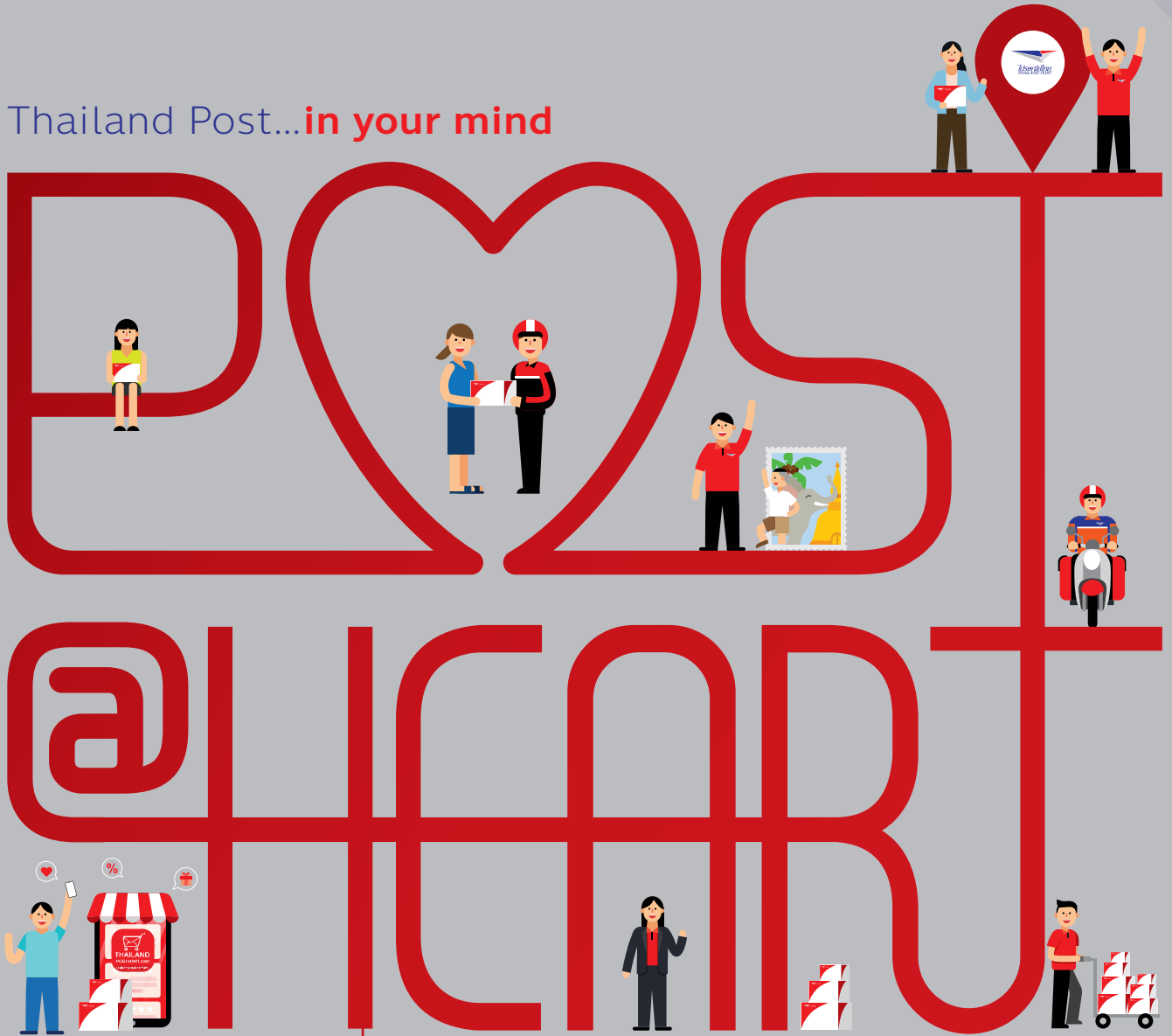


Thailand Post...in your mind



Annual Report 2019

Thailand Post Company Limited



Awards in 2019



e-Commerce Awards People's Choice 2019 for Excellent Delivery/Logistics Management of the Year

THP received the e-Commerce Award People's Choice 2019 for Excellent Delivery/Logistics Management of the Year in Thailand e-Commerce Week 2019 from Electronic Transactions Development Agency (ETDA) in which Air Chief Marshal Prachin Chantong, Deputy Prime Minister and Minister of Justice granted the award. This award was for the excellent delivery/logistic service provider who could provide quick and accurate services to customers with the least damage of goods.



EMS Performance Awards at Bronze Level and EMS Customer Care Awards

THP received EMS Performance Award at Bronze Level and EMS Customer Care Award 2018 (announced in 2019) for on-time delivery of 94 percent out of the total work volume and conducting investigation to resolve customer complaints in compliance with the criteria set by Universal Postal Union (UPU) in Bern, Swiss Confederation.

Role Model Organization on Human Rights Award, Honorable Mention, 2019

THP received Role Model Organization on Human Rights Award, Honorable Mention, 2019 from Mr. Somsak Thepsuthin, Minister of Justice in the award ceremony of Role Model Organization on Human Rights Awards 2019. THP was honored with the award as a Role Model Organization on Human Rights that could transfer the experiences to other organizations.

THP received Outstanding Creativity and Innovation Award, Honorable Mention, 2019

THP received Outstanding Creativity and Innovation Award, Honorable Mention, for excellent creativity in Outstanding State Enterprises Awards Ceremony 2019 held by State Enterprise Policy Office (SEPO). The award was granted for Prompt@Post Project: 24 hours service of accepting preloaded items and packages through automatic posting machine. This project is to develop the acceptance system without staffing.





● **Best Innovation and New Business Opportunity Awards**

THP received Best Innovation and New Business Opportunity Award for ThailandPostMart Project in the 8th Asian Pacific Postal Union (APPU) Postal Business Forum at Eastin Grand Hotel. The award was granted for creating concept of process or new products to increase revenue from ThailandPostMart Project.



● **THP received Integrity and Transparency Assessment Award (ITA Awards)**

THP received Integrity and Transparency Assessment Award (ITA Awards) 2019 on International Anti-Corruption Day (Thailand) from National Anti-Corruption Commission (NACC). THP was rated AA Government Agency with the score of 95.66. The awards ceremony was presided over by General Prayut Chan-o-cha, Prime Minister.



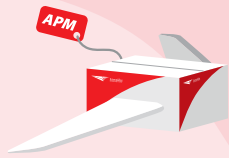
● **Award for Supporting Government's Policy on Cancellation of Official Document Copies**

THP received the Award for supporting Government's policy on Cancellation of Official Documents Copies, under Survey on Digital Readiness of Government Agencies Project 2019, held by Digital Government Development Agency (DGDA) in Digital Government Awards 2019. The project is to survey the readiness level of the digital government development of Thai government agencies in conformity to Thai contexts and the concept of digital government assessment at an international level.

Thailand Post... is more than just a delivery service

Service Users are the significant factor stimulating Thailand Post to constantly adjust for developing, offering service quality and creating innovative services to meet various demands of users. Both senders and receivers can access Thailand Post's services more easily, conveniently and quickly. Our services support all kinds of lifestyles with the aim of becoming **"Thailand Post... in your mind"**.





HAN



EVERY



Rebranded Thailand Post... Modern Network

Thailand Post's image and network have been modernized to match the current lifestyle of people, along with expansion of service points covering shopping malls and gas stations to support customers' needs and ensure convenient, fast and impressive service provision.





I-SURE



UNITE



AS



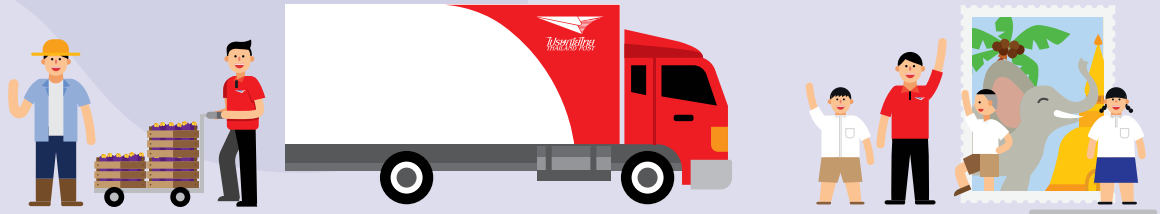
Thailand Post Good Staff... Harmony and Unity

The hearts of all Thailand Post staff are united and become an important force driving the organization to sustainable success. The strong collaboration to provide the best service to all customers aims at making Thailand Post remain the number one service provider in customers' mind with "**knowledge, great care and sincerity**".



ONE





NETWORK OF
HAPPINESS

FOR
COMMUNITY



The word 'FOR' is rendered in large, rounded, red-outlined letters. A woman in a light blue top and beige skirt is positioned inside the letter 'O', giving a thumbs-up and holding a box of products. A small red heart is above her. The word 'COMMUNITY' is rendered in large, red-outlined letters. The letter 'O' contains three people: a woman in a yellow shirt holding a product, a man in a police uniform holding a basket of fruit, and a woman in a yellow and brown patterned dress holding a product. A small green tree icon is positioned above the 'O' in 'COMMUNITY'.

Thailand Post... Network for Happiness of Thai Community and People

Thailand Post, as an expert in delivery, has been driving Thailand's logistics network that connects all regions of the country. We also promote business opportunities of SMEs and e-Commerce operators, including community enterprises as well as create quality of life network and Thai economy to grow sustainably along with Thai society, and insist on being **"Thai Postal Business for Thai Society in Thai People's Mind forever"**.



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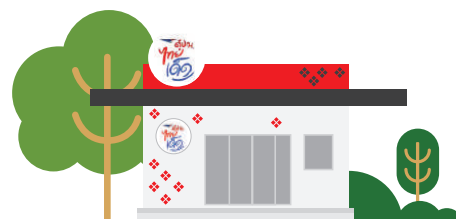
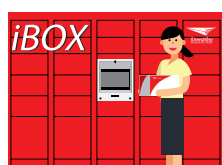
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Chairman's Message

“Step forward into the full digital transformation age, in line with the fast changing era, so as to make THP be one in the users' minds.”



The year 2019 is the year that e-Commerce business has grown sharply, and foreign transport and logistics operators have invested more in Thailand, resulting in intense competition of express and logistics business. However, with a long experience in postal service of THP and continuous service improvements to enhance effectiveness of operating system and service provision, especially domestic EMS which has been certified by international quality standard ISO 9001:2015 since 2016, and due to highly skilled personnel who have transferred their experience from generation to generation, friendliness, and close relationship with communities, THP has not been only a transporter but a service provider from the heart. The fact that THP is the Thai postal business provider alongside Thai society with nationwide network and strong determination is a confirmation to users that they will receive a high standard service and excellent quality from THP.

For THP this year performance, THP Board of Directors place importance on implementation of technology and innovation to digitize the services to suit the current

lifestyle of the people. Individual users and e-Commerce operators will receive fast and convenient services, whereas community product entrepreneurs and farmers will be provided with online channel to sell their products. THP accelerates the upgrade of the postal operation by using more concrete automation in every process, such as the use of Cross Belt Sorter and Mixed Mail Sorter at mail center to enhance efficiency of sorting and transferring processes while improving the standard of operational processes to ensure fast and good quality services to customers.

On behalf of THP Board of Directors, I would like to express my gratitude to customers, business partners and business alliances, as well as executives, staffs and employees of THP who have been essential parts that drive THP to its current position. Everyone can rest assured that THP will step forward with great physical efforts and mental supports from all personnel. THP will also be the organization that adheres to good corporate governance, along with creating good services for customers and moving forward steadily and sustainably forever.

(Mr. Rathapol Bhakdibhumi)
Chairman of the Board of Directors

President's Message

"Work in unity to develop innovation and quality of service for all groups of customers"



The year 2019 is the 16th year of THP business operation through which the vision has been adjusted in line with the direction of THP operation aiming to be a provider of postal service and full-service e-Commerce logistics with international standards, that is always first in Thai users minds. The organizational operation method has been determined to achieve the above vision under the concept of "THP FIRST". Our personnel have been encouraged to think of F: Financial Result-overall operating results of the organization, thus the personnel shall work to the best of their ability; I: Internal Standard-work to meet the determined standard; R: Responsibility-be responsible for the work outcome; S: Satisfaction-be satisfied with the results of work performed; and T: Targeting-set goals to encourage and drive work development.

Amidst the increasingly tough competition of express and logistics businesses, THP still strives to upgrade its service quality by improving new counter automation system (New CA POS) to enhance efficiency of operation; developing Transfer and Delivery (TND) that allow customers to check the status of their packages online and on real-time basis; uplifting domestic EMS service quality standard to "Sending in the morning, receiving in the afternoon; sending in the afternoon, receiving in the next morning"; developing services in support of e-Commerce business demand by providing Cash on Delivery (COD) service through Wallet@POST application. In addition, THP

supports job creation to generate income to communities around the country by facilitating distribution of local products of community enterprises and mitigating problems of oversupplied products through activity "Helping with delivery and sale of agricultural products" via distribution channels available at the post office and website: thailandpostmart.com. This activity has been continuously performed on annual basis to transfer happiness to people through THP network.

Our ongoing commitment to improving the organization's potentials brought about ETDA e-Commerce Awards: People's Choice 2019 for Excellent Delivery/Logistics Management of the Year which was the award based upon the voice of people using the service. Furthermore, THP received AA level rating in Integrity and Transparency Assessment of the government agencies, which reflects our attempt to create transparency within the organization to assure the confidence for existing and future customers, business partners and business alliances. All of these are the results of our staff's attempts and unity that strive to provide the excellent service to Thai people. Therefore, I would like to thank THP personnel for being an important force that has driven the organization to be a strong operator and has created long-term relationship with Thai people to date. THP insists to maintain its position as number one in Thai users' minds.

(Mrs. Smorn Terdthampiboon)

President



History of Thailand Post Company Limited



Thailand Post Company Limited is a state enterprise under Ministry of Digital Economy and Society, established on 14 August 2003 by corporatization of postal service unit of the Communications Authority of Thailand.

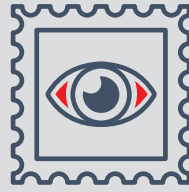
Thailand's postal service had been originally established in 1883 during the reign of King Rama V, initially as a government agency under the Post Department (later changed to Post and Telegraph Department). In early 1977, the unit was transformed into a state enterprise named the Communications Authority of Thailand for the flexibility and efficiency of its operations to cope with economic and social changes. Subsequently in the year 2003, the world's changes towards globalization, especially in the areas of liberalization of free trade and services, drove Thailand's postal service to transform into a Company Limited format as previously stated, with the aim to enhance business operations and competitiveness. The transformation was expected to allow Thailand Post Co., Ltd. to earn incomes for self-support while continuously bearing the burden of providing social services for the benefit of the people and the country.

The postal business has continued to improve in various aspects. In the initial phase, it focused on infrastructural development to strengthen the foundation required to support subsequent expansion. Afterwards, the development focused on operational efficiency enhancement by utilizing modern equipment and machinery in the mail sorting process, introducing Counter Automation Point of Sales system for mail acceptance at post offices nationwide, and providing business-oriented services

After the corporatization, Thailand Post Co., Ltd. has actively modified its administration and operation to become more business-oriented; the Company draws up a systematic postal business plan which divides its services into four service groups: Mail Services, Express and Logistics Services, International Services, and Retail and

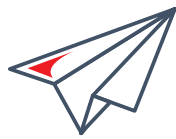
Financial Services. We continuously develop our services to accommodate the sharply changing needs, lifestyle and business operation of customers. These services include 1. EMS Point, 2. Same Day Domestic EMS, 3. Prompt Post application service including prompt parcel boxes, 4. eCo-Post service, 5. Cash On Delivery (COD), 6. Wallet@POST application, 7. ePacket service, 8. Cool EMS service, 9. Courier Post service, 10. Logispost service for large goods and objects shipment, 11. Product and Food Delivery to Order, 12. Pay at Post, 13. Automated Mail Delivery Box (iBox), 14. Automated Postal Machine (APM), 15. Drive Thru Post service whereby customers can send mail without having to leave their cars, etc.

Moreover, the Company has enhanced its service efficiency by installing a system where senders can track and trace their mailed items (Track and Trace system) in some of its services. Meanwhile, Thailand Post Co., Ltd. devotes to social services by maintaining the postal network which consists of 5,000 post offices and service units, across all regions in both potential business and remote rural areas. The Company also sustains the provision of intact basic services in communications, mailing and logistics, as well as financial service at affordable fees to ensure that the people from all sectors can get benefit from postal service thoroughly. This is consistent with the purpose of the organization established for the benefit of Thais and Thai society.



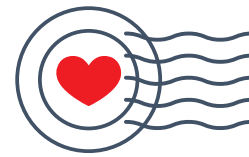
Vision

“To be a provider of postal service and full-service e-Commerce logistics with international standards, that is always first in Thai users' minds.”



Mission

1. Provide delivery of items, messages, information and money transfer worldwide through easy access with reliable quality service, international standards at reasonable price;
2. Leverage Thailand Post to be postal service center and logistics hub for national e-Commerce business;
3. Manage and make use of operational data for creating knowledge base and innovation to support customers' business development to grow together;
4. Utilize efficiently resources for sustainable growth (economy, society and environment).



Core Value

THP is devoted to **I-SURE** principles as an engine for driving long-term success. I-SURE stands for:

- Integrity (I)
- Service Mind (S)
- Unity (U)
- Result Orientation (R)
- Change Capability (E)



Statement of Direction (SOD) for the Year 2019

To be the provider of national postal and logistics network service for distribution of goods and parcels with rapidity and safety, and in line with international standards.

Short-term Plan

1. Upgrade postal and logistics services as well as raise customer satisfaction.
2. Study feasibility of new business operations by taking account of appropriate finance and investment plans.
3. Prepare appropriate personnel plan to support future service.
4. Seek allies to expand customer base and to support business competition.

Long-term Plan

Develop sustainable logistics business as the main source of income for the organization.



Thailand Post Business Operation Goals

Thailand Post Business Operation Goals in the Next 3-5 Years

Under the rapidly changing postal business trend due to information technology development which greatly affects consumers' behavior and need of postal service, including the tough competition of delivery and logistics business at the present, THP determines the guidelines and goals to be achieved in the future through 3 main strategies as follows:

1

Strategy 1 : Increasing productivity and quality of work process to upgrade the quality of service to ensure customers' satisfaction. Productivity and quality of operation can be enhanced through investment in automatic systems, expansion of service points in collaboration with alliances and adjustment of service process. These changes would benefit the society and the public in that they will receive better quality service and satisfaction in using THP services. At the first stage, we will focus on investment in infrastructure to ensure effectiveness of postal operating system and preparation for big data development as well as reviewing postal sorting and transportation system in line with the investment in automatic system in the next phase.

2

Strategy 2 : Expansion of income base to the groups providing service related to e-Commerce business by increasing income from upstream to downstream services with the aim of helping THP to maintain its market share. At the initial stage, we will focus on development of new services related to the current business of THP (Related Diversification), especially the services under value chain of e-Commerce business by increasing upstream services such as warehousing and pre-delivery preparation and downstream service including goods payment and tax payment service which are beneficial to the society and the public by helping SME operators and community enterprises to gain more income from selling their products through e-Commerce system of THP which can be operated for both domestic and international distribution.

3

Strategy 3 : Development of reserve income base to create balance for long-term business structure by expanding income proportion obtained from the new service groups and ensure continuous growth. At the initial stage, we will focus on development of reserve income base through improvement of services in collaboration with alliances in various business groups, which would help THP to be able to develop the organization from logistics service provider to e-Commerce logistics platform operator. This project also benefits the society and the public in that it fosters exchange of information between organizations to be used in other projects related to economic and social development by digital technology in accordance with the government's Thailand 4.0 policy.



New CA POS



Company Information



Thailand Post Co., Ltd. is a state enterprise under supervision of Ministry of Digital Economy and Society established on 14 August 2003 by virtue of the Civil and Commercial Code. The Company's entire shares are held by Ministry of Finance.

Company Name	THAILAND POST CO., LTD.
Abbreviation	THP
Company Registration Number	0105546095724
Type of Business	Provision of messages and packages delivery service, financial service and agency service.
Employees and workers	31,154 persons (as at 31 December 2019)
THP Contact Center	1545
Website	www.thailandpost.co.th
Authorized Capital	1,250 million baht (One thousand two hundred fifty million baht only)
Auditor	Office of the Auditor General of Thailand

Headquarters	No. 111 Chaeng Watthana Road, Thung Song Hong Sub-District, Laksi District, Bangkok 10210-0299 Tel: 0-2831-3131 Fax: 0-2956-8904
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Metropolitan Postal Bureau 1-2	No. 1551 Phahon Yothin Road, Samsen Nai Sub-District, Phayathai District, Bangkok 10400 Tel: 0-2278-2317, 0-2279-7562, 0-2279-9955 Fax: 0-2279-9956
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Metropolitan Postal Bureau 3-4	4 th and 5 th fl. Bang Rak Post Office Building No. 4 Captain Bush Alley, Soi Charoen Krung 32, Charoen Krung Road, Bang Rak Sub-District, Bang Rak District, Bangkok 10500 Tel: 0-2233-7411, 0-2233-7401-2 Fax: 0-2233-7411
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Metropolitan Mail Processing Bureau	2 nd fl. Bangkok EMS Center Building No. 111 Chaeng Watthana Road, Thung Song Hong Sub-District, Laksi District, Bangkok 10020 Tel: 0-2575-0850 Fax: 0-2575-0849
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Regional Postal Bureau (Region 1), Phra Nakhon Si Ayutthaya	11/11 Dechawut Road, Pratuchoi Sub-District, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya Province 13000 Tel: 0-3524-2040, 0-3524-4051 Fax: 0-3524-2704
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**Regional Postal Bureau (Region 2),
Chon Buri**

No. 37/1 Moo 9 Sukprayoon Road, Napa Sub-District,
Muang District, Chonburi Province 20000
Tel: 0-3827-8300-2, 0-3828-7291
Fax: 0-3828-7291 ext. 130, 131

**Regional Postal Bureau (Region 3),
Nakhon Ratchasima**

No. 232/1 Chang Phuek Road, Nai Muang Sub-District, Muang District,
Nakhon Ratchasima Province 30000
Tel: 0-4427-2328 , 0-4424-3026 , 0-4424-8878
Fax: 0-4424-8879

**Regional Postal Bureau (Region 4),
Khon Kaen**

No. 294 Sun Ratchakan Road, Nai Muang Sub-District, Muang District,
Khon Kaen Province 40000
Tel: 0-4323-7178, 0-4323-4650, 0-4323-9957, 0-4323-4650
Fax: 0-4323-9306, 0-4324-4127

**Regional Postal Bureau (Region 5),
Chiang Mai**

No. 6 Mahidol Road, Suthep Sub-District, Muang District, Chiang Mai
Province 50200
Tel: 0-5327-5471, 0-5327-5241, 0-5327-2643
Fax: 0-5327-5241 ext. 526

**Regional Postal Bureau (Region 6),
Nakhon Sawan**

No. 154 Moo 1 Phahon Yothin Road, Nakhon Sawan Oak Sub-District,
Muang District, Nakhon Sawan Province 60000
Tel: 0-5625-5255, 0-5625-5265
Fax: 0-5625-7407

**Regional Postal Bureau (Region 7),
Ratchaburi**

No. 24/14 Phetchkasem Road, Na Muang Sub-District, Muang District,
Ratchaburi Province 70000
Tel: 0-3233-7385, 0-3233-8985, 0-3233-6009
Fax: 0-3233-7385, 0-3233-8985, 0-3233-6009 ext. 8

**Regional Postal Bureau (Region 8),
Surat Thani**

No. 84/24 Moo 6 Liang Muang Road, Makham Tia Sub-District,
Muang District, Surat Thani Province 84000
Tel: 0-7722-6447-9, 0-7722-6357
Fax: 0-7722-6357, 0-7722-6446

**Regional Postal Bureau (Region 9),
Hat Yai**

No. 13 Kanchanavanich 1 Road, Hat Yai Sub-District, Hat Yai District,
Songkhla Province 90110
Tel: 0-7429-8471, 0-7429-8474, 0-7429-8476-7
Fax: 0-7429-8409

**Regional Postal Bureau (Region 10),
Ubon Ratchathani**

No.73 Moo 3 Ubon-Trakan Road, Khamyai Sub-District, Muang District,
Ubon Ratchathani Province 34000
Tel: 0-4528-3611, 0-4528-3559, 0-4531-3223
Fax: 0-4531-1927

Important Financial Information



Summary of Operating Performance and Financial Position

Unit: million baht

Operating Performance		As at December 31, 2017	As at December 31, 2018	As at December 31, 2019
			(Revised)	
Revenues		28,293.82	29,728.25	27,531.46
Expenses (exclusive of corporate income tax)		22,922.10	24,829.31	26,634.71
Profit (Loss) before corporate income tax		5,371.71	4,898.94	894.18
Corporate income tax		(1,159.29)	(1,072.56)	(274.79)
Net Profit (Loss)		4,212.42	3,826.38	619.39
Financial Position				
Assets		29,467.23	31,067.49	31,417.92
Current Assets		15,965.14	18,918.85	15,863.46
Non-current assets		13,502.09	12,148.64	15,554.46
Liabilities and Owner's Equity		29,467.23	31,067.49	31,417.92
Liabilities		9,014.91	9,462.55	10,254.21
Current Liabilities		4,673.28	4,907.16	4,384.21
Non-current liabilities		4,341.63	4,555.39	5,870.00
Shareholders' Equity		20,452.32	21,604.94	21,163.71
Financial Ratio				
Current Ratio (Current Assets to Current Liabilities)	times	3.42	3.86	3.62
Debt to Assets Ratio	times	0.31	0.30	0.33
Debt to Equity Ratio	times	0.44	0.44	0.48
Basic Rate of Return	%	0.18	0.16	0.03
(Profit before interests and corporate income tax) to Assets				
Return on Assets	%	0.14	0.12	0.02
Return on Equity	%	0.21	0.18	0.03
Return on Revenues	%	0.15	0.13	0.02
Percentage of Expenses to Revenues	%	0.81	0.84	0.97



Work Volumes and Postal Network



Work Volumes		2017	2018	2019
Domestic Mail	(million items)			
Ordinary Letter-Post Items		2,012.82	2,004.00	1,865.25
Postal Parcels		13.70	13.47	10.35
Special Services		346.87	407.77	386.32
International Mail	(million items)			
Ordinary Letter-Post Items		45.21	37.85	35.72
Postal Parcels		0.72	0.72	0.71
Special Services		6.04	7.60	7.39
Financial Service	(million transactions)			
Domestic Money Order		5.17	3.25	3.46
Pay at Post		6.46	4.77	3.96

Number of Offices



Number of Offices		As of December 31, 2017	As of December 31, 2018	As of December 31, 2019
THP Operating Office	(units)	1,275	1,278	1,283
Mail Center		19	19	19
Bulk Posting Center		6	6	6
Post Office		1,192	1,195	1,200
Mobile Post Office		53	53	53
Branch Post Office		5	5	5
Licensed Post Office	(units)	3,377	3,366	3,324
Thailand Post Counter	(units)	152	181	251
Thailand Post Shop	(units)	105	117	140
Postage Stamps Agency	(units)	1,398	1,260	1,260
Post Service	(units)	-	-	826
EMS Point	(units)	-	-	3,465
Posting Box	(boxes)	23,346	23,090	22,908



• Non-Financial Performance Analysis

Changes in the work volume in Mail Services business group in 2019 reflects substantial decline in this business in comparison with the previous year. The overall work volume (excluding postcards) sharply decreased from 1.58 percent in 2018 to 4.49 percent in 2019. The main reason was that the retail customers reduced their use of this service in a higher proportion than the key accounts did, especially in part of registered mail. In 2019, THP adjusted the service structure to reflect the service objectives clearer by providing registered mail service for documents only, resulting in a decrease of 10.84 percent of total registered mail services in 2019, consisting of 16.54 percent decrease in work volume used by retail customers while the key accounts' use of this service slightly increased by 0.90 percent.

For the work volume of Express and Logistics Services group, a steady increase was found in comparison with the previous year. The main factor influencing the operating results of 2019 was "eCo-Post" which was built on restructuring policy of the registered mail service. This service mainly focused on package delivery to increase competitiveness of THP and provide more options to customers, resulting in continuous increase of the overall work volume of the Express and Logistics business by 1.12 percent.

For International Services group, it was found that both inbound and outbound work volume continuously decreased from the previous year. However, there was a tendency to slow down from ever falling to 12.58 percent in

2018 to only 4.71 percent in 2019. The main factor was the sharp increase in package delivery volume by 48.63 percent in 2019 while the document delivery volume continuously decreased from 13.37 percent in 2018 to 17.92 percent in 2019. The key services affecting this change were ePacket and Small Packet service which accommodated delivery of small packages/boxes weighing less than 2,000 grams, with 65 percent increase in total workload in 2019.

For Financial Services, a slight increase was found in money transfer service (money order) which was used together with cash on delivery service (COD) for the e-Commerce customers. In 2019, there was a marketing campaign which offered discount on fees for member customers. However, Pay at Post service was likely to decrease in volume due to the change in consumer payment behavior.

Based on the non-financial operating results in 2019, it can be concluded that the document delivery service continues to decline. Despite document is still required as an evidence of delivery, it is specific to certain group of customers who also start reducing their usage. In the meanwhile, package delivery service and related services tend to increase continuously as a result of a higher demand of e-Commerce business, especially new services, which are designed to meet the business operators' needs to control their costs, receive good feedback in 2019.



• The Postal Business in 2019 and the Trend in 2020



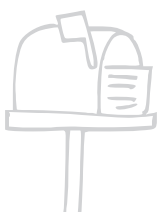
Conditions and Trends of the Global Postal Business

In 2019, the global economy remained in continuous decline due to uncertainty of the trade policy between the United States and the People's Republic of China which pressured the trade and industry sector around the world. For the outlook of 2020, it is projected that the global economy will be able to expand more as the US-China trade war seemed to be less severe, this should positively impact the consumption of goods and volume of demand for postal services.

According to the information on trend of change in global postal business of International Post Corporation (IPC) in 2018, it was found that the overall mail service usage has decreased continuously by 5.9 percent since 2016. The main factor was development of technological system for information transmission that encourages businesses to communicate more with consumers through digital channels, especially smartphones which are easily accessible. However, it is interesting to see that, in 2018, the income from mail service increased by 2.2 percent from only 1 percent in 2017 as a result of the increase in postage rates in many countries and the selection to use mail service for sending lightweight goods by e-Commerce business operators. However, this change does not significantly increase profitability as seen from the profit in 2018 which decreased to 3 percent from 4.2 percent in 2017.

