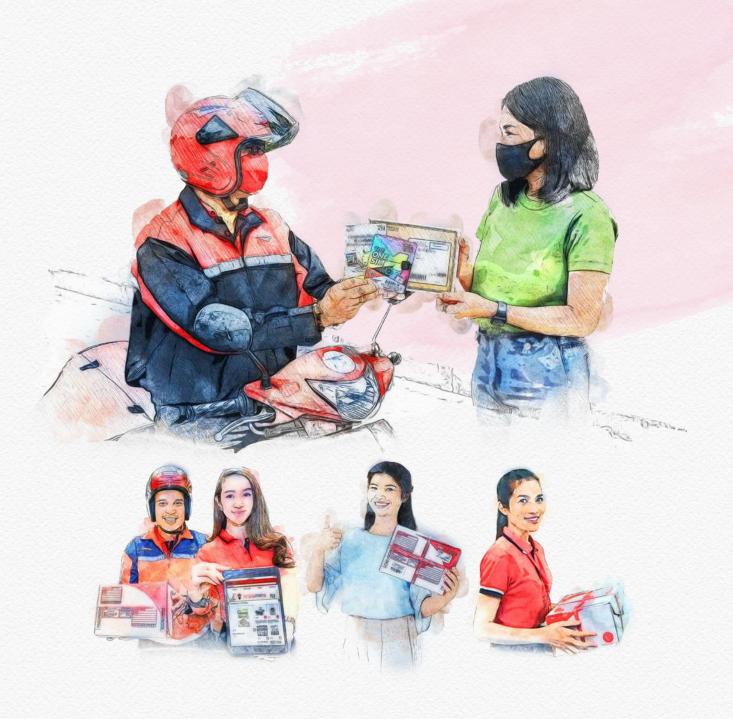


## "Alongside Thai People ... with Reliable Delivery"



Annual Report 2020

Thailand Post Company Limited





Thailand Post is a Thai business which has been alongside Thai people for decades and has constantly developed and adjusted itself to keep up with the world trend. The Company commits to take care of all missions of Thai people by providing the full service and potential delivery that can penetrate all communities, as a true friend whom Thai people can trust in any situation.

# "Thailand Post... alongside Thai People with Reliable Delivery."



#### Awards in 2020

## 7

## Best Brand Performance on Social Media Awards

THP was granted the Best Brand Performance on Social Media (Delivery Service Provider) Award from Wisesight (Thailand) Company Limited in Thailand Zocial Awards 2020 as the brand having the best performance on social media in transportation business sector based on the use of services through social media to access the data conveniently and quickly, which perfectly responds to the lifestyle of e-Commerce customers.







#### EMS Customer Care Awards for Customer Service Provision

THP obtained EMS Customer Care Awards for the Year 2019 at Outstanding Level for customer service provision in the virtue of the effective investigation and correction against customer complaints in accordance with the rules determined by Universal Postal Union (UPU) to be implemented in the international service investigation (The awards were announced in 2020).



#### Honorable Awards of TQM Progressive Learners for the Year 2020

THP received a plaque of honor in the category of TQM Progressive Learners in the event of THAILAND QUALITY CONFERENCE & The 21<sup>st</sup> Symposium on TQM Best Practices in Thailand 2020 from the Foundation for TQM Promotion in Thailand (FTQM) for implementation of knowledge and practices of TQM system in development of Prompt Post service through Prompt Post system to support e-Commerce customers.







#### Transport and Logistics Supporter Awards in the Online Thai Red Cross Event 2020

THP was conferred the royal plaque and certificate for an organization who supports transport and logistic activities in the Online Thai Red Cross Event 2020 from Her Royal Highness Princess Maha Chakri Sirindhorn, Executive Vice President of the Thai Red Cross Society, in the Online Thai Red Cross Event 2020.



#### Kaizen Web Vote Awards 2020

THP obtained "Kaizen Web Vote Awards 2020" for the work that passed to the final round in the category of Suggestion Kaizen by the workpiece "Multiple Plier" and "Bronze Award" in the category of Service Kaizen by the workpiece "Device for Weighing, Checking Prices, and Identifying Types of Mails in Posting Process" in Thailand Kaizen Award 2020 competition held by Technology Promotion Association (Thailand-Japan). The awards were conferred by Assoc. Prof. Pasit Lorterapong, Science and Technology Consultant, Ministry of Higher Education, Science, Research and Innovation.

#### The 9th NACC Integrity Awards

THP was granted the 9<sup>th</sup> NACC Integrity Awards for the year 2019 from Office of the National Anti-Corruption Commission (NACC) at A Level with the score of 91.13, which reflects that THP is the organization having international standards of management under the good governance principle. (The awards were announced in 2020).





## Role Model Organization on Human Right Awards 2020, Outstanding Level

THP obtained the Role Model Organization on Human Right Awards 2020, Outstanding Level, for State Enterprises, from Mr. Somsak Thepsuthin, Minister of Justice, in the Awards Ceremony of Role Model Organizations on Human Right 2020 for the model organizations transferring knowledge and experience with responsibility on the basis of human rights which could be the role model for other organizations.

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## உ Chairman's Message

The year 2020 brought several challenges to THP due to the severe competition in the logistics business and technological disruption that clearly affected the change of people's lifestyle. THP determined the business directions and operating policies to provide innovative services domestically and internationally. THP collaborated with partners to create business opportunities and continuously develop service quality, as well as upgraded the traditional business to the digital form. Moreover, THP continued the projects that help generate income to the local communities by distributing products through THP's channels, in line with the policy of Ministry of Digital Economy and Society (MDES) which defines THP as an organization that provides services with speed and responds to the demand of all groups of people.

The operations of THP Board of Directors this year focused on maintaining the base of existing businesses while expanding new business groups (New S-Curve) by implementing technology and innovations to digitalize services to meet the needs of all groups of customers in terms of quick services. Furthermore, THP placed importance on creating the big data system to enhance efficiency and quality of the future services for the most effective results. In addition, postal operation systems were improved by the use of automated machines in the work processes to ensure fast, high-standard and quality services. THP also partnered with various organizations to develop services that suit the people's lifestyle better.

As for Coronavirus Disease 2019 (COVID-19) pandemic which has widely affected the economic system, THP realized the importance of preventing and minimizing its effects on business operations. Therefore, the Board and executives determined the epidemic control measures to secure mail and to ensure safety of the customers and the employees/ workers, for instance, providing alcohol gel stations, providing physical checkup before delivery, spraying disinfectants on inward mails from overseas, wearing face masks, and maintaining social distancing while using services. All post offices were informed to comply strictly with the safety measures. In addition, THP participated in assisting the society by conducting "Sending Care and Supplies to Fight against COVID-19" Project in which THP delivered face masks and medical supplies to hospitals nationwide without charge. This reflects THP's operations that do not focus only on profit making.



" THP to commit the development to ensure that we provide good quality services to customers while preparing for the change of business in the future. "

I, on behalf of THP Board of Directors, would like to express my gratitude to all customers, business partners, and stakeholders who always trust and support THP all these years. Your supports drive THP to commit the development to ensure that we provide good quality services to customers while preparing for the change of business in the future. Last but not least, special thanks are given to all executives, employees/workers for your dedication for the utmost benefit of the organization and your collaboration in conducting the business while taking account of the benefit of relevant parties from all sectors, including customers, and taking part in economic, social, and community development for THP to become a sustainable quality organization that stands beside Thai people forever.

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

# Chief Executive Officer's Message

The Post is the organization which has been alongside Thai people for 137 years. It is the pride of the personnel in the organization to take part in continually conveying happiness to the recipients. At present, the organization has been conducting the business under Thailand Post Company Limited (THP) for more than 17 years. Although the year 2020 was full of challenges due to the severe competition in the market and the negative external factors, THP succeeded in balancing profitability and good service provision to the public by operating the business with determination in regard to development of potential in preparation for competition, development of Thailandpostmart website to expand endto-end e-Commerce business for the people, as well as development of digitalized services through the project to develop complete electronic document management which is safe and legally accepted, to generate income instead of traditional postal items due to the people's changing behaviors. Also, there was the project to develop Smart Thailand Postbox by installing censors to detect items inserted in the post boxes, which saves cost and time of the staff's operation.

In terms of environment, THP realizes the importance of services that create sustainability to the society. Therefore, the "Inside-Out Box" activity was initiated to encourage customers to reuse the used postal boxes for sending packages. The "Post reBOX" project was conducted to recycle used boxes/envelopes into table/chair sets to send as new year's gifts to Border Patrol Police Schools around the country. Also, the "Thailand Post X Carenation" project was carried out to deliver "Merit Wreaths" made of recycled materials in place of traditional wreaths. This project has given opportunities and created jobs for people in communities, and people were allowed to make merit through money order service.

Due to the Coronavirus Disease 2019 (COVID-19) pandemic that has affected the national economy and the people's livelihoods to change to the New Normal, THP had to adjust its business to support the use of services by launching services under the project titled "Thailand Post makes delivery, so Thai people can stay at home". This project included delivery of medicines to patients who have been continuously treated, delivery of educational equipment at special rate, delivery of fruits to help agriculturists, providing off-site acceptance of mails, and Smiling Fight-19 service. Moreover, THP transported face masks and medical equipment from donators without any charge. Based on the crisis that happened, all THP personnel worked hard to provide services without holidays to provide the most convenience to the public.

The operating results in the previous year were obvious to the public and various organizations. Thus, THP was granted a lot of awards, including Best Brand Performance on Social Media (Delivery Service Provider) Award as the brand



"Special thanks are given to all THP people who help develop our work potentials to deliver the best services to customers, and we are grateful to all customers for their trust in THP services."

having the best performance on social media in transportation business, Outstanding Role Model Organization on Human Right Award as a good role model in building a society that respects human rights, and NACC Integrity Award, Honorable Mention for operation under the good governance principle by taking account of the customer benefit and social responsibility. THP was also assessed in accordance with Integrity and Transparency Assessment (ITA) criteria for the fiscal year 2020 and was rated A with the score of 91.13. These awards represent the pride of THP in 2020 and the success resulting from collaboration of all THP staff in driving the business in the planned directions with determination. Special thanks are given to all THP people who help develop our work potentials to deliver the best services to customers, and we are grateful to all customers for their trust in THP services. We promise to continue improving our services and add more digital services which are necessary for communication to ensure the best customer satisfaction. We are ready to be the organization that stands beside Thai people in all circumstances forever.

> (Mr. Korkij Danchaivichit) Chief Executive Officer



## History of Thailand Post Company Limited

Thailand Post Company Limited (THP) is a state enterprise under รหลใปรหณ์ก Ministry of Digital Economy and 10400 Society, established on 14 August 2003 by corporatization of postal service unit of the Communications Authority of Thailand (CAT).

# History of Thailand Post Company Limited (Continue)

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 five service groups: Transport and Logistics Services, Mail Services, International Services, Retail Services and Financial Services. We continuously develop our services to accommodate the sharply changing needs and lifestyle of customers, and current business operation. These services include 1. EMS Point 2. Same Day Delivery for Domestic EMS 3. Prompt Post



application including Ready-to-Post Boxes 4. eCo-Post service 5. Cash On Delivery (COD) 6. Wallet@POST application 7. International ePacket service 8. Cool EMS service 9. Courier Post service 10. Logispost Plus service for large goods and objects shipment 11. The Best of Thailand Sent Right to Your Hands (delivery of famous products and food from various regions 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 (TND system: Transfer and Delivery) 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 area 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."



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



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 2020

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 changing business environment in terms of global economic and overall national economic decline, as well as Coronavirus Disease 2019 (COVID-19) pandemic which has widely affected both major and minor business sector and changed the consumers' behavior to the New Normal, transportation business is required to adjust itself to meet the changing requirements of customers, leading to a tougher competition in the industry. To remain competitive in the market, THP has determined the desired operational directions and goals in the future through 4 main strategies as follows:



**Strategy 1:** To increase productivity and quality of work process with the aim that THP can manage the standards of service provision and the overall manpower to a balanced and appropriate level in terms of capacity, productivity, and quality of the work process to maintain profitability of the organization in the long run.



Strategy 2: To expand the income base in transportation and logistics business group with the aim that THP can manage the operating result in the value-added services related to transportation and logistics business which covers all activities ranging from pre- and post-transportation ones, as well as increasing capacity of service provision of THP to cover a wider range of industries.



