.84 Baht based on the proportion of remaining shareholders as of May 31, 2017.

The purpose of this capital reduction is for restructuring of SSK's shareholders. Prior to decrease the capital, SSK management is required by the proportion of joint venture; the two parties must jointly manage and have equal power. And after the capital reduction, NCL will become a major shareholder and the management is unilateral. This will result in more streamlined work and management and to reduce the cost of cement truck about 0.78 million baht per month and other administrative expenses about 2 million baht per month, after the capital reduction did not affect the business of SSK because of the remaining assets are tractors and trailers that the Company has experience and expertise. The Company also has the executives who are experience and expertise in this business for more than 20 years. The management team has a policy of expanding its customer base to meet increasing demand for transportation of agricultural products and consumer goods and consider that there is a better adaptation and resulted in the increasing of the Company's revenue. In the year 2019, the improvement was made but it still not satisfied the management. Therefore, the approval was made to sell all ordinary shares in SSK to third parties at cost price in order to reduce the risk in the company's business operation as SSK has continuously suffered losses since its establishment as well as reducing the risk from the burden that may need to be financed by increasing capital in the future. This caused SSK to terminate from being a subsidiary of the Company from 11th November, 2019.

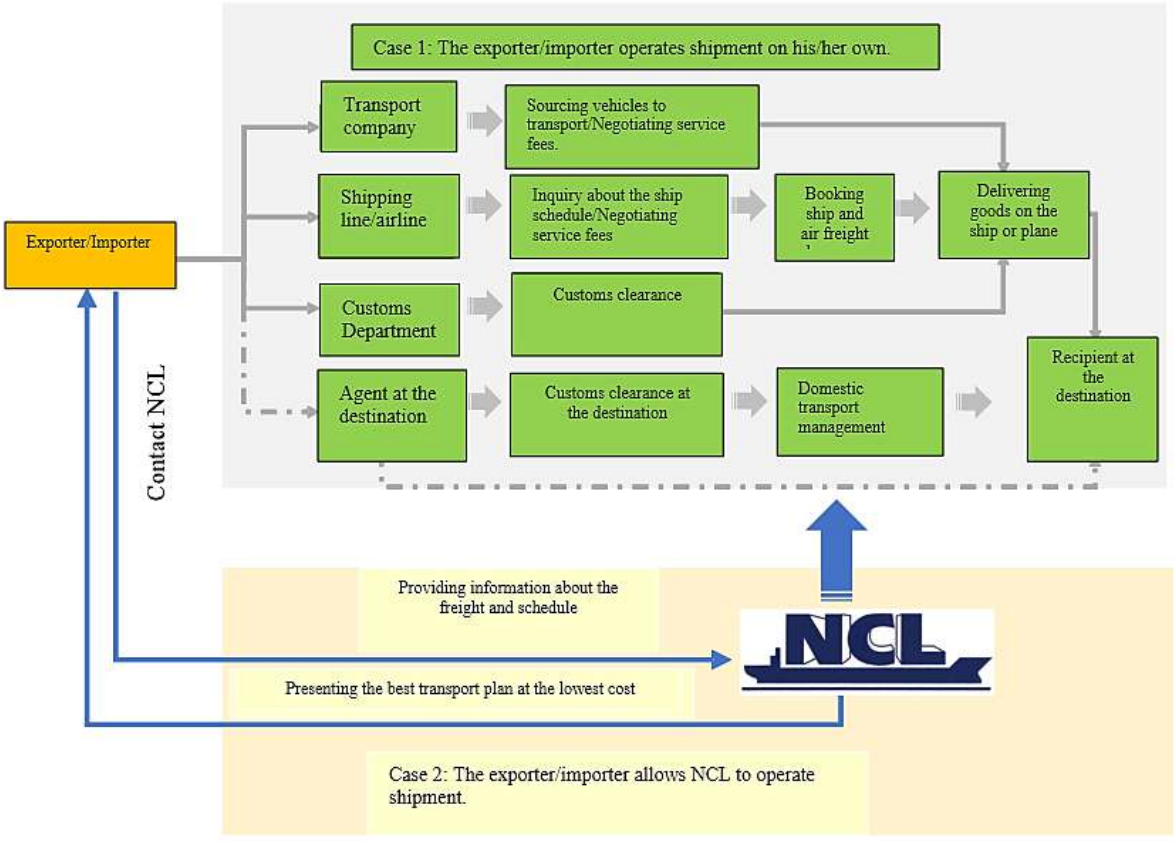
After the sale of SSK shares, the company still provided container transportation services under the company's operations with service points in Laem Chabang, Chonburi Province.

Domestic transportation of the Company Group, a part from the transportation by tractor and trailer under SSK Company's operations, on 2017 the Company has also started to invest in the pickup truck business. In order to expand the scope of services to customers who want to move their goods in the country by road with pick-up truck with expertise in cargo handling services of the Company, which can support the expansion of our shipping business. Currently, there are available for both; short and long distance services.



Pickup Truck

Alternatives for operators: the case when the exporter/importer operates shipment on his/her own and the case when the exporter/importer uses NCL's logistics services



2. **Produce and sell hemodialysis products for kidney disease patients with hemodialysis machines and distribute medical products for use in hemodialysis units.**

The production and distribution of hemodialysis solution for kidney disease patients with hemodialysis machines and distribution of medical product for use in hemodialysis units of the Company's group under the operation of Grace Water Med Company Limited ("GWM") which was established on August 8, 2016, in which the Company invested in GWM, the percentage 44.44 which is an associated company. Later,on March 1, 2018, the

Company purchased additional shares in GWM from a shareholder, causing the Company with a shareholding ratio of 52.80%, resulting in GWM changing from associated company to subsidiary. From the date of such operating results from 2019, and 2020 the Company has income from the production and sale of dialysis solution which is included in the consolidated financial statements of the Company equal to 117.69 million baht and 103.34 million bath, representing approximately 9.01 % and 11.27 total revenue of each year.

Hemodialysis is the most popular renal replacement therapy in Thailand. The registration information of Thailand Renal Replacement Therapy Registry (TRT) in 2010, found that there are 30,835 cases of the patient who need to use the hemodialysis or about 482.6 cases per million of population and in each year, there are increasing of patients approximately 6,244 cases or 97.73 cases per million of population. Due to the number of kidney disease patients is increasing in every year, the expansion of the hemodialysis center has also increased causing more demand for dialysis solutions. The Company foresees the need for additional hemodialysis and expansion of the kidney center that are increasing. Therefore, the Company invest with experts who have more than 20 years of experience in the technique of hemodialysis machines, production of hemodialysis and purified water systems that used in the hemodialysis unit and hemodialysis plant. To launch a liquid production plant for patients with hemodialysis and has adopted modern machines that are automated in the production and use of Programmable Logic Controller (PLC) systems to control all production processes in order to meet the requirements of law and in accordance with the quality policy of the Company. The target customer groups are public and private hospitals including the general private kidney centers. The factory is located at No. 13/7, Moo 8, Bang Muang Road - Bang Khu Lat, Bang Muang Subdistrict, Bang Yai District, Nonthaburi Province 11140, which has received the industrial standards, production standards for hemodialysis machines with ISO 9001:2015, ISO 13485:2012, medical device manufacturing standards in accordance with the criteria and methods for the production of medical devices of the Food Commission and Drug Administration 2005 (GMP) and Common Submission Dossier Template (CSDT), however, the Company normally produce approximately 100,000 gallons per month.

1.2.3 Market and Competition

The competitive strategy of the main business is to provide transportation management services as follows.

Personnel with expertise and commitment to services

Providing international transport services requires an understanding about exportation- and importation-related regulations and laws of different countries. Because the regulations and laws vary to countries, the Company provides staff with expertise in international transport business to serve the customers. It has two licensed staff members that are customs specialists, who provide advisors for other staff in different

departments to ensure the compliance with relevant regulations and laws. This makes the customers feel confident that the Company will comply with relevant regulations and laws, that it will receive or deliver goods on time, and reduce potential errors.

In addition to the personnel possessing expertise in relevant regulations and laws, the Company has staff members equipped with adequate experience in the international transport business who have worked for the Company for at least five years. Thus, they are able to give advice based upon their real work experience, such as advice on the reservation of sea freight during low export volumes or proper placement of goods from different customers in the same container to optimize the space being used to reduce transport costs of the customers.

In addition to supporting and developing personnel to equip them with expertise in their responsibilities, the Company aims to instill work values in them – having commitment and integrity to serve the customers. The Company believes that the work values approach is a key factor that enables it to serve customers efficiently and to build good relationships with them.

Development of service quality

Being aware of the importance of logistics management because the logistics cost is the customers' major cost, the Company is committed to continuous optimization of the service process. In terms of international transport services, the Company has developed the Freight Log system, an IT system that links to the customer database to manage documents required for the importation and exportation within the shortest time. This allows the Company to prepare the bill of lading and delivery order, which are important documents required for goods issuance, within one day. In addition, the Company's staff can check the status of documentation of the client via the intranet, which connects to the central network, which allows them to render services for the customers without restrictions related to workplace.

As for domestic transport services, the Company has utilized a global positioning system (GPS) for tractor heads in order to track their location and speed in real time. This enables the Company to plan transport routes and track the delivery status for the customers. Moreover, the company Obtained the safety standard ISO 9001: 2015 to increase confidence in our customer service standard for land transport by tractor.

Full range of services

The Company is committed to serving as a total logistics provider. Its services include planning and providing transport methods that are suitable for the customers' goods and requirements and comply with laws and regulations in different countries; sourcing and booking sea or ship freight at the lowest cost; loading goods in containers safely with optimized use of space; managing customs clearance and relevant documents

to ensure that the Customers will send or receive goods on time; and following up and coordinating with overseas business partners for goods transport and distribution to destinations in different countries. Its trade partners are in more than 180 countries worldwide.

Creating business partners

The Company's continual development of its service system and its 20-year-long business has resulted in the Company being trusted by other local small-scale transport operators to serve their customers. Small-scale operators with a limited range of services can offer a more comprehensive range of services to their own customers by using the Company's services. As a result, the Company is considered to be the center of consolidation for small-scale entrepreneurs. For the Company, these small-scale operators are regarded as its business partners that refer business activities from retail customers across the country to the Company.

The Company is also seeking business partners who are logistics providers in different countries to serve as its agents that can coordinate the services in different countries. Currently, the Company has 80 business partners in 30 countries, which allows the Company to serve clients from Thailand to destinations in more than 180 countries worldwide. Moreover, the Company's business partners share information about market opportunities for target customers to allow for the expansion of the customer base. The Company can also expand its customer base by coordinating services for its business partners' clients residing in Thailand.

The investment in opening an office to manage the transportation services in abroad

As the Company has gained trust from overseas operators, the Company anticipates the opportunity to expand transportation services from abroad to other countries by opening an office in a foreign country which has executives and local teams that have experience in doing business in that country, causing the group to gain more income from overseas activities.

Potential for cost management

Since the start of its business, the Company has been able to build its local and foreign trade partners' confidence in its services, which has resulted in the Company continually growing and expanding its customer base. The Company's consistent transport volume helps it to negotiate with its trade partners, such as shipping lines and airlines, about booking schedules for the delivery of freight on ships or planes as required by the customers. Also, this allows the Company to negotiate about the management of freight charges, which is the major cost of its services. Furthermore, having business partners in various countries allows the Company to share information about cost management for services in different countries to maximize its benefits.

Strategic business management as mentioned above, some cases may not meet the target set by the Company due to factors such as the economic slowdown, oil prices which are the cost of transportation. New regulations and policies that are relevant to the business of the Company and Situation of the epidemic of coronavirus infection 2019. However, if the problem occurs, the Company will immediately take corrective action with customers to continue the business. Finally, if the Company believes that its business operations are not in line with its goals, the Company will have to consider the decision whether or not to stop or continue its business in order to limit the scope of damage to a limited extent, such as the case of stopping freight from the port of Ranong to Myanmar which the Company invested in March 2015 and ceased operations in July 2015. In such cases, the Company encounters problems due to uncertainties and changes policies in removing cargo from port and checking container which affect the operations and goals of the Company, to make this point as the freight transport hub to Myanmar or closure Stop operation, and sell foreign investments in 2020 due to the coronavirus epidemic situation 2019.

Characteristics of customers and target customers.

The Group's customers can be classified by business type as follows:

International Freight Transport Management Services

The Group is an international freight management service provider, both by sea and by air freight. The Group's target customers can be divided into two groups:

1. The operator of the Export- Import These are factories that produce products (Manufacturer), including traders and distributors, etc., for example, rice traders, rubber, tire and consumer goods, etc. These customers usually have enough freight to rent a container for their own containers. These customers usually use FCL, SOC transport services.
2. The operator of the Freight Forward These customers are entrepreneurs, providing transportation management services. as well as the Group. But their volume of shipping containers is not enough to rent the entire cabinet.

Domestic Freight Transport

Target customers of this business are\Eentrepreneurs in various industries and businesses as well as manufacturer, or trader, distributor that transports goods to destinations in the country, for example, rice traders, rubber producers, beverage distributors, construction material traders etc.

Since the Company's customers are wide spread across 2,000 to 3,000 businesses, both in the agricultural and industrial sectors, including logistics service providers, the Company therefore does not rely on any customer for more than 30% of its revenue from service each year. By year 2019 and 2020, does not have the Company provided services to customers in excess of 15 percent of revenues,

Distribution and distribution channels

The Group uses both direct and indirect distribution channels. Direct sales channels include direct contact with customers through our marketing and website staff. www.nclthailand.com of the Company. The Group is divided into 3 sections according to customers' groups to keep up with the news and provide services that can respond to the needs of each group of customers as much as possible, including the Freight Forwarding Department (FF), the Non-Vessel Operating Common Carrier Department (NVOCC), and the Truck Department (Truck). The marketing and sales staff will be responsible for contacting both target customers by phone and an appointment to present the service.

The Group's indirect distribution channels are based on the recommendations of its existing customers, and from the introduction of our trading partners, which include the Company's agents. They are the operators in the domestic transportation business. These agents will act as coordinators in the shipping management services in their respective countries. On the other hand, they will recommend or assign to the Group as a customer care agent in the management of transport services in Thailand. At present, the Company has established a memorandum of understanding with about 80 agents around the world. The introduction of these new clients is the key distribution channel of the Group.

In addition to the direct and indirect distribution channels mentioned above, the Group also has a channel for public relations, allowing its partners and clients to become acquainted with the group, both domestically and internationally, including: Association of Thai Chamber of Commerce, the Customs Broker and Transportation Association of Thailand, Association of Freight and Logistics, and World Cargo Alliances (WCA) as well.

Industry Landscape and Competition

The logistics industry in Thailand has been able to grow continuously. In 2020, Growth declined from the contraction of both domestic and foreign economies. The main factor is the situation of the coronavirus outbreak, which has severely affected many countries around the world.

When considering the international trade of Thailand of the Information and Communication Technology Center, Office of the Permanent Secretary of Commerce with cooperation from the Customs

Department, the export value was 7,178,494.05 million baht in 2020, a contraction of 5.90 % as a result of various measures to control the epidemic of both Thailand and its partner countries. Although, in 2020, Thai exports to key trading partners such as the United States and China will continue to increase 9.75 % and 2.51 %, respectively, with high-growth products, including computers, automobile equipment, and components, and their accessories.

Today, each country around the world is concerned about the issue of the recurrence of the epidemic, especially, from goods transported from abroad, for example, in the case of COVID-2019 found in outer packaging and inside shipping containers, frozen shrimp products imported from Ecuador by inspection of Ministry of Customs of China, causing the imports to be suspended immediately which events of this nature will make the logistics business operators had to face an even more dire situation. This can be seen from the value of imports in 2020 worth 6,502,406.59 million baht, a contraction of 12.43% and the United States decreased 16.64% and 14.53 million baht, respectively.

Logistics business outlook and trends

Due to the situation of the coronavirus outbreak 2019 affecting the economy and lifestyle. Leading to the change to support the new normal (New Normal) by changing consumer behavior that emphasizes online trading. In addition, there are measures to control international travel, import, and export of goods that place more emphasis on health measures and risk management. Which makes digital technology more active. To store and link information Adjusting business strategies to meet rapidly changing market demands, however, driving the development of Thailand's logistics system amidst the global economic climate still carries high risks and uncertainties. It needs cooperation from all sectors. Both government agencies Private and academic sectors To develop and drive the logistics system to be able to support stable and sustainable economic growth with factors that are important to enhancing competitiveness To make the business in the logistics group of Thailand has continued to grow. Especially since the Office of the National Economic and Social Development Board established Thailand's first logistics development strategy in 2005 and is still likely to be able to grow steadily in the future. With supporting factors from both within the country and outside the country as follows:

- The government gives importance to the development and promotion of logistics by establishing the Strategic Plan for Logistics Development of Thailand No. 3 (2017-2022), Strategy 2, Structural Development. Basics and facilities have laid down principles to drive spatial development under Strategy 1, develop transport infrastructure and logistics network along the strategic route to connect sub-regions and as a gateway to trade. Focusing on the transformation of transport modes to efficient transport, promoting the transformation of transport modes and multimodal transport Establishing a logistics network along a strategic path and linking to neighboring

countries Development of logistics facilities and service centers and development of border towns to support transport and logistics.

- The government sector has invested more in infrastructure, especially pushing for the investment plan for transportation in 2017 for the amount of 36 projects, which are continued from the year 2016 that resulted increasing more demand of the service in logistics business.
- The business sector's expansion of production bases and distribution centers to different regions, as well as urbanization and promotion of tourism in different regions have boosted investment, thus resulting in a higher demand for logistics services.
- The business sector attaches greater importance to logistics, which is witnessed from the fact that the Country's percentage of logistics cost to GDP dropped from 17 percent in 2007 to 13.4 percent in 2018. This provides an opportunity for logistics providers to offer efficient logistics services to operators to lower their costs.
- Thailand has strength due to its location – it is situated in the center of the region and has long coastlines. Its borders connect to four neighboring countries, namely Myanmar, Laos, Cambodia and Malaysia. Thirty provinces are adjacent to these neighboring countries, not to mention its ability to further connect to surrounding countries, e.g. Vietnam and southern China. This has led to a significant increase in the scope of logistics activities of Thailand.
- The center of trade activities is tending to shift from the western world to the Greater Mekong Sub-region, the People's Republic of China, and other Asian countries as a result of an increasingly free trade and a higher purchasing power of people. This provides an opportunity for Thailand to expand trade and investment into new trade zones. In addition, due to Thailand's strength in its location, it will increasingly benefit from the movement of goods between countries within the region.
- Liberalization of trade, investment and services under the AEC framework in 2016 will substantially boost demand for the exchanging of goods and resources within the ASEAN countries. The leniency of rules and regulations pertaining to cross-border transport under the AEC framework will be a factor that encourages the growth in logistics activities.
- Development project of the Eastern Economic Corridor (EEC), which the state is trying to promote, is an important factor that will push the SME logistics business to grow through the two important policies of the government, namely the physical infrastructure (Hard Infrastructure) and the infrastructure of legal and regulatory (Soft Infrastructure) that privileges are superior to other areas. EEC is a project that the government has prepared for physical infrastructure which is the development of transportation infrastructure facilitating logistics activities to become more flexible while the infrastructure of legal, regulatory and the right of tax reduction granting will be

a strategy to attract investors through 10 key target industries which will increase the demand for transportation of products produced in the EEC area to spread to various areas to grow.

Competition is divided into international transport services and domestic transport services, both of which are described below.

International transport services

According to the membership record of the Customs Broker and Transport Association of Thailand, the number of other Thai operators in the logistics service sector that do similar businesses as the Company was 1,379 operators. 1,050 are in the central region, 112 in the eastern region, 25 in the western region, 36 in the northern region, 49 in the northeastern region, and 107 in the southern region. Most of them are small-scale operators that render less-than-container load (LCL) transport or only a few services. Rather than being competitors, these operators are the Company's trade partners that refer business activities from customers across the country to the Company. The number of large-scale operators in Thailand with similar target customers to the Company was approximately 25 operators, 15 are Thai operators and the other 10 are foreign ones and subsidiaries. However, the management has estimated that competition among Thai operators will not be very intense because the logistics market is huge and tends to grow continuously. Therefore, operators do not only compete in offering services to customers, but also exchange information or cooperate with one another in order to serve their customers.

Concerning competition with foreign competitors, the Company's management has assessed that it will be fiercer in the wake of the liberalization of logistics services under the ASEAN framework. The country's goal towards becoming the regional logistics hub is a factor that draws more foreign operators into the competition. Since 2013, Thailand has adopted a policy to relax its rules and regulations, e.g. increasing the number of shares that foreigners are allowed to hold in logistics companies, up to 70 percent. However, the Company's management believes that Thai operators are at an advantage in terms of their expertise in domestic transport systems and infrastructure, which are important factors for maximizing the efficiency of logistics costs. If foreign operators wish to take shares in Thailand's logistics market, they should be joint investors or trade partners with Thai operators in order to develop their service network in foreign countries.

With diverse services and staff with expertise who are ready to provide customers and partners with the best options, the Company is confident about maintaining its leadership in international transport services. As for the ratio of import/export container volume handled by the Company to the total volume at the Bangkok Port and the Laem Chabang Port, the Company's market shares in international sea freight services are as follows:

Unit : TEU

Details	2018	2019	2020
Total import/export containers at ports [1)]	9,592,403	9,444,486	8,972,995
Total import/export containers by the Company [2)]	60,527	55,574	51,296
Market share (percent)	0.63	0.59	0.57

Sources: 1) Marine Department 2) The Company

Domestic transport services

In the domestic transport business, there are many operators, most of which are small-scale operators. According to the Department of Land Transport, as per Jan 31, 2020, the number of truck transport service providers across Thailand was 32,958 service provider. 6,941 were in the central region, 4,718 in the eastern region, 10,620 in the northeastern region, 5,505 in the northern region, 3,274 in the western region, and 1,927 in the southern region.

The year 2019 before the company sold all shares to third parties The SSK currently has 103 truck heads and 112 tail trailers. (In 2018, the Company has 93 truck heads and 101 trailer trucks). Its major customers and service point is in Surat Thani. The management has assessed that in the southern region, there are 7 or 8 large-scale operators which compete with the Company, and each of them owns 50-300 trucks. However, the competitiveness in the transport business depends on the service quality and the ability to provide high-standard drivers. Hence, a huge fleet is not the determining factor for the procurement of services.

The Company's management has foreseen that the overall competition in tractor head transport business is not very fierce, but only periodical. At the same time, operators can become trade partners. Any operator whose workload exceeds its service capacity may subcontract the excess workload to other operators, as the SSK does. Now, the Company has entered into partnership agreements with approximately 6 trade partners.

With the utilization of a GPS system for planning and controlling its service quality, alongside its care about continual development of driver standards through both training and incentives to drive safely and save fuel, the Company is confident that it will have adequate potential for business competition and expansion in the future.

In addition, the Company's advantage of being an international logistics provider enables it to provide full-cycle services encompassing international and local transport activities in a One-Stop-Service manner. Consequently, customers can receive a full variety of logistics services from the Company. And in 2020, the company is also certified to the safety standard ISO 9001: 2015 to increase confidence in the service standard for customers for land transport by the tractor.

Due to the industry Coronavirus Outbreak 2019 Logistics Business Competition and Outlook As mentioned above, although the company will be affected. As a result, the operating result for the year 2020 has a net profit below the set target. But the situation will gradually improve in the next two years and will resume expansion due to the continued monetary and fiscal stimulus packages by countries and the gradual introduction of the COVID-19 vaccination. To the world population. In addition, the business in Thailand's logistics group is growing steadily every year, which is a great opportunity for the company. That will generate good performance in the future.

Laws related to business operations

Currently, Thailand has no law governing the provision of specialized logistics services. But there are several laws pertaining to each activity of logistics services, such as:The Civil and Commercial Code, Sea Act B.E. 2534 (1991), Multimodal Transport Act B.E. 2550 (2007), Rail and Highway Management Act B.E.2464 (1921), Land Transport Act B.E. 2522(1979), Land Traffic Act B.E. 2522(1979), Thai Vessels Act B.E. 2481 (1938), The Navigation in Thai Waters Act B.E. 2456 (1913) and Thailand Air Navigation Act B.E. 2497 (1954), etc. For important laws related to the core business of the Company are as follows:

Sea Act B.E. 2534 (1991)

The Sea Act is an act that applies to sea transport from one place of the Kingdom to another outside the Kingdom. By virtue of such act, the carrier is not liable in case of loss, damage or late delivery, as a result of force majeure, sea accidents, war, or any other cause under Chapter 5, Section 52 of this Act. This includes non-liability in the event of damage caused by the sender's fault, or due to its own condition.

In case the carrier is liable, this Act restricts the liability of the carrier for only 10,000 baht per transport unit, or 30 baht per kilogram of net weight of that whichever amount is more. But it must not exceed its price. (See more details in Chapter 6, Section 58-61).

The Civil and Commercial Code

The Civil Code is a private law on rights, duties and relationships between private and the law is the law governing the rights and obligations of the parties with respect to the legal, economic and trade regulations concerning trade between individuals or businesses. For the domestic transportation business of the Company, the law requires the Company to be liable in the event of loss or damage to the goods, or late delivery, unless proven otherwise by force majeure, or due to its own condition, or the sender's fault. (See details in sections 420 and 616).

In order to prevent the risk of domestic transportation service, the Company has purchased cargo insurance, truck insurance, and accident insurance, which has a higher value of insurance sum than the damage that may occur.

In the area of customs clearance services, which the Company is authorized by the customer to represent the customs clearance. The Company is not personally liable to third parties because the Company is a customer representative. Therefore, the person who authorized the Company shall have the obligation to a third party agent in all that is done within the scope of the authorization. (See Section 820 for more details.)

Service Sourcing

Service Sourcing and Sources

International transport services

In providing international freight services, the Company must procure air or sea freight from transport operators to provide services to the customers and requested partners in foreign countries to coordinate the services. The sources of such services are as follows:

Sea or air freight

Sea or air freight charges are the Company' major international transport costs, which represent approximately 80-85 percent of its total international transport costs. The Company mainly procures sea or air freight from domestic operators, which accounts for 70-75 percent of its total freight charge costs. The cost will be paid directly to the transport operator in Thai baht. Each year, the Company procures sea and air freight from over 300 transport operators. Since the Company consistently books freight on ships or airplanes, it is able to negotiate with service providers about determining freight charges 15-30 days in advance.

In the case that the Company has to provide transport services in other countries, the Company will ask its agent partners to handle the services. Thus, the freight cost for the overseas services provided by the agents will be paid in foreign currency. In such cases, its partner agents will bill the freight charge and fees for all services that the partner agents provide. The freight charges paid in foreign currency constitute about 20-25 percent of the Company's total freight charges.

Agents

As for services in foreign countries, such as shipping freight from ports in foreign countries to destinations in different countries, the Company will contact agents that are its trade partners to help handle the services. The Company's agents are transport operators in foreign countries, who will coordinate transport services in the country where they oversee the service delivery and serve as service fee collectors for the Company in the case a customer specifies that a service fee shall be borne by a recipient residing overseas. Currently, the Company has entered into business agreements with about 80 agents, who are ready to serve customers in over 180 countries across the world (See more information in the Agency Agreement under

Section 5.2: Major Contracts/Agreements). Payment of freight charges and service fees of these agents will be made in foreign currency.

Domestic transport business

As for transport services in Thailand, the Company has 93 tractor heads and 101 trailer trucks. The major cost of the transport services is fuel, which accounts for 40-45 percent of the total domestic transport service costs. This is followed by the transport cost, which involves the cost of sub-contracting other tractor heads-trailer truck operators, which represents 5 percent of the total domestic transport service costs; and the cost of salaries and allowances for drivers, which accounts for 15-20 percent of the total domestic transport service costs. The Company's vehicle and service costs stem from the following:

Tractor heads and trailer trucks

The Company sourced its tractor heads and trailer trucks by purchasing directly from truck manufacturers, e.g. Tri Petch Isuzu Leasing Co., Ltd. and Dayun Automobile (Thailand) Co., Ltd. In the case of pre-owned vehicles, the Company examines their conditions and service life prior to purchasing them. All the tractor heads of the Company have insurance and goods insurance, with the sum insured that is higher than potential damage.

Fuel

As for management of risks from the fluctuation of the prices of diesel, the main fuel, the Company set the service charges under a sliding scale, whereby the service charges vary according to fuel prices. However, because the prices of diesel are regulated by the Ministry of Energy, its price volatility is relatively low. In 2019, the price of diesel stayed consistently at 18-27 baht per liter.

Subcontractors for tractor heads and trailer trucks

The costs associated with subcontracting tractor head and trailer truck operators arise when the Company's vehicles are not sufficient for the customers' demand, or when it is not cost-effective for the Company to operate on its own. In such cases, the Company will subcontract the work to its trade partners.

Because the SSK has diverse trade partners, the cost of services for an individual partner in each year did not exceed 30 percent of the Company's total service costs. During the 2018 - 2019, the cost of services the SSK used from a single partner did not exceed 10 percent of the Company's total service cost.

Environmental Impacts

In operating its international transport management business, the Company does not have any processes that have adverse environmental impacts. Its domestic transport business with tractor heads and trailer trucks is regulated by the land transport law. This law states that vehicles that require registration plate renewal and tax payment must be inspected by a government authority or an authorized motor vehicle inspection station to receive a certificate, which is a document used for registration, or registration plate renewal and tax payment. The inspection involves testing wheels, lighting systems, noise levels, general operating conditions, the engine system, and pollution from exhaust, including black smoke and the amount

of carbon monoxide, hydrocarbon, nitrate oxide and particulates. All Company vehicles have passed the inspection and their license plates are renewed as scheduled every year.

1.2.4 Properties for business operation

Main properties for business operation

As of 31 December 2020, the consortium has main properties for business operation according to the consolidated financial statement as follows

Land and building

The consortium has lands and buildings with value of 24.89 million Baht as follows

Description	Ownership	Book value (Million baht)	Obligation
1. Land and premises of NCL Office No. 56/9,10 Soi Somdej Phrachaotaksin 12/1, Somdej Phrachaotaksin Road, Bukkhalo Sub-district, Thonburi District, Bangkok 10600			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 70 million Baht
- Land and improvements	Owner	6.29	
- Office building and improvements	Owner	3.55	
2. Counter service office at a service point in Bangkok Port (Loading yard 45 Rai, Port Authority of Thailand, Khlong Toei Sub-district, Khlong Toei District, Bangkok			
- Office Building	Owner	0.60	No
3. Factory and office building of Grace Water Med Co., Ltd (subsidiary) No. 13/7 Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District, Nonthaburi Province 11140			
- Factory building	Owner	13.32	No
4. Office building improvements of NCL Inter Logistic(s) Pte. Ltd. 8 Burn Road, #10-08 Trivex Singapore 369977			
- Office building improvements	Owner	0.95	No

Description	Ownership	Book value (Million baht)	Obligation
5.Office building improvements of NCL International Logistics USA Inc.4055 E. LA PALMA AVE-SUITE H-1 ANAHEIM, CA 92807			
- Office building improvements	Owner	0.15	No
6.Office building improvements of LG Container Line Pte. Ltd. 19 Keppel Road, #08-04 Jit Poh Building, Singapore 089058			
- Office building improvements	Owner	0.03	No
Total		24.89	

Real estate for investment

The Company has lands and buildings for rent with value of 71.12 million baht including

Description	Ownership	Book value (Million baht)	Obligation
1.Land and premises No. 56/15 Soi Somdejprachaotaksin 12/1 Somdejprachaotaksin Road. Khwang Bukkhalo, Khet Thon Buri, Bangkok 10600			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 254.20 million Baht
- Land and Improvements	Owner	45.92	
- Office building and Improvements	Owner	14.08	
2.Land and premises No. 2/4 Tapi Charoen Road, Tha Kham Sub-district, Phunphin District, Suratthani Province			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 67.44 million Baht
- Land and Improvements	Owner	5.39	
- Office building and Improvements	Owner	5.73	
Total		71.12	

The consortium has made insurance for possible risks incurred with properties of the consortium including furniture, decorations, equipment, tools and office supplies with sum insured of 47.99 million Baht. This insurance covers loss/ damages of properties with direct cause from risks of all kinds due to external factors such as fire, strike, explosion, water disaster (excluding flood), smokes, disasters to vehicle, aircraft and accidents from other external factors not identified in the policy.

Vehicle

The Group has vehicles comprising tractor-trailers, pick-up trucks, and other vehicles as shown in the financial statements. Under land, plant, and equipment amounting to 75.71 million baht and assets right to use in the amount of 0.86 million baht (due to the purchase under the finance lease), totaling 76.57 million baht.

Description	Quantity (vehicle)	Book value (Million Baht)	Ownership characteristics
1. Truck			
- Tractor	13	21.04	Owned
	21	27.04	Owned , have a bank guarantee obligation
- Trailer	78	19.98	Owned
	13	4.14	Owned , have a bank guarantee obligation
- Pickup truck	9	2.64	They are bound with rental agreement
	2	0.18	Owned
2. Other vehicles	4	1.55	Owned
Total		76.57	

Office supply

The Group has a total of 51.82 million baht in equipment, 20.80 million baht in property, plant and equipment and 31.02 million baht of rights to use assets (because it is a purchase under a finance lease).

Description	Quantity (vehicle)	Book value (Million Baht)	Ownership characteristics
- Container	500	31.02	They are bound with rental agreement
- computers , air-conditioners, decorations, tools and others.		20.80	Owned
Total		51.82	

Important Contract Summary

Important lease agreement as of 31 December 2020

Description	Signatory	Duration	Details
1. 1st service point: Khlong Toei Port Port Authority of Thailand Khlong Toei Sub-district, Khlong Toei District, Bangkok	Port Authority of Thailand	3 year (1 Feb 2020 – 31 Jan 2023)	Leased properties Space in loading yard 45 rai amount 26.5 Square Wa Rental rate Fixed rate of 3,180 Baht/ month

Description	Signatory	Duration	Details
			Agreement renewal The agreement is valid until the tenant cannot pay rental for two consecutive months or the tenant desires to return the leased space Agreement termination The tenant made a prior written notice to the landlord at least 1 month.
2. 2nd branch office No. 638/10, Phetkasem Road Hat Yai Sub-district, Hat Yai District, Songkhla	Mr. Nithiwat Watcharapitanrat	3 years (1 Jul 2019 – 1 Jul 2022)	Leased property 3.5-floor building Rental rate 18,947.37 Baht/ month Agreement renewal -No- Agreement termination 1.when it is due 2.when the tenant fails to comply with conditions.
3. Document warehouse No. 59,61, Soi Charoen Nakhon 24, Charoen Nakhon Road, Banglamphu Lang Sub-district, Khlongsan District, Bangkok	Miss Waraporn Kittayanurak	3 years (1 Aug 2019 – 31 Jul 2022)	Leased property Building Rental rate Fixed rental at 7,895 Baht/ month Agreement renewal -No- Agreement termination -No-
4. Car parking space No. 99/1, Soi Somdej Phrachaotaksin 14, Bukkhalo Sub-district, Thonburi District, Bangkok	Mr. Ruj Thongwut	2 years (1 Sep 2019- 31 Aug 2020)	Leased property Space for car parking Rental Rate Fixed rental rate at 15,790 Baht/ month Agreement Renewal -No- Agreement Termination 1.When the agreement is due 2. When the tenant fails to comply with conditions.
5. Space in JJ Mall No. 588, Kamphaengphet 2, Chatuchak District, Bangkok	JJ MALL CO., LTD	20 years (1 Jan 2007- 31 Dec 2026)	Leased property Space in shopping mall Rental rate Pay rental of 2,616,300 Baht on the agreement date and pay rental rate for 2,617 Baht/ months. Service rate in following years will be informed by the

Description	Signatory	Duration	Details
Remark Initially, the company rented such space to be delivery service point for retails but the Company ceased such service in 2010 and sublet the space to others			provider in the future. As of 31 March 2014, the service rate is 3,385.80 Baht/ month. Agreement Renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
6. Service point in Chonburi No. 292/239, Thung Sukhala Sub-district, Si Racha District, Chonburi Province	Miss Phannana Labpho	2 years (1 Aug 2018 – 31 Jul 2020)	Leased property 2-floor building Rental rate 10,526 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
7. Service point in Chonburi 3 rai of land, title deed land number 177635, Banglamung Subdistrict, Bang Lamung District, Chonburi Province	Miss Sirima Thongbumrung	1 years (1 Oct 2019 – 30 Sep 2020)	Leased property Land Rental rate 47,368 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
8. Factory land of Grace Water Med Co., Ltd No. 13/7, Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District, Nonthaburi Province 11140	Miss Pinrak Prasitsirikul	1 Jan 2021- 31 Dec 2023	Leased property Land for office and factory building Rental rate rental rate 100,000 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
9. Office building of Grace Water Med Co., Ltd No. 13/7, Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District, Nonthaburi Province 11140	Grace and Glamor (Thailand) Co., Ltd	1 Jan 2021- 31 Dec 2023	Leased property 2-floor office building Rental rate rental rate 50,000 Baht/month Agreement renewal -No-

Description	Signatory	Duration	Details
			Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
10. Dialysis machine for testing hemodialysis	Mr. Jare Tuipan	1 March 2021 - 28 Feb 2023	Leased property Dialysis machine Rental rate 7,000 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
11. Office space of NCL Inter Logistic(s) Pte. Ltd. 8 Burn Road, #10-08 Trivex Singapore 369977	SCAN RENT (S) PTE LTD	1 January 2021- 31 December 2022	Leased property Office space Rental rate 5,000 Singapore Dollar/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
12. Office space of NCL International Logistics USA Inc. 4055 E. LA PALMA AVE-SUITE H-1 ANAHEIM, CA 92807	MIKAN PROPERTIES,L.P.	1 April 2018 - 31 March 2021	Leased property Office space Rental rate 1st year, rental is 1,680 Singapore Dollar/ month 2nd year: rental is 1,727 Singapore dollar/ month 3rd year: rental is 1,775 Singapore dollar/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
13. Office space of LG CONTAINER LINES PTE LTD, 19 Keppel Rd, #08-04 Jit Poh Building, Singapore 089058	JIT POH INVESTMENT PTE LTD	1 March 2019 – 28 February 2022	Leased property Office space Rental rate 2,700 (SGD) / month Agreement renewal No Agreement termination 1 When the agreement is due

Description	Signatory	Duration	Details
			2.When the tenant fails to comply with conditions

Agency agreement summary

The Company made an agency agreement with an agent to be a coordinator in providing transport service in jurisdiction each agent takes care of for the company. The agreement contains following subject matters.

1. The Company and agents will coordinate in providing transport services for each other.
2. The Company and agents will jointly determine remuneration and service costs in writing before each transport.
3. The agents shall not discharge or deliver the products to a recipient until payment is made or a damage guarantee is received from a bank.
4. The agents shall inform the company immediately if they are unable to deliver the products or the products are rejected.
5. The agents shall inform the company of problems with products such as damages or untimely arrival at a destination etc. and shall be responsible for investigations of causes.
6. The agreement term is one year and it will be automatically renewed if either party does not requests termination.
7. Agreement termination requires prior written notice at least 60 days.
8. The agreement will be immediately terminated if either party fails to comply with provisions herein.

Investments and Policies in Subsidiaries and Associates

The Company has investments in subsidiaries and associates as shown in specific financial statement of the company according to capital price method. As of 31 December 2020, the Company has net investment value of 96.32 million Bahr accounted for 15.28% of total assets in specific financial statement of the Company with following details.

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Investments in subsidiaries which the Company directly holds				
1. NCL Inter Logistic(s) Pte.Ltd. Business of providing logistics management services in Singapore	SGD 4.33	SGD 4.33	100%	101.33
2. Grace Waters Med Co., Ltd. manufactures and distributes dialysis-related equipment.	THB 40.00	THB 40.00	52.80%	22.79

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Investments in associated companies				
1. Zim (Thailand) Co., Ltd.	THB 10.00	THB 10.00	51.00%	5.10
Total				129.22

On 20 February 2018, the company's board meeting had a resolution to approve increasing capitals in NCL Inter Logistic (S) Pte. Ltd., an associate, for 1.26 million US Dollar to expand the business in foreign countries. During the year, the Company transferred money to increase capital for 0.42 Million US Dollar or 0.57 million Singapore Dollar. on August 13,2019, the meeting of the Board of Directors of the Company has approved the increase of capital in NCL Inter Logistic (S) Pte. Ltd., by another 25 million baht to expand the operations of foreign subsidiaries. During the year 2019, the Company transferred funds to increase capital in the amount of Singapore Dollars 1.33 million. On February 27, 2020, a meeting of the Board of Directors of the Company approved to increase the capital in NCL Inter Logistic (S) Pte. Ltd for 25 million baht for NCL Inter Logistic (S) Pte. Ltd. to expand the operations of its overseas subsidiaries. During the year 2020, the company has transferred money to increase capital amounting to Singapore Dollars 1.43 million.

NCL Inter Logistic (S) Pte. Ltd., has invested in various subsidiaries during 2018-2020 as follows:

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Subsidiary held by NCL Inter Logistic (S) Pte. Ltd.				
1. NCL International Logistics USA Inc. providing logistics management services in USA	USD 0.13	USD 0.13	100%	USD 0.13
2.Qingdao National Container Line Co.,Ltd. providing logistics management services in China	CNY 5.0	CNY 0.8	100%	CNY 0.8
3.LG Container Line Pte.Ltd. operate business as a principal office in providing logistics services in Singapore	SGD 0.01	SGD 1.3	100%	SGD 1.3
4.Ningbo NCL Inter Logistics Co.,Ltd. providing logistics management services in China	CNY 5.0	CNY 1.4	100%	CNY 1.4
5. NCL Inter Logistics Vietnam Co.,Ltd.. providing logistics management services in Vietnam	VND 2,500	VND 2,500	49%	VND 1,225
6. NCL International Logistics Private Limited providing logistics management services in India	INR 5.0	INR 0.3	100%	INR 0.3

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Subsidiaries with interests controlled by NCL Inter Logistic (s) Pte. Pte.				
1.PT.NCL Inter Logistik Indonesia providing logistics management services in Indonesia	IDR 1,000	-	-	-

During the year 2020, the Company decided to close a subsidiary in Vietnam and ceased to operate two companies in China, and sell investments to companies in Indonesia due to the epidemic situation of the Coronavirus 2019 that has spread widely in many countries around the world which had an impact on the transportation of goods, causing a significant decrease in income, and the management has considered that if going forward, it will affect the overall operating results of the group of companies.

Nevertheless, the consortium has a policy to invest through subsidiaries and associates by considering investments in relation with businesses of the consortium focused on long-term investment. The board of director will jointly consider the investment policy by recognizing necessity, suitability and benefit of the consortium, and shareholders that can create good returns in the investment. The consortium has a policy to invest in sufficient proportion to take part in managing and defining trends of such business. It may consider investments in different forms properly as a major shareholder in the companies in which it invests and/or joint shareholder to be agreed in a shareholder's agreement.

The company has governance policy of the subsidiaries and associates as follows

Investment and Governance Police of Subsidiaries and Associates

1. Investment in other companies include joint venture to set up a new company and buying shares in other companies. The Company has a policy to coinvest with other investors that have transparent business operation and corporate governance.
2. Businesses in which the company will invest must be supportive and beneficial company's business vertically and horizontally to create equilibrium of the Company.
3. Businesses in which the company will invest shall be analyzed in terms of basic business factors, business trend as well as return rate evaluation and future risk prediction.
4. Investment shall not cause problems to liquidity of the Company and subsidiaries.
5. The Company will invest at sufficient proportion to take part in managing and defining business operation regulations of a company to be invested in.
6. The company will review investment in subsidiaries and associates properly and in accordance with business condition of the Company in each period.

7. The investment shall be approved by the board of director or general meeting of the Company according to the article of association and related laws to be in accordance with a notice of Capital Market Supervisory Board associated with principles of providing significant particulars within scope of obtainment or distribution of properties and a notice of Stock of Exchange Commission on disclosure of data and practices of listed companies about property obtainment B.E. 2547
8. The company will supervise a company in which it invests by sending representatives to be a director of subsidiaries and/or associates by proportion of shareholding. The company's representatives must be free from conflict of interest of the subsidiaries and/or associates in which the Company invests and they shall supervise the subsidiaries and/or associates to comply with specified regulations and principles in the company's article of association and applicable laws about business operation of the subsidiaries and/or associates.

It is valid from 13 December 2016 and onwards.

1.2.5 Works that have not yet been delivered.

- No -

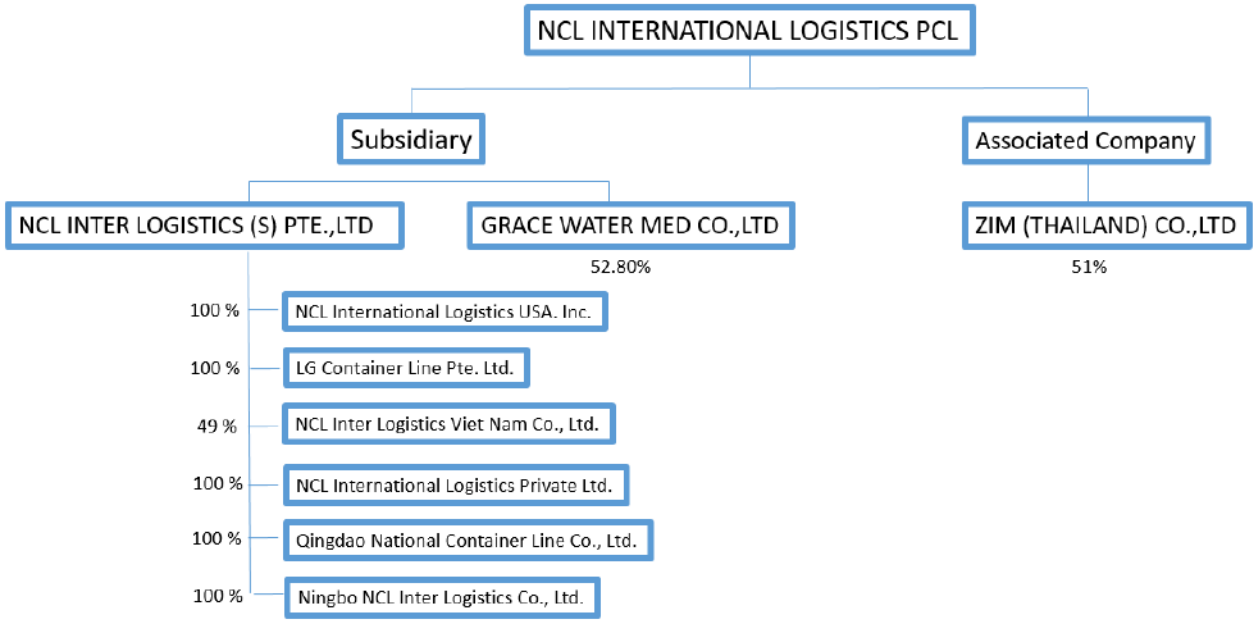
1.2.6 Environmental Impact

In the international transportation business of that group of companies There is no working procedure that affects the environment. For operating in the domestic transportation business with a tractor-trailer truck Of the company under the law on land transport Which defines A vehicle for renewal of registration and tax payment must be inspected by an employee or from a licensed car condition examination center. To receive a vehicle inspection certificate, which is a document required for registration or renewal of registration and tax payment. In which to inspect the vehicle condition It covers wheel performance, electrical system, noise level, general condition, engine system. And pollution from vehicle exhaust. Such as black smoke, carbon monoxide content, hydrocarbons, nitrate oxides. And toxin particles Which past The truck of the company Able to pass the vehicle inspection and has been renewed as scheduled every year.

1.3 The Company Group's Shareholding Structure

1.3.1 The Company Group's Shareholding Structure

AS of December 31, 2020 The Company Group's Shareholder Structure consisted of the following



* NCL Inter Logistics Vietnam Company Limited is in the process of closing the company (Ref: NCL-M12 / 3 May 13, 2020)

The Company has subsidiary and joint venture and holds shares by a subsidiary ("NCL Group") engaged a logistics provider for land transport, sea and air freight forwarding services, which cover full-container load (FCL), less-than-container load (LCL) and door-to-door load delivery. In addition, it serves as a customs broker, shipper owned containers (SOC) and engages in warehousing and domestic freight forwarding using tractor head and trailer truck, shipping agency and other Joint Venture is production dialysis and selling equipment involved dialysis. Including the company, subsidiary, joint venture and other joint venture The Company has subsidiary and joint venture and holds shares by a subsidiary are 10 companies as details below:

1. **NCL International Logistics Public Company Limited**

NCL International Logistics Public Company Limited ("Company" or "NCL") is a Logistics Solution Provider to register in the Market of Alternative Investment (MAI) on November 11,2014. Being well-established for over 20 years,

it presently has a registered capital of 113.53 Million Baht, which comprises 454.15 Million ordinary shares with a par value of 0.25 Baht per share.

2. NCL Inter Logistics (S) Pte. Ltd.

NCL INTER LOGISTICS (S) PTE. LTD. (“NCL(S)"), which was established on 25 November 2014 with registered capital of SGD 500,000. In May 2017, NCL SG increased the registered capital to SGD 1,000,000 to expand logistics business management (Logistics Provider) and on December 28, 2018, the registered capital was increased to SGD 1,574,635. And in the year 2019, the Company transferred additional investment to NCL (S) in the amount of SGD 1,325,356. From the original registered capital of 1,574,635 Singapore dollars to 2,900,000 Singapore dollars and the registration process was completed on December 2, 2019.

Later in April And in June 2020, the Company transferred additional investment in NCL Inter Logistics (S) Pte. Ltd. of 1.09 million shares at a par value of SGD 1, totaling SGD 1.09 million Or equivalent to the amount of 25 million baht for business operation The registration of the capital increase was completed on September 16, 2020, resulting in S $ 4 million of paid-up capital. Later in July 2020, the company has transferred an additional investment of S $ 0.35 million. Or equivalent to 7.90 million baht, resulting in as of December 31, 2020, NCL Inter Logistics (S) Pte. Ltd. has a registered and paid-up capital of SGD 4.32 million. The Company currently holds 100% of the shares

2.1 NCL International Logistics USA Inc. (Registered in the United States of America) established on February 23, 2018 to provide international freight forwarder with registered capital of USD 100,000. On October 8, 2018, NCL(S) had registered additional investment in NCL International Logistics USA Inc. of 30,000 by increasing investment from USD 100,000 to USD 130,000. NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent

2.2 Qingdao National Container Line Co., Ltd. (Registered in China) established on May 18, 2018 to provide international freight forwarder with registered capital of CNY 5,000,000. As at 31 December 2018, Qingdao National Container Line Company Limited has paid-up shares capital by CNY 346,375. In January 2019, NCL Inter Logistics (S) Pte. Ltd. transferred additional investments in the amount of CNY 404,058 and completed the registration on January 31, 2019 (As at December 31, 2019, the paid-up capital was CNY 750,433). NCL Inter Logistics (S) Pte. Ltd. a subsidiary of the Company holds shares in proportion of 100 percent. (Currently, the company temporarily ceased operations to stop recognizing the loss. Due to the impact of the coronavirus outbreak situation in China)

2.3 Ningbo NCL Inter Logistics Co., Ltd. (Registered in China) established on November 30, 2018 to provide international freight forwarder with registered capital of CNY 5,000,000. During the year 2019, NCL Inter Logistics (S) Pte. Ltd. transferred additional investment in Ningbo NCL Inter Logistics Co., Ltd. as follows

January	Additional investment CNY 337,360	Registered capital increase	date 28 January 2019
May	Additional investment CNY 675,110	Registered capital increase	date 10 May 2019
August	Additional investment CNY 351,560	Registered capital increase	date 21 August 2019

As at December 31, 2019, Ningbo NCL Inter Logistics Company Limited has CNY 1,364,030 of paid-up capital share capital a subsidiary of the Company holds shares in proportion of 100 percent. (Currently, the company temporarily ceased operations to stop recognizing the loss. Due to the impact of the coronavirus outbreak situation in China)

2.4 LG Container Line Pte. Ltd. (Registered in China) established on July 27, 2018 to provide international freight forwarder with registered capital of SGD 10,000 (paid-up shares capital by SGD 10,000). established on July 27, 2018 to provide international freight forwarder with registered capital of SGD 10,000 (paid-up shares capital by SGD 10,000). On 13 February 2019, a meeting of Board of Directors of NCL Inter Logistics (S) Pte. Ltd., subsidiary, approved the resolution to increase investment in LG Container Line Pte. Ltd. amounting to SGD 90,000 and on 2 October 2019, a meeting of Board of Directors of NCL Inter Logistics (S) Pte. Ltd., approved the resolution to increase investment in LG Container Line Pte. Ltd. amounting to SGD 1,150,000, increasing from SGD 100,000 registered share capital to SGD 1,250,000 registered share capital. The registration of increasing share capital was completed on 10 October 2019 a subsidiary of the Company holds shares in proportion of 100 percent

In April and June, NCL Inter Logistics (S) Pte. Ltd. transferred an additional investment of 1.09 million shares in LG Container Line Pte. Ltd. with a par value of SGD 1 per share. Or equivalent to SGD 1.09 million For use in business operations The registration of the capital increase was completed on September 16, 2020, resulting in S $ 2.34 million of paid-up capital. Later in July, NCL Inter Logistics (S) Pte. Ltd. transferred an additional S $ 0.35 million in investment. As a result, as of December 31, 2020, LG Container Line Pte. Ltd. has a registered and paid-up capital of 2.69 million. SGD by NCL Inter Logistics (S) Pte. Ltd., a subsidiary of the Company. Holds 100% of the shares

2.5 NCL Inter Logistics Viet Nam Company Limited (Registered in Vietnam) established on July 17, 2018. On 1 August 2018 NCL Inter Logistics (S) Pte. Ltd. has invested in NCL Inter Logistics Vietnam Company Limited through entering into Convertible loan agreement amounting to USD 100,000 to be used for working capital and operating expenses. As conditions stipulated in the Convertible loan agreement, NCL Inter Logistics (S) Pte. Ltd. may at any time to convert such loans into share capital of such company. As at 31 December 2018, NCL Inter Logistics (S) Pte. Ltd. provided such loan amounting to USD 50,000. In addition, NCL Inter Logistics (S) Pte. Ltd. entered into the business cooperation agreement with NCL Inter Logistics Vietnam Company Limited for the purpose of controlling either directly or indirectly business operation and management of such company. Such company agreed to distribute profit to NCL Inter Logistics (S) Pte. Ltd. at the rate of 100 percent of net profit for the year, and if the Company has loss on

operation, NCL Inter Logistics (S) Pte. Ltd. agreed to absorb such loss in proportion of 100 percent which being compensated by additional fund. The Company had controlled and directed various operating activities including financial policy since the agreement date and considered to be subsidiary company since thereon. In May 2019, NCL Inter Logistics (S) Pte. Ltd. adjusted shareholder structure of NCL Inter Logistics Vietnam Company Limited by transferring additional investments in such subsidiary amounting to VND 1,225,000,000 equivalent to USD 50,000, and registered being such company's shareholders with shareholding at 49 percent of VND 2,500,000,000 registered and paid-up share capital.Later, in November 2019, there is new shareholder which is a company in Vietnam has invested in NCL Inter Logistics Vietnam Company Limited in the proportion of 51 percent shareholding, totaling VND 1,275,000,000 of VND 2,500,000,000 registered share capital. In addition, the Company's management considers revising Convertible loan agreement by adjusting the loan amount from USD 100,000 to USD 51,000 resulting from investment of new shareholder which makes shareholding percentage decreasing from 100 percent to 49 percent. As a result of the investment of new shareholders as a result, the proportion of shareholding decreased from 49 percent to December 31, 2019.