For parcel service, it was found that, in 2018, the volume increased by 9.1 percent, producing an increase in revenue of 12.7 percent. Nonetheless, upon consideration of profitability, it was found being similar to mail service. In other words, the profitability decreased to 4.7 percent from 6.5 percent in 2017 owing to a steady increase in e-Commerce market needs. www.eMarketer.com expected that, in 2019, the global retail business through e-Commerce would have the overall value of 3.54 trillion US dollars and would be growing to 4.21 trillion US dollars in 2020 due to popularity of goods purchasing through e-Commerce system. Expansion of this market influenced business operators who are required to deliver their packages to adjust their competitive strategies such as seeking for faster and simpler delivery solution at cheaper price. This trend affects the cost structure and profitability of the global postal business.

Based on the above situation, it can be concluded that the change of consumer behavior into digital age becomes the main factor affecting postal industry in term of tougher competition, especially in the field of package delivery service. Therefore, the global postal businesses need to adapt themselves to enhance competitiveness by placing value on development of the service demanded by current customers who are driven by e-Commerce system. The postal service operators must understand the needs throughout the business supply chain and adjust their service standards to be ready for competition.





Thai Postal Business Situation and Trend

For the overall Thai postal business trend in 2019, it was found that the volume of document delivery through postal system both domestically and internationally decreased by 7.2 percent owing to the change in consumer behaviors in transmitting messages in the digital age which is the same disruption faced by other postal administrations all over the world. While the volume of package delivery through domestic and international postal system in 2019 increased by 1.11 percent as a result of attempts to maintain the work volume by creating service options to respond to customer needs amidst the fierce competition from domestic and international delivery service providers owing to the rapid growth of e-Commerce business. Electronic Transactions Development Agency (Public Organization) or ETDA estimated that the value of e-Commerce business transaction in Thailand in 2018 would be 3,150 billion Baht which increased by 14.04 percent from 2017 due to the change in consumers' purchasing behavior. In addition, www.Priceza.com expected that Thailand's e-Commerce business would be completely moving forward to the borderless era in 2020 as seen from the volume of goods imported from other countries through e-Commerce platforms in 2019 which accounted for 77 percent of all goods. Also, there were supporting factors from the government in establishing a duty free zone for e-Commerce business in the Eastern Economic Corridor (EEC) that foster a growing trade through Cross Border e-Commerce system.

The factors fostering the growth of e-Commerce market also positively affect parcel delivery market. According to the information from Economic Intelligence Center (EIC), it was projected that the value of Thailand's parcel delivery in 2019 would be 49 billion Baht and it was expected that the market value would grow to 66 billion Baht in 2020 with the delivery volume of not less than 4 million pieces per day. This growth encourages many e-marketplace business operators to start providing delivery service in support of the business growth, causing the competition become tougher.

Based on the above situation, it can be concluded that Thai postal business is facing the same challenges as other postal administrations around the globe which include the decline in traditional postal services due to the consumers' changing behavior and tough competition in both domestic and international package delivery market. To deal with this problem effectively, the importance should be placed on response to demand to create customer satisfaction through key connection which is e-Commerce transactions, in order to use prominent diversity of services to make the best profit for the business. Development of international collaboration should also be done to underlie the current change into borderless business age.





Feel at Ease with Thailand Post Delivery Service



Logispost World Service

This service is for sending large size international packages (by airmail) to the recipient's address. It is suitable for shipping big and heavy items weighing 20-200 kg. Customers can post the packages at 345 available post offices. The sending status can be checked 24 hours via Track & Trace system.



Courier Post Service

This is an international logistics service which is provided with international speed standard under the slogan **"Beyond global standard delivery"** with the delivery network covering 115 destination countries.



eCo-Post Service

This service is intended for shipping domestic postal items with Track & Trace system, provided that the maximum weight of package is 10 kg. This option aims to respond to customers who wish to send packages weighing more than 2 kg, especially e-Commerce business.



International ePacket Service

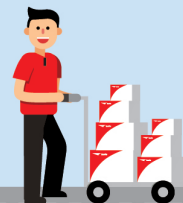
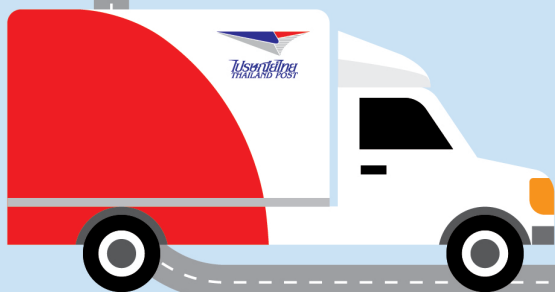
This is an international service which has been developed to support international business and promote international e-Commerce wishing to use an economical shipping service with Track & Trace system. Inward service from 52 countries and outward service to 24 destination countries are available.



EMS WORLD Service

"Express Delivery Worldwide, call 1545"

This service is a quick shipment of documents and packages to the recipients abroad within the specified time to respond to the demand of international express delivery of documents and packages, with an exclusive transportation system specifically arranged for EMS World.



Logispost Plus Service

"Delivering large packages at an Economical Rate"

It is a supplementary service of Logispost to facilitate and accelerate delivery of big parcels weighing 20-200 kg within 3-7 business days. The parcels can be sent to recipients in Bangkok Metropolitan Region and Muang District of all provinces over the country. Track & Trace system is also available.



Domestic EMS Service
“Reliable Express Delivery with 24/7 Track & Trace”

This service provides a quick domestic delivery of documents and packages to the recipient within the specified time with 24/7 Track & Trace system for following and checking the status of the items throughout the process.



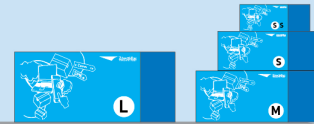
Cash On Delivery Service (COD)

Cash on Delivery (COD) is available to users who open a Wallet@POST account through the application and apply to use COD service at post offices around the country. When using the service, the user will receive a COD sticker to fill in Wallet ID and the amount to be collected. Then he affixes the sticker on the package already addressed and pays the EMS service fee at the specified rate. The money will be credited to Wallet system within 2 days. The maximum amount to be collected on each delivery is 30,000 Baht per transaction.



Ready-to-Post Box

Prompt Post application comes with ready-to-post box which is a new product in the form of blue box with 4 sizes available: SS, S, M, and L. The price of box including postage fee for SS size is 30 baht/box and S size 35 baht/box, with a weight capacity of 1 kg. each box. The price of box including postage fee for M size is 65 baht/box and L size 75 baht/box, with a weight capacity of 3 kg. Boxes are obtainable at post offices in Bangkok Metropolitan Region that provide this service.



Prompt Post Application

This application helps e-Commerce vendors with the advance preparation before posting domestic EMS items, domestic registered mail, and domestic parcels. Prompt Post application can be downloaded for use on website and mobile phone via Play Store and App Store. Customers can use the service upon registration.



Wallet@POST Application

Wallet@POST can be used through smartphone/ tablet application both in Android and iOS systems. Service users can make financial transaction through it, including top-up, payment, transfer, withdrawal, and payment of products and services of Thailand Post or other goods. Top-up can be done at any post office around the country.



The Best of Thailand Sent Right to Your Hands

THP provides the biggest distribution service of agricultural products, community-made goods and OTOP products in Thailand. The company also supports the “Digital Community” project which is a center for gathering the best community-made merchandise and famous food from various areas, and delivers straight to consumers in just 1 - 2 working days. Customers can find details, place orders and pay for their purchases online through website www.thailandpostmart.com.



Drive Thru Post

“Send mail without getting out of the car”

“Drive Thru Post” allows customers to send certified or registered mails, postal parcels, EMS items, and to pay the bills or top-up mobile credit of every service provider conveniently and quickly without getting out of the car and filling out the form. The maximum amount of mails is 3 items per car.



Express International Money Transfer (Western Union)

“express sending-receiving money worldwide at post office”

This international money transfer service is provided via modern computer network of Thailand Post and Western Union. Money can be sent and received within a few minutes at post offices displaying this service symbol all over Thailand.

** Remark: For more information of all services, please call THP Contact Center 1545 or visit www.thailandpost.co.th



Online Money Orders
“express money transfer and receipt”

This service is a special express transfer of money to domestic recipients with convenience and speed via modern computer network. The sender and recipient need not have a bank account but are able to send and receive money at post offices throughout Thailand within 15 minutes. An SMS alert will be sent to the recipient and sender.



Pay at Post
“pay all bills through the Post”

This service is available for paying bills of all types of goods and services, so it provides convenience for users to make quick and full payment. The service is available at every post office all over the country.



Bank@Post

With the Bank@Post service, customers can make deposits, transfer money between accounts or transfer to participating banks, at 1,400 post offices all around the country. They can receive cash transferred to their accounts upon identifying the pin code got from the transferors. This service allows customers to manage their bank accounts easily and to do certain transactions at the post office conveniently, just like at the bank counter.



Commemorative Stamps 2019



Issue Number 1161
 Title Coronation
 Date of Issue 4 May 2019
 Denomination 10 Baht



Issue Number 1172
 Title H.M. King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua's 67th Birthday Anniversary
 Date of Issue 28 July 2019
 Denomination 10 Baht



Issue Number 1174
 Title 87th Birthday Anniversary of H.M. Queen Sirikit The Queen Mother
 Date of Issue 30 August 2019
 Denomination 9 Baht



Issue Number 1180
 Title Chulabhorn Hospital
 Date of Issue 29 October 2019
 Denomination 3 Baht



Issue Number 1150
 Title Preserved Wild Animals
 Date of Issue 11 September 2019
 Denomination 3 Baht (4 Designs)



Issue Number 1156
 Title 100th Anniversary of Thai Public Health
 Date of Issue 8 May 2019
 Denomination 3 Baht



Issue Number 1162
 Title Zodiac (Year of the Pig)
 Date of Issue 1 January 2019
 Denomination 3 Baht



Issue Number 1163
 Title National Children's Day 2019
 Date of Issue 12 January 2019
 Denomination 3 Baht (4 designs)



Issue Number 1164
 Title Symbol of Love
 Date of Issue 7 February 2019
 Denomination 5 Baht



Issue Number 1165
 Title Thai Heritage Conservation Day 2019
 Date of Issue 2 April 2019
 Denomination 3 Baht (4 designs)



Issue Number 1166
 Title Important Buddhist Religious Day (Vesak Day)
 Date of Issue 10 May 2019
 Denomination 3 Baht (4 designs)



Issue Number 1167
 Title 80th Anniversary of the Foundation for the Blind in Thailand
 Date of Issue 10 May 2019
 Denomination 3 Baht



Issue Number 1168
 Title Thailand's ASEAN Chairmanship
 Date of Issue 1 June 2019
 Denomination 3 Baht



Issue Number 1169
 Title 70th Anniversary of Diplomatic Relations between Thailand and the Philippines
 Date of Issue 14 June 2019
 Denomination 3 Baht (2 Designs)



Issue Number 1170
 Title Thailand - Philippines Joint Issue
 Date of Issue 14 June 2019
 Denomination 3 Baht (6 Designs)



Issue Number 1171
 Title ASEAN Stamp 2019
 Date of Issue 8 August 2019
 Denomination 3 Baht

Issue Number 1171
 Title Thailand - Maldives Joint Issue
 Date of Issue 21 June 2019
 Denomination 3 Baht (8 Designs)



Issue Number 1175
 Title 100th Anniversary of the Birth of Kamphol Wacharaphol
 Date of Issue 19 August 2019
 Denomination 5 Baht



Issue Number 1176
 Title Lighthouse
 Date of Issue 30 September 2019
 Denomination 3 Baht (2 Designs)
 5 Baht (2 Designs)



Issue Number 1177
 Title Thai Traditional Festival
 Date of Issue 7 October 2019
 Denomination 3 Baht (4 Designs)



Issue Number 1178
 Title World Post Day 2019
 Date of Issue 9 October 2019
 Denomination 3 Baht



Issue Number 1179
 Title 60th Anniversary of National Research Council of Thailand (NRCT)
 Date of Issue 28 October 2019
 Denomination 3 Baht



Issue Number 1181
 Title New Year 2020
 Date of Issue 15 November 2019
 Denomination 3 Baht (4 Designs)



Issue Number 1182
 Title National Day
 Date of Issue 5 December 2019
 Denomination 5 Baht

Organization Chart



Office of the Corporate Strategy

- Corporate Strategy Department
- Corporate Governance System Department



Marketing & Business

- Central Administration Department
- Customer Management Department



Express/Logistics Business

- Customer Experience Department (Express/Logistics)
- Customer Conversion Department (Express/Logistics)



Mail Business

- Customer Experience Department (Mail)
- Customer Conversion Department (Mail)



International Business

- Customer Experience Department (International)
- Customer Conversion Department (International)
- International Operating Systems Management Department



General Administration



Administration

- Procurement & Supply Department
- Construction & Maintenance Department
- Property Management Department
- Legal Department



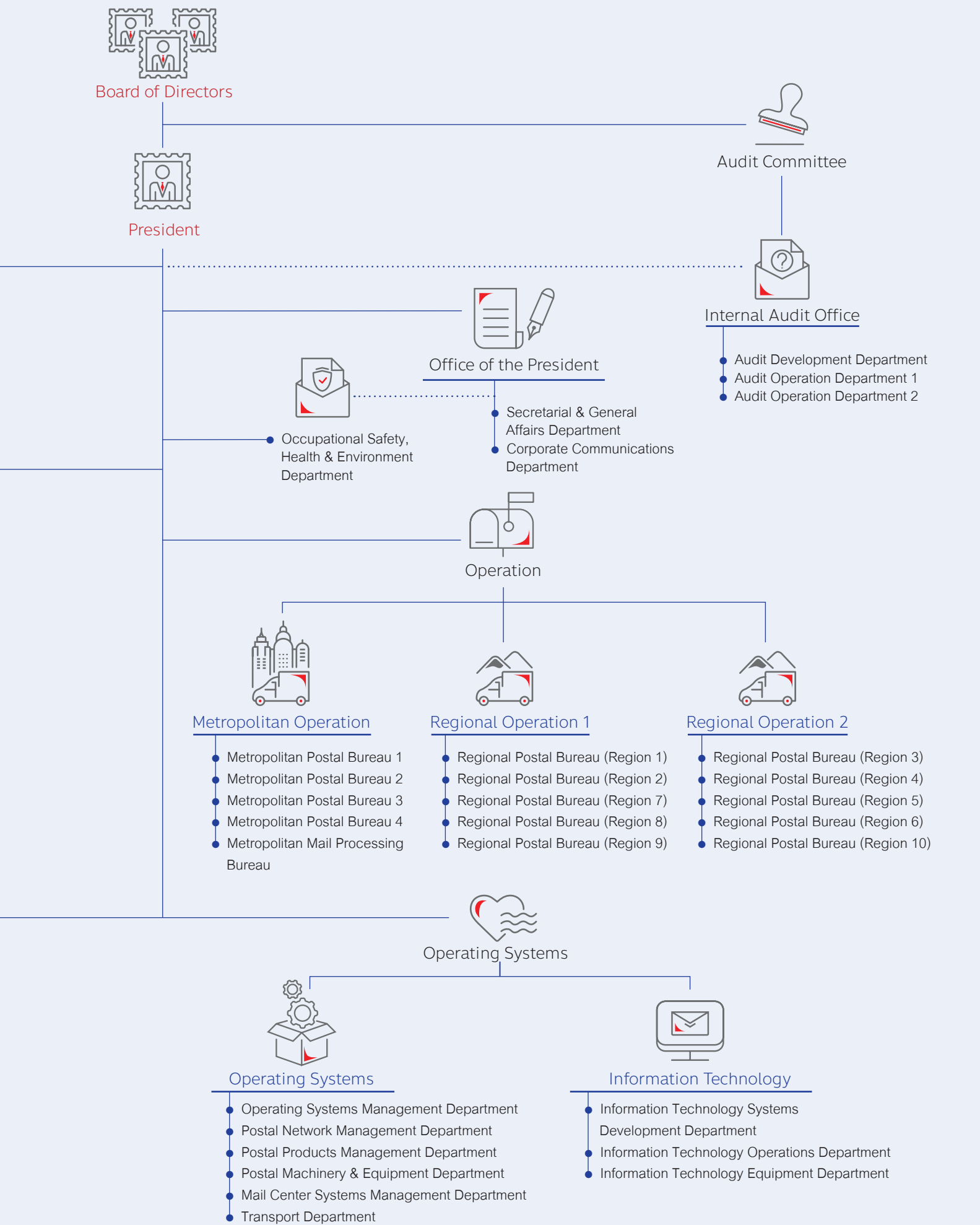
Human Resources

- Human Resources Management & Discipline Department
- Personnel Development Department
- Welfare & Health Department



Finance & Accounting

- Budget & Cost Department
- Finance Department
- Accounting Department
- Service Subsidiary Account Department



Board of Directors of THP



Mr. Rathapol Bhakdibhumi

Chairman

Age 52 years

Education

- Executive Master in International Logistics and Supply Chain Strategy, Georgia Institute of Technology, Atlanta, USA.
- Master of Business Administration (Marketing and International Business), Sasin Graduate Institute of Business Administration
- Bachelor of Sciences (Mechanical Engineering), University of Colorado, Boulder, USA.

Other Positions

- Chairman of the Executive Committee and CEO, General Electronic Commerce Services Co., Ltd.
- Director, Thai Airways International Public Company Limited
- Director, Nok Airlines Public Company Limited

Experience

- Executive Director, SK Mineral Co., Ltd.
- Director, Buddhadasa Indapanno Archives
- Executive Committee, Taekwondo Association of Thailand
- Logistics Development Committee, Thai Chamber of Commerce
- Sub-Committee on Economic Cooperation with Neighboring Countries (Southern China), Thai Chamber of Commerce

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Pol.Lt.Gen. Sompong Chingduang

Vice Chairman

Age 56 years

Education

- Master of Arts, National Institute of Development Administration (NIDA)
- Bachelor of Public Administration, The 40th Police Cadet

Other Positions

- Commissioner of Immigration Bureau, Royal Thai Police
- Director, Expressway Authority of Thailand

Experience

- Commissioner of the Border Patrol Police, Royal Thai Police
- Deputy Commissioner of the Metropolitan Police, Metropolitan Police Bureau, Royal Thai Police
- Deputy Commissioner of the Metropolitan Police, Royal Thai Police
- Deputy Commissioner of Narcotics Suppression, Royal Thai Police
- Deputy Commissioner of Provincial Police Region 5, Royal Thai Police

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.





Dr. Pornchai Thiraveja

Vice Chairman

Age 51 years

Education

- Doctor of Philosophy (Non-Formal Education), Chulalongkorn University
- Doctor of Management (Public Management), Suan Dusit Rajabhat University
- Master of Political Science (Public Administration), Thammasat University
- Master of Business Administration (Finance), College of Notre Dame
- Bachelor of Accountancy (Accounting), Thammasat University

Other Positions

- Financial Policy Advisor, the Fiscal Policy Office, Ministry of Finance
- Director, Electricity Generating Authority of Thailand
- Director, MFC Asset Management Public Company Limited

Experience

- Deputy Director-General, the Fiscal Policy Office, Ministry of Finance
- Director of Financial System and Financial Institutions Policy Bureau
- Director of Fiscal Policy Bureau
- Director of Financial Inclusion Development and Policy Bureau
- Senior Expert on Policy and Fiscal System

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Mrs. Vunnaporn Devahastin na Ayutthaya

Director

Age 58 years

Education

- Master of Business Administration (International Relations), Azusa Pacific University, USA.
- Bachelor of Accountancy, Chulalongkorn University

Other Positions

- Chairman of the Board of Directors, Thailand Post Distribution Co., Ltd.
- Secretary-General of Digital Economy and Society Committee

Experience

- Acting Secretary-General, Office of Personal Data Protection Commission
- Deputy Permanent Secretary, Ministry of Digital Economy and Society
- Inspector - General, Ministry of Digital Economy and Society
- Senior Advisor (Qualification and Expertise), Office of the Public Sector Development Commission
- Director, Change Management and Innovative Development Bureau, Office of the Public Sector Development Commission

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.





Mr. Sorasak Meenatoree

Director

Age 58 years

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

Other Positions

- Deputy Director-General, The Customs Department

Experience

- Director of Suvarnabhumi Airport Cargo Clearance Customs Bureau
- Director of Customs Standard Procedures and Valuation Bureau

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Professor Dr. Parichart Sthapitanonda

Director

Age 51 years

Education

- International & Intercultural Philosophy Degree, Ohio University
- Master of Communication Arts, Chulalongkorn University
- Bachelor of Arts, Chulalongkorn University

Other Positions

- Dean, Faculty of Communication Arts, Chulalongkorn University
- Director, MCOT Public Company Limited

Experience

- Director and Secretary to National Reform Commission (Journalism Information Technology)
- Director of Dr.Kasem Utthayanin Foundation
- Director, Panjabhat Co.,Ltd.

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.





Dr. Seree Nonthasoot

Director

Age 45 years

Education

- Doctor of Philosophy, Oxford University, United Kingdom
- Master of Laws, (European and Comparative Law), Oxford University (British Chevening Scholarship)
- Master of Laws, (International Trade Law), Columbia University (Fulbright Scholarship)
- Thai Barrister-at-law, The Institute of Legal Education of the Thai Bar
- Bachelor of Laws, Thammasat University

Other Positions

- Chairman of Subcommittee on Strategy and KPI, Neighbouring Countries Economic Development Cooperation Agency (Public Organization)
- Director and Chairman of Legal Subcommittee, the Stock Exchange of Thailand.
- Director and Chairman of Audit Committee, Small and Medium Enterprise Development Bank of Thailand (SME Bank)
- Senior Executive Vice President, Institute of Research and Development for Public Enterprises

Experience

- Director and Chairman of Corporate Governance Subcommittee, Government Pension Fund
- Director and Chairman of Audit Committee, KTB Law Co., Ltd.
- Thai Representative to the ASEAN Intergovernmental Commission on Human Rights (AICHR)
- Director, KTB Computer Services Co., Ltd.
- Legal Counsel, State Enterprise Policy Office, Ministry of Finance

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Asst. Prof. Somchai Supphatada

Director

Age 60 years

Education

- Master of Professional Accounting, University of Texas at Austin, USA.
- Bachelor of Accountancy (First Class Honours), Thammasat University

Other Positions

- Assistant Professor, Faculty of Commerce and Accountancy, Thammasat University
- Advisory Member of the Board, Police Printing Bureau, Royal Thai Police
- Director and Chairman of Audit and Risk Committee, Intouch Holdings Public Company Limited

Experience

- Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- Head, Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Dr. Ake Pattaratanakun

Director

Age 36 years

Education

- Ph.D. (Marketing), University of Cambridge
- M.Phil. (Innovation, Strategy and Organisation) (Thesis Dishition), University of Cambridge
- M.M. (Marketing Management) (Top of the Class), Cornell University
- BBA, Marketing (First Class Honours), Chulalongkorn University

Other Positions

- Program Committee of Master in Branding and Marketing (English Program) and Faculty Member of Marketing Department, Faculty of Commerce and Accountancy, Chulalongkorn University
- Member of Corporate Communication Committee, the Thai Red Cross Society
- Expert, Tourism and Hospitality Industry, Thailand Science Research and Innovation
- Branding Consultant of SCG Packaging, MBK, the Revenue Department and Metropolitan Waterworks Authority
- Director, I&I Consulting Group Co.,Ltd.

Experience

- Branding and Communication Committee Member, Thai Parliament
- Branding Consultant, Krungthai Bank
- Branding Consultant, Air Asia
- Lecturer in Marketing, Department of Engineering, University of Cambridge
- Visiting Scholar, University of California

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



Mrs. Smorn Terdthampiboon

Director

Age 59 years

Education

- Master of Commerce (Business Administration), Thammasat University
- Bachelor of Science (Statistics), Chiang Mai University

Other Positions

- President, Thailand Post Co., Ltd.
- Director, Thailand Post Distribution Co., Ltd.
- Member of Employer Committee, State Enterprises Labour Relations Committee, Ministry of Labour

Experience

- Member of State Enterprises Labour Relations Committee, Ministry of Labour
- Advisory Board of eLogistics Summit 2018, The Association of Thai ICT Industry
- Senior Executive Vice President (Finance & Accounting) and Chief Financial Officer, Thailand Post Co., Ltd.
- Acting Senior Executive Vice President (Information Technology), Thailand Post Co., Ltd.
- Executive Vice President (Finance & Accounting), Thailand Post Co., Ltd.

In accounting year 2019, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

Board of Directors of Thailand Post Co., Ltd.



As of January 1, 2019 - December 31, 2019

1. Mr. Rathapol	Bhakdibhumi
2. Pol.Lt.Gen. Sompong	Chingduang
3. Dr. Pornchai	Thiraveja
4. Mrs. Vunnaporn	Devahastin na Ayutthaya
5. Mr. Sorasak	Meenatoree
* 6. Mrs. Pratana	Mongkolkul
7. Professor Dr. Parichart	Sthapitanonda
8. Dr. Seree	Nonthasoot
* 9. Dr. Thitipong	Nandhabiwat
* 10. Asst.Prof. Somchai	Supphatada
* 11. Dr. Ake	Pattaratanakun
12. Mrs. Smorn	Terdthampiboon



Note

* Asst.Prof. Somchai	Supphatada	The starting date in the position of Director was effective from August 28, 2019
* Dr. Ake	Pattaratanakun	The starting date in the position of Director was effective from August 28, 2019
* Mrs. Pratana	Mongkolkul	The date of discharge from the Board of Directors was effective from January 31, 2019
* Dr. Thitipong	Nandhabiwat	The date of discharge from the Board of Directors was effective from November 14, 2019



Executives of THP



Mrs. Smorn Terdthampiboon

Position President

Age 59 years

Education

- Master of Commerce (Business Administration), Thammasat University
- Bachelor of Science (Statistics), Chiang Mai University



Mr. Kalong Subsaart

Position Senior Executive Vice President (Operating Systems)

Age 59 years

Education

- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Certificate, Postal and Telecommunications School

Miss Suchada Buddharuksa

Position Senior Executive Vice President (Marketing)

Age 58 years

Education

- Diploma, The National Defence Course Class 60, National Defence College of Thailand
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Arts, Chulalongkorn University





Mr. Phitsanu Wanitchaphol

Position Senior Executive Vice President
(Business Development)

Age 46 years

Education

- Master of Business Administration, Manchester Business School, The United Kingdom
- Bachelor of Science, Kasetsart University



Mrs. Naiyana Sirisuvan

Position Senior Executive Vice President
(Administration and Property Management)

Age 60 years

Education

- Master of Business Administration, Bangkok University
- Bachelor of Commerce, Thammasat University



Miss Somchintana Kirdsuebma

Position Senior Executive Vice President
(Finance & Accounting)

Age 59 years

Education

- Master of Arts, Kasetsart University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- High Vocational Certificate (Accounting), Rajamangala University of Technology Krungthep



Mr. Julapong Limpasuthum

Position Senior Executive Vice President
(Information Technology)

Age 51 years

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang



Miss Pilantanee Suwanbubha

Position Executive Vice President
(Office of the President)

Age 54 years

Education

- Master of Arts, Thammasat University
- Bachelor of Political Science, Chulalongkorn University

Mr. Niyom Jindapateep

Position Executive Vice President
(Information Technology)

Age 49 years

Education

- Bachelor of Public Administration, Sukhothai Thammathirat Open University
- Certificate, Postal and Telecommunications School





Mrs. Patida Pananond

Position Executive Vice President
(Marketing)

Age 49 years

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Arts, Chulalongkorn University



Miss Churairat Sinbanchongjit

Position Executive Vice President
(Human Resources)

Age 54 years

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Public Administration, Prince of Songkla University



Mr. Sanan Suksawang

Position Executive Vice President
(Administration and Property Management))

Age 55 years

Education

- Master of Laws, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University



Mr. Kamput Yukhong**Position** Executive Vice President
(Operating Systems)**Age** 57 years**Education**

- Bachelor of Political Science, Ramkhamhaeng University
- Certificate, Postal and Telecommunications School

**Mr. Muzakhan Deche****Position** Executive Vice President
(Regional Operation 2)**Age** 57 years**Education**

- Master of Business Administration, Siam University
- Bachelor of Arts, Bansomdejchaopraya Rajabhat University
- Certificate, Postal and Telecommunications School

Miss Ariya Thongbai**Position** Specialist
(International Business)**Age** 55 years**Education**

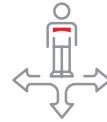
- Master of Arts, Chulalongkorn University
- Bachelor of Arts, Silpakorn University

**Miss Somjai Thanhameta****Position** Specialist
(Office of the President)**Age** 60 years**Education**

- Bachelor of Business Administration, Krirk University
- High Vocational Certificate, Rajamangala University of Technology Rattanakosin



• Executives of Thailand Post Co., Ltd.