**Strategy 3**: To create balance to the business structure in the long run with the aim that THP can manage the operating result in the New S-Curve services by developing the new services on the basis of existing services and resources in order to create the new main income base that allows THP to rebalance the business structure and prepare for the coming changes.

**Strategy 4**: To create sustainability of Thai organizations and society with the aim that THP can upgrade the management to become the organization that focuses on creating sustainability of stakeholders related to THP's business operation for satisfaction of the stakeholders in the long run.





## Company Information

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.

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 THP Contact Center** 

32,804 persons (as at 31 December 2020)

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

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

Metropolitan Postal Bureau 3-4

4<sup>th</sup> and 5<sup>th</sup> 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

Metropolitan Mail Processing Bureau

2<sup>nd</sup> 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

Regional Postal Bureau (Region 1), Phra Nakhon Si Ayutthaya

11/11 Dechawut Road, Pratuchai Sub-district, Phra Nakhon Si Ayutthaya

District, Phra Nakhon Si Ayutthaya Province 13000

Tel: 0-3524-2040, 0-3524-4051

Fax: 0-3524-2704

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 Distict, 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

No. 73 Moo 3 Ubon-Trakan Road, Khamyai Sub-district, Muang District,

Ubon Ratchathani Province 34000

Fax: 0-4531-1927

Tel: 0-4528-3611, 0-4528-3559, 0-4531-3223

Regional Postal Bureau (Region 10),

**Ubon Ratchathani** 



## Important Financial Information

#### Summary of Operating Performance and Financial Position

Unit : million baht

Operating Performance		As at December 31, 2018 (Revised)	As at December 31, 2019 (Revised)	As at December 31, 2020
Revenues		29,728.25	27,405.86	24,210.95
Expenses (exclusive of corporate income tax)		24,829.31	26,507.42	23,392.48
Expenses (exclusive of corporate income tax)		4,898.94	894.18	590.88
Corporate income tax		(1,072.56)	(274.79)	(205.53)
Net Profit (Loss)		3,826.38	619.39	385.35
Financial Position				
Assets		31,067.49	31,449.81	36,451.73
Current Assets		18,918.85	15,771.47	14,115.67
Non-current assets		12,148.64	15,678.34	22,336.06
Liabilities and Owner's Equity		31,067.49	31,449.81	36,451.73
Liabilities		9,462.55	10,286.10	16,904.86
Current Liabilities		4,907.16	4,320.94	4,799.27
Non-current liabilities		4,555.39	5,965.16	12,105.59
Shareholders' Equity		21,604.94	21,163.71	19,546.87
Financial Ratio				
Current Ratio (Current Assets to Current Liabilities)	times	3.86	3.65	2.94
Debt to Assets Ratio	times	0.30	0.33	0.46
Debt to Equity Ratio	times	0.44	0.49	0.86
Basic Rate of Return (Profit before interests and	%	0.16	0.03	0.02
corporate income tax) to Assets				
Return on Assets	%	0.12	0.02	0.01
Return on Equity	%	0.18	0.03	0.02
Return on Revenues	%	0.13	0.02	0.02
Percentage of Expenses to Revenues	%	0.84	0.97	0.97



#### Report on Public Service Obligation for the year 2019

Thailand Post Company Limited has main duty and responsibility for operating postal business and providing effective services to respond to all needs of businesses and people at all levels with the capacity of postal network linking more than 5,000 post offices in Bangkok Metropolitan Region and regional areas. Although some areas may generate low income, THP still organizes service units to allow people to access to the services equally. Moreover, some types of services are public services of which postage and fee rates are strictly defined by Postal Act, B.E. 2477 (1934), such as letters, postcards, print matters, and so on, making the income from services fees lower than the operating costs. These are the hidden costs that cause the overall profit of THP lower than it should be since THP is required to compensate for the burden of Public Service Obligation.

Domestic basic postal services which are included in Public Service Obligation under the Regulations of the Office of the Prime Minister Re: Subsidization of Public Services of State Enterprises, B.E. 2554 (2011) currently consist of 6 services namely: Letter, Postcard, Printed paper, Postal parcel, Ordinary Money Order and Literature for the blind, as described below.

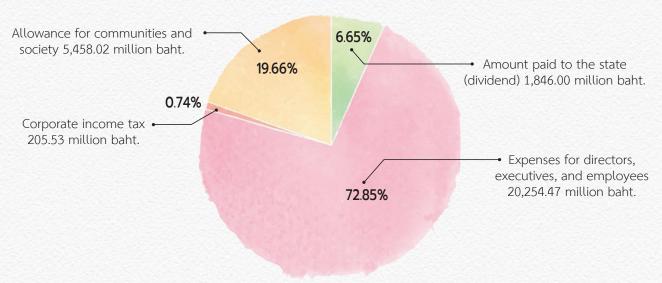
#### Schedule of Public Service Obligation for the year 2019

Unit: million baht

No.	Domestic service	Revenues	Service cost	PSO
1	Letter	3,914.12	6,689.50	(2,775.38)
2	Postcard	11.04	108.58	(97.54)
3	Printed paper	242.08	432.43	(190.35)
4	Postal parcel	430.57	647.02	(216.45)
5	Ordinary Money Order	15.27	16.34	(1.07)
6	Literature for the blind	-	0.09	(0.09)
	Total	4,613.08	7,893.96	(3,280.88)

<sup>\*</sup> Remark As the preparation of report on Public Service Obligation (PSO) for the year 2020 will be completed in the period between June - August 2021, PSO data used for presentation is the data of the year 2019.

#### Value Added Chart 2020



<sup>\*</sup> Remark Allowance for communities and society, including Public Service Obligation (PSO) is the amount of the year 2019



## Work Volumes and Postal Network

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Work Volumes	2018	2019	2020
Domestic Mail (million	items)		
Ordinary Letter-Post Items	2,004.00	1,865.25	1,609.42
Postal Parcels	13.4	7 10.35	7.26
Special Services	407.7	7 386.32	388.46
International Mail (million	items)		
Ordinary Letter-Post Items	37.85	5 35.72	22.1
Postal Parcels	0.72	0.71	0.54
Special Services	7.60	7.39	5.34
Financial Service (million transa	ctions)		
Domestic Money Order	3.25	3.46	2.82
Pay at Post	4.7	7 3.96	3.31

## Number of Offices

Number of Office	ces	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
THP Operating Offices	(units)	1,278	1,283	1,284
Mail Center		19	19	19
Bulk Posting Center		6	6	6
Post Office		1,195	1,200	1,201
Mobile Post Office		53	53	53
Branch Post Office		5	5	5
Licensed Post Office	(units)	3,366	3,324	3,279
Thailand Post Counter	(units)	181	251	288
Thailand Post Shop	(units)	117	140	153
Postage Stamps Agency (units)		1,260	1,260	724
Post Service (units)		-	826	853
EMS Point (units)		7	3,465	4,425
Posting Box (boxes)		23,090	22,908	22,644

### Non-Financial Performance Analysis

Overall, the volume of work in all service groups in the year 2020 decreased. The mail service group reported a decrease by 27.40 percent in comparison with the volume of work in the previous year. It is partly because the major customer groups reduced the use of service by 13.86 percent since the business operators and the state agencies have changed the delivery methods of their documents and public relations media to align with the current public behaviors and to save costs of the organizations. As a result, mailing through the postal service is being replaced by online communication.

Transport and logistics service group: It was found that the volume of work in this group decreased by 10.60 percent from the previous year despite the steady growth of e-Commerce business, especially during the COVID-19 pandemic which contributed to an increase in online purchase. However, there were a lot of new logistic service providers offering the service, leading to an intense price war and a variety of service options. This affected the choice to use THP service, especially e-Commerce business operators who were primarily concerned about the service rates.

The global outbreak of COVID-19 resulted in cancellation of international flights, which affected the shipping of articles to many destinations. Thus, the volume of work in international service group both inward and outward decreased by 44.40 percent. Nonetheless, the outward international ePackage service reported an increase in the volume of work by 9.19 percent in comparison with the previous year due to the expansion of destination countries. Also, the restrictions on international travel have resulted in the sharp growth of international e-Commerce business.

For the financial service group, the amount of service use decreased by 17.56 percent in part of domestic money order service, online money order, and Pay at Post service, respectively. This was the result of exemption of fees for money transfer, payment of product and service fees via electronic channels of commercial banks, and the government PromptPay service that enabled financial transactions more conveniently and quickly than ever. While most of THP financial services charged a fee and took more time to complete than electronic channel. The above factors affected the continuous decrease in the amount of work in the financial service group. As for retail service group, despite a decrease in the overall amount of work, the postal products saw a 1.8 percent increase in work volume owing to the sale of postal boxes and envelopes.

In 2020, THP has been affected by many factors, including technological disruption which changed the public behaviors, resulting a sharp decline in the service usage in the mail service group and financial service group. In addition, the intense competition in transportation and logistics business significantly impacted the amount of work in transportation and logistics service group, and COVID-19 pandemic resulted in the suspension of delivery in many countries. New Normal contributed to the changing form of media and information perception. Financial transactions were mostly made online and this was a rapidly changing behavior. In consequence, the operating results did not meet expectation.





## The Postal Business in 2020 and the Trend in 2021

#### Conditions and Trends of the Global Postal Business

In 2020, the global business has been affected by Coronavirus Disease 2019 (COVID-19) pandemic which has been serious and continuous since February led to a sharp decline of the global economic activities of both service sector and manufacturing sector. Regarding the trends in 2021, it is projected that the expansion rate will not be high enough to compensate the decline in 2020 as COVID-19 has remained serious. It is forecast that the global economic growth would be 4 percent as a result of the economic stimulation measures imposed by the central bank and the policy of the government of each country. In addition, the New Normal behavior which can be reflected from the trend of online purchase may result in the needs of more postal services.

According to the data on trend of changes in postal business worldwide of International Post Corporation (IPC) in 2019, it was found that global postal revenue Increased by 5 percent. The overall mail service decreased by 7.2 percent, which tended to decrease continuously in the past 4 years. The major factor was technology development that enables digital transmission of data, especially through smartphone and tablet which are easily accessible, convenient and quick. However, income from mail services in 2019 still increased by 2.3 percent which was similar to the income in 2018. As the postal administrations in many countries had raised their service fees since 2018, and the e-Commerce business operators chose the mail service for delivering lightweight products. Therefore, postal business could make more profit by 1.2 percent in 2018, which increased by 2.1 percent in 2019.

For parcel service, it was found that in 2019, the volume of parcels of the global postal administrations increased by 5.6 percent, leading to an increase of income by 6.4 percent, owing to the steadily increasing demand of e-Commerce business market. Nevertheless, when considering the profitability, it was found that this change could not enhance the profitability of the parcel service. The profits from operation in 2018 decreased to 2.4 percent from 4.7 percent due to the expansion of e-Commerce market, especially B2C business group, that caused the delivery business operators to adjust their competitive strategies in many forms, including adjustment of pricing strategies by offering lower rates of service fees. In addition, the expansion of service points significantly affected the change of cost structure and profitability of the postal administrations worldwide.

In 2020, COVID-19 pandemic affected the income ratio structure of the postal administrations worldwide, causing the ratio of parcel service considerably higher than the mail service. In the first two quarters of 2020, it was found that the amount of parcel service use increased by 43 percent in comparison with the amount of work in the same period of 2019. This was due to the e-Commerce growth and lockdown measure that stimulated people to change their purchasing behaviors to online channels. According to the survey of Kantar World Panel on the behaviors of consumers in 6 Asian countries, it was found that online purchase and food delivery increased by 30 percent while consumers avoided going outside to do activities and reduced buying luxury products.

Based on the above situations, it can be concluded that the factors affecting consumer behavior have changed dramatically. One of the significant causes resulting from COVID-19 pandemic influenced the change of customers' behavior and made them more concerned with their hygiene and health. The global businesses have been affected and required an adjustment to enhance the service efficiency. Similarly, the global postal administrations had to adjust their strategies to increase competitiveness, develop the service system to meet the customer needs, and make effective plans to be ready for competition and uncertain situation that may happen in the future.