And on May 13, 2020, the meeting of the Board of Directors approved the closure of NCL Inter Logistics Vietnam Company Limited, a subsidiary in Vietnam by holding shares through NCL Inter Logistics (S) Pte. Ltd. due to significant losses and increased operating expenses. In addition, the situation of the epidemic of coronavirus infection in 2019, which affects the transportation of goods, contributes to a significant decrease in the Company's revenue. Therefore, the said company should be closed before it gets more affected for the benefit of the company and the shareholders in the future. Currently in the process of registering the dissolution of the business.

2.6 NCL International Logistics Private Limited (Registered in India) established on February 22, 2019 with registered capital of INR 5,000,000 (USD 70,000). As at 31 December 2019, NCL International Logistics Private Limited has INR 286,000 (USD 4,086) paid-up share capital and has yet operated. A subsidiary of the Company holds shares in proportion of 100 percent

3 Grace Waters Med Co.,Ltd.

Grace Waters Med Co.,Ltd. (The "Subsidiary "or "GWM") was established on August 8, 2016 with registered capital of 5 Million THB, on September 23, 2016 the company invested to purchase ordinary shares in the amount of 8 Million THB and on July 27, 2017 GWM has increased the registered capital of 40 Million THB. GWM manufactures and distributes dialysis related equipment. By this investment, the company foresees that it can add value to the company in the future as well as to diversify the risk to encourage company a return of stability and growth in the future. And on February 20, 2018, the Company purchased shares from a shareholder of 3,340 shares and completed the registration process on March 1, 2018. The company holds shares in proportion of 52.80 percent.

4 Zim (Thailand) Co., Ltd.

Zim (Thailand) Co., Ltd. (the “Associate Company” or “Zim TH”) the company has invested with Zim Integrated Shipping Services, Ltd. (“Zim”) to established on September 20, 2017 with registered capital of 10 Million THB to act as a shipping agency for Zim in Thailand. The company holds shares in proportion of 51 percent.

1.3.2 Person who may have a conflict

- None -

1.3.3 Relationship with the major shareholder's business group

To prevent conflicts of interest that may occur from the major shareholder, including Mr. Kitti Phuathavornskul, running businesses that overlap with the company, the said major shareholder, therefore, entered into an agreement with the company not to operate the same business as the company, which includes the business of providing international transportation management services and domestic transportation services as well as other businesses of the company in the future. The shareholder shall not take any action that is in competition with the company's business or become a partner in any company or ordinary partnership or a partner with unlimited liability in a limited partnership or a director or contractor or have controlling power in any business that operates in the same condition and in competition with business of the company and its subsidiaries (if any), whether for one's own benefit or for benefit of others. If the major shareholder sees future business opportunity, he shall consider the company to be the operator of such business. This contract is binding until Mr Kitti Phuathavornskul, including related parties according to definition in the Notification of the Securities and Exchange Commission No. KorJor. 17/2551, hold total shares of less than 10% of the company's paid-up capital and none of them are executives or directors of the company.

Summary of Contract

Contract Name	: Non-compete agreement
Contract date	: 28 August 2014
Contractual parties between	: NCL International Logistics Public Company Limited (“Company” or “NCL”) and Mr. Kitti Phuathavornskul
Terms and Conditions	: The major shareholder shall not operate in the same business as the company including not to take any action that is in competition with the company’s business or become a partner in any company or ordinary partnership or a partner with unlimited liability in a limited partnership or a director or contractor or have controlling power in any business that operates in the same condition and in competition with business of the company and its subsidiaries (if any). : The major shareholder acknowledges that this contract is binding also on related parties according to definition in the Notification of the Securities and Exchange Commission No. KorJor. 17/2008

: If the major shareholder commits an offense or fails to comply with any regulations which may cause damage to the company or lose business opportunities, the major shareholder is eligible for a fine at the rate of 100,000 baht per day. If the occurred damage is worth more than 100,000 baht, the company, whereby an independent director as representative of minority shareholders, shall proceed to file additional claims under the law.

: The contract is effective from the date of contract signing until the major shareholder and related parties hold total shares of less than 10% of the company's paid-up capital and none of them are executives or directors of the company.

1.3.4 Securities Information and Shareholder

Shareholders

The Company's 10 major Shareholders, as of December 30, 2020, are as follows:

No	Shareholders		Number of shares	Percentage
1.	Phuathavornskul Family			
	Mr. Kitti	Phuathavornskul	130,066,974	28.64
	Ms. Fahsai	Phuathavornskul	34,500,000	7.60
	Ms. Pinruck	Prasitsirikul	31,000,000	6.83
	Ms.Yingruck	Phuathavornskul	30,000,000	6.61
	Mr. Wisit	Prasitsirikul	7,727,154	1.70
	Total		**233,234,128**	**51.37**
2.	K-SME Venture Capital Co., Ltd.		57,519,800	12.67
3.	Mr.Worawut	Tassanawiwat	8,295,700	1.83
4.	Mr.Woranan	Tinrungroj	7,241,100	1.59
5.	Mr.Am-naj	Sukanjanakul	7,054,300	1.55
6.	Mrs.Nawaporn	Ratthanachaikanon	6,963,300	1.53
7.	Mr.Bancha	Sukananchai	5,510,000	1.21
8.	Ms. Wassana	Sintuwong	5,020,100	1.11
9.	Mr. Nontawit	Dtieowsakul	5,000,000	1.10
10.	Ms.Netirad	Sang-ngam	4,110,000	0.91
11.	Other Shareholders		114,203,820	25.13
	Total		**454,152,248**	**100.00**

Information from: The Thailand Securities Depository Co., Ltd. (TSD)

1.4 Paid-up Registered Capital

1.4.1 Ordinary Share

As of December 31, 2020, the Company's registered capital of 113.53 million baht and paid up registered capital of 113.53 million baht, which comprises 454.15 million ordinary shares with a par value of 0.25 baht per share

1.4.2 Other types of shares with rights or conditions different from ordinary shares

- None –

1.4.3 The Company's shares or convertible securities are underlying securities for issuing mutual funds for foreign investors.

- None –

1.5 Issuance of Other Securities

1.5.1 Convertible securities

- None -

1.5.1 Debt Securities

- None -

1.6 Dividend Payment Policy

The Company's dividend payment policy is to pay at least 50 percent of its net profit after the deduction of all reserves. Dividend payments must not adversely affect the Company's operations, financial position, liquidity,

business expansion, necessity, future suitability, or other factors relevant to the Company's administration, as determined by the Board of Directors deems, and must yield maximum benefits to the shareholders.

The subsidiaries will consider paying dividends based on the net profit after the deduction of the corporate income tax each year. However, this will depend on the investment plan and other suitability considerations. The subsidiaries may pay interim dividends to their shareholders from time to time.

However, the Board of Directors 'resolution considering dividend payment must be presented to the shareholders' meeting for approval, except for interim dividend payment. The Board of Directors has the power to approve the operation when it is considered that the Company has sufficient profit to pay without any impact on the Company's operations and report to the shareholders' meeting in the next meeting.

However, in 2020 there is no dividend payment.

2. Risk Management

2.1 Risk Management Policy And Plan

The Company realizes the importance of good management and organizational management. To drive the organization to grow and expand the business with stability. Have a stable financial position and create appropriate returns to the shareholders. The Board of Directors has appointed the Risk Management Committee, consisting of an Audit Committee, an independent committee and an executive. The Company has established a policy to comply with anti-corruption laws by setting the anti-corruption guidelines in the Company's Code of Business Ethics under the heading " "Policy on Receiving, Giving Gift and Return" and "Policy on anti-corruption and bribery". The Company's employees have been informed and implemented since July 20, 2013. On October 3, 2017, the company has already announced its intention to become a Collective Action Coalition of the private sector in the fight against corruption.

2.2 Risk Factors for the Company's Business Operation

2.2.1 Risk for the Company's Business Operation

To serve customers in foreign countries, the Company has partners that are freight forwarders in different countries. These partners act as the Company's agents that coordinate service work in foreign countries, receive service fees from customers in destination countries, and pay for service costs incurred in foreign countries, e.g. vessel freight charge, air freight charge, transportation charge, or paperwork charge for protocol in foreign countries. Therefore, the Company's revenue and expenses are denominated in foreign currencies from countries where the services are rendered. In 2019 and 2020, the Company's revenue in foreign currencies was 99.20 million baht and 85.92 million baht, which represented 15.16 percent and 15.79 percent, respectively. The Company's service costs in foreign currencies were equal to 55.76 million baht and 54.72 million baht, which represented 10.92 percent and 12.67 percent.

The Company may be exposed to the risk of fluctuations in foreign exchange rates from income and costs in foreign currency, the revenue service from foreign currency. If the baht is appreciated, it would reflect to the decreased of revenue and if the cost is foreign currency; if the baht is depreciated, it would reflect to high cost. Therefore, fluctuations in foreign exchange rates will affect the financial position and operating results of the company. The Company have income and cost in foreign currency which can prevent the risk from partial natural hedge. The Company will closely monitor news and exchange rate movements at all times. In order to assess the situation and find a way to prevent foreign exchange risk. In the past, the exchange rate impact was not considered significant to the overall turnover of the Company.

In order to reduce the risks from fluctuations in exchange rates, The Company has diminished the risks from the fluctuations by opening a foreign currency deposit account (FCD). Furthermore, the Company has launched a policy to reduce such risks by entering into forward contracts, which are entered into at the discretion of the management and conform to the policy approved by the Board of Directors, no. 2/2014, dated June 30, 2014. The Company's cap in the forward contracts with financial institutions is 127 million baht.

The Company has no policy concerning speculation about the exchange rates.

Risks from Personnel Dependency

An international freight forwarding business requires an understanding about regulations on exportation or importation and laws in different countries, as well as an understanding about forms and conditions concerning the proper protocols for international payment. This is to ensure that the customers will be able to comply with relevant regulations and deliver or receive goods on time. As for a domestic freight forwarding business, it requires drivers who possess specialized skills and are able to comply with the Company's regulations. Accordingly, the Company is vulnerable to personnel shortages if it expands its business or fails to find replacements for resigning personnel immediately.

Recognizing the importance of its personnel, the Company has focused on personnel development and incentives. The Company has formulated a plan for job advancement for its employees and provided them with reasonable compensation according to their expertise. Thus, the turnover in major departments is low, and the average working years of employees in the Department of Freight Forwarding (FF) and the Department of Non-vessel Operating Common Carrier (NVOCC) is at least five years, and the average working years of the management is at least 20 years.

Also, the Company has introduced IT systems into its business. For example, the IT systems include Log Freight, which is a system that links clients' databases for managing documents required for customs protocol and importation and exportation, as well as the Global Positioning System (GPS), which tracks the status of freight deliveries by tractor heads and trailer trucks. These systems are utilized in order to facilitate its personnel in terms of customer services and reduce the number of personnel required for different processes within the Company.

The Company continues to focus on the development and implementation of new information systems to use continuously. To increase convenience for employees and increase work efficiency.

Risks from Major Client Dependency

The Company's clients are distributed throughout different sectors, including the agricultural, industrial, and logistics sectors. Thus, the Company does not depend on particular clients for more than 30 percent of its revenue

from services rendered each year. In year 2019 and 2020, there was only one customer for which the Company provided services representing over 15 percent of its service revenue.

However, the Company has a policy to reduce risks from dependency on particular customers – the policy to expand to new customers to distribute the Company's customer base and create more business opportunities for the Company's services.

Risk of Changes in Business Regulations

As the Company runs an international freight forwarding business, which involves regulations applicable to exporting or importing and laws in different countries, it will face risks if it fails to comply with any changes in regulations. Such non-compliance could result in its failure to handle deliveries as demanded by customers and potential financial damage from fines.

However, the Company has prepared its personnel with expertise in international freight forwarding to serve its customers and to offer advice to employees working in different departments. The Company has assigned personnel to study relevant information about, and monitor, the enforcement of trade regulations and measures of different countries; follow relevant news; contact government agencies; and gather information from operators that are the Company's partners in foreign countries. This information will be delivered to relevant departments in the Company to ensure their compliance with customs-related regulations and laws. The departments will receive relevant information continuously and adequately so that they can give proper advice to clients to ensure the client's compliance with regulations. In the past, the Company has never been sued or received a damage claim for non-compliance with such laws or regulations.

Risks from investing abroad.

The Company may be exposed to the investment and business operations in foreign countries, due to business practices in unfamiliar countries, such as culture, society, politics, law, regulation. With policies and plans to expand overseas, the Company may face greater competition from its competitors. Because there are many foreign companies that provide similar services.

The Company rely great importance to the analysis of risks in various areas for consideration of investment decisions which must be a major shareholder who can control and have the power to make decisions in companies that invested. The Company will be considered to find local executives and teams that have previous business experience in that country in order to reduce the risk of the Company that has no experience in such business operations in the country that have decided to invest.

Risks from Major Shareholders' Influence on Administration Policies

As of 31 December 2020, the Company's major shareholder, the Phuathavornskul Family, owns shares representing 51.48 percent of the total number of shares sold by the Company. Mr. Kitti Phuathavornskul serves as the Company's Group Chief Executive Officer (CEO) and Director and is the authorized signatory. This major shareholder has the authority to manage and control votes for almost all major resolutions, including the appointment of directors or other resolutions that need a majority of votes at the shareholders' meeting. An exception is resolutions concerning legal matters or the Company's regulations that need three-fourths of the votes of the total number of shares that attend the meeting and have the right to vote, e.g. capital increases and decreases. Accordingly, other shareholders that attend the meeting and have the right to vote are not able to gather enough votes to check and balance the major shareholder's administration.

2.2.2 Investment Risk of Securities Holder

Nonetheless, the Company's management structure is composed of a total of five committees, namely the Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee. Because the roles of the respective committees are clearly delineated, the Company's work systems are equipped with a good standard and are easy to audit. Also, the structure of the Board of Directors consists of 4 independent directors out of 7 directors. As for the Audit Committee, it comprises 3 independent directors, each of whom has expertise. As such, they are able to audit the Company's performance with greater transparency and balance the power with regard to presenting matters for consideration in the shareholders' meetings to some extent. Furthermore, the Company has a regulation to handle the case of transactions related to Directors, the major shareholder or people authorized to control the business, as well as people that may have a conflict of interest. This regulation states that these people shall have no authority to approve the transactions, which can reduce potential risks.

2.2.3 Investment Risk of Foreign Securities (In case the issuer is a foreign company)

- None -

3. Driving Business for Sustainability

3.1 Sustainability Management Policy and Goals

NCL is committed to developing the company to be a leader in providing total logistics services. It will be the first and best choice for our customers and partners. The company focuses on quality and efficient work, which is the cornerstone of the company's sustainable growth, and affiliates with a focus on the economy, society, and environment which is under the international code of practice which has set the following guidelines:

1. To engage in the business of providing integrated logistics services by skilled personnel and sincere service to customers along with creating an efficient network of trade partners and foreign offices.
2. Conduct business with honesty and fairness, adhere to the legal and commercial regulations, enhance clarity and transparency in organizational management, including supporting anti-corruption, prevention of exploitation, and abuse of power to create the maximum benefit that is fair to the stakeholders.
3. Promote compliance with human rights principles, taking into account human dignity, rights, liberties, and equality of persons, protected by the constitution of the Kingdom of Thailand and related international laws, including respect for the local customs and traditions in which the Company or its affiliates are located.
4. Focus on improving working processes and services throughout the value chain according to the principles of quality management throughout the organization to create quality attitudes to personnel in the organization affect the creation of value for customers and create long-term growth.
5. Promote efficient use of resources, including reducing and controlling impacts on society and the environment as a result of the operations of the company and its affiliates, including related partners.
6. Caring about and giving importance to safety, occupational health, and working environment of employees, business partners, customers, visitors to prevent loss of life and property as well as injury or sickness arising from work.
7. Manage personnel with fairness, give importance to the development of labor competence, and promote happiness in work. This will lead to the efficient driving of the organization.
8. Promote innovation with social and environmental responsibility to increase efficiency and effectiveness, as well as to create value for the organization, and its stakeholders.
9. Focus on risk management completely and comprehensively to prevent potential losses and impacts to contribute to sustainability in the future.
10. See the importance of the work team, employees, and all executives in the organization, and support building solidarity. It creates solidarity which creates the power to move the organization forward.

3.2 Managing the impact on stakeholders

3.2.1 Business Value Chain

Stakeholder Identification and Impact Issues



3.2.2 Analyze stakeholders in the business value chain

Stakeholders					
- Customers (government sector, private sector) - Competitors - Dealer (Agent) - Trade payable	- Employee - Customers (government sector, private sector) - partners - Competitors	-Employees, employees - Board of Directors - Customers, Sales Agents, Partners, Shareholders, Investors, Financial Institutions, Community, Society - Competitors - SEC, SET, government agencies	-Employees, employees - Transport contractor - shareholders, investors - Bank - Business partners (Shipping lines, Airlines, Land transport vehicles) - Community, Society - Government agencies	- Government agencies (customs) both in Thailand and abroad	-Customer - product user - Community, Society

Impact issues					
- Fair competition - Corruption - Customer confidentiality - Responsibility for products and services - fair practice	- Human rights - fair practice - Cooperating with trade partners - Corruption - Occupational health and safety	- Human rights - Labor Practices - Health and safety - Corruption - Disclosure of information - Good corporate governance - Compliance with the law - Risk management - Society and Community	- Human rights - Occupational health and safety - Labor Practices - Corruption - fair practice - Compliance with the law - Society and community - pollution - climate change	- Responsibility for products and services - Corruption - Customer confidentiality - fair practice	- Human rights - Responsibility for products and services - fair practice

3.3 Sustainability management in the social and environmental dimensions

Policy overview

NCL International Logistics Plc. is committed to operating businesses that are beneficial to the economy and society. The Board of Directors' meeting No. 2/2014 resolved to approve the policy to conduct business with social and environmental responsibility under the 8 principles as follows:

1. Good Corporate Governance: The Company will operate its business in accordance with relevant laws and regulations, transparency, disclosure of important information and audit. The Company will comply with the good corporate governance policy, taking into account the benefits with all stakeholders.
2. Operating business with fairness.: The Company will promote free trade, avoid potential conflicts of interest and infringe on intellectual property rights, and promote social responsibility in the business chain at all stages.
3. Anti-Corruption: The Company has the policy to support anti-corruption both inside and outside the organization for transparency and accountability. It also cooperates with various organizations to fight against corruption and encourages employees to be aware of the anti-corruption.
4. Human Rights and Employee Treatment: The Company supports and respects the protection of human rights by ensuring equal and fair treatment of employees by providing welfare, safety, and hygiene in the workplace, as well as promoting learning and development of personnel to enhance Professional work. The Company will support the development of the work system and encourage its employees to participate in direct and indirect social benefits.
5. Company's responsibility on consumer: The Company will develop services that do not harm consumers and impact the environment by maintaining quality to meet or exceed consumer expectations under fair conditions. It will provide information about products and services that are accurate, adequate, without exaggeration, and keeping the confidentiality of clients and not used it to their own interests or those involving wrongfully
6. Environment and Safety: The Company will undertake risk and environmental impact analysis and safety in all business processes. It also uses resources efficiently and energy- saving in accordance with international principles.
7. Participation in community and society.: The Company promotes the use of business processes for the benefit of improving the quality of life, helping to build the economy and strengthen the neighboring communities and Thai society.
8. Develop and disseminate innovation from CSR.: The Company shall promote the creation and promotion of co-creation of all stakeholders in the development of innovation that balances values and worth of the community, society, and the environment, along with sustainable business growth.

Implementation and reporting

The Executive Committee is responsible for preparing the Corporate Social Responsibility (CSR) plan to present to the Board of Directors annually. The Company will continue to operating the business by complying with its corporate social responsibility and environmental policy by operating in accordance with the disclosed policies.

Throughout the past years, the Company has been operating on a corporate social responsibility basis for sustainable development. In the year 2020, the Company continues to strive to develop in every process of work, to create a responsible work and service (CSR in Process) by improving and developing new things to add value and meet the needs of customers in all groups such as providing comprehensive services, giving attention to customer needs, providing the service by a unified, standards, accountability, accurate, fast, within a specified period services and also reducing costs to customers.

- Good Corporate Governance: The Company always attaches great importance to the implementation of good corporate governance principles consistent with good corporate governance for listed companies of the Securities Exchange of Thailand in 2012, including the rights of shareholders, equitable treatment of shareholders, taking into account the role of stakeholders, disclosure and transparency, and responsibilities of the Board. In 2019, the Board reviewed and updated the manual, good corporate governance policy, business ethics, and different policies according to the relevant principles of corporate governance for listed companies in the year 2017 (CG Code 2017), following to the resolution of the Board of Directors meeting No.1/2019 held on February 27, 2019, Those reviewing and updating is to be complete, clear with the guidelines covering all aspects such as improvement of corporate governance policy, conflict of interest policy, internal information policy of the Company and subsidiaries, protection and fairness policies for employees who provide information or provide clues regarding fraud or non-compliance with the laws, regulations and ethics of the Company and its subsidiaries (Whistleblower Policy) and also provide channels to facilitate the information.

- Human rights and employee treatment: The Company respects human rights within and outside the organization. The Company treats its business partners and those who deal with business entities irrespective of race, religion, or other factors that would lead to a serious disregard for human rights. Within the organization, the company equally treats its employees, contract workers and without discrimination, gender, race, religion, or anything else that would bring disunity and inequality. The practices per the employee are according to the Code of Business Ethics, while the Code of Conduct is the guidance of the work of all employees. It is considered a practice in the Ethics Guide as a part of the "Employee Rules and Regulations" which the employees have to comply with. The Company has undertaken to clarify the Code of Business Conduct for all employees to be acknowledged when they join the company.

In the year 2020, the Company has implemented according to the guideline as follows:

1. The Company provides opportunities for employees at all levels to express their opinions in order to listen to problems and suggestions for working and living together. by enable them to report directly to the management. In case the employee has a complaint.
2. The company has clear procedures and process for the complaint. The company will find a way to terminate the complaint quickly and fairly to limit the problem for not expanding the scope to a broader scope.
3. The company has developed an employee satisfaction assessment form to reflect the company's attention and sincerity to its employees in improving, developing and moving forward together. If employees have any doubts or comments, the Company, by the relevant management, will consider and communicate with the staff quickly.
4. The Company encourages employees to make progress on the basis of their knowledge and ability, with a minimum training plan for each employee. It aims to strengthen the organization and to increase the potential of employees, such as knowledge of services, good corporate governance, business ethics, and anti-corruption etc.
5. The Company has provided channels of complaints and report inappropriate work practices in accordance with the Company's Code of Business Ethics. It is a recommendation or complaint about work to the Board of Directors to oversee all aspects and sustainability in the organization, including the protection of employees from harassment or punishment from his/her complaint (Whistleblower Policy), to take care of all parties and create sustainability in the organization, can inform the clues of offenses (Whistle Blowing), which is in accordance with the policy and guidelines for reporting whistleblowing and measures to protect the whistle blower with details as follows.

Whistle Blowing Policy and Practice and Whistleblower Protection Measures

The Company is committed to maintaining a well-founded corporate practice. This is in line with the principles of good corporate governance for all stakeholders as stated in the Corporate Governance Policy and Business Ethics Guide. This policy has been set up as a mechanism and gives the rights to employees and stakeholders. Thus, the Board of Directors has set the channels for communication with the Board of Directors by mail or email to provide a channel of information and instructions for ordering a process-based review for complaints related to illegal activity, accuracy of financial reports, defective internal control system, offense or unethical behavior of the executives and employees. The Company will keep the information from this report confidentially and the reporters are protected by the Company.

Policy scope

This policy is set up to encourage all employees and stakeholders to disclose information that indicates violations of the Company's laws, regulations, and ethics.

- Corruption
- Fraud, Misappropriation, Theft
- Corruption actions to benefit themselves and others.
- Actions that is harmful to health and safety or environmental
- Intentionally causing damage or loss to the Company.
- Clear violation of business ethics
- Support for violating the law, regulations and business ethics including concealing or assist to conceal such actions.

Keeping Confidential Information

This policy is designed to ensure that employees and stakeholders are fully aware of their complaints, and that reporters will not suffer due to the reporting of complaints in good faith. Employee disclosures are always kept confidential. However, the complaint and the complainant should collect the information carefully and the information disclosed should be accurate.

False Allegations

If any employee or stakeholders deliberately makes a complaint with false allegations or malicious intend to the complainant, the Company will consider the complaint to be a violation of business ethics. Beside, the Company will conduct the investigation to consider the punishment according to the Company's regulations.

By clues, complaints and recommendations will be considered and implemented as appropriate. It shall be considering and take appropriate action case by case, without disclose the name of the whistle-blowers and also records as the confidentiality complaint. There are measures to protect the whistle-blowers to ensure that the whistle-blowers and the complainant will not be affected by such clues and complaints. If the Company is required to disclose that information, the Company will only disclose the necessary information, to considerate of the important of safety and the damage of the complainant and the whistle-blowers at most.

Channel for complaints

Register letter

The Board of Directors

NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED

56/9-10 SoiTaksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok 10600

The Company secretary is responsible for accepting documents sent to the Board of Directors and submitting them to sub-committees or related directors and summarizing all recommendations and issues for submission to the Board of Directors on a basis of quarterly except documents sent to the audit committee which will be sent directly to the audit committee.

6. The Company has policies and guidelines on the appropriate remuneration and welfare of employees. The remuneration paid to employees, such as salaries, annual bonuses, salary adjustments, promotion, must be consistent with the performance of each employee and the company's performance. Employees are also provided with welfare benefits such as the establishment of a provident fund, the provision of annual health checks, and the provision of a healthy working environment. Accident insurance is also provided to employees, drivers, messengers and / or those who are at risk of accidents at work to ensure that when unexpected accidents happen the employees will be taken care of.

   The Company also offers a New Year' party every year to give employees an opportunity to socialize, relax outside of work time, foster friendships and enhance unity in the organization.



7. The company has focused on the importance of human resources by providing good physical health by arranging health checks for employees and executives on an annual basisAnnual Health Check-up 2020, on February 4, 2020






- Company's responsibility on consumer: The Company recognizes the importance of being responsible to stakeholders in the business chain, including shareholders, customers, partners, and business competitors. The Code of Business Ethics and the Code of Conduct has been adopted as the guideline for the Company's operations with the following principles of customer responsibility.
  - Delivering quality products and services as agreed at fair prices.
  - Providing accurate, adequate, and up-to-date information to customers about their businesses and services, without exaggeration, misleading customers about the quality of the service.
  - Be courteous, efficient, and trustworthy to customers, and provide a process system that addresses customer complaints about the quality and security of the service.
  - keeping the confidentiality of clients and not used it for personal interest or those involving wrongfully.
  - The Company has set the vision, mission, and business goals of the Company, effective from July 18, 2013. In order to emphasize that employees must set equal pricing of products and services for their

customers by offering the best and most appropriate logistics solutions to each customer and building an effective alliance network to grow together with our customers and partners.

- Anti-corruption: The Company has established a policy to comply with anti-corruption laws by setting the anti-corruption guidelines in the Company's Code of Business Ethics under the heading " "Policy on Receiving, Giving Gift and Return" and "Policy on anti-corruption and bribery". The Company's employees have been informed and implemented since July 20, 2013.
  On October 3, 2017, the company has already announced its intention to become a Collective Action Coalition of the private sector in the fight against corruption.

Anti-Corruption Policy and Guidelines

The Company is committed to operating under the principles of good corporate governance through corporate social responsibility and the environment as well as all stakeholders. The Company has established a policy to comply with anti-corruption laws by setting the anti-corruption guidelines in the Company's Code of Business Ethics under the heading "Policy on Receiving, Giving Gift and Return" and "Policy on anti-corruption and bribery". This can be summarized as follows:

. Policy on Receiving, Giving Gift and Return

- Executives and employees are prohibited from claiming any benefit from a partner, and/or persons doing business with the Company.
- Executives and employees are prohibited from offering any benefit to outsiders or partners for the purpose of inducing them to act inappropriately.

Policy on anti-corruption and bribery

- Acceptance or giving of property or other benefits that may motivate unethical decisions should not be taken but instead of that, the straightforward manner should be conducted. The Company should ensure that such conduct will not cause scandal or bring the company into disrepute. The items that the Company's directors receive shall be kept either in the office or distributed to the company's employees.
- Procurement must comply with the procedures prescribed by the Company and be fair to those involved. The decision must take into account the reasonableness of the price, quality, service received, and transparency.
- In transactions with the public sector, the Company must avoid acts that may motivate the state or its employees to act improperly. However, establishing good relationships with each other or doing things in

the right and the proper way can be done, such as joining the congratulation event or giving flower bouquets on various occasions etc.

Penalty

- The Company requires that the Chief Executive Officer, the Executive Vice President, or the supervisor of each department be authorized to consider and take disciplinary action against employees who commit an offense or fail to comply with the rules and regulations prescribed by the Company. The Company has imposed disciplinary action in the order of default, ranging from verbal admission to suspension or dismissal.

The policy passed the resolutions of the Board of Directors' Meeting No. 1/2013 and announced to the company's employees to acknowledge and implement from July 18, 2013, onwards.

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

The company has signed a declaration of intent to join the Thai Government's Private Sector Collective Action Against Corruption (CAC) on October 3, 2017. It aims to express the Company's opposition to corruption and does not admit to any fraud arising from the operation of its business or operations of the organization.

The Company is committed to conducting business with integrity and transparency, according to all the laws relating to anti-bribery and corruption and good governance of the Company. The Company recognizes and adheres to all forms of anti-corruption, and does not engage in any direct or indirect corruption. All directors, executives, and employees in the organization must adhere to this policy with proper compliance.

Activities for social and environmental benefits (after process)

The Company continuously promotes and supports social and environmental activities. In particular, supporting for education and cultivating virtue for the youth, which will grow into a major force in the country in the future, Religious Support to maintain virtue Ethics in Thai society Including health, hygiene, etc.

4. The clarification and analysis of the management

4.1 Analysis of operations and Financial Status

Operations

NCL International Logistics (NCL) is a logistic provider starting in 1996 to provide international transportation services. The Company later on in 2010 has extended into domestic freight transport by tractor heads - trailer trucks and domestic transport with a pickup truck in 2017 to enhance full coverage services.

During the year 2016, the Company invested in Grace Water Med Co., Ltd. to manufacture and sell hemodialysis products for kidney disease patients with hemodialysis machines and distributing medical durable articles for use in hemodialysis units with a shareholding of 44.44%. And acquired additional shares in February 2018 from a shareholder resulting in the Company being a major shareholder accounted for 52.80%, resulting in Grace Water Med Co., Ltd. changed from an associated company to be a subsidiary at that time. The consolidated financial statements for the year 2018 therefore have revenue from the sale of hemodialysis and durable products as following.

Type of Businesses	2018		2019		2020	
	million baht	%	million baht	%	million baht	%
International freight transport						
Sea freight	966.05	80.27	1,012.15	79.69	733.57	82.99
Air freight and other services	25.56	2.12	37.86	2.98	40.80	4.61
Total international transport services	991.61	82.39	1,050.01	82.67	774.37	87.60
Domestic transport	127.30	10.58	102.32	8.06	6.24	0.71
Total revenues from the transportation services	1,118.91	92.97	1,152.33	90.73	780.61	88.31
Revenue from the sale of hemodialysis and durable products	84.66	7.03	117.69	9.27	103.34	11.69
Revenue from services and sales in total	1,203.57	100.00	1,270.02	100.00	883.95	100.00

The group had total revenues of 883.95 million baht in 2020, a decrease from 1,270.02 million baht in 2019, or 30.40% due to the revenue from transportation services decreased by 371.72 million baht, and revenue from sales of blood purifier and equipment decreased 14.35 million baht.

Revenue from transportation services totaled 1,152.33 million baht in 2019, and reduced to 780.61 million baht in 2020, representing 32.26% if considered by type of income. It was found that the revenue from international maritime transport, which was divided into revenue from freight forwarder services, and revenue from NVOCC Revenue from transportation services totaled 1,152.33 million baht in 2019 and reduced to 780.61 million baht in 2020, representing 32.26 percent if considered by type of income. It was found that the revenue from international maritime transport, which was divided into revenue from freight forwarder services, and revenue from NVOCC international transportation and distribution services, which had a decrease. Down from the year 2019 in the amount of 278.58 million baht due to the situation of the coronavirus infection epidemic spreading widely in many countries around the world. This had an impact on the transportation of goods, causing the revenue to decline significantly, forcing the Company to decide to shut down the Vietnamese company and stop operating the two companies in China. And sell investments in Indonesia during 2020, as the management has assessed that if going forward, it will affect the overall operating results of the group of companies, as evidenced by the change in the group structure. During the year as follows:

Company	2018	Remark	2019	Remark	2020	Remark
NCL Thailand	✔		✔		✔	
NCL Singapore	✔		✔		✔	
LG (TH)	✔		✔	Until April 2019	X	
Legacy Asia	✔	To July 2018	X		X	
LG Singapore	✔	Start August 2018	✔		✔	
SSK	✔		✔	Until Nov 2019	X	
Grace Water Med	✔	Is a subsidiary company Mar 2018	✔		✔	
NCL USA	✔	Start Mar 2018	✔		✔	
NCL Qingdao	✔	Starting Jun 2018	✔		✔	Stop operating
NCL Vietnam	✔	Starting Sep 2018	✔		✔	Until Apr 2020
NCL Indonesia	✔	Starting Jul 2018	✔		✔	Until Aug 2020
NCL Ningbo	✔	Starting Dec 2018	✔		✔	Stop operating
NCL Mumbai			✔	Not operating yet	✔	Not operating yet

The revenue from international air transportation increased by only 2.94 million baht despite the contract with EL AL ISRAEL AIRLINE LTD. (Israel) to be an air transport service provider in November 2019 due to the impact of the outbreak of coronavirus 2019 prevented the airline from operating since March until September 2020, once the service is open, the service is still unable to provide full service due to restrictions on import-export controls that focus on increasing public health measures.

Revenue from domestic transportation services has decreased from the year 2019 by 96.08 million baht since on November 11, 2019, the Board of Directors approved to sell entire investment in SSK to one director of SSK Company at cost price, as a result, SSK ended its subsidiary company status from that date. Therefore, SSK's tractor haul operations are included in the consolidated financial statements of the Group in 2020, decreasing revenue from domestic transportation services from the previous year.

For SSK Inter Logistics Co., Ltd., set up in March 2016, by invested in third parties. Which they have tremendous potential and has long experience and expertise in the transportation business as well to serve freight transport by tractor truck-trailer truck and other vehicles. As a result, the Company has no need to use tractor truck-trailer truck, therefore, the Company transferred 65 heads of tractor truck and 98 tails of trailer truck as its investment in its associate company. The value of the transfer agreement is approximately 120.94 million baht. The transfer pricing criteria are not less than the appraised value of the independent appraiser and must not incur losses on the transfer of assets for domestic transportation under the associate company. This will reduce the burden on the company's expenses, both in terms of cost and depreciation, to increase efficiency in managing the company's costs., to encourage the Company to have a profitable, stable and sustainable return in the future, and to generate more shareholder returns in the long term.

The Company operates under a joint venture, which, after a period of operation, has shown that the economic slowdown has resulted in unprofitable of sales of cement or using of cement truck. As a result, both parties decided to sell the cement truck to reduce the losses that would occur and cancel the joint venture in August 2017 to restructure SSK's shareholders. After the capital reduction, the Company will be the sole shareholder and management, which would result in the operation and management more flexible and to reduce costs, depreciation of cement truck, and other expenses in the administration. After the capital reduction, it did not affect the SSK business, due to the remaining assets of the SSK company was a tractor truck-trailer truck which it has experience and expertise and an experienced management team specialized in the transportation by tractor truck-trailer truck more than 20 years The management has a policy to expand its customer base, which has increased demand for transportation of agricultural products and consumer goods, with a view that it will be better adjustment and will result in the Company's revenue increase as well. SSK's operating results after the shareholder restructuring has improved for a great deal but there are still some losses. In November 2019, the company decided to sell all its shares in order to reduce the burden of expenses, operating expenses, accumulated losses that may occur in the future and increase the company's liquidity.

During the year 2017, the Company started to invest in pick-up trucks to distribute goods to expand the scope of services to customers who want to move their goods in the country by pickup trucks, by relying on its expertise of the service of goods distribution management system, enabling the expansion and growth of the company's transportation business.

However, after the investment in SSK has been sold, the Group also operates local transportation businesses, pick-up trucks, and transportation services by tractor and trailer under the company's operations.

The Company recognizes revenue when services are delivered to customers. In providing international freight management services, the Company receivables are recognized when the Bill of Lading / Air Way Bill is delivered to the customer. For domestic transportation services, the Company will recognize revenue when the company trucks have been delivered goods to the recipient's destination.

In recognition of the Company's revenue, it will recognize the whole number received from the customer. As a result, the Company's service income in the financial statements consists of freight and other service costs that the Company had already paid and margins from the Company's customers (Cost Plus) Included in income from such services. The cost of freight and services is approximately 80-85% of the revenue from transportation services, or 91-98% of total service revenue of the Company.

The main cost of the company's services for international shipping businesses is freight costs and the share of revenues paid back to the client. The main cost of domestic transportation business is the cost of fuel. In determining service charges to customers, the Company uses a cost-plus-profit method. The company's regular bookings for ships or aircraft make it possible to negotiate with freight forwarders for freight rates in advance. The term that the Company booked a ship or aircraft freight with the period of time that the customer agreed with the Company is between 1-7 days, so the Company can determine the service rate that reflects the change in freight rate in each period. The transportation fee in the country, the Company uses a cost-plus-margin pricing method and calculates the rate of service on a step-by-step basis. The service rates will be varied by the change in oil prices, which is the main cost of domestic transportation, enabling the company to reduce the risk of fluctuations in the price of oil, a ship or aircraft freight. The cost incurred in 2019, both ship or aircraft freight, commission and employee benefits, has been increased from 2018, as a result of declining revenues.

	Basic profitable rates		
Business groups	2018	2019	2020
International freight transport services	17% - 21%	18% - 25%	5% - 25%
Domestic transport services	12% - 17%	11% - 15%	5% - 10%
Total profits gaining	18.78%	19.84%	18.25%

Gross profit of both domestic and international transportation services of the Group is 210.19 million baht, 228.81 million baht, and 142.53 million baht in 2018, 2019 and 2020, respectively, and a gross margin of 18.78%, , 19.84% and 18.25% respectively. The increase in gross profit rate in 2019 from 2018 due to the Group market

expansion by opening more subsidiaries in foreign countries, which focus on expanding customer base and increasing number of various complete services offered by the company in order to provide an opportunity to the company to offer quality service to customers who have never used other services, making it possible to increase gross profit and gross margin. Therefore, gross profit margin increased to 19.84 in the year 2019. Resulting in the tonnage and the container is not enough to transport. As a result, there was a sudden increase in freight costs and transportation costs. Therefore, the profit from the transport in some rounds cannot adjust the price with the customer because it is the advance price agreement, and to maintain a customer base in continuous transportation.

Revenue from the sale of hemodialysis products and durable articles was caused by a subsidiary, Grace Water Med Company Limited ("GWM") is conducting business of producing and selling dialysis solutions and medical supplies which the Company was holding 44.44% of shares. Later in February 2018, the Company purchased additional shares from a shareholder resulting in the Company being a major shareholder. Accounted for a percentage of investment 52.80 therefore GWM changed from an associate to a subsidiary in 2018, resulted to the income in the consolidated financial statements has the income of GWM for the year 2019 and 2020 as follow

	Revenue and gross profit from sales		
Business group	**2018**	**2019**	**2020**
Revenue from sales	84.66	117.69	103.19
Gross Profit	17.18	27.50	29.82
Gross Profit Margin	**20.29%**	**23.37%**	**28..90%**

Revenue from sales and gross profit for the year 2020 increased from 2019 as GWM has been a subsidiary of the group since March 2018, so the operating results can only be combined for 10 months. Therefore, in 2020, there is 12 months of operation result together with the increased purchase of reagents due to the company can expand the customer base greatly. As a result, GWM has net profits included in the consolidated financial statements in proportion to its shareholding in the year 2020 in the amount of 3.86 million baht, which is an increase from the year 2018 with net profits according to the proportion of shareholding in the amount of 0.71 million baht

As for the year 2020, the revenue from sales decreased by 14.5 million baht due to the high price competition, resulting in lower sales, but the company can control costs very well. Therefore, the gross profit can be increased from 2019 to 2.32 million baht and the net profit is included in the consolidated financial statements according to the shareholding proportion of 2.41 million baht.

Other income of the Group is derived from

1. Gain on sales of investment in a subsidiary for 27.18 million baht was caused by the sale of investment in LG (TH) of 11.15 million baht and the sale of investment in SSK for 16.03 million baht due to the consolidated financial statements in Previous periods included the loss of the said company in the consolidated financial statements for the whole time being a subsidiary company. When investments in that subsidiary are sold at cost so that the recognition as profit is back in the consolidated financial statements. In the year 2020, the amount of 0.27 million baht was due to the disposal of investment in a subsidiary in Indonesia.
2. Other revenues of the Group are derived from interest, office rental (Investment properties), Car rental income, income from work, a special project from the airport X-ray transit service, profit from the exchange rate, dividend income, and consulting service fees, etc.

The Company had net profit in 2018 and 2019, equal to 3.16 million baht and 11.06 million baht respectively. And net loss in 2020 was 26.07 million baht. The net profit margin in 2018 and 2019, equal to 0.28% and 0.87% respectively. And net loss in 2020 equal to 2.95%

In the year 2018, the Group had a net profit of 3.16 million baht. The Company's financial statements showed a net profit of 6.40 million baht, which improved from the year 2017. NCL INTER LOGISTICS (S) PTE LTD ("NCL SINGAPORE") was effective with better performance, revenue and gross profit increased from the previous year. Since the year 2018, the Company expanded more of the customer base combined with the trust of the existing customers, resulting to increase more sales. During the year, the Company expanded the LCL Shipment (Less than Container Load) to increase revenue and profit in the said segment which resulting in the Company net profit of 2.93 million baht. LG Container Line Co., Ltd., formerly known as Legend Shipping (Thailand) Company Limited ("LG (TH)", has a net loss of 0.81 million baht, which is better than the previous year due to a large amount of revenue has increased the gross profit decreased because the Company able to manage containers better but the income is not good due to price competition in the market and the Company is unable to negotiate costs because the ship line has a lot of mergers in 2018. Therefore, the Company closely monitoring market movements in order to adjust marketing strategies in time to enable the company to have better operating results. SSK Inter Logistics Company Limited ("SSK") after the company being a major shareholder and has changed the business strategy of SSK, resulting in SSK having significantly improved operating results. In 2018, Legacy Asia Capital Pte. Ltd. ("Legacy"), which operates the business container rental, formerly, the company holds 70% of shares. Later in July 2018, the Company sold all of the investment in Legacy Asia Capital Pte. Ltd. at the cost since the Buss Capital Fund Singapore fund, which is a working capital sponsor for business operations was bankrupt with 140,000 ordinary shares worth shares at 1 SGD per share total amount is 140,000SGDto a shareholder of Legend Shipping PTE. Ltd., which is a related company in Singapore, resulting in Legacy Asia Capital Pte. Ltd. terminating as a subsidiary of the Company. Due to Legacy has accumulated losses and result in the Company for not having to bear the burden of operating expenses and accumulated losses that may occur

in the future. Therefore, the Company, has included the profit from the sale of such investment in the amount of 0.13 million baht in the consolidated financial statements. As for the subsidiary that opened in 2018, which includes NCL International Logistics USA Inc. ("NCL USA") in the United States, Qingdao National Container Line Company (NCL-Qingdao) in China, NCL Inter Logistics Vietnam Company Limited ("NCL -Vietnam ") in Vietnam and PT. NCL INTER LOGISTIK INDONESIA (" NCL-Indonesia ") in Indonesia with a total loss of 2.87 million baht due to the expansion of investment in foreign countries, there are various expenses during the establishment and expansion, resulting in increased sales and administrative expenses. Therefore, the Company expects that after the operation of the subsidiary company is in full accordance with the target, it will result in the group of companies with better performance, respectively.

In the year 2019, the Group reported a net profit of 11.06 million baht. The company financial statements have a net loss of 12.85 million baht because in the year 2019, the company sold investment in SSK subsidiary at cost price with a payment period for shares within 2 and a half years. The company therefore recognize loss by calculating present value of the sale of the said investment in amount of 13.29 million baht on the date of investment sale. The loss from investment sale amounting to 13.29 million baht as mentioned will be gradually recognized as interest income over the period of 2 and a half years until all sales of investments have been received in 2020 to mid-2022. In addition, in the year 2019, there was an increase in long-term employee benefit expenses of 2.98 million baht due to the change in additional compensation rate in case that the employer terminates the employment of employees who have worked consecutively for over 20 years to be entitled to compensation not less than the final rate of 400 days and the reduction of interest rate used in estimate and administrative expenses increased due to the opening of an overseas subsidiary company, resulting in increased travel and related expenses. Whereas, if excluding the effects of changes in legal compensation rates, reversal of allowance for doubtful accounts and loss from sales of investments, it is observed that in the year 2019, the company net profit is 3.42 million baht, which decreased for 0.55 million baht from the year 2018. Both domestic and foreign subsidiaries have improved operating results. In this regard, the entire group of companies has increased gross profits from the year 2018 by a total of 29.07 million baht due to the ability to expand customer base and better cost management. Other incomes in the year 2019 are in total of 38.86 million baht, which increased from the previous year by 22.11 million baht arising from investment sale in subsidiary as already mentioned and cost of sales and administrative expenses increased by 48.03 million baht from the company's increased expenses as described in the separate financial statements and from subsidiaries expenses which increased from the previous year by 5 companies, in total of 14.73 million baht. Due to early stage and expansion, expenses of GWM increased from the previous year by 3.22 million baht and expenses of NCL Singapore subsidiary increased by 5.58 million baht due to work expansion for LCL resulting in more number of employees and the office has been relocated to support such expansion, resulting in cost of moving and amortizing existing office improvements After the subsidiary company's operations are fully in line with target, the group of companies have better operating results respectively.

In 2020, the group had a loss of 26.07 million baht, with the company's financial statement net profit of 8.38 million baht, although this year there was a situation of the coronavirus infection epidemic in 2019, affecting all industries across the country. And around the world, which the Company has been affected as well As can be seen from the revenue generated this year of the affected customers from the situation, the use of transportation services decreased. Which resulted in a decrease in the company's gross profit. The company has a net profit. This was caused by trying to find other sources of income to compensate for the lower-income and gross profit, as evidenced by the additional income. Due to the revenue of the special project in the airport X-ray transfer service of 11.07 million baht, the financial income increased from the recognition of interest from the sale of investment in SSK 6.44 million baht, and the Car rental income And the revenue from container rental increased from the previous year. In addition to reducing sales and administrative expenses from more prudent and cautious control of expenditures. And from the aid measures of various agencies From the coronavirus epidemic situation 2019, the consolidated financial statements had a loss of 26.07 million baht due to the decrease in gross profit of the group's transportation services as aforementioned reasons. In addition, in the second half of 2019, the Board of Directors purchased a new business unit under the operation of a subsidiary in Singapore (LG Container Line PTE LTD.). Business restructuring and operating of the said subsidiary This resulted in a loss in 2020 amounting to 39.23 million baht. The cost from this restructuring was completed in the current year. And will see the profit of the subsidiary in the following years, if excluding the loss from the restructuring, it can be seen that the group company has a net profit. For the year 2020 equal to 6.58 million baht or 0.74 percent of revenue from services and sales.

This year, the Board of Directors decided to close a subsidiary in Vietnam. And ceased operations of a subsidiary in China And sell investments in Indonesia To halt the long-term losses that may arise from the impact of the coronavirus outbreak situation to protect the company's interests. And to shareholders in the future The company We continue to monitor the situation closely to adjust management strategies and resolve the situation.

Financial Status Analysis

The Company's assets cover approximately 32 - 47% of circulating assets with indebted clients whereas the fixed assets are of 53 - 68% of the total assets. Main assets are land, buildings, vehicles and equipment. At the end of 2019 and 2020 the total assets were of 812.54 million baht and 757.69 million baht respectively. The main reason for the decrease in total assets in 2020 was a decrease in trade accounts receivable and other receivables of Baht 91.16 million due to the decrease in group revenues and subsidiaries included in the consolidated financial statements. Decreased due to shutdowns, corporate shutdowns, and investment investments during the year 2020 due to the 2019 coronavirus epidemic, trade accounts receivable decreased. Accounts receivable from sale of investments This is due to the sale of investment in SSK company in November 2019 with a payment period of 2 and a half years, which has decreased from 2019 due to the payment of payments due to the installments due during the year. Bank deposits with

a guarantee obligation increased by 8.75 million baht due to more guarantees for overdrafts and long-term loans. Investment properties increased by Baht 59.32 million due to the classification of land, office buildings of the Company. It is an investment property during the year 2020 for rent by outsiders. As a result, land, buildings and equipment decreased by 60.83 million baht. In addition to investment properties, land, buildings and equipment will decrease. In addition, the financial lease assets are classified as follows: The leased container was reclassified as a right-of-use asset amounting to Baht 31.02 million and the Company received a tow truck and trailer to pay off the share debt at a market price of Baht 41.98 million.

The main cause of the increase in total assets in 2019 arising from an increase in receivables from sales of investments in amount of 114.53 million baht due to the sale of investment in SSK in November 2019 with a payment period of 2 and a half years. The increase in trade receivables is 77.59 million baht, which is related to the Group's revenue increase. The increase in intangible assets is 23.21 million baht due to LG Container Line Pte. Ltd., the subsidiary company in Singapore purchased the business of international shipping and distribution services and a domestic company amounting to 25 million baht, in which the fair value of business segments has been measured by an independent appraiser, estimates of fair value and useful life of each intangible asset with the useful life of 3-25 years and the reduction of land, buildings and equipment is amount to 136.73 million baht. Regarding the disposal of investments in SSK, SSK's land, buildings and equipment are not included in the consolidated financial statements of the Group, which are mainly tractor units and trailers.

Group Company have trade accounts receivable from related parties of 2.17 million Baht with no allowance for doubtful accounts and other trade accounts receivable of 195.22 million Baht with a credit term of 30 - 90 days. The age of the debtor has an average collection period of 77 days which is in the period according to the credit term which the Company has set up an adequate allowance for doubtful accounts in the amount of 11.60 million Baht. The group of companies has goodwill arising from the purchase of additional shares of Grace Water Maid Co., Ltd. during the year 2018, which makes it a subsidiary of the Company and has tested the annual impairment. The estimated future cash flows that the entity is expected to receive are based on financial projections approved by the management and there are important assumptions about the revenue growth rate and the discount rate, and the inventories of the subsidiary, Grace Water Maid Co., Ltd., amounting to Baht 4.34 million are valued at the lower of cost according to the FIFO method or net realizable value.

Group Company are of approximately 82 - 92% current debts mainly because of overdraft and short-term debts from finance institutes and trading creditors. The current debt is of 8 - 18% of the total debts comprising of the debt covered by financial leasing contracts, long-term loans from finance institutes and engaged employee benefits. The total debts at the end of 2020 was equal to 480.86 million baht, decreasing by 22.10 million baht at the end of 2019. This was due to a decrease in trade and other payables of Baht 73.94 million due to decreased sales and costs,

and the closed subsidiary companies ceased operations and sold their investments during the year. As a result, liabilities in the consolidated financial statements decreased. Bank borrowing increased by 78.30 million baht due to long-term borrowing from financial institutions during the year to pay off short-term loans from related parties and to pay for short-term loans. Liabilities under finance lease agreements have decreased in the whole amount. This is because reclassification is included in the lease liability.

At the end of 2019 and 2020 the Company shareholder's portion were of 309.58 million baht and 276.83 million baht respectively. The main reason that the shareholders' equity decreased from the net loss 26.07 million in 2020.

The Company is of debt obligation and extra balance management as follows.

On 31 December 2020 the Group has obligation to have domestic banks issue letters of guarantee to various state enterprises i.e. Electricity Authority, Port Authority and to guarantee the performance under contract as a carrier in amount of 6.20 million baht.

Liquidity and Financial Ratio

Cash flow	31 Dec 18	31 Dec 19	31 Dec 20
Net profit (loss) prior income tax	5.51	8.63	(19.40)
Net receivable (spending)-activities	16.97	10.05	35.55
Cash receivable (spending)-investment	2.42	(7.83)	(2.12)
Net receivable (spending)-fund raising	(20.24)	6.04	(23.73)
Net cash and equivalent increase (reduce)	(2.16)	6.45	9.56

In the year 2020, the Company's cash and cash equivalents net increased by 9.56 million baht, mainly due to the following reasons:

1. The cash flow from operating activities was 35.55 million baht. The main items were a net loss of 19.40 million baht adjusted to impact interest expenses and depreciation and amortization of 63.78 million baht, cash received from income tax of 5.05 million baht, income tax payment of 8.49 million baht, account payable and other liabilities increased by 67.02 million baht, and account receivable decreased by 75.84 million baht, resulting in an increase in cash flow from operating activities in the year 2020.
2. Cash flows used in investing activities in the amount of 2.12 million baht from main transactions include cash paid for business acquisition of 5.07 million baht Cash received from the disposal of intangible assets 1.70 million baht and dividend receipt of 1.03 million baht.

3. Cash flow used in financing activities amounting to 23.73 million baht arising from the main transaction is a long-term loan of 89.72 million baht to pay for bank overdrafts and short-term loans from financial institutions amounting to 37.65 million baht. And long-term loans totaling 31.52 million baht, payment of liabilities under finance lease agreement of 21.50 million baht, and interest payment of 13.22 million baht.

Capital sources

As of 31 December 2020 Group's short-term loans were as follows.

1. Of 40-million-baht over draft, the current balance was 29.52 million baht to serve as internal current capital.
2. Of 204.2 bm. and 1.5 million USD promissory notes the balance on 31 December 2020 was 49.2 million baht and 0.67 million USD to serve as the Company internal current capital and for expanding business investment. The loan shall be provided by promissory notes of required amount for a period of 3 months.

As of December 31, 2020, the Company has long-term loans from banks totaling Baht 90.435 million of December 31, 2020. The balance is 80.20 million baht.

Although the company will borrow money from Grace Water Maid Co., Ltd., a subsidiary company, for 20 million baht for business operation. Even though the granting of the loan is not under the shareholding proportion, the company receives a return in the form of interest at the rate of 5% per year, which is more than the cost of financing. Moreover, the company also considers the appropriateness of the loan to expand the subsidiary's business. This will bring good returns to the company in the future as well.

Conditions of loan agreement

In long-term borrowing from financial institutions The company has the following conditions for maintaining the ratio:

1. The debt to equity ratio, not more than 2.0 times and 3.2 times.
2. The debt servicing coverage ratio is not less than 1.5 times

However, as of December 31, 2020, the Company still maintains this ratio and can pay debts, and comply with the major borrowing conditions according to the contract. In addition, additional sources of funds can be obtained if the expansion is carried out or additional projects.

Financial Ratios

At the end of 2018, 2019 and 2020, the Company's liquidity ratio was 0.76 times, 0.84 times and 0.86 times, respectively, in close proximity and sufficient for the operation of the company. The liquidity ratio in 2020 increase from 0.02 times in 2019, This was due to the decrease in current liabilities due to the decrease in overdrafts and short-term loans by 23.19 million baht due to the adjustment of new funding sources to better suit business operations.