As of 1 January 2019 - 31 December 2019

1. Mrs. Smorn	Terdthampiboon	12. Mrs. Patida	Pananond
* 2. Mr. Manop	Sornviboonsak	13. Miss Churairat	Sinbanchongjit
3. Mr. Kalong	Subsaart	* 14. Mr. Ukrit	Dulyakasem
4. Miss Suchada	Buddharuksa	15. Mr. Sanan	Suksawang
5. Mr. Phitsanu	Wanitchaphol	* 16. Mr. Singhol	Sangchampar
* 6. Mr. Songsak	Polnork	* 17. Mr. Kont	Wongkalasin
7. Mrs. Naiyana	Sirisuvan	18. Mr. Kamput	Yukhong
8. Miss Somchintana	Kirdsuebma	19. Mr. Muzakhan	Deche
* 9. Mr. Julapong	Limpasuthum	20. Ms. Ariya	Thongbai
10. Miss Pilantanee	Suwanbubbha	21. Ms. Somjai	Thanhameta
11. Mr. Niyom	Jindapateep	* 22. Mr. Manit	Suprapart

Note

- * Mr. Julapong Limpasuthum The starting date in the THP executive position was effective from February 1, 2019
- * Mr. Manop Sornviboonsak The discharge date from the THP executive position was effective from October 1, 2019
- * Mr. Songsak Polnork The discharge date from the THP executive position was effective from October 1, 2019
- * Mr. Ukrit Dulyakasem The discharge date from the THP executive position was effective from October 1, 2019
- * Mr. Singhol Sangchampar The discharge date from the THP executive position was effective from October 1, 2019
- * Mr. Kont Wongkalasin The discharge date from the THP executive position was effective from October 1, 2019
- * Mr. Manit Suprapart The discharge date from the THP executive position was effective from October 1, 2019



Staffing Structure

Number of employees/permanent and temporary workers

Employees	17,572	Persons	Male	24,501	Persons
Permanent workers	2,539	Persons	Female	6,653	Persons
Temporary Workers	11,043	Persons			

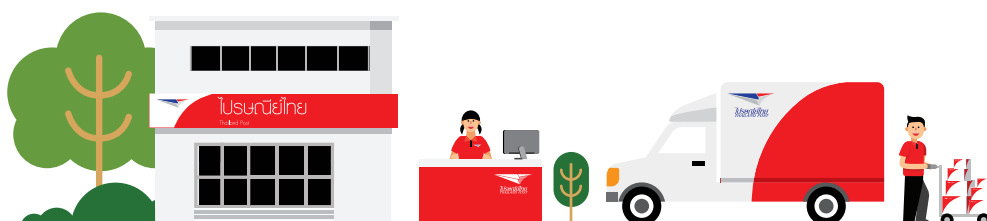
Total 31,154 Persons

Unit : Persons

Number of employees/permanent and temporary workers by work unit

Attached to	Total	Percent	Employees	Permanent Workers	Temporary Workers	Male	Female
Units directly report to the President	313	1.00	310	2	1	166	147
Marketing & Business	449	1.44	400	8	41	163	286
Operation	28,733	92.23	15,432	2,479	10,822	23,210	5,523
General Administration	781	2.51	770	6	5	277	504
Operating Systems	878	2.82	660	44	174	685	193
Total	31,154	100.00	17,572	2,539	11,043	24,501	6,653

As of December 31, 2019



Capital and Shareholder Structure of THP



Thailand Post Co., Ltd. is a state enterprise under supervision of Ministry of Digital Economy and Society (MDES) established on 14 August 2003 by virtue of the Civil and Commercial Code. The Company's entire shares are held by Ministry of Finance. The authorized capital is 1,250 million baht (One thousand two hundred fifty million baht only).

Loan Debt of THP



THP has no outstanding loan debt as at the end of the year.

Payment to the Government (or Dividend) in the Past 3 Years



Thailand Post has made payment in the term of dividend to the Ministry of Finance, the sole shareholder during 2017 - 2019 as described in the following table.

Unit : million baht

Dividends	2017	2018	2019
Dividends by resolution of the Shareholders Meeting	1,688.75	1,523.69	420.30*
Dividends paid each year	1,275.21	2,564.63	1,034.08

Remark * Dividend for the year 2019 is the interim dividend only (net profit of the first 6 months) and has been paid to Ministry of Finance on 31 October 2019.



• Important Investment Plans in 2019



In 2019, Thailand Post implemented the important plans and projects with the investment budget allocated from the Company's income, as described below.

1. Identity and Access Management Plan

THP operated Identity Management in compliance with the risks, laws and regulations related to the business as well as managed access to information technology system to enhance efficiency of management, control, supervision and solution to the clients to ensure fast access, and improve management process for users of automation system. The approved budget for this project is 30.12 million baht.

2. Vehicle Replacement Purchase Plan (Phase 2)

The purchase of 110 new vehicles was made to replace the existing vehicles which have been in service for more than 10 years and to support the continuous growth of mail volumes. This is also expected to create customer trust and enhance transport efficiency of THP. The approved budget for this project is 95.97 million baht.

3. Improvement of Delivery by Car Plan (Phase 2)

The large package delivery system has been improved to increase operational efficiency because motorcycles were inadequate for delivering large packages and parcels. THP purchased 146 new delivery vehicles in 2019. The approved budget for this project is 102.86 million baht.

4. Vehicle Purchase Plan in support of THP Business

The large package delivery system has been developed to enhance work efficiency. Since the current trucks are not sufficient for business expansion, THP was required to purchase more vehicles to support its business in line with business expansion. In 2019, THP purchased 67 new delivery vehicles, 64 of which were completed and another 3 in progress. The approved budget for this project is 138.31 million baht.

5. Automated Postal Machine Installation Plan

The installation of 250 Automated Postal Machines is in process to facilitate customers in posting mail items. Automation system is employed to provide self-service process in support of the increasing work volume in the future. The approved budget for this project is 200 million baht.



6. Phayao Mail Center Establishment Plan

Phayao Mail Center is under construction to be the hub for mail forwarding to post offices in 3 provinces, including Chiang Rai, Phayao and Lampang, to support the growth of work volume in the northern region. The approved budget for this project is 203.20 million baht.

7. iBox Installation Plan

The installation of 800 iBoxes is in process at housing estate areas to facilitate customers in obtaining mail items from iBoxes 24 hours a day. The approved budget for this project is 480 million baht.

8. Lands and Lands with Buildings Purchase Plan (Phase 2)

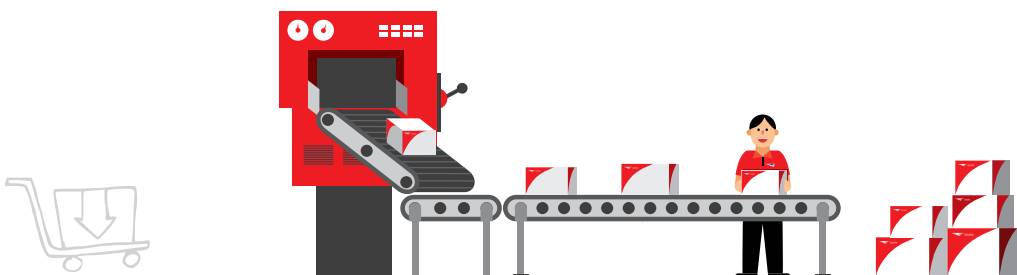
The purchase of 29 lands and lands with buildings is in process to be used as the service facility in support of the increasing work volume in the future and to increase the potential to serve customers in all areas. The approved budget for this project is 654.12 million baht.

9. Post Office Building Construction and Renovation Plan (Phase 2)

The construction of 77 post office buildings was planned, 3 of which were completed and another 74 are under construction. The aim of this project is to improve work facility and provide appropriate areas to facilitate customers using and staff providing service. The approved budget for this project is 1,370.55 million baht. In addition, 13 post office buildings have been renovated, 3 of which were completed and another 10 are in process. The approved budget for this project is 45.14 million baht.

10. Mail Sorting Machine Installation Plan

The installation of a Cross Belt Sorter is underway to enhance efficiency of sorting/forwarding of mail items in order to save sorting time and ensure customer satisfaction. The approved budget for this project is 1,500 million baht.



Important Projects Expected to Invest in Next 3 Years



1. Identity Management System Plan: Phase II

THP has purchased the Identity Management System to secure access to THP internal system in accordance with ISO 27001:2013 and to ensure that the system can work along with the new human resources management system and reduce the burden of user account management to control access to THP information system to be more appropriate, faster and more efficient. The project will take 1 year (2020). Details are as follows:

Unit : million baht

Category	2020	Total investment
Office supplies	22.50	22.50
Total	22.50	22.50
Reserve money in case of higher price	2.25	2.25
Grand total	24.75	24.75

2. Nakhon Sawan Mail Center Construction Plan

THP has constructed Nakhon Sawan Mail Center (new building). At present, the mail center building is old and damaged according to service life and has limited space which cannot support the increasing work volume. The new building can also support the volume of work and the installation of a large automatic sorting machine in the future. The project will take 3 years (2020-2022). Details are as follows:

Unit : million baht

Category	2020	2021	2022	Total investment
Buildings and structures	183.54	-	-	183.54
Machines and equipment	-	-	46.39	46.39
Total	183.54	-	46.39	229.93
Reserve money in case of higher price	18.35	-	4.64	22.99
Grand total	201.89	-	51.03	252.92

3. Lat Krabang Mail Operation Building Construction Plan

THP has constructed Lat Krabang Mail Operation Building in support of the increasing work volume and mail operations as well as the expansion of postal service points in the future. This project will help upgrade the quality of logistics service and product distribution in the future. The investment period will take 1 year (2020). Details are as follows:

Unit : million baht

Category	2020	Total investment
Buildings and structures	474.29	474.29
Total	474.29	474.29
Reserve money in case of higher price	47.43	47.43
Grand total	521.72	521.72

4. Ratchaburi Mail Center Establishment Plan

THP has established Ratchaburi Mail Center to support the socio-economic growth in the central and eastern regions and to enhance ability to sort mail items through fully automated system with the objective to reduce damage and to solve the problem of labor shortage in the future. The project will take 3 years (2020-2022). Details are as follows:

Unit : million baht

Category	2020	2021	2022	Total investment
Building and construction improvement	65.10	-	-	65.10
Machines and equipment	394.18	-	90.00	484.18
General Tools and Supplies	2.20	-	-	2.20
Office supplies	1.65	-	-	1.65
Total	463.13	-	90.00	553.13
Reserve money in case of higher price	46.31	-	9.00	55.31
Grand total	509.44	-	99.00	608.44

5. New THP Executive Office Building Construction Plan

THP has constructed a new THP Executive Office Building in the front area adjacent to Chaeng Watthana Road in the form of energy-saving building in accordance with the LEED (Leadership in Energy and Environmental Design) standards at Gold Level for excellent energy and environmental conservation and to be the standard building for work with sufficient space to support more function of employees and working units. The project will take 1 year (2020). Details are as follows:

Unit : million baht

Category	2020	Total investment
Buildings and structures	1,786.56	1,786.56
Total	1,786.56	1,786.56
Reserve money in case of higher price	178.66	178.66
Grand total	1,965.22	1,965.22





Responsible Business Practice of THP

THP operates its business with integrity, not only placing importance on turnover from the basic business-related factors but also on the business operation on the basis of good governance and social responsibility. Therefore, THP aims to develop the organization to balanced sustainability by implementing Global Reporting Initiative (GRI) in determining the frame of development of sustainability under ESG Model which consists of 3 aspects: environment, social and governance, integrated with social responsibility standards ISO 26000 to enable the organization to have good corporate governance, transparent management, effective risk management, consideration of stakeholders, competitiveness, and ability to create long-term performance under sustainable development goals of the United Nations to develop THP to the international level sustainability.

Aside from the frame of developing THP to sustainability, THP also places value on ESG risk management to prepare for prevention, avoidance and adjustment to deal with risks and seek for opportunities to effectively conduct business out of those risks by integrating ESG issues into risk management under COSO-ERM risk management frame, that contains collection and analysis of internal and external information, i.e. organizational contexts, organizational strategic plan, related laws, needs and expectations of stakeholders, to predict the risks which affect business operation. There are 2 types of risks related to organizational sustainability: climate and environment change; and performance of duties or operation of THP which is not in compliance with significant law. In addition, THP aims at promoting and supporting the government’s policy under the 20 - Year National Strategy (2018 - 2037). The key projects carried out in 2019 are as follows:

20-Year National Strategy and Risk Issues	Operation Measures	Dimensions of Sustainability	CSR In Process	CSR After Process
<ul style="list-style-type: none"> • Strategy 2 Competitiveness enhancement • Strategy 5 Eco-friendly development and growth • Risk Issues <ul style="list-style-type: none"> - Effects of climate and environment change - Failure of THP to fully comply with environmental laws 	<ul style="list-style-type: none"> - Policy on environmental operations - Training and communication on Environment - Funding for research and development project - Funding for research and development project for THP people - Review of THP compliance to regulations - Solution to CO₂ emission of transport vehicles 	<p style="color: green; text-align: center;">Environment</p>	<ul style="list-style-type: none"> - Electric-powered vehicle project - Environmental Management System ISO 14001:2015 and Green Office Accreditation - “Thailand Post ... transferring with conservation spirit” Project (THP transport vehicle exhaust emissions checking) - Supporting Government’s Policy on Project to cancel official document copies - Environmental Research and Development Projects 	<ul style="list-style-type: none"> - “Postal Volunteer for Environmental Conservation Project” (Tree Planting along Chaeng Watthana Road) - “Plastic Straw Pillows for Bedridden Patients” Project



20-Year National Strategy and Risk Issues	Operation Measures	Dimensions of Sustainability	CSR In Process	CSR After Process
<ul style="list-style-type: none"> • Strategy 1 Security • Strategy 3 Human Capital Development and Strengthening • Strategy 4 Social Cohesion and Equity • Strategy 6 Public sector rebalancing and Development • Risk Issues <ul style="list-style-type: none"> - Performance or operation of THP may not be in compliance with significant law 	<ul style="list-style-type: none"> - Operation in response to the government policy - Key community support work - Prevention of human right violation - Utilization of nationwide postal network 	<p>Social</p>	<ul style="list-style-type: none"> - Project to assist farmers having oversupplied products - Provision of Frontier Force Parcel Service - “Pak Jit Pak Jai” Project (delivery of production equipment to the blind) - “Free Delivery of Happiness” for New Year 2020 Project (delivery of school supplies to Border Patrol Police Schools) - Domestic Greeting Cards Delivery Activity - Employment of the Disabled - Delivery of Literature for the Blind 	<ul style="list-style-type: none"> - Donation of Aluminum for Making Prostheses 2019 - Funding for Construction of Border Patrol Police Schools - Delivery of Donations to Natural Disaster Areas - Donation for Charitable Activities 2019 - Blood Donation to Thai Red Cross Society “Thailand Post Volunteer ... Giving Blood, Giving Life” - “Thailand Post Delivery of Care” Activity (distribution of N95 masks to Delivery officers and the general public)
<ul style="list-style-type: none"> • Strategy 4 Social Cohesion and equity • Strategy 6 Public sector rebalancing and Development • Risk Issues <ul style="list-style-type: none"> - Performance or operation of THP may not be in compliance with significant law 	<ul style="list-style-type: none"> - Good governance policy - Follow-up of the change in government policies, laws, regulations, rules related to business operation - Instruct the workers to comply with the law - Prevention of illegal material delivery - Disclosure of significant information - Utilization of nationwide postal network 	<p>Governance</p>	<ul style="list-style-type: none"> - Community Products Sale through website : www.thailandpostmart.com - THP Complaint Management - Special Academic Seminar on “Digital Law Forum for People” - Promotion and Protection of Human Rights - Promotion of Good Corporate Governance 	<p>-</p>



Responsible Business Practice of THP

In process

- Project to assist farmers having oversupplied products.
- Provision of Frontier Force Parcel Service.
- “Pak Jit Pak Jai” Project (delivery of production equipment to the blind).
- “Free Delivery of Happiness” for New Year 2020 Project (delivery of school supplies to Border Patrol Police Schools).
- Domestic Greeting Cards Delivery Activity.
- Employment of the Disabled.
- Delivery of Literature for the Blind.

After process

- Donation of Aluminum for Making Protheseses 2019.
- Funding for Construction of Border Patrol Police Schools.
- Delivery of Donations to Natural Disaster Areas.
- Donation for Charitable Activities 2019.
- Blood Donation to Thai Red Cross Society “Thailand Post Volunteer...Giving Blood, Giving Life”.
- “Thailand Post Delivery of Care” Activity (distribution of N95 masks to Delivery officers and the general public).



In process

- Electric-powered vehicle project.
- Environmental Management System ISO 14001:2015 and Green Office Accreditation.
- “Thailand Post...transferring with conservation spirit” Project (THP transport vehicle exhaust emissions checking).
- Supporting Government’s Policy on Project to cancel official document copies.
- Environmental Research and Development Projects.

After process

- “Postal Volunteer for Environmental Conservation Project” (Tree Planting along Chaeng Watthana Road).
- “Plastic Straw Pillows for Bedridden Patients” Project.



Environment



17 Goals to Transform Our World

1. No Poverty
2. Zero Hunger
3. Good Health and Well Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals



Fair operating practices



Organizational governance



Labour practices



Environment



Human rights



Consumer issues



Community involvement

Environmental Aspect

- Electric-powered vehicle project

THP collaborated with Banpu Infinergy Company Limited in launching the pilot project of complete electric vehicle fleet for transport goods and packages; and collaborated with Provincial Electricity Authority (PEA) in developing electric vehicle (EV) using electrical battery to reduce fuel consumption since there is an increasing number of cars on the road, resulting on more fuel consumption. In THP business, cars, trucks and motorbikes are essential in the process of accepting, transferring and delivering mails, this may result in environmental problems as well as global warming caused by greenhouse gas emission. Therefore, THP gives importance on solving such problems by introducing electric vehicles to deliver packages and mails. The trial runs of electric vehicles were done in the area of Khlong Luang and Samsen Nai and the project will be expanded to other areas in the future.



- Environmental Management System ISO 14001:2015 and Green Office Accreditation

THP has been certified with the environmental management standard ISO 14001:2015 at the headquarters and received Gold Level of the Green Office Project from Department of Environmental Quality Promotion. THP Postal Bureaus have also got Green Office certification: Metropolitan Postal Bureau 4 at Silver Level, Metropolitan Postal Bureau 1, Metropolitan Postal Bureau 2 and Metropolitan Postal Bureau 3 at Bronze Level. The accreditation will be expanded to other areas in the future to raise awareness of environmental conservation to the personnel in using resources and energy for the utmost benefit and reducing and preventing pollution from THP business operation.

- "Thailand Post ... Transferring with Conservation Spirit" Project

THP conducts "Thailand Post... Transferring with Conservation Spirit" Project by having the transport vehicles checked for black smoke emission which is one of the solutions to PM2.5 dust particles problem. All kinds of THP vehicles are properly maintained to ensure that they do not release the air pollution that causes the greenhouse effect.



- Supporting Government's Policy on Project to Cancel Official Document Copies

According to the government's policy that requires the government agencies to cancel the making of official document copies for more coherent use of documents in the future, THP has implemented the project and received "Award for Supporting Government's Policy on Cancellation of Official Document Copies" under Survey on Digital Readiness of Government Agencies Project 2019, held by Digital Government Development Agency (DGDA) in Digital Government Awards 2019, and development to be the center of government information exchange center in conformity to the concept of digital government assessment at international level.



- Environmental Research and Development Projects

THP supports research and development for projects that reduce environmental problems and consumption of energy for internal energy conservation in the organization. The Company focuses on raising the personnel awareness of social responsibility. These research projects include:

- Solar cell lighting development project.
- Alternative energy for postal transport vehicles project.
- Air/pollution purifier for reduction of smoke and plastic burning odor caused by semi-automated plastic wrapping machine project.
- Fan coil cleaning without air console dissembling and ozone generation by Corona Discharge System project.
- Odor and smoke absorber from semi-automated plastic wrapping machine project.



- "Postal Volunteer for Environmental Conservation Project"

THP took part in honoring his Majesty King Rama 10 on the occasion of coronation ceremony by organizing tree planting activity "Postal Volunteer for Environmental Conservation" in which THP President, executives, staffs/employees participated in planting Yellow Star trees which are the symbol of King Rama 10 to represent auspiciousness and abundance at the entrance of THP on Chaeng Watthana Road.



- "Plastic Straw Pillows for Bedridden Patients" Project

THP donated 100 pieces of plastic straw pillows to Veterans General Hospital to help reduce plastic waste, raise awareness of recycling by using used plastic straws to make "straw pillows" for supporting neck and back to reduce post-surgery bed sore problem and mitigate bedsores of bedridden patients.



Social Aspect

- Project to Assist Farmers Having Oversupplied Products

THP collaborates with Department of Internal Trade in assisting farmers who have oversupplied products to maintain prices and solve the problem of falling fruit prices by providing Omni Channel to sell the products, both online channel through www.thailandpostmart.com and offline channel at post offices. This project helps farmers distribute more than 180,000 kilograms of their products and generate more than 7 million baht in revenue.

- Provision of Frontier Force Parcel Service

THP realizes the importance of using its existing network to take part in expressing love and care to military and police officers performing duties at border field units by providing Frontier Force Service for delivery of up to 5-kilogram packages to 16 border field units around the country free of charge.

- "Pak Jit Pak Jai" Project

THP collaborates with Thailand Association of the Blind in being intermediary for delivery of equipment from Chiang Mai Association for the Blind to participating house for the blind in Chiang Mai and Lamphun Province for fabricating products free of charge; and delivery of products that customers order by EMS at a special rate.



- "Free Delivery of Happiness" for New Year 2020 Project

THP supports delivery of educational equipment, sport equipment, toys, and other materials which are new or in good condition by EMS, containing 5 kilograms/box, free of charge (not including box costs) to 218 Border Patrol Police Schools around the country in order to provide assistance to schools lacking of educational equipment, sport equipment, toys, and other materials that help in child development process.



- Domestic Greeting Cards Delivery Activity

THP supports New Year activities by allowing customers to send greeting cards domestically free of charge without limited number of items between 25 December 2019 and 5 January 2020 to convey happiness to users to be able to send unlimited New Year's greeting cards to their beloved ones through post offices around the country.

- Employment of the Disabled

To comply with the provisions of Persons with Disabilities Empowerment Act, B.E. 2550 (A.D. 2007), as amended (No. 2), B.E. 2556 (A.D. 2013), THP employs disabled workers to give them opportunities and help them earn a living for themselves and their families.

- Delivery of Literature for the Blind

THP provides delivery of Literature for the Blind free of charge (weight not over 7 kg.) for documents, literature in whatever format including sound recordings, and equipment or materials of any kind made or adapted to assist blind persons in overcoming the problems of blindness. The items must be sent to or by an organization for the blind or sent to or by a blind person, and posted unsealed.



- Donation of Aluminum for Making Prostheses 2019

THP arranged donation venues and allowed the general public to send aluminum free of charge (weight not over 5 kilograms) at any post office around the country, in order to provide assistance to amputees to conduct their daily lives more conveniently.

- Funding for Construction of Border Patrol Police Schools

THP provided funding for construction of new buildings of Border Patrol Police Schools at Ban Huai Mak Lum, Tom Na Ngam Sub-district, Non Sa-at District, Udon Thani Province to facilitate teaching and learning, as well as to extend educational opportunity to children in remote areas under the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn.



- Delivery of Donations to the Areas Affected by Natural Disaster

THP collaborated on packing stuffs and medicines in relief supplies bags and served as a donation point to deliver assistance to people affected by natural disaster in the southern region and northeastern region.



- Donation for Charitable Activities 2019

THP donated money to charitable organizations, government organizations, educational institutions, hospitals, sport associations to support charitable activities and return benefit to society.



- Blood Donation to Thai Red Cross Society "Thailand Post Volunteer ... Giving Blood, Giving Life"

THP has collaborated with the Thai Red Cross to set up a blood donation point at THP headquarters for receiving blood donation from executives, staffs, employees, and those interested in donating blood voluntarily for treatment of patients nationwide.



- "Thailand Post Delivery of Care" Activity

Due to environment situation with PM2.5 dust that exceeds the standard value, THP is concerned about the staff and key communities affected by the PM2.5 dust problems. Therefore, THP distributed N95 masks to delivery officers and the general public living in the areas with excessive PM2.5.

Governance Aspect

- Sale of Community Products through THP website: www.thailandpostmart.com

THP uses www.thailandpostmart.com as the medium to promote sale of agricultural and community products through e-Marketplace Platform which covers shopping cart system and payment gateway that supports cash payment and/or Wallet@POST and delivery of the products to consumers through THP transport system. This activity promotes job opportunities, increases income and upgrades quality of life of the communities in sustainable manner. Also, consumers are provided with more convenience to buy quality products well-selected from participating community enterprises, shops and business operators.

- THP Complaint Management

THP realizes the importance of fulfilling customer satisfaction and provides channels for stakeholders to file complaints regarding THP operations. Procedures are determined for responding to complaints filed by customers, public, government or private entities, as well as the press and THP staffs in case of any violation or actions that cause damage or unfair treatment to complainants due to THP operations.



- Special Academic Seminar on "Digital Law Forum for People"

THP also participated in disseminating legal knowledge of 4 laws, comprised of Personal Data Protection Act, Cyber Security Act, Electronic Transactions Act, and Digital Government Administration and Services Act through Special Academic Seminar on "Digital Law Forum for People" to other state enterprises to provide knowledge and awareness of the importance of such laws for appropriate implementation within each organization.



- Promotion and Protection of Human Rights

THP strives for promoting, protecting and saving human rights. Based on the assessment of human rights activities in which experience to be the role model can be shared to other organizations for further development, THP received "Role Model Organization on Human Rights Award, Honorable Mention, 2019" from Ministry of Justice.



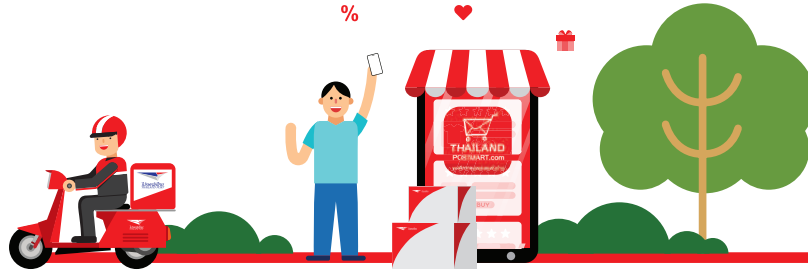
- Promotion of Good Corporate Governance

THP places value on conducting Good Corporate Governance to create trusts among concerning officers and stakeholders through various activities, such as raising awareness of THP officers, improvement of service quality to meet existing customer needs, and disclosure of THP information. Thanks to the above activities, in 2019, THP received "Integrity and Transparency Assessment (ITA Awards)" at AA Level with the score of 95.66.





Performance in line with Thailand Post's Mission and Government policies



1. e-Commerce Digital Community Project

THP has used available resources and abilities to encourage community product manufacturers who are business operators at fundamental economic level to have more channels for selling products online by registering their products and services on THP website: www.thailandpostmart.com and through community shops or post offices where full service is provided around the country. Moreover, THP collaborates with other organizations such as SME Bank, Krungthai Bank, in boosting the business operators to have knowledge and understanding about the sale of their products on THP website: www.thailandpostmart.com. Currently, 2,212 shops have been registered and 16,165 items are available for sale. This helped generate income to community manufacturers at approximately 80 million baht in 2019.



2. "Chim Shop Chai @thailandpostmart by Thailand Post" Project

THP responded to the government economic stimulus policy and encouraged Thai people to experience cashless society in preparation for fully digital economy through "Chim Shop Chai @thailandpostmart by Thailand Post" Project. People who registered in the "Chim Shop Chai" project in all 3 phases could buy community products and OTOP products sold on THP website: www.thailandpostmart.com and receive 15-20% cash back from the government. There are 164 qualified shops participating with more than 1,000 items available. Payment can be made through G-Wallet 2 and cash back would be credited from "Chim Shop Chai" Measure. For purchase of less than 30,000 baht, 15% cash back would be credited; and for purchase of 30,001 - 50,000 baht, 20% cash back would be credited. In addition, upon spending 1,000 baht or more on Chim Shop Chai products, THP would give 5% discount coupon for next purchase of products in any other category. THP delivers goods to all destinations in the country by EMS within 1 - 2 days. Registrants could start exercising their Chim Shop Chai rights from 6 December 2019 to 31 January 2020.

Furthermore, THP is also registered as Chim Shop Chai shop for the Comptroller General's Department to sell community products through 20 post offices in Bangkok Metropolitan Region.



Management Performance Report



In 2019, Thailand Post made a number of improvements to boost organizational efficiency and effectiveness and to better respond to the needs of customers and society. Highlights include the following

Services

1. Thailand Post collaborated with Siam Commercial Bank and SCB Abacus in launching "Mae Manee Sri Online" Service to Retail Customers

THP has collaborated with Siam Commercial Bank and SCB Abacus in launching "Mae Manee Sri Online" Service to Retail Customers to facilitate online loan application with prompt approval without a further need to submit additional documents to keep pace with the rapid needs of SMEs business operators in digital age. The modern digital lending service powered by AI system, is available to business operators who send EMS with Cash on Delivery (COD) paid via THP Wallet@POST application on Mae Manee Sri Online website, in order to provide more opportunity to access financial inclusion.



2. Thailand Post provided real-time identification service for opening account with Kasikorn Bank

THP has provided real-time identity verification service for opening account with Kasikorn Bank in addition to Bank@Post service which provides cash deposit to Kasikorn Bank accounts through post offices. Furthermore, THP has also provided K CHECK ID service for self-identification with identification card on real-time basis for opening digital savings account on K-PLUS application. This service was included in Regulatory Sandbox of the Bank of Thailand and pilot project has been launched at 20 post offices, focusing on business and community areas in Bangkok Metropolitan Region and as well as post offices in upcountry. The service started on 1 August 2019.



3. Thailand Post Participated in Signing Ceremony for Collaboration with Institute of Dermatology and Esneuva Company Limited

THP signed for collaboration with Institute of Dermatology and Esneuva Company Limited in selling quality cosmeceuticals which consist of skincare, sunscreen, skin serum, cracked heel treatment products, and facial and body soap, on THP website www.thailandpostmart.com. These products have been researched and used by persons under treatment, or produced in consultation with Institute of Dermatology through the past 50 years. The customers can order these products via www.thailandpostmart.com, the Best of Thailand sent Right to Your Hands. The products are delivered by EMS nationwide. More details on the service can be requested by telephone call 02-831-3202 or on LINE: @thailandpostmart.



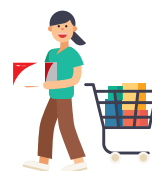
4. Thailand Post opened "Thai Ded" PO Box Shop by PTT Station

THP, in collaboration with PTT Oil and Retail Business Public Company Limited, opened "Thai Ded" PO Box Shop by PTT Station, King Kaew Branch to promote community enterprise products and to increase channels for sale of quality products from the communities, as well as to provide full-service postal service to facilitate customers who desire to use other services, such as domestic and international delivery service, Pay at Post for utility fee payment, Bank@Post for depositing/withdrawal of money to and from bank accounts. At the first stage, 2 shops were opened at PTT Station, King Kaew Branch and Bang Bo Branch in Samut Prakan Province.



5. Thailand Post provided "24-hour Domestic EMS Service Points" at Tesco Lotus Department Store

THP has collaborated with Tesco Lotus Department Store to provide "24-hour Domestic EMS Service Points", with starting service rate at 30 baht, at Tesco Lotus Express and major branches of Tesco Lotus to facilitate customers, people and online merchants to send their products at any time. The pilot project was launched at 500 branches in Bangkok Metropolitan Region and will be expanded to more than 700 branches in other provinces nationwide. On this occasion, Tesco Lotus organized a campaign to give a discount coupon worth 10 baht at the end of the receipt when sending EMS items, for purchase of products worth 100 baht at Tesco Lotus. The activity was held from 1 June - 31 August 2019.