#### Situations and trends of Thai postal business

For the overall trends of Thai postal business in 2020, it was found that COVID-19 pandemic was a significant factor driving people around the world, including in Thailand, to adjust the way of living to the New Normal, a new lifestyle that is different from the past in all aspects. Many people had to change their behaviors in daily life, and technological disruption rapidly stimulates digitalization. These are significant factors affecting a decrease in delivery of documents through postal system which is a common phenomenon around the world. In the meanwhile, the consumption behaviors have also changed. Consumers option for more digital service business by purchasing goods through applications and online shops. Business operators have adjusted the accessibility by adding service channels through online platforms and social media. This is reflected by the continuous growth of new business establishment. According to Department of Business Development, new e-Commerce business establishment increased from 310 in the year 2018 to 798 in the year 2020. Moreover, Priceza e-Commerce Summit 2021 reported that, due to COVID-19 pandemic, the market value of e-Commerce in 2020 was 294,000 million baht while the value was 163,000 million baht in 2019. This reflects the growth by 81 percent. In addition, it was found that more leading shops and brands entered e-Marketplace (counted on LazMall and ShopeeMall) with 46 percent increase. There were 3,400 shops in 2019 and 5,000 shops in 2020.

The sharp growth of e-Commerce in 2020 resulted in more needs in delivery services. Euro Monitor, which is the leading marketing data company, estimated that the parcel delivery business has been steadily growing in the past 3 years (2017-2019) with the expansion rate of 40 percent per annum, as a result, there were more than 10 delivery and logistic service providers in Thailand. Marketeer (2020) reported that Thailand Post remained the leader in parcel delivery service with 55 percent market share, followed by Kerry Express having 30 percent market share, and the remaining are other service providers available in the market. However, new players keep entering the market, which reflects that the parcel delivery service in Thailand significantly relates to e-Commerce market.

Based on the above situations, it can be concluded that in spite of the growth in parcel delivery business, competition in terms of price, service quality, and speed of delivery has become more severe, while the traditional mail volume has constantly decreased. This causes Thailand Post to encounter important challenges and prepare to deal with possible situations that may occur by creating differentiated services, partnering with online platforms, and approaching customers as much as possible to provide suitable services that meet their needs.







This service is intended for shipping

domestic postal items with status checking

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.





"Delivering large packages at an economical rate" It is a supplementary service of Logispost to facilitate and accelerate delivery of large packages weighing 20 - 200 kg within 3 - 7 business days. The packages can be sent to recipients in Bangkok Metropolitan Region and Muang District of all provinces over the country.

โลจิสโพสต์ Plus

#### **Domestic EMS Service**

"Reliable Express Delivery with 24/7 checking"

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





#### **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 107 destination countries.



#### Wallet@POST Application

Wallet@POST service 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.



#### **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





#### **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.





"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.

**EMS WORLD Service** 





#### **Logispost World Service**

This service is for sending large-sized 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 346 available post offices.





#### **ePacket Service**

This is an international service which has been developed to support international business and promote international e-Commerce business wishing to use an economical shipping service. Inward service from 52 countries and outward service to 46 destination countries are available.





#### 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. each box. 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.



#### 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.



#### Pay at Post

#### "pay all bills through the Post"

This service is intended for receiving payment of 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 and receive cash transferred to their accounts upon identifying the pin code got from the transferors, at 1,400 post offices all around the country. This service allows customers to manage their bank accounts easily, to deposit money at any post office and to do certain transactions at the post office conveniently, just like at the bank counter.





### **Commemorative Stamps 2020**



Issue Number 1189

Title Coronation Day (Series 1)

Date of Issue 21 December 2020

**Denomination** 100 Baht



Issue Number 1193

Title H.M. King Maha Vajiralongkorn

Phra Vajiraklaochaoyuhua's 68<sup>th</sup>

Birthday Anniversary

Date of Issue 28 July 2020 Denomination 10 Baht



Issue Number 1199

Title 120<sup>th</sup> Birthday Anniversary of H.R.H.

Princess Sri Nagarindra The Princess Mother

Date of Issue 21 December 2020

**Denomination** 3 Baht



Issue Number 1995

Title 88<sup>th</sup> Birthday Anniversary of H.M. Queen

Sirikit The Queen Mother

Date of Issue 5 December 2020

**Denomination** 9 Baht



Issue Number 1187

Title Her Royal Highness Princess Maha Chakri

Sirindhorn's 65<sup>th</sup> Birthday Anniversary

Date of Issue 4 August 2020

**Denomination** 5 Baht



Issue Number 1183

Title Zodiac Postage

(Year of the Mouse)

Date of Issue 1 January 2020

**Denomination** 3 Baht



Issue Number 1184

Title National Children's Day 2020

Date of Issue 11 January 2020 Denomination 3 Baht (4 designs)



Issue Number 1185

**Title** Symbol of Love Postage

Date of Issue 7 February 2020

**Denomination** 5 Baht









Issue Number 1186

Title Thai Heritage

Conservation Day 2020

Date of Issue 2 April 2020 Denomination 3 Baht (4 designs)





## **Commemorative Stamps 2020**



Issue Number 1188

Title Important Buddhist Religious Day

(Vesak Day)

Date of Issue 2 May 2020 Denomination 3 Baht (4 designs)







Issue Number 1190

Title Coronation Day Anniversary

(Series 2)

Date of Issue 21 December 2020Denomination 5 Baht (5 designs)







Issue Number 1192

Title Thai Traditional Festival

Date of Issue 12 July 2020 Denomination 3 Baht (4 designs)



Issue Number 1191

**Title** 80<sup>th</sup> Anniversary of

General Post Office Building

Date of Issue 24 June 2020 Denomination 5 Baht



Issue Number 1196

**Title** Ministry of Commerce

Centennial

Date of Issue 20 August 2020

Denomination 3 Baht









Issue Number 1197

Title National Aquatic Animal
Date of Issue 21 September 2020
Denomination 5 Baht (4 designs)



Issue Number 1198

**Title** 60<sup>th</sup> Anniversary of Provincial

**Electricity Authority** 

Date of Issue 28 September 2020

**Denomination** 3 Baht

















Issue Number 1200

Title New Year 2021

Date of Issue 5 December 2020

Denomination 3 Baht (8 designs)



Issue Number 1202
Title National Day
Date of Issue 5 December 2020

**Denomination** 5 Baht

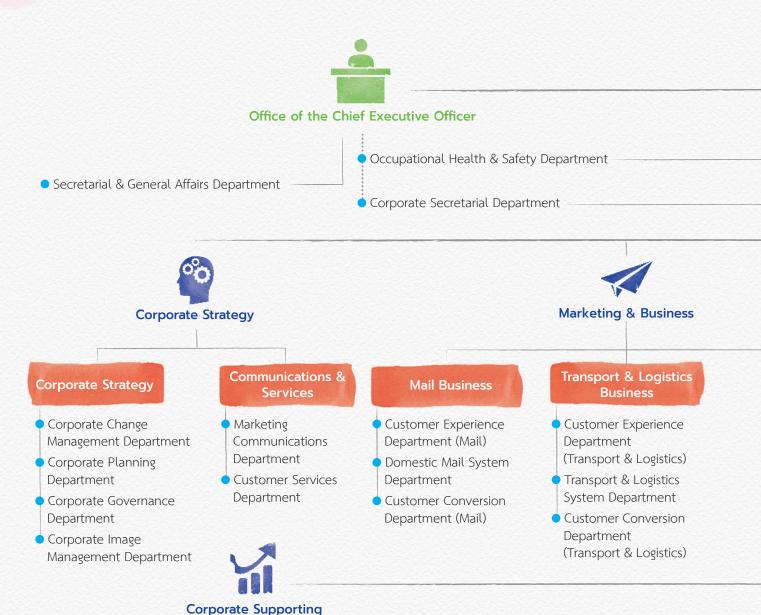


Issue Number 1203

Title Together We Fight Against COVID-19

Date of Issue 14 August 2020 Denomination 3 Baht (2 designs)

## **Organization Chart**



#### **Human Resources**

- Human ResourcesManagementDepartment
- Discipline & Investigation Department
- Personnel Development Department
- Welfare & Labour Relations Department

#### Finance & Accounting

- Budget Department
- Financial Management
  Department
- Accounting Policy
  Department
- Accounting Operation Department

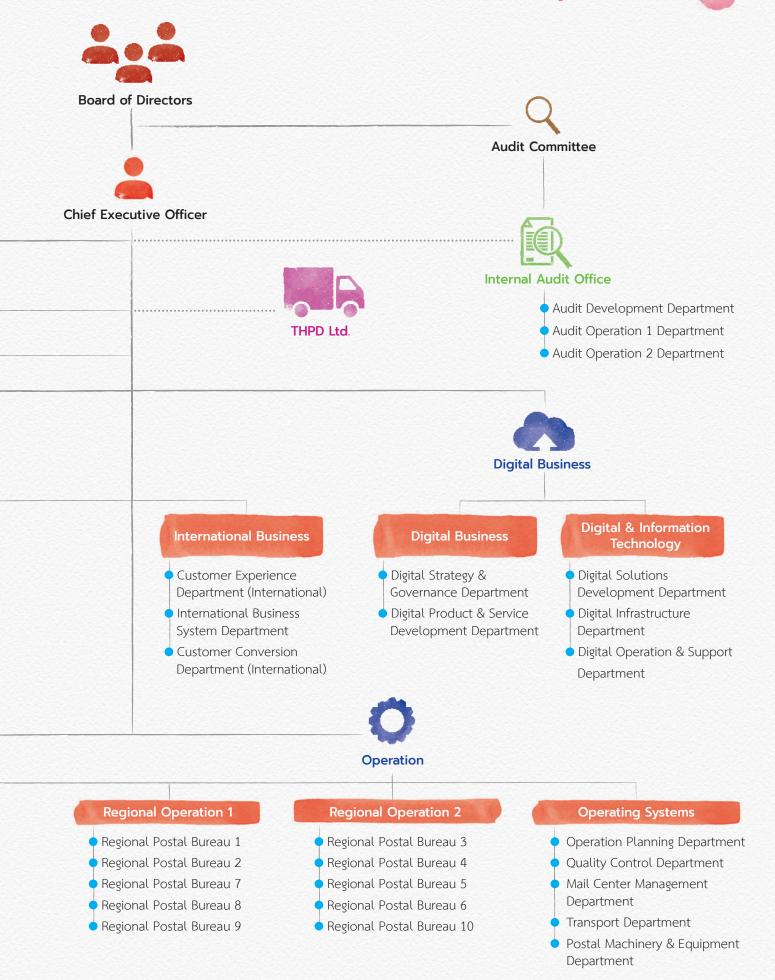
#### Administration

- Procurement & Supply Department
- Construction &

  Maintenance Department
- Property ManagementDepartment
- Legal Department

#### **Metropolitan Operation**

- Metropolitan Postal Bureau 1
  - Metropolitan Postal Bureau 2
  - Metropolitan Postal Bureau 3
- Metropolitan Postal Bureau 4
- Metropolitan Mail Processing Bureau



#### Board of Directors of THP



#### Mr. Rathapol Bhakdibhumi Chairman Age 53 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 Engineering (Mechanical Engineering), University of Colorado, Boulder, USA.

#### Other Positions

 Chairman of the Executive Committee and CEO, General Electronic Commerce Services Co., Ltd.

#### Experience

- · Executive Director, SK Mineral Co., Ltd.
- Logistics Development Committee, Thai Chamber of Commerce
- Committee, Thailand-China Industrial Cooperation Institute, The Federation of Thai Industries

In accounting year 2020, 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 57 years

#### Education

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

#### **Other Positions**

- Commissioner of Immigration Bureau, the Royal Thai Police
- · Committee of Expressway Authority of Thailand

#### Experience

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



#### Mrs. Vunnaporn Devahastin na Ayutthaya Director

#### Age 59 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, Personal Data Protection Committee (PDPA Privacy for All)
- 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
- High Management, Change Management and Innovative Development Bureau

In accounting year 2020, 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. Putchapong Nodthaisong

#### Director

#### Age 55 years

#### Education

- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Arts, Ramkhamhaeng University

#### **Other Positions**

- Deputy Permanent Secretary, Ministry of Digital Economy and Society
- Secretary-General, Personal Data Protection Committee
- Expert Committee of the Military Education Council

#### Experience

- Director of the National Statistical Office, Ministry of Digital Economy and Society
- Deputy Director-General, Meteorological Department, Ministry of Digital Economy and Society



Mr. Phantong Loykulnanta Director Age 43 years Education

- Master of Accounting and Management Science, University of Southampton, United Kingdom
- Bachelor of Engineering, Thammasat University

#### **Other Positions**

• Deputy Director-General, the Customs Department **Experience** 

- Director of Suvarnabhumi Airport Cargo Clearance Customs Office
- Assistant Secretary to the Minister of Finance

In accounting year 2020, 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 52 years

#### Education

- Ph.D. (International & Intercultural Development Communication), Ohio University, USA.
- Master of Communication Arts, Chulalongkorn University
- Bachelor of Arts, Chulalongkorn University

#### **Other Positions**

- Vice President for Academic Affairs and Social Outreach, Chulalongkorn University
- Director, National Reform Commission (Journalism Information Technology)

#### Experience

- Dean, the Faculty of Communication Arts, Chulalongkorn University
- Director, Dr.Kasem Utthayanin Foundation
- Director, MCOT Public Company Limited
- Director, Panjabhat Company Limited

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#### Dr. Seree Nonthasoot Director Age 46 years

#### Education

- Ph.D. (Law), Oxford University, United Kingdom
- Master of Laws (International Trade Law),
   Columbia University, USA. (Fulbright Scholarship)
- Barrister-at- Law, Institute of Legal Education, Thai Bar Association
- Bachelor of Laws, Thammasat University

#### Other Positions

- Director, the Stock Exchange of Thailand
- Director, Economic Development Cooperation with Neighboring Countries Agency (Public Organization)
- Senior Executive Vice President, Institute of Research and Development for Public Enterprises

#### Experience

- Representative of Thailand to the ASEAN Intergovernmental Commission on Human Rights
- Legal Counsel, State Enterprise Policy Office, Ministry of Finance
- Legal Advisor, Office of the Council of State

In accounting year 2020, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.