The objectives of the Company's major capital management are to provide a suitable capital structure to support the business operation of the Company and enhance the shareholding value for the shareholders. As of December 31, 2020, the Group has a debt to equity ratio of 1.74. The working capital ratio is 0.86. The Group uses bank deposits of 96 million baht to guarantee the credit limit received from the bank as the management considers that capital management will be more flexible. And if the aforementioned bank deposits are included in the calculation of the working capital ratio, the working capital ratio will be 1.12.

The Company has an average collection period of 59.86 days, 74.94 days and 76.94 days for the year 2018, 2019 and 2019, respectively. The increase in average collection period in 2019 and 2020 was due to the sales of GWM subsidiary, which increased considerably. Debt collection period of customers, which are government agencies and private agencies waiting for government subsidies increase average collection period by approximately 3-17 days but the debtors with long payment periods do not have any bad debts. However, the debt collection period is still in line with credit policy provided to the company's customers, which is an average of not more than 90 days.

The Company has the ability to pay an average of 38-49 days of trade payables, ability to pay off various debts and pay back the loan within the specified time by using money from normal operations, and the Company still has additional available credit limits. In this regard, the Company takes into account the cost of borrowing and finding other sources of funds, taking into account the best interests of the shareholders.

The debt to equity ratio at the end of 2018, 2019 and 2020 was 1.28 times, 1.62 times and 1.74 times, respectively. For the year 2020, the ratio increased from the year 2019 due to the Group's liabilities decreased by 32.75 million baht The debt to equity ratio at the end of 2018, 2019, and 2020 was 1.28 times, 1.62 times, and 1.74 times, respectively. For the year 2020, the ratio increased from the year 2019 due to the Group's liabilities decreased by 32.75 million baht from the disposal of investment in a subsidiary in Indonesia, shutdown in Vietnam And there was a loss in 2020, from the impact of the 2019 coronavirus outbreak, which increased debt-to-equity ratio.

Return on equity as of the end of 2018, 2019 and 2020 1.29%, 3.96% and minus 9.67%, respectively, due to the net profit in 2018 and 2019 equal to 3.16 million baht and 11.06 million baht, respectively. Net loss in 2020 is 26.07 million baht.

Performance in 2018 and 2019, the Group has a net profit of approximately 3.16 million baht and 11.06 million baht, respectively. Return on fixed assets Interest coverage ratio and the ratio of ability to pay obligations in the year 2018 and 2019 is better compared to the year 2020 because the Group has a loss in performance.

4.2 Effecting Factors for Future Operating Performance.

1. The global epidemic of Covid-19 affect the economy of Thailand and around the world due to impact on supply chain whether a shortage of materials, equipment, and finished products transported through logistics system, restricted transportation route, labor shortage due to disease or detention of people who are vulnerable to infections, restriction of access to the origin of product due to restriction in some areas with outbreaks, behavior and consumer confidence affecting the use of products or services in public areas, which also affects the logistics sector. The Group foresees the impact and has planned to find various ways to reduce the impact to the Group.
2. The Thai government has announced the investment plan for development of transport infrastructure and logistics covering several major projects of road transportation, rail systems, marine and aviation transport which will be beneficial for the Company and its logistics business.
3. Trade liberalization announced by ASEAN Economic Community in 2015 has evidently increased international trades and goods transportation bringing good opportunity for the Company to expand both domestic and international logistics services with better opportunity to look for trading allies which is one of the Company's operating policy and goal to expand logistics allies and networking locally and internationally.

   If supporting factors are available for new investment opportunity the Company shall focus on shareholders' benefits and various risks against utilization of current capital, especially uncertainly regarding market situation, economic conditions, rules and regulations relevant to policy and management strategies faced at both national and regional levels. This is because every country has unavoidably faced both positive and negative impacts by the role of liberalized of ASEAN Economic Community.

4. Eastern Economic Corridor (EEC) is one of the mega projects under the Thailand 4.0 policy that wants to develop areas and infrastructure of the economic zone in the eastern region of Thailand to higher competitiveness. In the first phase of this project will start from areas in Chonburi, Rayong and Chachoengsao which was originally one of the most important industrial zones in the country filled with many factories in large industrial estates, there is an airport including the port that containers most pass as 22nd port of the world. The main investment of EEC will be in the development of infrastructure for travel and transportation. To be ready to accommodate and facilitate the growth of the industry and tourism more

which will have a joint venture from the private sector to come in some projects which have various industry groups that are benefiting from such projects Including the logistics business sector and the Company as well.

4.3 Important financial information

The Summarized of Audit Report

- The auditor's report for the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year 2018, which were audited by Miss Miss Orawan Techatwattanasirikul, Certified Public Accountant Registration Number 4807 from EY Office Company Limited has expressed unconditional opinions that the above financial statements shows the combined financial position and separate financial position of the Company as of December 31, 2018. The total operating results and the separate operations and the total cash flow and separate cash flows for the same year ended on the Company which is correct as it should be in essence according to generally accepted accounting principles.
- Auditor's report for the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries for the year 2019, which were audited by Miss Orawan Techawattanasirikul, Certified Public Accountant Registration Number 4807 from EY Office Company Limited has expressed unconditional opinions. That the above financial statements show the combined financial position and separate financial position of the Company as of December 31, 2019. The combined operating results and the separate operations and the total cash flows and separate cash flows for the same year ended of the Company which is correct as it should be in essence according to generally accepted accounting principles and has information and events that focus on.
- Disposal of the investment in SSK Logistics Company Limited, a subsidiary, to a shareholder of that company, the Company sold the entire investment at cost, with 12,714,999 ordinary shares, with a par value of 10 baht each, totaling 127,149,990 baht. On November 30, 2019, the Company entered into a share purchase agreement and transferred shares to such shareholder. Regarding this, the share purchase agreement specifies that the buyer has to pay for the share in three dated checks within the period of three years from the date of the contract, with the first payment commencing on June 30, 2020. In addition, the Company has entered into a share pledge agreement with the said shareholder in order to pledge the share certificate of SSK Inter Logistic Company Limited for the guarantees of buyers' payment. The Company recognized loss on sales of investment in SSK Inter Logistics Company Limited to such shareholder in the amount of Baht 13 million in the separate statement of comprehensive income. And recognized the gain

from the sale of the said investment of 16 million baht in the consolidated statement of comprehensive income for the current year.

- Disposal of investment in LG Container Line Company Limited, a subsidiary, to a local company on May 1, 2019. The Company entered into a share purchase agreement with that company in order to dispose of the investment at cost price with 599,999 ordinary shares. The par value of 10 baht per share, totaling a total of 5,999,990 baht. The company received full payment from the sale on October 3, 2019, with the company recognizing the gain from the sale of that investment of 11 million. Baht in the total comprehensive income statement for the current year

- Auditor's report for the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries for the year 2020 audited by Ms. Orawan Techwattanasirikul. Certified Public Accountant Registration No. 4807 from EY Office Company Limited has expressed an unqualified opinion. That the above financial statements Show the consolidated and separate financial position of the company as of December 31, 2020, consolidated and separate operating results, and total cash and separate cash flows. For the year ended the same company, It is correct as it should, in essence, under generally accepted accounting principles, and has information and events focused on:
- The impact of the current situation of the COVID-19 epidemic still affects many businesses and industries Including the logistics business activities of the group of companies which have a significant impact on the financial position. The Group's current and future results of operations and cash flows During the current year, the Group's management decided to liquidate a subsidiary in Vietnam and temporarily suspend the operation of two subsidiaries in China to stop recognizing losses and assess the situation. The dissolution of the business is to one shareholder of the subsidiary to adjust the group management structure to be more efficient. The temporary cessation of the operations and the disposition of investment of a subsidiary does not have any material impact on the financial position of the Group. This is because the income proportion of the four subsidiaries for the year ended December 31, 2020, is 27 million baht or 3% of the total revenues of the group of companies. And assess the financial impact on the value of the asset. Provisions and ongoing contingent liabilities Management uses estimates and judgments on various issues when circumstances change.

NCL International Logistics Public Company Limited ("The Company" and "NCL") is a Logistics Provider, which includes planning, management, including offer solutions for customers. To ensure that the customer's product moving process from the origin to the destination in the shortest time and at the lowest cost. The service characteristics of the Company can be divided into 2 main business groups which are International transportation management services and domestic transportation services by truck head-tail truck and pickup truck (pick-up). The Company has transferred

the business of transportation service in the country with head-tail truck to be under the operation of associated companies are SSK Inter Logistics Company Limited since March 2016.

In late 2017, the Company changed the shareholder structure, management of the associated company, SSK Logistics Company Limited, resulting in the Company is a major shareholder and SSK becomes a subsidiary and invested in 1 additional joint venture company, Sim (Thailand) Company Limited, which operates as a shipping agent for a shipping line.

In February 2018, the Company purchased additional shares in Grace Water Company Limited from a shareholder. Resulting in the Company being a major shareholder representing 52.80 percent and on February 20, 2018, the meeting of the Board of Directors of the Company passed a resolution to increase capital in NCL Inter Logistic (S) Pte. Ltd., a subsidiary company, in the amount of USD 1.26 million in order to expand the business in overseas. Which during the year the Company transferred funds to increase capital in the amount of US $ 0.42 million or Singapore Dollars 0.57 million. The subsidiary "NCL Inter Logistic (S) Pte. Ltd." invested in 6 subsidiaries during the year 2018 which are NCL International Logistics USA Inc. in the United States, Qingdao National Container Line Co., Ltd., and Ningbo NCL Inter Logistics Co., Ltd. in China, LG Container Line Pte. Ltd. in Singapore, NCL Inter Logistics Vietnam Co., Ltd. in Vietnam and PT.NCL Inter Logistics Indonesia in Indonesia. Therefore, the financial statements for the year 2018 will show the total financial status as of December 31, 2018 and the total income statement for the year ended on December 31, 2018 will show the total operating results of the Company and its subsidiaries.

On May 1, 2019, the Company sold the whole amount of investment in LG Container Line Co., Ltd. and on November 30, 2019, the Company sold the whole amount of investment in SSK Inter Logistics Co., Ltd. As a result, the two subsidiaries ceased to be subsidiaries of the Company from that date. And NCL Inter Logistic (S) Pte. Ltd. has invested in 1 additional subsidiary which is NCL International Logistics Private Limited in India which has not yet begun the operation

During the year 2019, the Group has adopted the revised TFRS and TFRS Interpretation (revised 2018) and TFRS 15 on Revenue from customer contracts that are in effect for financial statements that have an accounting period beginning on or after January 1, 2019, such financial reporting standards have been revised or made to be consistent with the International Financial Reporting Standards. It is most explicit about accounting practices and providing accounting practices to standard users. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Due to the situation of the spread of COVID-19 in many countries around the world which affects the transportation of goods. This resulted in a significant decrease in revenues. During the year 2020, the Company had to decide to liquidate a subsidiary in Vietnam and to temporarily stop operating two subsidiaries in China to stop recognizing losses if continuing and assessing the situation. In addition, the Group sells all investments in a subsidiary in Indonesia to another shareholder of the subsidiary to reorganize the group management structure to be very efficient.

The temporary cessation of the operations and the disposition of investment of a subsidiary does not have any material impact on the financial position of the Group because the income proportion of the four subsidiaries for the year ended 31 December 2020 amounted to 27 million baht or 3% of the total revenues of the group of companies.

During the year 2020, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations, financial reporting standards, financial instruments, and TFRS 16 Leases, which are effective for financial statements with accounting periods beginning on or after 1 January 2020, have been revised or provided to have content equal to the standard International financial reporting It is most explicit about accounting practices and providing accounting practices to standard users. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. The Group has chosen to adjust the cumulative impact of change by adjusting it to retained earnings as of January 1, 2020, and not restating the prior year's financial statements presented for comparison. There was no impact on retained earnings as of January 1, 2020, has shown the impact of changes in accounting policies on the statement of financial position at the beginning of the year 2020 due to the application of these standards in note 4 to the financial statements.

13.2 Financial statement summary table

Statement of financial position

As of 31 December 2018, 31 December 2019, and 31 December 2020

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
asset												
Current assets												
Cash and cash equivalents	34.41	4.67	40.86	5.03	50.42	6.65	3.67	0.66	14.15	2.24	11.71	1.76
Trade and other receivables - related parties	8.45	1.15	6.70	0.82	6.58	0.87	7.76	1.39	15.25	2.42	7.81	1.18
Trade and other receivables - other parties	217.38	29.51	296.72	36.52	205.68	27.15	108.98	19.55	121.02	19.20	96.93	14.61
Receivable from disposal of investment due within one year	-	-	31.15	3.83	40.40	5.33	-	-	31.15	4.94	40.40	6.09
Inventories	3.59	0.49	3.23	0.40	4.34	0.57	-	-	-	-	-	-
Short-term loans to related parties	-	-	-	-	-	-	41.00	7.36	-	-	-	-
Other current assets	12.17	1.65	5.51	0.68	4.83	0.64	5.07	0.91	4.84	0.77	4.45	0.67
Total current assets	276.00	37.47	384.17	47.28	312.25	41.21	166.48	29.87	186.41	29.57	161.30	24.31
Non-current assets												
Deposit pledged as collateral	85.04	11.55	86.96	10.70	96.52	12.74	76.16	13.67	78.58	12.46	87.33	13.16
Investments in associated companies	6.59	0.89	6.26	0.77	6.80	0.90	5.10	0.92	5.10	0.81	5.10	0.77
Investments in subsidiaries	-	-	-	-	-	-	195.03	34.99	91.22	14.47	124.12	18.71
Investments in joint ventures	-	-	-	-	39.26	5.18	-	-	-	-	39.26	5.92
Accounts receivable from sales of investments - net from due within one year	-	-	83.38	10.26	-	-			83.38	13.23	20.00	3.01
Investment property	14.73	2.00	11.89	1.46	71.12	9.39	14.73	2.64	11.89	1.89	71.12	10.72
Property, plant and equipment	318.96	43.30	182.23	22.43	121.40	16.02	83.34	14.95	147.05	23.32	87.73	13.22
Right of use assets	-	-	-	-	61.89	8.17	-	-	-	-	46.56	7.02

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Intangible Assets	6.27	0.85	29.48	3.63	24.35	3.21	3.17	0.57	3.89	0.62	0.95	0.14
Goodwill	2.25	0.31	2.25	0.28	2.25	0.30	-	-	-	-	-	-
Withholding tax deducted at source	15.80	2.15	14.32	1.76	14.08	1.86	9.09	1.63	14.32	2.27	14.08	2.12
Deferred income tax assets	1.84	0.25	6.12	0.75	5.84	0.77	1.56	0.28	5.70	0.90	4.50	0.68
Other non-current assets	9.10	1.23	5.48	0.68	1.93	0.25	2.66	0.48	2.92	0.46	1.46	0.22
Total non-current assets	460.58	62.53	428.37	52.72	445.44	58.79	390.84	70.13	444.05	70.43	502.21	75.69
Total assets	**736.58**	**100.00**	**812.54**	**100.00**	**757.69**	**100.00**	**557.32**	**100.00**	**630.46**	**100.00**	**663.51**	**100.00**
Liabilities and shareholders' equity												
Current liabilities												
Bank overdrafts and short-term loans from financial institutions	174.44	23.68	228.19	28.08	190.54	25.15	169.46	30.41	201.28	31.93	165.49	24.94
Trade and other payables - related parties	1.74	0.24	1.93	0.24	0.43	0.06	2.10	0.38	6.97	1.10	1.56	0.24
Trade and other payables - other parties	123.20	16.73	198.63	24.45	126.19	16.65	52.99	9.51	73.33	11.63	50.07	7.55
Short-term loans from related parties	21.94	2.98	20.00	2.46	-	-	-	-	-	-	-	-
Finance lease liabilities due in one year	25.65	3.48	4.59	0.56	-	-	1.00	0.18	4.54	0.72	-	-
Finance lease liabilities within one year	-	-	-	-	21.78	2.87	-	-	-	-	10.29	1.55
Long-term loans due within one year	6.90	0.94	-	-	15.15	2.00	3.60	0.64	-	-	15.15	2.28
Other current liabilities	11.01	1.49	6.32	0.78	9.09	1.20	4.33	0.78	3.51	0.56	5.38	0.81
Total current liabilities	364.88	49.54	459.66	56.57	363.18	47.93	233.48	41.90	289.63	45.94	247.94	37.37
Non-current liabilities												

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Liabilities under finance lease agreements - net of current portion	32.53	4.41	28.90	3.56	-	-	1.86	0.33	28.84	4.58		
Finance lease liabilities net within one year	-	-	-	-	38.69	5.11					33.82	5.10
Long-term loans, net of current portion	3.22	0.44	-	-	63.14	8.33	-	-	-	-	63.14	9.51
Reserve for long-term employee benefits	6.86	0.93	10.53	1.30	13.04	1.72	5.54	0.99	10.16	1.61	12.36	1.86
Deferred income tax liabilities	2.72	0.37	0.34	0.04	0.29	0.04	-	-	-	-	-	-
Other non-current liabilities	3.07	0.42	3.53	0.43	2.52	0.33	2.25	0.40	3.53	0.56	2.52	0.38
Total non-current liabilities	48.40	6.57	43.30	5.33	117.68	15.53	9.65	1.72	42.53	6.75	111.84	16.85
Total liabilities	**413.28**	**56.11**	**502.96**	**61.90**	**480.86**	**63.46**	**243.13**	**43.62**	**332.16**	**52.69**	**359.78**	**54.22**
Shareholders' equity												
Share capital												
Issued and fully paid up capital	113.54	15.41	113.54	13.97	113.54	14.98	113.54	20.37	113.54	18.01	113.54	17.11
Premium on ordinary shares	170.63	23.17	170.63	21.00	170.63	22.52	170.63	30.62	170.63	27.06	170.63	25.72
Accumulated profit (loss)												
Appropriated - legal reserve	10.73	1.46	11.05	1.36	11.35	1.50	10.73	1.93	11.05	1.75	11.35	1.71
Unallocated	(19.22)	(2.61)	(6.15)	(0.76)	(36.08)	(4.76)	19.29	3.46	3.08	0.49	8.21	1.24
Other components of shareholders' equity	(2.14)	(0.29)	(4.36)	(0.53)	(4.72)	(0.62)	-	-	-	-	-	-
Non-controlling interests of subsidiaries	49.76	6.75	24.87	3.06	22.11	2.92	-	-	-	-	-	-
Total shareholders' equity	323.30	**43.89**	309.58	**38.10**	**276.83**	**36.54**	314.19	**56.38**	298.30	**47.31**	**303.73**	**45.78**

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Total liabilities and shareholders' equity	736.58	100.00	812.54	100.00	757.69	100.00	557.32	100.00	630.46	100.00	663.51	100.00

Statements of Comprehensive Income

For the year ended December 31,2018, December 31, 2019 and December 31,2020

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Revenue and cost												
Service income	1,119.1	92.99	1,153.01	90.79	780.76	88.33	705.97	100.00	654.27	100.00	544.18	100.00
Sales revenue	84.43	7.01	117.01	9.21	103.19	11.67	-	-	-	-	-	-
Cost of service	908.95	75.52	924.20	72.77	(638.24)	(72.20)	564.10	79.91	510.42	78.01	(431.85)	(79.36)
Cost of sales	67.17	5.58	89.30	7.03	(73.37)	(8.30)	-	-	-	-	-	-
Gross profit	**227.45**	**18.90**	**256.52**	**20.20**	**172.34**	**19.50**	**141.87**	**20.09**	**143.85**	**21.99**	**112.33**	**20.64**
Other income	16.75	1.39	38.86	3.06	33.21	3.76	8.57	1.21	15.52	2.36	30.07	5.53
Selling expenses	56.54	4.70	51.67	4.07	(31.19(	(3.53)	34.15	4.83	34.03	5.20	(16.69)	(3.07)
Administrative expenses	170.58	14.17	223.48	17.60	(190.11)	(21.51)	99.28	14.06	133.16	20.35	(112.60)	(20.69)
Operating profit	**17.08**	**1.42**	**20.23**	**1.59**	**(15.75)**	**(1.78)**	**17.01**	**2.41**	**(7.82)**	**(1.20)**	**13.11**	**2.41**
Finance income	0.96	0.08	2.07	0.16	7.84	0.89	3.15	0.44	2.49	0.38	8.45	1.55
Finance costs	(12.64)	(1.05)	(12.68)	(1.00)	(13.06)	(1.48)	(7.14)	(1.01)	(7.48)	(1.14)	(10.71)	(1.97)

Unit : Million bath	Consolidate financial statements						Separate financial statements					
	2018		2019		2020		2018		2019		2020	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Share of profit (loss) from investments in associates	1.07	0.09	1.08	0.09	1.57	0.18	-	-	-	-	-	-
Profit (loss) before income tax	**5.51**	**0.46**	**8.63**	**0.68**	**(19.40)**	**(2.19)**	**9.87**	**1.40**	**(15.30)**	**(2.34)**	**10.85**	**1.99**
income tax	(4.08)	(0.34)	3.04	0.24	(4.83)	(0.55)	(3.47)	(0.49)	2.45	0.37	(2.47)	(0.45)
Profit (loss) for the year	1.43	0.12	11.67	0.92	(24.23)	(2.74)	6.40	0.91	(12.85)	(1.97)	8.38	1.54
Other comprehensive income (loss)	1.37		(2.16)		(0.53)		2.33		-		(0.16)	
Total comprehensive income (loss) for the year	2.80		9.51		(24.76)		8.73		(12.85)		8.22	
Loss sharing												
Equity holders of the parent company	**3.16**		**11.06**		**(26.07)**		**6.40**		**(12.85)**		**8.38**	
Attributable to non-controlling interests	(1.73)		0.61		1.84		-		-		-	
	1.43		**11.67**		**(24.23)**		-		-		-	
Sharing of total comprehensive loss												
Equity holders of the parent company	**4.53**		**8.89**		**(26.60)**		**8.73**		**(12.85)**		**8.22**	
Attributable to non-controlling interests	(1.73)		0.62		1.84		-				-	
	2.80		**9.51**		**(24.76)**		-				-	
Basic earnings (loss) per share attributable to the company	0.007		(0.024)		(0.057)		0.015		(0.028)		0.018	
Weighted average number of ordinary shares (Unit: shares)	439.45		454.15		454.15		439.45		454.15		454.15	

Cash flow statement

For the year ended December 31, 2018, December 31, 2019 and December 31, 2020

Unit : Million bath	Consolidate financial statements			Separate financial statements		
	2018	2019	2020	2018	2019	2020
Cash flows from operating activities						
Net profit (loss) before income tax	5.51	8.63	(19.40)	9.87	(15.30)	10.85
Update list						
Bad debt and doubtful accounts (reversal)	(2.43)	(0.46)	0.71	(3.58)	(0.25)	(2.03)
Written-off withholding tax deducted at source	0.12	-	0.15	0.12	-	0.15
(Profit) loss from unrealized exchange rates	0.33	0.04	(0.04)	0.19	(0.25)	0.27
Unrealized gain from sale of investment in a subsidiary	(0.11)		-	-		-
Gain from disposal of assets awaiting sale	-	(1.96)	-	-	-	-
(Gain) loss from property disposal	(0.79)	1.20	0.67	0.26	0.09	0.67
Loss from impairment of assets	-	1.38	-	-	-	-
Loss from write-off assets under financial lease agreements	-	6.07	-	-	-	-
Loss from equipment building and computer software	-	-	0.67	-	-	-
Gain from changes in investment in a joint venture	-	-	34.96	-	-	16.25
Depreciation and amortization	27.43	23.98	0.09	4.75	5.94	0.09
Allowance for diminution in value of inventories	0.02	0.01	0.01	-	-	-
Prepaid rental expenses	0.13	0.13	0.13	0.13	0.13	0.13
Long-term employee benefit expenses	2.13	5.25	3.30	1.63	4.61	3.00
Loss (profit) from disposal of investment in subsidiary company	-	(27.18)	(0.27)	-	13.29	-
Share (profit) loss from investments in associates and joint ventures	(1.07)	(1.08)	(1.57)	-	-	-
Dividend received	-	-	-	-	(1.41)	(1.03)
Interest income	(0.96)	(2.07)	(7.84)	(3.15)	(2.49)	(8.45)
Interest expense	12.64	12.68	13.06	7.14	7.48	10.72
Profit from operations before changes in liabilities and operating assets	42.95	26.62	24.63	17.36	11.84	30.62
Trade and other receivables	(31.10)	(136.03)	78.84	(0.17)	(18.07)	29.44
Inventories	(0.17)	0.35	(1.11)	-	-	-

Unit : Million bath	Consolidate financial statements			Separate financial statements		
	2018	2019	2020	2018	2019	2020
Other assets	(1.99)	2.28	3.11	(0.99)	(0.18)	3.08
Trade and other payables	7.35	124.91	(67.02)	(7.40)	25.39	(28.38)
Other liabilities	4.31	(2.50)	2.65	0.36	0.40	(0.35)
Cash received (paid) from operations	21.35	15.63	38.10	9.16	19.38	34.41
Cash received interest	0.94	1.58	0.89	0.76	1.34	0.76
Cash income tax	3.23	1.99	5.05	3.22	-	5.05
Cash paid for income tax	(8.55)	(9.15)	(8.49)	(7.09)	(6.92)	(5.49)
Net income received (used) from operating activities	16.97	10.05	35.55	6.05	13.80	34.73
Cash flows from investing activities						
Short-term loans to related parties (increase) decrease	-	18.00	-	2.44	18.00	-
Cash payment for purchase of fixed assets	(2.86)	(5.57)	(5.07)	(0.64)	(16.11)	(1.93)
Cash payment for purchase of intangible assets	(2.80)	(1.55)	0.94	(1.91)	(0.78)	0.94
Proceeds from sales of fixed assets	5.48	2.77	(0.12)	0.35	3.25	-
Cash paid for investments in associates	-	-	1.70	-	-	1.70
Cash paid for investment in a subsidiary	-	-	-	(18.25)	(29.35)	(20.00)
Cash received from purchase of investments in subsidiaries	3.16	-	-	-	-	(32.90)
Proceeds from changes in the proportion of investment in a joint venture	-	-	-	-	-	-
Proceeds from sales of investments in subsidiaries	1.51	7.68	-	1.51	6.00	-
Cash decreased from sales of investment in a subsidiary	(1.66)	(3.16)	(0.60)	-	-	-
Cash received interest	-	-	-	1.81	0.71	0.74
Cash received from dividends	-	1.41	1.03	-	1.41	1.03
Cash payment for purchase of business segments	-	(25.00)	-	-	-	-
Deposit at bank pledged as collateral	(0.41)	(2.41)	-	-	-	-
Net cash received (used) from investing activities	2.42	(5.42)	(2.12)	(14.96)	(19.29)	(50.42)
Cash flows from financing activities						
Bank overdrafts and short-term loans from financial institutions	(28.13)	53.76	(37.65)	(30.64)	31.82	(35.79)
Cash paid back capital to non-controlling interests	-	(14.28)	-	-	-	-

Unit : Million bath	Consolidate financial statements			Separate financial statements		
	2018	2019	2020	2018	2019	2020
Short-term loans from related parties decreased	1.94	1.31	(20.00)	-	-	-
Cash paid for long-term loans	(14.79)	(5.99)	(11.52)	(10.40)	(3.60)	(11.52)
Cash paid for liabilities under financial lease agreements	(12.77)	(12.56)	(21.50)	(0.96)	(1.67)	(11.52)
Dividend payment	-	(3.04)	-	-	(3.04)	-
Cash paid for interest expenses	(10.48)	(13.16)	(13.22)	(7.07)	(7.54)	(10.75)
Cash received for shares	43.99	-	-	43.99	-	-
Net proceeds received (used) from financing activities	(20.24)	3.63	(23.73)	(5.08)	13.55	13.25
Differences from the translation of financial statements	(1.20)	(1.60)	(0.32)	-	-	
Effect from changes in exchange rates	(0.12)	(0.21)	0.18	-	-	
Net increase (decrease) in cash and cash equivalents	(2.17)	6.45	9.56	(13.99)	10.48	(2.44)
Cash and cash equivalents at the beginning of the year	36.58	34.41	40.86	17.66	3.67	14.15
Cash and cash equivalents at the end of the year	**34.41**	**40.86**	**50.42**	**3.67**	**14.15**	**11.71**

Financial ratio

Financial ratio	Consolidate financial statements			Separate financial statements		
	2018	2019	2020	2018	2019	2020
Liquidity ratio						
Liquidity ratio (times)	0.76	0.84	0.86	0.71	0.64	0.65
Quick ratio (times)	0.71	0.83	0.85	0.52	0.64	0.65
Cash flow ratio (times)	0.05	0.02	0.09	0.02	0.05	0.13
Accounts receivable turnover ratio (times)	6.10	4.87	4.74	7.05	5.79	6.46
Average collection period (days)	59.86	74.94	76.94	51.80	63.05	56.48
Accounts payable turnover ratio (times)	9.51	7.40	8.46	13.81	8.53	10.08
Average payment period (days)	38.39	49.29	43.15	26.43	42.81	36.22
Cash cycle (days)	21.47	25.65	33.78	25.36	20.24	20.26
Ratios for profitability						
Gross profit margin (%)	18.90	20.20	19.50	20.10	21.99	20.64
Profit rate (loss) from operations (%)	1.51	1.68	(1.60)	2.41	(1.20)	2.41
Cash to profitability ratio (loss) (%)	93.52	47.13	(250.71)	35.59	(176.42)	264.87
Net profit margin (%)	0.28	0.87	(2.95)	0.91	(1.96)	1.54
Return on equity (%)	1.29	3.96	(9.67)	2.25	(4.20)	2.78
Ratio showing operational efficiency						
Return on assets (%)	0.45	1.43	(3.32)	1.15	(2.16)	1.29
Return on fixed assets (%)	10.50	13.36	6.72	24.32	(6.00)	20.84
Asset turnover (times)	1.72	1.69	1.17	1.29	1.13	0.89
Financial Policy Analysis Ratio						
Debt to equity ratio (times)	1.28	1.62	1.74	0.77	1.11	1.18
Interest coverage ratio (times)	1.54	1.51	(0.53)	2.71	(1.05)	2.00
Obligation capability ratio (times)	0.44	0.61	0.97	1.12	1.77	1.76
Dividend payment rate (%)	0.00	0.64	0.00	0.00	0.64	0.00

5.General Information and Important Information

5.1 General Information

Company Information

Company	:	NCL International Logistics Public Company Limited
Symbol	:	NCL
Registered No.	:	0107556000434
Type of Business	:	Logistics Solution Provider
Registered Capital	:	113,538,030.25 Bath
Paid-up Capital	:	113,538,030.25 Bath
No. of common stock	:	454,152,248 Units
Par Value	:	0.25 THB
Head Office	:	56/9-10 SoiSomdetphrachaotaksin 12/1 Somdetphrachaotaksin Road, Bukkalo,Thonburi Bangkok10600
Telephone	:	02-4737300
Fax	:	02-4737374
Website	:	www.nclthailand.com
Company Secretary	:	Telephone: 02-4737300 Ext.300 Email : rungarun.b@nclthailand.com
Investor Relationship	:	Telephone: 02-4737300 Ext.300 Email : rungarun.b@nclthailand.com

Details of the entity which the company holds 10 percent and more

Company's Name	Type of Business	Registered Capital	Paid–up Capital	(%) of Holding
Subsidiary				
NCL INTER LOGISTICS (S) PTE. LTD. 140 PAYA LEBAR ROAD #10-08 AZ @ PAYA LEBAR SINGAPORE (409015)	Logistics Service Provider	4,328,740 SGD	4,328,740 SGD	100
GRACE WATER MED CO.,LTD. 13/7 MOO.8 BANGMUANG-BANGULAD ROAD, BANGMUANG,BANGYAI,NONTHABURI	Manufactures and Distributes Dialysis Related Equipment	40 Million THB	40 Million THB	52.80
Associated Company				
ZIM (THAILAND) CO.,LTD. 3656/66-68 20th FLOOR, GREEN TOWER RAMA 4 ROAD, KLONGTON,KLONGTOEY,BANGKOK 10110	Provide International Freight by Sea	10 Million THB	10 Million THB	51
Held by NCL INTER LOGISTICS (S) PTE. LTD. (Subsidiary)				
NCL INTERNATIONAL LOGISTICS USA INC. 2438 SAN GABRIEL BLVED STE A, ROSEMEAD, CA 91770	Freight Forwarding	1300,000 USD	1300,000 USD	100
QINGDAO NATIONAL CONTAINER LINE CO., LTD. ROOM NO.2118, FLOOR 21, NO.9 FU ZHOU NAN ROAD, SHINAN DISTRICT 266000	Provide International Freight	5,000,000 CNY	750,433 CNY	100
NINGBO NCL INTER LOGISTICS CO.,LTD. ROOM 1203, 12 th FLOOR, 50 th DALAI STREET, HAISHU DISTRICT, NINGBO CITY, ZHEJIANG PROVINCE 315000	Provide International Freight	5,000,000 CNY	1,364,030 CNY	100
LG CONTAINER LINE PTE. LTD. 140 PAYA LEBAR ROAD #10-08 AZ @PAYA LEBAR SINGAPORE (409015)	Provide International Freight	2,690,000 SGD	2,690,000 SGD	100
NCL INTER LOGISTICS VIET NAM COMPANY LIMITED 96-98 DAO DUY ANH, WARD 9, PHU NHUAN DISTRICT, HO CHI MINH CITY, VIETNAM	Provide International Freight	2,500,000,000 VND	2,500,000,000 VND	49
NCL INTERNATIONAL LOGISTICS PRIVATE LIMITED 504, MANGLA TOWER, OFF.P.K ROAD, MULUND WEST, MUMBAI, MUMBAI CITY, MAHARSHTRA, INDIA, INDIA, 400080	Provide International Freight	5,000,000 INR	286,000 INR	100

Reference

Ordinary Share Registrar	Thailand Securities Depository Company Limited. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Telephone : 0 2009-9000 Fax : 0 2009-9991
Auditor	EY Company Limited. 33rd Floor Lake Ratchada Office Complex, 193/136-137,Ratchadapisek Road, Klongtoey, Klongtoey, Bangkok 10110 Telephone : 0-2264-9090 Fax : 0-2264-0789 – 90
Legal Advisor	Thanasap Law Office Company Limited. 143/2 Soi Wat Suwankiri,Boromratchonnanee Road, Arun Amarin,Bangkoknoi, Bangkok 10700 Telephone : 02-4343132 Fax : 02-4343133

5.2 Legal disputes

On 31st December, 2020, the Company and the Group did not have any legal case or dispute that might adversely affect the assets of the Company and the Group which was higher than 5 percent of the shareholders' equity and affected the business operations of the Company and the Group significantly. This included the cases which did not arise from normal business operations of the Company and the Group.

Part 2
Corporate Governance

6. Corporate Governance

NCL International Logistics Public Company Limited ("the Company") realizes the importance of good corporate governance which is important and necessary to help the company achieve our corporate commitment in becoming a leading efficient organization equipped with good corporate governance and management excellence. In addition, good corporate governance is also a critical success factor to the company's continuous business growth and stability which shall impact the confidence of shareholders, investors and all relevant parties as well as long-term business value of the company.

6.1 Corporate Governance Policy and Guideline

The Board of Directors has set up the Good Corporate Governance Policy of the Company in accordance with the Good Corporate Governance Principles for Listed Companies of the Stock Exchange of Thailand, with the Corporate Governance Policy and the Business Ethics and Operational Guideline. In writing, The Board of Directors is the driven and regulates the implementation in work process, executives and employees are strictly complied and held on to practice since 2014 and has been distributed on the Company's website to inform the shareholders, investors, interested person and related parties.

The Company had determined that the corporate governance policy need to be reviewed annually or at least once a year. In 2020, there was a review made through the Board of Directors Meeting No. 1/2020 on February 27,2020, performing a manual update corporate governance policy by additional policies and practices covering all 5 policies, as follow:

1. The Rights of Shareholders
2. The Equitable treatment of Shareholders
3. Role of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board

Therefore, the Board of Directors has established the Good Corporate Governance policy to all directors, executives and employees to follow the guidelines as below:

1) The Board, management and employees will perform their duties with full effort and responsibility to maximum the benefits of the company. They will reply on Good Governance Policy, Business Ethic as the way to operate.

2) The Board has a role with the management to determine vision, strategies, policy and business goal of the company to cover the planning of management and proper business operation.
3) The Board, management and Employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
4) The Board, Management and employees will treat all stakeholders with fairness and will examine, control and prevent any action or decision that will lead to any conflicts.
5) The Board, management and employees will perform their duties with honesty, fairness, and transparency.
6) An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
7) Treat employees with fairness, awareness, promotion and cultivation of virtue ethics, coupled with the development of the potential of continue personal.
8) Execute important information disclosure on finances and ono-finance matter with creditability and punctuality so that shareholders, investors and stakeholders of the company can access such information with fairness, appropriate and thorough
9) Implement anti-fraud policy, corruption, including ongoing control
10) Complete the business with social responsibility, community and the environment, including all stakeholders, which leads to sustainable development.

Include a review of the Code of Business conduct and Practices to all directors, executives and employees of the Company and the subsidiaries to be held as a practice guideline. Additional information on misconduct and fraud, violation or non-compliance, whistle blowing and protection measures and fairness to data providers, reporters, complainants or collaborators in reporting such information.

6.1.1 The Board of Director's Policy and Guideline

The Board of Directors consists of experts with knowledge, capability and experiences that are beneficial to the running of the company and have independence in making decision for the maximum benefit of the company and shareholders. The Board of Directors participates in formulating the policy, corporate overview, consider the business plan and annual budget of the company, by assigning the management to present, and the Board of Directors shares opinions and discusses with the management. This is to create mutual agreement as well as to supervise the management to carry out the business according to the business plan and specified budget in an efficient manner. Moreover, the Board of Directors also supervises the procedures for assessing adequacy of the internal control system, financial reporting and performance monitoring on a regular basis.

Board of Directors' structure

The Company requires at least one-third, but not less than 3 members of the total number of the Board of Directors must be Independent Directors acting as agents of the minority shareholders scope in order to perform the auditing and balance management of the Company to be accurate and fair, and enhance the shareholders' trust and value.

Furthermore, the Board of Directors promote diversity in the structure of the Board of Director to have experts from diversified fields fully equipped with experiences, knowledge, expertise that are beneficial to the business running, adhering to morale and integrity, regardless of gender, race, religion, age, professional skills or other specific qualifications.

The current Board of Directors consists of 8 members, 4 executive directors and 4 non-executive directors along with the Audit Committee which consists of 3 independent directors, which accounts for more than one-third of the total number of directors. Such board structure allows for balance in voting in the consideration of matters. The Board of Directors also appoints Committees to supervise the Company's business, as follows: -

- Audit Committee the Company's audit Committee (Independent Director), consisting of 3 members, is appointed to perform specific tasks and propose matters to the Board of Directors for consideration and acknowledgement. The audit Committee's rights and duties are specified in the audit Committee charter. At least one audit Committee member shall possess sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.
- The audit committee with knowledge and experience in reviewing the financial statements of the Company are
  1. Mrs.Jitmanee Suwannapool
  2. Mr.Pongpun Kongkumnerd
  3. Ms.Chanyapat Wiphatthanananthakul

- The Audit Committee has knowledge and experience related to the company's business are
  1. Mrs.Jitmanee Suwannapool
  2. Mr.Pongpun Kongkumnerd

The Board of Directors has appointed Company Secretary having the duties and responsibilities in accordance with the Securities and Exchange Act. However, the company may recruit other sub-committees to perform their assigned tasks to alleviate the administrative burden of the Board of Directors in the future.

The Board of Director's diversity policy

The Board of Directors is realized to the benefits of the diversity of the Board of Directors and considers that it is one of the important factors in increasing the efficiency of making decision and performance of the Board of Directors.

However, diversity is not just limited to gender but also includes age, educational background, professional experience skills and knowledge. Therefore, the selection and appointment of the Company's directors will be based on knowledge, capability and the selection criteria which taking into account benefits of diversity as well.

The Audit Committee's Office Term

At each Annual General Meeting of Shareholders, one-third of the directors or the number nearest to one-third if the number is not a multiple of three must retire from office. Retiring directors may be re-elected in the Annual General Meeting.

For the Audit Committee, each member is in charge for a period of 3 years. A member of the Audit Committee whose term is ended due to the maturity of term according to the company's regulations may be appointed again. If a position in the Audit Committee is vacant due to a reason other than the end of term, the Board of Directors shall appoint a qualified person to become a member of the Audit Committee so as to ensure the complete set of the committee as specified by the Board of Directors. The person who is newly appointed will has the term length equal to the remaining term of the member of the Audit Committee he/she replaces.

Besides, the Company has specified the qualification of the person who shall be an appropriate independent director in accordance with the characteristics of the company. The independence of the independent director must be in accordance with the rules prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company requires an independent director to hold a term of office not exceeding 9 years from the date of appointment at first time. If the company is required to appoint an independent director to assume the position onward, the board be able to do but should be the reasonable consideration and clarification of the necessity.

And to clarify the responsibilities, the Company has set the clear duties of the Chairman and the director to protect the unlimited power in any person. And to separate the person who assume the position as the Chairman out of the person who assume the position as Managing Director and appointed the Independent Directors as the Chairman. In the year 2020, not have any independent director hold a term more than 9 years.

Roles of Chairman of the Board of Directors

The Chairman of the Board is responsible for the leadership of the Board. He is also the Chairman of the Board of Directors and the shareholders' meeting. The Chairman of the Board of Directors is responsible to the Board of Directors for management in accordance with the guidelines and policies of the Board of Directors.

Scope of duties and responsibilities of the Committees.

The Company requires the Board of Directors to comply with the code of best practice in accordance with the guidelines of the SET. The directors must understand and recognize their roles, duties, and responsibilities, and perform their duties in accordance with the law, the Company's objectives and the Articles of Association, shareholders' resolutions, the charter of the Board of Directors, and the Company's corporate governance policy with integrity and honesty, with priority given to the best interests of the Company and its shareholders. The Board of Directors determines the policies, business goals, business plans, and the budget of the Company, and governs the management division to ensure compliance with the policies, plans, and budget specified with efficiency and effectiveness, for the best interests of the Company and its shareholders

Board of Directors' Meeting

The Board of Directors' meeting follow the regulations, laws related to public limited company, and regulations of the Stock Exchange of Thailand. Special meetings are arranged if necessary. The meetings are held at least 6 times a year. In order to effectively monitor the operations of the company and the Audit Committee has a meeting at least 4 times a year. The Company secretary prepares the annual meeting calendar to the Board of Directors in advance, within November yearly. To supporting the directors to allocate their schedule time and schedule of meeting in advance, which is not include special occasions of the meetings. When the company will send an invitation letter with the meeting agenda and meeting documents as attachments to the directors no less than 7 days before the date of the meeting so that the directors have time to study the information adequately before attending the meeting. Except in the case of an emergency to protect the rights and interests of the company, the meeting will be notified by other means and then set the date for an earlier meeting. The directors of two or more persons may request the Chairman of the Board of Directors to call a meeting of the Board of Directors. In cases where two or more directors request, the Chairman shall set the date of the meeting within 14 days from the requesting date.

At Board Meetings, not less than two-third (2/3) of the total number of directors shall be present at the meeting so that the quorum of the Board of Directors will be available for the Board to vote. All committee member must attend at least 75% of the board meeting which are held in the whole year and an average rate not less than 80% of all committee meetings during the year round. The Company shall maintain the minutes of meetings and keep the said documents receiving the confirmation from the Board of Directors for future examine by the Board or related party.

All this, the committee has set a policy that non-executive directors should have the opportunity to meet among themselves as appropriate or at least once a year without executive directors or management participated in the meeting. To discuss various issues, both regarding the Company's business such as management strategies, sustainable growth guidelines or other matters of interest and report the result of the meeting to the Managing Director. In the year 2020, the meeting was held on 12 November 2020.

Remuneration for the Board of Directors and Executives

The company has determined remuneration for the directors and executives at an appropriate level, which is sufficient to retain competent directors and executives. While it avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, obligations, appraisal and scope of roles and responsibilities. The remuneration payment of the directors must be approved be the company's shareholders. For remuneration of executives, it will be in accordance with principles and policies as determined by the Company's Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive, and operational performance of the company.

Report of the Board of the Directors

The Board of Directors is responsible for the financial reports preparation including the Company's financial statements, the consolidated financial statements of the Company and subsidiaries and financial information memorandum as shown in annual report. The financial statements are prepared based on generally accepted accounting standard. The Company applies proper and acceptable accounting standard and complies with such standard regularly. The Company is very careful to prepare and manage sufficient information to disclose in the notes of financial statements.

Self-evaluation of the Board of Director

The Board has evaluated their performance every year with three formats 1) person 2) team 3) sub-team and CEO for the Board to assess the outcome, the problems, and the obstacles during the previous year in order to fix and increase efficiency. The evaluation as a team and as a sub-team will be based on the protocols suggested by the Stock Exchange of Thailand, leading to properly changes of the company. With this, the assessment as referred to 6 topics:

1) The structure and qualifications of the Board of Directors
2) Duty and responsibility of the Board of Directors
3) The Board of Directors' meeting
4) Performance of Directors
5) Relationships with the management

6) Self-development of Directors and management development.

Development of Directors and Executives

The company encourages the Board of Directors and the management to attend seminar courses that are beneficial to their functions. Courses that the Board of Directors should attend at least are courses arranged by the Thai Institute of Directors (IOD) namely Directors Certification Program courses from related supervisory agencies on a regular and constant basis. The Board of Directors has assigned the company's secretary to be a coordinator with directors to inform training courses so that directors can bring in knowledge and experiences to continuously develop the company.

Currently, the Board has 8 persons that attended such trainings by passing the program of Director Certification Program (DCP) or Director Accreditation Program (DAP) by Thai Institute of Directors (IOD).

In 2020, there were directors who participated in trainings to develop knowledge, understandings of role and duty of directors in administering work efficiently as follows:

Mr. Kitti Phuathavornskul Director / Chief Executive Officer Have joined the training

- The National Defense of the Kingdom of Thailand, Class 63, Academic Year 2020 - 2021, National Defense College

Ms. Netirat Sang-Ngam, Director / Senior Vice President of Accounting-Finance / Human Resources has participated in the training.

- Diploma courses Politics and government in a democratic system For senior management, class 24 Academic Year 2020 - 2021, College of Politics King Prajadhipok's Institute

However, the Board of Directors still determines that each year, at least 1 company director is required to participate in the training for development, enhancement, knowledge, understanding and roles of directors.

The orientation of new Directors

The Board of Directors has set an orientation for newly appointed directors by assigning the Company secretary to prepare company information, annual report, business overview, shareholding structure, organizational structure, director's guide and meeting schedule and other necessary information. In order to create knowledge and understanding in business and various operations of the Company to inform new directors about roles and responsibilities of the directors' corporate governance policies and practices, in order to prepare the directors to perform their duties.

Policy on re-positioning to the Board position, managing director, and executives in other company

Corresponding to the good corporate governance and the suggestion from the Stock Exchange of Thailand, the Board has determined the policy on limiting the number of the re-positioning to the Board of other companies that are registered in the Stock Exchange of Thailand to be no more than 5 companies. All current Board members are within this limit.

Also, the Board determines the managing directors and Managements to take the positions in other company as necessary in a way that it will not affect the duties and the responsibilities of the company. There also requires approval from the Board or the one in charge first.

Succession Plan

In order to ensure that the company shall have continuity in administration, the Board of Directors sees the necessity and importance of position succession of the high-level executives, the company has made a position succession plan in support of the positions from division directors upwards. Replacement persons are identified. In case no persons who can replace instantly, the company has arranged a personnel development system for preparing persons in subordinate positions along with external selection. This is to ensure confidence in investors, organizations as well as employees that the business running of the company shall be succeeded in good time.

Report of conflicts of interests

The Board has determined the protocol in reporting of conflicts of interests of the Board and Managements for transparency in order to prevent the problem that will lead to benefit conflicts as the followings

- The Board or Managements including family members that are associated or are the shareholders must report the conflict of interest to the company by each member must report the information since the day he or she started.

- The Board determines the evaluation of the conflicts of interests in July of every year

- The Board or Managements have the duties to report the stock holding of the company. If any changes, they must report to the Stock Exchange Commissioner within 3 days after changes.

- The Board assigns the Corporate Secretary to record the report of conflicts of interests.

Nomination and Selection of Directors and Management

Nomination and Selection of Independent Directors

The Nomination and Remuneration Committee has responsibilities to make primary recommendations to the nomination and selection process for independent directors who must possess the qualifications as stipulated by the Company and in accordance with The Securities and Exchange Commission Announcements or The Stock Exchange of Thailand Notifications. The Board of Directors will be considered to select independent directors from experts who have work experienced and other suitability combined to create diversity in the structure, considering from the necessary skills that are lacking as well as the strategy of the Company that will be continued. After that it will be presented to the shareholder's meeting to be appointed as the company's director and experiences, and propose to the Annual General Meeting for nomination as directors of the Company. There must be at least three independent directors, and not less than one-third of the Board size with the following qualifications:

1. Holding not more than one percent of the total voting shares of the Company, a subsidiary, an affiliate, other associate company, a major shareholder, or a controlling person, including shares held by related persons.
2. Neither being nor used to take part in management, or being an employee, staff member, advisor receiving a regular salary, or controlling person of the Company, a subsidiary, an affiliate, other associate company, a major shareholder, or a controlling person in the past two years unless the foregoing relationship has ended not less than two years.The above prohibited characters exclude the independent director who is a government employee or consultant who is major shareholders or controlling person of the Company.
3. Not being a close relative by birth or by legal registration as a parent, a spouse, a brother or sister, a son or daughter of management, a controlling person, a shareholder or a person nominated as management or a controlling person of the Company or its subsidiary.
4. Neither having nor used to involve in a business relationship with the Company, a subsidiary, an affiliate, a major shareholder, or a controlling person in such a way that will obstruct his independent judgment including not being a major shareholder or a controlling person of the person who has a business relationship with the company, a subsidiary, an affiliate, a major shareholder, or a controlling person unless the foregoing relationship has ended not less than two years, a business relationship includes a normal cause of business transaction, a rent or lease of property, a transaction related to assets, service, providing or receiving financial support such as borrowing, lending, guaranteeing, or assignment resulting in the Company or other party being in debt obligation of more than three per cent of net tangible assets of the Company of twenty million baht, whichever is lower. The calculation of debt obligation shall be in accordance

with the calculation of value of related party transaction specified by the Capital Market Supervisory Board's Announcement of Related Party Transaction including debt obligation one year prior to the date that business relationship starts.

5. Neither being nor used to be an external auditor of the Company, a subsidiary, an affiliate, a major shareholder, or a controlling person of the Company and not being a shareholder holding major portion in an audit office of an external auditor of the Company, a subsidiary, an affiliate, a major shareholder, or a controlling person in the past two years.
6. Neither being nor used to be a provider of professional service such as legal or financial services and receives a professional fee of more than two million baht per year from the Company, a subsidiary, an affiliate, a major shareholder, or a controlling person and not being a major shareholder or a partner of such a provider of professional service in the past two years.
7. Not being a director representing another director of the Company, a major shareholder, or a shareholder related to a major shareholder.
8. Not being in a business substantially the same and compete with the Company, or a subsidiary, or not being a principal partner in a business partnership or being a director involving in management, employee, staff member, advisor receiving a regular salary, or holds of shares with voting right more than one per cent of total number of voting right of other company that engages in a business substantially the same and compete with the Company and its subsidiary.
9. Be able to express an independent opinion with respect to the operation of the Company.

The Board of Director contains 4 independent members, which are the persons with knowledge or competency and truly have the freedom to operate such as no business connection to the company, no connect to other influences that might affect the independent performance.

Terms of the Independent Director

The Board determines the independent Director to be in position for 3 years and will circulate and retire as 1 in 3 of the entire team accordingly. When the term comes, the committee could be presented to the Annual General Meeting of Shareholders to continue as the Board and to come back in the position. The independent committee will in the position for no longer than 3 terms or 9 years starting from the day of accepting the position. In addition, the board of directors should clearly state a policy that independent directors who have served on the Board beyond nine years from the date of their first appointment should be subject to particularly rigorous review of their continued independence. In 2020, no independent committee stays more than 9 years.

Nomination of Directors and Management

In selecting experts to take up a position of directors who complete the term, or in other cases, to propose to the company in selecting persons who are nominated to be candidates to the meeting of shareholders for approval, the company has a procedure to select experts from their expertise, visions, leadership, morale, transparent work background and ability to express opinions independently. The composition of the company's directors and the selection, appointment, or removal from the position of a director of the company has been determined in the regulations of the company which can be concluded as follows:

1. The Board of Directors consists of at least 5 directors who are elected in the meeting of shareholders. The members of the Board must contain at least 3 directors from the Audit Committee and at least a half of the total number of directors must reside in Thailand.
2. The meeting of shareholders is responsible for electing directors according to the following rules and methods:

   - Each shareholder has 1 vote for 1 share.

   - Each shareholder will cast all of their votes according to elect one person or more than one person to be a director. In case of electing more than one person, the votes will not be divided unequally between the elected persons.

   - Persons with the highest votes in order respectively will be elected as directors equaling to the number of directors that are supposed to be or to elect in a particular occasion. In case that persons in the second orders have the same number of votes and more than the number of directors that are supposed to be or to select in a particular occasion, the chairman of the meeting shall have the deciding vote.
3. In every Annual General Meeting of shareholders, the terms of one-third (1/3) of the current number of the Directors will be ended. If the number of Directors could not be divided into three proportions, the number of Directors whose terms will be ended will be the closet number to the one-third proportion. Directors whose terms are ended in the first and the second years after the registration of the company will be decided by drawing lots. For the consecutive years, the Directors who are in the positions the longest will be removed. However, those Directors who are removed may be elected to fill the positions again.
4. In addition to the end of the term. Directors will vacate when

   - Death

   - Resign

   - Be without qualifications or possess of the characteristics prohibited under Act and the related Notification.

- In casting a vote on which Directors whose terms should be ended before seeing out their actual terms, the number of votes must be at least no less than three-fourth of the number of shareholders attending the meeting and having the right to vote, and that the total number of shares must be no less than a half of the number of shares held by the shareholders who attend the meeting and having the right to vote

5. Any director who is resigning from the position should submit the letter of resignation to the company with the effective date from the date that the letter of resignation reaches the company.

The Board must allow the shareholders to present a name with qualifications to become a Board member. In 2020, no name was nominated by shareholders

Nomination and Appointment of the Audit Committee

The Audit Committee of the company must be the company's director who is appointed from the Board of Directors and have qualifications as specified by the securities law and the Stock Exchange of Thailand. The Audit Committee must contain no less than 3 persons and at least 1 director must have knowledge on accounting and finance.

Nomination and Appointment of the Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors to define and implement strategies for overall risk management. In addition, the Risk Management Committee is responsible for developing and reviewing management systems and risk management in line with the policy consistently. One of the Risk Management Committee shall be appointed to be the chairman of the Risk Management Committee by the Boards of Directors. He/she shall have the qualifications required by the Securities Laws and the Stock Exchange of Thailand, including regulations and / or regulations of the Stock Exchange of Thailand

Nomination and Appointment of the Nomination and Remuneration Committee

The Board of Directors shall nominate the Nomination and Remuneration Committee by election from the number of independent directors and executives as deemed appropriate to be independent to nominate directors and determine remuneration which is suitable for the company. One of the Nomination and Remuneration Committee shall be appointed to be the chairman of the Nomination and Remuneration Committee by the Boards of Directors. He/she shall have the qualifications required by the Securities Laws and the Stock Exchange of Thailand, including regulations and / or regulations of the Stock Exchange of Thailand

Nomination and Appointment of the Corporate Governance Committee

The Board of Directors proposes the appointment of the Corporate Governance Committee by election from an independent committee Certain amount as it deems appropriate but must not less than 3 people to help support the Board of Directors in formulating policies and laying down criteria for strengthening policies and laying down criteria for strengthening the Company to have concrete standards and practices in corporate governance to cover the entire organization with transparency, credibility, and accountability, build confidence for shareholders and stakeholders and the Board of Directors has appointed a member of the Good Corporate Governance Committee to be the Chairman of the Good Corporate Governance Committee with qualifications as required by the Securities and Exchange Act of Thailand, including notifications, regulations and / or regulations of the Stock Exchange of Thailand

Nomination and Appointment of the Executives Committee

The Board of Directors is responsible for proposing the appointment of the Executives Committee by electing from Directors and/or a certain number of Management as it sees appropriate and the Board of Directors will appoint one of the members of the Executives Committee to be the chairman of the Executives Committee.