6. Expansion of Posting Service Points through Automated Postal Machine (APM)

THP has collaborated with Department of Airports in installing Automated Postal Machine (APM) to facilitate passengers and the public who use the airports under control of Department of Airports. Currently, 11 machines have been installed at the following airports:



- Suvarnabhumi Airport (2 machines)
- Krabi Airport (2 machines)
- Udon Thani Airport (2 machines)
- Mae Sod Airport (1 machine)
- Khon Kaen Airport (1 machine)
- Surat Thani Airport (1 machine)
- Nakhon Si Thammarat Airport (1 machine)
- Ubon Ratchathani Airport (1 machine-in progress)

7. Thailand Post offered up to 300-baht discount for international EMS service rate

THP gave promotional discounts up to 300 baht to customers who use international EMS service or EMS World to promote the service. All EMS items weighing more than 5 kilogram got a special promotion, 300 baht discount, without minimum amount or limit for the number of times. Customers just present receipts obtained from using any service of THP showing the text at the end of the receipt "Privilege discount 300-baht/piece for EMS World". This service covers more than 100 countries worldwide. In Asian countries, the highest standard speed is 2-3 days, excluding the posting day. The above promotion was held between 1 May - 31 August 2019.



8. Thailand Post conferred rewards in "2020 Challenge to Win a Million" Activity

THP held a luck drawing event in "2020 Challenge to Win a Million" Activity to offer big rewards to the senders of mail items and packages to domestic and international destinations with proofs and the addressees who participated in the activity through Line: @luckytrack. The given rewards included 10-baht gold, iPhone 11 Pro, Samsung Galaxy Note 10 Plus, 13" Mac Book Air and others. This activity was arranged between 1 November 2019 - 13 January 2020.



9. CODY Service

The campaign was launched to promote the posting of domestic mail and package service under the slogan “CODY One Price at 19 baht” and “3D (Cheap, Expert, Fast Arrival)”. The main target group was e-Commerce customers who wanted to post packages weighing less than 1-kilogram at affordable price of 19 baht with non-express delivery (customers receive the packages within 2-5 working days). Packages could be tracked from origin to destination and could be used together with COD service. The service was provided between 25 November - 31 December 2019.



Operating Systems

1. Certification of International Security Standard

THP has been certified to International Security Standard by the Civil Aviation Authority of Thailand (CAAT) as the world's first “Controlled Post” to upgrade airmail transport under the international security requirements of the International Civil Aviation Organization (ICAO), due to 3 aspects of strict security measures: personnel, buildings and premises, and postal items.



2. Quality Management Standards ISO 9001:2015

THP has been certified to Quality Management Standards ISO 9001:2015, ensuring that THP domestic EMS service has been up to international standards and has been undergone improvements to minimize mistakes related to delay, damage and loss occurring in service system. The service quality has also been developed in process of acceptance, transferring and delivery with emphasis on domestic EMS items which were accepted and delivered between 48 post offices in Bangkok Metropolitan Region, 74 provincial post offices and 16 mail centers, making a total of 138 establishments nationwide. The aim was to create reliability and sustainable growth of the service.

3. Development of Enterprise Resource Planning (ERP) System

THP has installed Enterprise Resource Planning (ERP) for management of internal system of the organization with the aim of improving operational standards, integrating data, using resources effectively and working collaboratively within the organization, reducing complicated processes, establishing standards of data security, updating information on real-time basis with analytic tools in various perspectives, which helps executives to see the overall picture of the organization and make more accurate decisions. ERP system has been implemented since 4 June 2019.



Information Technology

1. Thailand Post installed wireless access point in support of New CA POS

THP has installed wireless access point in preparation for the expansion of New CA POS system to ensure sufficient support for handheld devices for post offices and delivery outside the post offices for sufficient signal coverage and efficiency of the system in providing services to customers in process of acceptance, transferring and delivery, as well as real-time tracking system.

2. Implementation of Client Computer Management System

THP has implemented client computer management system in support of management, control, supervise, and solve client computer problems, as well as supporting authentication process to ensure consistency of access to client computer of THP and supporting determination of policy on access to client computer in compliance with the security management measure under ISO 27001:2013 covering confidentiality, integrity and availability to enable related staffs to access to client computer stably and safely.

Assets Management



1. Renovation of General Post Office Building, Bangkok

THP has renovated the General Post Office Building, Bangkok, by restoring the area for rotating exhibitions in the Postal Heritage Hall on the first floor and the area of postal service. The new layout of the postal service area focused on more convenience to provide services. Counters would be renovated in conformity to the interior architecture of the Postal Heritage Hall along with installation of belt conveyor to help with operation as well as facilitate and speed up conveying of packages from the counters to the mail room. At the service counters, postal staff dressed in newly designed retro outfits similar to the traditional postal officers are available for providing service. The surrounding is decorated with postage stamps on special occasions made from plaster molds in high-relief form, together with strong garuda sculpture that looks beautiful in architecture. The General Post Office Building, Bangkok is located on Charoen Krung Road, Bangkok and is open from Monday to Friday, 08.00-20.00 hrs., on Saturday, 08.00-17.00 hrs. and on Sunday 08.00-12.00 hrs.. Telephone No. 02-234-9530, 02-236-3066.

2. Research and Inventions from the Project Promoting Research and Inventions on an International Stage



THP received ITEX 2019 Silver Medal and Innopa Special Award with certificate at “The 30th International Invention, Innovation & Technology Exhibition” (ITEX 2019) in Kuala Lumpur, Malaysia, due to the presentation of the following two works in research and innovations contest which was the project that promoted research and inventions on an international stage:

- Fan coil cleaning project without air cabinet and console dissembling and ozone generation by Corona Discharge System project (received ITEX 2019 Silver Medal and Innopa Special Award) for maintenance and repairs of air-conditioning system of cars to reduce operating time, resulting in more convenient and faster operation. It can also generate ozone by Corona Discharge System to get rid of unpleasant odor and germs in the car.

- Odor and smoke absorber from semi-automated plastic strapping machine project (received ITEX 2019 Silver Medal) for getting rid of severe unpleasant smoke and odor from the use of heat in melting and welding plastic straps and reducing risk factors which may affect respiratory system of operators and service users.



Fan coil cleaning



Odor and smoke absorber from semi-automated plastic strapping machine

Personnel

Operational Personnel Development through m-Learning

THP has provided training to operational personnel around the country by implementing e-Learning on Mobile (m-Learning) to encourage and support the personnel to develop themselves in a convenient manner. They can learn anywhere, any time. Also, the Web/Mobile Application “Post Say Hi to AEC” has been created as the language translation application (Thai, English, Chinese, Malay, Burmese, Lao, Cambodian, and Vietnamese). The application contains basic vocabulary, postal terminology and example conversations related to postal services. It is compatible with both Android and iOS for enhancing the capacity to perform duties.



Thailand Post's Corporate Social Responsibility (CSR)



For more than 135 years of conducting business, providing transportation service, and connecting information and dealings between businesses, stores, entities, or state enterprises, Thailand Post has grown along with Thai society with intention to conduct its business as well as take part in assisting, supporting and repaying to Thai society by using its potential operational network and experienced personnel, under THP major vision of social responsibility: "Connecting Thai society with existing postal network and resources to be part of sustainable social development".

Despite the change of time, THP still serves as the network of Thai life and economy with the aim of transferring valuable knowledge and experience of THP people from generation to generation. We are aware of pride of all THP people for having the opportunity to use their strong local network to support sustainable communities and as an organization that drives Thailand's economy and society, and also helps with Thailand's movement towards stability, prosperity and sustainability.

Corporate Social Responsibility or CSR is one of Thailand Post's key mission leading to an intention to pay back to the society by encouraging changes in communities and society that contribute to sustainable development in terms of economy, social and environment. Thailand Post's activities aim not only to create good corporate image but also to operate its business while taking care of people's life quality by using its expertise in terms of personnel, postal network, transportation system, knowledge and expertise of postage stamps to create benefit to the society through the following 4 missions:

1. To be an organization of merit, conducting postal business with transparency and good governance
2. To implement potentials and capabilities to drive CSR activities
3. To maintain national identity and develop intellectual potentials through stamp learning
4. To carry on and develop CSR activities continually



In 2019, THP conducted Corporate Social Responsibility (CSR) activities by employing the potentials of THP and network associates including educational institutions, local agencies and local administrative bodies with operational procedures and projects that benefit the communities and society upon THP 3 key potentials, i.e., transportation, important community support and postage stamps. In 2019, the concrete achievements in conformity to the strategies include:





1. Transportation : Strengthening Thai society through postal network

THP supported transportation through various campaigns, such as “THP Conveying Thai Support to Help Victims of Storm Pabuk, Storm Podul and Storm Kajiki” in which relief supplies bags were delivered to the storm and flood victims in many regions of Thailand, “Free Delivery of Happiness” for New Year 2020 Project in which customers/people were invited to send educational and sport equipment to 218 Border Patrol Police Schools throughout Thailand, “Pak Jit Pak Jai” Project which provided free delivery of packages to the blind and delivery of products to customers at special rate. Moreover, THP transported donated materials to many organizations that requested for support, such as Health Learning Center/Thai Health Promotion Foundation, Jet Ski Association of Thailand under the Royal Patronage, and Border Patrol Police Bureau. In addition, we helped reduce transport costs of farmers, community enterprises who produced and sold OTOP products, as well as farmers in healthy rice project by Intouch upon request for our support.

2. Important Community Support : Creating volunteering mind and strengthening Thai society through postal network

THP continued supporting 3 important communities which were H-T-S (Home, Temple and School) to work collaboratively to “create well-being and morality for stability, prosperity and sustainability of the communities”



- **Home/Community** “focused on support, development of professional groups/community entrepreneurs to have competitive potential by bringing THP potential of e-Commerce and transportation systems to help generate income and create opportunity to sell products of the communities”.
- **Temple/Religious place** “focused on cultivation of morals and ethics to communities and THP personnel by using community-centered religious place to encourage personnel to be good people”
- **School** “focused on cultivating discipline, creating sustainable Thai core values through collaboration with local educational institutions and linking the profession groups, religious places, and THP to support new generations to inherit valuable wisdom”.

In this regard, Sub-working Group on Supporting Key Community Development under Metropolitan Postal Bureau 1- 4 and Regional Postal Bureau 1-10, together with central team collaboratively drove the work plans and brought about the results covering 3 dimensions as follows:

- **Economy** Participating communities gained more income by employing potentials of marketing, transportation, innovation and packaging development to develop the products to meet standard; promoting the areas to be tourist attractions and selling local products from several regions, such as “Suphanimit” branded wickerwork, “Phumsiri” branded Thai miniature dolls, “Or Sor Mor” branded Chaiya salted egg, “Laphun” branded semi-dried longan, and “Pak Jit Pak Jai” branded products made by the blind, through THP website: www.thailandpostmart.com.



- **Society** Network connection was created to support THP operation in terms of product development and distribution channels. Network associates were also formed both at central and local level to strengthen communities and connect the work to the key mission of the organization.
- **Environment** New eco-friendly products have been developed in the projects under Green Production Standards of Department of Environmental Quality Promotion. Court doll was certified Green Production G Gold-Excellent Level and Krajood mat received Green

Production G Silver-Very Good Level, helping improve the surrounding environment. Also, the activities of H-T-S for temples/communities, which included adjusting the landscape, cleaning and disposing of waste and planting trees, contributed to a better environment and were examples of community volunteer work.

3. Postage Stamps : Creating Knowledge through Postage Stamps

Creating Knowledge through Postage Stamps is one of the key missions of THP. This year, we continued arranging important activities such as Stamp for Kids - Stamps for Fun, Electricity Conservation Activity which persuaded children to learn about energy saving through postage stamps. There were activities to display the first postage stamp sets of the world and the first postage stamp of Thailand. The children learned about "Post" to get to know THP better. "My Stamp" workshop was organized to give floor for the children to create a stamp of their style. They had the chance to wade through the energy world and see high-tech exhibitions. They were also educated on the origin of electricity, alternative energy usage. The challenge game of Power Workshop, run by the staff from the National Science Museum for inventing power generating device and learning how various types of electricity is generated, provided the children and the youth from all over the country with great opportunity to open their view on learning. Most of the children were impressed to participate in the activities and assessed their satisfaction at good to very good level (90 percent).

Corporate Social Responsibility activities which start from the heart of THP people in combination of THP potentials in terms of transportation, connection of operational network, marketing channels, and values of postage stamps create multidimensional benefits. Therefore, these are a good conclusion for further growth and advance in terms creation of participation, leaning, benefit, job opportunities, revenue generating, well-being, and morals according to the plans and the goals to make THP the representative of providing good things to people and society to strengthen Thai life network and economy in sustainable way.



Photo Collection of Main Activities in 2019



Minister of Digital Economy and Society visited and observed THP operations

THP welcomed Mr. Puttipong Punnakan, Minister of Digital Economy and Society together with the corps to visit and observe the operations of THP. He visited Bangkok Mail Center, EMS Mail Center and EMS Mail Center service counter, as well as tried using a handheld device to scan postal items in bag closing process. Also, he listened to the summary report on THP operating results and gave operational policy to directors and executives of THP.



Thailand Post and Ministry of Digital Economy and Society collaborated with Universal Postal Union in organizing UPU Regional Strategy Forum for Asia-Pacific 2019

THP and Ministry of Digital Economy and Society collaborated with Universal Postal Union in organizing UPU Regional Strategy Forum for Asia-Pacific 2019 to determine strategic approach for the Universal Postal Congress, for the period 2021 - 2024.



Thailand Post participated in signing ceremony for collaboration in providing agent service for reservation of commemorative coins

THP participated in signing ceremony for collaboration among the Treasury Department, Krungthai Bank Public Company Limited and Counter Service Company Limited in providing agent service for reservation of commemorative coins and commemorative coins on the occasion of royal coronation of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochoayuhua (Rama X). Interested persons can reserve commemorative coins and royal coronation commemorative coins at counters of any post office nationwide and through THP website: www.thailandpostmart.com.



Thailand Post signed Memorandum of Understanding with PTT Public Company Limited

THP signed Memorandum of Understanding with PTT Public Company Limited in promoting and developing business in operational areas of natural gas business group for studying and collaboratively developing the business models to generate income and benefit. The opening of the post office counter at PTT NGV station, Handlita Engineering Branch, Chon Buri Province is the role model NGV marketplace for trading and distributing products through digital platform for improving farmers' operations. This is the pilot area for creating benefit to the community and society and the role model for further expansion to other areas.





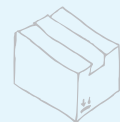
Thailand Post signed Memorandum of Understanding for collaboration in delivering organic food and products from natural agriculture network to Thai people through Thailand Post

THP signed Memorandum of Understanding for the project to deliver food and organic products from natural agriculture network to Thai people through THP. This concept originated from the desire to enable all Thai people in every area to access easily organic food and products through THP network and a network of partners including Agri-nature Foundation, Earth Safe Foundation, Ao Mue Samakhi Enterprise for Society Company Limited, and Khok Nong Na Wissawa Khon Kaen Group.



Thailand Post expanded Bank@Post service to support services of more than 10 leading financial institutions nationwide

THP expanded Bank@Post service to support services of more than 10 leading financial institutions to facilitate users in depositing and transferring money into the bank accounts within the limit of 20,000-50,000 baht/transaction, subject to the conditions of each bank, without using passbook. In addition, users can check their account balance on real-time basis at the post offices that provide Bank@Post service nationwide.



Analysis of Operating Results and Financial Position



Operating Results of Thailand Post and Subsidiary Company in 2019

In 2019, the Company and its subsidiary had total revenues of 27,531.46 million baht, a decrease of 2,196.80 million baht from 2018 or 7.39 percent, and total expenses of 26,912.07 million baht, an increase of 1,010.20 million baht from 2018 or 3.90 percent. The net profit was 619.39 million baht, a decrease from 2018 by 3,207 million baht or 83.81 percent. Most of the decrease in revenue was the revenue from service of letters/postcards/printed matter, because service users changed from using paper to sending via other channels and there were many domestic and foreign entrepreneurs competing in the transportation business, particularly in express deliveries. In addition, the increase in expense was mainly a welfare expense as the effect of an increase in compensation for work when employees retire, from 300 days to 400 days at maximum.

Financial Position in 2019

As at 31 December 2019, the Company and its subsidiary had total assets of 31,417.91 million baht, an increase from 2018 by 350.41 million baht or 1.13 percent, total liabilities at 10,254.20 million baht, an increase from 2018 by 791.65 million baht or 8.37 percent. Most of this was an estimation of liabilities of employees' benefits which increased from 2018 by 1,165.04 million baht due to the increase of maximum compensation for work upon retirement from 300 days to 400 days. This also caused total shareholders' equity at 21,163.71 million baht to decline from 2018 by 441.24 million baht or 2.04 percent.

Liquidity in 2019

As at 31 December 2019, the Company and its subsidiary had cash and cash equivalents in the amount of 3,084.39 million baht with the following information on net cash flow in each activity:

	Unit: million baht
Net cash derived from operations	1,445.45
Net cash spent in investment activities	(947.18)
Net cash spent in financing activities	(1,070.23)
Impact from exchange rate	(11.90)
Net decrease of cash and cash equivalents	(583.86)
Cash and cash equivalents at beginning date	3,668.25
Cash and cash equivalents at ending date	3,084.39

Overall performance, financial status and liquidity of Thailand Post Company Limited and its subsidiary in 2019 had less liquidity than 2018.

Concerning factors affecting performance and financial status in 2019, apart from internal factors, there were significant external factors consisting of a fairly high competition in the logistics industry, customer behaviors and the impact of the cabinet resolution to increase maximum compensation upon retirement from 300 days to 400 days.

Risk Management



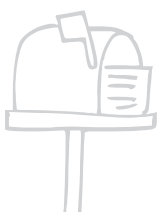
Amidst the drastic and rapid changes in business environment and competition, THP is required to adjust itself to effectively deal with the situation by implementing technology and innovations to develop products and services that meet the needs of customers in the digital age. Risk management is a tool to foster the organization to achieve the determined goals.

For this reason, THP strives to conduct risk management alongside business operation by adopting the risk management guidelines in line with international standards determined by the Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management (COSO-ERM) and supervisory rules established by Ministry of Finance in relation to risk management as the risk management framework; and applying to risk management at all levels of the organization to support THP operations for effective achievement of its goals. THP Board of Directors appointed and assigned Sub-committee on Risk Management consisting of THP directors and executives to determine and review risk management policies and framework, supervise and monitor risk management results on regular basis, as well as reporting performance to the Board of Directors on quarterly basis to ensure that the determined objectives and goals would be reasonably achieved, contributing to further addition of values of the organization.

Strategic Risk Management

The organizational capacity is the major factor for the organization's operations to achieve its goals in an effective and efficient manner. The personnel and operating procedures are main factors determining the limit of capacity or creating advantages of the organizations in business competition. THP realizes the importance of such matter, so it performed adjustment of organizational structure, work processes, and personnel to respond to the change in digital age by developing knowledge, technology and innovations in conformity to the direction of organizational operations and to support new business in the future.

In addition, reputation risk may arise from customer or public perception of the organization's image or reputation in negative way due to the quick and wide spread of negative news as a result of communication technology, especially social media allowing people to acknowledge online news quickly. THP has set the management process to deal with negative online news to prevent it from spreading to the extent of affecting the image/reputation and confidence in THP business.





Operational Risk Management

Technology plays a great role in daily life and business operation. Technological changes may affect traditional business operation, especially in the current situation where business competition becomes tough and consumers' demands change rapidly. These changes may cause the organization to lose its competitiveness; however, it may also create opportunity to add the value to the organization. Therefore, THP applies technology/innovations in operations by developing information technology which is important to the business, such as using big data to analyze customers' needs and behaviors for development of products and service, improvement of service quality, including facilitation and fulfillment of customers' needs, as well as increasing competitiveness and supporting expansion of new business in the future in accordance with the strategic plans of the organization.

However, more use of digital technology in business operations will increase the risk of cyber threats, such as theft of data in business operations and destruction of internet network, which may affect reliability, image and reputation of the organization. Therefore, THP determines the policy and guidelines for information security to minimize effects or damage to operations, property, and personnel, as well as providing knowledge and understanding in the use of technology to the personnel to ensure that the use of technology is correct and safe from cyber threats.

Financial Risk Management

With the advancement of digital technology, that connects people around the globe without borders and plays an important role in daily life, including e-Commerce business growth, the transport and logistics business is facing tough competition among both Thai and foreign operators. THP realizes that this situation may affect the operational income of the organization, hence it is necessary to improve products and services, service quality, as well as payment channels and service channels by developing information technology system and applying technology in operations to facilitate and fulfill the customers' needs. Also, the subsidiary Thailand Post Distribution Company Limited was incorporated for flexibility of logistics business and enhancement of competitiveness or profitability of the organization.

Compliance Risk Management

THP operates the business with transparency by complying strictly with the law, rules and government policies and follows up the amendment of laws, rules or regulations which may affect THP business for preparing and ensuring that THP can adjust the operations in accordance with the implication of law or regulations. The personnel at all levels are communicated and aware of the compliance with relevant rules that prevents legal disputes from violation of these rules.

Business Continuity Management (BCM)

THP has developed Business Continuity Management (BCM) in line with international standard ISO 22301: 2019 to ensure continuity of service in case of any disaster or emergency, including pre-incident, during-incident and post-incident preparedness by establishing Business Continuity Plan (BCP) for preparation of operation system, place and personnel. The plan is tested annually and communicated to the personnel to ensure that they understand and realize importance of the plan continuously. With this, customers can rest assured that THP will be able to provide continual service, manage important transactions and resume normal situation fast.

Internal Controls



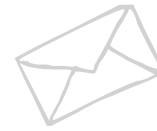
THP implements the internal control system for management and places importance on continuous development of internal control system in accordance with the 2012 rules/guidelines on risk management and internal control as determined by State Enterprise Policy Office; and rules of Ministry of Finance on Standards and rules for Internal Control Practice for Government Agencies, B.E. 2561 (2018) as determined by the Comptroller General's Department, Ministry of Finance, and with reference to the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). The internal control standards implemented by THP consist of 5 elements, i.e. Element 1: Control environment, Element 2: Risk assessment, Element 3: Control activities, Element 4: Information and Communication, Element 5: Follow-up Activities. Also, the internal control objectives are determined in 3 aspects: the aspect of effective and efficient operation to achieve financial goals, usage of resources, maintenance of property, prevention or reduction of errors in operations, as well as damage and corruption in the organization; the aspect of financial and non-financial report used in and outside the organization, and reliable, timely and transparent reporting; and the aspect of compliance with the law, rules and regulations or the cabinet resolutions related to operations and other relevant requirements of the competent authorities.

In 2019, THP reviewed the internal control policy in accordance with the Notification of Thailand Post Company Limited Re: Internal Control Policy announced on 2 July 2019 to control possible risk in each operational activity of each line in THP. The Executives and the operators at all levels were aware of the importance and benefits of internal control system. Every working unit set its internal control system and assessed the result during the operation and on a case-by-case basis according to the assigned mission to improve and correct errors on continual and regular basis to support the mission in charge for achievement of the determined goals. Internal control system was reviewed, monitored and assessed on continual and regular basis with timely action upon change of situation. Internal Audit Unit was assigned to review and assess the internal control results independently, reviewed and gave advice on development and improvement of processes to ensure effectiveness and efficiency of THP's internal control system.

THP assessed the internal control result in 2019 which was the assessment during the operation according to the main mission, key operation plans and other missions of affiliated units, 100 percent complete. The assessed units consisted of 52 departments/offices, 19 mail centers, 6 bulk posting centers, 12 Metropolitan Postal Bureaus, 73 provincial post offices, and 1,202 post offices, a total of 1,364 establishments and the case-by-case assessment was conducted for 5 key services or processes to ensure appropriateness and efficiency of THP's internal control system, any weakness detected would be corrected appropriately and in time, in conformity to the changing situation. The assessment consists of: assessment of internal control elements, assessment and improvement of internal control based on the key missions, important operation plans, and other missions. THP set internal control system in accordance with the internal control standards and took action to achieve the determined goals of internal control. Overall, THP's internal control system was sufficient and appropriate; risks or weaknesses detected were completely corrected and improved by the year 2019.



Internal Audit



Internal audit is the process of providing assurance service and consulting service on equitable and independent basis to add value and improve the corporate operation. It also helps the organization to achieve the objectives by assessing and improving the processes of risk management, internal control and corporate governance within the organization, in compliance with the international standards for internal audit profession, State Fiscal and Financial Disciplines Act, B.E. 2561 (A.D. 2018), Rules of Ministry of Finance Prescribing Standards and Rules for Practices of Internal Audit for Government Agencies, B.E. 2561 (A.D. 2018), Regulations of Ministry of Finance Prescribing Audit Committee and Internal Audit Unit of State Enterprises, B.E. 2555 (A.D. 2012), and Manual for Internal Audit Practices of State Enterprises, Revised Version B.E. 2555. The operating results regarding the key internal audit in 2019 can be summarized as follows:

Structure of internal audit unit Thailand Post Company Limited placed importance on and promoted independency of the internal auditor. The Internal Audit Office was structured as an independent unit, reported directly to the Audit Committee and the President, issued a charter which clearly defined the roles and responsibilities. The charter was disseminated to all executives and employees of THP for awareness. In performing internal audit, the internal auditor disclosed the conflict of interest prior to each audit.

Operation and Reporting Operation plan and strategic audit plan were set up. Annual operation plan and internal audit plan were prepared in line with the postal business plan, taking account of the organization risks, observation of the auditor, past audit results, as well as policies and expectations of the Audit Committee, the President and the senior executives, in corporation with risk factors determined by the Internal Audit Office, to prioritize the risks in determining audit plan in conformity to resources of the Internal Audit Office for effectiveness and efficiency of the organization. The plan was revised and improved 1 time to ensure conformity to the changing operational environment. Furthermore, the Internal Audit Office signed the Memorandum of Understanding on Implementation of Audit Support System (A2S) with Government Housing Bank (GHB). A2S System has been tested for 4 months (June - September 2019) and was capable of supporting information management at the inspection stage. The system would be actually used in 2020. When the internal auditor performed the audit and gave advice for improvement of the audited unit, the reports were submitted to the executives in the chain of command, the President and the Audit Committee. The correction and improvement of the audited unit were followed up to ensure that the audited unit effectively and efficiently implemented the suggestions. In addition, the Internal Audit Office provided the audited unit and its subsidiaries with consultations to prevent and reduce operational risks. In 2019, there were consultations and reports to the Audit Committee, totaling 28 issues, such as procurement, welfare operation, administration of post offices, legal actions, performance of State Enterprise Audit Committee, etc.



Risk Management Review Risk management review comprised review of efficiency and effectiveness of risk management process, determination of policy, compilation and study of current development, trend, and information from internal and external factors, determination of plans and guidelines for systematic risk management, risk management communication, as well as follow-up and assessment. Risk management results were reported to the executives in the chain of command, Board of Directors and Risk Management Committee on quarterly basis in sufficient and appropriate manner and in compliance with Principles and Guidelines on Good Corporate Governance for State-Owned Enterprises, B.E. 2562 (A.D. 2019).

Internal Control Review THP's internal control had assessment processes to ensure sufficiency of internal control system, and effectiveness of internal control in terms of operation, reporting, compliance with the law, rules and regulations. It was found that THP's internal control was sufficient, appropriate and effective. No significant problem or error was detected. Internal control operation system was in compliance with the Rules of Ministry of Finance Prescribing Standards and Rules on Internal Control Practice for Government Agencies, B.E. 2561 (A.D. 2018).

Maintenance of Audit Quality THP arranged post-audit quality assessment by the audited units, Quality Assessment Review (QAR) from within the organization, and self-assessment of internal auditors together with self-assessment of the Internal Audit Office. All assessment results were analysed to improve performance effectiveness of the internal auditors. Additionally, the internal auditors were promoted and encouraged to attend internal and external training, as well as take the examination for obtaining internal audit professional diploma and other relevant professions, totally 12 programs. In 2019, 5 persons received certifications of the Certified Professional Internal Audit of Thailand (CPIAT) and the personnel of the Internal Audit Office had an average of 64.08 training hours per person per year.



Report on Performance in line with Good Corporate Governance Policy



Thailand Post Board of Directors places importance on compliance with the Principles and Guidelines for Good Corporate Governance in State Enterprises, B.E. 2562 (A.D. 2019) of State Enterprise Policy Office, Ministry of Finance. In 2019, the above principles were put into practice, such as determination of the board of directors' structure to consist of independent directors at least one-third of all board members; advance scheduling of monthly meetings; sending of meeting documents to all directors prior to the meeting date; attendance of all eligible participants at least 75 percent of all meetings in the year; arrangement of performance assessment of the Board of Directors and top executives twice a year; setting vision and strategic plans; supervision of THP to ensure compliance to the relevant law and regulations as well as determined plans and policies; arrangement of appropriate risk management system and internal control system; supervision to retain independence of internal audit unit; establishing ethical standards for directors, executives and staff as well as overseeing communication and compliance with such ethical standards; and supervision for the executives to disclose information pursuant to Official Information Act, B.E. 2540 (A.D. 1997).

Good Corporate Governance Policy

To ensure efficient, transparent and reliable management which drives THP to become the leading organization that promotes sustainable development of the society and the country, THP Board of Directors has set the Good Corporate Governance policy as the guidelines for appropriate practice of directors, executives and staff, as follows:

1. The Board of Directors shall perform its duty with independence and honesty to its own actions and with responsibility for the shareholders. The Board shall play a role in setting policy and strategy for the organization development in compliance with the policy of shareholders in consideration of risk factors and appropriate management process. The Board shall also take action to ensure the reliability of the accounting system, financial report and audit.
2. The board members, the executives and the staff recognize the importance of and focus on operation by complying with 7 principles of good corporate governance:
 - 2.1 Responsibility for their own performance;
 - 2.2 Recognition of their duty with sufficient competence and efficiency;
 - 2.3 Treatment to all stakeholders honestly and equally;
 - 2.4 Transparency in all operations that can be verified and transparent disclosure of information to all related parties;
 - 2.5 Working to add value to the business both in short-term and long-term;
 - 2.6 Promoting improvements in good corporate governance and business ethics;
 - 2.7 Supporting public participation by providing opportunities for the public to express their views on issues relating to the environment and living of the communities.