#### Assistant Professor Somchai Supphatada

#### Director

#### Age 61 years

#### Education

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

#### **Other Positions**

- Advisory Member of the Board , Police Printing Bureau, the Royal Thai Police
- Director and Chairman of Audit and Risk Committee, Intouch Holdings Public Company Limited
- Member of Sub-committee on the Screening of Accounting Standards, Federation of Accounting Professions, Under the Royal Patronage of His Majesty the King
- Chairman of the Working Group for Studying and developing courses on the prevention of corruption, money laundering and advocacy for terrorism,
   Federation of Accounting Professions

#### Experience

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



#### Assistant Professor Dr. Ake Pattaratanakun

#### Director

#### Age 37 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**

- Assistant to the President for Corporate Communication, Brand, and Alumni Relations, Chulalongkorn University
- Chairman of Program Committee of Master in Branding and Marketing (English) and Faculty Member of Marketing Department, Chulalongkorn Business School
- Member of Corporate Communication Committee, the Thai Red Cross Society
- Expert, Tourism and Hospitality Industry, Thailand Science Research and Innovation
- Director, I&I Consulting Group Co., Ltd.

#### Experience

- Academic Supervisor in Marketing, Department of Engineering, University of Cambridge
- Visiting Scholar, University of California
- Brand and Communication Committee Member, Thai Parliament
- Brand Advisor of SCG, SCGP, Krungthai, AirAsia, MBK, and Department of Revenue

In accounting year 2020, 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. Korkij Danchaivichit

#### Director

#### Age 52 years

#### Education

- Master of Business Administration, University of New Haven, USA.
- · Bachelor of Laws, Thammasat University

#### **Other Positions**

- Chief Executive Officer, Thailand Post Co., Ltd.
- Director, Thailand Post Distribution Co., Ltd.

#### Experience

- Deputy Secretary-General, Office of the National Broadcasting and Telecommunications Commission
- Member of Sub-committee on Legal Affairs, Broadcasting and Telecommunications Fund
- Advisor to the Minister of Tourism and Sports
- Advisor to the Minister of Agriculture and Cooperatives
- Assistant Secretary to the Minister of Agriculture and Cooperatives

## Board of Directors of Thailand Post Co., Ltd.

#### As of 1 January - 31 December 2020

	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.	Professor Dr. Parichart	Sthapitanonda
	7.	Dr. Seree	Nonthasoot
	8.	Assistant Professor Somchai	Supphatada
	9.	Assistant Professor Dr. Ake	Pattaratanakun
* 1	10.	Mr. Putchapong	Nodthaisong
* 1	11.	Mr. Phantong	Loykulnanta
* 1	12.	Mrs. Smorn	Terdthampiboon
* 1	13.	Mr. Korkij	Danchaivichit

#### Note

* Mr. Putchapong	Nodthaisong	The starting date in the position of Director was effective from 8 October 2020
* Mr. Phantong	Loykulnanta	The starting date in the position of Director was effective from 8 October 2020
* Mr. Korkij	Danchaivichit	The starting date in the position of Director was effective from 18 August 2020
		The date of discharge from the Board of Directors was effective from 16 December 2020
* Dr. Pornchai	Thiraveja	The date of discharge from the Board of Directors was effective from 8 October 2020
* Mr. Sorasak	Meenatoree	The date of discharge from the Board of Directors was effective from 8 October 2020
* Mrs. Smorn	Terdthampiboon	The date of discharge from the Board of Directors was effective from 15 January 2020



## Executives of THP



Mr. Korkij Danchaivichit
Position Chief Executive Officer
Age 52 years
Education

- Master of Business Administration, University of New Haven, USA.
- Bachelor of Laws, Thammasat University



Miss Suchada Buddharuksa

Position Chief Corporate Supporting Officer
and Acting for Chief Corporate Strategy

Age 59 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. Kalong Subsaart

Position Chief Operating Officer

Acting for Chief Executive Officer

(As of 15 January - 1 March 2020) and

(As of 16 December - 31 December 2020)

Age 60 years

#### Education

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



Mr. Phitsanu Wanitchaphol
Position Chief Commercial Officer
Age 47 years
Education

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

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Mr. Julapong Limpasuthum

Position Chief Digital Business Officer

Age 52 years

Education

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



Miss Pilantanee Suwanbubbha
Position Senior Executive Vice President
(Mail Business)

Age 55 years

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



Mr. Niyom Jindapateep

Position Senior Executive Vice President
(Digital and Information Technology)

Age 50 years

#### Education

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



Mrs. Patida Pananond

Position Senior Executive Vice President
(Communications and Services) and
Acting for Senior Executive
Vice President (Office of the CEO)

Age 50 years

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



Miss Churairat Sinbanchongjit

Position Senior Executive Vice President (Human Resources)

Age 55 years

#### Education

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



Mr. Sanan Suksawang

Position Senior Executive Vice President (Administration)

Age 56 years

#### Education

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



Mr. Kamput Yukhong

Position Senior Executive Vice Presiden (Operating Systems)

Age 58 years

#### Education

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



Mr. Muzakhan Deche

Position Senior Execuitve Vice President (Regional Operation 1)

Age 58 years

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



Dr. Waraporn Kongkiewphan
Position Senior Executive Vice President
(Corporate Strategy)

Age 49 years

#### Education

- PH.D. International Communication Management, Macquarie University, Australia
- Master of Arts, National Institute of Development Administration
- Bachelor of Arts, Chulalongkorn University



Miss Ariya Thongbai

Position Senior Executive Vice President (International Business)

Age 56 years

#### Education

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



Mr. Pongtorn Wisessuwan

Position Senior Executive Vice President (Transport and Logistics Business)

Age 55 years

#### Education

- Master of Business Administration,
   University of the Thai Chamber of Commerce
- Bachelor of Arts, Ramkhamhaeng University
- Certificate, Postal and Telecommunications School



Mr. Samreang Chuensiri

Position Senior Executive Vice President (Regional Operation 2)

Age 57 years

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Arts, Suan Dusit University
- Certificate, Postal and Telecommunications School



Mr. Wisanu Suksawat

Position Senior Executive Vice President (Metropolitan Operation)

Age 60 years

#### Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Arts, Rajabhat Institute Phetchaburi Wittaya Longkorn
- Certificate, Postal and Telecommunications School



Mr. Anuchit Chuenchomphu

Position Senior Executive Vice President (Digital Business)

Age 47 years

#### Education

- Master of Science, University of the Thai Chamber of Commerce
- Bachelor of Science, University of the Thai Chamber of Commerce



Mr. Pravech Yawanophas

Position Senior Executive Vice President (Internal Audit Office)

Age 58 years

#### Education

- Barrister-at-Law, Institute of Legal Education, Thai Bar Association
- Bachelor of Public Administration,
   Sukhothai Thammathirat Open University
- Bachelor of Laws, Ramkhamhaeng University
- Certificate, Postal and Telecommunications School



Miss Prapasri Thongkingkaew

Position Senior Executive Vice President (Finance & Accounting)

Age 56 years

- Master of Business Administration (Financial Accounting)
   Kasetsart University
- Bachelor of Business Administration (Accounting) Institute of Technology and Vocational Education
- Certified Public Accountant CPA8939
- Tax Auditor TA000011

### Executives of Thailand Post Co., Ltd.

#### As of 1 January 2020 - 31 December 2020

* 1.	Mrs. Smorn	Terdthampiboon		13.	Mr. Kamput	Yukhong
* 2.	Mr. Korkij	Danchaivichit		14.	Mr. Muzakhan	Deche
3.	Mr. Kalong	Subsaart	*	15.	Dr. Waraporn	Kongkiewphan
4.	Miss Suchada	Buddharuksa	*	16.	Ms. Somjai	Thanhameta
5.	Mr. Phitsanu	Wanitchaphol		17.	Miss Ariya	Thongbai
* 6.	Mrs. Naiyana	Sirisuvan	*	18.	Mr. Pongtorn	Wisessuwan
* 7.	Miss Somchintana	Kirdsuebma	*	19.	Mr. Samreang	Chuensiri
8.	Miss Pilantanee	Suwanbubbha	*	20.	Mr. Wisanu	Suksawat
9.	Mr. Niyom	Jindapateep	*	21.	Mr. Anuchit	Chuenchomphu
10.	Mrs. Patida	Pananond	*	22.	Mr. Pravech	Yawanophas
11.	Miss Churairat	Sinbanchongjit	*	23.	Miss Prapasri	Thongkingkaew
12.	Mr. Sanan	Suksawang				

#### Note

* Mr. Korkij	Danchaivichit	The starting date in the THP executive position was effective from 2 March 2020
		The discharge date from the THP executive position was effective from 16 December 2020
* Dr. Waraporn	Kongkiewphan	The starting date in the THP executive position was effective from 1 April 2020
* Mr. Pongtorn	Wisessuwan	The starting date in the THP executive position was effective from 10 April 2020
* Mr. Samreang	Chuensiri	The starting date in the THP executive position was effective from 10 April 2020
* Mr. Wisanu	Suksawat	The starting date in the THP executive position was effective from 10 April 2020
* Mr. Anuchit	Chuenchomphu	The starting date in the THP executive position was effective from 10 April 2020
* Mr. Pravech	Yawanophas	The starting date in the THP executive position was effective from 10 April 2020
* Miss Prapasri	Thongkingkaew	The starting date in the THP executive position was effective from 1 October 2020
* Mrs. Smorn	Terdthampiboon	The discharge date from the THP executive position was effective from 15 January 2020
* Mrs. Naiyana	Sirisuvan	The discharge date from the THP executive position was effective from 1 October 2020
* Miss Somchintana	Kirdsuebma	The discharge date from the THP executive position was effective from 1 October 2020
* Ms. Somjai	Thanhameta	The discharge date from the THP executive position was effective from 1 October 2020



### Staffing Structure

Number of employees/permanent and temporary workers								
Employees	17,973	persons	Male	25,622	persons			
Permanent workers	3,085	persons	Female	7,182	persons			
Temporary workers	11,746	persons						
Total 32,804 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 CEO	211	0.64	211	-	-	125	86
Corporate Strategy	183	0.56	164	4	15	60	123
Digital Business	197	0.60	195	1	1	119	78
Market & Business	414	1.26	380	6	28	166	248
Corporate Supporting	779	2.37	766	4	9	279	500
Operation	31,020	94.56	16,257	3,070	11,693	24,873	6,147
Total	32,804	100.00	17,973	3,085	11,746	25,622	7,182

As at 31 December 2020





### 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 debts as at the end of the year.



### Payment to the Government (or Dividend) in the past 3 years

Unit: million baht

Dividends	2018	2019	2020
Dividends by resolution of the shareholders Meeting	1,523.69	1,920.30 (*)	346.00 (**)
Dividends paid each year	2,564.63	1,034.08	1,846.00

- Remark: (\*) Dividend by resolution of the shareholders' meeting 2019 in the amount of 1,920.30 million baht consists of the 1st interim dividend amounting to 420.30 million baht and additional interim dividend from accumulated profit of 2019 amounting to 1,500 million baht. In this respect, THP refrained from payment of the additional dividend from operating results in 2019 since THP had paid the 1<sup>st</sup> interim dividend that covered the dividend payout at the rate of 40 percent of the net profit.
  - (\*\*) Dividend for the year 2020 is the interim dividend only (net profit of the first 6 months) and has been paid to Ministry of Finance on 31 October 2020.