Nomination and Appointment of Chief Executive Officer

The Executive Committee will nominate the qualified delegates with proper knowledge, capabilities and experiences for the position of Chief Executive Officer for the Nomination and Remuneration Committee and Board of Directors' approval.

Corporate Governance of the Subsidiaries, Joint Venture and Other Joint Venture

The Company has always put great emphasis on good governance policy in line with business operation. The Company has also set up a policy to supervise its subsidiaries, affiliated companies and other associated companies for the purpose of overseeing those companies.The Board of Directors has a regulatory mechanism that regulates, manages, and is responsible for the operations of its subsidiaries, associated companies and other affiliates in order to maintain the interests of the company's investment, including:

- Sending of a person to represent the Company as a director of the invested company in proportion to the shareholding. The company's representative shall be a person without any conflict of interest with the business of such subsidiary, associated or other associated company

- The company's representative will oversee that its subsidiaries, associates and other affiliates comply with the rules and regulations set forth in the company's regulations and the laws governing the conduct of business. In addition, the company's representative must ensure that the subsidiary has the regulations governing connected transactions, the acquisition or disposition of assets or other important transactions of such company shall be complete and accurate, and apply the rules related to disclosure and the above transaction in the same manner as the Company's criteria.

- Supervision of disclosure of financial status and operating results, including important transactions to be consistent with the rules of the company, and to keep the records and accounting records of the company so that the company can review and collect the consolidated financial statements in a timely manner.

Investment and Governance Police of Subsidiaries and Associates

1. Investment in other companies include joint venture to set up a new company and buying shares in other companies. The Company has a policy to coin vest with other investors that have transparent business operation and corporate governance.
2. Businesses in which the company will invest must be supportive and beneficial company's business vertically and horizontally to create equilibrium of the Company.
3. Businesses in which the company will invest shall be analyzed in terms of basic business factors, business trend as well as return rate evaluation and future risk prediction.
4. Investment shall not cause problems to liquidity of the Company and subsidiaries.
5. The Company will invest at sufficient proportion to take part in managing and defining business operation regulations of a company to be invested in.
6. The company will review investment in subsidiaries and associates properly and in accordance with business condition of the Company in each period.
7. The investment shall be approved by the board of director or general meeting of the Company according to the article of association and related laws to be in accordance with a notice of Capital Market Supervisory Board associated with principles of providing significant particulars within scope of obtainment or distribution of properties and a notice of Stock of Exchange Commission on disclosure of data and practices of listed companies about property obtainment B.E. 2547
8. The company will supervise a company in which it invests by sending representatives to be a director of subsidiaries and/or associates by proportion of shareholding. The company's representatives must be free from conflict of interest of the subsidiaries and/or associates in which the Company invests and they shall supervise the subsidiaries and/or associates to comply with specified regulations and principles in the company's article of association and applicable laws about business operation of the subsidiaries and/or associates.

It is valid from 13 December 2016 and onwards.

6.1.2 The Rights of Shareholders Policy and Guideline

Shareholder Rights

The Company is aware of the importance of the rights of the shareholders and no action is taken to restrict or violate or deprive of the rights of the shareholders. The Company is responsible for the fair treatment of shareholders including encourages its shareholders to exercise their rights by the basic rights of all shareholders, either domestic or foreign both major shareholders, minor shareholders or institutional shareholders such as the right to buy, sell, or transfer shares, share in the profit of the company, obtain relevant and adequate information on the company in a timely manner and on a regular basis, participate and vote in shareholder meetings to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affects the company, such as dividend payment, amendments to the company's articles of association or bylaws, capital increases or decreases, or the approval of extraordinary transactions.

Beside the basic rights mentioned above. The Company also conducts in various matters to facilitate the exercise of shareholders' equities

1) The Annual General Meeting of shareholders is determined to be held every year within 4 months after the ending of the accounting year of the company. In case of urgency that there is a need to consider a special agenda that may affect or relate to the benefits of the shareholders and is required an approval from shareholders, the Extraordinary General Meeting of shareholders can then be called upon on a case-by-case basis.
2) Give an opportunity for shareholders to propose agenda items and nominate persons to be elected as directors of the Company in advance for at least 30 days. The Company has set the criteria for the right of shareholders to propose the agenda item and / or to nominate persons to be elected as directors in the Annual General Meeting of Shareholders for the year 2020 by the announcement and dissemination of the regulations and procedures through the website of the Stock Exchange of Thailand (www.set.or.th) and published on the company's website (www.nclthailand.com). The shareholders can propose such rules from November 13, 2019 to December 30, 2019. Therefore, on the closing date, there were no shareholders presenting such matter.
3) Invitation letter to the Annual General Meeting of shareholders is prepared and sent to every type of shareholders including institutional shareholders, together with the details of meeting agendas; important and necessary information for the shareholder's consideration; all types of letters of power of attorney namely Form A, Form B, and Form C as determined by the Ministry of Commerce; and indicating how to authorize clearly by indicating location, date, time and a map of the meeting venue. In the meeting invitation letter, details of

documents that shareholders need to present in the meeting in order to preserve the right in attending the meeting will be given. The letter will be sent to shareholders at least 7 days and in case of acquisition / disposition of assets or connected transaction or request for delisting Securities offering to directors and employees. The offering of newly issued shares at low price to private placement, capital increase or reduction must be sent to the shareholders together with the relevant of full information before the meeting not less than 14 days in advance of the meeting date so that shareholders will receive sufficient, accurate, complete, and transparent information in making a decision to cast a vote. In addition, the letter will be announced in the newspapers in Thai for 3 consecutive days before the meeting date at least 3 days. Moreover, the company determines to distribute a complete book of the general annual meeting and the documents about the meeting on the website in Thai version for at least 30 days prior to the meeting day and in English version for at least 7 days prior. The shareholders can then use the information to make a decision for voting with completeness and honesty. The provided documents are intended for the shareholders to be prepared before attending the meeting. The company also broadcasts this news via the channel of SET that the company has distributed the meeting book and related documents on the company website.

4) Shareholders will be informed in case there are additional agendas in the meeting. For an urgent case regarding the preserving of rights or benefits of the company, a meeting invitation letter will be sent in advance no less than 7 days before the meeting date, while relevant information of the meeting agendas will be publicized on the website in advance before sending the documents.
5) Providing convenient channel in receiving news for shareholders by posting news and details through Company website, especially shareholders' meeting invitation letter which should be post prior to the meeting date for shareholders to conveniently and have sufficient time to study information relating to the meeting. Hard copies of information relating to the shareholders' meeting is nonetheless delivered to shareholders.
6) The company will not take any actions that are considered limiting the rights of attendance of shareholders. Every shareholder has to right to attend the meeting of shareholders throughout the length of the meeting.
7) If a shareholder cannot attend the meeting, the Company allows the shareholders to appoint an independent director or any person to attend on their behalf with the power of attorney in any form which has been sent by the Company together with the invitation letter. The Proxies are legitimate has the right to attend and vote in the same manner as all shareholders. The Company has proposed the list of independent directors in the proxy form as an alternative to the shareholders to be an opportunity to appoint any independent director.
8) Chairman of the meeting shall inform the shareholders of rules of the meeting and voting procedures. All shareholders shall be treated equally in expressing their opinion and raising questions in the meeting. Directors and relevant management team members shall attend the shareholders' meeting to provide responses to any inquiry raised at the meeting. Time shall be allotted appropriately.
9) In counting votes, the company will arrange an independent outsider to count or examine the vote counts in ordinary and extra Annual General Meetings, for example the auditor, the legal division or shareholders who

are selected and approved from the meeting, etc. The vote counts will be available to present to the meeting and will be recorded in the minutes of the meeting.

10) Shareholders are given the right to attend the meeting of shareholders after the meeting has been declared open, and have the right to cast a vote in the agenda in-between consideration that has not been voted.
11) The company has indicated the interests of directors in the invitation letter to the meeting of shareholders. And in the meeting of shareholders, if any director has an interest or is related in any of the agendas, the chairman of the meeting will inform the meeting attendants in advance before considering the agenda. The director with an interest to that agenda will not attend the meeting and be refrained from casting a vote in such an agenda.
12) The Company shall disclose the resolutions and voting results of each agenda item at the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders within the meeting date or no later than 9.00 am on the next business day through the website of the Stock Exchange of Thailand (www.set.or.th) and published on the company's website (www.nclthailand.com) within the same day.
13) Record the minutes of meetings with complete, accurate, timely, transparent and record down significant issues in the minutes of meeting for shareholders to review. Moreover, the Company shall present minutes of meeting on Company website for shareholders to consider as well as hand in the said minutes of meeting to The Stock Exchange of Thailand within 14 days commencing from that of shareholders' meeting.
14) Right of shareholders regarding dividends and share of profits the company has announced the dividend payment policy. The reasons and information for the dividend payment or non-payment are disclosed in the Annual Report and Form 56-1 (the details, please see the dividend payment policy) and the Company's website. (www.nclthailand.com)
15) The Right to Consider Directors' Remuneration: Nomination and Remuneration Committee are responsible for the consideration of the form and criteria of the remuneration of each director which considered from the business type, size of the business and the responsibilities of the Board, compared with other listed companies in the Stock Exchange of Thailand which has market capitalization. In similar size, the Company has proposed the remuneration as a meeting allowance, a commission of the director and proposed to the shareholders' meeting to be considered in every year. Thus, the details of Directors' Remuneration appear on the Annual Report and Form 56-1 under "Directors and Management Remuneration"
16) The appointment of a certified auditor and the approval of the audit fee: The Audit committee selects and sets auditor fee to propose to Board of Directors and shareholder's meeting. The proposed auditors have been under the Audit Committee's consideration on basis of qualification, quality, efficiency, not related to or concerned to the company, and appropriate remuneration.

In year 2020, the Company held the 2020 Annual General Meeting (AGM) on May 8, 2020, at 09.30 a.m. broadcasting live via electronic media at NCL Meeting's room 56/9-10 SoiSomdejprajaotaksin 12/1, Somdejprajaotaksin Road, Bukkalo, Thonburi, Bangkok 10600 The meeting was attended by 8 directors. However, Chairman, Managing Director, and Chairman of every subcommittee attended the meeting including

Chief Financial Officer, Corporate Secretary, Auditor were also in attendance to answer questions of the shareholders. The Company designated Thailand Securities Depository Co., Ltd., its share registrar, to circulate an invitation letter to shareholders. The letter was also posted at http://www.nclthailand.com30 days prior to the meeting date. The Minutes of the 2020 AGM were posted on the website 14 days after the meeting. The Company allowed minority shareholders to propose agenda items and to nominate qualified candidates as directors and how to propose through the website of the Stock Exchange of Thailand (www.set.or.th) and published on the company's website (www.nclthailand.com). The shareholders can propose such rules from November 13, 2019 to December 30, 2019. Therefore, on the closing date, there is no shareholder proposed the matter. Beside, to register for the meeting, the Company provides facilities for shareholders; the staff and computer systems are adequate and appropriate. Participants are registered with the barcode system and



Picture of the 2020 Annual General Meeting (AGM) on May 8, 2020, broadcasting live via electronic media

printed out the voting card of each term to the shareholders or their granted proxy.

The Equitable treatment of Shareholders

The Company has a policy to emphasize equal and fair treatment of the shareholders including those with management positions, non-executive shareholders, local shareholders and foreign shareholders, major shareholders or minority shareholders and to ensure that the shareholders be able to trust that the company's Board of Directors and management shall use their money to maximize the long-term benefits of all shareholders appropriately as the follow guidelines:

1) The company gives importance to every shareholder by giving an opportunity to shareholders to exercise their right in raising an additional agenda to be added to the meeting and in nominating for an expert to be elected as a company's director at least 30 days in advance of the Annual General Meeting of shareholders. In

addition, the company will publicize the rules of such execution of the right through channels of the Stock Exchange of Thailand (www.set.or.th) as well as clearly inform the consideration rules in accepting the proposed agenda by publicizing on the company's website (www.nclthailand.com) since November 13, 2019 to December 28, 2018.

2) Conduct and facilitate the shareholders on the date of the meeting equally and not to do any act that restricts or abuses or deprives the shareholders' rights. Provide the reception staff with sufficient information to check and register the attendance records. The company uses the barcode system to register improve the potential of rapidity and be prepared the stamps in case the shareholder has a proxy to attend the meeting with no expenses. In addition, the Company has prepared the meeting area in sufficiently sized to accommodate the number of shareholders, convenience to travel and located in Bangkok.
3) In the shareholders' meeting, the shareholders will consider and vote on their agenda without changing of any important information. The shareholders' meeting shall be preceded according to the agenda item as stated in the notice of the meeting and the agenda could not have added without prior notice to the shareholders to provide the opportunity to shareholders to study the information before decide to vote.
4) In the case that a shareholder cannot attend the meeting, the Company shall provide convenience and allow the shareholder to appoint at least 1 independent director or any other person to attend on their behalf with the power of attorney in any form which has been sent by the Company together with the invitation letter.
5) The Company stipulates the duty for Independent Director to take care of the minority shareholders as minority shareholders can give suggestions, and comments to Independent Director who shall consider action as appropriated in each case. The directors shall carry out to verify the facts and find out an appropriate corrective action. For suggestion essentially affecting stakeholders as a whole or the Company's business conduct, it shall be proposed to the shareholder meeting for its consideration of inclusion thereof as agenda therein.
6) Updated information will be disclosed through the company's website so that shareholders can receive important changing news of the company including information required to be disclosed by relevant regulations. After dis-closure to the Stock Market, such information can be disclosed on the company's website both in Thai and English. and allow the communication channels between the company and the shareholders on the company website so that the shareholders can ask questions and receive fair information.
7) Educating directors and executives about the duty to report their securities holding to SEC pursuant to Section 59 of the Securities and Exchange Act B.E.2535. The Board shall regularly inform any information and regulations of the SEC and the Stock Exchange of Thailand to the Board of Directors and the executives upon it has been notified thereof from such agency.
8) The Company stipulates protection measures on insider trading of person related to Directors, Executive, employee, and person employed by the Company including spouse and children who are minors and related to the information. The Board also imposed penalty clause on disclosure of the Company's information or

exploit the Company's information for personal gain and such regulations shall be declared and abided by the directors, executives, employees accordingly.

The Company has established a policy to use the Company's internal information and policy to prevent conflicts of interest. Approved by the Board of Directors Meeting No. 1/2013 held on 18 July 2013 and the Board of Directors' Meeting No. 1/2020 held on February 27, 2020, reviewed the policy and has been approved for use as the current version as the following details.

Insider Information Usage Policy

The Company establishes a policy to keep and protect the use of internal information in a written manner and to notify such practices to all persons in the Company and the way to take care of directors and the management in using of internal information of the Company which is not yet disclose to the public use for personal gain as follows.

1. Directors, executives and employees of the company and its subsidiaries are required to maintain confidentiality of information within the company and subsidiaries.
2. Directors, executives and employees of the company and its subsidiaries shall not expose confidential information of the company and its subsidiaries to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly. Also, whether they receive compensation or not.
3. Educate the board of directors, executives, and senior management in the accounting or finance department at the managerial level or higher. About the duty to prepare and submit reports on the holding of securities in the company, his spouse and children underage. To the Office of the Securities and Exchange Commission under Section 59 and Penalties under the Securities and Exchange Act BE 2535 (as amended)
4. Directors and Executives of the Company include spouse and minor children are prepared and disclosed the report on securities holding and the report on the change of the Company's securities holding to the Office of the Securities and Exchange Commission under Section 59 and the Penal Code under Section 275 of the Securities and Exchange Act BE 2535 (including the additional revision) and submit a copy of this report to the Company on the same day that was sent the report to the Securities and Exchange Commission.
5. The directors, executives, employees and its subsidiaries of the Company are prohibited (including spouse and minor children) who receive significant internal information that affects the change of the Company's securities trading prices within 30 days prior to such disclosure or disclosure to the public. And within 24 hours after the internal information of the company has disclosed to the public. Any person who involved with the internal information must not disclose that information to others until the information is provided to the SET. Penalties for violations of the above rules. The Company treated this action as guilty of misconduct in accordance with the Company's Articles of Association and will be considered the punishment such as

verbal warning, warning letter, remit punishment as well as termination of employment by dismissal or deposition depends on the case.

6. The directors, executives and employees of the Company are prohibited to use internal information of the Company which can effect of the change in the price of securities of the Company which has not yet been disclosed to the public which it has knowledge by their position or such status and used to buy or sell or offer to buy or offer to sell or to persuade others to buy or sell shares or other securities of the Company (if any), whether directly or indirectly and whether this is done for the benefit of themselves or others, or to bring such facts out, to disclose to others to do so, whether they receive benefits or not.
7. Directors and executives including the executive level position in accounting or finance or equivalent level manager are required to submit the list of their first securities holding and report on changes of securities holding including those of their spouses and minor children, as well as related persons. The submission and report shall be conducted and submitted within 30 days from the date of appointment to the position of a director or executive and within 3 working days from the date of buying, selling, transferring or receiving the transfer of the securities, submit it to the Office of the Securities and Exchange Commission (SEC) and send a copy to the Company secretary to acknowledges every time of the change to prepare a report to the board of meeting acknowledge in every quarter.
8. Specified that the Directors and Executives including those who assume the position as executive in accounting or finance, equivalent to department manager or equivalent. (According to the definition of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand), it is required to report at least one business day before trading to the Company Secretary for reporting to the Board.

The Conflict of Interest Policy

The Board of Directors sets policies on conflict prevention on the principle that any decision in conducting business activities must be done for the best interests of the Company and should be avoided any act that can cause the conflicts of interest , determined that any participant or stakeholder in the transaction must notify the company of its relationship or interest in the transaction, aforementioned, must not participate in the decision-making process, or no authority to approve such transactions. The Company has set the policies and practice guideline as below:

1. Director, executive and employee are required to disclose upon arising of any situation believable as a cause for conflict of interest.
2. Avoid making transactions with directors that may cause a conflict of interest with the company. In case of emergency, the transaction must be proposed to Audit Committee for consideration prior to approval from the Executive Committee or Board of Directors (Depending on case), in accordance with the principles of corporate governance and ensure compliance with the rules of the Stock Exchange of Thailand and Commission on Securities and the Stock Exchange.

3. Directors and executives who have a significant interest in a manner are prohibited to give an opinion freely and abstain from taking part in the meeting agenda. The directors and executives are required to inform the stakeholders before the agenda, the minutes of meeting should be recorded.
4. Has set up the clear and transparent structure no cross-shareholdings with major shareholders, to avoid conflicts of interest to any one party and disclose the shareholding structure of the Company and its subsidiaries in the annual report.
5. The company complies with the policy on conflict of interest and business ethics, whereby directors, executives and all employees as well as employees in the subsidiaries are required to strictly comply with such policy. The company provides information to better understand the practices of employees throughout the company.

Role of Stakeholders

The Company recognizes the importance of rights of every stakeholder including shareholders, customers, trading partners, counterparts or creditors, Company's employees and the society. The Company should set a clear policy on fair treatment for each and every stakeholder in accordance with the laws or mutual agreements. To ensure that such rights are protected and treated fairly and equally. Thus, the Company has set the Business Ethics or Code of Conduct as a guideline for dealing with each stakeholder, as well as the community society and the environment for sustainable development; anti-fraud and corruption, no violate intellectual property including respect for human rights. Any actions that can be considered in violation of stakeholders' legal rights should be prohibited.

Policies and guidelines for shareholders.

The Company operates business by taking into consideration the long term grown of the Company as well as provision of good return to the shareholders. The Company operates business transparency by putting in place an efficiency internal control system and has strictly prohibited performing any acts in the nature that may cause conflict of interest with the Company. The disclosed information must be accurate, sufficient and timely.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders access to Company information.

5. A Report of the Board of Directors' responsibility for the financial statements in the annual report shall be prepared
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by director or indirect means, shall be eliminated.

Policies and guidelines for customers.

The Company realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The Company operates the business of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with commitment to develop goods and services, introduce new innovations and add value to goods and service in order to continually meet the demands if customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets is maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the director or indirect receipt of properties or other dishonest benefits from customers.
5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

Policies and guidelines for Partners

The Company treats trading partners equitably and tales into account mutual interests by prescribing the following policies and guidelines.

1. The Company has the policies on treating business partner and all creditors fairly, does not take advantage of business partner and shall not defraud partners or creditors as well as stringently observe contracts, agreements, and conditions given to creditors or partners. The Company is focused on developing and maintaining sustainable relationships with its business partners.
2. The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.
3. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of one self or of others.
4. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and service are jointly undertaken to promote mutual growth.
5. The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
6. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements

Policies and guidelines for competitors.

1. The Company encourages the policy to promote the free and fair competition conforming to the rules of good competition. The Company shall define the practice under framework of good competitive roles and laws and avoid defamation of competitors as well as in strict adherence to established ethics.
2. The Company will not damage the reputation of its trade competitors.

Policies and Guidelines for Creditors

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and items will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors on the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.

5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

Policies and guidelines for employees

The Company also realizes that the employees are one of the important resources to develop the growth of the organization so should be treated equally and fairly as well as focuses on developing employees' potential, knowledge, and competency.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin color, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employees participation in the determination of the Company's direction and development are promoted and listen to opinions and suggestions from every level of employees on a fair and equal basis.
6. Encourage and encourage the provision of additional training to all employees. It is in line with the Company's policies, problems, visions, missions and strategies. Annually for example, the potential for work. The importance of the environment.
7. Provide training, Public relations Corporate Governance, Business Ethics and anti-corruption to all employees to acknowledge and strictly follow.
8. Give a fair return which appropriate to their knowledge, ability, responsibility and performance including the compensation in accord with the Company's performance in both short and long term.
9. Appropriate welfare and benefits are given to employees, e.g. employee welfare policy medical expenses 10 serious diseases, provident fund etc.
10. Channel are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
11. Employees of all levels are encouraged to participate in social responsibility activities.
12. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.

Policies and guidelines for financial assistance

The company has a policy not to provide financial assistance to any other company which is not a subsidiary of the company. Regarding to process transactions between the company and a subsidiary in the form of providing financial assistance, the Board of Directors has determined guidelines of processing transactions each other in the form of financial assistance in regulations for approval and operations approved by the Board of Directors themselves.

Policies and guidelines under human rights

The company has a policy to treat each other under human rights. It is the ethics and code of business conduct should respect in the dignity of each individual, independence, privacy, legal and human rights and the interests of the stakeholders. The decision of the management should be impartial and treat everyone without prejudice and no discrimination against gender, class or racism.

by directors, executives and employees including employees in subsidiaries that must be strictly adhered to by all parties. It is as part of the discipline of work, which must take into account human dignity, freedom and equality of individuals. The company does not do and promote of human rights violations. The company and its subsidiaries are not related to the organizations or individuals that violate human rights, in all cases, the company has complied with the basic principles of human rights.

Personal information protection policy

NCL International Logistics Public Company Limited (the “Company”) recognizes and respects the privacy of personal information. Therefore, the company has published a Personal information protection policy to control the collection, use and disclosure of personal information of the company to oversee the operating process of the collection, use and disclosure of personal information of the company

1. Scope, this policy is enforced to all personal information collected by the company for the purpose of offering the company's products and services to any parties. In this policy, "Personal information" refers to the information related to a person that allows such person to be identified whether directly or indirectly, but it does not include particular information about the deceased.
2. Giving Consent, the company shall collect, use and disclose personal information only with your consent. The consent can be made either electronically or in writing. Nevertheless, personal information may be collected, used or disclosed without having consent of the individual in the following situations:
   2.1 When the company collects personal information for conducting research or collect statistical data.
   2.2 When the company is required to prevent danger which may happen to the individual, third party or cause damage to the said individual's property.
   2.3 When that personal information has been revealed to the public

2.4 When the companied complies with the relevant laws, rules and regulations.

3. Collection of Personal Information, the company may collect the Personal Information and only for the duration necessary for the purposes specified in this policy. However, the personal information shall be collected in an appropriate way and in accordance with the law.
4. The Use of Personal Information, the company shall not use your personal information for any purpose other than as specified in this policy or as *determined* by law. In this regard, the company is aware of providing knowledge to employees in the organization to manage such personal information. For example, access to personal information created and not cause loss or destroy, modify, revise, leakage and others and shall manage security measures appropriately. In addition, the company shall continuously conduct to review and improve necessary measures for the safety of data storage.
5. Disclosure of Personal Information, the company shall not sell or distribute personal information of employees to third parties or any other organization. The personal information shall be disclosed only if you request and give consent to the company to proceed. Otherwise, the disclosure of that information is as permitted or required by law. For example, the disclosure of information under the order of the government officials authorized by law, according to judicial order or the subpoena.

   In the case that the company has developed and maintained the work system of the company effectively, the company shall enter into an agreement with a third party to operate. The third party must accept the Personal Confidentiality Agreement as well.
6. Storage of Personal Information, the company shall collect personal information for a period of time as necessary to achieve the objectives as specified in this policy or in accordance with relevant laws and regulations. In this regard, when the company considers that it is no longer necessary to use the information, the company shall take appropriate actions to securely delete or destroy personal information from the system.
7. Access of Personal Information, You may request access to your personal information in order to correct, change or delete personal information provided to the company by submitting a written application letter to www.nclthailand.com. In order to prevent unlawful possession of personal information or the change of personal information processed by third parties, the company shall ask for personal information to confirm the identity of such person before processing as request. In this regard, the company shall response to every inquiry within a reasonable time. However, the company may reject the inquiry in certain situations. For instance, the case of the said information refers to another individual or cannot be disclosed due to legal or security reasons.
8. The right to choose, you have the right to decide how that personal information will be collected, used and disclosed, including opting out of Privacy settings and unsubscribing from email or certain letters.
9. Security, the company has implemented measures to control and maintain the security of information systems appropriately to protect the personal information. Although the company takes the best effort to provide the security protection of the information on the website and computer programs, however, we

cannot guarantee that the internet data transmission and control will be 100% secured. If you find that the use of the company's services is not secure enough, please notify the company immediately by sending details via the website by clicking on "Contact Us" button.

Policies and Practices to respect for intellectual property and copyright

Company adheres to and respects the intellectual property and copyright as follow:

1. The company must not take any actions that violate the intellectual property rights of others or competitors
2. Executives, managers, and employees must not seek a competitor's trade secrets or specifications of competitors by unlawful ways e.g. illegal theft, espionage or violation of an agreement not to disclose information of a competitor, whether from customers or other parties. It also includes trade secrets of the company, for example, a business plan and technical innovation, which company's employees have a duty to keep it confidential. It must not be distributed to third parties, whether they are competitors or not.
3. The company recognizes the importance of intellectual property and copyright. The company only allows employees to use the software defined and installed by the company. The programs are copyrighted and legally prohibited from installing or downloading copyrighted music, movies, games, and etc. that are not legitimate. The Information Technology department is responsible for oversight and checking individuals' computers regularly. Internal Audit is also responsible to conduct a random check again so that employees understand the importance of such matters.

Policies and guidelines on compensation and benefit

1. The company will employ and allow all employees to progress in jobs and works with fairness.
2. The company will offer various compensation in comparable amount to other business in same category according to the position, experience, degrees, and qualification of the employees. Based on the performance of the company. It will depend on the evaluation and competency assessment to measure the success the work of the employees as well.
3. The company will provide the fair and proper compensation according to knowledge, responsibility, and the out-come of each employee.
4. The company offers benefits for basic needs of the employees such as provident fund, annual physical examination, uniforms, various compensation in case 10 serious diseases, and training to increase professional skills.

Employee Complaint Channels

Company determines the time period for the employee to report the incident in the wrong way, discipline and law. It can be sent as a sealed letter to the Managing Director or send by email to the Managing Director at kitti@nclthailand.com

The information provided by the informer will be seriously responded and the reporter will not suffer any loss due to the reporting of the complaint in good faith. Employee disclosures are always kept confidential. However, for the complaint, the complainant should collect the information carefully and realize to the accuracy of the information disclosed.

Policies and Guidelines for Hygiene and Safety and Workplace Environment

The Company always realizes that the employees are the key to the Company's success. We strive to meet the safety, hygiene, and environmental standards. The Company has set the guidelines for prevention and control of workplace hazards, safety, hygiene and workplace environment which is the duty and responsibility of all employees to cooperate in the surveillance and surveillance of the work environment in a safe condition.

1. Compliance with standards to ensure safety in health and work environment for all employees.
2. Compliance with safety laws and regulations. Health and Environment of the country where the company enters the business
3. The Company always supports the regular improvement of work conditions and safety environment.
4. All employees must consider to their own safety; colleagues include the company's assets as importantly at all work time
5. All employees must maintain cleanliness and orderliness of their work area
6. All employees have the right to offer feedback on improving their work conditions and their workplace and the environment of the company for the improvement
7. The Company support and promotes participation in various security activities that will stimulate employee awareness such as training, incentives, public relations safety and good hygiene.
8. Promote knowledge about hygiene, safety at all levels, it also supports the way and implementation of environmental protection measures in accordance with the laws of the industry.
9. The executives at all level must be a good role model and can encourage employees to work in a safe way.

Accident and Injuries Statistics from the year 2020

Number of all employees (people)	Employees injuries (people)						
	Total	Died	Infirm	Some dismemberment	Less than 3 days off work	More than 3 days off work	No day off
134	-	-	-	-	-	-	-

Policies and Practice Guidelines for Community and Society

The Company runs its business regarding to its duties and responsibilities to the nation, community and society and local traditions to preserve the goodness in society and the public.

1. Do not run the business that affect to the social and not violate the rights of other people that living in that community and society
2. Encourage of the conscious mind to the responsibility to the community and society in the company and employees at all level continuously.
3. To defined the measurement in prevention and the solution of the impact on communities and society as a result of the Company's operations.
4. Promoting cultural preservation and local traditions
5. Cooperate with various agencies in community development
6. Support the activities that cause public interest
7. Create a good relationship between the Company and the community on the basis of accuracy, transparency and fairness.

Policies and Practice Guidelines to the Environment

1. Conduct the business in accordance with laws, regulations and environmental policy by considering to the impact on natural resources and environment. Review and evaluate the performance result regularly.
2. Create a corporate culture and raise awareness for employees at all levels to collaborate and responsible in environmental management, efficient and sustainable use of resources
3. knowledge enhancement and training employees on the environment
4. Promote environmental management system. This includes the use of resources, the cost of treatment and rehabilitation, the replacement of surveillance and the protection of the impact on natural resources and the environment.
5. Select the business partners who run the business with environmental friendly

Policies and Guidelines for Effective Use of Resources

The Board recognizes and promotes a conscious effort to use resources efficiently in the organization. To encourage the staff for the conscious mind and together save the usage of energy resources such as walking up and down the stairs instead of using the elevator, use two-sided paper, reduce paper usage in work process. Turn off and turn on the electricity and air conditioning when necessary and close the air conditioning during the lunch break, use water economically, provide the water dispenser adequately to reduce the purchase of drinking water using plastic bottles.

Guidelines for Prevention of Involvement in Corruption

The Company is committed to running its business using good corporate governance principles. The Company takes responsibility for society, the environment, and all stakeholders, and it has formulated policies towards the compliance with anti-corruption laws. Also, it has defined the anti-corruption guidelines in the Company's Business Code under the headings "Policy on Receiving and Giving Gifts and Recompenses" and "Policy on Prevention of Corruption and Bribery," which are outlined as follows:

Policy on Receiving and Giving Gifts and Recompenses

- Executives and employees are prohibited from asking for any benefit from partners or those who do business with the Company.
- Executives and employees are prohibited from offering any benefit to any other third parties or partners in any attempt to persuade them to commit an unlawful action.

Policy on Prevention of Corruption and Bribery

- Receiving or giving property, or any other benefit that may produce motivation to make an unlawful decision, must be done correctly and straightforwardly, and it must be ensured that the actions will not lead to any criticism of, or a bad reputation to, the Company. What the Directors have received must be kept in the office or distributed to the employees.
- Procurements must conform to the procedures set forth in the Company's regulations and they should be fair for stakeholders. The decisions on procurements must take into account the reasonableness of prices, quality and services to receive, and transparent auditability.
- As for transactions with the government sector, the Company shall avoid any actions that may persuade the government sector or government officers to take wrongful or improper actions. However, building a good mutual relationship or taking any actions within a proper extent and customary practices are acceptable, e.g. extending congratulations or giving a bouquet for special occasions.

Penalty

The Company has authorized the CEO, Deputy CEO or supervisors in each department to consider and take disciplinary actions on employees who have committed wrong actions or fail to comply with the Company's regulations. The disciplinary actions are imposed according to the severity of the offense, ranging from a verbal warning to suspension or dismissal.

The policy was approved at the Board of Directors' Meeting, no. 1/2013, and notification was given to the employees on July 18, 2013.

Participation in Thailand's Private Sector Collective Action against Corruption - CAC

On 3 October 2017, the Company signed Thailand's Private Sector Collective Action Coalition against Corruption (CAC) to jointly declare its intention to counter corruption and not to accept any dishonesty in consequence of the Company's business operations or the operations in the organization. The Company aims to operate its businesses with honesty and transparency in compliance with laws related to anti-bribery and anti-corruption and with the good corporate governance policy of the Company because organizational corruption is a risk to the sustainable growth of business operations. The Company is aware of anti-corruption in every form without exception and shall not participate in corruption either directly or indirectly. Every director, executive, and employee of the Company shall adhere to and comply with the anti-corruption policy.

Disclosure of Information and Transparency

The Board of Directors recognizes the importance of disclosure of information, both financial and non-financial, that is accurate, complete and transparent as stipulated by the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as other material information that may affect the price of the Company's securities that influences the decision-making process of its investors and stakeholders. This is to ensure that all shareholders can access to the Company's information equally. After the Company has registered and became publicly listed in the Stock Exchange of Thailand, proposed the IPO shares in this time. Information on the Company is disseminated to the shareholders, investors and general public through the channels of the SET and the Company's website.

Financial Report

The Board of Directors recognizes the responsibility of the accurate, complete and reasonable quarter and annual financial statements and its subsidiaries under the recognized certified standard with the choice of appropriate accounting policy and practice on regular basis. Sufficient explanations to the financial statements are also inclusive in the annual report. The Company's Board of Directors intentionally maintains effective internal control system to

ensure accurate and complete accounting information record with sufficiency to secure asset and realize weak points. This will prevent the Company from any important malpractice or misconduct. The Company Board of Directors has appointed the Audit Committee to take a responsibility for matters concerning quality of financial report and internal control system. The Audit Committee shall report the minutes to the Board of Directors every minutes meeting. The Company has established a dedicated Investor Relations to provide accurate, complete, and accurate information and correspondence to shareholders, analysts and other relevant authorities.

Whistle Blowing Policy and Practice and Whistleblower Protection Measures

The Company is committed to maintaining a well-founded corporate practice. This is in line with the principles of good corporate governance for all stakeholders as stated in the Corporate Governance Policy and Business Ethics Guide. This policy has been set up as a mechanism and gives the rights to employees and stakeholders. Thus, the Board of Directors has set the channels for communication with the Board of Directors by mail or email to provide a channel of information and instructions for ordering a process-based review for complaints related to illegal activity, accuracy of financial reports, defective internal control system, offense or unethical behavior of the executives and employees. The Company will keep the information from this report confidentially and the reporters are protected by the Company.

Policy scope

This policy is set up to encourage all employees and stakeholders to disclose information that indicates violations of the Company's laws, regulations, and ethics.

- Corruption
- Fraud, Misappropriation, Theft
- Corruption actions to benefit themselves and others.
- Actions that is harmful to health and safety or environmental
- Intentionally causing damage or loss to the Company.
- Clear violation of business ethics
- Support for violating the law, regulations and business ethics including concealing or assist to conceal such actions.

Keeping Confidential Information

This policy is designed to ensure that employees and stakeholders are fully aware of their complaints, and that reporters will not suffer due to the reporting of complaints in good faith. Employee disclosures are always kept confidential. However, the complaint and the complainant should collect the information carefully and the information disclosed should be accurate.

False Allegations

If any employee or stakeholders deliberately makes a complaint with false allegations or malicious intend to the complainant, the Company will consider the complaint to be a violation of business ethics. Beside, the Company will conduct the investigation to consider the punishment according to the Company's regulations.

By clues, complaints and recommendations will be considered and implemented as appropriate. It shall be considering and take appropriate action case by case, without disclose the name of the whistle-blowers and also records as the confidentiality complaint. There are measures to protect the whistle-blowers to ensure that the whistle-blowers and the complainant will not be affected by such clues and complaints. If the Company is required to disclose that information, the Company will only disclose the necessary information, to considerate of the important of safety and the damage of the complainant and the whistle-blowers at most.

Channel for complaints

Register letter
The Board of Directors
NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED
56/9-10 SoiTaksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok 10600

The Company secretary is responsible for accepting documents sent to the Board of Directors and submitting them to sub-committees or related directors and summarizing all recommendations and issues for submission to the Board of Directors on a basis of quarterly except documents sent to the audit committee, which will be sent directly to the audit committee.

Channel for contact to the company

	Email	Phone
The Board of Directors	management@nclthailand.com	-
Corporate Secretary	rungarun.b@nclthailand.com	02-4737300 # 300
Investor Relation	rungarun.b@nclthailand.com	02-4737300 # 300
Website	www.nclthailand.com /Good Governance/ Channel for Complaints	-

In 2020, there was no report from any stakeholders to The Board of Directors. However, the company always promoted to all stakeholders to be more aware of such channels.

6.2 Business Ethics

The Company encourages directors, executives, and employees to operate and make decisions on the Company's business in a transparent, straightforward manner adhere to the law, held on virtue and ethics. The Business Ethics Handbook has been prepared as a part of the Corporate Governance Policy. It is a guideline and standard for the performance of directors, executives and all employees in the organization strictly follow, including continuous supervision. The "Corporate Governance Policy" and the "Business Ethics Handbook" are posted on the Company's website (www.nclthailand.com) to communicate with outsiders and within the organization to the directors, executives and employees of the Company acknowledged to properly implementation.

6.3 Major changes and developments of the policy Practices and corporate governance systems in the past year

NCL International Logistics Public Company Limited **("the Company")** realizes the importance of good corporate governance, and cooperate in the implementation of rules and regulations with various relevant agencies, such as the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), Thai Listed Association (TLCA), Thai Investors Association Thai Institute of Directors Association (IOD), Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project, etc., including because we have always believed that building confidence or a good performance alone may not be enough to be a good listed company, but the company must be able to adapt to suit the changing business conditions and have a good relationship with the people around in all aspects of the business so that the company can grow and survive, have a good long-term performance, trustworthy for shareholders, and the people around. It is beneficial to create sustainable value for the business that meets the expectations of both the business sector, investors, as well as the capital market, and society as a whole.

The company has reviewed the corporate governance policy to be consistent and in line with the good corporate governance principles. For CG Code 2017 listed companies through the Board of Directors annually. In the past year, the company has reviewed things such as good corporate governance policy, Business Ethics Manual Charter of various policy committees, etc.

In the previous year, the company has been evaluated by the agency related as follows:

1. Results of the evaluation of the "Assessment of the quality of conducting the Annual General Meeting of Shareholders" project for the year 2020 organized by the Thai Investors Association which has been assigned by the Commission Securities and Exchange Commission (SEC), where the company receives a score of 100 percent (the company has received 100 percent assessment results for the fourth consecutive year since 2017)

2. The evaluation results of the “Corporate Governance Survey of Thai Listed Companies” project, (CGR) 2020, organized by the Thai Institute of Directors Association (IOD), received a 91% rating score, which is excellent. (The company has received the evaluation results from 90 percent which is excellent for the third consecutive year since 2018)

   - The company has introduced recommendations for the development of corporate governance under the CGR projects in various categories to improve and develop corporate governance of the Company to raise the standards of corporate governance of the company to be even better.

7. Corporate Governance Structure and Important Information about The Board of Director, Sub-committees, Management Employees and Others

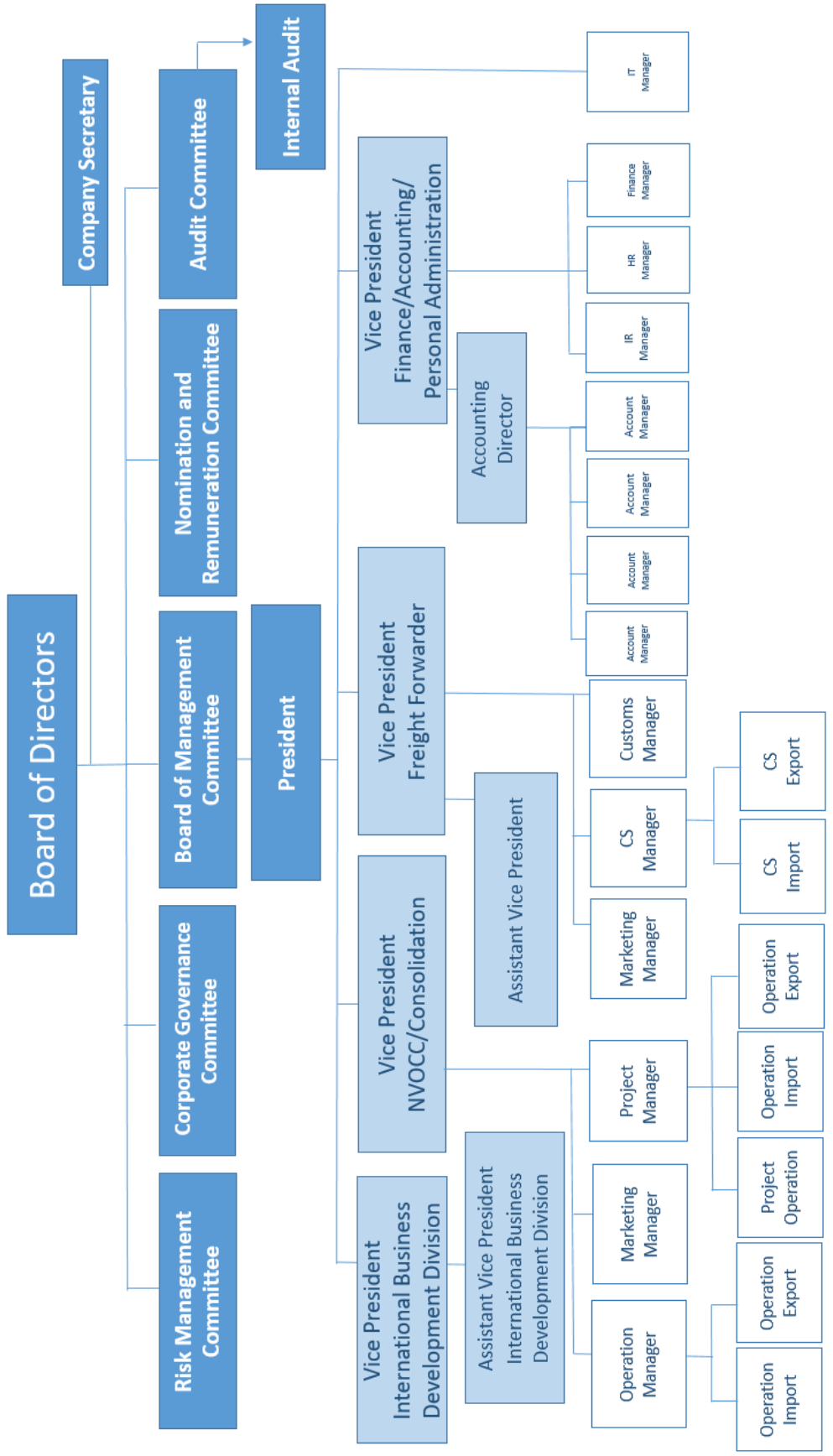
7.1 Management Structure

The Company's management structure is comprised of a board and five committees, namely the Board of Directors, Executive Committee, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Good Corporate Governance Committee

The Company's Board of Directors and management are composed of qualified people whose qualifications meet the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. They have performed their duties with integrity and have protected the shareholders' interest. Furthermore, they have operated within the framework of accepted business ethics, have taken into account all stakeholders' interests, and have provided a trustworthy accounting system, financial reports and account reviews.

The Management Structure of the Company (as of December 31, 2020) are as follows:

Management Structure



(As of 31 December 2020)

7.2 Board of Director

As of December 31, 2020 the Company's Board of Directors was composed of the following eight people.

Name	Position	Type of Directors	Attended Dated
1. General Porpol Maneerin[1]	Director Chairman of the Board of Directors	Independent Director	26 April 2017* 12 November 2019**
2. Mrs. Jitmanee Suwannapool	Director Chairman of the Audit Committee The Risk Management Committee The Nomination and Remuneration Committee The Corporate Governance Committee	Independent Director	15 May 2015
3. Mr. Pongpun Kongkumnerd	Director The Audit Committee Chairman of the Risk Management Committee Chairman of The Nomination and Remuneration Committee The Corporate Governance Committee	Independent Director	4 February 2013
4. Ms. Chanyapat Wiphatthanananthakul[2]	Director The Audit Committee The Risk Management Committee The Nomination and Remuneration Committee Chairman of the Corporate Governance Committee	Independent Director	1 March 2019
5. Mr. Kitti Phuathavornskul	Director, President Chairman of the Executive Committee The Risk Management Committee	Executive Director Authorized Signing Director	4 February 2013
6. Ms. Netirad Sang-ngam	Director, Vice President The Executive Committee The Risk Management Committee The Nomination and Remuneration Committee	Executive Director Authorized Signing Director	4 February 2013
7. Ms. Pornthip Sae-Lim	Director, Vice President The Executive Committee The Risk Management Committee	Executive Director Authorized Signing Director	13 August 2014

Ms. Rungarun Bongkodkanok served as the Secretary of the Board of Directors and Company Secretary.

Remark: * Date of being appointed as the director ** Date of being the chairman of the board

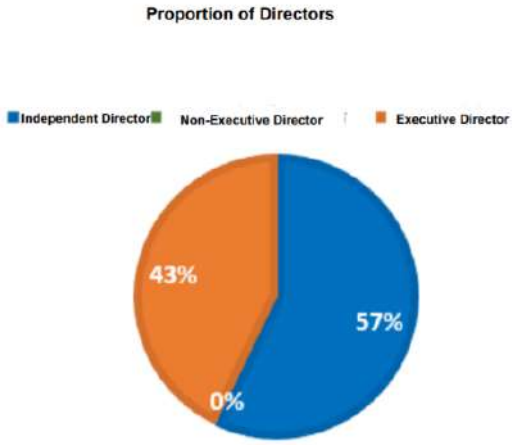
1 Board of Directors Meeting 2/2563 on May 13, 2020, resolved to restructure the chairman of the sub-committee which is held by an independent director to have a balance of power with the following adjustments: Appoint Mrs. Jitmanee Suwanpool as the Chairman of the Audit Committee. Appoint Mr. Pongphan Kongkamenid as Chairman of the Risk Management Committee and Chairman of the Nomination and Remuneration Committee. Appoint Miss Chanyaphat Wipattana Nantakun as the Chairman of the Corporate Governance Committee with effect from 14 May 2020 onwards.

Directors who were authorized to bind the company

The directors who were authorized to bind the Company included Mr. Kitti Phuathavornskul, Mr. Wantenan Techamorakot, Ms. Netirad Sang-ngam, and Ms. Pornthip Sae-Lim. Two of them signed together and stamped the Company's seal.

In the year 2020, the proportion of directors are as follows:

Characteristics of the Director	Number (people)
Company Directors	7
Independent Director	4
Executive Director	3
Non-independent director And not an executive	0



*** Independent director means a person who can give opinions independently and under the relevant rules have all the qualifications required by law.

Roles and Responsibilities of the Board of Director

At the Board of Directors' Meeting No.1/2013 on July18, 2013, the Board of Director has been deputed to take a responsibility to manage the Company in accordance with objectives, articles of association, and resolutions of shareholders' meeting. In this regard, the Board of Directors' Meeting No. 1/2020 on February 27, 2020 resolved to approve the revision of the Board of Directors Charter No.1 with the Roles and Responsibilities of the Board of Director as follows:

1. The Board of Directors is responsible for determining the company's vision and mission. To lead executives and employees' operations to approach the same goal and direction. Also consider, review and approve the company's vision, mission strategy, goals and company's business directions annually. Including reviewing an important policy to be appropriate and consistent with business operations in accordance with good corporate governance principles such as corporate governance policy and anti-corruption policy.
2. Monitor and ensure that the company's strategy is in practice. In every quarter, the Board of Directors will monitor the performance of the management team which specifying a report on the results of operations and

company performance especially in term of financial goals and various plans in order to get along with the strategy planned.

3. Perform the duty in the most professional manner to comply with all laws, the company's objectives, articles of association and shareholder's resolutions as well as to preserve the company's benefit and interests.
4. The Board of Directors shall manage to have a shareholders' meeting as annual general meeting within four months after the end of the Company's accounting period.
5. Board of Directors meetings are required minimum once of each quarter.
6. Prepare a balance sheet and a profit and loss statement of the Company as of the end of the accounting period and to propose such reports which are audited by the external auditor to the shareholder's meeting for their consideration and approval.
7. Set goals, procedures, policies, plans and budgets of the Company, to govern the administration of the management to be in compliance with the specified policies.
8. Evaluate the operation and ensure that the plan and budget are followed. The Board of Directors also shall take the role of determining business strategies, policies, plans, and budgets.
9. Determine and approve other function which related to the Company which shall be provided maximum benefit to the Company.
10. Scrutinizes the transactions required to be submitted for shareholders' approvals in the shareholders' meetings, with main session in the Annual General Meeting as follows:

    - Consider the Board of Director's reports showing the Company's performances which will be proposed to the meeting
    - Consider and approve the financial statements
    - Consider profit appropriation
    - Nominate new directors to replace the retiring directors, the auditor and determine the auditor's remunerations
    - Consider the transaction with possible conflicts of interest which must be approved by shareholders
    - Other matters.
11. Acknowledge the importance of the Audit Committee or internal audit's report including audit and consult with other sections of the Company. Also take responsibility to set the solution.
12. Consider the organization structure, to nominate the management and other Committee as appropriate including considering the appropriateness of an appointment of the Company secretary in accordance with the SEC rule.
13. The Board of Directors shall neither engage in the business of the same nature as the Company that might compete with the Company, nor a partner in the partnership, unlimited-liability partner in limited partnership, or director of another company limited or public company limited that engages in the business of the same nature

as the Company that might compete with the Company, unless informing to the shareholders' meeting prior to the appointment.

14. Ensure management's accountability to shareholders and preserve their rights and interests. Report financial data and other information to shareholders, stakeholders and investors correctly in accordance with the laws.
15. The Board of Directors shall authorize one or many of director(s) or any other person to perform the duties on behalf of the Board of Directors under the Board of Directors' supervision or delegate such persons to have authorities and over the period the Board of Directors deems appropriate where the Board of Directors can revoke or alter such delegation of authorities as they deem appropriate.
16. Consider a performance evaluation of the Company's Board of Directors and other Committees approved the risk management policy and have an effective management system including overseeing an arrangement of an effective procedure for an assessment of the Company's executives' duty performance.
17. If there are any laws, rules or the Company's roles which have been set up for distinct scopes of authority for the Board of Directors, the Board of Directors shall operate under those laws, rules or the Company's roles. In case the Board of Directors' action due to their interest or gain/ loss in accordance with the regulations of the SEC and/ or related laws, the authorities shall be ineffective.
18. Authorization of duty and responsibility of the executive committee shall not constitute authorization or sub-authorization that enable the person authorized by the executive committee to approve a transaction in which they or other persons likely with a conflict (as defined by the notifications of the Capital Market Supervisory Board, the SET, or relevant organizations) have an interest or any other conflict of interest with the Company, subsidiary, and/or related company unless it is the transaction in the nature of normal course of business operation in accordance with the notifications of the Capital Market Supervisory Board, the SET, and/or relevant organizations.
19. The Board of Directors shall be able to authorize the following transactions after they receive the Shareholders' Meeting approval to do so. For the transactions that might lead to any conflicts of interests, the director who might have such conflict of interest must not vote on that transaction.

    - The transactions that are required by law to receive the Shareholders' Meeting approval.
    - The transactions that might lead to any conflict of interests as well as are required by laws and/or regulations of the Stock Exchange of Thailand to receive the Shareholders' Meeting approval.

20. The transactions as specified below shall be approved by the Board of Directors' Meeting and the Shareholders' Meeting with not less than three-fourth of the voting right of the shareholders who are present at the meeting and have the right to vote.

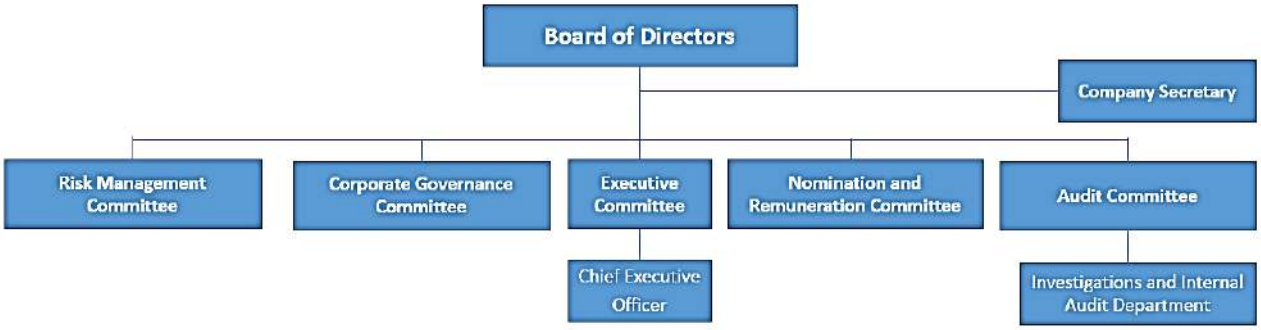
    - Disposition or transfer of the part or the whole of the Company to others;
    - Acquisition of the part or the whole of others;

- Engage in, amend or cancel the rental agreement of the whole or any significant business of the Company, to assign others to manage the Company and to merge the Company with others with a purpose of profit sharing;
- Revision of the memorandum of association;
- To increase, decrease, issue debentures, to merge and to liquidate the Company
- Perform any other activities those are required by securities laws or regulations of the Stock Exchange of Thailand to have the approval of the Board of Directors' Meeting and the Shareholders' Meeting with such aforementioned voting condition.

However, such appointment does not include the authority to approve the transactions that such directors and/or their related persons have the conflict of interests with the Company or its subsidiary.

In addition, the board of directors shall have the duty and responsibility to govern the Company to comply with the laws related to the securities and the stock exchange including the undertaking of the connected transaction and the acquisition and disposition of major assets as per the rules and regulations of the stock exchange of Thailand and other relevant laws.

7.3 Information About Committees



7.3.1 Committees

The Company's management structure comprises 6 of Board such as Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Corporate Governance Committee and Nomination and Remuneration Committee

(1) The Audit Committee

The Board of Directors appointed the Audit Committee to assist the Board of Directors in reviewing the quality and reliability of the accounting system, the audit system, the internal control system, and the financial report process.