Structure and Responsibility of the Board of Directors



Thailand Post Board of Directors is appointed by the Ministry of Finance, the Company's sole shareholder. Appointment of the board members is made from the list of candidates prepared by the Ministry of Finance and experts in various fields with specific knowledge necessary for business operation to achieve core company goals and mission. All potential appointees have appropriate qualifications and do not exhibit any prohibited attributes according to the Qualifications of State Enterprise Directors and Personnel Act B.E. 2518 as well as have no interest conflict or no stake in Thailand Post's business. The Board consists of members no less than 5 but not exceeding 11 persons and at least one-third of the Board members must be independent members from outside. In each appointment of the Board, all members' resumes are disclosed on Thailand Post website (www.thailandpost.co.th).

The Board of Directors recognizes its responsibility as directors and thus separates clearly its roles, duties and responsibilities from those of the Thailand Post Executives. The key roles, duties and responsibilities of the Board are as follows:

- Give approval on scope of operations in regard to good corporate governance of Thailand Post and act as a model that holds and practices such principle;
- Set vision and approve strategies, policies and key plans;
- Supervise the work of the Thailand Post executives to ensure that they perform effectively and efficiently as well as with attention and cautiousness, in order to achieve core company goals and mission;
- Take responsibility for Thailand Post's performance and turnover;
- Ensure the reliability of accounting, financial reports, management reports and audits;
- Promote internal audit to meet international standard, focus on risk management to control and reduce risk that may have an adverse effect on Thailand Post and supervise the implementation of internal control propriety evaluation process;
- Review the performance evaluation form to be used as a framework for auditing the performance of directors and self-assessment at least once a year;
- Present list of assets and debts of state employees in compliance with the Constitutional Act to Prevent and Suppress Corruption B.E. 2561.

List of Board of Directors

No.	Directors		Period of office in 2019
1	Mr. Rathapol	Bhaktidibhumi	1 January - 31 December
2	Pol.Lt.Gen. Sompong	Chingduang	1 January - 31 December
3	Dr. Pornchai	Thiraveja	1 January - 31 December
4	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
5	Mr. Sorasak	Meenatoree	1 January - 31 December
6	Professor Dr. Parichart	Sthapitanonda	1 January - 31 December
7	Dr. Seree	Nonthasoot	1 January - 31 December
8	Mrs. Smorn	Terdtthampiboon	1 January - 31 December
9	Mrs. Pratana	Mongkolkul	1 January - 30 January
10	Dr. Thitipong	Nandhabiwat	1 January - 13 November
11	Asst.Prof. Somchai	Supphatada	28 August - 31 December
12	Dr. Ake	Pattaratanakun	28 August - 31 December

- Note**
1. Mrs. Pratana Mongkolkul (No.9) resigned, effective from 31 January 2019
 2. Dr. Thitipong Nandhabiwat (No.10) resigned, effective from 14 November 2019

Appointment of Committees and Subcommittees



Thailand Post Board of Directors appoints Committees / Subcommittees to help study and scrutinize work as necessary as follows:

THP Audit Committee

THP Audit Committee is responsible for reviewing effectiveness and efficiency of risk management process; reviewing correctness and reliability of financial statements; reviewing accuracy of operation in compliance with law, the cabinet resolutions, rules, regulations, orders, notification, or related operational procedures; considering related transactions or transactions which may have conflict of interest or corruption; considering appointment of the auditor and remuneration of the auditor; reviewing to ensure that THP has a good internal audit system; considering independence of the internal audit unit; as well as giving opinions to THP Board of Directors regarding appointment, transfer, dismissal; and assessing annual performance of the chief of internal audit unit.

In 2019, THP Audit Committee carried out important matters, including: approval of key performance indicators for 2019; approval of appointment, transfer and annual performance assessment of the personnel under the Internal Audit Office for 2019; appointment of the auditor and remuneration of the auditor for 2019; review of corporate risk management outcomes of THP and Risk Correlation Map for the year 2019 on a quarterly basis; review of the operating results; financial statements and financial position of THP on a quarterly basis; follow-up of progress in implementing operation plan and internal audit for 2019 on a quarterly basis; assessment of appropriateness and sufficiency of internal audit resources; follow-up of behavior and compliance with THP Regulations on conflicts between personal interest and THP interest; approval of operational plan and strategic audit for 2020-2024, and operational plan and internal audit plan for 2020.

List of THP Audit Committee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Dr. Seree	Nonthasoot	30 January - 31 December
2	Professor Dr. Parichart	Sthapitanonda	30 January - 31 December
3	Dr. Thitipong	Nandhabiwat	30 January - 13 November

THP Relations Affairs Committee

THP Relations Affairs Committee is responsible for commenting on improvement of operational efficiency as well as promotion and development of labor relations. The committee is engaged in reconciling and resolving internal conflicts, and amending work-related rules and regulations for the benefit of employers, employees, and the organization. The Committee member also consults on matters aimed at improving working conditions and solving problems according to complaints made by employees or the THP labor union, including complaints pertaining to disciplinary actions.

THP Relations Affairs Committee's important activities in 2019 include revision of work rules and regulations; solving problems as petitioned by the THP labor union; and solving problems of disciplinary action against the employees.

THP Relations Affairs Committee Members (THP Directors Only)

No.	Directors		Period of office in 2019
-	Pol.Lt.Gen. Sompong	Chingduang	1 January - 31 December

THP President Nomination Committee

THP President Nomination Committee is responsible for determining the rules and procedures of nomination; recruiting knowledgeable, skillful and experienced persons with complete qualifications, according to Standard Qualifications of Directors and State Enterprise Employees Act, B.E. 2518 (A.D. 1975), to hold office of THP President; and proposing a list of qualified persons to the Board of Directors for consideration.

In 2019, THP President Nomination Committee performed significant tasks including determination of rules and procedures of nomination; announcement for recruiting eligible candidates to take the position of THP President; and nomination of persons with appropriate knowledge, ability and experience prior to submit to the Board of Directors for consideration.

THP President Nomination Committee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Mrs. Vunnaporn	Devahastin na Ayutthaya	10 May - 31 December
2	Dr. Pornchai	Thiraveja	10 May - 31 December
3	Dr. Seree	Nonhasoot	10 May - 31 December
4	Professor Dr. Parichart	Sthapitanonda	10 May - 31 December
5	Dr. Thitipong	Nandhabiwat	10 May - 13 November
6	Dr. Ake	Pattaratanakun	26 November - 31 December

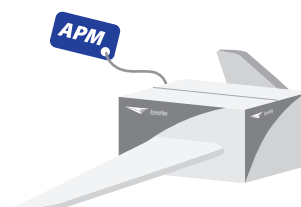
THP President's Remuneration Subcommittee

THP President's Remuneration Subcommittee is responsible for considering employment contract; determining remuneration and negotiating remuneration with the nominated person to take the position of THP President; and submitting the negotiation outcome along with draft of employment contract to the Board of Directors for consideration.

In 2019, THP President's Remuneration Subcommittee performed significant tasks including determination of remuneration and other benefits to negotiate with the nominated person to take the position of THP President.

THP President's Remuneration Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Mr. Sorasak	Meenatoree	31 October - 31 December
2	Dr. Seree	Nonhasoot	31 October - 31 December





THP Director Nomination and Remuneration Subcommittee

THP Director Nomination and Remuneration Subcommittee (formerly THP Director Nomination Committee) is responsible for defining procedures, rules, competencies, and skill matrix of THP directors in accordance with the guidelines and procedures for the appointment of state enterprise directors; seeking and preparing a list of qualified persons to be appointed as THP directors to THP Board of Directors; determining remuneration and other benefits of committees and subcommittees of THP appropriately, transparently and fairly in conformity to performance of THP.

THP Director Nomination and Remuneration Subcommittee's important activities in 2019 include consideration of procedures and rules for recruiting persons to be appointed as THP directors; nominating and proposing a list of qualified persons to fill the vacant position and to replace the retired directors to THP Board of Directors.

THP Director Nomination and Remuneration Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Mrs. Pratana	Mongkolkul	1 January - 30 January
2	Mr. Sorasak	Meenatoree	1 January - 12 March
3	Dr. Pornchai	Thiraveja	1 January - 7 November
4	Dr. Thitipong	Nandhabiwat	1 January - 7 November
5	Dr. Seree	Nonthasoot	13 March - 31 December
6	Mrs. Vunnaporn	Devahastin na Ayutthaya	8 November - 31 December
7	Professor Dr. Parichart	Sthapitanonda	8 November - 31 December
8	Dr. Ake	Pattaratanakun	8 November - 31 December

THP President's Performance Evaluation Subcommittee

THP President's Performance Evaluation Subcommittee is responsible for setting criteria for evaluating the performance of Thailand Post's President; conducting the performance evaluation every 6 months; and taking the results into consideration for adjusting remuneration or terminating employment contract in case the President cannot achieve the required results.

In 2019, key activities of THP President's Performance Evaluation Subcommittee include: determination of criteria for evaluating THP President's performance in 2019; and evaluation of THP President's performance in the first 6 months of 2019.

THP President's Performance Evaluation Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Dr. Pornchai	Thiraveja	24 January - 31 December
2	Mr. Sorasak	Meenatoree	24 January - 31 December
3	Pol.Lt.Gen. Sompong	Chingduang	24 January - 31 December
4	Mrs. Vunnaporn	Devahastin na Ayutthaya	24 January - 31 December
5	Mrs. Pratana	Mongkolkul	24 January - 30 January
6	Professor Dr. Parichart	Sthapitanonda	22 March - 31 December

Good Corporate Governance Subcommittee

Good Corporate Governance Subcommittee is responsible for reviewing good corporate governance policy; approving operation plan on good corporate governance, internal control, and social and environmental responsibility; as well as following up the results of the above operations at least on quarterly basis; supervising THP operations to ensure compliance with the Rules and Procedures of Good Corporate Governance in State Enterprises and compliance with the determined law, rules, regulations, and policies; reviewing and revising rules and regulations in conformity to the relevant laws.

In 2019, Good Corporate Governance Subcommittee performed significant tasks including follow-up of the progress of implementing operational plan according to Good Corporate Governance Master Plan 2018-2022 (Revision No.1 in 2018) and acknowledgement of operations such as internal control operation, compliance with the law and external rules on anti-corruption, ethics, prevention of interest conflict, promotion of transparency, and corporate social responsibility; approval of Good Corporate Governance Master Plan for 2020-2024 and Good Corporate Governance Operational Plan for 2020; approval of Internal Control Master Plan for 2020-2024 and Internal Control Operational Plan for 2020; and approval of Corporate Social Responsibility (CSR) Operational Plan for 2020.

Good Corporate Governance Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Mrs. Vunnaporn	Devahastin na Ayutthaya	20 March - 31 December
2	Mrs. Smorn	Terdthampiboon	20 March - 31 December
3	Dr. Pornchai	Thiraveja	20 March - 24 November
4	Dr. Seree	Nonthasoot	20 March - 24 November
5	Professor Dr. Parichart	Sthapitanonda	25 November - 31 December
6	Asst.Prof. Somchai	Supphatada	25 November - 31 December
7	Dr. Ake	Pattaratanakun	25 November - 31 December

THP Risk Management Subcommittee

THP Risk Management Subcommittee is responsible for defining policies, strategies, structure, and models of risk management of THP; approving risk management plan; following up the operation at least on quarterly basis; promoting, support and encouraging integration between risk management and information technology management; and determining THP strategic plans.

In 2019, THP Risk Management Subcommittee performed significant tasks including approval of risk management results and corporate Risk Correlation Map for 2019; approval of the result of THP risk management policy review; approval of corporate risk management indication, cause of risks and THP risk management plan for 2020.

THP Risk Management Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
1	Professor Dr. Parichart	Sthapitanonda	20 March - 31 December
2	Mrs. Smorn	Terdthampiboon	20 March - 31 December
3	Dr. Thitipong	Nandhabiwat	20 March - 13 November
4	Mr. Sorasak	Meenatoree	20 March - 16 December

Employee/Permanent Worker Appeal Review Subcommittee

Employee/Permanent Worker Appeal Review Subcommittee is responsible for screening appeals against disciplinary action or dismissal order; improving rules and regulations on disciplinary violation, penalties and appeals of employees and permanent workers against penalties.

In 2019, Employee/Permanent Worker Appeal Review Subcommittee considered 6 appeal matters of employees and permanent workers against disciplinary penalties.

Employee/Permanent Worker Appeal Review Subcommittee Members (THP Directors Only)

No.	Directors	Period of office in 2019
-	Pol.Lt.Gen. Sompong Chingduang	1 January - 31 December

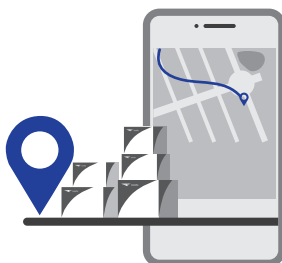
Information Technology System Development Subcommittee

This subcommittee is responsible for defining the direction of THP information technology system development in line with the company's digital action plan. It also oversees, supervises, monitors and assesses the progress of implementing IT system development plan to achieve the specified goals; and screens issues relating to the IT system development which are then submitted to the Board of Directors for consideration.

The important activities of Information Technology System Development Subcommittee in 2019 include: considering establishment of CIO Office; acknowledging the progress of implementing digital operational plan for 2019-2023; acknowledging the progress of implementing resources and personnel planning system; acknowledging the progress of procuring project for development and installation of postal counter automation system; acknowledging the operational progress of Big Data-Driven Working Group; acknowledging the progress of procuring online postal network lessors; acknowledging the progress of implementing track and trace system transition plan; and considering THP digital operational plan for 2020-2024.

Information Technology System Development Subcommittee Members (THP Directors Only)

No.	Directors	Period of office in 2019
1	Mrs. Smorn Terdthampiboon	1 January - 31 December
2	Dr. Thitipong Nandhabiwat	1 January - 13 November
3	Professor Dr. Parichart Sthapitanonda	18 January - 31 December
4	Mrs. Vunnaporn Devahastin na Ayutthaya	18 January - 31 December



Strategy Driving and Investment Screening Subcommittee

Strategy Driving and Investment Screening Subcommittee (formerly Corporate Strategy Driving and Policy Implementation Monitoring Subcommittee) is responsible for supervising THP's operation to ensure compliance with the policies of the government, the policies of Ministry of Digital Economy and Society, as well as the policies of THP Chairman of Board of Directors on development of the national economy; supervising THP to determine the limit of budget based on the budget request plan and prepare the relevant operational plans; supervising appropriate corporate restructuring; giving advice and consultations on new projects to enhance THP competitiveness; supervising implementation of corporate strategies and following up the progress of operation in line with postal business plan; considering additional investment during the year of THP; following up the operation and disbursement of investment budget in line with the operational framework and within the determined period; screening procurement for the projects under THP 4.0 policy and the projects under the authority of THP Board of Directors; and suggesting solutions to problems and obstacles in procurement as well as disbursement of investment budget.

In 2019, Strategy Driving and Investment Screening Subcommittee performed important tasks including consideration of human resources master plan for 2019 - 2023; corporate restructuring and operation according to the transition plan; consideration of coordinating between marketing communication and corporate communication; consideration of THP's new business development partner project; consideration of investment budget disbursement in 2019; consideration of strategic plan for 2020 - 2024; and follow-up of the work according to the policies of THP Chairman of Board of Directors.

Strategy Driving and Investment Screening Subcommittee Members (THP Directors only)

No.	Directors		Period of office in 2019
1	Dr. Pornchai	Thiraveja	1 January - 31 December
2	Mr. Sorasak	Meenatoree	1 January - 31 December
3	Mrs. Smorn	Terdtthampiboon	1 January - 31 December
4	Dr. Thitipong	Nandhabiwat	1 January - 19 March
5	Mrs. Vunnaporn	Devahastin na Ayutthaya	20 March - 31 December
6	Dr. Seree	Nonthasoot	20 March - 10 November
7	Dr. Ake	Pattaratanakun	28 August - 31 December

Law Subcommittee

Law Subcommittee is responsible for providing consultations, advice and screening essences of the law, rules, regulations, problems and obstacles related to the law applicable to THP operations which are under the authority of THP Board of Directors; and appointing working groups for performing the tasks as assigned by Law subcommittee.

In 2020, Law Subcommittee performed important tasks including consideration of the guidelines for related units in establishing the rules for joint venture to be used as a basis for the joint venture of THP with private entities; consideration of the direction for effective debt management practices based on the judgment; and giving advice to THP on establishment of the Working Group for Supervising Compliance with the Law on Public Administration and Service Provision through Digital System, Law on Personal Information Protection, Law on Cybersecurity, and Law on Electronic Transactions.

Law Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2019
-	Dr. Seree	Nonthasoot	31 January - 31 December

• Meeting of the Board of Directors, Committees and Subcommittees

THP determines that THP Board of Directors' meetings are required to be held at least once a month on the 3rd Friday of each month whereby Secretary of THP Board of Directors sends out invitations along with the relevant agendas and meeting documents to each director prior to the meeting date to allow them to have sufficient time to study the documents and details of the proposed matters. During the meeting, the directors can freely and openly share their opinions which are recorded in writing. The minutes of meetings endorsed by the Board of Directors are kept for inspection by directors and relevant parties. Copies of the minutes of meetings are also sent for acknowledgement, to Ministry of Finance as the shareholder, to Ministry of Digital Economy and Society as the supervising ministry, to State Audit Office and to the Auditor of State Audit Office stationed at THP as THP auditor for 2019. THP Board of Directors has disseminated the meeting agendas on the intranet system. Important issues of each meeting are summarized and sent to THP labor union for acknowledgement to ensure transparency and as mechanism for check and balance by stakeholders.

In 2019, THP Board of Directors and committees/subcommittees appointed by THP Board of Directors attended the following meetings:



No.	Directors	THP Board of Directors	THP Audit Committee	THP Relations Affairs Committee	THP President Nominations Committee	THP President's Remuneration Subcommittee	THP Director Nomination and Remuneration Subcommittee	THP President's Performance Evaluation Subcommittee	Good Corporate Governance Subcommittee	THP Risk Management Subcommittee	Employee/Permanent Worker Appeal Review Subcommittee	Information Technology System Development Subcommittee	Strategy Driving and Investment Screening Subcommittee	Law Subcommittee
1	Mr. Rathapol Bhakdibhumi	17/17	-	-	-	-	-	-	-	-	-	-	-	-
2	Pol.Lt.Gen. Sompong Chingduang	14/17	-	10/12	-	-	-	1/7	-	-	3/4	-	-	-
3	Dr. Pornchai Thiraveja	14/17	-	-	5/5	-	5/5	7/7	2/3	-	-	-	9/10	-
4	Mrs. Vunnapom Devahastin na Ayuthaya	14/17	-	-	5/5	-	2/2	4/7	3/4	-	-	12/14	2/9	-
5	Mr. Sorasak Meenatoree	14/17	-	-	-	1/1	2/2	7/7	-	3/3	-	-	10/10	-
6	Professor Dr. Parichart Sthapitanonda	15/17	8/9	-	3/5	-	2/2	2/6	1/1	1/3	-	7/14	-	-
7	Dr. Seree Nonthasoot	15/17	9/9	-	4/5	1/1	2/5	-	-3	-	-	-	5/7	10/10
8	Mrs. Smorn Terdtampiboon	16/17	-	-	-	-	-	-	3/4	3/3	-	2/15	5/10	-
9	Mrs. Pratana Mongkolkul	1/1	-	-	-	-	2/2	-1	-	-	-	-	-	-
10	Dr. Thitipong Nandhabiwat	15/15	9/9	-	3/3	-	5/5	-	-	3/3	-	14/14	1/1	-
11	Asst.Prof. Somchai Supphatada	4/4	-	-	-	-	-	-	1/1	-	-	-	-	-
12	Dr. Ake Pattaratanakun	4/4	-	-	1/2	-	1/2	-	-1	-	-	-	2/4	-
	The number of meetings in the year	17	9	12	5	1	7	7	4	3	4	15	10	10

• Remuneration of the Board of Directors, Subcommittee and Top Executives



Remuneration of the Board of Directors

The rules for payment of remuneration of the Board of Directors are based upon the relevant cabinet resolutions as follows:

1. In January to August 2019, THP paid remuneration to the Board of Directors based upon the cabinet resolution dated 2 July 2013 as indicated below.

1.1 Monthly remuneration:

- Directors were paid not over 10,000 baht per person per month. In case any director's holding office period is less than one full month, the remuneration will be paid on pro rata basis.
- The Chairman received the remuneration in the amount twice the rate paid to directors.

1.2 Meeting allowance:

- Directors received meeting allowance at the rate of 10,000 baht for each meeting attendance, not over 1 time a month, paid only to directors attending the meeting
- Chairman received meeting allowance 25 percent higher than directors and Vice Chairman received meeting allowance 12.5 percent higher than directors
- Directors received the meeting allowance in the case that they were assigned to take specific roles in subcommittees or working groups at the same rate of the directors' meeting allowance which was paid to directors attending the meetings only. Each director would receive meeting allowance for participating in not more than 2 subcommittees or working groups which met not more than once per month.

2. From September to December 2019, Ministry of Finance as the sole shareholder of THP resolved that THP would pay the remuneration to THP Board of Directors based on the cabinet resolution dated 24 April 2019 as follows:

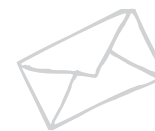
2.1 Monthly remuneration:

- Directors received monthly remuneration at the rate of 10,000 baht per month. In case of holding office less than a full month, the payment would be made in pro rata.
- Chairman received monthly remuneration in the amount twice the rate paid to directors.

2.2 Meeting allowance:

- Directors received meeting allowance at the rate of 20,000 baht for each meeting attendance, 1 time a month. However, if it is deemed appropriate, they could receive the meeting allowance for more than once a month but not over 15 times a year.
- Chairman received meeting allowance 25 percent higher rate paid to directors.
- Directors would receive the meeting allowance in the case that they were assigned to take specific roles in subcommittees or working groups at the rate of 0.5 time of the directors' meeting allowance, paid only to directors attending the meeting. Each director would receive meeting allowance for participating in not more than 2 subcommittees or working groups which met not more than once per month.

For the annual bonus, it would be paid upon consideration of the operating results of THP and performance assessment of the state enterprises which would be considered and approved by Ministry of Finance as the sole shareholder of THP prior to payment to directors.



In 2019, the remuneration paid to the Thailand Post Board of Directors is shown below:

No.	Directors	Remuneration (baht)				
		Monthly Pay	Meeting attendance fees	Other Meeting attendance fees	Bonus (2018)	Total Remuneration
1	Mr. Rathapol Bhakdibhumi	240,000.00	250,000.00	-	99,218.75	589,218.75
2	Pol.Lt.Gen. Sompong Chingduang	120,000.00	150,000.00	222,500.00	112,500.00	605,000.00
3	Dr. Pornchai Thiraveja	120,000.00	167,500.00	262,500.00	107,627.69	657,627.69
4	Mrs. Vunnapom Devahastin na Ayutthaya	120,000.00	180,000.00	220,500.00	17,943.55	538,443.55
5	Mr. Sorasak Meenatoree	120,000.00	190,000.00	185,000.00	100,000.00	595,000.00
6	Professor Dr. Parichart Sthapitanonda	120,000.00	180,000.00	260,000.00	17,943.55	577,943.55
7	Dr. Seree Nonthasoot	120,000.00	180,000.00	332,500.00	23,924.73	656,424.73
8	Mrs. Smorn Terdthampiboon	120,000.00	180,000.00	140,000.00	100,000.00	540,000.00
9	Mrs. Pratana Mongkolkul	10,000.00	10,000.00	32,500.00	100,000.00	152,500.00
10	Dr. Thitipong Nandhabiwat	104,333.33	160,000.00	311,166.67	100,000.00	675,500.00
11	Asst.Prof. Somchai Supphatada	40,000.00	80,000.00	19,677.42	-	139,677.42
12	Dr. Ake Pattaratanakun	40,000.00	80,000.00	33,000.00	-	153,000.00

Note:

1. Mrs. Pratana Mongkolkul (No. 9) resigned, effective 31 January 2019
2. Dr. Thitipong Nandhabiwat (No. 10) resigned, effective 14 November 2019
3. THP has not yet paid Directors' bonuses for 2019.

Remuneration for Top Executives

Thailand Post pays to top executives, President and Senior Executive Vice Presidents, remuneration which is divided into following types:

- Payment for work: salary, bonus, and meeting attendance fees.
- Welfare benefits: children's educational assistance, medical allowance, uniform or office attire, life insurance premium and compensation for work.
- Employer contribution to provident fund.
- Other compensation: per diem, housing allowance, car rental, gasoline allowance, and telephone charge.

THP had paid remuneration 3 years earlier to top executives as follows:

Type of remuneration	Remuneration of top executives (baht)		
	2017	2018	2019
Payment for work	18,262,362.97	18,348,519.29	19,015,333.78
Welfare benefits	2,219,539.23	2,079,837.28	3,257,845.81
Employer contribution to provident	1,270,749.46	1,015,600.08	737,649.00
Other compensation	3,816,659.23	3,705,270.17	3,273,242.02



• Conflict of Interest Prevention Policy

Thailand Post Board of Directors has set regulations and measures to prevent, control and monitor actions of conflicts between personal interests and the Company's interests. Directors and employees are expected to comply with these regulations and measures strictly to prevent the seeking of illicit benefits for themselves or for others by performing or ignoring practice, through their duty or position on the Board of Directors or as employees of Thailand Post. At a meeting of the Board, if any of the member has a stake or has a conflict between his/her personal interests and the Company's interests, the member shall notify the Board for exclusion from voting on the agenda in question or for absence from the meeting during discussion of the agenda. As for Thailand Post's staff, the employees are required to disclose information on conflicts of interests, in the case that they are appointed to any committee or working group, or auditor, e.g. a procurement committee, a civil or disciplinary investigating committee, an examination committee, etc.





• Report on the Performance of Thailand Post Audit Committee

The Board of Directors of Thailand Post Company Limited resolved on the appointment of the Audit Committee consisting of the qualified directors who have knowledge and experience in various fields. At least one member of the Audit Committee has knowledge, expertise and experience in accounting and finance.

As of 31 December 2019, THP Audit Committee consisted of:

- | | | |
|----------------------------|---------------|----------|
| 1. Dr. Seree | Nonthasoot | Chairman |
| 2. Professor Dr. Parichart | Sthapitanonda | Member |
| 3. Asst.Prof. Somchai | Supphatada | Member |

Thailand Post's Executive Vice President (Internal Audit Office) acted as Secretary of the THP Audit Committee.

The Audit Committee performed the duties within the scope of their responsibilities indicated in the Audit Committee charter and the authority granted by the Board of Directors of Thailand Post Company Limited which are in compliance with State Fiscal and Financial Disciplines Act, B.E. 2561 (A.D. 2018), Rules of Ministry of Finance Prescribing Standards and Rules for Practices of Internal Control for Government Agencies, B.E. 2561 (A.D. 2018), Regulations of Ministry of Finance Prescribing Audit Committee and Internal Audit Division of State Enterprises, B.E. 2555 (A.D. 2012), Operation Manual of Audit Committee in State Enterprises of Ministry of Finance, Revised Version of 2012. In 2019, the Committee attended 9 meetings with executives, internal auditors, and the auditor (State Audit Office) on the relevant agendas (8 ordinary meetings and 1 extraordinary meeting) for consideration and follow-up of various matters which have been recorded in the form of minutes of meetings after each meeting. The quarterly reports of operation results have been made and submitted to THP Board of Directors for acknowledgement. The subject matters are as follows:

Internal Control and Risk Management: Review of efficiency and effectiveness of internal control and risk management system; assessment of internal control results by the internal auditor to comply with the internal control standards; follow-up of risk management operation results of the executives in accordance with the corporate risk management plan on quarterly basis to ensure that THP could control or lessen the possible effects on achievement of the corporate objectives at acceptable level in appropriate and effective manner. Also, advice was given to the executives for improvements and correction.

Financial Report: Review of financial statements before and after the quarterly audit of the auditor, and review of financial statements before and after the annual audit of the auditor of THP and subsidiaries; consideration of analysis of operating results and financial position of THP in significant issues and giving useful advice to the executives for improvements to ensure that THP financial reports were made correctly and appropriately in subject matters and reliable. Sufficient information was disclosed and the report was made following the generally acceptable standards.

Consultation with the Auditor: The THP Audit Committee had one specific meeting with the auditor of State Audit Office (SAO) without the presence of the executives to discuss the scope and guidelines for audit, problems detected and suggestions from the audit or financial statements audit, follow-up of correction and improvements of THP based on the advice given by the auditor of State Audit Office (SAO) to ensure effective coordination and efficiency of THP operation.



Supervision of Operation of Internal Audit Office: Review and approval of 5-year operation and strategic audit plan (2020 - 2024), operation plan and internal audit for 2020 and revised plan of 2019; consideration of sufficiency of resources; approval of internal audit manual 2019; approval of budget of Office of Internal Audit for 2021, key performance indicators and self-assessment report of Office of Internal Audit 2018; assessment of performance of Chief of Internal Audit Office; approval of salary/wage increase for 2019 of the personnel under Internal Audit Office, review of internal audit result report on quarterly basis including its subsidiaries for better performance, continuous follow-up of improvement operations; supporting employment of consultant for information technology audit for the internal auditor to have better skills and expertise in audit; supporting the use of information technology system in audit work; follow-up of the progress of implementation of operation plan and audit plan; supporting and encouraging the internal auditors to develop themselves by taking exams to obtain professional internal audit certificate or other related professions on continual basis.

Review of Compliance with law, rules and regulations: Review of compliance with the relevant law, rules and regulations as well as requirements of supervisory organizations related to THP business which might significantly affect the image and operations of THP such as complaints and disciplinary actions of staffs and employees; and follow-up of performance under the Regulations of THP Board of Directors No. 7 Re: Conflicts between Personal Interest and THP Interest, B.E. 2548 (A.D. 2005).

Quality Maintenance of Audit Committee: Self-assessment was performed as indicated in Operation Manual of Audit Committee in State Enterprises, Ministry of Finance, Revised Version B.E. 2555 (A.D. 2012), to ensure reliability of Audit Committee's operations.

Remuneration of the Auditor: Thailand Post Company Limited is a state enterprise under the audit of the State Audit Office (SAO) with the remuneration rate of 2,700,000 baht.

(Dr. Seree Nonthasoot)
Chairman of Audit Committee
16 January 2020

Report of Thailand Post Director Nomination and Remuneration Subcommittee



THP Board of Directors appointed THP Director Nomination and Remuneration Subcommittee consisting of 4 qualified directors who had knowledge and experience in various fields. THP Director Nomination and Remuneration Subcommittee performed duties within the scope and authority assigned by THP Board of Directors and in accordance with Standard Qualifications of State Enterprise Directors and Employees Act, B.E. 2518 (1975) and its amendments, Regulation of the Office of the Prime Minister on Policy and Supervision of State Enterprises, B.E. 2557 (2014) Cabinet Resolution dated 18 July 2017 regarding Guidelines for the Appointment of State Enterprise Committee and Resolutions of State Enterprise Policy Committee dated 11 October 2017.