### Important Investment Plans in 2020

In 2020, Thailand Post implemented the important plans and projects with the investment budget allocated from the Company's income, as described below.

#### 1. New Bangkok Mail Center Construction Plan

New Bangkok Mail Center will be constructed to support the increasing work volume in the future as well as to enhance sorting and forwarding efficiency of the mail center system to ensure fast and smooth process and to accommodate the automated mail center. One land plot has already been acquired. The approved budget for this project is 2,673 million baht.

#### 2. 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 approved budget for this project is 1,965.22 million baht.

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

The construction of 38 post office buildings was planned, 1 of which was completed and another 37 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. In addition, 9 post office buildings have been renovated, 1 of which was completed and another 8 are in process. The approved budget for this project is 1,017.59 million baht.

#### 4. Plan to Establish Mail Centers in the Eastern Economic Corridor (EEC) Areas

Establishment of mail centers in the EEC areas to support the workload and provide new logistic services in the future has been planned. This can connect to land, air, water, and rail transport effectively. The responsible areas include Rayong, Chanthaburi and Trat. The approved budget for this project is 660 million baht.

#### 5. Mail Sorting Machine Installation Plan

The installation of a Cross Belt Sorter and 3 Mixed Mail Sorters is underway to enhance sorting/forwarding efficiency of mail items, to save sorting time and to create customer satisfaction. The approved budget for this project is 572 million baht.

#### 6. 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 approved budget for this project is 521.72 million baht.

#### 7. Ratchaburi Mail Center Establishment Plan

THP has constructed 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 approved budget for this project is 509.44 million baht.

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

The purchase of 14 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 341.61 million baht.

#### 9. 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 2020, THP purchased 98 new delivery vehicles, 74 of which were completed and another 24 in progress. The approved budget for this project is 217.82 million baht.

#### 10. 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 that cannot accommodate the continuously increasing workload. The new building can also support the volume of work and the installation of a large automatic sorting machine in the future. The approved budget for this project is 201.89 million baht.







### Important Projects expected to invest in next 3 years

#### 1. Expansion of Postal Service Points Plan

Postal service points need to be expanded to cover and support the economic expansion as well as increasing opportunities to generate income and exlarge the customer base for THP. The project will take 5 years (2017 - 2021). Details are as follows:

Unit: million baht

Category	2017	2018	2019	2020	2021	Total investment
Building and construction improvement	33.14	27.12	27.49	57.00	24.00	168.75
Machines and equipment	-	-	-	5.05	2.12	7.17
General Tools and Supplies	-		-	0.51	0.17	0.68
Office supplies		-	3.17	24.22	6.68	34.07
Total	33.14	27.12	30.66	86.78	32.97	210.67
Reserve money in case of higher price	3.32	2.71	3.07	8.68	3.30	21.08
Grand total	36.46	29.83	33.73	95.46	36.27	231.75

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

Development of delivery system for large-sized packages/envelopes that the motorcycle delivery system cannot handle workload sufficiently. Therefore, cars would be used to distribute the items to increase service quality and variety of delivery services. The project will take 5 years (2018 - 2022). Details are as follows:

Unit : million baht

Category	2018	2019	2020	2021	2022	Total investment
Machines and equipment	113.41	115.36	153.31	110.03	129.97	622.08
Total	113.41	115.36	153.31	110.03	129.97	622.08
Reserve money in case of higher price	11.34	11.54	15.33	11.00	13.00	62.21
Grand total	124.75	126.90	168.64	121.03	142.97	684.29

#### 3. Phayao Mail Center Establishment Plan

The construction of Phayao Mail Center to be the hub for mail forwarding to post offices in 3 provinces, including Chiang Rai, Phayao and Lampang, to support the expansion and the growth of work volume in the northern region. The project will take 4 years (2019 - 2022). Details are as follows:

Unit: million baht

Category	2019	2020	2021	2022	Total investment
Buildings and structures	203.20	-	91.93	-	295.13
Machines and equipment	-	-	-	36.27	36.27
Total	203.20	-	91.93	36.27	331.40
Reserve money in case of higher price	20.32	-	9.19	3.63	33.14
Grand total	223.52	<u>-</u>	101.12	39.90	364.54

#### 4. Plan to Establish the Mail Centers in the Eastern Economic Corridor (EEC) Areas

Establishment of mail centers in the EEC areas to connect the mail center network for distribution of products nationwide. This can connect effectively to land, air, water, and rail transport, by linking with Sattahip Port, Map Ta Phut Port, Utapao Airport, double track railway stations, high-speed train stations, etc. The responsible areas include Rayong, Chanthaburi, and Trat. The project will take 4 years (2020 - 2023). Details are as follows:

Unit: million baht

Category	2020	2021	2022	2023	Total investment
Land	600.00	-	<del>-</del>	-	600.00
Buildings and structures	-	85.00	2,430.00	-	2,515.00
Machines and equipment	-		-	390.00	390.00
Total	600.00	85.00	2,430.00	390.00	3,505.00
Reserve money in case of higher price	60.00	8.50	243.00	39.00	350.50
Grand total	660.00	93.50	2,673.00	429.00	3,855.50

#### 5. Plan to purchase equipment for postal service provision

Purchase of equipment for postal service provision is planned to meet the business needs and to support the expansion of additional postal service points. Also, technology system has been implemented to provide service at post office counters around the country and to replace the expired equipment. The project will take 5 years (2021 - 2025). Details are as follows:

Unit : million baht

Category	2021	2022	2023	2024	2025	Total investmen
Office supplies	89.05	656.31	104.44	69.62	223.70	1,143.12
Total	89.05	656.31	104.44	69.62	223.70	1,143.12
Reserve money in case of higher price	8.90	65.63	10.44	6.96	22.37	114.30
category	97.95	721.94	114.88	76.58	246.07	1,257.42



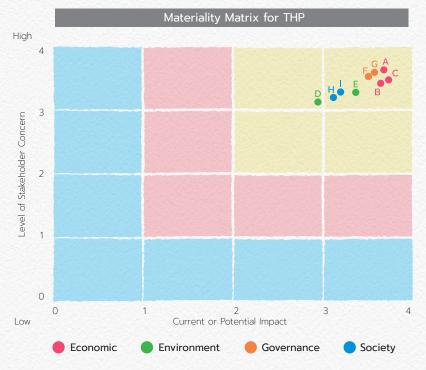
### Sustainable Development of THP

Thailand Post Company Limited (THP) implements the international principles and concepts on sustainability, which consist of Triple Bottom Line, UN Global Compact, Sustainable Development Goals, Thailand's principles, "Sufficiency Economy Philosophy" which are globally accepted that leads to sustainability of people, society and the world, as well as United Nations Guiding Principles on Business and Human Rights (UNGPs), and principles and guidance on social responsibility under ISO 26000 standards, as the guidelines for determination of sustainable directions and goals.

In the year 2020, THP implemented the overall national development goals of the 20-year National Strategies that focus on creating balance between economic, social and environmental development on the 6 aspects of major goals, including 1) security, 2) competitiveness, 3) development and strengthening of human resources capacity, 4) creation of opportunities and social equity, 5) creation of growth upon environmentally -friendly quality of life, and 6) adjustment of balance and development of state administration. Also, THP placed importance on hearing the need and expectations

of THP stakeholders which included customers, internal divisions/personnel, people/society, supervisory agencies, suppliers, and vendors/partners and prioritized the sustainability issues as shown in Figure 1 to ensure that the selected important issues can respond to the needs of stakeholders and help THP enhance efficiency of operation, maintain competitiveness and develop the business growth in the long run sustainably. These have been used to determine the framework for sustainable development of THP, which consists of 4 dimensions: economic dimension, social dimension, environmental dimension, and good governance dimension as shown in Figure 2. Moreover, THP has reviewed the corporate risks under COSO – ERM framework which analyzes that internal and external factors such as organizational contexts, organizational strategic plan, and relevant laws to forecast the risks which may affect the business operation. There were 2 risk issues that are related to the organizational sustainability, these are 1) Emission of exhaust from cars which may exceed that standard permitted by the law and 2) THP may not be able to comply with the environmental laws in all aspects.

#### Prioritization of needs and expectations of stakeholders



#### Needs and expectations of stakeholders

- A Development of products and services of THP and THP networks
- B Innovations and technology
- C THP business growth
- D Environmental impact management
- E Sustainable use of resources
- F Transparency and data disclosure
- G Compliance with the laws and business ethics
- H Human rights of labor
- I Responsibility for communities

### Framework of sustainable development of THP











- Smart Thailand Postbox Project
- 300 Delivery Cars Project
- Collaboration with Business Partner : CP ALL Public Company Limited to open Bellinee's Bake & Brew in Post Office Areas Project
- Digital Thailand Post Project
- Development of the System to create Address Label, provide Pick Up Service and Tracking Service via LINE Application Project

- Thailand Post Fruit Boxes Project
- Sale of Agricultural Products through Post Offices Project
- Collaboration in promoting agricultural products and services to the global market Project
- Organization of Mobile Units to accept Parcels in Disaster Areas Project
- Distribution of Survival Bags to Victims Project
- Sale of Salted Eggs Project
- Blood donation "One person gives ... Many people receive" Project



- Development of Delivery System for Medicine, Non-drug Medical Supplies, and Medical Equipment through Postal Service Project
- SME D Bank Project
- Collaboration with Krungthai Bank project







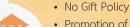
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- reBOX Postal Project
- Merit Wreath Project









- Promotion of Measures to prevent Breaches of Rights and Customer data
- Promotion of Good Governance
- Promotion and Protection of Human Rights



















Picture 2

It is announced as a policy for the personnel to practice throughout the organization.



Notification of the Board of Directors of Thailand Post Company Limited Policy on Sustainable Development of THP

Thailand Post Company Limited (THP) strives for creating values to customers, employees and being responsible for stakeholders, managing business in accordance with the mission of postal and transportation service for sustainable growth. THP also supports the national policies which align with the international standards on social responsibility (ISO 26000), United Nations Guiding Principles on Business and Human Rights (UNGPs), and Sustainable Development Goals (SDGs), as well as responding to the needs of THP stakeholders throughout the value chain under the Sufficiency Economy Philosophy appropriate to the context, challenges which keep a balance of risks and opportunities of THP. It also covers sustainability issues in terms of economy, society, governance, and environment as follows:

- 1. <u>Economy</u>: THP will conduct the business and seek new business opportunities to increase competitiveness, adjust and improve itself to survive and grow under the relevant laws and regulations.
- 2. <u>Society</u>: THP will treat labor including employees and workers in accordance with the minimum requirements of law, offer quality products and services with fair prices to customers, respect human rights of stakeholders, as well as provide social services and participate in community and social development for the public benefit.
- 3. <u>Governance</u>: THP will manage and operate the business under the 5 principles of good governance which include fairness, transparency, integrity, responsibility, and accountability. THP will also ensure risk management in the supply chain and innovations for sustainability.
- 4. <u>Environment</u>: THP will operate the business with the minimum impact on environment, provide an efficient system for managing resources, climate change, pollution and waste.

Moreover, THP will prepare the sustainability report on the basis of Global Reporting Initiatives (GRI) on annual basis and use Dow Jones Sustainability Index (DJSI) as the guidelines to determine the sustainability Key Performance Indicators appropriate to THP contexts.

THP Board of Directors, executives, and all employees are responsible for supporting, fostering and complying with the determined sustainability management framework.