As of December 31, 2020, the Audit Committee consisted of three people, as follows:

Name			Position
1.	Mrs. Jitmanee	Suwannapool[1,2]	Chairman of the Audit Committee
2.	Mr. Pongpun	Kongkumnerd[1]	The Audit Committee
3.	Ms. Chanyapat	Wiphatthananant hakul[1]	The Audit Committee

Ms. Rungarun Bongkodkanok served as the Secretary of the Audit Committee.

Remarks: [1] Audit Committee who has knowledge and experience in reviewing financial statements

[2] Board of Directors Meeting 2/2563 on May 13, 2020, resolved to restructure the chairman of the sub-committee which is held by an independent director to have a balance of power by appointing Mrs. Jitmanee Suwanpool to be the chairman of the audit committee with effect from 14 May 2020 onwards.

- Audit Committee the Company's audit Committee (Independent Director), consisting of 3 members, is appointed to perform specific tasks and propose matters to the Board of Directors for consideration and acknowledgement. The audit Committee's rights and duties are specified in the audit Committee charter. At least one audit Committee member shall possess sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.
- The audit committee with knowledge and experience in reviewing the financial statements of the Company are
  1. Mrs.Jitmanee Suwannapool
  2. Mr.Pongpun Kongkumnerd
  3. Ms.Chanyapat Wiphatthanananthakul

- The Audit Committee has knowledge and experience related to the company's business are
  1. Mrs.Jitmanee Suwannapool
  2. Mr.Pongpun Kongkumnerd

Roles and Responsibilities of the Audit Committee

At the Board of Directors' Meeting No.1/2013 on July18, 2013, has approved Roles and Responsibilities of the Audit Committee. In this regard, the Board of Directors' Meeting No. 1/2020 on February 27, 2020 resolved to approve the revision of the Audit Committee Charter No.1 with the Roles and Responsibilities as follows:

1. Review to ensure proper financial reporting and adequate disclosure by coordinating with an auditor from outside, with the management being responsible for producing financial reports both quarterly and annually. The Audit Committee might suggest the auditor to review or audit any transactions deemed necessary and important during an audit;
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. Review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. Consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. Review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. Prepare, and to disclose in the Company's annual report, an Audit Committee's Report which will be signed by the Audit Committee's Chairman and consist of at least the following information:
    - an opinion on the accuracy, completeness and creditability of the Company's financial report,
    - an opinion on the adequacy of the Company's internal control system,
    - an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
    - an opinion on the suitability of an auditor,
    - an opinion on the transactions that may lead to conflicts of interests,
    - the number of the audit committee meetings, and the attendance of such meetings by each committee member,
    - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
    - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors

7. Perform any other act as required by law or as delegated by the Board of Directors."
8. Reporting the findings or suspicious transactions or any of the following acts such as a transaction which causes a conflict of interest; any fraud, irregularity, or material defect in an internal control system; or an infringement of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or any law relating to the Company's business which may materially affect the Company's financial condition and operating results to the Board of Directors for rectification within the period of time that the Audit Committee

thinks fit. If the Company's Board of Directors or Management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

(2) The Risk Management Committee

As of December 31, 2020, the Risk Management Committee was composed of the following six people:

Name			Position
1.	Mr. Pongpun	Kongkumnerd[1]	Chairman of the Risk Management Committee
2.	Mrs. Jitmanee	Suwannapool	The Risk Management Committee
3.	Ms. Chanyapat	Wiphatthananant hakul	The Risk Management Committee
4.	Mr. Kitti	Phuathavornskul	The Risk Management Committee
4.	Ms. Netirad	Sang-ngam	The Risk Management Committee
5.	Ms. Pornthip	Sae-Lim	The Risk Management Committee

Ms. Rungarun Bongkodkanok served as the Secretary of the Risk Management Committee.

Remark : [1] Board of Directors Meeting 2/2563 on May 13, 2020, resolved to restructure the chairman of the sub-committee which is held by an independent director to balance power by appointing Mr. Pongphan Kongkamnid as the Chairman of the Risk Management Committee, effective from May 14, 2020, onwards.

Roles and Responsibilities of Risk Management Committee

At the Board of Directors' Meeting No.2 /2013 on March3 1 , 2013, has approved Roles and Responsibilities of the Risk Management Committee. In this regard, the Board of Directors' Meeting No. 1/2020 on February 27, 2020 resolved to approve the revision of the Risk Management Committee Charter No.1 with the Roles and Responsibilities as follows:

1. Support the Board of Directors in setting risk management policy and acceptable risk level,

2. Establish risk management profile to align with the Risk Management Policy, following the compliance, review the effectiveness of risk management profile,

3. Consider and review risk management report and performing to ensure that the Company's risk management is adequate and appropriate, can be managed in acceptable level and is performed,

4. Continuously coordinate with the audit committee through the knowledge and information exchange about the risks and internal control which shall affect or may affect to the Company.

5. Decision and provide guidance on the key issues which shall arise in the risk management procedure.6. Report the operating performance of the Risk Management Committee to the Audit Committee to acknowledge and/or to consider regularly quarter.

(3) The Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee consisted of the following four people:

Name			Position
1.	Mr. Pongpun	Kongkumnerd[1]	Chairman of the Nomination and Remuneration Committee
2.	Mrs. Jitmanee	Suwannapool	The Nomination and Remuneration Committee
3.	Ms. Chanyapat	Wiphatthananant hakul	The Nomination and Remuneration Committee
4.	Ms. Netirad	Sang-ngam	The Nomination and Remuneration Committee

Ms. Rungarun Bongkodkanokas the Secretary of the Nomination and Remuneration Committee.

Remark : [1] Board of Directors Meeting 2/2020 on May 13, 2020, resolved to restructure the chairman of the sub-committee, which is held by independent directors to have a balance of power By appointing Mr. Pongphan Kongkamenid to be the Chairman of the Nomination and Remuneration Committee. With effect from 14 May 2020 onwards

Roles and Responsibilities of Nomination and Remuneration Committee

At the Board of Directors' Meeting No.1/2014 on February 26, 2014, has approved Roles and Responsibilities of the Nomination and Remuneration Committee. In this regard, the Board of Directors' Meeting No. 1/2020 on February 27, 2020 resolved to approve the revision of the Nomination and Remuneration Committee Charter No.1 with the Roles and Responsibilities as follows:

Nomination

- Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications,
- Proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
- Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.
- Executing other tasks related to nominations as assigned by the Board of Directors.
- Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

Remuneration

- Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
- Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
- Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.
- Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
- Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors. The management team and other units have to report or present the information relating to the NRC in order to support the operation of the NRC to achieve their assigned tasks.

(4) The Corporate Governance Committee

The Corporate Governance Committee consisted of the following three people:

Name			Position
1.	Ms.Chanyapat	Wiphatthanananthakul[1]	Chairman of The Corporate Governance Committee
2.	Mrs. Jitmanee	Suwannapool	The Corporate Governance Committee
3.	Mr.Pongpun	Kongkumnerd	The Corporate Governance Committee

Ms. Rungarun Bongkodkanokas the Secretary of the Corporate Governance Committee.

Remark:[1] Board of Directors Meeting 2/2020 on May 13, 2020, resolved to restructure the chairman of the sub-committee, which is held by independent directors to have a balance of power by appointing Miss Chanyaphat Wipattana Nantakun Is the Chairman of the Corporate Governance Committee With effect from 14 May 2020 onwards

Governance Committee has the scope of duties and responsibilities as follows:

The Board of Directors Meeting No. 1/2020, held on February 27,2020, determined that the Corporate Governance Committee has the scope of duties and responsibilities as follows:

1. Supervised the Company to operate and complied with the principles of good corporate governance in accordance with the determined policy of the directors' board.
2. Considering and approving work plans for activities promoting good corporate governance with the objective of maintaining standards and developing good corporate governance as well as creating good corporate governance to be a corporate culture by regularly communicating with the directors, executives and employees regarding good corporate governance.
3. Supervised the performance of directors and management to comply with good corporate governance principles of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
4. Overseeing operations and activities on social and environmental responsibility
5. Determining guidelines for reporting on compliance with the principles of good corporate governance in the annual report.
6. To consider and approve the dissemination and public relations of the corporate governance of the Company and information disclosure policy of the Company to the public in wide space, including the improvement of the dissemination of good corporate governance information on the company's website.
7. Establish a system to receive complaints from stakeholders in the case of good corporate governance and business ethics of directors, executives and employees.
8. Regularly review the principles of good corporate governance of the Company by comparing with the international practices and recommendations of the Supervisory Institute or related departments to the Board of Directors.
9. Review current business ethics of the Company, appropriate with the company's business and in accordance with the guidelines of the Stock Exchange of Thailand.
10. Review and update every committee's charter and submit it to the board for approval.
11. Perform other duties as assigned by the Board of Directors.

(5) The Executive Committee

As of December 31, 2020, the Executive Committee consisted of the following four people:

Name			Position
1.	Mr. Kitti	Phuathavornskul	Chairman of the Executive Committee
2.	Ms. Netirad	Sang-ngam	The Executive Committee
3.	Ms. Pornthip	Sae-Lim	The Executive Committee

Ms. Rungarun Bongkodkanokas the Secretary of the Executive Committee.

Roles and Responsibilities of the Executive Committee

The Board of Directors Meeting No. 1/2014 on 26 February 2014 resolved that the Executive Committee hold the roles and responsibilities in performing the overall management of the Company. The Executive Committee also creates policies, budgeted business plan, management structure, rules and regulations and authority of the Company in accordance with the current economic situation and submits to the Board of Directors for approval and audit. In this regard, the Board of Directors' Meeting No. 1/2020 on February 27, 2020 resolved to approve the revision of the Executive Committee Charter No.1 with the Roles and Responsibilities as follows:

1. Operating and managing business according to the policies and reporting the Company's performance to the Board of Directors.
2. Setting and preparing the Company's business strategies, policies, business plans and budget structure to the Board of Directors for approval.
3. Setting an appropriate approval authority limit for each executive, categorizing the roles and responsibilities which may cause fraudulent, controlling the practice according to the rules and procedures, and submitting to the Board of Directors for approval.
4. Considering the organizational structure for the approval of the Board of Directors.
5. Managing the overall human resources management including remuneration structure, recruitment process, transfer procedures, dismissal, punishment and reward of employees.
6. Considering and permitting the financial operations with commercial banks or financial institutions as approved by the Board of Directors. Such transactions include opening and closing bank accounts, borrowing and lending funds, financing funds, pledging, mortgaging, guaranteeing, buying and selling as well as signing the proprietary right of the land.
7. Considering and permitting the investment and investment budget as stated in the approval process manual.
8. Considering and permitting each department's operation plan as well as the over-limit requisitions as authorized by the Board of Directors.
9. Considering and permitting the appointment of committees required for the smoothness of the Company's operations.
10. Considering the fundraising for the approval of the Board of Directors.
11. Being responsible for other assignments periodically delegated by the Board of Directors.

The above duties and responsibilities do not give the Executive Committee the authority to approve transactions in which they or any related persons may have any potential conflicts of interest (as defined by The Securities and Exchange Commission or The Stock Exchange of Thailand) with the Company orsubsidiaries. All transactions must be approved by the Board of Directors and/or the Annual General Meeting according to the Company's regulations or related laws unless such transactions are the Company's general business transactions.

In 2020, the Board of Directors' Meetings and Committees' Meeting as following: -

Name	Number of Attendance / Number of Meeting					
	BOD Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Nomination and Remuneration Committee Meeting	Corporate Governance Committee Meeting	Executive Committee Meeting
1. General Porpol Maneerin	7/7	-	-	-	-	-
2. Mrs. Jitmanee Suwannapool	7/7	4/4	6/6	3/3	1/1	-
3. Mr. Pongpun Kongkumnerd	7/7	4/4	6/6	3/3	1/1	-
4. Ms. Chanyapat Wiphatthanananthakul	7/7	4/4	6/6	3/3	1/1	-
5. Mr. Kitti Phuathavornskul	7/7	-	6/6	-	-	13/13
6. Mr. Wantenan Techamorakot[1]	2/7	-	2/6	-	-	13/13
7. Ms. Netirad Sang-ngam	7/7	-	6/6	3/3	-	13/13
8. Ms. Pornthip Sae-Lim	7/7	-	6/6	-	-	13/13

Remark: [1] Mr. Wattanan Techamorakot resigned from the position of Director / Risk Management Committee / Executive Director / Authorized Director. Because there are other missions With effect on July 1, 2020 onwards

7.3.2 Remuneration for the Board of Directors and the Management

Financial remuneration

Board of Directors

The Company considered the formulation of the remuneration policy for the Board in a fair and reasonable manner by taking into account suitability and consistency with the Company's performance and the Board's duties and responsibilities.

At the General Meeting of Shareholders for the year 2020, on May 8, 2020, the rates of remuneration for the Board of Directors and the Audit Committee were determined as an allowance paid per each meeting, which are as follows:

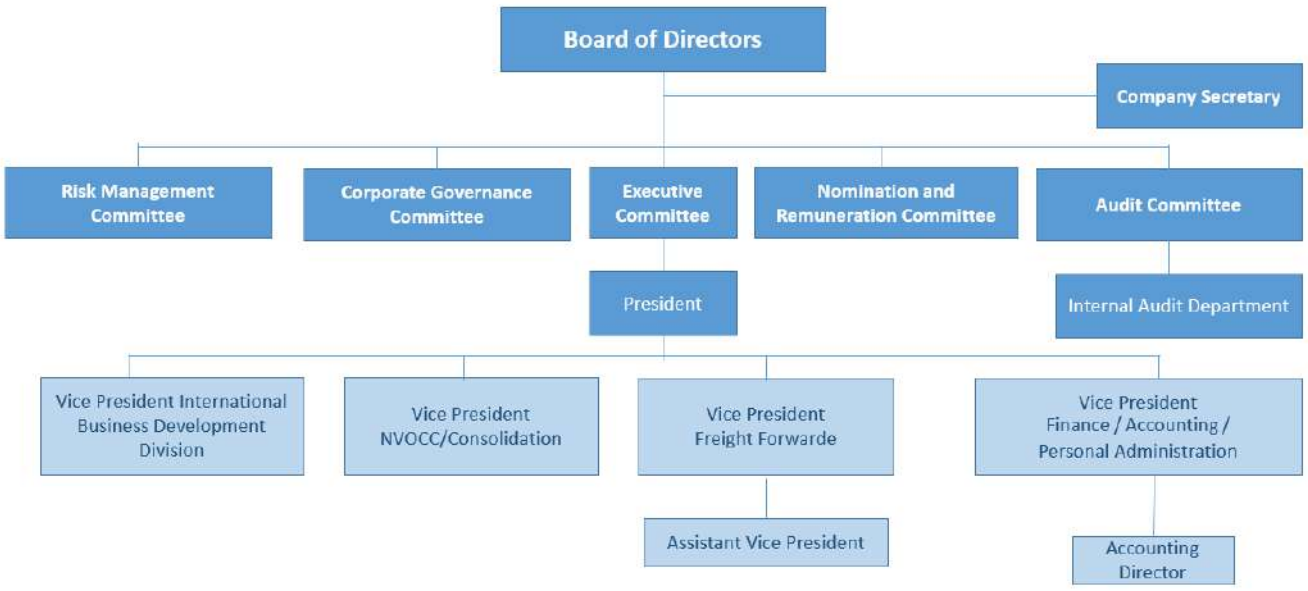
Position	Remuneration (baht/person/meeting)
Chairman of the Board of Directors	50,000
Chairman of the Audit Committee	20,000
Member of the Audit Committee	10,000
Director	-

The Company has paid remuneration for the Board of Directors meeting and the Audit Committee meeting only. Company did not pay remuneration to the other committees, i.e. the Executive Committee, the Risk Management Committee, or the Nomination and Remuneration Committee.

The remuneration paid for the directors and committee members for the year 2020 as follows

Name		Remuneration (Baht)			
		Director	Audit Committee	Bonus	Total
1.General Porpol	Maneerin	350,000	-	-	350,000
2.Mrs. Jitmanee	Suwannapool	190,000	-	-	190,000
3.Mr. Pongpun	Kongkumnerd	160,000	-	-	160,000
4.Ms. Chanyapat	Wiphatthanananthakul	140,000	-	-	140,000
5.Mr. Kitti	Phuathavornskul	-	-	-	-
6.Ms. Netirad	Sang-ngam	-	-	-	-
7.Ms. Pornthip	Sae-Lim	-	-	-	-
Total		840,000	-	-	840,000

7.4 About Management



7.4.1 Management

As of December 31, 2020, the Management consisted of the following five people:

Name			Position
1.	Mr. Kitti	Phuathavornskul	President
2.	Mr. Kittisak	Sikkaman	Vice President The Freight Forwarding Department (FF)
3.	Ms. Netirad	Sang-ngam	Vice President The Personnel and Administration Department The Finance and Accounting Department
4.	Ms. Pornthip	Sae-Lim	Vice President The Non-vessel Operating Common Carrier Department (NVOCC)
5.	Mr. Marc	Cheng Chee Ooi	Chief Executive Officer

Remark[1] The Executive Committee Meeting No. 9/2020 on August 26, 2020, resolved to change the management structure. Because Mr. Wattanan Techamorakot could not perform the job due to his mission. The meeting, therefore, appointed Mr. Kittisak Sikkaman, Acting Senior Director, Administration, and Transportation Services and Customs (FF), effective from September 1, 2020, and has reported to the Board of Directors for acknowledgment at Board of Directors Meeting No. 6/2020 on October 19, 2020

President

Roles and Responsibilities of Chief Executive Officer

The Board of Directors Meeting No. 1/2013 on 18 July 2013 resolved that the Chief Executive Officer holds the following roles and responsibilities:

1. Performing all duties in compliance with the related laws by The Securities and Exchange Commission Announcements or The Stock Exchange of Thailand Notifications, company objectives and articles of association and Board of Directors', Annual General Meeting's and Shareholders' Meeting's resolutions.
2. Managing and operating the business in accordance with the Board of Directors' strategies, plans and its annual budget to ensure the goals are achieved.
3. Implementing mission of the Company in accordance with the budget, business and strategic plans set by the Board of Directors.
4. Managing the overall business operations of the Company in financial, marketing, human resources sections and other departments according to the policies set by the Board of Directors.

5. Being responsible for human resources management such as remuneration structure, recruitment process, transfer procedures, dismissal of employees as well as authorizing the attorney to perform such operations.
6. Allocating reward, salary increase, remuneration and special bonus apart from the usual annual bonus.
7. Negotiating, signing contracts and/or general business transactions within the budgeted plans as authorized by the Board of Directors.
8. Setting rules, regulations, announcements and memorandums for proper and smooth business operations as well as the benefit of the Company.
9. Being responsible for other assignments periodically delegated by the Board of Directors.
10. Arranging the attorney in accordance with the power of attorney and/or the Board of Directors' resolutions. Such arrangement must not authorize the attorney to approve the transactions which may cause direct or indirect damages, leading to personal or others benefits with or without any individual returns (according to The Securities and Exchange Commission Announcements) unless such transactions are in accordance with the policies and regulations of the Board of Directors or Shareholders' Meeting.

In addition, the Board of Directors Meeting No. 4/2013 on 28 October 2013 resolved that the Chief Executive Officer approves the budgeted general business transactions up to five million baht, other budgeted business assets transactions up to one million baht and budgeted financial transactions up to one million baht. For transactions over such authorized amounts, an approval is required from the Executive Committee or the Board of Directors as the case may be. The Chief Executive Officer is also authorized to approve unbudgeted transactions of not more than ten per cent of the approved annual budget.

Company's Secretary

At the Board of Directors' meeting, no.7/2018, on November8, 2018, the Board of Directors resolved to designate Miss Rungarun Bongkodkanok act as the Company's secretary. The Position holder must be knowledgeable and understands the company's business and the role of the Company's Secretary, having knowledge of laws, regulations of the office of the Securities and Exchange Commission and the Stock Market of Thailand, as well as having good understanding in corporate governance and code of conduct with the authority of functions as stipulated in the Securities and Exchange Act B.E. 2535 and its amendment (No.4) B.E. 2551 and other operations announced by the Capital Market Supervisory Board.

7.4.2 Remuneration for the Management

The Management of the company receive the compensation as monthly remuneration and bonus which agree well with outcome of the company. In 2020, the Company paid remuneration of 16.04 million baht to four management personnel, which is described as follows:

Remuneration	Total(million baht/year)
Financial remuneration	
- Salaries and bonuses	13.61
- Other remuneration, e.g. contributions to the Social Security Fund, contributions to the Provident Fund, and commissions.	2.43
Non-financial remuneration	None

Other Benefit

- None -

7.5 About Personnel

As of December 31, 2020, the total number of staff (excluding the management) was 134, in 2020, the remuneration that the Company paid for staff was 73.93 million baht. The remuneration included salaries, bonuses, commissions, contributions to the Social Security Fund, contributions to the Provident Fund, etc. They are described as follows:

Department	Number of staff
The Freight Forwarding Department (FF)	51
The Non-vessel Operating Common Carrier (NVOCC)	38
The Finance and Accounting Department, the Information Technology Department, and other departments.	45
Total	134

Provident Fund

The Company set up the Provident Fund on October 1, 2013 with Thailand Kasikorn Asset Management Co., Ltd., which aimed to boost the morale of its staff and to motivate them to work for the Company in the long run.

In 2020, 82 employees are remaining in the provident fund.

Other Remunerations

In addition to remunerations in the form of monthly salary, bonus and the provident fund that the company pays to its employees, there are other additional welfare payments to the company's employees as follow:

- Annual health check-up
- Social security fund
- Welfare on assistance
- Welfare on employees uniforms
- Welfare on compensation for transportation / accommodation / allowances
- Welfare on activities
- Holidays

Major labor disputes in the past 3 years.

As of December 31, 2018 the number of employees 145 persons

As of December 31, 2019 the number of employees 154 persons

As of December 31, 2020 the number of employees 134 persons

Important disputes on labor over the last 3 years.

- None –

Personnel Development Policy

The Company has a policy to develop personnel at all levels on a regular basis to enhance their expertise and the efficiency of their work. The Company has prepared a yearly plan for in-house and outsourced training to improve their working skills in accordance with their responsibilities, which will bring benefits to the overall development for the Company. In the year 2020, the executives and employees attended the training course with outsource organization for 36 topics and in-house training course for 6 topics as follows.

Training Courses – Outsourced Seminars are as follows.

For executives

1. The Royal Navy Defense Course, Class 63 / National Defense College
2. Higher Certificate Program Politics and government in a democratic system For the Executive Class 24 / College of Politics King Prajadhipok's Institute
3. Company customs specialist renewal course
4. Topic: In-depth analysis of financial statements / Dharmniti
5. Topic: Solving problems of accounting under accounting and financial standards

For employees

1. Topic The New CFO (Crisis Financial Officer) / Thai Listed Association
2. Renewal of Customs Specialist for the Company
3. TFR 9 Financial instruments / Dharmniti

4. Corporate finance topic
5. Writing Apps with Flutter Programming (Online) / Code Mobile Co., Ltd.
6. Topic: Case study problems in accounting records under financial reporting standards / Dharmniti
7. The in-depth topic of financial statement analysis / Dharmniti
8. Landmark Forum Training
9. Smart Disclosure Program (SDP) No. 2/2020 / SET
10. P01: Preliminary to Corporate Sustainability Program Class 2 / SET

Internal training courses are as follows

1. The New Normal course with adaptation and change.
2. Using Microsoft Office 365 Topics
3. Introduction to Google G Suite System
4. Topic Corporate Good Governance Policy
5. Code of Conduct - Business Code of Conduct, Introduction to the Stock Exchange
6. Anti-Corruption Topics
7. Community Development and Environmental Protection

The Summarize of staff training hours in 2020

Level	Training hours / person
Executives	60
Employees	20

For outsourced training, the Company supports employees and the executives to attend the appropriate training courses and effective to development their work capacity which organized by various institutions and in-house training to provide the executives and employees with knowledge, understanding of fundamentals of organization, policy, organization overview to acknowledge and practice properly, including other related development.

7.5 Important Information

Auditor Free

The Audit Committee will consider auditors according to the assessment standard of the company such as independence in working, quality of work, and working standard. The auditors must have qualifications according to The Stock Exchange of Thailand.

They must not relate to the stakeholders of the company, subsidiary, executives, major shareholder, and associated persons. They must have freedom to Audit and give opinion to the financial statement of the company.

For the year ended 31 December 2019, the Company paid audit fee of 3.10 million baht to EY Company Limited This fee included the service of quarterly and annual audit of the Company but excluded other non-audit services such as photocopy and travelling expenses.

Non – audit free

- None –

8. Corporate Governance Report

8.1 Summary of the Board's Performance in the past year

Statement of Responsibilities of the Board of Directors on Financial Statements

The Board of Directors recognizes the importance of the Corporate Governance Management Policy and the preparing process of the financial statement and financial information as reported in the annual report to ensure that the statements are prepared in accordance with the Thai generally accepted accounting standards, using appropriate and consistent accounting policy and sufficient information is disclosed in the notes to financial statements. This also assures the efficiency and effectiveness of internal controls such as safeguarding of assets connected or potential conflict of interest transactions and the compliance to applicable laws and regulations, which the Audit Committee's opinion is stated in the Audit Committee's Report. The Audit Committee's report on these matters is also published in the Company's 2020 Annual Report and Annual Registration Statement (Form 56-1).

It is the opinion of the Board of Directors that the Company and its subsidiaries' overall internal controls are adequate for its business and operations and that the financial statements for the year ended 31 December 2020 are fairly presented with adequate disclosure in accordance with generally accepted accounting principles.



General Porpol Maneerin
Chairman of the Board



Mr.Kitti Phuathavornskul
President

The Audit Committee's Report

To Shareholders

The Audit Committee of NCL International Logistics Public Company Limited ("the Company") has been appointed by the Company's Board of Directors. The Committee comprises three independent directors who possess extensive experience and professional expertise. All members possess adequate qualifications as required by the Audit Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Its members include:

1.	Mrs. Jitmanee	Suwannapool	Chairman of the Audit Committee
2.	Mr. Pongpun	Kongkumnerd	Audit Committee
3.	Ms. Chanyapat	Wiphatthanananthakul	Audit Committee

and Ms. Rungarun Bongkodkanok, serves as a secretary to the Audit Committee.

The Audit Committee performs the tasks assigned to it by the Board of Directors. Altogether toper form the duties indicated in the Audit Committee Charter, however, and is unconstrained in its access to information and always receives good co-operation from the Company, in conformity to regulations of The Stock Exchange of Thailand. And efficient internal control and Risk Management were established, The Company's Consolidated financial statement to ensure compliance with accounting standard appropriate to the business operation, and review to ensure that the Company's financial report was accurate and adequate. In 2020, The Audit Committee held 4 meetings. The summary of meeting attendance of the members in 2020 is shown in "Management Structure". And the Committee's duties are summarized as follows:

1. Reviewed quarterly and annual financial statements for the year 2020 to insure that information is accurately and completely disclosed and that the financial statements are drawn up in accordance with the financial reporting standards and relevant laws prior to submission for approval of the Board. The Audit Committee is of opinion that the financial statements are accurate and complete with adequate disclosure of material information.
2. Reviewed and commented on related party transactions and transactions that may constitute a conflict of interest to ensure complete information disclosure and compliance with rules and regulations stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand and other regulatory bodies with a view to ensure reasonableness and the Company's best interest. The Committee is confident that related party transactions were reasonable, fair, transparent, free of a material conflict of interest, and in the best interest of the Company.

3. Reviewed the Company's operation to ensure compliance with the Securities and Exchange Act, rules stipulated by the Stock Exchange of Thailand and laws related to the Company's business. The Committee is of opinion that the Company has complied with laws and rules governing the Company.
4. Reviewed the assessment of internal control system to ensure that the internal control and internal audit system were adequate and appropriate, including risk assessment, control activities, information system and communication and operation monitoring. The Committee is confident that there was no material flaw in the internal control system.
5. Review of Good Corporate Governance, The Audit Committee reviews compliance with the code of conduct and corporate governance policy, laws on securities and securities exchange and other related laws.
6. Considered and recommended the appointment of EY Company Limited as the Company's External Auditor and audit fee. In addition, the Committee held a meeting with the external auditor and internal audit department without the presence of the Management. The Committee is of opinion that EY Company Limited performed their tasks with independence and was qualified to audit the Company's financial statement to ensure accuracy and reliability with disclosure of material information.
7. Reviewed the performance of the Committee for the year 2020 by way of self-assessment and assessment by the Board. The assessment revealed that the Committee functioned at excellent level.

In summary, the Committee performed its duties as prescribed in the Committee's Charter approved by the Board.



Mrs. Jitmanee Suwannapool
Chairman of the Audit Committee

9 Internal Control and Related Party Transactions

9.1 Internal Control

The Company recognizes the importance of an internal control system in both of executive and operation levels for effective and efficient operation of all departments. The Company has specified the scopes of duty and authority for its executives and employees clearly in writing. It also conducts the control of assets usage for the greatest benefit and divided duties among the operator, the follower and to control and separately assess to make balance and suitably audit each other. In addition, the company provided internal control about financial aspect as the company provided financial report system to propose to the responsible management.

The Company has hired a consultant, Ms. Wanna Maluengnon (Managing Director of Acc-Plus Consultant Co., Ltd.) is the operator to improve an internal control system and after the system has been completely improved, the Company shall hire an independent external audit to verify the internal control system to report directly to the Audit Committee. The Company has set up a compliance unit to coordinate with the consulting firm as mentioned above.

The Board of Director's Opinions about the Company's Internal Control System

The Board realizes the importance of internal control by assigning the Audit Committee composed of independent committee comprised of three Audit Committee to examine and assess the internal control system to appoint the ACC-Plus Consultant Co., Ltd. to internally audit the company and directly report to the Audit Committee. This company has a duty to inspect working system of each department of the company according to the yearly examination approved by the Audit Committee. The objective is to ensure efficient performance, good resource usage, correct financial operation, following on regulation and rules, evaluation of efficiency of control system so that the business can be operated and reaches maximum benefits for all stakeholders. The Audit Committee also has a duty in considering and choosing auditors and auditor compensation, and in considering the publicizing the company information for correctness in the case of related issues and benefit conflicts.

At the NCL International Logistics PCL's Board of Directors' Meeting, No. 1/2019 on February 27, 2019, The Board of Directors, The Audit Committee and Executive have been attended to the meeting for assessing the adequacy of the Company's internal control system based on the Securities and Exchange Commission's Adequacy Assessment Form for the Internal Control System. Inquiries were conducted with the management concerning five components: 1) Organization and the control environment, 2) Risk assessment and management, 3) Control of the management's operation, 4) Information and communication system, and 5) Monitoring and evaluation system.

Organization and control environment

Based on information from management with the assessment of the adequacy of the internal control system form, the Board of Directors is of the opinion that the Company has adequate internal management and internal control system, which there are no significant internal control deficiencies. The management encourages employees in the organization to be aware of the importance of internal control and to provide adequate personnel to ensure that the Company's internal control system is adequate and appropriate. In addition, the Company can adjust to suit the changing situation in an efficient manner so that the company's operations meet the objectives set in accordance with relevant laws and regulations and in accordance with the good corporate governance principles. The Company has clearly defined its duties and responsibilities, and has set the rules, regulations, policies, levels of authority, and the level of approval of the appropriate items in writing.

Risk Management

The company realizes and sees the importance of good organizational management in driving the organization to foster and expand the business stably with secured financial position and generating good returns to shareholders appropriately. The Board of Directors has appointed the Risk Management Committee comprising of the Auditing Committee which is an independent body and Executive Officer to consider organization’s risk factors both internal and external issues in order to find how the Company can prevent possible risk or its impact effectively. More over the Company has paid attention to corruption prevention. The Company launched a policy toward compliance with anti-corruption laws. It defined anti-corruption guidelines in the Company’s Business Code under the headings “Policy on Receiving and Giving Gifts and Recompenses” and “Policy on Prevention of Corruption and Bribery” (See details in Section 12.4: Guidelines for Prevention of Involvement in Corruption), which was announced to employees on July 20, 2013.Thus, the Company has declared its intention in joining the Collective Action Coalition since October 3, 2017 organized by private sectors in anti-corruption.

Management Control Activities

The Company monitors its performance monthly through the Board of Directors' meetings, compared to the same period last year and other companies in the same industry. The Board of Directors has assigned the internal audit unit to directly report the audit results to the Audit Committee. in order to analyze the causes of the differences and adjust their strategies, to achieve the goals, and to have an effective internal control system of the Company. If there is a significant defect, the Audit Committee shall report to the Board of Directors and continually report of such corrections. In addition, the Company has set policies to consider and approve the company's transactions that take into account the company's maximum benefit. The Company also applied the process of monitoring the operation of a subsidiary or associated company, which has set guidelines for the appointment of a person to be a director or executive of the subsidiary or associated company.

Information and Communication Measure

The company has a systematic collection of important information with effective internal controls, ensuring that the information is reliable to support internal control. Based on information gathered from internal and external, and information systems to process and store information to support internal control can proceed as scheduled. It also communicates the information needed to support internal control, which can be provided to the relevant parties within the organization, and to communicate other relevant information to third parties.

The company has a process of communicating information within the organization about its objectives, policies, and practices. It also provides channels for employees to report information about offenses and fraud to the Company safely.

For external communication, the Company provides investor relations and contact information to investors, relevant persons, and disseminates important news through its website (www.nclthailand.com) and channels of the Stock Exchange of Thailand. It also provides a way for third parties to provide information about offenses and fraud safely to the Board of Directors at management@nclthailand.com in accordance with the policy and practice guidelines for reporting offenses and measures for the protection of whistle-blowing.

Monitoring and Evaluation System

The Company has an internal audit function that is an independent unit to of monitor and evaluate internal control by commissioning the inspection of Internal control system from external agencies (outsourcing)., which reports directly to the Audit Committee to review the performance of the activities to achieve the objectives and goals of the Company as a whole. As a result, the Company is able to control the transactions with persons who may have conflicts or connected persons, including the major shareholders, directors, executives or persons related to such persons, sufficiently and appropriately, and to protect company property from the person who may have conflicts of interest that led to the wrongful or without power. For internal control on other topics, the Board of Directors considers that the Company has sufficient internal controls as well.

The Audit Committee' Opinions about the Company's Internal Control System that are different from the Board and the auditor

- None -

Regulating Unit of the Company's Internal Control System

The Company has a policy to hire outsourced internal audits. At the NCL International Logistics PCL's Board of Directors' meeting, no. 1/2020, on February 27, 2020, it was resolved to appoint ACC-Plus Consultant Co., Ltd. to serve as the Company's internal auditor. ACC-Plus Consultant Co., Ltd. Designated Ms. Wanna Malueangnon, Managing Director, to serve as the key internal auditor for the Company. After studying the qualifications of ACC-Plus Consultant Co., Ltd., the Board regarded that this company has adequate expertise and experience in performing the said duty since it has 20 years of experience in internal auditing and the key internal auditor attended the Workshop "COSO 2013," batch 3/2013, which is the latest framework for internal control. Furthermore, as a result of the fact that ACC-Plus Consultant Co., Ltd is unrelated to the Company, it is allowed to audit the Company and provide the Company with advice freely. The Company has set up an internal compliant unit to coordinate with the company's auditors.

The appointment, withdrawal or reshuffling of the Company's internal auditor must be screened and approved by the Board of Directors. The Board of Directors will propose the internal auditor that has been approved by the Audit Committee at the Board of Directors' meetings for approval of employment and the negotiation on related costs.

9.2 Related Party Transaction

The Company's Relationships with Related Persons / Companies.

	Persons who may have conflicts	Relationship
1	Mr. Kitti Phuathavornskul	- Director and shareholder of the Company holding 27.98% of the registered and paid-up capital of 113.54 million baht.
2	Ms. Pinrak Prasitsirikul	- She is the wife of Mr.Kitti Phuathavornskuv and shareholder of the Company holding 6.83% of the registered and paid-up capital of 113.54 million baht.
3	Ms. Waraporn Kittiyanurak	- She is the mother of Ms. Pinrak Prasitsirikul, the wife of Mr. Kitti Phuathavornskul
4	Grace & Gallon (Thailand) Company Limited ("G & M")	- G&M is the company whichMs. Pinrak Prasitsirikul, the wife of Mr. Kitti Phuathavornsku, is a director and shareholder of the company holding 99.99 % of the registered and paid-up capital of 5 million baht. - G & M manufactures and sells handicrafts.
5	Grace Water Med Co., Ltd.	- Formerly an associated company of the Company, registered in Thailand on 8 August 2016, with the Company holding 44.44% of the registered capital of 40,000,000 baht. Subsequently, on 1 March 2018, the Company acquired additional shares resulting in becoming a subsidiary of the company, which the company holds 52.80% of the registered capital of 40 million baht. - Grace Water Med Co., Ltd., a manufacturer and distributor of hemodialysis products, kidney disease patients with hemodialysis machines and distributing medical supplies for use in hemodialysis units.
6	Seven Day Dialysis Company Limited	- A company that Khun Wisit Prasitsirikun is a director and Kidney Time Company Limited holds a 74% shareholding of registered capital of 5 million baht - Kidney Time Company Limited is a company that Khun Wisit Prasitsirikun is a director and holds 52% of the registered capital of 40 million baht. - Khun Wisit Prasitsirikul is Khun Pinrak Prasit Sirikun's brother who is the wife of Khun Kitti Phuathavornsakul and a shareholder in the company 1.69 percent of registered and paid-up capital of 113.54 million baht - Seven Day Dialysis Company Limited operates a business service in treating hemodialysis patients who have kidney failure.
7	Waree Medical Co., Ltd.	- A company that Khun Yingrak Phuathavornskul is a director and holds 99.94 % of the registered capital of 5 million baht. - Khun Yingrak Phuathavornskul is the son of Mr. Kitti Phuathavornskul and is a shareholder of the Company for 6.88 % of the registered and paid-up capital of 113.54 million baht Waree Medical Company Limited engages in the business of selling, installing, repairing and maintaining medical equipment. Medical equipment Including spare parts and accessories of such products

Persons who may have conflicts	Relationship
8 Zim (Thailand) Co., Ltd.	- It is an associated company registered in Thailand on September 20, 2017. The Company holds 51percent of the registered capital of 10,000,000baht.
9 Zim integrated Shipping Service Ltd.	- Being a shareholder in Zim (Thailand) Co., Ltd., holding 49% of the registered capital of 10,000,000 baht
10 PT.NCL INTER LOGISTIK INDONESIA	- Being a subsidiary registered in Indonesia controlled by NCL Inter Logistics (S) Pte.Ltd., which is a subsidiary of the Company by convertible loan agreement at the amount of USD 60,000 on July 16, 2018 and entering the business cooperation agreement for the purpose of controlling the business operation and administer both directly and indirectly and agreed to divide the profit for the Company in the proportion of 60% of net profit for the year.

Summary of Connected Transactions in 2018 2019 and 2020

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
Ms. Waraporn Kit- tayanurak	She is the mother of Ms. Pinruc kPrasitsirikul, the wife of Mr. Kitti Phuathavornskul. Ms. Pinruck Prasitsirikul holds a stake of 6. 82 percent of the registered capital of the Company.	Rental of the Document Warehouse	0.095	0.095	0.095	Necessity and reasonableness The Company's business involves large quantity of documents, which must be kept for at least five years. Therefore, a place to keep such documents is needed, the Company signed a contract torenta 3-floor commercial building located at 59/61, SoiCharoennakhon24, with to talutility spaceof408 square meters, to serve as its document warehouse. The Company has entered into a lease agreement for the building since 2008 with the current agreement, starting from August 1, 2019 to July 31, 2022 with a rental fee of 90,000 baht per year, which is 18.38 baht per square meter per month (exclusive of withholding tax). In comparison, the rentals of other commercial buildings of similar features in the vicinity range from 190,000 - 360,000baht per year, which is 25.00 - 69.44 baht per square meter per month. In addition,

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
						by renting this building, the Company is able to make use of it as the temporary office in the case of emergency
Ms. Pinrak Prasitsirikul	She is the wife of Mr.Kitti Phuathavornskuv and shareholder of the Company holding 6.82% of the registered and paid-up capital of 113.54 million baht.	Rental income	1.20	1.20	1.20	<u>Reason and Necessity</u> The rental fee is generated by Grace Water Med Co., Ltd., a subsidiary company which need the land to set up factories to produce dialysis solution. The Company has entered into a land lease agreement approximately 1 rai 3 ngan 60 square wah, located at 13/7 Moo 8, Bang Muang-Bang Khu Lat Road, Bang Muang District, Bang Yai District, Nonthaburi 11140.The contract starts from 1 April 2017 to 31 March 2020, with the rental rate in the first year equal to 930,000 baht per year, the second year and the third year. The rental rate is 1,200,00,000 baht per year or equal to 101.97 baht and 131.58 baht per square wah per month, respectively (excluding withholding tax) which when compared to developed land in the same area nearby, found that the rental rate is around 1,094,400-1,276,800 baht per year or 120.00-140.00 baht per square wah per month. In 2018 2019 and 2020, the rental fee is 1.20 million baht.

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
Grace & Glamour (Thailand) Co., Ltd. (G&M)	- It is a company that Ms.Pinruck Prasitsirikul the wife of Mr. Kitti Phuathavornskulis a director and shareholder, collectively holding a stake of 99.99 percent of its 5 million baht of registered capital. Ms. Pinruck is a shareholder of the Company, holding a stake of 6.83 percent of registered capitalof the company.	Rental income Outstanding Check	0.60 0.05	0.60 0.05	0.60 -	Necessity and reasonableness The rental fee is generated by Grace Water Med Co., Ltd., a subsidiary company which want to use office buildings and factory buildings to produce the dialysis solution. The Company has entered into a building lease agreement. It's located at 13/7, Moo 8, Bang Muang Road - Bang Khu Lat, Bang Muang Subdistrict, Bang Yai District, Nonthaburi Province 11140 with a total living area of approximately 1,478 square meter, the contract starting from 1 Jan 2021 to 31 Dec 2023, with the rental rate is 600,000 baht per year or equal to 33.83 baht per square meter per month respectively (excluding withholding tax) which compared to similar buildings in the nearby area, found that the rental rate is in the range of approximately 800,000-1,000,000 baht per year or 50.00-60.00 baht per square meter per month. In 2018 2019 and 2020 the rental fee is equal at 0.60 million baht.

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
Grace Water Med Co., Ltd.	Formerly an associate of the Company, registered in Thailand on 8 August 2016, with the Company holding 44.44% of the registered capital of 40,000,000 baht. Subsequently, on 1 March 2018, the Company acquired additional shares which became a subsidiary of the Company holds 52.80% of the registered capital of 40 million baht.	Service income	0.53	-	-	Service revenue is the revenue collected from Grace Water Med Co., Ltd. for the domestic transportation service, in early 2018, before being a subsidiary of NCL which is a normal business operation. The inter-service cost pricing is set at cost plus margin. In the year 2018, the Company had domestic transportation revenue of 0.53 million baht.
Seven Day Dialysis Co., Ltd.	Is a company that Khun Wisit Prasitsirikun is a director and Kidney Time Company Limited holds a 74% shareholding of registered capital for 5 million baht. Kidney Time Company Limited is a company that	Seven Day Dialysis Co., Ltd.	24.66 2.52	19.04 2.63	25.76 2.70	Sale income is the income that Grace Water Med Co., Ltd., Subsidiary Company Limited collects from Seven Day Dialysis Co., Ltd. in the sale of dialysis and various medical equipment related to dialysis which is normal business with the selling price determined at the price comparable to the outsiders In the year 2018 2019 and 2020 the Company had sales revenue equal at 24.66, 19.04 and 25.76 million baht, trade accounts receivable were 2.52 ,2.63 and 2.70 million baht.

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
	Khun Wisit Prasitsirikun is a director and holds 52% of the registered capital of 40 million baht. Khun Wisit Prasitsirikun is Khun Pinrak Prasitsirikun's brother which is the wife of Khun Kitti Phuathavornsakul and a shareholder in the Company for 1.69 percent of registered and paid-up capital of 113.54 million baht.					
Waree medical Co., Ltd.	Is a company that Khun Yingrak Phuathavornskul is a director and holds 99.94 percent of the registered capital of 5 million baht. Khun Yingrak Phuathavornskul is the son of Mr. Kitti Phuathavornskul and is a shareholder of the	Rental income Sell property Service cost	- - -	- - -	0.08 0.05 0.50	Rental income is the income generated from the pickup truck rental. The rental price is set between each other at a price comparable to that of third parties. Asset sales are derived from selling office equipment at market prices. Service cost derived by subsidiary Grace Water Maid Co., Ltd. uses electrical installation, water system and maintenance services at a price comparable to third parties. In 2020, the company has rental income of 0.08 million baht, from property sales 0.05 million baht and service cost 0.5 million baht.

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
	Company. 6.88 percent of the registered and paid-up capital of 113.54 million baht					
Zim integrated Shipping Service Ltd.	Is a joint shareholder in Zim (Thailand) Co., Ltd., holding 49% of the registered capital of 10,000,000 baht	Service income Consulting income Service cost Advances receivables Other receivables Account payables	0.03 2.09 8.45 - - -	- 3.97 9.15 0.17 3.87 1.11	- 4.58 2.42 0.03 3.84 0.04	The service income is the revenue collected from Zim integrated Shipping Service Ltd. for international transportation services which is a normal business operation with pricing between services at cost price plus margin. The advisory service income which occurred on August 10, 2018, the Board of Directors of the Company resolved to allow the management to negotiate, change and amend certain conditions in the agreement between the shareholders and Zim integrated Shipping Service Ltd in respect of the interests of the Company which must not be less than the original benefit specified in the original contract, However, the Company must take into account the highest benefits of the shareholders. On November 15, 2018, the negotiations ended, the Company has made a consultancy agreement with Zim integrated Shipping Service Ltd. to provide advisory services for transportation operations in the country where the service fee is as specified in the contract. Service cost is the cost incurred from the use of international transportation services at a price comparable to the outsiders. In the year 2020, the Company had consulting income totaling 4.58 million baht, service costs equal to 2.42 million baht.

Related person	Relationship	Type of trans-actions	Value of connected transactions (million baht)			Necessity and reasonableness of the transaction
			2018	2019	2020	
PT.NCL INTER LOGISTIK INDONESIA	- Being a subsidiary Registered in Indonesia controlled by NCL Inter Logistics (S) Pte.Ltd., A subsidiary of the Company by contracting the loan to convert the amount of USD 60,000 on July 16, 2018 and entering the business cooperation agreement for the purpose of controlling the business operation and administer both directly and indirectly and agreed to divide the profit for the Company in the proportion of 60% of net profit for the year	รายได้ค่าบริการ ต้นทุนบริการ	5.19 0.58	- -	- -	Service income Is the revenue collected from the NCL group in providing international transportation services during the time before becoming a subsidiary which is normal business with pricing between services at cost price plus margin. Service cost is the cost incurred from the use of international transportation services at a price comparable to the outsiders. In the year 2018, the Company had revenue from international transportation equal to 5.19 million baht and the service cost was 0.58 million baht.

12.3 Summary of Guarantee Obligation Between companies and individuals that may have conflicts

As of December 31, 2020, the Company was granted credit facilities of 491.635 million baht in total by three commercial banks, which are described below:

- Overdraft: 40 million baht
- Promissory note: 204.20 million baht
- Credit limit for guarantee / acceptance / aval of bills totaling 30 million bath.
- Foreign exchange rate at 127 million baht
- Long-term loan amount totaling 90.435 million bath

The credit facilities have been secured by the claims for the Company's bank accounts, trailer, the mortgage of the Company's land and buildings.

Necessity and Reasonableness of Connected Transactions

The Company's connected transactions from 2018 to 2020 are divided into three categories, as follows:

1. Normal business transactions and transactions supporting normal business Zim Intergraded Shipping Service Ltd., and Grace Water Med Co., Ltd. and revenue from sales with Seven Day Dialysis Co., Ltd. such transactions are considered as necessary and reasonable, and do not let the company lose any benefits. The Company has a pricing policy that can be compared with that of an unrelated party by setting the selling price at the cost plus margin and selling goods between the parties at a cost price plus a margin and with normal trading conditions as for the consulting fee income, it is a reasonable price specified in the contract.
2. Rental of property included the lease of land with buildings from close relatives of Mr. Kitti Phuathavornskul, a director, and major shareholders. Land lease office buildings and factory buildings from the wife of Khun Kitti Phuathavornsakul and from the Company that the wife is a director and shareholder. Such transactions are considered as necessary and reasonable and do not let the company lose any benefits.

Measures or Procedures of Approval for Connected Transactions

The Company formulated measures and procedures for approval of connected transactions, which were approved at the Board of Directors' Meeting, No. 7/2013 on April 3, 2013. It is prescribed that If there is a necessity for the Company to enter into a connected transaction with a person who may have a conflict of interest or any interest. The Company must have the Audit Committee giving opinions about the necessity and appropriateness of the transactions. In the event that the Audit Committee has no expertise in the consideration

of any potential connected transactions, it must have an independent expert or account auditor of the Company provide opinions of such transactions to assist in the decision-making of the Board of Directors, and/or the Audit Committee, and/or shareholders, as the case may be. Those who may have a conflict of interest or any interest of such transactions will have no right vote to approve the connected transactions. The Company's policy towards connected transactions is classified as follows:

- Normal business transactions and transactions supporting normal business, such as the purchase and sale of goods and raw materials etc. Such transactions must be subject to fair and reasonable trading conditions and shall not result in transferring of interests, which is comparable to the transactions between the Company and the public, or transactions between persons who may have conflict of interest with the public, or transactions in the same way as other operators in the business. The Company has a policy for the Audit Committee to consider and give opinion on the reasons and necessity for such transaction on a quarterly basis. The Company will also comply with laws concerning securities and the stock exchange; regulations, announcements, orders or requirements from the Stock Exchange of Thailand; and requirements on connected transaction disclosures
- Other transaction than normal business transactions and normal business support transactions, such as property rental transactions or property transactions, or financial assistance etc. The Company has a policy to have the Audit Committee consider, and provide opinions about, the necessity and reasonableness of such transactions. The Company shall comply with the law governing securities and exchange, the rules, notifications, orders or requirements of the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions and acquisition or disposition of assets. The company has no policy to provide loans to people who may have conflict to conduct business or to operate on behalf of the company.

The Audit Committee has considered the necessity and appropriateness of entering into related transactions, most of which are normal business transactions and normal business support transactions. Which is in accordance with trade conditions and fair prices This is comparable to the transactions between the company and the general public. And for the best interest of the company.

The Board of Directors shall comply with the laws governing securities and stock exchange and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand. This includes compliance with the terms and conditions of connected transactions and acquisition or disposition of important assets of the Company. so that the decision to enter into such transaction will not cause any conflict of interest and benefit to all shareholders. The Company will disclose such transactions in the annual registration statement (Form 56-1) and the Annual Report of the Company and the notes to the financial statements audited by the auditor of the Company.

Trends of Connected Transactions

Transactions that will continue to be carried out in the future include the provision of transportation services, and customs clearance, revenue from the sale of blood purification and medical equipment related to hemodialysis which are normal business transactions, rental transactions, document storage, land rented, office buildings and factory buildings owing to the need to operate the business. For connected transactions that will occur in the future, the company will adhere to the policy of connected transactions as described above.

Part 3
Financial Statement

NCL International Logistics Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of NCL International Logistics Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of NCL International Logistics Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of 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 NCL International 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 NCL International Logistics Public Company Limited and its subsidiaries and of NCL International Logistics Public Company Limited as at 31 December 2020, 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 1.2 to the consolidated financial statements. Because the impact of the COVID-19 pandemic is continuing to evolve, impacting most businesses and industries. This situation significantly affects the Group's logistics business activities and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. During the year, the Group's management decided to liquidate the subsidiary in Vietnam and temporarily stop operations of two subsidiaries in China to cut losses and assess the circumstance. Moreover, the Company disposed all investments in a subsidiary in Indonesia to another shareholder in such subsidiary to restructure the Group's management to be more effective. Although, the liquidation, temporarily stopping the operation, and disposal of investment of these subsidiaries had no significant impact to the financial position of the Group since the proportionate of the revenue of these four subsidiaries for the year ended 31 December 2020 amounted Baht 27 million or was 3% of total revenue of the Group. However, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so. My conclusion 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

The Group has entered into agreements with a large number of customers and there are a variety of conditions in these agreements. As a result, the Group's recognition of revenue from sales is complex. In addition, the trend of import - export of motor cars, parts and accessories, electric appliances, construction material and processed food industry 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 and 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.

Investments in subsidiaries

As described in Note 14 to the consolidated financial statements, the Company had significant investments in subsidiaries which the Company's management will test for impairment in investments in subsidiaries whenever events in circumstances indicate for impairment. I have focused on impairment assessment of such investments. In determining the impairment loss, the management had to exercise significant judgement with respect to its projections of future operating performance by using financial model to calculate for recoverable amount and identifying the cash generating units, and estimating the cashflow that are expected to be generated from that asset group, including setting an appropriate discount rate and long-term growth rate.

I assessed the identification of cash generating units and the financial models, including gaining an understanding and testing significant assumptions that the management used for preparation of estimating cashflows that are expected to be generated from such assets and discount rate, by inquiring the responsible person to understand the process of getting such figures and comparing past cashflow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections, including setting discount rate by assessing weighted average cost of capital and other information in comparable industries.