THP Director Nomination and Remuneration Subcommittee consists of :

1. Mrs. Vunnaporn	Devahastin na Ayutthaya	Chairman
2. Professor Dr. Parichart	Sthapitanonda	Member
3. Dr. Seree	Nonthasoot	Member
4. Dr. Ake	Pattaratanakun	Member
5. Executive Vice President (Administration and Property Management)		Secretary
6. Vice President of Human Resources Management and Discipline Department		Assistant Secretary

In 2019, THP Director Nomination and Remuneration Subcommittee convened 7 meetings upon the relevant agendas. The subject matters are as follows:

(1) In THP Director Nomination Committee Meeting No. 1/2019 dated 8 January 2019, the meeting considered the appointment of directors in committees/subcommittees/sub-working groups. The Secretary of THP Director Nomination Committee was assigned to compile and propose the lists of components of THP committees/subcommittees, including the charter draft for consideration in the 2nd meeting of THP Director Nomination Committee.

(2) In THP Director Nomination Committee Meeting No. 2/2019 dated 15 January 2019, the meeting agreed upon the components of THP committees/subcommittees as amended, as well as the charter draft, and assigned the Secretary of THP Director Nomination Committee to present them in the Board of Directors' Meeting.

(3) In THP Director Nomination Committee Meeting No. 3/2019 dated 1 March 2019, the meeting considered nomination of candidates to be appointed as the director in place of Mrs. Pratana Mongkolkul, who had resigned, by assigning the Secretary to propose the persons from the lists of Director Pool who had competency and accounting skill matrix. The meeting agreed to propose the following persons to replace Mrs. Pratana Mongkolkul 1) Strategy Driving and Investment Screening Subcommittee: Dr. Seree Nonthasoot was nominated as a member, 2) THP President's Performance Evaluation Subcommittee: Professor Dr. Parichart Sthapitanonda was nominated as a member, 3) THP Director Nomination Committee: Dr. Seree Nonthasoot was nominated as a member. In addition, the meeting approved the list of persons to be appointed as directors of Thailand Post Distribution Company Limited (in case of new appointment) as follows: 1) Mr. Napong Sirikhantayakul and 2) Mr. Pongthon Pakpiansub.

(4) In THP Director Nomination Committee Meeting No. 4/2019 dated 15 March 2019, the meeting considered nomination of candidates for appointment as THP directors to replace the vacancy in case of expired office term and re-election for another term for 2019 due to resignation of Mrs. Pratana Mongkolkul. The meeting approved nomination of the following persons and would propose the list to the Board of Directors: 1) Mr. Soontorn Dentham 2) Mr. Somchai Supphatada 3) Mr. Mongkhon Leelatham, 4) Mr. Wichan Minsiri, and 5) Mr. Mongkhon Laoworapong,



(5) In THP Director Nomination Committee Meeting No. 5/2019 dated 15 October 2019, the meeting considered and agreed to the duties of THP directors in the sub-committees and other working groups as amended, and assigned the Secretary to compile the matters and submit to the Board of Directors.

(6) In THP Director Nomination Committee Meeting No. 6/2019 dated 25 November 2019, the meeting acknowledged the Order of THP Board of Directors No. 290/2562 Re: Appointment of THP Director Nomination and Remuneration Subcommittee of Thailand Post Company Limited dated 8 November 2019. The meeting reviewed and approved the charter of THP Director Nomination and Remuneration Subcommittee as proposed by Secretary of the Subcommittee. The meeting also considered the list of candidates to be appointed as THP directors in case of expired office term and re-election for another term for 2020 and approved the proposed lists. The Secretary of the Subcommittee was assigned to find a person comparing to Mr. Rathapol Bhakdibhumi, Chairman of THP Board of Directors, and to propose to the Board of Directors' Meeting. As for the resignation of Dr. Thitipong Nandhabiwat, the meeting proposed Mr. Orapong Tiangoen, Chief Executive Officer of Siam Commercial Bank Public Company Limited to replace the vacant position. The Secretary of the Subcommittee was assigned to make a pairwise comparison and to propose to the Board of Directors' Meeting.

(7) In THP Director Nomination Committee Meeting No. 7/2019 dated 4 December 2019, the meeting considered and appointed Professor Dr. Parichart Sthapitanonda as THP Audit Committee member in place of Dr. Thitipong Nandhabiwat, who resigned from his directorship, and appointed Mrs. Vunnaporn Devahastin Na Ayutthaya as Chairman of Information Technology Development Subcommittee. As for Risk Management Subcommittee, the remaining members were still sufficient for a quorum, therefore they could proceed with their duties without necessity to appoint a new member to replace Dr. Thitipong Nandhabiwat.

THP Director Nomination and Remuneration Subcommittee realizes its role as the recruiter of THP directors. In the operational process, the methods, criteria, competencies and skill matrix of the Board of Directors are determined according to the guidelines and procedures for the appointment of state enterprise directors. The recruiting of a list of qualified persons to be nominated in the position of THP directors or to be listed as the persons being appointed as THP directors, including the submission of name list of persons with appropriate qualifications to be appointed as a director to the Board of Directors for approval, before proceeding with the procedures of relevant laws and regulations are carried out with transparent and fairness, up to standards in accordance with good governance and the strategy as well as business practices under business competition which will give the utmost benefits to THP under the criteria and norms specified by the law.

(Mrs. Vunnaporn Devahastin na Ayutthaya)
Chairman of the THP Director Nomination
and Remuneration Subcommittee

19 December 2019



• Report on Board of Directors' Responsibility for Financial Reports



Thailand Post's Board of Directors emphasizes its duty and responsibility for the financial reports to assure that the Company's financial reports contain accurate and full accounting records that reflect the Company's actual financial status and performance. In making the financial reports, the Board of Directors uses an appropriate accounting policy with practices on a regular basis and in accordance with generally accepted accounting standards. Key information is adequately disclosed as shown in notes to the financial statement on which the Auditor (OAG) has included the opinions in the Auditor's Report.

The Company's Board of Directors has established an independent Audit Committee to review reliability and accuracy of financial reports, including sufficient and appropriate internal control system so as to ensure that Company's financial reports are reliable.

(Mr. Rathapol Bhakdibhumi)
Chairman

(Mrs. Smorn Terdthampiboon)
President



Auditor's Report



To: Shareholders of Thailand Post Company Limited

Opinion

The Office of the Auditor General audited the consolidated financial statements of Thailand Post Company Limited and subsidiaries (the Company's Group) and the separate financial statements of Thailand Post Company Limited (the Company), which consisted of the consolidated statements of financial position and the statement of financial position specifically for the Company as at 31 December 2019, the consolidated income statements, the separate income statements, the consolidated comprehensive income statements, the separate comprehensive income statements, the consolidated statements of changes in shareholders' equity, the separate statements of changes in shareholders' equity, the consolidated cash flow statements and the separate cash flow statements for the year ending on the same date and remarks accompanying the consolidated and separate financial statements, including the summary of significant accounting policies.

The Office of the Auditor General hereby rendered the opinion that the aforementioned consolidated and separate financial statements display the consolidated financial position of Thailand Post Company Limited and subsidiaries and the separate financial position of Thailand Post Company Limited as at 31 December 2019, the consolidated and separate performance and the consolidated and separate cash flows for the year ending on the same date are accurate as should be in significant contents in line with financial reporting standards.

Criteria of Opinion

The Office of the Auditor General conducted the audit in compliance with criteria and standards related to state audit and auditing standards. The Office of the Auditor General's responsibility was stated in the paragraph on auditor's responsibility toward audits of consolidated and separate financial statements in the report of the Office of the Auditor General. The Office of the Auditor General is independent from the Company's group and the Company according to criteria and standards related to state audit specified by the State Audit Office and ethical requirements of accounting professionals specified by the Federation of Accounting Professions in parts related to audits of consolidated and separate financial statements. In addition, the Office of the Auditor General complied with other ethical responsibilities in line with criteria and standards related to state audit and these ethical specifications. The Office of the Auditor General believes that the auditing evidence received by the Office of the Auditor General is sufficient and suitable for use as criteria in expressing opinions of the Office of the Auditor General.

Other Information

Executives are responsible for other information. The other information consists of information included in the annual report but not including consolidated and separate financial statements and the auditor's report in that annual report. Executives will prepare the annual report for the Office of the Auditor General after the date in this auditor's report.

Opinions of the Office of the Auditor General toward the consolidated financial statement and the separate financial statement do not include other information and the Office of the Auditor General did not rely on other information. The responsibility of the Office of the Auditor General related to auditing the consolidated financial statement and the separate financial statement is to read and consider whether other information with significant facts conflicts with the consolidated and separate financial statement or knowledge obtained from the audit conducted by the Office of the Auditor General or when other information was shown to be in conflict with significant facts.

When the Office of the Auditor General reads the annual report, and if the Office of the Auditor General concludes that information is displayed in conflict with significant facts, the Office of the Auditor General must communicate the aforementioned topic with persons who have governance duties.

Responsibilities of Executives and Persons with the Duty to Overseeing Consolidated and Separate Financial Statements

Executives have a duty and responsibility for preparing and presenting these consolidated and separate financial statements in compliance with financial reporting standards and responsibilities related to internal controls as considered necessary for preparing consolidated and separate financial statements without displaying information in conflict with significant facts due to corruption or error.

In preparing consolidated and separate financial statements, executives are responsible for assessing the ability of the Company's Group and the Company in continual operations, disclosure of topics related to continual operations as appropriated and use of accounting criteria for continual operations unless executives intend to terminate the Company's Group and dissolve the Company or stop operations or executives are unable to continue operations.

Persons who have governance duties have a duty to overseeing processes in preparing the financial reports of the Company's Group and the Company.

Auditor's Responsibility for Auditing the Consolidated and Separate Financial Statements

The audit conducted by the Office of the Auditor General has the objective of acquiring reasonable confidence that the consolidated and separate financial statements are without display of information in conflict with significant facts due to corruption or error and present the auditor's report including opinions of the Office of the Auditor General. Reasonable confidence is high confidence without guarantee that auditing under criteria and standards related to state audit and accounting standards will discover information in conflict with significant facts. Information in conflict with facts may occur due to corruption or error and will be considered significant when there is reasonable expectation that each transaction in conflict with facts or all transactions have effects on economic decisions of persons who use these consolidated and separate financial statements.

In the audit conducted by the Office of the Auditor General according to criteria and standards related to state audit and auditing standards, the Office of the Auditor General used judgment, observation and suspicion as a professional throughout the audit. Work performed by the Office of the Auditor General included:

- Specifying and assessing risks from displaying information in conflict with significant facts in consolidated and separate financial statements due to corruption or error, designing and operating according to auditing methods in response to the aforementioned risk and acquire sufficient and suitable auditing evidence as criteria in expressing opinions of the Office of the Auditor General. Risks of not finding information in conflict with significant facts due to corruption are higher than the risks from errors because corruption may be related to conspiracy, forgery of documents and evidence, intentional neglect to display information and display of information inconsistent with facts or interference with internal control.
- Understanding internal control systems related to the audit to design suitable auditing methods for situations but not for the objective of expression opinions toward effectiveness of internal controls of the Company's Group and the Company.
- Assessing the suitability of the accounting policies used by executives and rationale of accounting estimates and disclosure of related information prepared by executives.

- Summarizing suitability of accounting criteria for continual operations of executives and auditing evidence to conclude whether significant uncertainties related to evidence or situations potentially cause significant doubts regarding the Company's Group and the Company's ability to continually operate. If the Office of the Auditor General reaches a conclusion that there are significant uncertainties, the Office of the Auditor General must state uncertainties in the auditor's report of the Office of the Auditor General by rendering observations on disclosure of information in related consolidated and separate financial statements. Conclusions of the Office of the Auditor General are dependent on auditing evidence received up to the date of the auditor's report of the Office of the Auditor General. However, future events or situations may cause the Company's Group or the Company to stop continual operations.

- Assessing overall presentations of structures and contents of consolidated and separate financial statements including disclosing whether consolidated and separate financial statements have shown transactions and events accurately.

The Office of the Auditor General communicated with persons who have governance duties on significant issues, including the planned scope and period of the audit, and significant issues discovered by the audit as well as significant errors in the internal control system if the Office of the Auditor General encountered errors in the Office of the Auditor General's audit.

-Signature-

(Mr. Prawit Tantrajin)

Director, Financial Audit and Inventory Management Bureau No. 13

-Signature-

(Mrs. Apatcharee Wongnoraset)

Auditor, Senior Professional Level



Statement of Financial Position



Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Note	Consolidated Financial Statement			Separate Financial Statement			
	31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018	
		(Revised)	(Revised)		(Revised)	(Revised)	
Assets							
Current assets							
Cash and cash equivalent	5	3,084,385,141.33	3,668,246,515.55	2,798,865,670.69	2,972,479,430.96	3,603,256,890.56	2,751,966,405.33
Temporary investment	6	9,049,958,515.86	12,160,533,611.54	10,237,514,261.77	9,049,958,515.86	12,160,533,611.54	10,237,514,261.77
Domestic trade account receivable	7	1,372,927,903.57	1,291,475,853.67	1,156,497,068.29	1,270,340,728.90	1,166,233,521.29	1,008,664,203.01
International trade account receivable	8	528,813,714.96	650,378,608.54	527,149,034.28	528,813,714.96	650,378,608.54	527,149,034.28
Other account receivable	9	227,979,609.97	212,881,182.15	126,524,552.26	203,353,545.06	199,527,966.84	111,656,054.75
Inventories	10	282,528,895.05	240,597,402.07	223,093,803.20	282,528,895.05	240,597,402.07	223,093,803.20
Accrued income		329,850,416.68	274,261,580.60	307,484,405.56	309,434,314.37	245,561,129.43	286,417,060.29
Prepaid expenses		739,821,885.09	255,713,230.79	324,262,296.14	788,723,480.02	335,581,067.83	410,981,747.53
Other current assets		247,189,160.66	164,764,135.29	120,675,808.07	240,026,121.81	144,098,164.53	111,554,919.97
Total current assets		15,863,455,243.17	18,918,852,120.20	15,822,066,900.26	15,645,658,746.99	18,745,768,362.63	15,668,997,490.13
Non-current assets							
Bank Deposits with obligation	11	478,638,106.81	471,754,597.92	308,104,993.12	469,530,141.76	462,680,352.27	308,104,993.12
Investments in Joint Ventures	12	21,929,257.95	-	-	24,500,000.00	-	-
Investment in subsidiary	13	-	-	-	350,000,000.00	350,000,000.00	350,000,000.00
Long term investment	14	3,347,588,958.82	814,113,057.29	3,970,652,915.21	3,347,588,958.82	814,113,057.29	3,970,652,915.21
Land, building and equipment	15	9,530,971,586.79	9,336,499,762.45	8,035,709,523.95	9,524,912,891.16	9,326,829,688.39	8,019,612,134.97
Assets under Financial Lease Agreement	16	335,155,053.16	151,928,067.40	-	-	-	-
Intangible assets	17	540,391,523.78	266,688,913.06	248,201,738.32	530,973,550.17	253,173,472.79	230,588,831.39
Deferred income tax assets	18	1,147,258,589.42	906,763,119.24	891,649,236.85	1,147,258,589.42	906,763,119.24	891,649,236.85
Other non-current assets	19	152,521,926.00	200,897,107.14	135,963,423.17	132,712,212.25	181,055,553.39	116,121,869.42
Total non-current assets		15,554,455,002.73	12,148,644,624.50	13,590,281,830.62	15,527,476,343.58	12,294,615,243.37	13,886,729,980.96
Total assets		31,417,910,245.90	31,067,496,744.70	29,412,348,730.88	31,173,135,090.57	31,040,383,606.00	29,555,727,471.09

The accompanying notes are integral parts of these financial statements.





Statement of Financial Position (continued)

Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Note	Consolidated Financial Statement			Separate Financial Statement		
	31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018
		(Revised)	(Revised)		(Revised)	(Revised)
Liabilities and shareholders' equity						
Current liabilities						
Accrued domestic money order	176,884,047.66	217,434,852.34	260,982,337.98	176,884,047.66	217,434,852.34	260,982,337.98
Agency service account payable	208,457,772.58	147,442,527.43	170,294,625.11	208,457,772.58	147,442,527.43	170,294,625.11
Domestic trade account payable	462,292,578.52	522,053,281.39	429,871,309.87	408,282,625.91	483,868,547.70	392,694,856.25
International trade account payable	728,007,716.85	403,531,552.12	283,364,826.10	728,007,716.85	403,531,552.12	283,364,826.10
Other account payable	20 318,030,090.14	297,656,608.47	291,295,179.46	295,074,366.52	276,012,583.87	286,314,979.56
Liabilities under Financial Lease Agreement						
matured within 1 year	21 32,930,024.12	31,876,399.54	-	-	-	-
Accrued expense	22 1,812,212,440.51	2,096,859,020.18	1,841,085,531.34	1,801,306,569.86	2,091,488,246.47	1,820,259,047.06
Accrued corporate income tax	-	457,463,445.64	635,573,267.93	-	457,463,445.64	635,573,267.93
Advance revenue	23 169,910,688.75	253,195,542.14	244,020,519.63	169,910,688.75	251,146,640.14	243,643,859.63
Other current liabilities	24 475,479,337.55	479,649,925.31	447,983,328.65	469,358,264.80	476,792,673.90	445,366,604.44
Total current liabilities	4,384,204,696.68	4,907,163,154.56	4,604,470,926.07	4,257,282,052.93	4,805,181,069.61	4,538,494,404.06
Non-current liabilities						
Deferred revenue	27,835,310.58	46,746,204.29	68,371,355.32	27,835,310.58	46,746,204.29	68,371,355.32
Assets under Financial Lease Agreement	21 276,171,669.91	115,696,553.64	-	-	-	-
Estimated Non-current Liabilities						
For Employee Benefits	25 5,451,397,990.47	4,286,361,093.96	4,244,072,447.73	5,447,843,903.47	4,284,820,092.27	4,243,277,704.31
Pension fund for THP employees	26 108,083,031.03	98,796,750.36	92,745,226.89	108,083,031.03	98,796,750.36	92,745,226.89
Other non-current liabilities	6,510,031.90	7,788,309.46	3,997,082.66	6,510,031.90	7,788,309.46	3,997,082.66
Total non-current liabilities	5,869,998,033.89	4,555,388,911.71	4,409,186,112.60	5,590,272,276.98	4,438,151,356.38	4,408,391,369.18
Total liabilities	10,254,202,730.57	9,462,552,066.27	9,013,657,038.67	9,847,554,329.91	9,243,332,425.99	8,946,885,773.24

The accompanying notes are integral parts of these financial statements.





Statement of Financial Position (continued)

Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Note	Consolidated Financial Statement			Separate Financial Statement		
	31 December 2019	31 December 2018	1 January 2018	31 December 2019	31 December 2018	1 January 2018
		(Revised)	(Revised)		(Revised)	(Revised)
Liabilities and shareholders' equity						
Shareholders' equity						
Share capital						
Registered capital						
125,000,000 ordinary shares of baht 10 par value	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
Issued and paid-up capital						
125,000,000 ordinary shares of baht 10 par value	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
Retained earnings						
Appropriated						
Legal reserve	27 125,000,000.00	125,000,000.00	125,000,000.00	125,000,000.00	125,000,000.00	125,000,000.00
Unappropriated	19,788,707,515.33	20,229,944,678.43	19,023,691,692.21	19,950,580,760.66	20,422,051,180.01	19,233,841,697.85
Total equity of the parent company	21,163,707,515.33	21,604,944,678.43	20,398,691,692.21	21,325,580,760.66	21,797,051,180.01	20,608,841,697.85
Total shareholders' equity	21,163,707,515.33	21,604,944,678.43	20,398,691,692.21	21,325,580,760.66	21,797,051,180.01	20,608,841,697.85
Total liabilities and shareholders' equity	31,417,910,245.90	31,067,496,744.70	29,412,348,730.88	31,173,135,090.57	31,040,383,606.00	29,555,727,471.09

The accompanying notes are integral parts of these financial statements.

(Mr. Korkij Danchaivichit)
President

(Miss Somchintana Kirdsuebma)
Senior Executive Vice President

Statement of Income



Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

	Note	Consolidated Financial Statement		Separate Financial Statement	
		2019	2018	2019	2018
Revenue			(Revised)		(Revised)
Revenue from sale and service	28	26,998,864,843.27	29,306,500,615.20	26,633,430,329.23	28,881,541,790.68
Other revenue	29	532,593,992.27	421,754,198.10	529,066,210.59	416,775,267.59
Total revenues		27,531,458,835.54	29,728,254,813.30	27,162,496,539.82	29,298,317,058.27
Expense					
Sale and service cost		23,466,102,770.11	21,769,572,414.75	23,213,106,498.21	21,395,260,822.93
Sale expense		834,253,375.48	914,875,462.86	759,497,604.34	914,162,941.91
Administrative expense		2,266,686,994.70	2,107,916,102.34	2,263,292,582.01	2,074,525,016.00
Other expense		63,404,541.09	33,739,309.35	62,657,959.93	33,741,628.25
Financial Cost		4,265,260.53	3,208,004.28	-	-
Total expenses	30	26,634,712,941.91	24,829,311,293.58	26,298,554,644.49	24,417,690,409.09
Share of Loss from Investments in Joint Ventures	12	(2,570,742.05)	-	-	-
Profit before income tax		894,175,151.58	4,898,943,519.72	863,941,895.33	4,880,626,649.18
Income tax	18	(274,787,480.54)	(1,072,560,534.26)	(274,787,480.54)	(1,072,560,534.26)
Net profit for the period		619,387,671.04	3,826,382,985.46	589,154,414.79	3,808,066,114.92
Apportionment of net profit for the period					
Equity of the parent company		619,387,671.04	3,826,382,985.46	589,154,414.79	3,808,066,114.92
Equity of non-controlling interest		-	-	-	-
		619,387,671.04	3,826,382,985.46	589,154,414.79	3,808,066,114.92
Profit per share					
Basic profit per share		4.96	30.61	4.71	30.46

The accompanying notes are integral parts of these financial statements.





Statement of Comprehensive Income



Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

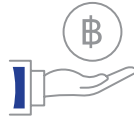
Note	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018 (Revised)	2019	2018 (Revised)
Net profit for the period	619,387,671.04	3,826,382,985.46	589,154,414.79	3,808,066,114.92
Other comprehensive income				
Items that Will Not be Subsequently Reclassified as Profits or Losses				
Losses from New Value Measurements of Employee Benefits	25 (33,173,759.77)	(69,310,990.49)	(33,173,759.77)	(69,037,624.01)
Income Tax for Items that Will Not be Reclassified				
Subsequently as Profits or Losses	18 6,634,751.95	13,807,524.80	6,634,751.95	13,807,524.80
Other Net Comprehensive Losses from Taxes	(26,539,007.82)	(55,503,465.69)	(26,539,007.82)	(55,230,099.21)
Total comprehensive income for the period	592,848,663.22	3,770,879,519.77	562,615,406.97	3,752,836,015.71
Apportionment of total comprehensive income for the period				
Equity of the parent company	592,848,663.22	3,770,879,519.77	562,615,406.97	3,752,836,015.71
Equity of non-controlling interest	-	-	-	-
	592,848,663.22	3,770,879,519.77	562,615,406.97	3,752,836,015.71

The accompanying notes are integral parts of these financial statements.





Statement of Changes in Shareholder's Equity



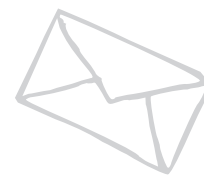
Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Consolidated Financial Statement				
Note	Issued and paid-up share capital	Retained profit		Total
		Appropriated	Unappropriated	
Balance as of 1 January 2018; Previously Reported	1,250,000,000.00	125,000,000.00	19,077,318,786.38	20,452,318,786.38
Accumulated from Accounting Error Corrections	3.1	-	(53,627,094.17)	(53,627,094.17)
Balance as of 1 January 2018; Revised	1,250,000,000.00	125,000,000.00	19,023,691,692.21	20,398,691,692.21
Comprehensive income	-	-	3,770,879,519.77	3,770,879,519.77
Dividend payable	32	-	(2,564,626,533.55)	(2,564,626,533.55)
Balance as at 31 December 2018	1,250,000,000.00	125,000,000.00	20,229,944,678.43	21,604,944,678.43
Balance as of 1 January 2019; Previously Reported	1,250,000,000.00	125,000,000.00	20,284,730,046.73	21,659,730,046.73
Accumulated from Accounting Error Corrections	3.1	-	(54,785,368.30)	(54,785,368.30)
Balance as of 1 January 2019; Revised	1,250,000,000.00	125,000,000.00	20,229,944,678.43	21,604,944,678.43
Comprehensive income	-	-	592,848,663.22	592,848,663.22
Dividend payable	32	-	(1,034,085,826.32)	(1,034,085,826.32)
Balance as at 31 December 2019	1,250,000,000.00	125,000,000.00	19,788,707,515.33	21,163,707,515.33

The accompanying notes are integral parts of these financial statements.





Statement of Changes in Shareholder's Equity (continued)

Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

	Note	Separate Financial Statement			Total
		Issued and paid-up share capital	Retained profit		
			Appropriated	Unappropriated	
Balance as of 1 January 2018; Previously Reported		1,250,000,000.00	125,000,000.00	19,297,403,522.62	20,672,403,522.62
Accumulated from Accounting Error Corrections	3.1	-	-	(63,561,824.77)	(63,561,824.77)
Balance as of 1 January 2018; Revised		1,250,000,000.00	125,000,000.00	19,233,841,697.85	20,608,841,697.85
Comprehensive income		-	-	3,752,836,015.71	3,752,836,015.71
Dividend payable	32	-	-	(2,564,626,533.55)	(2,564,626,533.55)
Balance as at 31 December 2018		1,250,000,000.00	125,000,000.00	20,422,051,180.01	21,797,051,180.01
Balance as of 1 January 2019; Previously Reported		1,250,000,000.00	125,000,000.00	20,486,771,278.91	21,861,771,278.91
Accumulated from Accounting Error Corrections	3.1	-	-	(64,720,098.90)	(64,720,098.90)
Balance as of 1 January 2019; Revised		1,250,000,000.00	125,000,000.00	20,422,051,180.01	21,797,051,180.01
Comprehensive income		-	-	562,615,406.97	562,615,406.97
Dividend payable	32	-	-	(1,034,085,826.32)	(1,034,085,826.32)
Balance as at 31 December 2019		1,250,000,000.00	125,000,000.00	19,950,580,760.66	21,325,580,760.66

The accompanying notes are integral parts of these financial statements.



Statement of Cash Flows



Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Note	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
		(Revised)		(Revised)
Cash flows from operating activities				
Profit before income tax	894,175,151.58	4,898,943,519.72	863,941,895.33	4,880,626,649.18
Adjustments to reconcile profit before tax				
Cash received (paid) from operating activities.				
Depreciation and amortization	30 1,345,256,977.71	1,331,006,697.47	1,321,974,938.21	1,311,654,781.48
Revenue from assets acquired from donation	(75,809,448.60)	(231,076.00)	(75,809,448.60)	(231,076.00)
bad debt and doubtful account	45,378,797.20	15,356,620.15	15,205,598.12	15,356,620.15
Obsolete goods	12,586,827.07	5,902,935.13	12,586,827.07	5,902,935.13
Deferred revenue	(18,910,893.71)	(21,625,151.03)	(18,910,893.71)	(21,625,151.03)
Earned interest	(282,114,862.41)	(281,098,295.92)	(281,893,306.40)	(280,963,009.75)
Adjusted Assets into Expenses	36,527,713.96	4,950,000.00	36,527,713.96	4,950,000.00
Adjusted Expenditures before writing off as Other Expenses	1,591,860.00	-	1,591,860.00	-
Share of Losses in Joint Ventures	2,570,742.05	-	-	-
Employee Benefit Costs	1,663,616,716.79	332,431,371.69	1,661,205,045.08	331,664,983.90
Profit from disposal of asset	(16,752,555.97)	(11,874,114.92)	(16,752,555.97)	(11,568,342.29)
Profit (Loss) from foreign exchange	55,450,994.08	(9,016,943.14)	55,450,994.08	(9,016,943.14)
Financial cost	4,265,260.53	3,681,893.35	-	-
Profit from operation before change in operating asset and liability	3,667,833,280.28	6,268,427,456.50	3,575,118,667.17	6,226,751,447.63
(Increase) decrease of change in operating asset				
Domestic trade account receivable	(126,639,272.36)	(150,974,921.99)	(119,121,230.99)	(173,565,454.89)
International trade account receivable	35,665,651.31	(133,305,577.46)	35,665,651.31	(133,305,577.46)
Other account receivable	(4,305,721.88)	(85,756,592.63)	(4,014,258.36)	(87,271,874.83)
Inventories	(54,518,320.05)	(23,406,534.00)	(54,518,320.05)	(23,406,534.00)
Accrued revenue	(50,211,946.26)	28,265,588.77	(58,475,264.88)	35,916,457.01
Prepaid expense	(523,886,854.90)	62,429,590.52	(492,920,612.79)	69,281,204.87
Other current asset	(36,340,783.26)	(34,169,940.45)	(42,146,425.14)	(32,543,244.56)
Other non-current asset	44,710,451.14	(69,943,097.52)	44,678,611.14	(69,943,097.52)
Increase (decrease) of change in operating liability				
Accrued Domestic money order	(40,550,804.68)	(43,547,485.64)	(40,550,804.68)	(43,547,485.64)
Agency services account payable	61,015,245.15	(22,852,097.68)	61,015,245.15	(22,852,097.68)
Domestic trade account payable	(32,912,334.76)	156,800,342.99	(48,483,111.40)	155,709,330.92
International trade account payable	392,003,080.95	122,903,781.45	392,003,080.95	122,903,781.45
Other account payable	19,644,392.80	6,361,429.01	19,061,782.65	(10,302,395.69)
Accrued expense	(273,202,153.30)	262,457,801.54	(278,737,250.24)	277,913,512.11
Advance revenue	(77,843,025.68)	18,422,395.43	(75,794,123.68)	16,750,153.43
Other current liability	(4,194,663.63)	27,638,518.31	(7,458,484.97)	27,397,991.11
Pension fund for THP employees	9,286,280.67	6,051,523.52	9,286,280.67	6,051,523.52
Other non-current asset	(1,278,277.56)	3,791,226.80	(1,278,277.56)	3,791,226.80
Cash from operating activities	3,004,274,223.98	6,399,593,407.47	2,913,331,154.30	6,345,728,866.58
Income tax	(1,027,069,881.92)	(1,257,273,402.72)	(1,019,893,176.55)	(1,251,976,714.14)
Employee Benefit Payments	(531,753,580.05)	(359,453,716.00)	(531,354,993.65)	(359,160,220.00)
Net cash from operating activities	1,445,450,762.01	4,782,866,288.75	1,362,082,984.10	4,734,591,932.44

The accompanying notes are integral parts of these financial statements.