Issued on 4 January 2021

(Mr. Rathapol Bhakdibhumi)

R. Uhm

Chairman of the Board of Directors of Thailand Post Company Limited

The operating results of the significant projects in 2020 which respond to the needs and expectations of stakeholders under the sustainable operation framework are as follows :

Needs and expectations of stakeholders	Dimensions of Sustainability	Operating results	Goals of sustainable development
<ol> <li>Development of THP products and services and THP networks</li> <li>Innovations and technology</li> <li>Business growth of THP</li> </ol>	Economic	<ul> <li>Smart Thailand Postbox Project</li> <li>300 Delivery Cars Project</li> <li>Collaboration with Business Partner: CP ALL Public Company Limited to open Bellinee's Bake &amp; Brew in Post Office Areas Project</li> <li>Digital Thailand Post Project</li> <li>Development of the System to create Address Label, provide Pick Up Service and Tracking Service via LINE Application Project</li> </ul>	- Responding to Goal 8 : decent employment and economic growth and innovative industry
4. Human rights of labor 5. Responsibility for communities	Social	<ul> <li>Thailand Post Fruit Boxes Project</li> <li>Sale of Agricultural Products through Post Offices Project</li> <li>Collaboration in promoting agricultural products and services to the global market Project</li> <li>Organization of Mobile Units to accept Parcels in Disaster Areas Project</li> <li>Distribution of Survival Bags to Victims Project</li> <li>Sale of Salted Eggs Project</li> <li>Blood donation "One person gives Many people receive" Project</li> <li>Development of Delivery System for Medicine, Non-drug Medical Supplies, and Medical Equipment through Postal Service Project</li> <li>SME D Bank Project</li> <li>Collaboration with Krungthai Bank project</li> </ul>	- Responding to Goal 1: no poverty  - Responding to Goal 16: peace, justice and strong institutions
6. Transparency and data disclosure 7. Compliance with the laws and business ethics	Governance	<ul> <li>No Gift Policy</li> <li>Promotion of Measures to prevent Breaches of Rights and Customer data</li> <li>Promotion of Good Governance</li> <li>Promotion and Protection of Human Rights</li> </ul>	- Responding to Goal 16: peace, justice and strong institutions
8. Environmental impact management  9. Sustainable use of resources	Environment	- reBOX Postal Project - Merit Wreath Project	Responding to Goal 12: sustainable consumption  12 RESPONDING CONSUMPTION  13 RESPONDING CONSUMPTION  and responding to Goal  13: Dealing with climate change

#### **Economic operation results**



#### 1. Smart Thailand Postbox Project

THP collaborated with CAT Telecom Public Company Limited in developing Smart Thailand Postbox or the postboxes having the IOT censor to detect the items posted through the postboxes. When letters are inserted into the postbox, data from the censor will be sent to the local post offices immediately, this helps the post offices to schedule the box clearance time more conveniently. The censors have been installed in 1,000 Smart Thailand Postboxes in Bangkok Metropolitan Region and the installation will be expanded to all postboxes around the country by the year 2021.



#### Collaboration with business partner: CP ALL Public Company Limited to open Bellinee's Bake & Brew in Post Office Areas Project

THP collaborates with business partner: CP ALL Public Company Limited to open Bellinee's Bake & Brew in post office areas as the leisure spots and to facilitate customers, people, and THP personnel to buy products in special prices.



#### 2. 300 Delivery Cars Project

THP released a caravan of 300 delivery cars to increase efficiency of delivery especially delivery of large-sized packages and also to facilitate customers with the off-site Pick Up Service. This project supports e-Commerce business which is continuously growing and prepares for acceptance of new year's gifts to ensure the maximum satisfaction of customers in all deliveries.



#### 4. Digital Thailand Post Project

THP collaborated with Thaicom Public Company Limited in a huge development of resources of both organizations to facilitate Thai people under "Digital Thailand Post" Project by establishing Digital Service Kiosk that connects with 5G wireless internet network to support reading of ID card data, camera for identity verification (eKYC) for making important transactions such as checking traffic tickets, paying traffic fines and paying land tax. Digital Service Kiosk has been installed at 4 places, including Bang Rak General Post Office, Lak Si Post Office, postal counter at Thailand Post headquarters and Thaicom Public Company Limited. Also, the online shopping platform of thailandpostmart.com has been introduced for customers to purchase products more conveniently.



#### Development of the System to create Address Label, provide Pick Up Service and Tracking Service via LINE Application

THP launched the Pick Up Service by allowing the postal officers to accept the items at customers' house. The customers can check status of the items through LINE Official at Thailand Post account. This service allows customers to post unlimited number of domestic items free of pick up charge, with the intention to facilitate both small and large customers who want to send items domestically and to reduce congestion of customers at post offices during the risk of contracting COVID-19.

#### **Social Operation Results**

#### 1. Thailand Post Fruit Boxes Project

One of the problems encountered by Thai agriculturists is damage of agricultural products because of transportation. Therefore, THP developed the postal boxes with partitions and ventilation holes to protect fruits from being damaged during transportation. The surface of the boxes is made of strong wood tissues which allow the boxes to be reused 5 times and is naturally degradable. This product is environmentally-friendly and helps preserve fruits in good condition until they reach consumers. Also, this service helps people to consume quality fresh fruits directly sent from agriculturists at fair prices.



#### Sale of Agricultural Products through Post Offices Project

THP places importance on assisting agriculturists who have too many products to sell in time, such as tangerines of Mae Sin Phatthana Agriculturist Group, Si Satchanalai District, Sukhothai Province; Sai Nam Phueng oranges of Lampang agriculturists; Si Songkhram seedless watermelons of seedless watermelon agriculturist group in Tha Uthen District, Nakhon Phanom Province. These products were sold through all branches of post offices around the country and more than 20 tons could be sold.





#### Collaboration in Promoting Agricultural Products and Services to the Global Market Project

THP collaborated, in promoting agricultural products and services to the global market, with 7 government agencies, including Royal Thai Army Radio and Television, Ministry of Agriculture and Cooperatives, Department of International Trade Promotion, Ministry of Commerce, Office of Local Wisdom Promotion, Ministry of Interior, ThaiGAP Institute, Board of Trade of Thailand, and Digital Council of Thailand. The project emphasized dissemination of knowledge in agriculture, implementation of technology to develop agricultural advancement, and assistance to agriculturists and business operators who sell products through e-Commerce platforms of TV5, ohlalashopping website. THP can provide transportation and distribution of products, especially temperature-controlled transportation for export to both domestic and international markets.



THP organized mobile units to accept parcels in areas where people could not go to the post office easily. The aim of this service was to mitigate hardship of people, such as people in Tha Sala District, Nakhon Si Thammarat Province where postmen had to drive a car and row a boat to pick up parcels at senders' houses.

#### 5. Distribution of Survival Bags to Victims Project

THP distributed survival bags to customers who had been suffered by flood in the areas of post office and licensed post office in Pak Thong Chai District, Nakhon Ratchasima Province.

#### 6. Sale of Salted Eggs Project

THP collaborated with network agencies in the area of Office of Commercial Affairs, Surat Thani, Agricultural Office, Community Development Office of Chaiya District, and Salted Egg Community Enterprise of Chaiya District, Surat Thani Province in discussing the plans on development of salted egg products and upgrade the products to the premium grade at provincial level through both online and offline channels.











### 7. Blood Donation "One person gives ... Many people receive" Project

THP employees/workers in the headquarters participated in blood donation activity "One person gives ... Many people receive" in which 158 units of blood were donated at Administrative Building, THP Headquarters.





### 8. Development of Delivery System for Medicine, Non-Drug Medical Supplies, and Medical Equipment through Postal Service Project

THP provided delivery through postal service for medicine, non-drug medical supplies, and medical equipment in the National Health Security system to patients to facilitate and reduce congestion in hospitals. This was the preparation to deal with reoccurrence of the pandemic and helped patients save time and costs of visiting hospitals, especially those who lived in remote areas. This project was a form of cooperation between Ministry of Digital Economy and Society and National Health Security Office (NHSO).



#### 9. SME D Bank Project

THP collaborated with Small and Medium Enterprise Development Bank of Thailand (SME D Bank) in supporting online business operators who used Cash on Delivery (COD) service of THP to access low-interest online loan project of SME D Bank.



#### 10. Collaboration with Krungthai Bank Project

THP collaborated with Krungthai Bank Public Company Limited in developing various projects including development of services and products to increase opportunities for Krungthai Bank customers to access financial services more.

#### **Governance Operation Results**

#### 1. No Gift Policy

THP announced the No Gift Policy to express determination to comply with anti-corruption policy with the slogan "Just sending best wishes can make us happy".

### 2. Promotion of Measures to prevent Breaches of Rights and Customer Data

THP imposed the measures to prevent breaches of rights and customer data according to Personal Data Protection Act, B.E. 2562 (2019) by communicating and disseminating knowledge to employees through various channels including Facebook THP Family and Game Learning.













#### 3. Promotion of Good Governance

THP was granted "A Level State Enterprise" Award with the score of 91.13 based on Integrity & Transparency Assessment (ITA) for the year 2020 from Office of the National Anti-Corruption Commission.

#### 4. Promotion and Protection of Human Rights

THP was conferred the Award of Role Model Organization on Human Rights, as an Outstanding State Enterprise of the year 2020 from Rights and Liberties Protection Department, Ministry of Justice.





#### **Environmental Operation Results**

#### 1. ReBOX Postal Project

THP launched reBOX Postal Project to compile used boxes/envelopes donated by Thai people to be recycled into the environmentally-friendly table and chair sets and send as gifts to students of Border Patrol Police Schools around the country. Under this project, more than 70,000 kg. of boxes/envelopes donated by Thai people, equivalent to 660,000 boxes or 3,000,000 envelopes, could save more than 1,020 trees from being cut and reduce 40,800 kg. of carbon footprint as well as reduce use of 420,000 gallons of water, 240,000 kw of energy, and 22,800 gallons of fuel.

#### 2. Merit Wreath Delivery Project

THP and the business partner: Carenation (Thailand) Company Limited signed the Memorandum of Cooperation to support business for environment by delivering "Merit Wreath" or wreaths made of recycled paper to temples in Bangkok Metropolitan Region.







## Performance in line with Thailand Post's Mission and Government Policies

### Operations under the measures to remedy the effects of Coronavirus Disease 2019 (COVID-19) pandemic

Due to COVID-19 pandemic in Thailand since March 2020, the government has announced the social distancing measures to reduce the spread of disease. Therefore, people could not communicate in the way that they had used to do in normal situation. THP supported the government policy and helped people by facilitating acceptance and delivery of items to reduce congestion from public interaction, through several projects having the total value of 2,000 million baht, as follows:

1. Delivery of supplies and medical equipment to hospitals under the campaign "Sending Care and Supplies to Fight against COVID-19" to convey face masks and essential medical equipment from agencies and people to hospitals nationwide through domestic EMS service without any charge. These supplies and equipment included PPE, face shields, goggles, rubber gloves, slip-resistant rubber shoes, acrylic boxes, etc. THP started the project on 26 March 2020 and ended it on 31 May 2020. During the period of 2 months, more than 221,147 pieces of face masks, PPE and other medical equipment necessary for healthcare personnel were sent to hospitals nationwide. The transportation value of the free delivery service provided by THP during COVID-19 situation was estimated at 34.75 million baht.



2. Provision of complete postal services to support the needs to send articles of the government agencies and other organizations during COVID-19 pandemic at special rates such as packaging and delivery of cloth masks of Ministry of Industry to people who had house registrations in Bangkok Metropolis, totally 1,688,534 households, accounting for 5,432,402 persons, to reduce the shortage of face masks and prevent the spread of COVID-19. Furthermore, THP provided services to other agencies such as Ministry of Public Health, Ministry of Interior, Department of Internal Trade, and Thai Red Cross Society, which helped them save the expenses of approximately 11.15 million baht.

- 3. Provision of an economical delivery service through "Smile against COVID-19" service to mitigate the hardship and save expenses of people and business operators who required to send items weighing not over 1 kg/piece at a low rate (a flat rate). This could help the business operators reduce costs and the people save expenses, in the total amount of 1,013.47 million baht.
- 4. Provision of Pick Up Service at customers' residence to reduce the need to visit the post offices and to prevent the spread of COVID-19.
- 5. Reduction of service rate for delivery of medicines and medical supplies to patients of hospitals around the country through domestic EMS service to reduce congestion of patients in hospitals and to prevent the spread of COVID-19. The total discount of service fee in this project was 13.46 million baht.
- 6. Offering special rate or discounts for sending aid to people during COVID-19 situation to government agencies and private entities such as Ministry of Industry, Ministry of Public Health, Thai Plus Institute, Department of Internal Trade, Ministry of Commerce, Thai Red Cross Society, Free Delivery of Happiness to Hospital Project, etc. The total discount was estimated at 500 million baht.
- 7. Project to provide transportation and distribution of agricultural products, especially seasonal fresh fruits, by EMS at a lump sum rate. THP responded to the government policy to promote and assist agriculturists in distributing their products as well as facilitated people to consume fresh fruits without leaving their homes. This was also to support the measure to prevent the spread of COVID-19 through the project "Ordering fresh fruits delivered to your home makes Thai agriculturists happy".