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: 23 February 2021

NCL International Logistics Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	*7*	50,425,864	40,857,844	11,714,413	14,145,299
Trade and other receivables - related parties	*8, 9*	6,579,171	6,698,668	7,805,246	15,251,199
Trade and other receivables - other parties	*10*	205,676,814	296,717,639	96,929,702	121,022,174
Current portion of account receivable from disposal of investment	*15*	40,400,505	31,149,590	40,400,505	31,149,590
Inventories	*11*	4,339,798	3,235,879	-	-
Other current assets		4,829,903	5,510,565	4,445,927	4,841,713
Total current assets		312,252,055	384,170,185	161,295,793	186,409,975
Non-current assets					
Restricted bank deposits	*12*	96,519,764	86,956,009	87,329,021	78,582,108
Investment in associate	*13*	6,799,091	6,255,121	5,100,000	5,100,000
Investments in subsidiaries	*14*	-	-	124,119,364	91,222,871
Account receivable from disposal of investment - net of current portion	*15*	39,258,641	83,377,109	39,258,641	83,377,109
Long-term loan to related party	*8*	-	-	20,000,000	-
Investment properties	*16*	71,120,651	11,887,668	71,120,651	11,887,668
Property, plant and equipment	*17*	121,397,927	182,235,217	87,733,804	147,049,088
Right-of-use assets	*18*	61,889,155	-	46,562,418	-
Intangible assets	*19*	24,351,535	29,481,863	946,482	3,892,918
Goodwill	*20*	2,252,566	2,252,566	-	-
Withholding tax deducted at source		14,079,471	14,320,411	14,079,471	14,320,411
Deferred tax assets	*26*	5,841,108	6,118,083	4,501,943	5,697,155
Other non-current assets		1,927,192	5,483,975	1,461,997	2,919,956
Total non-current assets		445,437,101	428,368,022	502,213,792	444,049,284
Total assets		757,689,156	812,538,207	663,509,585	630,459,259

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

NCL International Logistics Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	*21*	190,544,460	228,191,573	165,483,721	201,276,446
Trade and other payables - related parties	*8*	430,094	1,926,213	1,562,225	6,969,231
Trade and other payables - other parties	*22*	126,186,634	198,630,037	50,068,179	73,335,890
Current portion of long-term loans from banks	*23*	15,151,285	-	15,151,285	-
Current portion of liabilities under finance lease agreements	*18*	-	4,587,792	-	4,536,691
Current portion of lease liabilities	*18*	21,776,662	-	10,288,202	-
Short-term loans from related parties	*8*	-	20,000,000	-	-
Other current liabilities		9,085,822	6,324,323	5,381,760	3,512,856
Total current liabilities		363,174,957	459,659,938	247,935,372	289,631,114
Non-current liabilities					
Long-term loans from banks - net of current portion	*23*	63,144,398	-	63,144,398	-
Liabilities under finance lease agreements - net of current portion	*18*	-	28,898,083	-	28,840,932
Lease liabilities - net of current portion	*18*	38,687,426	-	33,817,805	-
Deferred tax liabilities	*26*	295,932	339,946	-	-
Provision for long-term employee benefits	*24*	13,037,301	10,532,677	12,360,543	10,155,935
Other non-current liabilities		2,517,844	3,531,271	2,517,844	3,531,271
Total non-current liabilities		117,682,901	43,301,977	111,840,590	42,528,138
Total liabilities		480,857,858	502,961,915	359,775,962	332,159,252

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

NCL International Logistics Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	*27*				
Registered					
454,152,248 ordinary shares of Baht 0.25 each					
(2019: 587,652,738 ordinary shares					
of Baht 0.25 each)		113,538,062	146,913,185	113,538,062	146,913,185
Issued and paid-up					
454,152,248 ordinary shares of Baht 0.25 each		113,538,062	113,538,062	113,538,062	113,538,062
Share premium		170,630,057	170,630,057	170,630,057	170,630,057
Retained earnings (deficit)					
Appropriated - statutory reserve	*29*	11,353,806	11,047,311	11,353,806	11,047,311
Unappropriated		(36,075,889)	(6,150,082)	8,211,698	3,084,577
Other components of shareholders' equity		(4,726,340)	(4,355,528)	-	-
Equity attributable to owners of the Company		254,719,696	284,709,820	303,733,623	298,300,007
Non-controlling interests of the subsidiaries		22,111,602	24,866,472	-	-
Total shareholders' equity		276,831,298	309,576,292	303,733,623	298,300,007
Total liabilities and shareholders' equity		757,689,156	812,538,207	663,509,585	630,459,259
		-	-	-	-

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

(Ms. Netirad Sang-ngam)
Director

(Ms. Porntip Sae-lim)
Director

NCL International Logistics Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Service income		780,764,537	1,153,008,822	544,179,945	654,274,489
Sales		103,184,598	117,009,011	-	-
Other income					
Gain on disposal of investment					
in subsidiaries	*14*	265,755	27,181,946	-	-
Others		32,940,305	9,610,932	30,069,084	13,030,728
Total revenues		917,155,195	1,306,810,711	574,249,029	667,305,217
Expenses					
Cost of services		638,244,453	924,195,715	431,850,785	510,420,336
Cost of sales		73,365,337	89,300,068	-	-
Selling and distribution expenses		31,189,891	51,664,752	16,687,858	34,030,620
Administrative expenses		190,106,636	216,029,647	112,597,014	119,873,910
Loss on disposal of investments					
in subsidiaries	*14*	-	-	-	13,292,003
Other expenses	*17, 18*	-	7,452,086	-	-
Total expenses		932,906,317	1,288,642,268	561,135,657	677,616,869
Profit (loss) from operating activities		(15,751,122)	18,168,443	13,113,372	(10,311,652)
Share of profit from investment					
in associate	*13*	1,570,622	1,080,687	-	-
Finance income	*30*	7,842,085	2,068,054	8,448,887	2,491,528
Finance cost	*31*	(13,063,378)	(12,683,897)	(10,715,499)	(7,475,642)
Profit (loss) before income tax					
revenue (expense)		(19,401,793)	8,633,287	10,846,760	(15,295,766)
Income tax revenue (expense)	*26*	(4,832,138)	3,038,989	(2,468,537)	2,447,652
Profit (loss) for the year		(24,233,931)	11,672,276	8,378,223	(12,848,114)

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

NCL International Logistics Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currencies		(370,812)	(2,214,965)	-	-
Other comprehensive income to be not reclassified to profit or loss in subsequent periods					
Actuarial gain (loss) - net from income tax		(160,030)	50,409	(160,030)	-
Other comprehensive income for the year		(530,842)	(2,164,556)	(160,030)	-
Total comprehensive income for the year		(24,764,773)	9,507,720	8,218,193	(12,848,114)
Profit (loss) attributable to:					
Equity holders of the Company		(26,072,824)	11,064,493	8,378,223	(12,848,114)
Non-controlling interest of the subsidiaries		1,838,893	607,783		
		(24,233,931)	11,672,276		
Total comprehensive income attributable to:					
Equity holders of the Company		(26,603,666)	8,891,765	8,218,193	(12,848,114)
Non-controlling interest of the subsidiaries		1,838,893	615,955		
		(24,764,773)	9,507,720		
Earnings (loss) per share	*33*				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.057)	0.024	0.018	(0.028)

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

NCL International Logistics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements							
	Equity attributable to owners of the Company							
					Other components of equity			
					Other comprehensive income			
	Issued and paid-up share capital	Share premium	Retained earnings (deficit) Appropriated	Retained earnings (deficit) Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2019	113,538,030	170,629,784	10,727,089	(19,216,686)	(2,140,563)	273,537,654	49,767,341	323,304,995
Profit for the year	-	-	-	11,064,493	-	11,064,493	607,783	11,672,276
Other comprehensive income for the year	-	-	-	42,237	(2,214,965)	(2,172,728)	8,172	(2,164,556)
Total comprehensive income for the year	-	-	-	11,106,730	(2,214,965)	8,891,765	615,955	9,507,720
Increase in share capital from exercise of warrants (Note 28)	32	273	-	-	-	305	-	305
Gain from capital reduction of the subsidiary	-	-	-	5,322,909	-	5,322,909	825,107	6,148,016
Equity attributable to non-controlling interest of the subsidiary decreased from share capital reduction (Note 14)	-	-	-	-	-	-	(32,992,800)	(32,992,800)
Disposal of investment in subsidiary (Note 14)	-	-	-	-	-	-	5,291,052	5,291,052
Change in proportion of investment in subsidiary (Note 14)	-	-	-	-	-	-	1,359,817	1,359,817
Dividend paid (Note 35)	-	-	-	(3,042,813)	-	(3,042,813)	-	(3,042,813)
Statutory reserve (Note 29)	-	-	320,222	(320,222)	-	-	-	-
Balance as at 31 December 2019	113,538,062	170,630,057	11,047,311	(6,150,082)	(4,355,528)	284,709,820	24,866,472	309,576,292
Balance as at 1 January 2020	113,538,062	170,630,057	11,047,311	(6,150,082)	(4,355,528)	284,709,820	24,866,472	309,576,292
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(3,386,458)	-	(3,386,458)	(538,153)	(3,924,611)
Balance as at 1 January 2020 - as restated	113,538,062	170,630,057	11,047,311	(9,536,540)	(4,355,528)	281,323,362	24,328,319	305,651,681
Profit (loss) for the year	-	-	-	(26,072,824)	-	(26,072,824)	1,838,893	(24,233,931)
Other comprehensive income for the year	-	-	-	(160,030)	(370,812)	(530,842)	-	(530,842)
Total comprehensive income for the year	-	-	-	(26,232,854)	(370,812)	(26,603,666)	1,838,893	(24,764,773)
Disposal of investment in subsidiary (Note 14)	-	-	-	-	-	-	(4,055,610)	(4,055,610)
Statutory reserve (Note 29)	-	-	306,495	(306,495)	-	-	-	-
Balance as at 31 December 2020	113,538,062	170,630,057	11,353,806	(36,075,889)	(4,726,340)	254,719,696	22,111,602	276,831,298
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

NCL International Logistics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2019	113,538,030	170,629,784	10,727,089	19,295,726	314,190,629
Loss for the year	-	-	-	(12,848,114)	(12,848,114)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(12,848,114)	(12,848,114)
Increase in share capital from exercise of warrants (Note 28)	32	273	-	-	305
Dividend paid (Note 35)	-	-	-	(3,042,813)	(3,042,813)
Statutory reserve (Note 29)	-	-	320,222	(320,222)	-
Balance as at 31 December 2019	113,538,062	170,630,057	11,047,311	3,084,577	298,300,007
Balance as at 1 January 2020	113,538,062	170,630,057	11,047,311	3,084,577	298,300,007
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(2,784,577)	(2,784,577)
Balance as at 1 January 2020 - as restated	113,538,062	170,630,057	11,047,311	300,000	295,515,430
Profit for the year	-	-	-	8,378,223	8,378,223
Other comprehensive income for the year	-	-	-	(160,030)	(160,030)
Total comprehensive income for the year	-	-	-	8,218,193	8,218,193
Statutory reserve (Note 29)	-	-	306,495	(306,495)	-
Balance as at 31 December 2020	113,538,062	170,630,057	11,353,806	8,211,698	303,733,623
	-	-	-	-	-
	-	-	-	-	-

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

NCL International Logistics Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	(19,401,793)	8,633,287	10,846,760	(15,295,766)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Allowance for expected credit loss (reversal)	713,637	(1,355,357)	(2,028,956)	(1,143,653)
Bad debt	-	889,450	-	889,450
Write-off withholding tax deducted at source	145,556	-	145,556	-
Loss on disposal of equipment	672,129	1,201,705	672,129	93,531
Loss on write-off equipment, building improvement and computer software	666,394	-	-	-
Gain on disposal of assets held for sale	-	(1,957,750)	-	-
Depreciation and amortisation	34,962,813	23,975,612	16,250,174	5,941,969
Amortisation for transaction cost	92,022	-	92,022	-
Loss on write-off assets under finance lease agreements	-	6,071,211	-	-
Loss on impairment of assets	-	1,380,875	-	-
Allowance for diminution in value of inventories	5,188	6,996	-	-
Deferred prepaid rental	130,815	130,815	130,815	130,815
Long-term employee benefit expenses	3,302,214	5,248,348	3,002,198	4,612,023
Loss (gain) on disposal of investment in subsidiaries	(265,755)	(27,181,946)	-	13,292,003
Share of profit on investment in associate	(1,570,622)	(1,080,687)	-	-
Unrealised (gain) loss on exchange	(44,567)	46,157	268,101	(253,207)
Dividend income	-	-	(1,026,652)	(1,414,230)
Finance income	(7,842,085)	(2,068,054)	(8,448,887)	(2,491,528)
Finance cost	13,063,378	12,683,897	10,715,499	7,475,642
Profit from operating activities before changes in operating assets and liabilities	24,629,324	26,624,559	30,618,759	11,837,049
Operating assets (increase) decrease				
Trade and other receivables - related parties	195,850	(19,240,693)	7,594,194	(6,449,678)
Trade and other receivables - other parties	75,639,248	(116,792,588)	21,849,866	(11,619,976)
Inventories	(1,109,107)	348,852	-	-
Other current assets	1,821,616	1,577,861	1,751,897	211,644
Other non-current assets	1,289,868	701,493	1,327,144	(393,616)

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

NCL International Logistics Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating liabilities increase (decrease)				
Trade and other payables - related parties	(1,456,432)	18,981,522	(5,367,319)	4,868,044
Trade and other payables - other parties	(65,564,309)	105,924,752	(23,007,877)	20,526,496
Other current liabilities	4,876,004	(3,570,192)	1,868,904	(816,705)
Cash paid for employee benefits	(997,627)	-	(997,627)	-
Other non-current liabilities	(1,225,521)	1,070,583	(1,225,521)	1,219,584
Cash flows from operating activities	38,098,914	15,626,149	34,412,420	19,382,842
Cash received for interest	892,422	1,577,975	762,237	1,334,682
Cash received for income tax	5,052,132	1,992,757	5,052,132	-
Cash paid for corporate income tax	(8,491,405)	(9,149,087)	(5,493,922)	(6,921,010)
Net cash flows from operating activities	35,552,063	10,047,794	34,732,867	13,796,514
Cash flows from investing activities				
Cash paid for acquisition of equipment	(5,073,226)	(5,575,892)	(1,931,719)	(16,109,823)
Proceeds from sales of equipment	947,050	2,774,166	947,050	3,248,690
Cash paid for acquisition of intangible assets	(115,189)	(1,549,269)	-	(780,252)
Cash received from disposal on intangible assets	1,700,000	-	1,700,000	-
Increase in long-term loan to related party	-	-	(20,000,000)	-
Increase in investment in subsidiaries	-	-	(32,896,493)	(29,347,310)
Decrease in short-term loans to related parties	-	18,000,000	-	18,000,000
Cash received from disposal of investments in subsidiaries	-	7,681,077	-	5,999,990
Cash decreased from disposal of investments in subsidiaries	(599,580)	(3,160,726)	-	-
Cash received from interest income	-	-	736,986	714,452
Cash received from dividend	1,026,652	1,414,230	1,026,652	1,414,230
Cash paid for acquisition of business unit	-	(25,000,000)	-	-
Net cash flows used in investing activities	(2,114,293)	(5,416,414)	(50,417,524)	(16,860,023)

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

NCL International Logistics Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Increase in restricted bank deposits	(9,563,755)	(2,418,253)	(8,746,913)	(2,427,185)
Increase (decrease) in bank overdrafts and short-term loans from banks	(37,647,113)	53,758,107	(35,792,725)	31,814,460
Increase (decrease) in short-term loans from related parties	(20,000,000)	1,310,110	-	-
Cash received from long-term loans from banks (net of transaction cost)	89,718,661	-	89,718,661	-
Cash paid for long-term loans from banks	(11,515,000)	(5,987,609)	(11,515,000)	(3,600,000)
Cash received from share capital	-	305	-	305
Cash paid for capital reduction by non-controlling interest in subsidiary	-	(14,276,418)	-	-
Cash paid for lease liabilities	(21,499,784)	(12,558,728)	(9,662,931)	(1,668,298)
Cash paid for dividend	-	(3,042,813)	-	(3,042,813)
Cash paid for interest expenses	(13,226,145)	(13,162,301)	(10,747,321)	(7,537,104)
Net cash flows from (used in) financing activities	(23,733,136)	3,622,400	13,253,771	13,539,365
Decrease in translation adjustments	(320,564)	(1,595,795)	-	-
Effect of changes in exchange rate on cash and cash equivalents	183,950	(213,936)	-	-
Net increase (decrease) in cash and cash equivalents	9,568,020	6,444,049	(2,430,886)	10,475,856
Cash and cash equivalents at beginning of year	40,857,844	34,413,795	14,145,299	3,669,443
Cash and cash equivalents at end of year (Note 7)	50,425,864	40,857,844	11,714,413	14,145,299
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of				
Purchase of equipment but not yet paid	-	12,524	-	12,524
Purchase of equipment and vehicles under finance lease agreements	-	32,193,656	-	32,193,656
Equipment and vehicle decrease from disposal of investment in subsidiary	-	2,799,508	-	-
Actuarial loss (gain) - net of income tax	160,030	(42,237)	160,030	-
Disposal on investment in subsidiary but not yet received	(1,202,535)	(127,149,990)	-	(127,149,990)
Disposal of equipment, vehicles and intangible assets but not yet received	(1,200,000)	-	(1,200,000)	(1,800,000)
Increase in lease liabilities	47,955,720	-	20,391,315	-
Short-term loan and interest decreased from settlement with receivable	-	-	-	(23,569,680)
Settle account receivable from disposal of investment with vehicles	(41,980,000)	-	(41,980,000)	-
Transfer vehicle back to non-controlling interest in subsidiary from capital reduction	-	(10,618,788)	-	-

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

NCL International Logistics Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate information

NCL International Logistics Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The Company's major shareholder is Phuathavornskul Family, which total shareholding is 51.48% (2019: 52.67%). The Company is principally engaged in an international freight forwarding, customs broker, inland transportation, multimodal transport operator and all freight related services for imports and exports. The registered office of the Company is at 56/9-10 Soi Taksin 12/1, Somdejprachaotaksin Road, Bukkhalo, Thonburi, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, impacting most businesses and industries. This situation significantly affects the Group's logistics business activities and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. During the current year, the Group's management decided to liquidate the subsidiary in Vietnam and temporarily stop operations of two subsidiaries in China to cut loss and assess the circumstance. Moreover, the Company disposed all investments in a subsidiary in Indonesia to another shareholder in such subsidiary to restructure the Group's management to be more effective. Although, the liquidation, temporarily stopping the operation and disposal of investment of these subsidiaries has no significant impact to the financial position of the Group since the proportionate of the revenue of four subsidiaries for the year ended 31 December 2020 amounted Baht 27 million or was 3% of total revenue of the Group (2019: the proportionate of the revenue amounted Baht 84 million or was 6% of total revenue of the Group).

However, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 Cancellation of issuance and offering of the convertible debentures to specific investor

On 13 July 2020, a meeting of Board's Director of the Company approved the following resolutions to propose to the Extraordinary General Meeting of the Company's shareholders for approval which the meeting would be held on 28 August 2020.

- To approve the issuance and offering of the newly issued convertible debentures of the Company not exceeding Baht 300 million by way of private placement to specific investor which was not related person. The purpose was to support and expand the business in the future. Such convertible debentures were senior unsecured convertible debentures with the period of three years since issuance date and bearing interest at a rate of 2.00 percent per annum, repayable on quarterly basis since issuance date.
- To approve increase in the Company's registered share capital of Baht 30,500,000, from Baht 113,538,062 to Baht 144,038,062 through the issuance of not over 122,000,000 registered ordinary shares with a par value of Baht 0.25 per share, to accommodate for convertible debentures.
- To approve allocation of ordinary shares of the Company to accommodate for exercise of newly convertible debentures of the Company.
- To approve the amendment of the Company's memorandum of association to reflect the increase in the Company's registered share capital from 454,152,248 shares to 576,152,248 shares.

However, on 26 August 2020, a meeting of Board's Director of the Company approved the resolution to cancel the issuance and offering of the newly issued convertible debentures of the Company not exceeding Baht 300 million by way of private placement to specific investor which was not related person since there was the revision of significant conditions in such agreement (after the date that the Company approved the resolution on 13 July 2020), but the negotiation was not successful. The Board of Director of the Company reconsidered and approved the resolution to cancelation of issuance and offering the newly issues convertible debentures to maintain the Company and shareholders' interests in the future which such decision has no any impact to the Company's operation. In addition, there was a resolution to cancel the Extraordinary General Meeting which would be held on 28 August 2020 and canceled all agenda relating to issuance and offering the newly issued convertible debentures of the Company.

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, 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 NCL International Logistics Public Company Limited and the following subsidiaries ("the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
			2020	2019
			(%)	(%)
Subsidiaries which are directly held by the Company				
NCL Inter Logistics (S) Pte. Ltd.	Providing service of international freight forwarding	Singapore	100.00	100.00
Grace Water Med Co., Ltd.	Producing dialysis	Thailand	52.80	52.80
Subsidiaries which are held by NCL Inter Logistics (S) Pte. Ltd.				
NCL International Logistics USA Inc.	Providing service of international freight forwarding	United States of America	100.00	100.00
Qingdao National Container Line Co., Ltd.	Providing service of international freight forwarding	China	100.00	100.00
LG Container Line Pte. Ltd.	Providing service of international freight forwarding	Singapore	100.00	100.00
Ningbo NCL Inter Logistics Co., Ltd.	Providing service of international freight forwarding	China	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			(%)	(%)
NCL Inter Logistics Vietnam Co., Ltd.	Providing service of international freight forwarding	Vietnam	49.00	49.00
NCL International Logistics Private Limited	Providing service of international freight forwarding	India	100.00	100.00
Subsidiary which has interests through controlling by NCL Inter Logistics (S) Pte. Ltd.				
PT. NCL INTER LOGISTIK INDONESIA	Providing service of international freight forwarding	Indonesia	-	-

- On 31 August 2020 a meeting of the Board of Director of NCL Inter Logistics (S) Pte. Ltd. approved a resolution to dispose all investments in PT. NCL INTER LOGISTIK INDONESIA which is a subsidiary having interests through controlling by NCL Inter Logistics (S) Pte. Ltd. at cost, totaling USD 60,000, to another shareholder of such subsidiary. On 31 August 2020, NCL Inter Logistics (S) Pte. Ltd. entered into shareholder purchase agreement with such shareholder and as a result, PT. NCL INTER LOGISTIK INDONESIA ended being subsidiary of the Company since thereon as stipulated in Note 14 to the financial statements.

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.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are 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 currencies" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Group 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 subsidiaries and associate under the cost method.

3. New financial reporting standards

a) Financial reporting standards that become effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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

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.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the right-of-use assets and lease liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the first and third quarter of the year 2020, the Group has elected to apply temporary relief measures on accounting alternatives in using a simplified approach to determine expected credit losses, impairment of assets and goodwill and deferred tax utilisation.

During the fourth quarter of the year 2020, the Group evaluated the impact on the financial statements relating the valuation of assets, provision and contingent liabilities from the uncertainties of the Coronavirus disease 2019 pandemic. Therefore, in preparation of the financial statements for the year ended 31 December 2020, the Group considered cancellation to apply Accounting Guidance on Temporary Relief Measures for Accounting Alternatives that the Group complied them in the past period which there is no significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated. However, change in accounting policy due to the adoption of TFRS 16 has no the effect to retained earnings as at 1 January 2020.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables - other parties	296,718	(4,906)	-	291,812
Non-current assets				
Property, plant and equipment	182,235	-	(33,276)	148,959
Right-of-use assets	-	-	88,405	88,405
Deferred tax assets	6,118	981	-	7,099
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under finance lease agreements	4,588	-	(4,588)	-
Current portion of lease liabilities	-	-	22,695	22,695
Non-current liabilities				
Liabilities under finance lease agreements - net of current portion	28,898	-	(28,898)	-
Lease liabilities - net of current portion	-	-	65,920	65,920
Shareholders' equity				
Retained earnings - unappropriated	(6,150)	(3,925)	-	(10,075)

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables - other parties	121,022	(3,480)	-	117,542
Non-current assets				
Property, plant and equipment	147,049	-	(33,160)	113,889
Right-of-use assets	-	-	59,937	59,937
Deferred tax assets	5,697	695	-	6,392
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under finance lease agreements	4,537	-	(4,537)	-
Current portion of lease liabilities	-	-	10,548	10,548
Non-current liabilities				
Liabilities under finance lease agreements - net of current portion	28,841	-	(28,841)	-
Lease liabilities - net of current portion	-	-	49,607	49,607
Shareholders' equity				
Retained earnings - unappropriated	3,085	(2,785)	-	300

4.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(4,906)	(3,480)
Impact to deferred tax assets	981	695
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(3,925)	(2,785)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
		Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	40,858	-	-	40,858	40,858
Trade and other receivables - related parties	6,699	-	-	6,699	6,699
Trade and other receivables - other parties	296,718	-	-	291,812	291,812
Current portion of account receivable from disposal of investment	31,150	-	-	31,150	31,150
Restricted bank deposits	86,956	-	-	86,956	86,956
Account receivable from disposal of investment - net of current portion	83,377	-	-	83,377	83,377
Total financial assets	545,758	-	-	540,852	540,852

(Unit: Thousand Baht)

	Separate financial statements				
		Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	14,145	-	-	14,145	14,145
Trade and other receivables - related parties	15,251	-	-	15,251	15,251
Trade and other receivables - other parties	121,022	-	-	117,542	117,542
Current portion of account receivable from disposal of investment	31,150	-	-	31,150	31,150
Restricted bank deposits	78,582	-	-	78,582	78,582
Account receivable from disposal of investment - net of current portion	83,377	-	-	83,377	83,377
Total financial assets	343,527	-	-	340,047	340,047

As at 1January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	30,710	5,890
Add: Option to extend or terminate lease term and purchase option	29,227	23,784
Less: Short-term leases and leases of low-value assets	(570)	(570)
Less: Deferred interest expenses	(4,238)	(2,327)
Increase in lease liabilities due to TFRS 16 adoption	55,129	26,777
Liabilities under finance lease agreements as at 31 December 2019	33,486	33,378
Lease liabilities as at 1 January 2020	88,615	60,155
Weighted average incremental borrowing rate (percent per annum)	3.94	3.75
Comprise of:		
Current lease liabilities	22,695	10,548
Non-current lease liabilities	65,920	49,607
	88,615	60,155

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land and buildings	13,775	2,036
Containers	48,544	32,102
Motor vehicles	23,971	23,971
Office equipment	2,115	1,828
Total right-of-use assets (Note 18)	88,405	59,937

5. Significant accounting policies

5.1 Revenue and expense recognition

Rendering of services

Service revenue is recognised at a point in time upon completion of the service and is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 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.

5.3 Inventories

Finished goods are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and supplies are valued at the lower of cost under the first-in, first-out method and net realisable value and are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sales.

5.4 Investments in subsidiaries and associate

a) Investment in associate is accounted for in the consolidated financial statements using the equity method.

b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method less allowance for loss on impairment of investments (if any).

5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 30 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 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:

Land improvement	10 years
Buildings and building improvement	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Machinery and equipment	5 - 30 years
Containers	15 years
Motor vehicles, trucks and trailers	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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.

5.7 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).

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.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	3 - 10 years
Business relationship of customer, container lessor and feeder	3 - 25 years
Technical knowledge of NVOCC operation	10 years

5.8 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 Group 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.

5.9 Leases

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

Accounting policies adopted since 1 January 2020

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and Buildings	2 - 3	years
Containers	20	years
Motor vehicles	5	years
Office equipment	3 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are

recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

A lease that has a lease term less than or equal to 12 months from commencement date is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

Accounting policies adopted before 1 January 2020

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 is depreciated over the shorter of the useful life of the asset and the lease period.

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 a straight-line basis over the lease term.

5.10 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 associate 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.

5.11 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.

5.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group 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 Group 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.

In the assessment of asset impairment (except for goodwill) if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.13 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

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.14 Provisions

Provisions are recognised when the Group has 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.

5.15 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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade accounts receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

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.

5.17 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 Group applies 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 Group measures 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 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 Group determines 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.

5.18 Government grants

Government grants are recognised when there is reasonable assurance that the subsidiaries comply with the conditions attaching to them and the grants will be received.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which subsidiaries recognised as expenses the related costs for which the grants are intended to compensate.

6. 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:

Revenue from contracts with customers

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion.

Recognition of investment in associate when the Company holds more than half of shares

The management of the Company determined that the Company has no control over Zim (Thailand) Company Limited even though the Company holds 51% of shares and voting rights, which is more than half of shares and voting rights because the Company and another shareholder have entered into a Shareholders Agreement and there are three directors, two of whom are to be appointed by another shareholder resulting in such shareholder has control over this company.

Consolidation of subsidiary that the Company has no shareholding

The management of the Company determined that the Company has control over PT. NCL INTER LOGISTIK INDONESIA, even though the Company holds none of shares and voting rights. Since NCL Inter Logistics (S) Pte. Ltd.; the Company's subsidiary, entered into Business cooperation agreement with such company for the purpose of controlling either directly or indirectly business operation and management of such company. Therefore, PT. NCL INTER LOGISTIK INDONESIA is deemed to be subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

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

The management of the Company determined that the Company has control over NCL Inter Logistics Vietnam Company Limited, even though the Company holds 49% of shares and voting rights that is less than half of shares and voting rights. Since NCL Inter Logistics (S) Pte. Ltd.; the Company's subsidiary, entered into Business cooperation agreement with such company for the purpose of controlling either directly or indirectly business operation and management of such company. Therefore, NCL Inter Logistics Vietnam Company Limited is deemed to be subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade accounts receivable

In determining an allowance for expected credit losses of trade accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires management to exercise judgment in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories.

Investment properties, property, plant and equipment and Depreciation

In determining depreciation of investment properties (excluded land), plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties (excluded land), plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties, property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation

purposes. These estimates are most relevant to property, plant and equipment and goodwill recognised by the Group.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is 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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidation financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	171	422	140	140
Bank deposits	50,255	40,436	11,574	14,005
Total	50,426	40,858	11,714	14,145

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.13% - 0.50% per annum (2019: between 0.13% - 1.35% per annum).

8. Related party transactions

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

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
NCL Inter Logistics (S) Pte. Ltd.	Subsidiary
Grace Water Med Co., Ltd.	Subsidiary
NCL International Logistics USA Inc.	Subsidiary (Held by a subsidiary)
Qingdao National Container Line Co., Ltd.	Subsidiary (Held by a subsidiary)
LG Container Line Pte. Ltd.	Subsidiary (Held by a subsidiary)
Ningbo NCL Inter Logistics Co., Ltd.	Subsidiary (Held by a subsidiary)
NCL Inter Logistics Vietnam Co., Ltd.	Subsidiary (Held by a subsidiary)
NCL International Logistics Private Limited	Subsidiary (Held by a subsidiary)
PT. NCL INTER LOGISTIK INDONESIA	Subsidiary (Through controlling by a subsidiary)*
Zim (Thailand) Co., Ltd.	Associate
Zim Integrated Shipping Services Ltd.	Mutual shareholders in associate
Sevenday Dialysis Co., Ltd.	Held by close relative of director
Waree Medical Co., Ltd.	Held by close relative of director
Grace and Glamour (Thailand) Co., Ltd.	Held by close person of director
K.S. 54 Co., Ltd.	Mutual directors
Grand Canal Land Plc.	Mutual directors
Country Group Holdings Plc.	Mutual directors
Sunchild & Baby Co., Ltd.	Mutual directors
Limsophon Panich Co., Ltd.	Mutual directors
NSP Network Co., Ltd.	Mutual directors
LNG Food Products Co., Ltd.	Mutual directors
NCL Inter Logistics Corporation Limited	Mutual directors
CAT Telecom Public Company Limited	Mutual directors
Asian Interlaw Co., Ltd.	Mutual directors
AEC Interservice Co., Ltd.	Mutual directors

* *Investment in PT. NCL INTER LOGISTIK INDONESIA was disposed during the year.*

Such significant transactions for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
NCL Inter Logistics (S) Pte. Ltd.					
Service income	-	-	4,942	10,333	Cost plus margin 10% - 30%
Cost of services	-	-	5,133	5,313	Price compared to third parties
LG Container Line Pte. Ltd.					
Rental income	-	-	2,399	572	As stipulated in the agreements
Grace Water Med Co., Ltd.					
Service income	-	-	-	15	Price compared to third parties
Other income	-	-	-	400	As stipulated in the agreements
Sales of fixed assets	-	-	2	2,898	Net book value plus margin
Interest income	-	-	737	-	At rate of 5.0% per annum
Other expense	-	-	4	-	Price compared to third parties
NCL International Logistics USA Inc.					
Service income	-	-	8,539	6,198	Cost plus margin 10% - 30%
Cost of services	-	-	7,550	8,527	Price compared to third parties
PT. NCL INTER LOGISTIK INDONESIA					
Service income	-	-	6,466	8,745	Cost plus margin 10% - 30%
Cost of services	-	-	715	950	Price compared to third parties
NCL Inter Logistics Vietnam Co., Ltd.					
Service income	-	-	499	3,622	Cost plus margin 10% - 30%
Cost of services	-	-	18	290	Price compared to third parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
Qingdao National Container Line Co., Ltd.					
Cost of services	-	-	-	30	Price compared to third parties
Ningbo NCL Inter Logistics Co., Ltd.					
Service income	-	-	18	130	Cost plus margin 10% - 30%
Cost of services	-	-	1,336	527	Price compared to third parties
Transaction with associate					
Zim (Thailand) Co., Ltd.					
Dividend income	-	-	1,027	1,414	As declared
Transactions with related parties					
Grace and Glamour (Thailand) Co., Ltd.					
Rental income	600	450	-	-	As stipulated in the agreements
Sevenday Dialysis Co., Ltd.					
Sales	25,758	19,039	-	-	Cost plus margin 10% - 30%
Zim Integrated Shipping Service Ltd.					
Service income	-	2	-	2	Cost plus margin 10% - 30%
Consulting income	4,580	3,975	4,580	3,975	As stipulated in the agreements
Cost of services	2,423	9,152	2,423	9,152	Price compared to third parties
Waree Medical Co., Ltd.					
Rental income	80	-	80	-	As stipulated in the agreements
Sales of fixed assets	52	-	52	-	Net book value plus margin
Cost of service	502	-	-	-	Price compared to third parties
Transactions with persons relative with directors					
Rental expense	1,295	1,295	95	95	As stipulated in the agreements
Interest expense	298	823	-	-	At rate of 5.5% per annum

As at 31 December 2020 and 2019, the balances of the accounts between the Company, its subsidiaries and those related persons and parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other receivables - related parties				
Trade accounts receivable				
Subsidiaries				
NCL Inter Logistics (S) Pte. Ltd.	-	-	584	3,431
NCL International Logistics USA Inc.	-	-	1,359	1,140
PT. NCL INTER LOGISTIK INDONESIA	-	-	-	1,746
NCL Inter Logistics Vietnam Co., Ltd.	-	-	-	2,324
Ningbo NCL Inter Logistics Co., Ltd.	-	-	-	126
LG Container Line Pte. Ltd.	-	-	764	570
Associate				
Zim (Thailand) Co., Ltd.	8	-	8	-
Related company				
Sevenday Dialysis Co., Ltd.	2,703	2,629	-	-
Total	2,711	2,629	2,715	9,337
Other receivables				
Subsidiaries	-	-	1,222	1,881
Related companies	3,868	4,070	3,868	4,033
Total	3,868	4,070	5,090	5,914
Total trade and other receivables - related parties	6,579	6,699	7,805	15,251
Trade and other payables - related parties				
Trade accounts payable				
Subsidiaries				
NCL Inter Logistics (S) Pte. Ltd.	-	-	498	771
NCL International Logistics USA Inc.	-	-	471	3,238
PT. NCL INTER LOGISTIK INDONESIA	-	-	-	180
Qingdao National Container Line Co., Ltd.	-	-	29	29
NCL Inter Logistics Vietnam Co., Ltd.	-	-	-	68
Ningbo NCL Inter Logistics Co., Ltd.	-	-	146	520
Related company				
Zim Integrated Shipping Services Ltd.	38	1,109	38	1,109
Total	38	1,109	1,182	5,915
Other payable				
Others	392	817	380	1,054
Total trade and other payables - related parties	430	1,926	1,562	6,969

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loan to related party				
Subsidiary				
Grace Water Med Co., Ltd.	-	-	20,000	-
Total long-term loan to related party	-	-	20,000	-
Short-term loans from related parties				
Directors and person relative with directors	-	20,000	-	-
Total short-term loans from related parties	-	20,000	-	-

During the year, the movement of long-term loan to related party was as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loan	Related by	Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Grace Water Med Co., Ltd.	Subsidiary	-	20,000	-	20,000
Total		-	20,000	-	20,000

As at 31 December 2020, long-term loan to related party amounting Baht 20 million bears interest at a rate of 5% per annum. Such loan is unsecured and due within three years since the agreement date.

During the year, the movement of short-term loans from related parties was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
Short-term loans	Balance as at 1 January 2020	Increase during the year	Decrease from repayment during the year	Balance as at 31 December 2020
Directors and person relative with Directors	20,000	-	(20,000)	-
Total	20,000	-	(20,000)	-

The subsidiary repaid all loans from directors and person relative with directors in April 2020.

Directors and management's benefits

During the year, the Group recorded employee benefit expenses payable to their directors and management as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	21,641	25,911	14,361	18,012
Post-employment benefits	1,738	2,399	1,680	2,348
Total	23,379	28,310	16,041	20,360

As at 31 December 2020, the Company and a subsidiary entered into building lease agreements with a close relative of a director for a period of three years with an option to renew as conditions in mutual agreement. The Company and a subsidiary are committed to pay rental of Baht 0.09 million and Baht 1.0 million per year, respectively.

9. Trade and other receivables - related parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable				
Aged on the basis of due dates				
Not yet due	2,711	2,629	1,277	3,383
Past due				
Up to 1 month	-	-	1,038	2,575
1 - 3 months	-	-	212	1,953
3 - 6 months	-	-	188	1,035
6 -12 months	-	-	-	391
Over 12 months	-	-	-	-
Total	2,711	2,629	2,715	9,337
Other receivables				
Others	3,868	4,070	5,090	5,949
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	-	(35)
Other receivables - net	3,868	4,070	5,090	5,914
Total trade and other receivables - related parties	6,579	6,699	7,805	15,251

10. Trade and other receivables - other parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable				
Aged on the basis of due dates				
Not yet due	67,607	81,427	53,452	49,848
Past due				
Up to 1 month	26,483	48,005	15,615	29,550
1 - 3 months	18,813	40,190	8,840	14,675
3 - 6 months	63,543	76,859	4,407	7,125
6 - 12 months	4,526	9,616	217	1,332
Over 12 months	14,245	7,919	5,681	6,290
Total	195,217	264,016	88,212	108,820
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(11,604)	(5,881)	(6,724)	(5,144)
Total trade accounts receivable - net	183,613	258,135	81,488	103,676
Other receivables				
Advances for custom clearance	13,882	12,367	13,882	12,164
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(7)	(14)	(7)	(14)
Net	13,875	12,353	13,875	12,150
Other receivables	4,745	24,643	1,485	5,039
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	(87)	-	(87)
Net	4,745	24,556	1,485	4,952
Others	3,444	1,674	82	244
Total other receivables - net	22,064	38,583	15,442	17,346
Other trade and other receivables				
- other parties - net	205,677	296,718	96,930	121,022

Movement in the allowance for expected credit losses of trade and other receivables - other parties for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
Allowance for expected credit losses	Balance as at 1 January 2020	The effect from change in accounting policy	Addition (reversal) during the year	Collect during the year	Difference from translation adjustment	Balance as at 31 December 2020
Trade accounts receivable	5,881	4,906	808	-	9	11,604
Advances for custom clearance	14	-	(7)	-	-	
Other receivables	87	-	(87)	-	-	
Total	5,982	4,906	714	-	9	11,611

(Unit: Thousand Baht)

	Separate financial statements				
Allowance for expected credit losses	Balance as at 1 January 2020	The effect from change in accounting policy	Addition (reversal) during the year	Collect during the year	Balance as at 31 December 2020
Trade accounts receivable	5,144	3,480	(1,900)	-	6,724
Advances for custom clearance	14	-	(7)	-	7
Other receivables	87	-	(87)	-	-
Total	5,245	3,480	(1,994)	-	6,731

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	1,058	1,252	(29)	(24)	1,029	1,228
Raw materials	901	1,432	-	-	901	1,432
Manufacturing supplies	2,413	579	(3)	(3)	2,410	576
Total	4,372	3,263	(32)	(27)	4,340	3,236

12. Restricted bank deposits

As at 31 December 2020, fixed deposits carried interests between 0.13% - 0.63% per annum (the Company only: 0.13% - 0.63% per annum) (2019: between 0.13% - 3.00% per annum (the Company only: 0.13% - 1.38% per annum)). The Group has pledged fixed deposits with the banks to secure credit facilities that the Group received from several commercial banks.

13. Investment in associate

13.1 Details of associate

(Unit: Thousand Baht)

			Consolidated financial statements					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost method		Carrying amount based on the equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Zim (Thailand) Co., Ltd.	Agent for sea freight containers	Thailand	51.00	51.00	5,100	5,100	6,799	6,255
					5,100	5,100	6,799	6,255

(Unit: Thousand Baht)

			Separate financial statements							
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost method		Allowance for impairment of investment		cost method - net	
			2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)						
Zim (Thailand) Co., Ltd.	Agent for sea freight containers	Thailand	51.00	51.00	5,100	5,100	-	-	5,100	5,100
					5,100	5,100	-	-	5,100	5,100

On 20 May 2019, a meeting of Board of Directors of Zim (Thailand) Co., Ltd. approved the payment of an interim dividend from operation result for the year ended 31 December 2018 to shareholders with Baht 277.30 per share totaling Baht 2.80 million of dividend payment. The Company received such dividend in proportion of shareholding amounting Baht 1.40 million on 28 May 2019.

On 8 May 2020, the Annual General Meeting of the shareholders of Zim (Thailand) Company Limited approved the payment of a dividend from operation result for the year ended 31 December 2019 to shareholders with Baht 201.30 per share totaling Baht 2.0 million of dividend payment. The Company received such dividend of Baht 1.0 million in proportion of shareholding on 8 June 2020.

13.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit/loss from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in associate during the year		Share of other comprehensive income from investment in associate during the year		Dividend received during the year	
	2020	2019	2020	2019	2020	2019
Zim (Thailand) Co., Ltd.	1,571	1,081	-	-	1,026	1,414
Total	1,571	1,081	-	-	1,026	1,414

13.3 Summarised financial information about material associate

Summarised information about financial position as at 31 December 2020 and 2019

(Unit: Thousand Baht)

	Zim (Thailand) Co., Ltd.	
	2020	2019
Current assets	247,874	151,739
Non-current assets	24,815	25,289
Current liabilities	(257,931)	(163,522)
Non-current liabilities	(1,426)	(1,241)
Net assets	13,332	12,265
Shareholding percentage (%)	51.00	51.00
Share of net assets	6,799	6,255
Carrying amounts of associate based on equity method	6,799	6,255

Summarised information about comprehensive income for the years ended 31 December 2020 and 2019

(Unit: Thousand Baht)

	Zim (Thailand) Co., Ltd.	
	2020	2019
Revenue	71,242	57,930
Profit	3,080	2,119

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			(%)	(%)		
Subsidiaries which are directly held by the Company						
NCL Inter Logistics (S) Pte. Ltd.	SGD 4.3 million	SGD 2.9 million	100.00	100.00	101,331	68,435
Grace Water Med Co., Ltd.	Baht 40.0 million	Baht 40.0 million	52.80	52.80	22,788	22,788
Subsidiaries which are held by NCL Inter Logistics (S) Pte. Ltd.						
NCL International Logistics USA Inc.	USD 0.1 million	USD 0.1 million	100.00	100.00	-	-
Qingdao National Container Line Co., Ltd.	CNY 0.8 million	CNY 0.8 million	100.00	100.00	-	-
LG Container Line Pte. Ltd.	SGD 2.7 million	SGD 1.3 million	100.00	100.00	-	-
Ningbo NCL Inter Logistics Co., Ltd.	CNY 1.4 million	CNY 1.4 million	100.00	100.00	-	-
NCL Inter Logistics Vietnam Co., Ltd.	VND 2,500.0 million	VND 2,500.0 million	49.00	49.00	-	-
NCL International Logistics Private Limited	INR 0.3 million	INR 0.3 million	100.00	100.00	-	-
Subsidiary which has interests through controlling by NCL Inter Logistics (S) Pte. Ltd.						
PT. NCL INTER LOGISTIK INDONESIA	-	IDR 1,000.0 million	-	-	-	-
Total					124,119	91,223

14.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Grace Water Med Co., Ltd.	47.20	47.20	21.31	19.15	2.16	3.46	-	-
PT. NCL INTER LOGISTIK INDONESIA	-	40.00	-	3.77	0.28	(0.12)	-	-
NCL Inter Logistics Vietnam Co., Ltd.	51.00	51.00	0.81	1.41	(0.60)	(0.27)	-	-

14.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling.

Summarised information about financial position as at 31 December 2020 and 2019

(Unit: Million Baht)

	Grace Water Med Co., Ltd.		PT. NCL INTER LOGISTIK INDONESIA		NCL Inter Logistics Vietnam Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Current assets	44.88	44.20	-	9.32	1.18	6.11
Non-current assets	36.65	31.81	-	2.33	0.38	0.69
Current liabilities	13.00	33.94	-	8.67	1.16	5.23
Non-current liabilities	22.86	0.37	-	-	-	-

Summarised information about comprehensive income

(Unit: Million Baht)

	Grace Water Med Co., Ltd.		PT. NCL INTER LOGISTIK INDONESIA		NCL Inter Logistics Vietnam Co., Ltd.	
	For the year ended 31 December 2020	For the year ended 31 December 2019	For the period as from 1 January 2020 to 31 August 2020 (the ended date being subsidiary)	For the year ended 31 December 2019	For the year ended 31 December 2020	For the period as from 15 November 2019 (date of proportion change) to 31 December 2019
Revenue	103.75	117.71	23.68	40.65		
Profit (loss)	5.12	7.32	0.70	(0.29)		
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	5.12	7.32	0.70	(0.29)		

Summarised information about cash flows

(Unit: Million Baht)

	Grace Water Med Co., Ltd.		PT. NCL INTER LOGISTIK INDONESIA		NCL Inter Logistics Vietnam Co., Ltd.	
	For the year ended 31 December 2020	For the year ended 31 December 2019	For the period as from 1 January 2020 to 31 August 2020 (the ended date being subsidiary)	For the year ended 31 December 2019	For the year ended 31 December 2020	For the period as from 15 November 2019 (date of proportion change) to 31 December 2019
Cash flows from (used in) operating activities	17.10	3.47	(0.05)	(1.20)	(9)	1.42
Cash flows from (used in) investing activities	(3.03)	(1.11)	-	(0.05)	0	-
Cash flows from (used in) financing activities	(1.43)	(6.10)	(0.03)	-	-	1.74
Net increase (decrease) in cash and cash equivalents	12.64	(3.74)	(0.08)	(1.25)	(5)	3.16

NCL Inter Logistics (S) Pte. Ltd.

- On 13 August 2019, a meeting of the Company's Board of Directors approved the resolution an increase the registered share capital by Baht 25 million of NCL Inter Logistics (S) Pte. Ltd. for the purpose to expand the business of oversea subsidiaries.
- In 2019, the Company invested in NCL Inter Logistics (S) Pte. Ltd. totaling SGD 1,325,365. As a result, as at 31 December 2019, the registered and paid-up share capital amounted to SGD 2,900,000.
- In 2020, the Company invested in NCL Inter Logistics (S) Pte. Ltd. totaling SGD 1,428,740. As a result, as at 31 December 2020, the registered and paid-up share capital amounted to SGD 4,328,740.

Qingdao National Container Line Company Limited

- In January 2019, NCL Inter Logistics (S) Pte. Ltd. transferred additional investment in Qingdao Container Line Company Limited, a subsidiary in China, for the purpose of business operation amounting to CNY 404,058. Qingdao National Container Line Company Limited completed the registration of increasing share capital on 30 January 2019. As at 31 December 2019, such subsidiary had CNY 750,433 paid-up share capital.

- During the current year, the Group's management decided to stop the business operation of this subsidiary to cut losses due to the impact from the Coronavirus disease 2019 pandemic in China.

LG Container Line Pte. Ltd.

- In 2019, NCL Inter Logistics (S) Pte. Ltd. invested in LG Container Line Pte. Ltd. totaling SGD 1,240,000. As a result, as at 31 December 2019, the registered and paid-up share capital amounted to SGD 1,250,000.
- In 2020, NCL Inter Logistics (S) Pte. Ltd. invested in LG Container Line Pte. Ltd. totaling SGD 1,440,000. As a result, as at 31 December 2020, the registered and paid-up share capital amounted to SGD 2,690,000.

PT. NCL INTER LOGISTIK INDONESIA

- On 31 August 2020, a meeting of Board of Directors of NCL Inter Logistics (S) Pte. Ltd. approved a resolution to dispose all investments in PT. NCL INTER LOGISTIK INDONESIA which is subsidiary having interests through controlling by NCL Inter Logistics (S) Pte. Ltd. with at cost, totaling USD 60,000, to another shareholder of such subsidiary. On 31 August 2020, NCL Inter Logistics (S) Pte. Ltd. entered into shareholder purchase agreement with such shareholder. The payment will be made in three installments and all amount be payable within 31 March 2021. As a result, PT. NCL INTER LOGISTIK INDONESIA ended being subsidiary of the Company since thereon. As at 31 December 2020, such receivable is presented in other receivables - other parties in statement of financial position.

NCL Inter Logistics Vietnam Company Limited

- In May 2019, NCL Inter Logistics (S) Pte. Ltd. adjusted shareholder structure of NCL Inter Logistics Vietnam Company Limited by transferring additional investments in such subsidiary amounting to VND 1,225,000,000 equivalent to USD 50,000, and registered being such company's shareholders with shareholding at 49% of VND 2,500,000,000 registered and paid-up share capital. However, NCL Inter Logistics (S) Pte. Ltd. considers NCL Inter Logistics Vietnam Company Limited being subsidiary since the Business cooperation agreement between parties still exists. The agreement is for the purpose of controlling either directly or indirectly business operation and management of such company and the conditions stipulated in the agreement remain the same.

- Later, in November 2019, there was new shareholder which is a company in Vietnam invested in NCL Inter Logistics Vietnam Company Limited in the proportion of 51% shareholding, totaling VND 1,275,000,000 of VND 2,500,000,000 registered share capital. As a result, the shareholding percentage and profit distribution in such subsidiary of NCL Inter Logistics (S) Pte. Ltd. decreased from 100% to 49% shareholding. However, the Company's management still considers NCL Inter Logistic Vietnam Company Limited being a subsidiary, even though NCL Inter Logistics (S) Pte. Ltd. holds 49% of shares and voting rights that is less than half of shares and voting rights. Since there is Business cooperation agreement with such company for the purpose of controlling either directly or indirectly business operation and management of such company and the agreement is still effective. In addition, the Company's management considered revising Convertible loan agreement by adjusting the loan amount from USD 100,000 to USD 51,000 resulting from investment of new shareholder which makes shareholding percentage decreasing from 100% to 49%.
- On 13 May 2020, the Company's Board of Directors approved the resolution to dissolute NCL Inter Logistics Vietnam Company Limited which is a subsidiary in Vietnam, holding shares through NCL Inter Logistics (S) Pte. Ltd. due to having significant loss and operating expenses. In addition, the Coronavirus disease 2019 pandemic impacts to logistics business as a resulting significant decrease in revenue of such subsidiary. The Group's management has discussed with another shareholder and agreed if the subsidiary continues the business, it would get loss in long term, therefore, agreeing to dissolute such subsidiary before getting more impact. As at 31 December 2020, the subsidiary is in the registration process of liquidation.

Ningbo NCL Inter Logistics Company Limited

- In 2019, NCL Inter Logistics (S) Pte. Ltd. transferred additional investments in Ningbo NCL Inter Logistics Company Limited totaling CNY 1,364,030. As a result, as at 31 December 2019, Ningbo NCL Inter Logistics Company Limited has CNY 1,364,030 of paid-up share capital.
- During the year, the Group's management decided to stop the business operation of this subsidiary to cut losses due to the impact from the Coronavirus disease 2019 pandemic in China.

NCL International Logistics Private Limited

- In February 2019, NCL Inter Logistics (S) Pte. Ltd., established "NCL International Logistics Private Limited" in Republic of India, which NCL Inter Logistics (S) Pte. Ltd. had shareholding at 100% of INR 5,000,000 registered share capital. Such company was completed for incorporation on 22 February 2019 and became the Company's subsidiary since thereon, because the Company held investment in such company through NCL Inter Logistics (S) Pte. Ltd. with shareholding at 100% of the registered share capital of NCL International Logistics Private Limited and the Company has power to control over such company. As at 31 December 2020, NCL International Logistics Private Limited has INR 286,000 paid-up share capital and has yet operated.

SSK Inter Logistics Company Limited

- On 26 April 2019, the Annual General Meeting of SSK Inter Logistics Company Limited's shareholders approved the capital decrease of 1,699,280 shares, from 16,874,280 shares to 15,175,000 shares. As a result, the Company had shareholding increased from 75.35% to 83.79%. This decrease in share capital was return of the assets of shareholders which brought for investment. The registration of capital decrease was completed on 1 May 2019. Later, on 4 September 2019, the Extraordinary General meeting of such company's shareholders approved the capital decrease of 1,600,000 shares, from 15,175,000 shares to 13,575,000 shares. As a result, the Company had shareholding increased from 83.79% to 93.66%. The registration of capital decrease was completed on 16 September 2019 and the shareholding percentage had changed since the registration date of decrease share capital with Ministry of Commerce. The subsidiary paid for capital reduction to shareholders in October 2019.
- On 11 November 2019, a meeting of the Company's Board of Directors approved the resolutions to dispose of investment in SSK Inter logistics Company Limited which was a subsidiary, to such company's shareholder. The Company disposed such investment in full amount at cost, comprising of 12,714,999 ordinary shares with a par value of Baht 10, totaling Baht 127,149,990. On 30 November 2019, the Company entered into sale and purchase share agreement and already transferred shares to such shareholder. In order that, the sale and purchase share agreement specified that the buyer paid for shares with three post-dated cheques within three years since the agreement date which the first installment will be payable on 30 June 2020. In addition, the Company entered into share pledged agreement with such shareholder to pledge for share certificates of SSK Inter Logistics Company Limited for the buyer's guarantee. SSK Inter Logistics Company Limited ended being the Company's subsidiary since the agreement date.

Net assets of such subsidiary as at disposal date in the proportion of the Company's shareholding, amounted Baht 87,851,838 in surplus, including cash and cash equivalent of Baht 1,002,575. The Company recognised loss on disposal of investment in SSK Inter Logistics Company Limited to such shareholder amounting to Baht 13,292,003 in the only Company's comprehensive income and recognised gain on disposal of such investment amounting to Baht 16,031,214 in the consolidated statement of comprehensive income for the year 2019.

LG Container Lines Company Limited

- On 30 April 2019, the Company's Board of Directors approved the resolution disposal on investment in LG Container Lines Company Limited which is a subsidiary, to a domestic company. On 1 May 2019, the Company entered into sale and purchase share agreement with such company to dispose the investment in full amount at cost, comprising of 599,999 ordinary shares with a par value of Baht 10, totaling Baht 5,999,990. The Company received full payment on 3 October 2019. LG Container Lines Company Limited ended being the Company's subsidiary since the agreement date.

  Net assets of such subsidiary as at disposal date in the proportion of the Company's shareholding, amounted Baht 5,150,732 in deficit, including cash and cash equivalent of Baht 2,158,151. The Company recognised gain on disposal of investment in LG Container Lines Company Limited of Baht 11,150,732 in the consolidated statement of comprehensive income for the year 2019. There was no gain or loss recognised in the Company's statement of comprehensive income since selling price equaled to its cost.

15. Account receivable from disposal of investment

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Account receivable from disposal of investment	85,170	127,150
Less: Deferred interest income	(5,510)	(12,623)
Total	79,660	114,527
Less: Portion due within one year	(40,401)	(31,150)
Account receivable from disposal of investment - net of current portion	39,259	83,377

Account receivable from disposal of investment is account receivable that the Company disposed investment in SSK Inter Logistics Company Limited to a shareholder. The Company entered into sale and purchase agreement with such shareholder which the payment will be repayable in three installments on yearly basis. The first installment will be payable on 30 June 2020 amounting to Baht 38 million, second and third installments amounting to Baht 44.6 million each which will be repayable on 30 June 2023 and 2024, respectively. The Company received post-dated cheque for all three installments. Moreover, the Company received share certificates of 12,714,990 shares of SSK Inter Logistics Company Limited to pledge in accordance with pledge share agreement for guarantee the payment as stipulated in Note 14 to financial statements.

During the year, the Company received first installment from account receivable from disposal of investment with the settlement of 12 trucks and 78 trailers which their market value were Baht 41.98 million. The registration of right transfer ownership to the Company was completed.

16. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Land	Land improvement	Buildings and building improvement	Total
As at 31 December 2020				
Cost	51,303	5,402	21,313	78,018
Less: Accumulated depreciation	-	(2,952)	(3,945)	(6,897)
Net book value	51,303	2,450	17,368	71,121

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Land	Land improvement	Buildings and building improvement	Total
As at 31 December 2019				
Cost	5,387	5,402	4,521	15,310
Less: Accumulated depreciation	-	(2,412)	(1,010)	(3,422)
Net book value	5,387	2,990	3,511	11,888

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Net book value at beginning of year	11,888	14,733
Transferred to change of asset type	60,281	(2,009)
Depreciation charged	(1,048)	(836)
Net book value at end of year	71,121	11,888

The fair value of the investment properties as at 31 December 2020 and 2019 stated below:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Land and office building - Bangkok	60,560	-
Land and structures there on - Suratthani	13,790	14,770

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2020, The Company has pledged certain investment properties with net book value of Baht 65.67 million (2019: Baht 2.08 million) as collateral against credit facilities received from commercial banks.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and building improvement	Furniture, fixtures and office equipment	Machinery and equipment	Containers	Motor vehicles	Total
Cost							
1 January 2019	52,208	51,270	20,945	19,475	423	262,427	406,748
Additions	-	1,514	4,149	8	32,194	41	37,906
Decrease from disposal on investment	-	(2,371)	(5,581)	-	-	(142,754)	(150,706)
Disposals/write-off	-	(1,534)	(1,128)	-	-	(54,765)	(57,427)
Transfer from investment properties	-	2,296	-	-	-	-	2,296
Translation adjustment	-	(124)	(162)	-	-	-	(286)
31 December 2019	52,208	51,051	18,223	19,483	32,617	64,949	238,531
Adjustment of right-of-use assets due to TFRS 16 adoption	-	-	(265)	-	(32,194)	(1,515)	(33,974)
Additions	-	1,342	2,288	1,443	-	41,980	47,053
Decrease from disposal on investment	-	-	(281)	-	-	-	(281)
Disposals/write-off	-	(271)	(763)	-	-	(5,019)	(6,053)
Transfer to investment properties	(45,916)	(16,793)	-	-	-	-	(62,709)
Translation adjustment	-	19	146	-	-	-	165
31 December 2020	6,292	35,348	19,348	20,926	423	100,395	182,732
Accumulated depreciation							
1 January 2019	-	17,347	14,249	2,295	185	52,847	86,923
Decrease from disposal on investment	-	(1,506)	(3,953)	-	-	(34,166)	(39,625)
Depreciation for the year	-	2,106	3,696	1,480	121	14,563	21,966
Depreciation on disposals	-	(625)	(1,063)	-	-	(11,405)	(13,093)
Depreciation for transfer from investment properties	-	287	-	-	-	-	287
Translation adjustment	-	(54)	(108)	-	-	-	(162)
31 December 2019	-	17,555	12,821	3,775	306	21,839	56,296
Adjustments of right-of-use asset due to TFRS 16 adoption	-	-	(150)	-	(92)	(456)	(698)
Decrease from disposal on investment	-	-	(140)	-	-	-	(140)
Depreciation for the year	-	1,715	2,206	1,501	30	6,744	12,196
Depreciation on disposals	-	(90)	(424)	-	-	(3,446)	(3,960)
Depreciation for transfer to investment properties	-	(2,428)	-	-	-	-	(2,428)
Translation adjustment	-	3	65	-	-	-	68
31 December 2020	-	16,755	14,378	5,276	244	24,681	61,334
Net book value							
31 December 2019	52,208	33,496	5,402	15,708	32,311	43,110	182,235
31 December 2020	6,292	18,593	4,970	15,650	179	75,714	121,398

Depreciation for the year

2019 (Baht 12.42 million included in cost of service, and the balance in selling and administrative expenses)	21,966
2020 (Baht 5.03 million included in cost of service, and the balance in selling and administrative expenses)	12,196

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings and building improvement	Furniture, fixtures and office equipment	Containers	Motor vehicles	Total
Cost						
1 January 2019	52,208	33,106	11,626	423	20,937	118,300
Additions	-	150	1,418	32,194	38,123	71,885
Disposals/write-off	-	-	(992)	-	(8,033)	(9,025)
Transfer from investment properties	-	2,296	-	-	-	2,296
31 December 2019	52,208	35,552	12,052	32,617	51,027	183,456
Adjustment of right-of-use assets due to TFRS 16 adoption	-	-	-	(32,194)	(1,515)	(33,709)
Additions	-	-	1,932	-	41,980	43,912
Disposals/write-off	-	-	(311)	-	(5,020)	(5,331)
Transfer to investment properties	(45,916)	(16,793)	-	-	-	(62,709)
31 December 2020	6,292	18,759	13,673	423	86,472	125,619
Accumulated depreciation						
1 January 2019	-	14,405	9,837	185	10,532	34,959
Depreciation for the year	-	1,270	872	121	2,782	5,045
Depreciation on disposals	-	-	(976)	-	(2,908)	(3,884)
Depreciation for transfer from investment properties	-	287	-	-	-	287
31 December 2019	-	15,962	9,733	306	10,406	36,407
Adjustments of right-of-use asset due to TFRS 16 adoption	-	-	-	(92)	(456)	(548)
Depreciation for the year	-	1,074	952	30	6,110	8,166
Depreciation on disposals	-	-	(266)	-	(3,446)	(3,712)
Depreciation for transfer to investment properties	-	(2,428)	-	-	-	(2,428)
31 December 2020	-	14,608	10,419	244	12,614	37,885
Net book value						
31 December 2019	52,208	19,590	2,319	32,311	40,621	147,049
31 December 2020	6,292	4,151	3,254	179	73,858	87,734
Depreciation for the year						
2019 (Baht 2.28 million included in cost of service, and the balance in selling and administrative expenses)						5,045
2020 (Baht 2.95 million included in cost of service, and the balance in selling and administrative expenses)						8,166

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 9.10 million (Separate financial statements: Baht 9.10 million) (2019: Baht 8.18 million (Separate financial statements: Baht 8.18 million)).

As at 31 December 2020, the Company has pledged the land and structures thereon and certain trucks and trailers with book value of Baht 57.13 million (2019: Baht 67.66 million) as collateral against credit facilities received from commercial banks.

On 28 February 2019, a meeting of Board of Directors of a subsidiary approved the resolution to return of eight trucks and four trailers which the shareholders brought for investment with net book value of Baht 12.0 million since the subsidiary required to adjust the shareholder structure and to reduce the expenses incurring from the trucks and trailers which cannot be used effectively. The subsidiary had entered into asset transfer agreement and provided the power of attorney for transfer registration process and relevant documents at the agreement date. In first quarter of 2019, the subsidiary reclassified the trucks and trailers from equipment account presented under non-current assets to assets held for distribution to owners account which was presented under current assets because the capital decreased as stipulated in Note 15, is highly probable, within one year of classification as held for distribution to owners and it was unlikely that the plan would be significantly changed. Assets held for distribution to owners were recognised at the lower of carrying amount and fair value less costs to distribute. The recognition of such transactions incurred loss on impairment amounting to Baht 1.4 million which was presented in other expenses account in consolidated income statement for the year 2019. The subsidiary did not recognise the depreciation of such trucks and trailers since the classification to be assets held for distribution to owners. On 18 September 2019, the subsidiary completed the transfer registration process of such trucks and trailers and wrote-off assets held for distribution to owners from the account in same day.

18. Leases

18.1 The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land and buildings	Containers	Motor vehicles	Office equipment	Total
1 January 2020	13,775	48,544	23,971	2,115	88,405
Increase	-	-	-	54	54
Decrease	(165)	(654)	(5,938)	(471)	(7,228)
Depreciation for the year	(5,217)	(9,206)	(4,626)	(529)	(19,578)
Translation adjustment	(28)	263	-	1	236
31 December 2020	8,365	38,947	13,407	1,170	61,889

(Unit: Thousand Baht)

	Separate financial statements				
	Land and buildings	Containers	Motor vehicles	Office equipment	Total
1 January 2020	2,036	32,102	23,971	1,828	59,937
Increase	-	-	-	54	54
Decrease	(94)	-	(5,938)	(408)	(6,440)
Depreciation for the year	(888)	(1,079)	(4,626)	(396)	(6,989)
31 December 2020	1,054	31,023	13,407	1,078	46,562

b) Lease liabilities/Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Liabilities under lease agreements	66,017	38,529	48,854	38,414
Less: Deferred interest expenses	(5,553)	(5,043)	(4,748)	(5,036)
Total	60,464	33,486	44,106	33,378
Less: Portion due within one year	(21,777)	(4,588)	(10,288)	(4,537)
Liabilities under lease agreements - net of current portion	38,687	28,898	33,818	28,841

During the year 2019, a subsidiary returned ten cement mixer trucks which were under the finance lease agreements with a leasing company which remaining liabilities under finance lease agreements were approximately Baht 19.0 million, since the subsidiary required to restructure the business by focusing on transportation business in the area of expertise. The subsidiary disposed such all cement mixer trucks from the fixed assets account and recognised loss on such disposal amounting to Baht 2.6 million in the subsidiary's financial statements and recognised additional loss on disposal in the consolidated financial statements amounting to Baht 3.5 million resulted from the fair value of such cement mixer trucks was higher than net book value at the business combination date. Total loss on disposal were Baht 6.1 million presented in the part of other expenses account in the consolidated income statement for the year 2019. The leasing company will process for the auction of such cement mixer trucks. If the amount receiving from the auction is less than remaining liabilities, the subsidiary is committed to pay for the remainder including other relevant expenses to the leasing company. However, the Company disposed all investments of this subsidiary during 2019, therefore, there was no any commitment relating to such difference that may occur.

A maturity analysis of lease payments is disclosed in Note 39.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	19,578	6,989
Interest expense on lease liabilities	2,997	1,809
Expense relating to short-term leases	12,444	1,344

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 11.52 million, including the cash outflow related to short-term lease. Moreover, the Group had non-cash decrease to right-of-use assets and lease liabilities of 7.17 million (The Company only: Baht 6.39 million).

18.2 The Company as lessor

The Company entered into container lease agreement with a subsidiary which such agreement is cancellable. During the year 2020, the Company has sub-lease income amounting to Baht 2.40 million (2019: Baht 0.57 million).

19. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Computer software	Business relationship of customer, container lessor and feeder	Technical knowledge of NVOCC operation	Total	Computer software	Total
As at 31 December 2020						
Cost	8,851	20,000	5,000	33,851	5,638	5,638
Less: Accumulated amortisation	(4,096)	(1,516)	(681)	(6,293)	(2,364)	(2,364)
Allowance for diminution in value of assets	(2,814)	-	-	(2,814)	(2,328)	(2,328)
Translation adjustment	(32)	(297)	(63)	(392)	-	-
Net book value	1,909	18,187	4,256	24,352	946	946

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Computer software	Business relationship of customer, container lessor and feeder	Technical knowledge of NVOCC operation	Total	Computer software	Total
As at 31 December 2019						
Cost	11,917	20,000	5,000	36,917	8,538	8,538
Less: Accumulated amortisation	(3,735)	(324)	(169)	(4,228)	(2,317)	(2,317)
Allowance for diminution in value of assets	(2,814)	-	-	(2,814)	(2,328)	(2,328)
Translation adjustment	(58)	(270)	(65)	(393)	-	-
Net book value	5,310	19,406	4,766	29,482	3,893	3,893

Movements of the intangible assets account for the years ended 31 December 2020 and 2019 are below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	29,482	6,268	3,893	3,173
Acquisitions during the year - at cost	115	1,593	-	780
Increase from acquisition of business unit	-	25,000	-	-
Decrease from disposal of investment - net book value	-	(1,811)	-	-
Disposal during the year	(2,900)	-	(2,900)	-
Write-off during the year	(191)	-	-	-
Amortisation for the year	(2,141)	(1,174)	(47)	(60)
Translation adjustment	(13)	(394)	-	-
Net book value at end of year	24,352	29,482	946	3,893

Acquisition of intangible assets

In September 2019, LG Container Line Pte. Ltd., a subsidiary in Singapore entered into Sales and Purchase agreement with a company in Thailand to acquire the business unit of Non-Vessel Operating Common Carrier (NVOCC), totaling Baht 25.0 million. The subsidiary paid for acquisition of the business unit and the assets were already transferred on the date of the agreement.

The subsidiary processed for fair value measurement by independent appraisal relating to identifying the assets acquired, its fair value and useful lives of each items. The management of subsidiary agreed to acquire the business unit equal to its fair value.

The fair value of identifiable assets acquired as at the acquisition date are as follows:

(Unit: Thousand Baht)

Business relationship of customer, container lessor and feeder	20,000
Technical knowledge of NVOCC operation	5,000
Total assets	25,000

The subsidiary recognised such identifiable assets acquired as intangible assets in the consolidated financial statements since the agreement date.

20. Goodwill

Goodwill acquired in a business combination is allocated to cash-generating unit which is Grace Water Med Company Limited for the purpose of annually impairment testing.

(Unit: Thousand Baht)

	Grace Water Med Co., Ltd.
Goodwill	2,253

The Company considers the recoverable amount of the cash-generating unit based on the value in use of assets, using projections of cash inflows that were prepared with reference to financial projection approved by the management and significant assumptions of growth rate of income and discount rate.

21. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	10,484	13,076	10,484	13,076
Short-term loans from banks	180,060	215,116	155,000	188,200
Total	190,544	228,192	165,484	201,276

The Group's short-term loans from banks represented promissory notes in the period of three months, on which interests are charged at rates of 2.50% - 5.85% per annum (2019: 3.08% - 5.24% per annum).

Bank overdrafts and short-term loans from banks are secured by the mortgage of the Group's land and structures thereon and cash at banks.

22. Trade and other payables - other parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable	84,097	135,759	41,666	53,951
Accrued expenses	33,266	25,599	4,329	10,235
Other payables	8,824	37,272	4,073	9,150
Total trade and other payables - other parties	126,187	198,630	50,068	73,336

23. Long-term loans from banks

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated / Separate financial statements 2020	2019
1	MLR-2.15	Repay for 24 installments on monthly basis, Baht 0.08 million each, starting first installment on 30 April 2020 until 30 March 2022	1,244	-
2	MLR-2.15	Repay for 60 installments on monthly basis, Baht 0.48 million each, starting first installment on 30 April 2020 until 30 March 2025	24,111	-

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated / Separate financial statements 2020	2019
3	MLR-1.00	Repay for 84 installments on monthly basis, Baht 0.72 million each, starting first installment on 30 April 2020 until 30 March 2027	53,565	-
Total			78,920	-
Less: Deferred transaction cost			(625)	-
Loans - net			78,295	-
Less: Current portion			(15,151)	-
Long-term loans - net of current portion			63,144	-

Movement of long-term loan account during the years ended 31 December 2020 and 2019 are below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance at 1 January 2019	10,126	3,600
Less: Repayment during the year	(5,988)	(3,600)
Decrease from disposal of investment	(4,138)	-
Balance at 31 December 2019	-	-
Add: Withdrawn during the year	90,435	90,435
Less: Transaction cost	(717)	(717)
Less: Repayment during the year	(11,515)	(11,515)
Amortised transaction cost	92	92
Balance at 31 December 2020	78,295	78,295

As at 31 December 2020, the Company's long-term loans from banks are secured by the mortgage of the Company's land and structures thereon, certain trucks and trailers and bank deposits.

The bank loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2020, the long-term credit facilities of the Company have not yet been drawn down amounted to Baht 1.5 million.

24. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	10,533	6,864	10,156	5,544
Decrease from disposal of investment in subsidiary	-	(1,516)	-	-
Included in profit or loss:				
Current service cost	2,952	2,675	2,673	2,083
Interest cost	350	940	330	921
Past service cost	-	1,633	-	1,608
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic Assumptions changes	2,998	17	2,998	-
Financial assumptions changes	1,000	33	1,000	-
Experience adjustments	(3,798)	(113)	(3,798)	-
Benefits paid during the year	(998)	-	(998)	-
Provision for long-term employee benefits at end of year	13,037	10,533	12,361	10,156

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 1.63 million (The Company only: Baht 1.61 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement for the year 2019.

The Group does not expect to pay for long-term employee benefits during the next year.

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 23 - 25 years (Separate financial statements: 23 years) (2019: 22 - 24 years (Separate financial statements: 22 years)).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2	2	1	2
Salary increase rate	5	5	5	5
Staff turnover rate (depending on age)	13 - 31	13 - 31	16 - 23	22 - 28

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(35) - (1,034)	41 - 1,157	(1,034)	1,157
Salary increase rate	59 - 1,095	(51) - (1,001)	1,095	(1,001)
Staff turnover rate	(38) - (1,157)	19 - 696	(1,157)	696

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(23) - (687)	27 - 759	(687)	759
Salary increase rate	33 - 923	(29) - (839)	923	(839)
Staff turnover rate	(25) - (806)	4 - 481	(806)	481

25. Government grants

In light of the COVID-19 pandemic, Singapore Government continues support measures to protect livelihoods and stabilise business during extended circuit breaker period. The Jobs Support Scheme ("JSS") was announced for the purpose to provide wages support to employers to help them for retaining their local employees (Singapore citizens and permanent residents) during the period of economic uncertainty. Employers who have made Central Provident Fund ("CPF") contributions for their local employees will qualify for the payouts under JSS. With this condition, two subsidiaries in Singapore are qualified for this scheme.

In addition, the Institute of Singapore Chartered Accountants ("ISCA") announced COVID-19 Government Relief Measures: Accounting for the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme. Its objective is to provide guidance and key considerations on how to account for the JSS payouts receivable by employers under the Singapore Government JSS announced.

In the meantime, the Government of United States of America announced Paycheck Protection Program ("PPP") that helps businesses keep their workforce employed during the COVID-19 crisis. The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. U.S. Small Business Administration ("SBA") will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses. The subsidiary in the United States of America is qualified for this program and eligible for loan forgiveness.

The two subsidiaries in Singapore and a subsidiary in USA received government grants based on JSS and PPP, respectively, and recognised them as other income in profit or loss. Government grants for the year ended 31 December 2020 presented as follow:

(Unit: Thousand Baht)

Company's name	Country	Consolidated financial statements
NCL Inter Logistics (S) Pte. Ltd.	Singapore	2,767
LG Container Line Pte. Ltd.	Singapore	1,184
NCL International Logistics USA Inc.	USA	1,364
Total		5,315

As at 31 December 2020, the subsidiaries in Singapore have grants receivable amounting to Baht 264,591, the subsidiaries recorded as other receivables.

26. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	3,582	3,535	537	1,690
Deferred tax:				
Relating to origination and reversal of temporary differences	1,250	(6,574)	1,932	(4,138)
Income tax expense (revenue) reported in profit or loss	4,832	(3,039)	2,469	(2,448)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to actuarial loss (gain)	(40)	13	(40)	-
	(40)	13	(40)	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(19,402)	8,633	10,847	(15,296)
Applicable tax rate	8.84% - 25%	8.84% - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(3,999)	(5,843)	2,169	(3,059)
Effects of:				
Non-deductible expenses	2,499	2,322	671	1,401
Additional expense deductions allowed	(861)	(1,129)	(371)	(562)
Temporary difference not recognised as deferred tax assets	-	(228)	-	(228)
Unused tax loss not expected to benefit	7,193	1,839	-	-
Total	8,831	2,804	300	611
Income tax expense (revenue) reported in profit or loss	4,832	(3,039)	2,469	(2,448)

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses	2,184	962	1,346	962
Allowance for diminution in value of inventories	6	5	-	-
Allowance for asset impairment	63	63	63	63
Unrealised loss on disposal of investment in subsidiary	1,102	2,524	1,102	2,524
Accumulated loss brought forward	-	340	-	-
Lease liabilities	-	117	-	117
Provision for long-term employee benefits	2,607	2,107	2,472	2,031
Total	5,962	6,118	4,983	5,697

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax liabilities				
Depreciation for building improvement	(296)	(340)	-	-
Lease liabilities	(121)	-	(481)	-
Total	(417)	(340)	(481)	-
Deferred tax assets (liabilities) - net	5,545	5,778	4,502	5,697
Presentation in the statements of financial position is as follow:				
Deferred tax assets	5,841	6,118	4,502	5,697
Deferred tax liabilities	(296)	(340)	-	-
Deferred tax assets (liabilities) - net	5,545	5,778	4,502	5,697

As at 31 December 2020, the Group has unused tax losses totaling Baht 72.0 million (Separate financial statements: Nil) (2019: Baht 21.9 million (Separate financial statements: Nil)) on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

27. Share capital

The registered ordinary shares have not been issued and paid-up are reserved for the exercise of warrants.

Registered share capital

On 8 May 2020, the Annual General Meeting of the Company's shareholders approved the following resolutions.

- To approve decrease in the Company's registered share capital of Baht 33,375,123 from Baht 146,913,185 to Baht 113,538,062 through the decrease of 133,500,490 registered ordinary shares with a par value of Baht 0.25 per share, remained shares from issuing and offering NCL-W2 and NCL-W3 warrants which were expired on 29 June 2018 and 6 December 2019, respectively.
- To approve the amendment of the Company's memorandum of association to reflect the decrease in the Company's registered share capital from 587,652,738 shares to 454,152,248 shares.

The Company registered the decrease in share capital and amended the memorandum of association with the Ministry of Commerce on 5 June 2020.

Issued and paid-up share capital

In 2019, there was exercise of warrants as details below.

Type of warrant	Date of exercise	Quantity of exercised warrants	Ordinary shares issued for exercise warrants	Exercise price	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
		(Units)	(Shares)	(Baht)		
NCL-W3	6 December 2019	85	127	2.400	18 December 2019	24 December 2019

On 18 December 2019, the Company registered paid-up capital and amended the Company's memorandum of association with the Ministry of Commerce relating to the exercise of NCL-W3 on 6 December 2019. After the registration of increased shares, the issued and paid-up share capital was Baht 113,538,062 comprising of 454,152,248 shares with a par value of Baht 0.25 per share.

The movement of issued and paid-up share capital is summarised below.

	Number of shares	Amount
	(shares)	(Baht)
As at 1 January 2019	454,152,121	113,538,030
Increase from the exercise of NCL-W3 on 6 December 2019	127	32
As at 31 December 2019	454,152,248	113,538,062

28. Warrants

On 7 August 2018, the Company issued registered warrants free of charge to existing shareholders (NCL-W3) in a ratio of 1 warrant for every 7 existing shares. Details of the warrants, which are securities listed on the Stock Exchange of Thailand were as follows:

No. of warrants offered:	65,000,000 units
No. of shares reserved for exercise:	104,000,000 shares
Type:	Named certificate and transferable
Term:	16 months from the issue date
Offering date:	7 August 2018
Expiry date:	6 December 2019
Exercise price:	Baht 2.40 per share
Exercise ratio:	1.50 ordinary share per 1 warrant (Remaining fractions of shares are discarded.)

Exercise period: Warrants can be exercised on the last working day of each June and December, except the final exercise date, which will be the expiration date. The first exercise date is 28 June 2019 and the final exercise date is 6 December 2019.

On 6 December 2019 which was the final exercise date of the NCL-W3 warrants, there was exercise of the NCL-W3 warrants totaling 85 units and remaining 64,877,356 warrants were expired.

Details of the warrant of the Company are as follows:

Type of warrant	Exercise price per share	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2019	Number of warrants issued during the year	Number of warrants exercised during the year	Number of warrants expired during the year	Number of warrants outstanding as at 31 December 2019
	(Baht)		(Units)	(Units)	(Units)	(Units)	(Units)
NCL-W3	2.400	1.50 existing share per 1 unit of warrant	64,877,441	-	(85)	(64,877,356)	-

29. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. In 2020, the Company set aside a statutory reserve amounting to Baht 306,495 (2019: Baht 320,222). At present, the statutory reserve has fully been set aside.

30. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest income on bank deposits	730	1,399	599	1,823
Interest income from account receivable from disposal of investment	7,112	669	7,112	669
Interest income on loans	-	-	737	-
Total	7,842	2,068	8,448	2,492

31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	9,407	11,172	8,846	7,270
Interest expenses on lease liabilities	3,656	1,511	1,869	205
Total	13,063	12,683	10,715	7,475

32. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries and wages and other employee benefits	104,748	131,798	63,257	67,243
Directors remuneration	23,379	28,310	16,041	20,360
Depreciation and amortisation	34,963	23,976	16,250	5,941
Air and sea freight	613,235	799,407	381,806	466,211
Custom clearance	5,007	7,054	5,007	5,786
Commission	13,363	22,379	12,284	18,614
Transportation	33,551	41,228	30,928	29,118
Expense for head trailer	5,105	8,080	5,105	3,631
Service expense - Sea	3,697	3,181	3,697	3,181
Rental and service	9,631	23,026	8,594	15,594
Travelling	1,672	7,289	1,517	5,903
Entertainment	4,323	10,069	3,656	8,931

33. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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.

Diluted earnings (loss) per share is calculated by dividing profit (loss) 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(26,073)	11,064	454,152	454,152	(0.057)	0.024

	Separate financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	8,378	(12,848)	454,152	454,152	0.018	(0.028)

No calculations of diluted earnings per share for the year ended 31 December 2019 were required since all remaining warrants were expired in 2019.

34. 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. The chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, the Group is organised into business units based on its services and has four reportable segments as follows:

- Land transportation
- Freight forwarder
- Non-Vessel Operating Common Carrier (NVOCC)
- Producing and distributing dialysis

No operating segments have been aggregated to form the above reportable operating segments.

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 and profit information regarding the Group's operating segments for years ended 31 December 2020 and 2019.

(Unit: Million Baht)

	For the year ended 31 December 2020						
	Land transportation	Freight forwarder	Non-Vessel Operating Common Carrier (NVOCC)	Producing & distributing dialysis	Total reportable segments	Eliminations	Consolidated financial statements
Service income and sales							
Revenues from external customers	6.24	576.59	197.77	103.34	883.94	-	883.94
Inter-segment revenues	-	31.15	-	-	31.15	(31.15)	-
Total revenues	6.24	607.74	197.77	103.34	915.09	(31.15)	883.94
Operating results							
Segment profit	0.21	133.44	8.91	29.78	172.34	-	172.34
Other income							33.21
Selling and distribution expenses							(31.19)
Administrative expenses							(190.11)
Share of gain on investment in associate							1.57
Finance income							7.84
Finance cost							(13.06)
Loss before income tax							(19.40)
Income tax expense							(4.83)
Loss for the year							(24.23)

(Unit: Million Baht)

	For the year ended 31 December 2019						
	Land transportation	Freight forwarder	Non-Vessel Operating Common Carrier (NVOCC)	Producing & distributing dialysis	Total reportable segments	Eliminations	Consolidated financial statements
Service income and sales							
Revenues from external customers	99.92	929.64	122.76	117.69	1,270.01	-	1,270.01
Inter-segment revenues	2.40	57.76	6.58	-	66.74	(66.74)	-
Total revenues	102.32	987.40	129.34	117.69	1,336.75	(66.74)	1,270.01
Operating results							
Segment profit	11.35	185.80	31.86	27.50	256.51	-	256.51
Other income							36.80
Selling and distribution expenses							(51.66)
Administrative expenses							(216.03)
Other expenses							(7.45)
Share of gain on investment in associate							1.08
Finance income							2.06
Finance cost							(12.68)
Profit before income tax							8.63
Income tax revenue							3.04
Profit for the year							11.67

Major customer information

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of entity's revenues.

35. Dividends

On 26 April 2019, the Annual General Meeting of the Company's shareholders approved the payment of a dividend for the 2019 operating result of Baht 0.0067 per share totaling Baht 3.04 million. The Company paid such dividend on 24 May 2019.

36. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by K Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 0.77 million (2019: Baht 2.75 million) were recognised as expenses.

37. Commitments and contingent liabilities

37.1 Commitments in respect of uncalled investments

As at 31 December 2020 and 2019, the subsidiary in Singapore is committed to pay the uncalled portion of investments in other subsidiaries as follow.

	2020	2019
Qingdao National Container Line Co., Ltd.	CNY 4.2 million	CNY 4.2 million
Ningbo NCL Inter Logistics Co., Ltd.	CNY 3.6 million	CNY 3.6 million
PT. NCL INTER LOGISTIK INDONESIA	-	IDR 1,000.0 million
NCL International Logistics Private Limited	INR 4.7 million	INR 4.7 million

37.2 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of Baht 6.2 million (the Company only: Baht 6.2 million) (2019: Baht 6.1 million (the Company only: Baht 6.1 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, are summarised below:

- to guarantee payments of fee and others relating to logistics amounting to Baht 0.6 million (the Company only: Baht 0.6 million) (2019: Baht 0.5 million (the Company only: Baht 0.5 million)).
- to guarantee contractual performance regarding being logistic operator amounting to Baht 5.5 million (the Company only: Baht 5.5 million) (2019: Baht 5.5 million (the Company only: Baht 5.5 million))
- to guarantee electricity use and others amounting to Baht 0.1 million (the Company only: Baht 0.1 million) (2019: Baht 0.1 million (the Company only: Baht 0.1 million)).

37.3 Litigation

On 30 September 2020, a marine shipping company has filed a complaint with the Central Intellectual Property and International Trade Court that the Company as the first defendant and another company as the second defendant default of the international sea carriage contract due to the return of the container beyond the specified time. The defendants have to pay back containers charge with interest amounting to Baht 20 million. The Company, as the first defendant has appointed a lawyer to submit testimony and determine the witness to the court on 29 January 2021. Currently, the case is in the process of identify dispute issues and legal proceedings.

Moreover, the dispute has not yet been finalised. The Company raised a defense in the testimony that the Company is not the parties specified in the bill of lading. The lawyer opines to the management that the lawsuit is a case with the defense and there is an opportunity for the court to dismiss the case after the court has considered all the facts. The Company management believes that there will be no commitment relating the return of the containers. Therefore, the Company did not record an estimate liability from the case in the financial statements for the current year.

38. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	-	74.35	74.35

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	-	14.77	14.77

39. Financial instruments

39.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and loans. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts receivable are regularly monitored. The Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation of expected credit loss reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade accounts receivable are written-off when having highly probable for uncollectible and the necessary process is performed.

Cash deposits

The Group manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies and translation of the Group's investments in foreign operations.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1,621.77	1,567.93	550.10	1,143.09	30.04	30.15
Pound Sterling	-	-	4.13	4.54	40.64	39.74
Euro	-	0.05	20.88	42.71	36.88	33.91
Singapore Dollar	104.62	97.30	38.87	262.26	22.66	22.32

Separate financial statements

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	760.19	545.58	371.08	661.80	30.04	30.15
Pound Sterling	-	-	2.09	3.23	40.64	39.74
Euro	-	0.05	0.63	7.07	36.88	33.91

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US Dollar exchange rates, with all other variables held constant.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)
US Dollar	+1.0	0.32
	-1.0	(0.32)

This information is not a forecast or prediction of future market conditions and should be used with care.

The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31 December 2020 and 2019, 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 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-		-	19.12	31.30	50.42	0.13 - 0.50
Trade and other receivables	-		-	-	212.26	212.26	-
Account receivable from disposal of investment	-		-	79.66	-	79.66	4.37 - 5.29
Restricted bank deposits	-		-	96.52	-	96.52	0.13 - 0.63
	-		-	195.30	243.56	438.86	
Financial liabilities							
Bank overdrafts and short-term loans from banks	180.06		-	10.48	-	190.54	2.50 - 5.85
Trade and other payables	-		-	-	126.62	126.62	-
Lease liabilities	21.78	34.54	4.15	-	-	60.47	3.75 - 5.50
Long-term loans from banks	-	-	-	78.30	-	78.30	3.98 - 4.53
	201.84	34.54	4.15	88.78	126.62	455.93	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	9.57	31.29	40.86	0.10 - 0.38
Trade and other receivables	-	-	-	-	303.42	303.42	-
Account receivable from disposal of investment	-	-	-	114.53	-	114.53	4.37
Restricted bank deposits	-	-	-	86.95	-	86.95	0.13 - 3.00
	-	-	-	211.05	334.71	545.76	
Financial liabilities							
Bank overdrafts and short-term loans from banks	215.12	-	-	13.08	-	228.20	3.08 - 5.24
Trade and other payables	-	-	-	-	200.56	200.56	-
Liabilities under finance lease agreements	4.59	20.39	8.51	-	-	33.49	3.75 - 4.37
Short-term loans from related parties	20.00	-	-	-	-	20.00	5.50
	239.71	20.39	8.51	13.08	200.56	482.25	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	5.16	6.55	11.71	0.13 - 0.50
Trade and other receivables	-	-	-	-	104.73	104.73	-
Account receivable from disposal of investment	-	-	-	79.66	-	79.66	4.37 - 5.29
Short-term loans to related party	20.00	-	-	-	-	20.00	5.00
Restricted bank deposits	-	-	-	87.33	-	87.33	0.13 - 0.63
	20.00	-	-	172.15	111.28	303.43	
Financial liabilities							
Bank overdrafts and short-term loans from banks	155.00	-	-	10.48	-	165.48	2.50 - 5.85
Trade and other payables	-	-	-	-	51.63	51.63	-
Lease liabilities	10.29	29.67	4.15	-	-	44.11	3.75 - 4.36
Long-term loans from banks	-	-	-	78.30	-	78.30	3.98 - 4.53
	165.29	29.67	4.15	88.78	51.63	339.52	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	1.21	12.94	14.15	0.10 - 0.38
Trade and other receivables	-	-	-	-	136.27	136.27	-
Account receivable from disposal of investment	-	-	-	114.53	-	114.53	4.37
Restricted bank deposits	-	-	-	78.58	-	78.58	0.13 - 1.38
	-	-	-	194.32	149.21	343.53	
Financial liabilities							
Bank overdrafts and short-term loans from banks	188.20	-	-	13.08	-	201.28	3.08 - 4.13
Trade and other payables	-	-	-	-	80.31	80.31	-
Liabilities under finance lease agreements	4.54	20.33	8.51	-	-	33.38	3.75 - 4.37
	192.74	20.33	8.51	13.08	80.31	314.97	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to and loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Million Baht)
Baht	+1.0	(2.22)
	-1.0	2.22

The above analysis has been prepared assuming that the amounts of the floating rate loans to, loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans to, loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group manages these liabilities which maturing within 12 months by considering cash inflow and outflow from operating activities and daily liquidity. In addition, the Group manages payment due date of liabilities are not concentrated to lower liquidity risk.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows including interest payment.

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from banks	-	192,324	-	-	192,324
Trade and other payables	-	139,781	-	-	139,781
Lease liabilities	-	23,993	37,795	4,229	66,017
Long-term loans from banks	-	18,344	67,761	2,099	88,204
Total non-derivatives	-	374,442	105,556	6,328	486,326

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from banks	-	167,074	-	-	167,074
Trade and other payables	-	51,630	-	-	51,630
Lease liabilities	-	11,863	32,762	4,229	48,854
Long-term loans from banks	-	18,344	67,761	2,099	88,204
Total non-derivatives	-	248,911	100,523	6,328	355,762

39.2 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to related parties, accounts payable and short-term loans from banks, the carrying amounts in the statement of financial position approximate their fair value.

b) The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.

c) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

40. Capital management

The primary objective of the Company's 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 2020, the Company and its subsidiaries' debt-to-equity ratio was 1.7:1 (2019: 1.6:1) (the Company's was 1.2:1 (2019: 1.1:1)). In addition, the Group's current ratio was 0.86:1 (2019: 0.84:1) (the Company's was 0.65:1 (2019: 0.64:1). The Group used bank deposits amounting to Baht 96 million (the Company only: Baht 87 million) to guarantee for credit facilities received from banks since the management considered that it makes the capital management more flexible and if bank deposits are included in calculating current ratio, current ratio would be 1.12:1 (the Company only: 1:1).

41. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 February 2021.

Part 4
Confirmation of Information Accuracy

Confirmation of Information Accuracy

"We have duly verified the information contained in this Prospectus. We hereby certify that all of the aforementioned documents are correct and complete in all respects. We also certify that the said documents neither contain any false nor misleading statement nor omission of any material statement that should have been stated therein. In addition, the company certifies that:

(1) Financial Statement and Financial information summarized in this Prospectus has presented accurate and complete information regarding the materiality of financial status, operating performance and cash flow of the company and subsidiary companies.

(2) The company has established a good information disclosure system to ensure that the company has disclosed the material statement of the company and its subsidiaries correctly and completely, as well as oversaw the implementation of the said system.

(3) The company has arranged a good internal control system and oversaw the implementation of the said system. In addition, the company has informed the information of Evaluation of the Internal Control System to the auditor and the audit committee of the company on February 27th, 2020, covering the defects and significant changes in the internal control system, including any improper actions that may affect the preparation of the financial statements of the company and its subsidiaries.

"In this regard, as evidence that all documents are the same set of the exact documents to which I have certified. I have authorized Ms.Netirad Sang-ngam to sign an initial of signature on each and every page of the documents. Any document without the initial of signature of Ms.Netirad Sang-ngam shall not be regarded as the information to which I have certified as above aforementioned."

Name	Position	Signed
1. Ms.Netirad Sang-ngam	Director	.....
2. Ms.Pornthip Sae-Lim	Director	.....

Poxy

Name	Position	Signed
1. Ms.Netirad Sang-ngam	Director	.....

Attachment 1

Details of Executive Directors

Regulator and Company Secretary

Board of Directors
Executives
Company Secretary
of the Company



General Porpol Maneerin
Chairman / Independent Director

Age 66 years

Nationality : Thai

Education Qualification

Master's Degree

- M.A. of Political Science, Chulalongkorn University

Bachelor's Degree

- Bachelor of Science program, Chulachomklao Royal Military Academy

Training Course

- Corporate Governance Program for directors and senior executives of the regulator of state-owned enterprises and public organizations No.21/2019, King Prajadhipok's Institute
- Director Certificate Program (DCP) Batch 233/2017, Thai Institute of Director (IOD)
- Thailand National Defence College Batch no. 49 / 2007
- Command And General Staff College no.67 / 1988
- Special Force Operation Detachment, FT. Bragg NC USA /1985

Holding the post of the Chairman / Independent Company's Director

- 1 years (Appointed as a director since 2019)

Holding the post of the Director / Independent Company's Director

- 3 years (Appointed as a director since 2017)

Appointed as a Chairman

- 12 November 2019

Appointed as a Director

- 26 April 2017

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

- No -

Directorship in other (Listed Company)

2018 – Present	CAT Telecom PCL.
	Director

Directorship in other (Non-Listed Company)

2018 – Present	Defence Technology Institute (Public Organisation) Ministry of Defence
	Executive Chairman

Directorship in Related Companies

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2019 - Present	NCL International Logistics PCL.
	Chairman / Independent Director
2018 – Present	Defence Technology Institute (Public Organisation) Ministry of Defence
	Executive Chairman
2018 – Present	CAT Telecom PCL.
	Director
2016 – Present	Ministry of Defence
	Retired Government Official
2017– 2019	NCL International Logistics PCL.
	Audit committee / Independent Director
2016 – 2017	Ministry of Defence
	Advisor
2015 – 2016	Ministry of Defence
	Deputy Permanent Secretary for Defence
2014 - 2015	Royal Thai Army
	Senior Advisor

The Meeting Attendance in 2020

- Board of Director 7/7

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Mrs.Jitmanee Suwannapool

Chairman of the Audit Committee / Independent Director

Age 68 Years

Nationality : Thai

Education Qualification

Master's Degree

- In Public Administration / National Institute of Development Administration (NIDA)

Bachelor's Degree

- In Laws / Ramkhamhaeng University
- In Business Administration (Accounting) / Ramkhamhaeng University

Training Course

- Director Certificate Program (DCP) Batch 197/2014
  Thai Institute of Director (IOD)
- Certificate of Executive Program, Capital Market Academy (CMA) Batch 12/2554
  Capital Market Academy

Holding the post of the Company's Director / Independent Director

- 5 Years (Appointed as a Director since 2015)

Appointed as a Director

- 15 May 2015

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

- No -

Directorship held in other (Listed Company)

2016 - Present	Country Group Holding PCL Independent Director/Audit Committee
2014 - Present	Grand Canel Land PCL Independent Director / Audit Committee

Directorship held in other (Non-Listed Company)

2018 - Present	Eastern Economic Corridor (EEC)
	Audit Committee
2016 - Present	Thailand Privilege Card Co., Ltd.
	Advisor

Directorship in Related Companies

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2015 - Present	NCL International Logistics PCL
	Audit Committee / Independent Director (Present in Chairman the Audit Committee)
2018 - Present	Eastern Economic Corridor (EEC)
	Audit Committee
2016 - Present	Country Group Holding PCL
	Independent Director/Audit Committee
2016 - Present	Thailand Privilege Card Co., Ltd
	Advisor
2014 - Present	Grand Canel Land PCL
	Independent Director/Audit Committee
2016 – 2018	The National Legislative Assembly
	Honorary Advisor to the Commission on Economic, Monetary and Finance

The Meeting Attendance in 2020

- Board of Director 7/7
- Audit Committee 4/4
- Nomination and Remuneration Committee 3/3
- Risk Management Committee 6/6
- Corporate Government Committee 1/1

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Mr.Phongpun Khongkamnoed
Audit Committee / Independent Director

Age 60 years

Nationality : Thai

Education Qualification

Master's Degree

- In Economic Development / National Institute of Development Administration (NIDA)

Bachelor's Degree

- In Agricultural Business / Kasetsart University

Training Course

- Director Certification Program (DCP) Batch 204/2015
  Thai Institute of Director (IOD)
- Director Accreditation Program (DAP) Batch 103/2013
  Thai Institute of Director (IOD)

Holding the post of the Company's Director / Independent Director

- 7 Years (Appointed as a Director since 2013)

Appointed as a Director / Independent Director

- 4 February 2013

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

- No -

Directorship in other (Listed Company)

- No -

Directorship in other (Non-Listed Company)

- No -

Directorship in other (Non-Listed Company)

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2013 - Present	NCL International Logistics PCL
	Audit Committee / Independent Director
2014 - 2015	MCOT Public Company Limited
	Executive Vice President, CFO
2011 - 2012	KTB Leasing Co., Ltd.
	Assistant Managing Director
2003 - 2011	Metropolitan Waterworks Authority
	CFO
2001 - 2003	Credit Agricole Indosuez
	SVP & Treasurer
1997 - 2001	Credit Agricole Indosuez
	FVP & Treasurer

The Meeting Attendance in 2020

- Board of Director 7/7
- Audit Committee 4/4
- Nomination and Remuneration Committee 3/3
- Risk Management Committee 6/6
- Corporate Government Committee 1/1

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Colonel Assoc.Prof.Dr.Chanyapat Wiphatthanananthakul

Audit Committee / Independent Director

Age 41 years

Nationality : Thai

Education Qualification

International PhD.

- Economics Major Finance and Econometrics, Chiang Mai University

Master's Degree

- Management, University of Surrey, United Kingdom

Bachelor's Degree

- Biomedical Sciences, Mahidol University International College (MUIC)

Training Course

- Director Certification Program (DCP) Batch 278/2019
  Thai Institute of Director (IOD)

Holding the post of the Company's Director / Independent Director

- 2 Years (Appointed as a Director since 2019)

Appointed as a Director

- 1 March 2019

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

- No -

Directorship held in other (Listed Company)

- No -

Directorship held in other (Non-Listed Company)

2016 – Present	The Boss Care Center Ltd.
	Director

Directorship in Related Companies

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2019 – Present	NCL International Logistics PCL.
	Audit Committee / Independent Director
2018 – Present	Thammasat University
	Deputy Director of Executive Integrated Medical Management Program
2016 – Present	The Boss Care Center Ltd.
	Director
2016 – Present	Chulalongkorn University
	Co - Advisor
2014 – Present	Chulachomklao Royal Military Academy
	Assistant Professor
2013 – Present	Armed Forces Academies Preparatory School
	Teacher in Basic Economics Instructor
2017 – 2019	Assumption convent alumni association
	secretary
2018 – 2018	Thai Army Wives Association
	Secretary Section

The Meeting Attendance in 2020

• Board of Director	7/7
• Audit Committee	4/4
• Nomination and Remuneration Committee	3/3
• Risk Management Committee	6/6
• Corporate Government Committee	1/1

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Mr.Kitti Phuathavornskul

Director / President

Age 55 years

Nationality : Thai

Education Qualification

Bachelor's Degree

- In Business Administration / Assumption University

Training Course

- The National Defense of the Kingdom of Thailand, Class 63, Academic Year 2020 - 2021, National Defense College
- Good Governance for Medical Executive Curriculum Training Course Class 6/2018, The King Prajadhipok's Institute
- Associate Justice Course, Batch 12/2017 The International Intellectual Property and International Trade Court
- Certificate of Executive Program (CMA) Batch 22/2016 Capital Market Academy
- Director Certificate Program (DCP) Batch 197/2014, (IOD)
- Director Accreditation Program (DAP) Batch 103/2013, (IOD)

Holding the post of the Company's Director

- 7 Years (Appointed as a Director since 2013)

Appointed as a Director

- 4 February 2013

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

Mr.Kitti Phuathavornskul	130,066,974	shares	28.640 %
Mrs.Pinruck Prasitsirikul (wife)	31,000,000	shares	6.826 %

Directorship in other (Listed Company)

- No -

Directorship in other (Non-Listed Company)

2018 - Present	LG Container Line Pte. Ltd. Director
2017 – Present	Zim (Thailand) Co., Ltd. Director
2017 – Present	LNG Food Products Co', Ltd. Director
2016 - Present	Grace Water Med Co., Ltd. Director
2014 - Present	NCL Inter Logistics (S) Pte., Ltd. Director

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Directorship in Related Companies

2018 - Present	LG Container Line Pte. Ltd. Director
2017 – Present	Zim (Thailand) Co., Ltd. Director
2016 - Present	Grace Water Med Co., Ltd. Director
2014 - Present	NCL Inter Logistics (S) Pte., Ltd. Director

Experience in other organization

2013 - Present	NCL International Logistics PCL. Director / Risk Committee President
2017 – Present	ZIM (Thailand) Co., Ltd. Director
2017 – Present	LNG Food Products Co., Ltd. Director
2016 – Present	Grace Water Med Co., Ltd. Director

2014 – Present	NCL Inter Logistics (S) Pte., Ltd.	
	Director	
2016 – 2019	Legend Shipping (Thailand) Co., Ltd.	
	Director	
2016 – 2019	SSK Inter Logistics Co., Ltd.	
	Director	
2016 - 2018	Legacy Asia Capital Pte., Ltd.	
	Director	

The Meeting Attendance in 2020

- Board of Director 7/7
- Risk Management Committee 6/6
- Board of Management 13/13

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Ms.Netirad Sang-ngam

Director / Vice President Finance, Accounting, Personal Administration

Age 54 years

Nationality : Thai

Education Qualification

Master's Degree

- Master of Public Administration Program (M.P.A.) Pathumthani University

Bachelor's Degree

- In Accountancy / Southeast Asia University

Training Course

- Diploma courses Politics and government in a democratic system For senior management, class 24 Academic Year 2020 - 2021, College of Politics King Prajadhipok's Institute
- "Bhumipalung Phandin" course for senior management, batch no. 5/2019, Chulalongkorn University
- Advanced Security Management Program : ASMP 10/2018 The Association of National Defence College of Thailand
- Advanced Certificate Course in Public Administration and Law for Executives The King Prajadhipok's Institute Batch 17/2017 King Prajadhipok's Institute
- Thammsat Leadership Program "Thammasat Social Sciences" Foundation of Thammsat Leadership Program Batch 10/2017
- Strategic CFO in Capital Markets Program Batch 3/2016, The Stock Exchange of Thailand
- Director Certificate Program (DCP) Batch 204/2015 Thai Institute of Director (IOD)
- Director Accreditation Program (DAP) Batch 104/2013 Thai Institute of Director (IOD)
- Certificate Customs specialist Batch 10/2/2011, Customs

Holding the post of the Company's Director

- 7 Years (Appointed as a Director since 2013)

Appointed as a Director

• 4 February 2013

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

Ms.Netirad Sang-ngam	4,110,000	Shares	0.905%

Directorship in other (Listed Company)

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Directorship in other (Non-Listed Company)

2016 - Present	Grace Water Med Co., Ltd
	Director
2014 - Present	NCL Inter Logistics (S) Pte., Ltd.
	Director

Directorship in Related Companies

2016 - Present	Grace Water Med Co., Ltd
	Director
2014 - Present	NCL Inter Logistics (S) Pte., Ltd.
	Director

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2013 - Present	NCL International Logistics PCL.
	Director / Vice President Finance, Accounting, Personal Administration
2016 - Present	Grace Water Med Co., Ltd
	Director
2014 - Present	NCL Inter Logistics (S) Pte., Ltd.
	Director
2016 - 2019	LG Container Lines Co., Ltd.
	Director

The Meeting Attendance in 2019

• Board of Director		7/7
• Nomination and Remuneration Committee		3/3
• Risk Management Committee		6/6
• Board of Management	1	3/13

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Ms.Pornthip Sae-Lim

Director / Vice President NVOCC, Consolidation

Age 38 years

Nationality : Thai

Education Qualification

Bachelor's Degree

- In Liberal Arts / Siam University

Training Course

- Director Accreditation Program (DAP) Batch 104/2013
  Thai Institute of Director (IOD)

Holding the post of the Company's Director

- 6 Years (Appointed as a Director since 2014)

Appointed as a Director

- 13 August 2014

Family relationship with the management

- No -

No. of share held (Own / Spouse / Minor Child) (%)

Ms.Pornthip Sae-lim 4,000,000 shares 0.881%

Directorship in other (Listed Company)

- No -

Directorship in other (Non-Listed Company)

- No -

Directorship in Related Companies

- No -

Directorship in Companies That May Cause the Conflict of Interest to the Company

- No -

Experience in other organization

2014 - Present	NCL International Logistics PCL
	Director / Vice President NVOCC, Consolidation
2013 - 2014	NCL International Logistics PCL
	Marketing Manager
2007 - 2013	NCL International Logistics PCL
	Marketing
2005 - 2007	NCL Agencies (Thailand) Co., Ltd.
	Marketing

The Meeting Attendance in 2020

- Board of Director 7/7
- Risk Management Committee 6/6
- Board of Management 13/13

Criteria for Director Nomination

Passed recruiting from Nomination and Remuneration Committee

Forbidden Qualification

No criminal record in a property offense committed by fraud



Mr.Marc Cheng Chee Ooi
Vice President International
Business Development Division

Age 47 years

Nationality : Thai

Education Qualification

Hi School

Deyi Secondary School (In Singapore)

Experience in other Organization

2017 - Present	NCL International Logistics PCL
	Vice President International Business Development Division
2018 – Present	Qingdao National Container Line Co., Ltd.
	Director
2018 – Present	LG Container Line Pte. Ltd.
	Director
2017 – Present	PT. NCL Inter Logistik Indonesia
	Director
2014 - Present	NCL Inter Logistics (S) Pte Ltd
	Current CEO / Director
2010 – 2013	Diamond International Consolidators(S) Pte Ltd
	General Manager
2005 - 2009	Soonest Express (S) Pte Ltd
	Assistant General Manager
2004 – 2005	Quanterm Fright (S) Pte Ltd
	Sales Executive

Forbidden Qualification

No criminal record in a property offense committed by fraud



Ms.Duangsamorn Supasaksutat

Director Accounting

Age 41 years

Nationality : Thai

Education Qualification

Bachelor's Degree

- In Accountancy with Certified Public Accountant / Rajamanglal Uninversity of Technology Krungthep
- In Faculty of Law / Chulalongkorn University

Experience in other organization

2013 - Present	NCL International Logistics PCL Accounting Director
2017 - Present	Grace Waters Med Co., Ltd. Director
2017 - 2019	SSK Inter Logistics Co., Ltd. Director
2016 - 2019	LG Container Lines Co.,Ltd. Director
2008 - 2013	NCL International Logistics Co., Ltd. Accounting Manager

Forbidden Qualification

No criminal record in a property offense committed by fraud



Ms.Rungarun Bongkodkanok

Company Secretary

Age 44 years

Nationality : Thai

Education Qualification

Bachelor's Degree

- Major Marketing, Huachiew Chalermprakiet University

Training Course

- Company Secretary Program CSP Batch 60/2014
  Thai Institute of Director (IOD)
- Advance for Corporate Secretaries Batch 2/2560
  Thai Listed Companies Association (TLCA)
- Certificate in Investor Relations 2017 Batch 1/2017
  Thai Listed Companies Association (TLCA)
- Fundamental Practice for Corporate Secretary: FPCS Batch 30
  Thai Listed Companies Association (TLCA)
- Basic courses, laws and regulations related to listed companies Batch 12 Thai Listed Companies Association (TLCA)
- Smart Disclosure Program (SDP)
  The Stock Exchange of Thailand (SET)
- Social Responsibility Center (SR Center)
  The Stock Exchange of Thailand (SET)

Appointed as on 8 November, 2018

Experience in other organization

2018 - Present	NCL International Logistics PCL.
	Company Secretary and IR Manager
2016 - 2018	NCL International Logistics PCL.
	Assistant Company Secretary and IRO
2014 - 2016	J.S.P. PROPERTY PCL.
	Assistant Company Secretary
2012 - 2014	Asia Green Energy PCL.
	Assistant Company Secretary

Forbidden Qualification

Never dishonestly committee and offence against property

Ms.Wanna Maluengnon

Managing Director of Acc-Plus Consultant Co., Ltd.

Age 57 years

Nationality : Thai

Education Qualification

MA. Of Business Administration

- Chulalongkorn University,1994

Certificate of Accounting

- Thammasart University, 1991

Bachelor's Degree of Account

- Chulalongkorn University, 1990

Hight School

- Rajini School, 1986

Training Course

- Certificate of Risk Management Program for Corporate Leader (RCL5 / 2016) by the Thai Institute of Directors Association (IOD)
- Training on internal audit on fraud investigation Organized by the Federation of Accounting Professions
- Workshop COSO2013 Internal Control Batch No. 3/2013
- Workshop for Evaluation Risk Internal Control Batch No. 3/2012
- Workshop Evaluation internal Control Batch COSO-ERM December 2011
- Audit Committee Program - ACP Batch 42/2013 Thai Institute of Director (IOD)
- Director Accreditation Program - DAP Batch 99/2012 Thai Institute of Director (IOD)
- Certified Public Accountant number 4170

Internal Audit Work

Companies listed on the Stock Exchange of Thailand

- NCL International Logistics PCL
- Ocean Commerce PCL
- East Coast Furnitech PCL
- Forth Corporation PCL
- T.M.C. Industrial PCL
- Eureka Design PCL
- Teera-Monkol Industrial PCL
- Asia Green Energy PCL

Other Public

- Siam Amago Holdings PCL
- Forth Smart Service PCL
- Sammitr Motor Manufacturing PCL
- Power Solution Technologies PCL
- Siam Wellness Group PCL

Experience in other organization

1994 - Present	Acc-Plus Consultant Co., Ltd.
	Director of Internal Control
	Advisor for Internal Control for Due Diligence
2016 – Present	Dimetsiam PCL
	Chairman of Audit Committee / Independent Director
2018 – Present	Siam Biomass Supply PCL
	Director
2016 – 2018	Ocean Commerce PCL
	Chairman

Directors and Mangement's shareholding in NCL and NCL Group 2019 and 2020

(As of 31 December 2020 the number of oridinary share includes holding by spouse and minor child)

No.	Name-Surname Position	(Share)			Remark
		As of 31 December 2019	As of 31 December 2020	Increase (Decrease) (Share)	
1	Gereral Polpol Maneerin Chairman/Independent Director	-	-	-	(Doesn't hold share)
2	Mr.Phongpun Khongkamnoed Audit Committee/Independent Director	-	-	-	(Doesn't hold share)
3	Mrs.Jitmanee Suwannapool Chairman of the Audit Committee / Indenpent Director	-	-	-	(Doesn't hold share)
4	Ms.Chanyapat Wiphatthanananthakul Audit Committee/Independent Director	-	-	-	(Doesn't hold share)
5	Mr.Kitti Phuathavornskul Director / President	130,066,974	127,066,974	3,000,000	Done a whole of sales transactions to child who have reaced the age of majority
6	Mr.Wantenan Techamorakot Director/ Vice president Freight Forwarder	4,000,000	503,400	3,496,600	Resigntion ,effective December 30, 20202
7	Ms.Netirad Sang-ngam Director/ Vice president	4,110,000	4,110,000	-	
8	Ms.Pornthip Sae-lim Director/ Vice president NVOCC	4,000,000	4,000,000	-	
9	Mr.Marc Cheng Chee Ooi CEO	-	-	-	(Doesn't hold share)
10	Ms.Duangsamorn Supasaksutat Director Finance and Accounting	-	-	-	(Doesn't hold share)
11	Miss Rungarun Bongkodkanok Company Secretary	-	-	-	(Doesn't hold share)
12	Ms.Pinruck Prasitsirikul	31,000,000	31,000,000	-	

Remark

1. Done a whole of sales transactions to child who have reaced the age of majority
   1.1 Miss.Fasai Phuathavornskul (Daughter) 2,000,000 bath
   1.2 Miss..Yingrak Phuathavornskul (Daughter) 1,000,000 bath
2. Mr. Wantenan Techamorakot ,resigntion ,effective December 30, 2020
3. Other than those reported in aforementioned table, there are no spouses or minor children of other directors and executives holding shares in the company, associated company and subsidiaries.