Statement of Cash Flows (continued)

Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

Unit : baht

Note	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
		(Revised)		(Revised)
Cash flows from investment activities				
Cash received from interest	267,593,149.75	283,560,662.28	267,384,282.90	283,407,613.77
Cash paid for Investments in Joint Ventures	12 (24,500,000.00)	-	(24,500,000.00)	-
Cash paid for Long-term Investments	(3,347,588,958.82)	(198,563,958.36)	(3,347,588,958.82)	(198,563,958.36)
Cash paid for Purchase of lands, buildings and equipment	(1,761,104,074.64)	(2,688,579,246.24)	(1,760,585,175.33)	(2,687,789,629.66)
Cash paid for Purchase of intangible assets	17 (26,800,850.46)	(21,126,827.61)	(26,800,850.46)	(21,126,827.61)
Cash received from sale of land, building, and equipment	20,532,157.65	16,847,536.38	20,532,157.65	14,782,673.34
Cash received from Temporary Investments	22,584,884,538.74	18,306,655,155.71	22,584,884,538.74	18,306,655,155.71
Cash paid for Temporary Investments	(18,660,196,385.77)	(17,038,220,294.00)	(18,660,196,385.77)	(17,029,146,048.35)
Net Cash Flow Spent in Investment Activities	(947,180,423.55)	(1,339,426,971.84)	(946,870,391.09)	(1,331,781,021.16)
Cash flows from financing activities				
Financial Cost	(4,265,260.53)	(3,681,893.35)	-	-
Installment payment under Financial Lease Agreement	(31,876,399.54)	(18,856,152.65)	-	-
Dividend payable	(1,034,085,826.32)	(2,564,626,533.55)	(1,034,085,826.32)	(2,564,626,533.55)
Net cash used for financing activities	(1,070,227,486.39)	(2,587,164,579.55)	(1,034,085,826.32)	(2,564,626,533.55)
Impact from exchange rate	(11,904,226.29)	13,106,107.50	(11,904,226.29)	13,106,107.50
Net increase (decrease) of cash and cash equivalent	(583,861,374.22)	869,380,844.86	(630,777,459.60)	851,290,485.23
Cash and cash equivalents as at beginning date	3,668,246,515.55	2,798,865,670.69	3,603,256,890.56	2,751,966,405.33
Cash and cash equivalents as at ending date	3,084,385,141.33	3,668,246,515.55	2,972,479,430.96	3,603,256,890.56
Additional information of the cash flows				
Assets from Donations	75,809,448.60	231,076.00	75,809,448.60	231,076.00
Asset Purchases not yet Paid in Cash	81,593,458.02	108,441,826.13	81,326,025.74	108,428,836.13

The accompanying notes are integral parts of these financial statements.



Notes to the Financial Statements



Thailand Post Company Limited and Subsidiaries
For the year ended 31 December 2019

(Unit : million baht, unless otherwise stated)

1. General Information

1.1 The Company's Establishment

Thailand Post Company Limited (THP) is located at 111, Chaeng Watthana Road, Thung Song Hong Sub-district, Lak Si District, Bangkok Metropolis, 10210 - 0299. It was a limited company incorporated on 14 August 2003. The Company accepted the transfer of all businesses, rights, debts, liabilities, assets, funds, and employees as well as authorities and privileges previously granted to postal business of the Communications Authority of Thailand (CAT) in accordance with the State Enterprise Capital Act, B.E. 2542 (1999). The Company is in full compliance with rules, regulations, requirements, and resolutions of the Cabinet applying to the state enterprises in general.

1.2 Business Operations

The Company primarily engages in all kinds of postal business as well as related or similar businesses beneficial to postal business both in and outside the country. For this purpose, the postal business shall include:

- a) Postal services mean the services of acceptance of messages, documents and articles from one person and delivery to another person, whether in the country or abroad, by post or other communication methods, including related and similar services;
- b) Financial services are the services of acceptance of money or payment from a customer at a post office for payment to another recipient or organization which has entered into an agreement with the Company, at a destination post office, by post or other communication methods determined by the Company;
- c) Postage stamp collection means collection of used or mint postage stamps and other articles relating to the postage stamps; and
- d) Postal goods are materials and equipment sold by the Company to facilitate the customers' use of postal services.

2. Accounting Policies

Significant accounting policies used in preparation of the Company's financial statements are as follows:

2.1 Basis for Preparation of Financial Statements

These consolidated and separate financial statements have been prepared in accordance with the financial reporting standards under the Accounting Act, B.E. 2543 (2000), including the accounting standards issued pursuant to the Accounting Profession Act, B.E. 2547 (2004), as well as the interpretations and accounting guidelines published by the Federation of Accounting Professions, new financial reporting standards and interpretations of the new financial reporting standards that have become effective.

The separate financial statements consist of the financial statements of Thailand Post Company Limited and the Pension Fund for Thailand Post Employees.

The consolidated financial statements consist of the separate financial statements of the Company and Thailand Post Distribution Company Limited, whose 100% shares are held by the Company so it is considered the Company's subsidiary. The consolidated financial statements include accounting items of the Company and its subsidiary after cutting off of the related transactions.



Estimation for preparing financial statements is in accordance with financial reporting standards. The management has considered using estimates and assumptions which are continuously reviewed if it affects the report of assets, liabilities, revenues and expenses. Adjustment of accountant estimates are recorded in the period in which the estimates are reviewed and in the future period that is affected

2.2 Foreign Currency Transactions

Transactions in foreign currencies are translated into baht at the exchange rate ruling at the date of the transaction. The assets and liabilities denominated in foreign currencies as at the date of financial position statement are translated into baht at the exchange rate quoted by the Bank of Thailand at such date. Exchange gains and losses arising from receipt or payment made in foreign currencies and on translation of assets and liabilities are recognized in the statement of income.

2.3 Cash and cash equivalent

Cash and cash equivalents consist of cash on hand, bank deposits or other short-term highly liquid investments with a maturity of 3 months or less.

2.4 Temporary investments

Temporary investments include fixed deposits, bills of exchange, promissory notes, government bonds and short-term treasury bills with a maturity of more than 3 months but not over 12 months.

Investments in debt instruments to be held to maturity are classified as held-to-maturity investment and stated at amortized cost. The difference between the cost and redemption value of a debt instrument is amortized by the effective rate of return method throughout the remaining life of the debt instrument.

2.5 Trade account receivables

Trade account receivables are stated at their recoverable amount. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and current status, as at the date of the statement of financial position. Allowance for doubtful accounts is determined on the basis of the outstanding period as follows:

Outstanding periods	% of allowance for doubtful accounts
More than 90 - 180 days	10
More than 180 - 270 days	50
More than 270 - 360 days	90
More than 360 days	100

2.6 Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of goods means costs of purchase, including the purchase price and direct expenses incurred in purchasing such goods or supplies, such as taxes, transportation, less discounts and rebates. Net realizable value is the estimated selling price in the ordinary course of business, less necessary selling expenses. Calculation of costs of each type of inventories is as follows:

Cost of postal boxes and envelopes is determined by the moving average cost method.

Cost of postage stamps, postage stamps for collection purpose, collectibles, miscellaneous goods, and souvenirs is calculated by the first-in, first-out (FIFO) method.





2.7 Other account receivables

Most of the other account receivables are employees of the Company who borrow money from the Company to purchase motorcycles or to afford their children's schooling and those employees who take disaster loans. The interest is charged at the floating interest rate quoted by Krung Thai Bank Public Company Limited for its 12-month fixed deposit accounts plus 1, except the disaster loans, which bear the interest rate plus 0.25. Guarantors are required to secure the loans and the employees' salary will be deducted on a monthly basis by the Company to repay the loans.

2.8 Other current assets

Most of other current assets are general materials, printed forms, medicines, and medical supplies.

2.9 Land, building, and equipment

Land, building, and equipment include buildings, structures, and improvements which are located on the leased state property land and their ownership will be transferred to the Treasury Department upon expiry of the lease contracts. These assets are recognized at cost on the date of acquisition or completion of construction and stated in the statement of financial position at cost less accumulated depreciation. The depreciation of all kinds of assets is calculated on the straight line basis over the estimated useful lives of all assets, except land. The estimated useful lives of each type of assets are as follows:

	Useful lives (years)
Buildings, structures and improvements	10 - 20
Land improvements	10
Machinery and equipment	10
General tools and appliances	5 - 10
Office equipment	1 - 5
Vehicles	5 - 10

Expenses incurred in additions or improvements of the assets on expected future economic benefits are recorded as cost of the assets. Depreciation is calculated according to the remaining useful lives of the assets. Maintenance and repair expenses are recognized as expenses in the accounting period when they actually occur.

2.10 Financial Lease Agreement

The Group of Companies record the Financial Lease as assets and liabilities in the consolidated financial statements in the amount equivalent to the fair value of the leased assets on the effective date of the lease agreement or the current value of the minimum amount payable under the lease agreement, whichever is less. The rent payable shall be part of financial expenses and deduction of the principal. Financial expenses are allocated to each installment through the term of the lease agreement for recognition of the interest rate in comparison to the remaining debts of each installment at fixed rate.

2.11 Intangible assets

Intangible assets consist of computer software licenses, which are stated at acquisition cost less accumulated amortization. Amortization is calculated on the straight-line basis over the estimated useful life of 10 years.





2.12 Other non-current assets

Other non-current assets include leasehold of the state property land, securities receivables, and reserve postage stamps for historical reference of the creation of postage stamps. Leasehold of the state property land is stated at net price after amortization. The leasehold of the state property land is amortized over its lease term of 30 years.

2.13 Provisions

Provisions are recognized when the Company has legal obligation or obligation that arises from the present inference as a consequence of a past event. A reliable estimate of the amount of the obligation can be made and it appears likely that the Company will be required to settle the obligation at some time in the future.

2.14 Deferred revenue

Assets purchased with money from the Lottery Fund and compensations from government agencies (The Treasury Department) will be gradually recognized as income throughout the useful lives of the assets.

2.15 Income and expense recognition

Income from services is recognized upon completion of service provision.

Income from sale of goods is recognized upon delivery of the goods.

Incomes and expenses from international postal services are recorded as incomes and expenses each month, through estimation method, in the account of accrued incomes or accrued expenses. When an invoice is issued or received, the accrued income or accrued expense account will be transferred into the trade account receivable or payable of international terminal dues.

2.16 Related parties

Related parties comprise individuals and enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company, and include firms holding shares in a subsidiary of the Company and entities in the same group with the Company. They also include associated companies and individual shareholders who directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers, as well as immediate family members of such persons and entities related to those persons.

In considering relationship between each related party, the Company pays more attention to nature of the relationship than legal pattern.

The Company is under control of the Ministry of Finance, which is the sole shareholder of the Company. The Company does not take other state enterprises as its related parties although their shares are held by the Ministry of Finance.

The Company established Thailand Post Distribution Company Limited, in accordance with resolution of the Cabinet on 22 October 2013 to manage the transport routes, addressing, packaging, storage and distribution of goods as well as to provide other related services. The Company holds 100% of shares in Thailand Post Distribution Company Limited, which has authorized capital of 350 million baht and was established on 9 January 2014. Its share capital of 350 million baht has been fully paid on 29 September 2014.

2.17 Employee benefits

2.17.1 Pension Fund for Thailand Post Employees

The Pension Fund for Thailand Post Employees is operated in accordance with Regulations of the Thailand Post Board of Directors, Issue 6, on the Pension Fund for Thailand Post Employees, B.E. 2548 (2005), and its first amendment of B.E. 2549 (2006). The purpose of the fund is to provide financial assistance to employees or workers who retire from work. The Company pays contributions to the Pension Fund on a monthly basis at the rate of 10% of the employees' salary and additional contribution at the rate equal to an obligation that the Company is required to pay at the end of accounting year calculated by multiplying the last month salary of the employees and the years of service in accordance with regulations of the Pension Fund.

Proceeds from assets of the Pension Fund are recognized as the Company's income whereas contributions are recognized as expenses in the statement of income in the occurring period. Assets of the Pension Fund are presented in the Company's statement of financial position.

2.17.2 Provident Fund

On 28 August 2012, the Company established and registered its provident fund under the name of "Registered Provident Fund of Thailand Post Company Limited Employees" by receiving a transfer of all businesses, rights, debts, liabilities, assets, directors, and members of Thailand Post Company Limited from the Registered Provident Fund of Employees of CAT Telecom Public Company Limited and Thailand Post Company Limited.

Those employees whose employment began before or on 13 December 1996 can choose whether they want to be members of the Provident Fund or the Pension Fund. However, the employees whose employment started after 13 December 1996 have to be members of the Provident Fund. When the employees' and workers' employment is terminated or if they resign from the fund without their employment terminated, they are entitled to benefits from the fund in accordance with regulations of the Provident Fund. The Company has no legal or constructive obligation to make additional payment if the Provident Fund does not have enough assets to pay all benefits to the employees. Contributions made by the Company to the Provident Fund are recorded as expenses in the statement of income in the occurring period. Assets of the Provident Fund are separated from those of the Company and managed by Krung Thai Asset Management Company Limited and SCB Asset Management Company Limited.

2.17.3 Severance Pay

Pursuant to labor laws under the Notification of the State Enterprise Labor Relations Committee on Minimum Standards of Employment Conditions in State Enterprises (4th Edition), when employers discharge employees and workers by dismissing employees or terminating employment for no wrongdoing, and when employees and workers have worked for more than 120 consecutive days, employees and workers are entitled to severance compensation from the employer for 30 days with the highest rate being when employees and workers worked for 20 consecutive years, employees and workers are entitled to severance compensation from the employer for 400 days. In the case of employees and workers who have retired and performed work for 5 years and up, employees and workers are entitled to reward for 180 days of work with the highest rate being reward for 400 days of work for employees and workers who performed work for 20 consecutive years, then retired.

In adjusting compensation and rewards for work, when employees and workers have worked for 20 consecutive years, employees and workers are entitled to an increase from 300 days to 400 days. This is effective for workers who resigned due to retirement in compliance with the employer's regulations, specifications or directives as from 30 September 2019.



2.18 Income taxes

Income taxes comprise current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that they relate to items recognized directly in equity, in which case they are recognized in shareholders' equity or other comprehensive income as prescribed by the accounting standards.

2.18.1 Current income tax

Current income tax is measured at the amount expected to be paid to or recovered from taxation authorities in respect of the taxable profit or tax loss for a period, using the rates that have been enacted or substantively enacted at end of the reporting period, as well as tax adjustments relevant to items in the previous years.

2.18.2 Deferred income tax

Deferred income tax is provided on temporary differences between the book values of assets and liabilities stated in the statement of financial position and tax base. However, the deferred income tax is not accounted for if it arises from recognition of following temporary differences including initial recognition of goodwill, initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting or taxable profit or loss, and differences associated with investments in subsidiaries and joint ventures, if it is probable that the reversal will not occur in the foreseeable future. Deferred income tax assets are measured at the tax rates that are expected to apply to the temporary differences when there is reversal of the entries, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

To determine the value of the current income tax and deferred income tax, the Company needs to consider the effects of uncertain tax circumstances, which may result in an increase in the amount of tax to be paid and interest. The Company believes that the provisions set up for accrued income tax to be paid in the future are sufficient. Such provisions are derived from an assessment of many factors as well as interpretations of tax laws and historical experiences. Such assessment is based on estimates and assumptions and may involve decision-making process in relation future events. New information may cause the Company to change its decision and it depends on adequacy of the existing accrued income taxes. Change in accrued income taxes will affect the tax expenses in the period of such change.

Deferred income tax assets are recognized to the extent that it is probable that there will be sufficient future taxable profit against which such income tax assets can be utilized. Deferred income tax assets are reviewed at the end of each reporting period and considered from an assumption regarding future taxable profit expected to occur in each future period. Established assumption on future taxable profit is uncertain and there may be change, which will affect the recognition of deferred income tax assets.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares issued and paid.



3. Revision and Reclassification of Particulars

3.1 Correction of Errors

The Company adjusted loss from estimated pension fund liabilities for Thailand Post employees as an effect from the past year 2017 of 63.56 million baht in order to prepare financial statements in line with Accounting Standard No. 19 on Employee Benefits.

Subsidiaries have adjusted the past accounting erroneous transactions, thereby causing accumulated profit to increase by 9.93 million baht.

Effects on the statement of financial position, statements of changes in shareholders' equity of 2018 and 2017, the statement of income and the statement of comprehensive income for the year ending 31 December 2018 contained the following information:

2017	Before Revised	Revised	After Revised
Statement of Financial Position as at 1 January 2018 (Consolidated Financial Statement and Separate Financial Statement)			
Pension fund for THP employees	29.19	63.56	92.75
Statement of Changes in Shareholder's Equity (Consolidated Financial Statement)			
Retained earnings - Unappropriated as at 1 January 2018	19,077.32	(53.63)	19,023.69
Statement of Changes in Shareholder's Equity (Separate Financial Statement)			
Retained earnings - Unappropriated as at 1 January 2018	19,297.40	(63.56)	19,233.84

2018	Before Revised	Revised	After Revised
Statement of Financial Position as at 31 December 2018 (Consolidated Financial Statement and Separate Financial Statement)			
Pension fund for THP employees	34.08	64.72	98.80
Statement of Changes in Shareholder's Equity (Consolidated Financial Statement)			
Retained earnings - Unappropriated as at 1 January 2019	20,284.73	(54.79)	20,229.94
Statement of Changes in Shareholder's Equity (Separate Financial Statement)			
Retained earnings - Unappropriated as at 1 January 2019	20,486.77	(64.72)	20,422.05
Statement of Income For the year ended 31 December 2018 (Consolidated Financial Statement)			
Administrative expense	2,106.76	1.16	2,107.92
Net profit	3,827.54	(1.16)	3,826.38
Statement of Income For the year ended 31 December 2018 (Separate Financial Statement)			
Administrative expense	2,073.37	1.16	2,074.53
Net profit	3,809.22	(1.16)	3,808.06
Statement of Comprehensive Income (Consolidated Financial Statement)			
Total comprehensive income	3,772.04	(1.16)	3,770.88
Statement of Comprehensive Income (Separate Financial Statement)			
Total comprehensive income	3,753.99	(1.16)	3,752.83



3.2 Reclassification

The Company has reclassified the transactions in the financial statement for the year ended 31 December 2017 and 2018 to be comparable with the changed transactions in the current year as follows:

2017	Before Reclassification	Reclassification	After Reclassification
Statement of Financial Position (Consolidated Financial Statement)			
Cash and cash equivalent	2,838.22	(39.35)	2,798.87
Domestic trade account receivable	1,156.39	0.11	2,798.87
Other account receivable	117.11	9.41	126.52
Accrued income	327.09	(19.61)	307.48
Advance payment	412.45	(88.19)	324.26
Other current assets	126.11	(5.43)	120.68
Other non-current asset	47.77	88.19	135.96
International trade account payable	469.22	(39.35)	429.87
Accrued expenses	1,870.63	(29.54)	1,841.09
Deferred revenue	248.02	(4.00)	244.02
Other current liabilities	443.89	4.09	447.98
Other non-current liabilities	-	4.00	4.00

2018	Before Reclassification	Reclassification	After Reclassification
Statement of Financial Position (Consolidated Financial Statement)			
Cash and cash equivalent	2,692.98	975.27	3,668.25
Temporary investment	13,361.48	(1,200.95)	12,160.53
Domestic trade account receivable	1,272.63	18.85	1,291.48
Other account receivable	203.53	9.35	212.88
Accrued income	293.87	(19.61)	274.26
Advance payment	407.62	(151.91)	255.71
Other current assets	188.94	(24.18)	164.76
Long term investment	614.11	200.00	814.11
Bank deposits with obligation	462.68	9.07	471.75
Other non-current asset	48.99	151.91	200.90
Domestic trade account payable	531.08	(9.03)	522.05



3.2 Reclassification (continued)

2018	Before Reclassification	Reclassification	After Reclassification
Statement of Financial Position (Consolidated Financial Statement)			
International trade account payable	411.11	(7.58)	403.53
Other account payable	296.51	1.15	297.66
Accrued Expenses	2,126.40	(29.54)	2,096.86
Deferred revenue	260.98	(7.79)	253.19
Other current liabilities	476.78	2.87	479.65
Other non-current liabilities	-	7.79	7.79

2017	Before Reclassification	Reclassification	After Reclassification
Statement of Financial Position (Separate Financial Statement)			
Cash and cash equivalent	2,791.32	(39.35)	2,751.97
Domestic trade account receivable	1,008.55	0.11	1,008.66
Advance payment	499.17	(88.19)	410.98
Other current assets	107.57	3.98	111.55
Other non-current asset	27.93	88.19	116.12
International trade account payable	432.04	(39.35)	392.69
Deferred revenue	247.64	(4.00)	243.64
Other current liabilities	441.28	4.09	445.37
Other non-current liabilities	-	4.00	4.00

2018	Before Reclassification	Reclassification	After Reclassification
Statement of Financial Position (Separate Financial Statement)			
Cash and cash equivalent	2,618.92	984.34	3,603.26
Temporary investment	13,361.48	(1,200.95)	12,160.53
Domestic trade account receivable	1,147.39	18.85	1,166.24
Advance payment	487.49	(151.91)	335.58
Other current assets	158.92	(14.83)	144.09
Long term investment	614.11	200.00	814.11
Other non-current asset	29.15	151.91	181.06
Domestic trade account payable	492.90	(9.03)	483.87
International trade account payable	411.11	(7.58)	403.53
Other account payable	274.86	1.15	276.01
Deferred revenue	258.94	(7.79)	251.15
Other current liabilities	473.92	2.87	476.79
Other non-current liabilities	-	7.79	7.79



4. New financial reporting standards

Accounting Standards and Financial Reporting Standards that became effective in the current year

During the year, the Company has applied Accounting Standards, Financial Reporting Standards and Revised Financial Reporting Standards Interpretations (revised 2018) including new accounting practices, that were effective for financial statements of which accounting period beginning on or after 1 January 2019. The Financial Reporting Standards have been improved or provided in line with international financial reporting standards. Major improvements are adjustment and clarification on disclosure in note to the financial statements. The usage of such Financial Reporting Standards has no material impacts on the Company's financial statements. However, financial reporting standards and accounting practice guidelines with changes in significant principles and new editions effective in Thailand can be divided into 2 groups and summarized as follows:

Group 1 Four financial reporting standards and accounting standards had changes made in significant content. The significant content of the changes can be summarized as follows:

Financial Reporting Standard 2 (Revised 2018) Shares-based payments Modifications were made regarding categorization and value measurement for payments by using shares as basis by adding accounting specifications for the following items:

- The impact of eligibility conditions and eligibility conditions that are not conditions of service or work for measuring value of paid items by using shares as basis for payment in cash (clarification without changing the principles).
- Accounting methods for shares-based payment transactions by using shares as basis with characteristics of payments with net amount for withholding tax obligations.
- Modification of conditions and specifications of payments by using shares as basis that changes categories from payments in cash into payments with equity instruments. Effects from modifications to terms and specifications can be perceived as profits or losses.

Financial Reporting Standard 4 (Revised 2018) Insurance contracts Since the problems occurred from use of Thai Financial Reporting Standard No. 9 (TFRS 9) on Financial Instruments with Thai Financial Reporting Standard No. 4 (TFRS 4) on Insurance Contracts due to different effective dates. This allowed TFRS 4 to provide an option to follow TFRS 9 for the insurance business by temporarily exempting from applying TFRS 9. Businesses with predominant activities related to insurance may opt to follow accounting practice guidelines on financial instruments and disclosure of information for insurance businesses rather than TFRS 9.

Accounting Standard 28 (Revised 2018) Investment in associates and joint ventures An explanation was provided to clarify that businesses selecting methods for measuring value of investment in Associates and joint ventures by the method of fair value through profit or loss must select this method in each associate or joint venture on the date of perceiving the first transaction of the associates and joint ventures. Furthermore, explanations were made to clarify consideration of depreciation of investments in the associates and joint ventures.

Accounting Standard 40 (Revised 2018) Investment property Explanations have been made regarding the transfer of investment property to other accounts or from other accounts as specific investment property when use of that property changes.

Group 2 Three new financial reporting standards and interpretations became effective in Thailand and can be summarized as follows:

Financial Reporting Standard 1 The first-time adoption of thai financial reporting

standards Businesses are required to use the same accounting policy throughout the entire reporting period presented in the financial statement of businesses prepared under financial reporting standards for the first time. The aforementioned accounting policy must be consistent with each financial reporting standard effective as of the end of the business' reporting period prepared under financial reporting standards for the first time.

Financial Reporting Standard 15 Revenue from contracts with customers This standard establishes the principles for reporting useful information to financial statement users regarding the characteristics, amounts, timing, income uncertainty, cash flow from business contracts made with customers, adherence to TFRS 15, businesses perceive income to show delivery of goods or services promised to customers at an amount reflecting returns expected by the business from exchange of goods or services.

Financial Reporting Standard Interpretation 22 Foreign currency transactions and advance consideration The interpretation stipulates what exchange rate should be used with transactions related to compensation paid or received in advance in foreign currency.

Accounting standards, Financial reporting standards, Accounting practice that will be effective in the future

Significant new accounting standards, financial reporting standards and interpretation of new financial reporting standards announced in the Royal Thai Government Gazette during the year and effective for the fiscal period beginning on or after 1 January 2020 are as follows :

Accounting Standard 12	Income taxes
Accounting Standard 19	Employee benefits
Accounting Standard 23	Borrowing costs
Accounting Standard 28	Investments in associates and joint ventures
Accounting Standard 32	Financial Instrument: Presentation
Financial Reporting Standard 1	First-time adoption of international financial report standards
Financial Reporting Standard 3	Business combinations
Financial Reporting Standard 7	Financial instruments disclosure
Financial Reporting Standard 9	Financial instruments
Financial Reporting Standard 11	Joint arrangements
Financial Reporting Standard 16	Lease
Financial Reporting Standard Interpretation 16	Hedges of a net investment in a foreign operation
Financial Reporting Standard Interpretation 19	Extinguishing financial liabilities with equity instruments
Financial Reporting Standard Interpretation 23	Uncertainties related to income tax methods
Accounting practice	financial instruments and disclosure of information for the insurance business

The aforementioned accounting standards, financial reporting standards, interpretations of financial reporting standards and accounting practice guidelines were modified or prepared to provide equivalent content to international financial reporting standards. The Company did not use the aforementioned revised standards before the effective date and the Company's executives assessed and deemed that the aforementioned adjusted standards have no significant effects on the Company's financial statements.



5. Cash and cash equivalent consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Cash	325.27	286.10	324.96	285.75
Bank deposits				
Current account	(15.69)	7.75	(15.69)	7.75
Saving deposit	2,002.18	1,815.30	1,900.52	1,751.70
Fixed deposit not exceeding 3 months	772.63	1,559.10	762.69	1,558.06
Total bank deposits	2,759.12	3,382.15	2,647.52	3,317.51
Total	3,084.39	3,668.25	2,972.48	3,603.26

The Company's bank deposits as of 31 December 2019 had an interest rate of 1.26 percent per year (as of 31 December 2018, interest rate was 0.90 - 1.35 percent per year). Savings in the amount of 2,002.18 million baht have a burden of guaranteeing business services in the amount of 20 million baht.

6. Temporary investment consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
exceeding 3 months - Not exceeding 6 months fixed deposit	2,077.20	2,426.33	2,077.20	2,426.33
exceeding 6 months - Not exceeding 12 months fixed deposit	6,158.65	6,124.09	6,158.65	6,124.09
Long term bank deposit matured within 1 year	814.11	3,610.11	814.11	3,610.11
Total	9,049.96	12,160.53	9,049.96	12,160.53

Temporary investments as at 31 December 2019 had an interest rate of 1.36 - 1.90 percent per year (as at 31 December 2018, interest rate was 1.05 - 1.85 percent per year). Fixed bank deposits for more than six months but no more than 12 months were in the amount of 6,158.65 million baht with 49.65 million baht in deposits with obligations of guaranteeing pension fund project loans.





7. Domestic trade account receivable consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Postal service receivable	1,083.96	1,034.46	1,083.96	1,034.46
Business customer service receivable	199.16	126.48	141.32	137.43
Transportation service receivable	84.96	101.29	-	-
One-stop storage service receivable	-	47.84	-	-
Collection receivables	77.40	18.85	77.40	18.85
Other trade receivable	24.19	15.96	16.81	11.47
	1,469.67	1,344.88	1,319.49	1,202.21
<u>less</u> Allowance for doubtful account	(96.74)	(53.40)	(49.15)	(35.98)
Domestic trade receivable	1,372.93	1,291.48	1,270.34	1,166.23

Divided by debt age as follows:

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Not yet due	736.75	989.56	704.77	945.64
Maturity				
- Not exceeding 90 days	507.66	231.97	451.61	184.50
- Exceeding 90 - 180 days	133.90	41.88	123.05	30.87
- Exceeding 180 - 270 days	13.82	17.38	5.10	15.36
- Exceeding 270 - 360 days	13.99	11.47	5.10	15.36
- Exceeding 360 days	63.55	52.62	28.66	17.48
	1,469.67	1,344.88	1,319.49	1,202.21
<u>less</u> Allowance for doubtful account	(96.74)	(53.40)	(49.15)	(35.98)
Total	1,372.93	1,291.48	1,270.34	1,166.23

8. International trade receivable consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
International post terminal dues receivable	525.32	631.61	525.32	631.61
International money order receivable	3.51	18.77	3.51	18.77
International trade receivable	0.07	0.08	0.07	0.08
	528.90	650.46	528.90	650.46
<u>less</u> Allowance for doubtful account	(0.09)	(0.08)	(0.09)	(0.08)
International trade receivable	528.81	650.38	528.81	650.38



9. Other accounts receivable consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Employees receivable	225.86	224.63	224.76	221.29
Other accounts receivable	77.19	63.36	53.66	53.35
	303.05	287.99	278.42	274.64
<u>less</u> Allowance for doubtful account	(75.07)	(75.11)	(75.07)	(75.11)
Other accounts receivable	227.98	212.88	203.35	199.53

10. Inventories consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Postal goods	211.41	162.32	211.41	162.32
Collectibles	86.40	86.73	86.40	86.73
Postage stamps for collection	54.76	52.50	54.76	52.50
Definitive postage stamps	17.51	13.98	17.51	13.98
Miscellaneous goods	-	0.04	-	0.04
	370.08	315.57	370.08	315.57
<u>less</u> Allowance for damaged or obsolete goods	(87.55)	(74.97)	(87.55)	(74.97)
Inventories	282.53	240.60	282.53	240.60

Inventory cost, stated as expense and included in sales cost for the year ended on 31 December 2019 and 2018, consists of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Inventory cost stated as expense and included in sales cost	382.88	524.67	382.88	524.67

11. Bank Deposits with obligation

Bank deposits with obligations as at 31 December 2019 amounted to 478.64 million baht (as at 31 December 2018, this amount was 471.75 million baht) with 469.53 million baht belonging to only the Company (as at 31 December 2018, this amount was 462.68 million baht). This amount was a fixed deposit at the Government Housing Bank because the Company made a housing loan agreement for employees with the Government Housing Bank, which required the Company to maintain deposits at the bank in the amount owed by borrowers to the bank and the remaining amount belonged to subsidiaries.