THP adjusted the service rate to suit the transportation and distribution of seasonal fresh fruits through domestic EMS service as a lump sum rate which is lower than the normal EMS rate to help agriculturist groups and general farmers who sell their products online. In addition, the general public can send their agricultural products at economical rate between 1 March – 31 December 2020. A total of 2.04 million items were operated and this helped agriculturists save their shipping expense for approximately 570.98 million baht.





### Management Performance Report

In 2020, 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**



#### THP participated in signing ceremony of Memorandum of Cooperation with Royal Thai Army Radio and Television

THP participated in signing ceremony of Memorandum of Cooperation with Royal Thai Army Radio and Television in enhancing the capacity to transport agricultural products with temperature-controlled vehicles. Mr. Chalermchai Sree-on, Minister of Agriculture and Cooperatives, presided over the ceremony. This project allows Thai agriculturists to have more online channels to sell their products with emphasis on premium-grade agricultural products both dried and fresh food, such as rice, seafood, fresh vegetables and fruits, frozen meat, etc. These products would be transported in normal temperature, chill, up to frozen temperature.

People who are interested in purchasing premium-grade agricultural products can order through ohlalashopping application, website: www.ohlalashopping.com, and LINE @Ohlalashopping, or Call center Tel. 0-2279-1255.



#### THP collaborated with Ministry of Public Health in providing discount coupons for purchasing products at CP Fresh Mart

THP collaborated with Ministry of Public Health and Charoen Pokphand Foods Public Company Limited in sending discount coupons worth 1,600 Baht for purchasing CP Fresh Mart goods to one million village health volunteers nationwide to promote the measure to prevent the spread of COVID-19 at 60 Public Health Service Centers in Bangkok Metropolis and more than 10,000 Sub-District Health Promoting Hospitals and Community Hospitals.

# 3. THP collaborated with Ministry of Industry in delivering cloth face masks to people in Bangkok Metropolis

THP collaborated with Ministry of Industry in delivering more than 1 million pieces of cloth face masks to all households in Bangkok Metropolis to prevent the spread of COVID-19. In this, THP provided delivery to the public free of charge.





#### 4. THP provided Partner@Post service

THP provided this service to small e-Commerce customers (B2C) who post more than 1,000 items per month to support business operators/shops having such volume of mail to access THP services more conveniently, and also facilitated them by providing Pick Up Service, Preload service, Cash on Delivery (COD) service, and Contact Centers to coordinate with these customers particularly at phone number 0-2982-8222. This is to ensure that small e-Commerce customers (B2C) could access THP services and THP could provide services that meet their needs efficiently.



### 5. Import tax payment through Wallet@POST application

THP facilitated the recipients of international mail type 2 (items subject to customs duty) sent through EMS World service by allowing them to pay tax through Wallet@POST anytime and anywhere. Then, the recipients could receive the items at the addresses shown on the packages without needing to go to the post offices. This service has been available from 1 June 2020.

### 6. THP provided Thailand Post Prepaid Card service

THP provided Thailand Post Prepaid Card service in the form of physical card and virtual card. For virtual card, customers can use the service through Wallet@POST application for payment of utility fees and product prices on the platforms of THP as well as online and offline agencies/shops. For physical card, customers can use it to pay product prices and service fees with all agencies and shops that support the payment with MasterCard and use it to withdraw cash from the ATM booths having MasterCard symbol. With this service, customers can be assured of safety at the global standard, and it is considered as the new form of financial service of THP which can facilitate customers and meet the needs of cashless lifestyle.





#### 7. THP expanded domestic EMS Points

THP opened a domestic EMS service point, in the form of EMS Point and Post Service, at Sport Hero Company Limited in Nonthaburi Province. The opening ceremony was attended by Pol. Lt. Kiatisuk Senamuang (Zico), President of the Company, and the executives of THP who participated in testing the acceptance system at the service point. THP also cooperated with Tesco Lotus, Big C, CJ Express, Khlong Thom Center, Srisawad, and Bangchak Gas Station to build a network of partners to support the expansion of THP services to all areas.

















### 8. THP expanded acceptance/delivery channels through Box24

THP expanded the service provision through Box24 for acceptance/delivery by EMS service at a flat rate to facilitate the access to the service and enhance efficiency of delivery to recipients. This service accommodates customers living in communities, condominiums, or high-rise buildings. Currently, the service is in trial through 230 boxes in Bangkok Metropolitan Region.





### 9. THP launched the sale of mailbox models through Red Box Website

THP launched the sale of mailbox models through Red Box website. The mailbox models are premium products that come in 2 styles: British style and German style, each available in 2 sizes: actual scale and 1:25 mini scale. These products represent the timeless enchantment of 137 years of Thai postal services. People who are interested can reserve the products in advance and schedule the delivery at www.redbox.in.th.











#### 10. THP participated in the activity of delivering books and learning equipment to Border Patrol Police Schools

THP delivered books and learning equipment to 220 Border Patrol Police Schools around the country for the educational purpose. In this event, Mr. Puttipong Punnakanta, Minister of Digital Economy and Society, represented the affiliated agencies in commemorating the royal grace on the occasion of 120<sup>th</sup> Birthday Anniversary of Her Royal Highness Princess Srinagarindra, the Princess Mother who performed various royal duties.

#### THP invited people to purchase Thai Red Cross Lottery in Online Thai Red Cross Event 2020

THP invited people to participate in Online Thai Red Cross Event 2020 and purchase THP Thai Red Cross Lottery between 20-29 December 2020. A total of 50,000 THP Thai Red Cross Lottery tickets were issued, at the price of 100 Baht each. Those who purchased the lottery could win 107 prizes with the total value of 1,970,500 baht, including one prize of Honda car New HR-V 1.8 EL 2020, one prize of Honda car Jazz S CVT/ AT 2020, 5 prizes of Yamaha Fin Motorbikes, and 100 prizes of Tesco Lotus gift vouchers worth 1,000 baht. The online event was organized on website: www.٩٦% กาชาด.com. The income gained from this event would be offered to Her Royal Highness Princess Maha Chakri Sirindhorn, Executive Vice President of the Thai Red Cross Society.



#### 12. "Smile against COVID-19" Service Campaign

"Smile against COVID-19" Service was the economical delivery service at a flat rate of 19 Baht per each item weighing not over 1 kg. The items would be delivered to the destinations within 2 - 5 days and could be used with COD service, and customers could track the package status. This service could facilitate purchase of consumer products via online shops during COVID-19 pandemic at low prices. The service has been available since 17 March 2020 at post offices around the country.

#### **Operating Systems**

#### THP added service channel through LINE Official Thailand Post

THP added service channel through LINE Official Account to facilitate the use of services and expand service channels for THP customers. Through LINE Official Thailand Post, customers could track their package status, make appointment with postal officers to pick up packages at their residence, search for locations of post offices, create addressing labels, and obtain public relation information from THP. LINE stickers of "Young Postman" were also available for free download between 18 August - 16 September 2020. Customers could search for LINE Official Thailand Post in LINE application by using the keyword "Thailand post" or via Line ID @Thailandpost.





### 2. THP increased safety measures to prevent Coronavirus Disease 2019 (COVID-19)

THP implemented the safety measures to prevent the spread of COVID-19 by increasing the frequency of cleaning post offices every 20 minutes. Disinfectant was sprayed on the packages accepted into the postal system from the high-risk areas. THP also provided the service of acceptance/delivery of domestic items and packages at the customers' residence by postmen and delivery cars. The postal officers were reiterated to wear face masks and maintain social distancing while working for safety and prevention of the spread of COVID-19.





#### 3. THP expanded the delivery system by car

THP expanded the delivery system by 300 cars to deliver large-sized packages and ensure safety of the packages during the transportation before reaching the recipients. Moreover, these cars could serve customers by providing Pick Up Service to support e-Commerce customers who were continuously growing to ensure the highest customer satisfaction in all postings.



#### **Information Technology**

#### 1. THP installed Application Performance Monitor (APM) system

THP implemented Application Performance Monitor (APM) system to check and analyze the efficiency of applications to control and monitor efficiency of THP applications. APM system could analyze and detect errors as well as notify the work status, efficiency, problems, and root cause of errors in the applications for quick solutions. This helped THP services run more smoothly and effectively.

#### 2. THP installed information technological security system on Cloud

THP implemented the firewall system to ensure security of the data. The said system provided Content Delivery Network (CDN), Web Application Firewall and Distributed Denial of Service (DDos) attack to prevent the attacks by aggressors and build confidence for partners and users of the service system, as well as to ensure reliability of THP website.

#### 3. THP developed THP Internal Control System (THP-ICS)

THP developed the Internal Control System to ensure compliance with the rules of Ministry of Finance by implementing THP Internal Control System (THP-ICS) in the company and employing IT system to support the internal operations to help the executives and officers to assess the internal control results in a convenient and quick manner. This also could prevent the loss of documents, save time and save space for document storage.

#### 4. THP developed COD Report on Tracking Service system

THP developed COD report on Tracking Service system to facilitate users particularly e-Commerce customer group and to increase the efficiency of tracking service and COD Report. Members who use service through Wallet@POST application can check through Tracking Service System at https://track.thailandpost.co.th.

# 5. Bang Rak General Post Office organized the Virtual Exhibition under the concept "General Post Office Illustration"

THP organized the Virtual Exhibition under the concept "General Post Office Illustration" to get in touch with the story and atmosphere inside Bang Rak General Post Office, where artworks have been collected from the basement to the rooftop, with different highlight on each floor, including magnificent sculpture of Prof. Silpa Bhirasri, the father of





Thai contemporary arts, and Garuda sculpture that decorated the top of the building. THP put the General Post Office Building on the website: www.vrthailandpost.com which can be viewed 24 hours a day online through 360-degree perspective as if you are in the real place and close contact with 3D illustrations in multimedia form.

#### **Assets Management**

The works that were created by THP employees and won the prizes of inventions and research in Thailand Kaizen Award 2020 event include :



### 1. Bronze Award, Service Kaizen category : Device for Weighing, Checking Rates, and Classifying Mails (Kilogram Machine)

Customers who use the service at the post offices can weigh their items in the form of boxes/envelopes which weigh less than 20 kg with the international standard scale. Customers can choose the category of mail and check the service rate by themselves, as well as issue the queuing cards for using the service. This device helps reduce time of rate checking at the counter as customers can do it by themselves (self-service). This work was already registered under the petty patent no. 1803002847.



#### 2. Kaizen Web Vote 2020 Award, Suggestion Kaizen category: Multiple Plier

This device can help with opening and closing mailbags as it has two functions in one piece; one side for pulling the plastic straps to close the mailbags /trays, the other side for cutting the plastic straps to open the mailbags /trays. The end of each side is cut and not sharp to reduce the risk of accidents or injuries of officers. The device is strong and durable to use, resulting in faster operation and less damage to THP equipment. This work was already registered under the petty patent no. 1903003222.

#### Personnel

#### 1. Personnel development under the training programs 2020

THP developed the personnel under the training programs in 2020, including Classroom Learning, Online Learning and e-Learning on Mobile (m-Learning) programs; as well as promoted and encouraged THP personnel to improve themselves with various methods, such as attending On the Job Training (OJT), external training/seminar/observation, etc.

In addition, THP provided online learning project which was operated on the platform of Conicle Company Limited, consisting of the marketing course group and other soft skills development; and digital content distribution project by disseminating VDO Clip titled "Post English Today, learning English with Ajarn Christopher Wright" on THP social media.



#### 2. Taking care of THP staff's safety during Coronavirus Disease 2019 (COVID-19) pandemic

THP placed importance on taking care of safety and life quality of THP employees and workers during the COVID-19 pandemic by collaborating with Department of Disease Control to seek preventive practices/measures and informing the employees and workers through online and offline channels. THP purchased face masks and alcohol gels for staff working at the post offices and central units; and installed infrared temperature measuring devices to measure body temperature in the post offices. COVID-19 insurance was provided to cover officers who belong to the high-risk groups and cannot disburse medical expenses from THP. In addition, THP employees and workers, were emphasized to be careful and always take care of their health strictly.

# Thailand Post's Corporate Social Responsibility (CSR) Operations

#### Delivering Thai Kindness ... as Thai People's True Friend

Thailand Post Company Limited is a state enterprise which has grown alongside Thai society for more than 137 years with strong determination to operate the business while assisting, supporting and repaying to Thai society by using potential network of more than 10,000 post offices covering both urban and remote rural areas of the country. THP provides communication and transportation services in support of economic growth; and in these fragile times of Thailand, THP is always ready to use its full potential to help survive every crisis with the intention to be a true friend who stands beside Thai people in all circumstances.