Attachment 2

Details of directors of subsidiaries, associates and other associated companies

Details of directors of subsidiaries, associates and other associated companies as of 31 December 2020

Name list of directors and executives		NCL Inter Logistics (S) Pte., Ltd	Grace Waters Med Ltd.	Zim (Thailand) Co., Ltd.	LG Container Line Pte. Ltd.	NCL International Logistics USA Inc.
General Porpol	Maneerin					
Mr.Phongpun	Khongkamnoed					
Mrs.Jitmanee	Suwannapool					
Ms.Chanyapat	Wiphatthananthakul					
Mr.Kitti	Phuathavornskul	D	D	D	D	
Mr.Wantenan	Techamorakot					
Ms.Netirad	Sang-ngam	D	D			
Ms.Pornthip	Sae-Lim					
Ms.Duangsamorn	Supasaksutat		D , M			
Mr.MARC	CHENG CHEE OOI	CEO , D			D	
Mr.Tongchai	Pami		D , M			
Mr.Thittathakorn	Setthapong		D , M			
Mr.Sar	Dothan			D		
Mrs.Hani	kalinsagee gotlaen			D		
Mr.Teoh	Waytin Jackson				D	
Arlene	Pasumbal					D

Remark: C = Chairman of director CEO = President M = executive D = Director L= Legal Representative

Name list of directors and executives		Qingdao National Container Line Co., Ltd.	Ningbo NCL Inter Logistics Co., Ltd.	NCL Inter Logistics Viet Nam Co., Ltd.	PT. NCL Inter Logistik Indonesia	NCL International Logistics Private Limited
Mr.Kitti	Phuathavornskul					D
Mr.MARC	CHENG CHEE OOI		L			D
Guo	Feng	L				
Hoang	Tan Phuc			D		
Thoriah					D	
Rakesh	Purshottamlal Vijay					D

Remark: C = Chairman of director CEO = President M = executive D = Director L= Legal Representative

Attachment 3

Details about the head of the internal audit and the supervisor of the Company

Details about the head of the internal audit and the supervisor of the Company

The Audit Committee appointed Act-Plus Consultant Company Limited with Miss Wanna Malueng-non as Managing Director of Act-Plus Consultant Company Limited and the position of accounting, accounting and tax system consultant. Far East Law Firms Limited, with over 20 years of experience as financial advisors and internal auditors, acts as an internal auditor. The Audit Committee has considered the qualifications of the head of the internal audit as it is appropriate to perform the said duties efficiently.

Ms. Wanna Maluengnon **Managing Director of Acc-Plus Consultant Co., Ltd.**

No. of share held

- No -

Family relationship with the management

- No -

Experience in other organization

1994 – Present	Acc-Plus Consultant Co.,Ltd.
	Director of Internal Control
	Advisor for Internal Control for Due Diligence
1993 – Present	Fareast Legal Counsellors Co.,Ltd.
	Accounting and Tax Consultants
2011 – 2013	Picnic Corporation PCL
	Independent Director / Audit Committee
1993	Kij Phon Co.,Ltd.(Rice-Wholesale Distributors)
	Accounting Manager
1991 - 1992	Ernst & Young Corporate Service Co.,Ltd.
	Audit and Accounting System
1990 - 1991	Cooper & Lybrand Co., Ltd.
	Auditor

Education Qualification

1994	MA. Of Business Administration	Chulalongkorn University
1991	Certificate of Accounting	Thammasart University
1990	Bachelor's Degree of Account	Chulalongkorn University
1986	Rajini School	

Training Course

- Certificate of Risk Management Program for Corporate Leader (RCL5 / 2016) by the Thai Institute of Directors Association (IOD)
- Training on internal audit on fraud investigation Organized by the Federation of Accounting Professions
- Workshop COSO2013, the latest internal control system framework, version 3/56, organized by the Federation of Accounting Professions

- Workshop for Risk Assessment Method for Internal Audit Planning Class 3/55, organized by the Federation of Accounting Professions
- Workshop: Assessment of the COSO-ERM internal control system of each system (December 2011)
- Certificate of Audit Committee Program - ACP, Class 42/2013 by Thai Institute of Directors (IOD)
- Certificate of Director Accreditation Program - DAP, Class 99/2012, by the Thai Institute of Directors (IOD)
- Certified Public Accountant Registration Number 4170

Internal Audit Work

Companies listed on the Stock Exchange of Thailand

- NCL International Logistics PCL
- Ocean Commerce PCL
- East Coast Furnitech PCL
- Forth Corporation PCL
- T.M.C. Industrial PCL
- Eureka Design PCL
- Teera-Monkol Industrial PCL
- Asia Green Energy PCL

Other Public

- Forth Smart Service PCL
- Sammitr Motor Manufacturing PCL
- Power Solution Technologies PCL
- Siam Wellness Group PCL

Attachment 4

Assets used in business operations and details about the asset appraisal items

Properties for business operation

Main properties for business operation

As of 31 December 2020, the consortium has main properties for business operation according to the consolidated financial statement as follows

Land and building

The consortium has lands and buildings with value of 24.89 million Baht as follows

Description	Ownership	Book value (Million baht)	Obligation
1. Land and premises of NCL Office No. 56/9,10 Soi Somdej Phrachaotaksin 12/1, Somdej Phrachaotaksin Road, Bukkhalo Sub-district, Thonburi District, Bangkok 10600			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 70 million Baht
- Land and improvements	Owner	6.29	
- Office building and improvements	Owner	3.55	
2. Counter service office at a service point in Bangkok Port (Loading yard 45 Rai, Port Authority of Thailand, Khlong Toei Sub-district, Khlong Toei District, Bangkok			
- Office Building	Owner	0.60	No
3. Factory and office building of Grace Water Med Co., Ltd (subsidiary) No. 13/7 Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District, Nonthaburi Province 11140			
- Factory building	Owner	13.32	No

Description	Ownership	Book value (Million baht)	Obligation
4. Office building improvements of NCL Inter Logistic(s) Pte. Ltd. 8 Burn Road, #10-08 Trivex Singapore 369977 - Office building improvements	Owner	0.95	No
5.Office building improvements of NCL International Logistics USA Inc.4055 E. LA PALMA AVE-SUITE H-1 ANAHEIM, CA 92807 - Office building improvements	Owner	0.15	No
6.Office building improvements of LG Container Line Pte. Ltd. 19 Keppel Road, #08-04 Jit Poh Building, Singapore 089058 - Office building improvements	Owner	0.03	No
Total		24.89	

Real estate for investment

The Company has lands and buildings for rent with value of 71.12 million baht including

Description	Ownership	Book value (Million baht)	Obligation
1.Land and premises No. 56/15 Soi Somdejprachaotaksin 12/1 Somdejprachaotaksin Road. Khwang Bukkhalo, Khet Thon Buri, Bangkok 10600			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 254.20 million Baht
- Land and Improvements	Owner	45.92	
- Office building and Improvements	Owner	14.08	
2.Land and premises No. 2/4 Tapi Charoen Road, Tha Kham Sub-district, Phunphin District, Suratthani Province			Land and premises are mortgaged as collateral for overdraft, promissory notes and amount of foreign currency exchange in amount of 67.44 million Baht
- Land and Improvements	Owner	5.39	
- Office building and Improvements	Owner	5.73	
Total		71.12	

The consortium has made insurance for possible risks incurred with properties of the consortium including furniture, decorations, equipment, tools and office supplies with sum insured of 47.99 million Baht. This insurance covers loss/ damages of properties with direct cause from risks of all kinds due to external factors such as fire, strike, explosion, water disaster (excluding flood), smokes, disasters to vehicle, aircraft and accidents from other external factors not identified in the policy.

Vehicle

The Group has vehicles comprising tractor-trailers, pick-up trucks, and other vehicles as shown in the financial statements. Under land, plant, and equipment amounting to 75.71 million baht and assets right to use in the amount of 0.86 million baht (due to the purchase under the finance lease), totaling 76.57 million baht.

Description	Quantity (vehicle)	Book value (Million Baht)	Ownership characteristics
1. Truck			
- Tractor	13	21.04	Owned
	21	27.04	Owned, have a bank guarantee obligation
- Trailer	78	19.98	Owned
	13	4.14	Owned , have a bank guarantee obligation
- Pickup truck	9	2.64	They are bound with rental agreement
	2	0.18	Owned
2. Other vehicles	4	1.55	Owned
Total		76.57	

Office supply

The Group has a total of 51.82 million baht in equipment, 20.80 million baht in property, plant and equipment and 31.02 million baht of rights to use assets (because it is a purchase under a finance lease).

Description	Quantity (vehicle)	Book value (Million Baht)	Ownership characteristics
- Container	500	31.02	They are bound with rental agreement
- computers , air-conditioners, decorations, tools and others.		20.80	Owned
Total		51.82	

Important Contract Summary

Important lease agreement as of 31 December 2020

Description	Signatory	Duration	Details
1. 1st service point: Khlong Toei Port Port Authority of Thailand Khlong Toei Sub-district, Khlong Toei District, Bangkok	Port Authority of Thailand	3 year (1 Feb 2020 – 31 Jan 2023)	Leased properties Space in loading yard 45 rai amount 26.5 Square Wa Rental rate Fixed rate of 3,180 Baht/ month Agreement renewal The agreement is valid until the tenant cannot pay rental for two consecutive months or the tenant desires to return the leased space Agreement termination The tenant made a prior written notice to the landlord at least 1 month.
2. 2nd branch office No. 638/10, Phetkasem Road Hat Yai Sub-district, Hat Yai District, Songkhla	Mr. Nithiwat Watcharapitanrat	3 years (1 Jul 2019 – 1 Jul 2022)	Leased property 3.5-floor building Rental rate 18,947.37 Baht/ month Agreement renewal -No- Agreement termination 1.when it is due 2.when the tenant fails to comply with conditions.
3. Document warehouse No. 59,61, Soi Charoen Nakhon 24, Charoen Nakhon Road, Banglamphu Lang Sub-district, Khlongsan District, Bangkok	Miss Waraporn Kittayanurak	3 years (1 Aug 2019 – 31 Jul 2022)	Leased property Building Rental rate Fixed rental at 7,895 Baht/ month Agreement renewal -No- Agreement termination -No-
4. Car parking space No. 99/1, Soi Somdej Phrachaotaksin 14, Bukkhalo Sub-district, Thonburi District, Bangkok	Mr. Ruj Thongwut	2 years (1 Sep 2019- 31 Aug 2020)	Leased property Space for car parking Rental Rate Fixed rental rate at 15,790 Baht/ month Agreement Renewal -No- Agreement Termination

Description	Signatory	Duration	Details
			1.When the agreement is due 2. When the tenant fails to comply with conditions.
5. Space in JJ Mall No. 588, Kamphaengphet 2, Chatuchak District, Bangkok Remark Initially, the company rented such space to be delivery service point for retails but the Company ceased such service in 2010 and sublet the space to others	JJ MALL CO., LTD	20 years (1 Jan 2007- 31 Dec 2026)	Leased property Space in shopping mall Rental rate Pay rental of 2,616,300 Baht on the agreement date and pay rental rate for 2,617 Baht/ months. Service rate in following years will be informed by the provider in the future. As of 31 March 2014, the service rate is 3,385.80 Baht/ month. Agreement Renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
6. Service point in Chonburi No. 292/239, Thung Sukhala Sub-district, Si Racha District, Chonburi Province	Miss Phannana Labpho	2 years (1 Aug 2018 – 31 Jul 2020)	Leased property 2-floor building Rental rate 10,526 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
7. Service point in Chonburi 3 rai of land, title deed land number 177635, Banglamung Subdistrict, Bang Lamung District, Chonburi Province	Miss Sirima Thongbumrung	1 years (1 Oct 2019 – 30 Sep 2020)	Leased property Land Rental rate 47,368 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
8. Factory land of Grace Water Med Co., Ltd No. 13/7, Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District,	Miss Pinrak Prasitsirikul	1 Jan 2021- 31 Dec 2023	Leased property Land for office and factory building Rental rate rental rate 100,000 Baht/ month Agreement renewal

Description	Signatory	Duration	Details
Nonthaburi Province 11140			-No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
9. Office building of Grace Water Med Co., Ltd No. 13/7, Village No. 8, Bang Muang- Bang Khulad Road, Bang Muang Sub-district, Bang Yai District, Nonthaburi Province 11140	Grace and Glamor (Thailand) Co., Ltd	1 Jan 2021- 31 Dec 2023	Leased property 2-floor office building Rental rate rental rate 50,000 Baht/month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
10. Dialysis machine for testing hemodialysis	Mr. Jare Tuipan	1 March 2021 - 28 Feb 2023	Leased property Dialysis machine Rental rate 7,000 Baht/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
11. Office space of NCL Inter Logistic(s) Pte. Ltd. 8 Burn Road, #10-08 Trivex Singapore 369977	SCAN RENT (S) PTE LTD	1 January 2021- 31 December 2022	Leased property Office space Rental rate 5,000 Singapore Dollar/ month Agreement renewal -No- Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
12. Office space of NCL International Logistics USA Inc. 4055 E. LA PALMA AVE-SUITE H-1 ANAHEIM, CA 92807	MIKAN PROPERTIES,L.P.	1 April 2018 - 31 March 2021	Leased property Office space Rental rate 1st year, rental is 1,680 Singapore Dollar/ month 2nd year: rental is 1,727 Singapore dollar/ month 3rd year: rental is 1,775 Singapore dollar/ month Agreement renewal -No-

Description	Signatory	Duration	Details
			Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions
13. Office space of LG CONTAINER LINES PTE LTD, 19 Keppel Rd, #08-04 Jit Poh Building, Singapore 089058	JIT POH INVESTMENT PTE LTD	1 March 2019 – 28 February 2022	Leased property Office space Rental rate 2,700 (SGD) / month Agreement renewal No Agreement termination 1 When the agreement is due 2.When the tenant fails to comply with conditions

Agency agreement summary

The Company made an agency agreement with an agent to be a coordinator in providing transport service in jurisdiction each agent takes care of for the company. The agreement contains following subject matters.

1. The Company and agents will coordinate in providing transport services for each other.
2. The Company and agents will jointly determine remuneration and service costs in writing before each transport.
3. The agents shall not discharge or deliver the products to a recipient until payment is made or a damage guarantee is received from a bank.
4. The agents shall inform the company immediately if they are unable to deliver the products or the products are rejected.
5. The agents shall inform the company of problems with products such as damages or untimely arrival at a destination etc. and shall be responsible for investigations of causes.
6. The agreement term is one year and it will be automatically renewed if either party does not requests termination.
7. Agreement termination requires prior written notice at least 60 days.
8. The agreement will be immediately terminated if either party fails to comply with provisions herein.

Investments and Policies in Subsidiaries and Associates

The Company has investments in subsidiaries and associates as shown in specific financial statement of the company according to capital price method. As of 31 December 2020, the Company has net investment value of 96.32 million Bahr accounted for 15.28% of total assets in specific financial statement of the Company with following details.

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Investments in subsidiaries which the Company directly holds				
1. NCL Inter Logistic(s) Pte.Ltd. Business of providing logistics management services in Singapore	SGD 4.33	SGD 4.33	100%	101.33
2. Grace Waters Med Co., Ltd. manufactures and distributes dialysis-related equipment.	THB 40.00	THB 40.00	52.80%	22.79
Investments in associated companies				
1. Zim (Thailand) Co., Ltd.	THB 10.00	THB 10.00	51.00%	5.10
Total				129.22

On 20 February 2018, the company's board meeting had a resolution to approve increasing capitals in NCL Inter Logistic (S) Pte. Ltd., an associate, for 1.26 million US Dollar to expand the business in foreign countries. During the year, the Company transferred money to increase capital for 0.42 Million US Dollar or 0.57 million Singapore Dollar.

on August 13,2019, the meeting of the Board of Directors of the Company has approved the increase of capital in NCL Inter Logistic (S) Pte. Ltd., by another 25 million baht to expand the operations of foreign subsidiaries. During the year 2019, the Company transferred funds to increase capital in the amount of Singapore Dollars 1.33 million.

On February 27, 2020, a meeting of the Board of Directors of the Company approved to increase the capital in NCL Inter Logistic (S) Pte. Ltd for 25 million baht for NCL Inter Logistic (S) Pte. Ltd. to expand the operations of its overseas subsidiaries. During the year 2020, the company has transferred money to increase capital amounting to Singapore Dollars 1.43 million.

NCL Inter Logistic (S) Pte. Ltd., has invested in various subsidiaries during 2018-2020 as follows:

Company Name	Registered Capital (Million)	Paid up Share Capital (Million)	Proportion of Shares	Net investment Value
Subsidiary held by NCL Inter Logistic (S) Pte. Ltd.				
1. NCL International Logistics USA Inc. providing logistics management services in USA	USD 0.13	USD 0.13	100%	USD 0.13
2.Qingdao National Container Line Co.,Ltd. providing logistics management services in China	CNY 5.0	CNY 0.8	100%	CNY 0.8
3.LG Container Line Pte.Ltd. operate business as a	SGD 0.01	SGD 1.3	100%	SGD 1.3

principal office in providing logistics services in Singapore				
4.Ningbo NCL Inter Logistics Co.,Ltd. providing logistics management services in China	CNY 5.0	CNY 1.4	100%	CNY 1.4
5. NCL Inter Logistics Vietnam Co.,Ltd.. providing logistics management services in Vietnam	VND 2,500	VND 2,500	49%	VND 1,225
6. NCL International Logistics Private Limited providing logistics management services in India	INR 5.0	INR 0.3	100%	INR 0.3
Subsidiaries with interests controlled by NCL Inter Logistic (s) Pte. Pte.				
1.PT.NCL Inter Logistik Indonesia providing logistics management services in Indonesia	IDR 1,000	-	-	-

During the year 2020, the Company decided to close a subsidiary in Vietnam and ceased to operate two companies in China, and sell investments to companies in Indonesia due to the epidemic situation of the Coronavirus 2019 that has spread widely in many countries around the world which had an impact on the transportation of goods, causing a significant decrease in income, and the management has considered that if going forward, it will affect the overall operating results of the group of companies.

Nevertheless, the consortium has a policy to invest through subsidiaries and associates by considering investments in relation with businesses of the consortium focused on long-term investment. The board of director will jointly consider the investment policy by recognizing necessity, suitability and benefit of the consortium, and shareholders that can create good returns in the investment. The consortium has a policy to invest in sufficient proportion to take part in managing and defining trends of such business. It may consider investments in different forms properly as a major shareholder in the companies in which it invests and/or joint shareholder to be agreed in a shareholder's agreement.

The company has governance policy of the subsidiaries and associates as follows

Investment and Governance Police of Subsidiaries and Associates

1. Investment in other companies include joint venture to set up a new company and buying shares in other companies. The Company has a policy to coinvest with other investors that have transparent business operation and corporate governance.
2. Businesses in which the company will invest must be supportive and beneficial company's business vertically and horizontally to create equilibrium of the Company.
3. Businesses in which the company will invest shall be analyzed in terms of basic business factors, business trend as well as return rate evaluation and future risk prediction.

4. Investment shall not cause problems to liquidity of the Company and subsidiaries.
5. The Company will invest at sufficient proportion to take part in managing and defining business operation regulations of a company to be invested in.
6. The company will review investment in subsidiaries and associates properly and in accordance with business condition of the Company in each period.
7. The investment shall be approved by the board of director or general meeting of the Company according to the article of association and related laws to be in accordance with a notice of Capital Market Supervisory Board associated with principles of providing significant particulars within scope of obtainment or distribution of properties and a notice of Stock of Exchange Commission on disclosure of data and practices of listed companies about property obtainment B.E. 2547
8. The company will supervise a company in which it invests by sending representatives to be a director of subsidiaries and/or associates by proportion of shareholding. The company's representatives must be free from conflict of interest of the subsidiaries and/or associates in which the Company invests and they shall supervise the subsidiaries and/or associates to comply with specified regulations and principles in the company's article of association and applicable laws about business operation of the subsidiaries and/or associates.

It is valid from 13 December 2016 and onwards.

Details about the asset appraisal items

Appraised assets	Asset assessor	Date of Assessment	Objectives of Assessment	Assessed price
1. Type of assets : Land with buildings (Garage building with one-story office, one-story house, other buildings) Location of assets : No. 2/4 Tapeecharoen Road, cut from Nong Khri – Phunphin (ThorLor. 4153), Tha Kham Sub-district, Phunphin District, Surat Thani Province Methods of Assessment: 1. The method of calculation from the replacement cost is the main method. 2. The method of calculation from revenue is the verification method. Ownership of land : NCL International Logistics Public company limited Obligations : Mortgage to secure long-term loans Revolving credit limit And foreign exchange limit totaling 67.44 million baht	FIRST STAR CONSULTING COMPANY LIMITED Asset assessor Mr. Charoonsak Fongthong, qualified main assessor, no. WorThor. 197	16 Dec 2020	For internal consideration purposes	14,290,000

Attachment 5

Details about the business ethics

คู่มือจริยธรรมธุรกิจ

Business Ethics

บริษัท เอ็นซีแอล อินเตอร์เนชั่นแนล โลจิสติกส์ จำกัด (มหาชน)

NCL International Logistics Public Company Limited

(**Update 2020**)

Content

1. Principles of Business Operation 1
1.1 Vision, Mission, Goal and Strategies in Operation
2. Business Ethics of the Company 2
3. Conflict of Interests and Keeping Confidential Information 4
3.1 The Conflict of Interest Policy
3.2 Insider Information Usage Policy
4. Responsibility to the Company and its Properties and Assets 6
4.1 Properties Protection
4.2 Business Ethics on Intellectual Property
4.3 Use of Computer and Information Technology
4.4 Policies and Practices for Prevention of Involvement in Corruption
4.5 Penalties
5. Practices towards Stakeholders 9
5.1 Policies and Practices for Shareholders
5.2 Policies and Practices for Customers
5.3 Policies and Practices for Partners
5.4 Policies and Practices for Competitors
5.5 Policies and Practices for Creditors
5.6 Policies and Practices for Employees
5.7 Policies and Practices Under Human Rights
5.8 Policies and Practices to Respect for Intellectual Property and Copyright
5.9 Policies and Practices on Compensation and Benefit
5.10 Policies and Practices for Hygiene and Safety and Workplace Environment
5.11 Policies and Practices for Community and Society
5.12 Policies and Practices to the Environment
5.13 Policies and Practices for Effective Use of Resources
5.14 Employee Complaint Channels
5.15 Whistle Blowing Policy and Practice and Whistleblower Protection Measures

6. Compliance with the Business Ethics and Guidelines of the Company 18

6.1 Practical guidelines for the management

6.2 Practical Guidelines for the Board of Directors

6.3 Practical Guidelines for the Directors

6.4 Practical Guidelines for the Company Secretary

6.5 Practical Guidelines for the Employees

6.6 Corporate Governance and Business Ethics Revisions

6.7 Compliance with the Business Ethics

Business Ethics

NCL International Logistics has determination to do business based on integrity and value addition for its shareholders, including the practice towards all the stakeholders with equity. Meanwhile, the company has established the duty and responsibility for the directors, the management and all the employees shall realize and comply with the policies and practices designated in the ethics manual strictly. It is to achieve the business target and benefit the stakeholders, the shareholders and the society.

Definitions

Business ethics means merits, justice and integrity that are the practices for the business operations. Practical guidelines are the guidelines to maintain and encourage honor and reputation.

1. Principles of Business Operation

1.1. Vision, Mission, Goal and Strategies in Operation

Vision

To be a leading total logistics provider to International standard that is the first and best choice for the customers and its partners.

Mission

The Company's mission is to operate a comprehensive logistics service business with personnel who were expertise and service to customers with sincerity as well as creating the network of trade partners and international offices efficiently.

Goal

To be a professional company that helps reduce logistics costs to maximize efficiency and customer satisfaction.

Strategies

To provide personnel with expertise which offer the customers a comprehensive range of services, including consultation about planning related to, and the provision of, the most suitable transport methods, management that allows the customers to forward their freight on time with the lowest cost,

by expanding their own branch offices in target countries and working with effective partners in abroad to be able to distribute products to destinations in various countries around the world.

2. Business Ethics of the Company

2.1 Honesty

The management shall maintain integrity towards the relevant persons and shall not cause misunderstanding deliberately or deceptively by distorting the information, exaggeration, partial facts, discrimination or omission on the practice or by other methods.

2.2 Integrity

The management should display its morals and bravery to do things it believes to be correct, although having been pressured to do the opposite thing. It shall adhere to the principles, respectability and equity. The management should fight for its beliefs and shall not abandon the principles for any objectives until they become deceptive or immoral persons.

2.3 Trust worthiness

The management should reveal and provide the relevant information and remedy the misunderstanding from the facts. It should try in a suitable way to achieve their pledge, but should not use the existing instruments incorrectly. It should avoid using unsuitable and legal interpretation, as it can be used as an excuse for non-cooperation or avoiding the established agreement.

2.4 Loyalty

The management should show loyalty towards the company with help and dedication to duty, but it should not use or reveal secret information for personal advantage, instead of maintaining the ability in making a decision of independent professional. It avoids unsuitable things and beneficial conflict, and has loyalty towards the company and co-workers. Moreover, if the management has an intention to resign, it should give advance notice suitably, including the priority to the company information and not doing business that utilizes their original job merits.

2.5 Fairness

The management should have fairness and morals towards the relevant persons, not using arbitrary power, and not using the cheating method or unsuitable method to derive or maintain the interests or advantages from misunderstanding or based on suffering of other people. The management who has fairness should disclose the agreements for consideration and treat everyone with equality. They should open up for

different opinions and are willing to accept a fault upon making a mistake, and is ready to change the standing point and existing belief to the correct and suitable things.

2.6 Concerns for other people

The management should pay attention, has compassion, generosity and good intentions for other people according to the principle that treat others the way you want to be treated. The management should help other people on the things that person has necessity and find a method to make the business can accomplish its goal simultaneously with the objective of other people.

2.7 Respect for International human rights principles

The management should respect in the dignity of each individual, independence, privacy, legal and human rights and the interests of the stakeholders. The decision of the management should be impartial and treat everyone without prejudice and no discrimination against gender, class or racism. The company shall designate the directors, the management and all of the employees to comply with the human rights principle strictly. It is considered as part in the operations and and shall not support the business that is in violation of the international human rights principle.

2.8 Commitment to Excellency

The management should perform the duty with endeavor that is, being knowledgeable person, preparedness, determination with skills to be able to manage all things under responsibility.

2.9 Leadership

The management should be aware of responsibility and its leadership and should provide the format of the practical suitability to benefit self and the organization. Meanwhile, the management should create the environment that gives priority to the ethical principles and decision-making.

2.10 Reputation and Morale

The management should find a way to build a reputation for the company as well as merits among the employees. They shall mutually do not destroy relations between the company and its employees. On the contrary, the employees may join each other for anything necessary to remedy or prevent incorrect and inappropriate circumstances

2.11 Accountability

The management should realize and be responsible for its duty considering the ethics used in decision-making and omission of something for its company, colleagues and community.

2.12 Policy on Compliance with the Law and Relevant Rules and Regulations

The company has determination to conform with the law, bylaws and regulations involved with the operations for the directors, the management and its employees as follows:

- It shall comply with the laws, rules, regulations and respect for the culture and traditions of the country where the company does its business.
- It shall comply with the requirements of the SET and the SEC.
- It shall comply with the rules and bylaws of the company strictly.
- It shall not help or encourage avoidance of complying with the various laws or rules.
- It shall cooperate with the supervisory unit and report the information related to a violation or non-compliance with the law or failure to comply with the law or rules by the relevant persons.

3. Conflict of Interests and Keeping Confidential Information

3.1 The Conflict of Interest Policy

The Board of Directors sets policies on conflict prevention on the principle that any decision in conducting business activities must be done for the best interests of the Company and should be avoided any act that can cause the conflicts of interest , determined that any participant or stakeholder in the transaction must notify the company of its relationship or interest in the transaction, aforementioned, must not participate in the decision-making process, or no authority to approve such transactions. The Company has set the policies and practice guideline as below:

1. Director, executive and employee are required to disclose upon arising of any situation believable as a cause for conflict of interest.
2. Avoid making transactions with directors that may cause a conflict of interest with the company. In case of emergency, the transaction must be proposed to Audit Committee for consideration prior to approval from the Executive Committee or Board of Directors (Depending on case), in accordance with the principles of corporate governance and ensure compliance with the rules of the Stock Exchange of Thailand and Commission on Securities and the Stock Exchange.

3. Directors and executives who have a significant interest in a manner are prohibited to give an opinion freely and abstain from taking part in the meeting agenda. The directors and executives are required to inform the stakeholders before the agenda, the minutes of meeting should be recorded.

4. Has set up the clear and transparent structure no cross-shareholdings with major shareholders, to avoid conflicts of interest to any one party and disclose the shareholding structure of the Company and its subsidiaries in the annual report.

5. The company complies with the policy on conflict of interest and business ethics, whereby directors, executives and all employees as well as employees in the subsidiaries are required to strictly comply with such policy. The company provides information to better understand the practices of employees throughout the company.

3.2 Insider Information Usage Policy

The Company establishes a policy to keep and protect the use of internal information in a written manner and to notify such practices to all persons in the Company and the way to take care of directors and the management in using of internal information of the Company which is not yet disclose to the public use for personal gain as follows.

1. Directors, executives and employees of the company and its subsidiaries are required to maintain confidentiality of information within the company and subsidiaries.
2. Directors, executives and employees of the company and its subsidiaries shall not expose confidential information of the company and its subsidiaries to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly. Also, whether they receive compensation or not.
3. Educate the board of directors, executives, and senior management in the accounting or finance department at the managerial level or higher. About the duty to prepare and submit reports on the holding of securities in the company, his spouse and children underage. To the Office of the Securities and Exchange Commission under Section 59 and Penalties under the Securities and Exchange Act BE 2535 (as amended)
4. Directors and Executives of the Company include spouse and minor children are prepared and disclosed the report on securities holding and the report on the change of the Company's securities holding to the Office of the Securities and Exchange Commission under Section 59 and the Penal Code under Section 275 of the Securities and Exchange Act BE 2535 (including the additional revision) and submit a copy of this report to the Company on the same day that was sent the report to the Securities and Exchange Commission.
5. The directors, executives, employees and its subsidiaries of the Company are prohibited (including spouse and minor children) who receive significant internal information that affects the change of the Company's securities trading prices within 30 days prior to such disclosure or

disclosure to the public. And within 24 hours after the internal information of the company has disclosed to the public. Any person who involved with the internal information must not disclose that information to others until the information is provided to the SET. Penalties for violations of the above rules. The Company treated this action as guilty of misconduct in accordance with the Company's Articles of Association and will be considered the punishment such as verbal warning, warning letter, remit punishment as well as termination of employment by dismissal or deposition depends on the case.

6. The directors, executives and employees of the Company are prohibited to use internal information of the Company which can effect of the change in the price of securities of the Company which has not yet been disclosed to the public which it has knowledge by their position or such status and used to buy or sell or offer to buy or offer to sell or to persuade others to buy or sell shares or other securities of the Company (if any), whether directly or indirectly and whether this is done for the benefit of themselves or others, or to bring such facts out, to disclose to others to do so, whether they receive benefits or not.
7. Directors and executives including the executive level position in accounting or finance or equivalent level manager are required to submit the list of their first securities holding and report on changes of securities holding including those of their spouses and minor children, as well as related persons. The submission and report shall be conducted and submitted within 30 days from the date of appointment to the position of a director or executive and within 3 working days from the date of buying, selling, transferring or receiving the transfer of the securities, submit it to the Office of the Securities and Exchange Commission (SEC) and send a copy to the Company secretary to acknowledges every time of the change to prepare a report to the board of meeting acknowledge in every quarter.
8. Specified that the Directors and Executives including those who assume the position as executive in accounting or finance, equivalent to department manager or equivalent. (According to the definition of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand), it is required to report at least one business day before trading to the Company Secretary for reporting to the Board.

4. Responsibility to the Company and its Properties and Assets

4.1 Properties Protection

The company expected its directors, the management and employees to have responsibility in protecting its assets, and use them with efficiency for optimization. They shall not use the company's properties for self-interest or for others with the following guidelines.

- The management and employees shall use its assets and resources with economy and optimum benefits for the company.
- The management and its employees shall take care of the properties of the company against deterioration or missing.
- Setting guidelines on prevention of a damage or risk to the company's properties that may be caused by the operations, e.g. natural disasters, accidents, etc.

4.2 Business Ethics on Intellectual Property

The company has designated its directors, the management and all of its employees to have prudence and circumspection on the intellectual property, including paying respect to the copyrights of the intellectual property owners.

4.3 Use of Computer and Information Technology

1. All computers, information technology and information and data relating to its operation are the property of the Company. Executives and staff should not use the Company's computers and information technology for personal interests.
2. Executives and staff are prohibited from disclosing their password to others for access to the Company's information system.
3. Executives and staff are prohibited from disclosing any information or data on the Company's information system(s) to other parties without proper authorization.
4. Executives and staff are prohibited from changing, copying, deleting or destroying the Company's information or data without proper authorization.
5. Executives and staff are prohibited from using illegal software for any reason and from using copyright protected software without the permission of the copyright owner.
6. Executives and staff are prohibited from altering their computer equipment or installing any other accessories in addition to the standard equipment provided by the Company.
7. Executives and staff are prohibited from using the Company's electronic mail system to transmit derogatory, offensive, pornographic, abusive or annoying messages according to the Computer Crimes Act B.E. 2550.
8. Executives and staff may only use the internet to seek information and knowledge related to their work and shall not access illegal or immoral websites.
9. Executives and staff should use all communication equipment provided by the Company, such as telephones, facsimile machines, mobile phones and pagers with an appropriate sense of responsibility and care, taking the Company's interests into consideration.

4.4 Policies and Practices for Prevention of Involvement in Corruption

The Company is committed to running its business using good corporate governance principles. The Company takes responsibility for society, the environment, and all stakeholders, and it has formulated policies towards the compliance with anti-corruption laws. Also, it has defined the anti-corruption guidelines in the Company's Business Code under the headings "Policy on Receiving and Giving Gifts and Recompenses" and "Policy on Prevention of Corruption and Bribery," which are outlined as follows:

Policy on Receiving and Giving Gifts and Recompenses

- Executives and employees are prohibited from asking for any benefit from partners or those who do business with the Company.
- Executives and employees are prohibited from offering any benefit to any other third parties or partners in any attempt to persuade them to commit an unlawful action.

Policy on Prevention of Corruption and Bribery

- Receiving or giving property, or any other benefit that may produce motivation to make an unlawful decision, must be done correctly and straightforwardly, and it must be ensured that the actions will not lead to any criticism of, or a bad reputation to, the Company. What the Directors have received must be kept in the office or distributed to the employees.
- Procurements must conform to the procedures set forth in the Company's regulations and they should be fair for stakeholders. The decisions on procurements must take into account the reasonableness of prices, quality and services to receive, and transparent auditability.
- As for transactions with the government sector, the Company shall avoid any actions that may persuade the government sector or government officers to take wrongful or improper actions. However, building a good mutual relationship or taking any actions within a proper extent and customary practices are acceptable, e.g. extending congratulations or giving a bouquet for special occasions.

Penalty

The Company has authorized the CEO, Deputy CEO or supervisors in each department to consider and take disciplinary actions on employees who have committed wrong actions or fail to comply with the Company's regulations. The disciplinary actions are imposed according to the severity of the offense, ranging from a verbal warning to suspension or dismissal.

The policy was approved at the Board of Directors' Meeting, no. 1/2013, and notification was given to the employees on July 18, 2013.

4.5 Penalties

The company has designated the president, vice president or the superiors in each division can impose the disciplinary penalty to the guilty employees or failure to follow the posted rules and regulations.

The company has designated the disciplinary actions in 5 aspects as follows:

- Verbal warning with a written record as evidence.
- Written warning.
- Demotion.
- Suspension without pay and no payment on the fringe benefits.
- Termination without compensation.

5. Practices towards Stakeholders

The Company recognizes the importance of rights of every stakeholder including shareholders, customers, trading partners, counterparts or creditors, Company's employees and the society.The Company should set a clear policy on fair treatment for each and every stakeholder in accordance with the laws or mutual agreements. To ensure that such rights are protected and treated fairly and equally. Thus, the Company has set the Business Ethics or Code of Conduct as a guideline for dealing with each stakeholder, as well as the community society and the environment for sustainable development; anti-fraud and corruption, no violate intellectual property including respect for human rights. Any actions that can be considered in violation of stakeholders' legal rights should be prohibited.

5.1 Policies and Practices for Shareholders

The Company operates business by taking into consideration the long term grown of the Company as well as provision of good return to the shareholders. The Company operates business transparency by putting in place an efficiency internal control system and has strictly prohibited performing any acts in the nature that may cause conflict of interest with the Company. The disclosed information must be accurate, sufficient and timely.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders access to Company information.
5. A Report of the Board of Directors' responsibility for the financial statements in the annual report shall be prepared
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by director or indirect means, shall be eliminated.

5.2 Policies and Practices for Customers

The Company realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The Company operates the business of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with commitment to develop goods and services, introduce new innovations and add value to goods and service in order to continually meet the demands if

customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.

3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets is maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the director or indirect receipt of properties or other dishonest benefits from customers.
5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

5.3 Policies and Practices for Partners

The Company treats trading partners equitably and tales into account mutual interests by prescribing the following policies and guidelines.

1. The Company has the policies on treating business partner and all creditors fairly, does not take advantage of business partner and shall not defraud partners or creditors as well as stringently observe contracts, agreements, and conditions given to creditors or partners. The Company is focused on developing and maintaining sustainable relationships with its business partners.
2. The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.
3. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of oneself or of others.
4. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and service are jointly undertaken to promote mutual growth.
5. The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
6. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements

5.4 Policies and Practices for Competitors

1. The Company encourages the policy to promote the free and fair competition conforming to the rules of good competition. The Company shall define the practice under framework of good competitive roles and laws and avoid defamation of competitors as well as in strict adherence to established ethics.
2. The Company will not damage the reputation of its trade competitors.

5.5 Policies and Practices for Creditors

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and items will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors on the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

5.6 Policies and Practices for Employees

The Company also realizes that the employees are one of the important resources to develop the growth of the organization so should be treated equally and fairly as well as focuses on developing employees' potential, knowledge, and competency.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin color, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employees participation in the determination of the Company's direction and development are promoted and listen to opinions and suggestions from every level of employees on a fair and equal basis.

6. Encourage and encourage the provision of additional training to all employees. It is in line with the Company's policies, problems, visions, missions and strategies. Annually for example, the potential for work. The importance of the environment.
7. Provide training, Public relations Corporate Governance, Business Ethics and anti-corruption to all employees to acknowledge and strictly follow.
8. Give a fair return which appropriate to their knowledge, ability, responsibility and performance including the compensation in accord with the Company's performance in both short and long term.
9. Appropriate welfare and benefits are given to employees, e.g. employee welfare policy medical expenses 10 serious diseases, provident fund etc.
10. Channel are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
11. Employees of all levels are encouraged to participate in social responsibility activities.
12. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.

5.7 Policies and Practices Under Human Rights

The company has a policy to treat each other under human rights. It is the ethics and code of business conduct should respect in the dignity of each individual, independence, privacy, legal and human rights and the interests of the stakeholders. The decision of the management should be impartial and treat everyone without prejudice and no discrimination against gender, class or racism.

by directors, executives and employees including employees in subsidiaries that must be strictly adhered to by all parties. It is as part of the discipline of work, which must take into account human dignity, freedom and equality of individuals. The company does not do and promote of human rights violations. The company and its subsidiaries are not related to the organizations or individuals that violate human rights, in all cases, the company has complied with the basic principles of human rights.

5.8 Policies and Practices to Respect for Intellectual Property and Copyright

Company adheres to and respects the intellectual property and copyright as follow:

1. The company must not take any actions that violate the intellectual property rights of others or competitors

2. Executives, managers, and employees must not seek a competitor's trade secrets or specifications of competitors by unlawful ways e.g. illegal theft, espionage or violation of an agreement not to disclose information of a competitor, whether from customers or other parties. It also includes trade secrets of the company, for example, a business plan and technical innovation, which company's employees have a duty to keep it confidential. It must not be distributed to third parties, whether they are competitors or not.
3. The company recognizes the importance of intellectual property and copyright. The company only allows employees to use the software defined and installed by the company. The programs are copyrighted and legally prohibited from installing or downloading copyrighted music, movies, games, and etc. that are not legitimate. The Information Technology department is responsible for oversight and checking individuals' computers regularly. Internal Audit is also responsible to conduct a random check again so that employees understand the importance of such matters.

5.9 Policies and Practices on Compensation and Benefit

1. The company will employ and allow all employees to progress in jobs and works with fairness.
2. The company will offer various compensation in comparable amount to other business in same category according to the position, experience, degrees, and qualification of the employees. Based on the performance of the company. It will depend on the evaluation and competency assessment to measure the success the work of the employees as well.
3. The company will provide the fair and proper compensation according to knowledge, responsibility, and the out-come of each employee.
4. The company offers benefits for basic needs of the employees such as provident fund, annual physical examination, uniforms, various compensation in case 10 serious diseases, and training to increase professional skills.

5.10 Policies and Practices for Hygiene and Safety and Workplace Environment

The Company always realizes that the employees are the key to the Company's success. We strive to meet the safety, hygiene, and environmental standards. The Company has set the guidelines for prevention and control of workplace hazards, safety, hygiene and workplace environment which is the duty and responsibility of all employees to cooperate in the surveillance and surveillance of the work environment in a safe condition.

1. Compliance with standards to ensure safety in health and work environment for all employees.
2. Compliance with safety laws and regulations. Health and Environment Of the country where the company enters the business

3. The Company always supports the regular improvement of work conditions and safety environment.
4. All employees must consider to their own safety, colleagues includes the company's assets as importantly at all work time
5. All employees must maintain cleanliness and orderliness of their work area
6. All employees have the right to offer feedback on improving their work conditions and their workplace and the environment of the company for the improvement
7. The Company support and promotes participation in various security activities that will stimulate employee awareness such as training, incentives, public relations safety and good hygiene.
8. Promote knowledge about hygiene, safety at all levels, it also supports the way and implementation of environmental protection measures in accordance with the laws of the industry.
9. The executives at all level must be a good role model and can encourage employees to work in a safe way.

5.11 Policies and Practices for Community and Society

The Company runs its business regarding to its duties and responsibilities to the nation, community and society and local traditions to preserve the goodness in society and the public.

1. Do not run the business that affect to the social and not violate the rights of other people that living in that community and society
2. Encourage of the conscious mind to the responsibility to the community and society in the company and employees at all level continuously.
3. To defined the measurement in prevention and the solution of the impact on communities and society as a result of the Company's operations.
4. Promoting cultural preservation and local traditions
5. Cooperate with various agencies in community development
6. Support the activities that cause public interest
7. Create a good relationship between the Company and the community on the basis of accuracy, transparency and fairness.

5.12 Policies and Practices to the Environment

1. Conduct the business in accordance with laws, regulations and environmental policy by considering to the impact on natural resources and environment. Review and evaluate the performance result regularly.

2. Create a corporate culture and raise awareness for employees at all levels to collaborate and responsible in environmental management, efficient and sustainable use of resources
3. knowledge enhancement and training employees on the environment
4. Promote environmental management system. This includes the use of resources, the cost of treatment and rehabilitation, the replacement of surveillance and the protection of the impact on natural resources and the environment.
5. Select the business partners who run the business with environmental friendly

5.13 Policies and Practices for Effective Use of Resources

The Board recognizes and promotes a conscious effort to use resources efficiently in the organization. To encourage the staff for the conscious mind and together save the usage of energy resources such as walking up and down the stairs instead of using the elevator, use two-sided paper, reduce paper usage in work process. Turn off and turn on the electricity and air conditioning when necessary and close the air conditioning during the lunch break, use water economically, provide the water dispenser adequately to reduce the purchase of drinking water using plastic bottles.

5.14 Employee Complaint Channels

Company determines the time period for the employee to report the incident in the wrong way, discipline and law. It can be sent as a sealed letter to the Managing Director or send by email to the Managing Director at kitti@nclthailand.com

The information provided by the informer will be seriously responded and the reporter will not suffer any loss due to the reporting of the complaint in good faith. Employee disclosures are always kept confidential. However, for the complaint, the complainant should have collected the information carefully and realize to the accuracy of the information disclosed.

5.15 Whistle Blowing Policy and Practice and Whistleblower Protection Measures

The Company is committed to maintaining a well-founded corporate practice. This is in line with the principles of good corporate governance for all stakeholders as stated in the Corporate Governance Policy and Business Ethics Guide. This policy has been set up as a mechanism and gives the rights to employees and stakeholders. Thus, the Board of Directors has set the channels for communication with the Board of Directors by mail or email to provide a channel of information and instructions for ordering a process-based review for complaints related to illegal activity, accuracy of financial reports, defective internal control system, offense or unethical behavior of the executives and employees. The Company will keep the information from this report confidentially and the reporters are protected by the Company.

Policy scope

This policy is set up to encourage all employees and stakeholders to disclose information that indicates violations of the Company's laws, regulations, and ethics.

- Corruption
- Fraud, Misappropriation, Theft
- Corruption actions to benefit themselves and others.
- Actions that is harmful to health and safety or environmental
- Intentionally causing damage or loss to the Company.
- Clear violation of business ethics
- Support for violating the law, regulations and business ethics including concealing or assist to conceal such actions.

Keeping Confidential Information

This policy is designed to ensure that employees and stakeholders are fully aware of their complaints, and that reporters will not suffer due to the reporting of complaints in good faith. Employee disclosures are always kept confidential. However, the complaint and the complainant should collect the information carefully and the information disclosed should be accurate.

False Allegations

If any employee or stakeholders deliberately makes a complaint with false allegations or malicious intend to the complainant, the Company will consider the complaint to be a violation of business ethics. Beside, the Company will conduct the investigation to consider the punishment according to the Company's regulations.

By clues, complaints and recommendations will be considered and implemented as appropriate. It shall be considering and take appropriate action case by case, without disclose the name of the whistle-blowers and also records as the confidentiality complaint. There are measures to protect the whistle-blowers to ensure that the whistle-blowers and the complainant will not be affected by such clues and complaints. If the Company is required to disclose that information, the Company will only disclose the necessary information, to considerate of the important of safety and the damage of the complainant and the whistle-blowers at most.

Channel for complaints

Register letter

The Board of Directors

NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED

56/9-10 SoiTaksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok 10600

Channel for contact to the company

	Email	โทรศัพท์
The Board of Directors	management@nclthailand.com	-
Corporate Secretary	rungarun.b@nclthailand.com	02-4737300 # 300
Investor Relation	rungarun.b@nclthailand.com	02-4737300 # 300

Website: wwwnclthailand.com

6. Compliance with the Business Ethics and Guidelines of the Company

6.1 Practical guidelines for the management

- Perform the duty with integrity, transparency and equity to make sure that in making each decision is based on the optimum benefit for the relevant groups overall.
- Perform the duty like a professional with knowledge and proficiency, determination and prudence. They can envisage the problems in advance and find ways to solve the problems and keep practical standardization, including applying knowledge and skills in the management of the company with full knowledge and capability.
- It does not seek self-interest or for the relevant persons by disclosing the inside information not yet revealed or still confidential or disclosed to a third party, or an action that may cause a conflict of interest.
- Provide care and verification inside the company and the environment of the company constantly to make sure that there is compliance with the designated policy and process.
- Provide correct information reports in full, on time and constant, as well as a report on the future trend of the company based on the possibility and substantiated information.
- Comply with the various laws and relevant rules. Maintain the industrial standards and designate the practical guidelines to keep up with the recent developments. There will be

sufficient documentation and suitability for a control to comply with the designated guidelines for practice at all level of management. It is to make sure that the business operations go with efficiency in accordance with relevant requirements. There is a division of business activities and suitable approval according to the relevant laws and requirements.

- Develop the company to achieve the goals, objectives and acceptable standardization.
- Promote knowledge and understanding on the company.

6.2 Practical Guidelines for the Board of Directors

- Establish the business direction, targets, policies and tactics.
- Perform the duty with integrity, circumspection and keep the interests of the company.
- Comply with the relevant laws, criteria and rules, including the Business Ethics and the guidelines on good corporate governance and its bylaws.
- Follow up on the operations of the company to achieve its goals.
- Consider appointing subcommittees and set their scope of duty/responsibility to be clear-cut and suitable.
- Consider doing the important businesses of the company with complete intention and diligence.
- Hold board meetings and consider the meeting agenda with suitability.
- Evaluate the operation results of the board constantly.
- Prepare a plan on succession for the management at the senior level of the company.

6.3 Practical Guidelines for the Directors

- Diligence to perform the duty assigned by the board of directors.
- Performance of duty with integrity, circumspection and maintaining the interests of the company.
- Compliance with the relevant laws, rules and regulations, including the Business Ethics and good corporate governance and business operations to comply with the bylaws of the company.
- Follow-up on the operations of the management to achieve the goals and objectives of the company.
- Implementation to make sure there is keeping of confidentiality of the confidential information within the company, and not yet revealed to a third party and not allowed to be disclosed to the outsiders, and not to use the inside information company, not yet revealed to the public for self-benefit.
- Avoidance of any action or decision-making that may cause a conflict of interest.

6.4 Practical Guidelines for the Company Secretary

- Diligence on performance of the duty assigned by the board of directors.
- Performance of duty with integrity, circumspection and maintenance of interests of the company.
- Taking care of the various activities by the board of directors to comply with the relevant laws, criteria and rules, including the Business Ethics and good corporate governance and operate the business in accordance with the bylaws of the company.
- There is readiness and deliberation to hold shareholder meetings, board meetings and subcommittee meetings and prepare the minutes of the meetings.
- Being a medium on the good communication between the directors and the shareholders.
- Keeping inside information confidential, including the information in the minutes of the board meetings and the various subcommittee meetings, as well as not allowing to reveal the information to the outsiders, and not the inside information of the company not yet disclosed to the public for self-benefit.

6.5 Practical Guidelines for the Employees

- Perform the duty with integrity, following the code conduct and taking responsibility for the company.
- Comply with the relevant laws, criteria and rules, including the Business Ethics and good corporate governance and the bylaws of the company.
- Implement to make sure that there is keeping of confidential information that is confidential within the company and not yet allowed to be disclosed to a third party, and not allowed to be disclosed to the public for self-benefit.
- Maintain and join the creativity for solidarity among the employees.

6.6 Corporate Governance and Business Ethics Revisions

The Company will regularly update its Corporate Governance and Business Ethics directives to ensure they remain appropriate and accord to international best practice.

6.7 Compliance with the Business Ethics

The Company considers it to be a duty of every director, executive and staff to strictly comply with all policies and practices stated in this Business Ethics. This is neither voluntary nor can any corporate member claim he/she is not aware of these guidelines.

Executives of all levels must be responsible for and consider it a priority to ensure that their subordinates truly learn, understand and comply with this Business Ethics.

Approved by the Board of Directors Meeting No.1/2563 held on February 27, 2020.

Attachment 6

The Audit Committee's Report

The Audit Committee's Report

To Shareholders

The Audit Committee of NCL International Logistics Public Company Limited ("the Company") has been appointed by the Company's Board of Directors. The Committee comprises three independent directors who possess extensive experience and professional expertise. All members possess adequate qualifications as required by the Audit Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Its members include:

1.	Mrs. Jitmanee	Suwannapool	Chairman of the Audit Committee
2.	Mr. Pongpun	Kongkumnerd	Audit Committee
3.	Ms. Chanyapat	Wiphatthanananthakul	Audit Committee

and Ms. Rungarun Bongkodkanok, serves as a secretary to the Audit Committee.

The Audit Committee performs the tasks assigned to it by the Board of Directors. Altogether toper form the duties indicated in the Audit Committee Charter, however, and is unconstrained in its access to information and always receives good co-operation from the Company, in conformity to regulations of The Stock Exchange of Thailand. And efficient internal control and Risk Management were established, The Company's Consolidated financial statement to ensure compliance with accounting standard appropriate to the business operation, and review to ensure that the Company's financial report was accurate and adequate. In 2020, The Audit Committee held 4 meetings. The summary of meeting attendance of the members in 2020 is shown in "Management Structure". And the Committee's duties are summarized as follows:

1. Reviewed quarterly and annual financial statements for the year 2020 to insure that information is accurately and completely disclosed and that the financial statements are drawn up in accordance with the financial reporting standards and relevant laws prior to submission for approval of the Board. The Audit Committee is of opinion that the financial statements are accurate and complete with adequate disclosure of material information.
2. Reviewed and commented on related party transactions and transactions that may constitute a conflict of interest to ensure complete information disclosure and compliance with rules and regulations stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand and other regulatory bodies with a view to ensure reasonableness and the Company's best interest. The Committee is confident that related party transactions were reasonable, fair, transparent, free of a material conflict of interest, and in the best interest of the Company.

3. Reviewed the Company's operation to ensure compliance with the Securities and Exchange Act, rules stipulated by the Stock Exchange of Thailand and laws related to the Company's business. The Committee is of opinion that the Company has complied with laws and rules governing the Company.
4. Reviewed the assessment of internal control system to ensure that the internal control and internal audit system were adequate and appropriate, including risk assessment, control activities, information system and communication and operation monitoring. The Committee is confident that there was no material flaw in the internal control system.
5. Review of Good Corporate Governance, The Audit Committee reviews compliance with the code of conduct and corporate governance policy, laws on securities and securities exchange and other related laws.
6. Considered and recommended the appointment of EY Company Limited as the Company's External Auditor and audit fee. In addition, the Committee held a meeting with the external auditor and internal audit department without the presence of the Management. The Committee is of opinion that EY Company Limited performed their tasks with independence and was qualified to audit the Company's financial statement to ensure accuracy and reliability with disclosure of material information.
7. Reviewed the performance of the Committee for the year 2020 by way of self-assessment and assessment by the Board. The assessment revealed that the Committee functioned at excellent level.

In summary, the Committee performed its duties as prescribed in the Committee's Charter approved by the Board.



Mrs. Jitmanee Suwannapool

Chairman of the Audit Committee

บริษัท เอ็นซีแอล อินเตอร์เนชั่นแนล โลจิสติกส์ จำกัด (มหาชน)
NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED

56/9-10 ซอยสมเด็จพระเจ้าตากสิน 12/1
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