12. Joint Venture Investments

The Company invested in National Digital ID Company Limited (NDID) in the amount of 24.50 million baht by holding 245,000 common shares with a par value of 100 baht. The Company holds shares in NDID at seven percent of paid-up registered capital and has one company representative as a director with voting rights.

Transactions of investment movements in joint ventures for the year ending 31 December 2019 have the following information:

	Consolidated Financial Statement	Separate Financial Statement
Price in the account at the beginning of the cycle	-	-
Additional Investments	24.50	24.50
Share of Losses from Investments Recorded by the Equity Method	(2.57)	-
Dividend received	-	-
Price in the account at the end of the cycle	21.93	24.50

Businesses with stakes in each insignificant joint venture recorded investments using the following equity method:

	Consolidated Financial Statement
Total Account Value of Stakes in Each Insignificant Joint Venture	21.93
Total shares of Businesses in the Joint Venture	
Loss from Continual Operations	(2.57)
Other comprehensive income	-
Total Comprehensive Loss for the year ended 31 December 2019	(2.57)

13. Investment in subsidiary

The Company has established Thailand Post Distribution Company Limited according to the cabinet resolution on 22 October 2013 for management of transport routes, addressing, packaging, storage and distribution of goods, including providing other related supplementary services. The Company holds 100% of shares in the new company. Thailand Post Distribution Company Limited was incorporated on 9 January 2014 with the registered capital of 350 million baht, and 100% of shares was fully paid.

14. Long-term investment consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
exceeding 12 months - Not exceeding 24 months fixed deposit	3,346.15	2,046.70	3,346.15	2,046.70
exceeding 24 months - Not exceeding 36 months fixed deposit	815.55	2,377.52	815.55	2,377.52
less long - term bank deposit matured within 1 year	(814.11)	(3,610.11)	(814.11)	(3,610.11)
Total	3,347.59	814.11	3,347.59	814.11



15. Land, building, and equipment consist of

Consolidated Financial Statement

	Land	Land improvement	Buildings, construction and improvements	Machinery and equipment	Tool and general equipment	Office appliances	Vehicles	Assets under construction and installation	Total
Cost									
As at 1 January 2019	2,507.47	433.90	12,860.93	2,600.23	582.78	3,364.91	2,870.07	582.93	25,803.22
Purchase of assets	312.60	3.32	65.05	111.60	46.50	102.64	252.18	840.36	1,734.25
Transfer of assets under construction	13.93	62.11	424.45	5.88	15.37	175.39	-	(1,030.32)	(333.19)
Transfer of deferred expense	-	-	-	-	0.52	-	1.55	-	2.07
From donation	-	-	-	-	2.42	59.44	-	-	61.86
Disposal	-	(1.06)	(28.83)	(29.67)	(9.80)	(79.64)	(105.55)	-	(254.55)
Reclassification	-	(0.01)	(18.77)	(2.15)	(12.57)	13.40	0.18	24.79	4.87
As at 31 December 2019	2,834.00	498.26	13,302.83	2,685.89	625.22	3,636.14	3,018.43	417.76	27,018.53
Accumulated depreciation									
As at 1 January 2019	-	184.95	9,813.58	2,030.27	414.89	2,307.32	1,715.71	-	16,466.72
Disposal	-	(0.79)	(26.79)	(28.87)	(9.56)	(79.38)	(105.40)	-	(250.79)
Reclassification	-	(0.01)	4.13	(2.16)	(9.77)	7.63	0.18	-	-
Depreciation in the period	-	39.71	358.85	107.93	53.90	437.11	274.13	-	1,271.63
As at 31 December 2019	-	223.86	10,149.77	2,107.17	449.46	2,672.68	1,884.62	-	17,487.56
Book value									
As at 1 January 2019	2,507.47	248.95	3,047.35	569.96	167.89	1,057.59	1,154.36	582.93	9,336.50
As at 31 December 2019	2,834.00	274.40	3,153.06	578.72	175.76	963.46	1,133.81	417.76	9,530.97

As at 31 December 2019

- Original cost of land, building and equipment, fully depreciated but still in use, was 13,009.95 million baht (as at 31 December 2018 amounting to 10,830.10 million baht).
- Depreciation for the year ended 31 December 2019 was 1,271.65 million baht, divided into sales and service cost of 1,074.24 million baht, and selling and administrative expense of 197.41 million baht.



15. Land, building, and equipment (continued)

Consolidated Financial Statement

	Land	Land improvement	Buildings, construction and improvements	Machinery and equipment	Tool and general equipment	Office appliances	Vehicles	Assets under construction and installation	Total
Cost									
As at 1 January 2018	1,961.85	338.43	12,126.27	2,554.98	522.08	2,990.93	2,437.64	620.93	23,553.11
Purchase of assets	545.62	4.88	45.82	89.71	51.59	484.38	508.95	893.00	2,623.95
Transfer of assets under construction	-	91.14	716.96	7.06	25.08	42.39	-	(931.00)	(48.37)
Transfer of deferred expense	-	-	-	1.89	1.53	-	-	-	3.42
From donation	-	-	-	-	0.01	0.12	-	-	0.13
Disposal	-	(0.55)	(26.32)	(54.31)	(17.37)	(154.63)	(75.84)	-	(329.02)
Reclassification	-	-	(1.80)	0.90	(0.14)	1.72	(0.68)	-	-
As at 31 December 2018	2,507.47	433.90	12,860.93	2,600.23	582.78	3,364.91	2,870.07	582.93	25,803.22
Accumulated depreciation									
As at 1 January 2018	-	153.88	9,356.13	1,978.20	380.24	2,103.22	1,545.73	-	15,517.40
Disposal	-	(0.48)	(23.17)	(53.45)	(16.86)	(154.30)	(75.81)	-	(324.07)
Reclassification	-	-	(1.90)	0.09	(0.13)	1.81	0.13	-	-
Depreciation in the period	-	31.55	482.52	105.43	51.64	356.59	245.66	-	1,273.39
As at 31 December 2018	-	184.95	9,813.58	2,030.27	414.89	2,307.32	1,715.71	-	16,466.72
Book value									
As at 1 January 2018	1,961.85	184.55	2,770.14	576.78	141.84	887.71	891.91	620.93	8,035.71
As at 31 December 2018	2,507.47	248.95	3,047.35	569.96	167.89	1,057.59	1,154.36	582.93	9,336.50

As at 31 December 2018

- Original cost of land, building and equipment, fully depreciated but still in use, was 10,830.10 million baht (as at 31 December 2017 amounting to 8,280.91 million baht).
- Depreciation for the year ended 31 December 2018 was 1,273.39 million baht, divided into sales and service cost of 961.69 million baht, and selling and administrative expense of 311.70 million baht.

15. Land, building, and equipment (continued)

Separate Financial Statement

	Land	Land improvement	Buildings, construction and improvements	Machinery and equipment	Tool and general equipment	Office appliances	Vehicles	Assets under construction and installation	Total
Cost									
As at 1 January 2019	2,507.47	433.90	12,845.11	2,599.58	582.56	3,357.79	2,870.07	582.93	25,779.41
Purchase of assets	312.60	3.32	65.05	111.51	46.40	102.06	252.18	840.36	1,733.48
Transfer of assets under construction	13.93	62.11	424.45	5.88	15.37	175.39	-	(1,030.32)	(333.19)
Transfer of deferred expense	-	-	-	-	0.52	-	1.55	-	2.07
From donation	-	-	-	-	2.42	59.44	-	-	61.86
Disposal	-	(1.06)	(28.83)	(29.67)	(9.80)	(79.64)	(105.55)	-	(254.55)
Reclassification	-	(0.01)	(18.77)	(2.15)	(12.57)	13.40	0.18	24.79	4.87
As at 31 December 2019	2,834.00	498.26	13,287.01	2,685.15	624.90	3,628.44	3,018.43	417.76	26,993.95
Accumulated depreciation									
As at 1 January 2019	-	184.95	9,805.21	2,029.85	414.78	2,302.08	1,715.71	-	16,452.58
Disposal	-	(0.79)	(26.79)	(28.87)	(9.56)	(79.38)	(105.40)	-	(250.79)
Reclassification	-	(0.01)	4.13	(2.16)	(9.77)	7.63	0.18	-	-
Depreciation in the period	-	39.71	355.68	107.80	53.84	436.08	274.14	-	1,267.25
As at 31 December 2019	-	223.86	10,138.23	2,106.62	449.29	2,666.41	1,884.63	-	17,469.04
Book value									
As at 1 January 2019	2,507.47	248.95	3,039.90	569.73	167.78	1,055.71	1,154.36	582.93	9,326.83
As at 31 December 2019	2,834.00	274.40	3,148.78	578.53	175.61	962.03	1,133.80	417.76	9,524.91

As at 31 December 2019

- Original cost of land, building and equipment, fully depreciated but still in use, was 13,009.95 million baht (as at 31 December 2018 amounting to 10,830.10 million baht).
- Depreciation for the year ended 31 December 2019 was 1,267.25 million baht, divided into sales and service cost of 1,070.59 million baht, and selling and administrative expense of 196.66 million baht.





15. Land, building, and equipment (continued)

Separate Financial Statement

	Land	Land improvement	Buildings, construction and improvements	Machinery and equipment	Tool and general equipment	Office appliances	Vehicles	Assets under construction and installation	Total
Cost									
As at 1 January 2018	1,961.85	338.43	12,105.47	2,554.43	521.93	2,984.34	2,437.64	620.93	23,525.02
Purchase of assets	545.62	4.88	45.82	89.61	51.52	483.85	508.95	893.00	2,623.25
Transfer of assets under construction	-	91.14	716.96	7.06	25.08	42.39	-	(931.00)	(48.37)
Transfer of deferred expense	-	-	-	1.89	1.53	-	-	-	3.42
From donation	-	-	-	-	0.01	0.12	-	-	0.13
Disposal	-	(0.55)	(21.34)	(54.31)	(17.37)	(154.63)	(75.84)	-	(324.04)
Reclassification	-	-	(1.80)	0.90	(0.14)	1.72	(0.68)	-	-
As at 31 December 2018	2,507.47	433.90	12,845.11	2,599.58	582.56	3,357.79	2,870.07	582.93	25,779.41
Accumulated depreciation									
As at 1 January 2018	-	153.88	9,348.61	1,977.90	380.18	2,099.11	1,545.73	-	15,505.41
Disposal	-	(0.48)	(19.95)	(53.45)	(16.86)	(154.30)	(75.81)	-	(320.85)
Reclassification	-	-	(1.90)	0.09	(0.13)	1.81	0.13	-	-
Depreciation in the period	-	31.55	478.45	105.31	51.59	355.46	245.66	-	1,268.02
As at 31 December 2018	-	184.95	9,805.21	2,029.85	414.78	2,302.08	1,715.71	-	16,452.58
Book value									
As at 1 January 2018	1,961.85	184.55	2,756.86	576.53	141.75	885.23	891.91	620.93	8,019.61
As at 31 December 2018	2,507.47	248.95	3,039.90	569.73	167.78	1,055.71	1,154.36	582.93	9,326.83

As at 31 December 2018

- Original cost of land, building and equipment, fully depreciated but still in use, was 10,830.10 million baht (as at 31 December 2017 amounting to 8,280.91 million baht).
- Depreciation for the year ended 31 December 2018 was 1,268.02 million baht, divided into sales and service cost of 957.27 million baht, and selling and administrative expense of 310.75 million baht.



16. Assets under financial lease agreement consist of

	Consolidated Financial Statement	Separate Financial Statement
Cost		
As at 1 January 2019	161.81	-
Purchase of assets	198.02	-
As at 31 December 2019	359.83	-
Accumulated depreciation		
As at 1 January 2019	(9.88)	-
Depreciation in the period	(14.79)	-
As at 31 December 2019	(24.67)	-
Book value		
As at 1 January 2019	151.93	-
As at 31 December 2019	335.16	-

	Consolidated Financial Statement	Separate Financial Statement
Cost		
As at 1 January 2018	-	-
Purchase of assets	161.81	-
As at 31 December 2018	161.81	-
Accumulated depreciation		
As at 1 January 2018	-	-
Depreciation in the period	(9.88)	-
As at 31 December 2018	(9.88)	-
Book value		
As at 1 January 2018	-	-
As at 31 December 2018	151.93	-



17. Intangible asset consist of

	Consolidated Financial Statement	Separate Financial Statement
Cost - Computer program		
As at 1 January 2019	478.78	458.29
Purchase of asset	26.80	26.80
From donation	13.95	13.95
Amortization	(0.04)	(0.04)
Transfer to property, plant and equipment	(4.87)	(4.87)
Transfer of assets under installation	296.66	296.66
As at 31 December 2019	811.28	790.79
Accumulated amortization		
As at 1 January 2019	212.09	205.12
Amortization in installment	(0.03)	(0.03)
Deferred cost in installment	58.83	54.73
As at 31 December 2019	270.89	259.82
Book value		
As at 1 January 2019	266.69	253.17
As at 31 December 2019	540.39	530.97
Cost - Computer program		
As at 1 January 2018	414.14	393.65
Purchase of asset	21.13	21.13
From donation	0.10	0.10
Amortization	(0.05)	(0.05)
Transfer of assets under installation	43.43	43.43
Transfer of deferred expenses	0.03	0.03
As at 31 December 2018	478.78	458.29
Accumulated amortization		
As at 1 January 2018	165.94	163.06
Amortization in installment	(0.03)	(0.03)
Deferred cost in installment	46.18	42.09
As at 31 December 2018	212.09	205.12
Book value		
As at 1 January 2018	248.20	230.59
As at 31 December 2018	266.69	253.17



18. Income tax and deferred income tax consist of

Consolidated Financial and Separate Financial Statement

	Employee benefits	Pension fund for THP employees	Other particulars	Total
As at 1 January 2018	848.66	15.34	27.65	891.65
Particulars stated in the statement of income	(5.50)	1.65	5.15	1.30
Particulars stated in the statement of comprehensive income	13.81	-	-	13.81
As at 31 December 2018	856.97	16.99	32.80	906.76
Particulars stated in the statement of income	225.97	1.86	6.04	233.87
Particulars stated in the statement of comprehensive income	6.63	-	-	6.63
As at 31 December 2019	1,089.57	18.85	38.84	1,147.26

Consolidated Financial Statement

Separate Financial Statement

	2019	2018	2019	2018
Income tax recognized in Statement of income				
Income tax as per the Revenue Code	508.65	1,073.59	508.65	1,073.59
Change of temporary difference				
Previous year's tax recoded lower than the actual amount	(233.86)	(1.30)	(233.86)	(1.30)
	-	0.27	-	0.27
Total	274.79	1,072.56	274.79	1,072.56
Income tax recognized in statement of comprehensive income				
Change of temporary difference				
Employee benefit obligation	6.63	13.81	6.63	13.81





Reconciliation to obtain the actual tax rate for the year ended 31 December 2019 is as follows:

Consolidated Financial Statement				
	2019		2018	
	Tax rate (%)		Tax rate (%)	
Profit before income tax payment		894.18		4,900.10
Tax amount based on income tax rate	20.00	178.84	20.00	980.02
Tax-related forbidden payment		476.62		204.40
Income not included as income		(0.52)		(0.78)
Deductible expense				
Tax benefit		(140.24)		(106.39)
Present year's income tax		514.70		1,077.25
Previous year's income tax recoded lower than the actual amount		-		0.27
Change of temporary difference		(233.86)		(1.30)
Effects of write-off with the subsidiaries		(6.05)		(3.66)
Total	30.73	274.79	21.88	1,072.56

Separate Financial Statement				
	2019		2018	
	Tax rate (%)		Tax rate (%)	
Profit before income tax payment		863.94		4,881.78
Tax amount based on income tax rate	20.00	172.79	20.00	976.36
Tax-related forbidden payment		476.62		204.40
Income not included as income		(0.52)		(0.78)
Deductible expense				
Tax benefit		(140.24)		(106.39)
Present year's income tax		508.65		1,073.59
Previous year's income tax recoded amount		-		0.27
Change of temporary difference		(233.86)		(1.30)
Total	31.90	274.79	21.97	1,072.56





19. Other non-current asset consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Prepaid Expenses	110.66	164.59	110.66	164.59
Security deposit receivable	32.51	28.91	110.66	164.59
Deferred expense	8.68	6.75	8.68	6.75
Reserve for postage stamps	0.67	0.65	0.67	0.65
Total	152.52	200.90	132.71	181.06

20. Other account payable consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Security deposit payable	271.64	262.03	251.41	241.60
Other account payable	46.39	35.63	43.66	34.41
Total	318.03	297.66	295.07	276.01

21. Liabilities under Financial Lease Agreement consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Liabilities under Financial Lease Agreement	328.35	158.61	-	-
<u>Less</u> deferred interest	(19.25)	(11.03)	-	-
	309.10	147.58	-	-
<u>Less</u> liabilities under Financial Lease Agreement - matured within 1 year	(32.93)	(31.88)	-	-
Total	276.17	115.70	-	-

Thailand Post Distribution Company Limited, which is a subsidiary of THP, entered into the Financial Lease Agreement with a leasing company to rent vehicles for the purpose of business operation. The rent is paid on monthly basis, and the agreement term is 5 years. Thailand Post Distribution has obligations to pay the minimum rent under the Financial Lease Agreement as follows:

	2019			2018		
	Principal	Deferred Interest	Amount Payable	Principal	Deferred Interest	Amount Payable
Due date within 1 year	32.93	3.30	36.23	31.88	4.35	36.23
Due date 1 year but not over 5 years	276.17	15.95	292.12	115.70	6.68	122.38
Total	309.10	19.25	328.35	147.58	11.03	158.61



22. Accrued expense consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Bonus	620.43	605.97	620.43	605.97
International post terminal dues payable	319.77	277.82	319.77	277.82
Transport cost for international mail bags	131.39	126.77	131.39	126.77
Others	740.62	1,086.30	729.72	1,080.93
Total	1,812.21	2,096.86	1,801.31	2,091.49

23. Deferred income consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
International post terminal dues receivable	93.60	176.29	93.60	176.29
Rental of place and equipment	27.23	27.87	27.23	27.87
Deposit accounts of postage stamp collection members	23.15	22.96	23.15	22.96
Domestic business reply service	13.58	15.18	13.58	15.18
Postage charge with franking machine	6.27	6.08	6.27	6.08
Others	6.08	4.82	6.08	2.77
Total	169.91	253.20	169.91	251.15

24. Other current liabilities consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Deferred provident fund contribution	363.76	324.98	363.76	324.98
Customs duties in arrears for international parcels	75.33	74.63	75.33	74.63
Deferred outstanding	11.45	28.33	9.39	28.33
Special remuneration fund for the Lottery Project	7.45	23.26	7.45	23.26
Pending sales tax	6.14	6.43	2.08	3.57
Advance cash receipt, international money orders	0.32	2.30	0.32	2.30
Others	11.03	19.72	11.03	19.72
Total	475.48	479.65	469.36	476.79



25. Estimated Non-current Liabilities for Employee Benefits consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Beginning balance	4,286.36	4,244.07	4,284.82	4,243.28
Current service cost	281.66	218.60	280.15	217.87
Interest cost	148.89	113.83	148.85	113.79
Loss from New Value Measurements of Employee Benefits	33.17	69.31	33.17	69.04
Past Service Cost	1,233.07	-	1,232.20	-
Benefits paid	(531.75)	(359.45)	(531.35)	(359.16)
Ending balance	5,451.40	4,286.36	5,447.84	4,284.82

The main assumption in estimation based on actuarial science basis which is used for calculation of obligation under the employee benefit project as at 31 December 2019 is as follows:

	% rate per year
(a) Financial Assumption	
Discount Rate	2.81
Long-term Inflation Rate	2.75
Pay Raise Rate	6.00
(b) Demographic Assumption	
Turnover categorized by age range	
Age under 25	1.72
Age between 25 and 29	1.72
Age between 30 and 34	1.15
Age between 35 and 39	0.76
Age between 40 and 44	0.57
Age between 45 and 49	0.38
Age between 50 and 60	0.19
Mortality rate	105 of Thai Death Table 2017

The Labor Protection Act No. 7, B.E. 2562 (A.D. 2019), on Minimum Standards of Employment Conditions in State Enterprises specified to increase compensation rates in case of termination of employment for employees who performed work for 20 years or more to 400 days and the Act became effective for employees who had to leave positions due to retirement according to the Employer's regulations, specifications or directives as of 30 September 2019, causing the Company to perceive estimated liabilities for employee benefits as of 31 December 2019 in the amount of 1,369.34 million baht.



26. Pension fund for THP employees

The Company has a pension fund for employees as at December 31, 2019, amounting to 108.08 million baht (as at December 31, 2018, amounting to 98.80 million baht). The Company adjusted contributions to the pension fund at the beginning of the cycle in the amount of 64.72 million baht. In this cycle, the Company contributed 9.28 million baht to the pension fund to fulfill obligations. (the number of employees in the pension fund as at 31 December 2019 amounting to 49 persons)

27. Legal reserve

In 2008, the Company fully set the legal reserve at 10% of the paid-up registered capital amounting to 125 million baht.

28. Revenue from sales and service consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Express and logistics services	13,391.76	14,071.38	13,022.17	13,638.16
Mail services	8,405.88	9,762.87	8,405.88	9,762.87
International services	3,861.85	4,044.48	3,861.85	4,044.48
Retail business	831.15	971.95	831.15	971.95
Financial business	348.87	274.13	348.87	274.13
Other businesses	159.35	181.69	163.51	189.95
Total	26,998.86	29,306.50	26,633.43	28,881.54

29. Other revenues consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Interest receivable	282.11	281.10	281.89	280.96
Profit from currency exchange	-	1.62	-	1.62
Profit from Equipment Sales	16.75	11.87	16.75	11.57
Other	233.73	127.16	230.43	122.63
Total	532.59	421.75	529.07	416.78



30. Expense by nature consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
		(Revised)		(Revised)
Expense for employees	15,400.24	13,488.61	15,276.92	13,410.43
Rental fee	2,290.71	2,563.60	2,158.51	2,471.37
Other operation expense	2,160.86	1,968.11	2,025.58	1,922.25
Postal transport expense	1,781.03	1,800.51	1,889.96	1,649.67
Depreciation and amortization	1,345.26	1,331.01	1,321.98	1,311.66
Terminal dues and financial services remuneration	1,123.42	1,018.53	1,123.42	1,018.53
Postal expense	870.28	753.21	866.34	745.16
Utility expense	515.87	490.58	501.92	478.88
Repair and maintenance fee	497.02	490.89	489.06	489.40
Cost of products sold	382.88	524.67	382.88	524.67
Expense for publication and marketing promotion	199.47	362.64	199.32	361.93
Financial costs	4.27	3.21	-	-
Other expenses	63.40	33.74	62.66	33.74
Total	26,634.71	24,829.31	26,298.55	24,417.69

Expense for employees consists of wage, welfare, and expense for personnel development and training. Expenses in the form of salaries paid to employees totaling 7,389.71 million baht.

31. Remuneration of directors consist of

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Meeting allowance	4.31	2.83	1.98	0.88
Bonus	1.29	0.86	0.75	0.86
Total	5.60	3.69	2.73	1.74

32. Dividend payable

In 2018, THP paid dividends to the Ministry of Finance as the company's sole shareholder totaling 2,564.63 million baht. This consisted of dividend payments for the second half of 2016 and 2017 in the amount of 757.69 million baht and 897.03 million baht respectively, and interim dividend payments for 2018 in the amount of 909.91 million baht.

In 2019, THP paid dividends to the Ministry of Finance as the company's sole shareholder totaling 1,034.08 million baht. This consisted of dividends payments for the second half of 2018 in the amount of 613.78 million baht and interim dividend payments for 2019 in the amount of 420.30 million baht.

33. Transactions with Related Persons or Businesses

Thailand Post Company Limited is the sole shareholder of Thailand Post Distribution Company Limited and has the power to control the Company. Therefore, the Company and Thailand Post Distribution Company Limited are deemed as being the related business.

During the period, Thailand Post Company Limited traded goods and services with Thailand Post Distribution Company Limited under the normal course of business. The related transactions are as follows:

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Subsidiary account receivable -				
Thailand Post Distribution Company Limited	-	-	1.09	1.83
Business customer service account receivable	-	-	-	10.95
Accrued revenue	-	-	0.14	1.21
Prepaid expenses	-	-	62.46	82.10
Purchasing tax not due for payment	-	-	0.38	-
Subsidiary accounts payable -				
Thailand Post Distribution Company Limited	-	-	1.10	-
Accrued expenses	-	-	38.90	41.01
Undue output tax	-	-	0.08	0.85

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Related Revenue				
Revenue from place and equipment	-	-	2.96	3.89
Revenue from utility fee	-	-	1.66	1.52
Postal Package transportation service				
income - Business customers	-	-	0.60	17.79
Revenue from other operations	-	-	0.07	3.48
Income from breach of contract fines	-	-	0.09	-
Total	-	-	5.38	26.68

	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
Related Expenses				
Domestic mail bag transportation fee -				
contracted	-	-	222.07	77.76
Domestic mail bag transportation fee -				
not contracted	-	-	25.55	3.93
EMS bag transportation fee - contracted	-	-	48.41	6.33
Contract fees for helping with postal work	-	-	12.89	5.18
Building and facility rental fees	-	-	1.70	-
Total	-	-	310.62	93.20



34. Contingent assets and liabilities

34.1 Contingent assets

34.1.1 Thailand Post Company Limited was the plaintiff in lawsuits against several persons and businesses mostly in matters relating to the breach of purchase agreement, construction agreement and employment agreement, with total amount claimed of 150.21 million baht as at 31 December 2019 (213.68 million baht as at 31 December 2018). Significant lawsuits are as follows:

- (1) Mrs. Pensiri Attajin in a breach of employment contract case, with the amount claimed of 53.96 million baht. The case was in the process of legal execution.
- (2) V-Smart Company Limited: in a breach of procurement contract for Enterprise Resource Planning (ERP) development, with the amount claimed of 44.06 million baht. The case was under jurisdiction of the Court of First Instance.
- (3) Pracharat Wissawakit Company Limited in a breach of commissioning contract for the improvement of Phra Khanong Post Office building, with the amount claimed of 16.52 million baht. The case was in the process of legal execution.
- (4) Ang Thong Wissawakam Limited Partnership in a breach of contract for the construction of Thailand Post's medical building, with the amount claimed of 5.66 million baht. The case was in the process of legal execution.

There are 42 cases which have been settled by the court and are currently in the process of legal execution, with 97.19 million baht of funds in the cases. This amount was not recognized as an asset in the financial statement due to the uncertainty that the Company will be paid. Therefore, the above estimated assets are not recorded in the financial statements.

34.1.2 Thailand Post Distribution Company Limited was the Plaintiff in a dispute with V. Cargo Company Limited in a dispute case regarding breach of a transportation contract for transporting goods to destinations nationwide. Funds in the lawsuit as of 31 December 2019 amounted to 56.46 million baht and the Plaintiff is in the appeal process.

34.2 Contingent liabilities

34.2.1 Thailand Post Company Limited were filed in several disputes with several persons and businesses mostly in matters relating to the breach of purchase agreement, construction agreement and employment agreement, with total amount claimed in those lawsuits of 826.83 million baht as of 31 December 2019 (628.74 million baht as at 31 December 2018) Significant lawsuits are as follows:

- (1) V-Smart Company Limited and ICE Consulting Company Limited: lawsuit was filed since the Company terminated the contract for jointly development of Enterprise Resource Planning (ERP) system, the amount claimed of 432.32 million baht. The case was under jurisdiction of the Court of First Instance.
- (2) Ideal Systems Co., Ltd. In the case of the company in breach of the commissioning contract to develop and install the CA POS system, the amount claimed of 150.02 million baht. The case was under jurisdiction of the Court of First Instance.
- (3) Mr. Niphun Charoenkan: lawsuit was filed against the Company due to the termination of employment. The plaintiff requested the court to revoke the dismissal and re-employ the plaintiff as the Post Office Head with the claimed amount of 68.41 million baht. The case was under jurisdiction of the Court of First Instance.
- (4) Miss Chantima Ruangrattanatrai: lawsuit was filed against the Company due to the explosion of postal parcel at Trat Post Office, the amount claimed of 64.07 million baht. The Court of First Instance ordered THP to pay damages totaling 0.11 million baht. The case was under appeal.
- (5) Mr. Ittikorn Sritong, lawsuit was filed in the case of unfair termination of employment due to severe violation of discipline, the amount claimed of 19.53 million baht. The case was under jurisdiction of the Court of First Instance.



34. Contingent assets and liabilities (continued)

34.2 Contingent liabilities (continued)

34.2.2 Thailand Post Distribution Company Limited were filed by several persons and businesses and significant lawsuits are as follows:

- (1) V. Cargo Company Limited, in a breach of transportation contract regarding delivery of goods to destinations nationwide with a fund of 13.78 million baht and compensation for damage from refusal to pay debts and return bonds in the amount of 1.12 million baht. The case is under court deliberation.
 - (2) Blue Logistics Limited Partnership, in a case on breach of transportation contract with a fund of 2.43 million baht. The Court of Appeals adjudicated that the Plaintiff and the Co-Defendants paid 1.87 million baht with interest to the Defendant and payments were jointly made on 13 March 2020.
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