#### More than delivery .... Consigning mission for the nation

In 2020, Thailand and other countries around the globe have encountered the severe health crisis that interrupted all activities. The outbreak of COVID-19 affected the life of world population in all dimensions, especially the medical personnel who were the frontlines of the fight against the disease and needed face masks and other protective supplies to prevent infection during treatment. However, the spread of disease made a shortage of these protective supplies, it was difficult to find them in the market and the prices kept rising. Therefore Thai people joined hands to send face masks and other protective supplies through THP service without any charge to hospitals nationwide.

Under "Sending Care and Supplies to Fight Against COVID-19" Project, THP transported more than 140,000,000 boxes of supplies, weighing over 2,000,000 kilograms, to support public health service of Thailand and to enable the medical personnel to fully heal their patients with safety.

#### Building strong foundation for growing and moving forward together

With THP potentials in transportation and extensive network covering all regions of the country, including the rough and remote areas as on the mountains or islands, THP has close relationships with local communities and understand their lifestyles. Therefore, THP focused on utilizing the extensive network to upgrade the quality of life from the upstream, that is supporting children and youths to access the educational opportunities to grow up to be the force of their communities. THP supported the budget to build school buildings, canteens, teacher dormitories, restrooms as well as provided durable articles to support education of Thailand Post Border Patrol Police Schools (Ban Huai Mak Lum), Thom Na Ngam Sub-district, Non Sa-at District, Udon Thani Province so that children in the local areas could study in the school having the environment and learning media that were useful for their learning in classroom and out-of-class; and they also had opportunity to study near their home without having to travel far. THP intended to collaborate with the networks in education, technology, career promotion, and utilities to prepare the school to be more complete. The school building was expected to be ready for use in August 2021.

In addition, THP emphasized the creation of careers to generate sustainable income to the communities by creating knowledge on development of local products in virtue of their outstanding strengths to add values to the products. These achievements included Or Sor Mor salted eggs in Surat Thani Province which have been outstanding and popular, but the selling channels have been limited in the local areas within the province and some tourist attractions. THP favored additional distribution channels at the post offices and online shops on thailandpostmart website to allow consumers all over the country to access the products. Similarly, THP added value to longans of Ban Lam Chang Agricultural Products Processing Community Enterprise Group, Lamphun Province, which included semi-dried longan and the latest product longan gummy. In 2020, Or Sor Mor salted eggs, semi-dried longan and longan gummy could generate income to the communities through THP channels for more than 1,000,000 Baht (excluding community products sold through thailandpostmart.com).







#### reBOX creating sustainable values

Based on the recent sharp growth of e-Commerce business and digital economy, the delivery volume and quantity of packaging boxes and paper envelopes have increased. Each year, there are 800 million items sent through Thailand Post and other couriers. THP realized the importance of management of used boxes and envelopes which would become waste to reduce the use of natural resources in manufacturing process and reduce the amount of waste. This was to promote the business operation with social and environmental responsibility.

THP organized "reBOX Postal transforming boxes/envelopes into new year's gifts for 2021" campaign to invite and stimulate Thai society to pay attention to the problems of envelopes/boxes circulated in e-Commerce business cycle. Customers and people were invited to drop used boxes/envelopes at the post offices around the country and the drop off points at various agencies. This activity was well-received by Thai people. More than 71,000 kg of used boxes/envelopes were donated and sent to SCG Packaging Public Company Limited (SCGP) for transforming into 224 table/chair sets to be given as 2021 new year's gift to Border Patrol Police Schools around the country. "reBOX Postal" campaign was the role model project that Thailand Post would use as the guidelines for creating sustainability to the business and develop other activities under the concept of Circular Economy in the future.

CSR operations of THP have been collaborated by all personnel who realized the importance and became the force driving the CSR activities, including transportation, importance community work, and environmental work. All activities were beneficial to THP, communities, people, and stakeholders of THP; and helped create jobs, income, well-being of people in the society, which is the important mission of THP that will proceed continuously.



### Photo Collection of Main Activities in 2020





Minister of Digital Economy and Society and Thailand Post Company Limited attended the blessing ceremony for His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua on the auspicious occasion of his birthday anniversary

Mr. Puttipong Punnakanta, Minister of Digital Economy and Society (MDES) along with the executives of MDES affiliated agencies and Thailand Post Company Limited attended the blessing ceremony for His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua on the auspicious occasion of his birthday anniversary on 28 July 2020 at the Royal Palace.





### Minister of Digital Economy and Society and Thailand Post Company Limited attended the press conference on measures against COVID-19

Mr. Puttipong Punnakanta, Minister of Digital Economy and Society (MDES) along with the executives of MDES affiliated agencies and Thailand Post Company Limited attended the press conference on measures against COVID-19 in the postal transport route to assure customers that THP services were 100% safe and visited work areas to inspect the cleaning measures to prevent the spread of COVID-19 at service counter of EMS Center and at operating area of Bangkok Mail Center.





### THP offered survival bags in "THP delivers Thai kindness to help victims of Sinlaku storm" Project

THP, together with Minister of Digital Economy and Society (MDES), CAT Telecom Public Company Limited, and TOT Public Company Limited, jointly packed 1,050 survival bags in "THP delivers Thai kindness to help victims of Sinlaku storm" Project. The bags contained necessary items such as rice, dried food, consumer goods to be sent to victims through THP network which always stands alongside Thai people in all circumstances. Caravans were released to help flood victims in Loei Province.





### THP signed Memorandum of Cooperation on Organizational Energy Management & Digital Business

THP participated in the signing ceremony for collaboration with Provincial Electricity Authority to study the feasibility of Digital Platform business development and to study energy management with digital system for the highest efficiency, as well as to use clean energy in the office buildings, mail centers and post offices.





## THP attended the signing ceremony to collaborate in document delivery through postal service

THP attended the signing ceremony to collaborate with Department of Local Administration in building the mechanisms to collect land and property tax to meet the objective of Land and Property Act, B.E. 2562 (2019), starting from acceptance and delivery of documents to taxpayers by registered mail with advice of receipt as evidence of safe delivery to the recipient.







#### THP attended the signing ceremony in "Thai People without E-waste" Campaign

THP attended the signing ceremony to collaborate with Advance Info Service Public Company Limited in "Thai People without E-waste" Campaign for collecting E-waste and dispose properly. THP provided E-waste drop points at post offices around the country to jointly promote sustainable environmental conservation and facilitate the proper disposal of E-waste during COVID-19 pandemic. In addition, THP delivered sim cards to people who registered for sim cards through AIS network for free at the recipient address.



### Analysis of Operating Results and Financial Position

#### Operating Results of Thailand Post and Subsidiary Company in 2020

In 2020, the total revenues of the Company and its subsidiary were 24,210.95 million baht, a decrease of 3,194.91 million baht or 11.66 percent from 2019. The total expenses were 23,825.60 million baht, a decrease of 2,960.88 million baht or 11.05 percent. The net profit was 385.35 million baht, a decrease of 234.03 million baht or 37.78 percent from 2019. The decrease of revenue was mainly from letters/postcards/print matters since customers shifted from paper to other alternative delivery channels. In addition, the revenue from transportation and logistics service decreased as many competitors implemented the pricing strategy and continuously developed the service quality, as well as partnered with the major online platform operators. In addition, there was a decline in the revenue from international services because of the suspension of international mail services to the foreign destinations affected by Coronavirus Disease 2019 (COVID-19) pandemic, leading to a decline in the revenue from international services.

#### Financial Position in 2020

As at 31 December 2020, the total value of assets held by the Company and its subsidiary was 36,451.73 million baht, an increase from 2019 by 5,001.92 million baht or 15.90 percent. The total liabilities were 16,904.86 million baht, an increase from 2019 by 6,618.76 million baht or 64.35 percent. This was mainly because of the recognition of the assets, the right of use and the liabilities under lease agreements in accordance with the Financial Reporting Standard 16 Re: Leases which was effective as of 2020. The total shareholders' equity was 19,546.87 million baht, a decrease from 2019 by 1,616.84 million baht or 7.64 percent since THP Board of Directors agreed with and approved additional payout of the interim dividend from accumulated earnings to Ministry of Finance as a shareholder for the budget year 2020 in the amount of 1,500 million baht.

#### Liquidity in 2020

As at 31 December 2020, the value of cash and cash equivalent held by the Company and its subsidiary was 2,858.17 million baht. Details of the net cash flow in each activity are as follows:

Unit: million baht Net cash derived from operations 1,983.69 Net cash derived from investment activities 948.36 (3,291.87)Net cash spent in financing activities Impact from exchange rate (13.16)Net decrease of cash and cash equivalents (372.98)Cash and cash equivalents at beginning date 3,231.15 Cash and cash equivalents at ending date 2,858.17

Overall, the operating results, financial position, and liquidity of THP and its subsidiary in 2020 was better than 2019.

As for factors influencing the operating results and financial position of the year 2020, in addition to the internal factors, there were significant external factors such as a tough competition in logistic industry, customer attitude towards the Company, impacts of Coronavirus Disease 2019 (COVID-19) pandemic, and compliance with the Financial Reporting Standard 16 Re: Leases.

## Risk Management

THP realized the importance of risk management under the changing business environment due to both internal and external factors. Therefore, it applied risk management framework according to COSO - ERM 2017 (Enterprise Risk Management - Integrating with Strategy and Performance 2017) in the organization. THP Board of Directors determined the policies, framework and guidelines for risk management to ensure compliance of the personnel under the supervision of the Risk Management and Internal Control Subcommittee who would monitor and report the performance to THP Board of Directors and THP Audit Committee regularly. Also, Risk Management and Internal Control Working Group was formed to support the risk management work to ensure efficiency and effectiveness of the operations, as well as promoting and encouraging all divisions to take part in risk management of the organization by integrating risk management principle into work process to create risk culture that fosters achievement of the objectives and addition of value to the organization.

### Risks and management guidelines

#### Strategic Risk Management

Nowadays, technological advancement rapidly develops, resulting in the changes in consumer needs and behaviors. This leads to the emergence of new products and services through a variety of distribution channels, resulting in tougher business competition. For this reason, THP developed products and services to meet the needs of each group of customers, such as production of on-demand boxes, development of e-Commerce distribution system, development of new financial services that aligns with Fintech and consumer behaviors in digital age, temperature-controlled transport service, etc.; developed service quality to retain existing customers while seeking new customers; maintained long-term growth; and looked for new business opportunities. THP also created business advantages and competitiveness by improving organizational structure and developing knowledge and skills of personnel to be ready to cope with changes, to support the implementation of corporate strategies and to accommodate new business in the future.

Reputation risk may arise from customers or the public perception of negative reputation of the organization sometimes because of fake news. As negative news could spread quickly and widely through social media, THP determined the process for dealing with negative news in online media to prevent the wide circulation that affects the image/reputation and reliability of THP business operations.

Moreover, the Coronavirus Disease 2019 (COVID-19) pandemic adversely affected all business sectors, including retail business and transportation business due to the lockdown and social distancing measures. THP adjusted the business strategies and improve operational process to suit the situation by modifying the services to meet the needs of customers who could not go out for shopping. These services included Smile against COVID-19 service that facilitated customers who purchased consumer products online and wished to pay an economical service rate. Customers could also use COD service through Wallet@POST application. THP provided Pick Up Service for customers who wanted to post goods at their residence without the need to go to post offices, with no limit on the number of pieces and free of pick up fees. In addition, THP delivered medicines, books and learning equipment, and served fresh fruits to customer houses. All THP personnel were informed to comply with the hygienic measures to ensure their safety while working and deliver products and services to customers with confidence and efficiency. THP made preparation to deal with the situation by determining the plan to respond to the crisis with clear communication to prevent any fake news which may cause confusion and misunderstanding. This created confidence to stakeholders that THP could operate business continuously without interruption.

#### **Operational Risk Management**

THP implemented technology and data to analyze for use in the operational works and business operation by improving work process to increase competitiveness and enhance service efficiency, as well as meeting the needs and facilitating customers. Devices and systems were connected through internet network, which may cause risk of information security due to the errors of systems and personnel such as hacking of trade data, personal information of customers and personnel, which may affect the reliability, images and reputation of the organization. Therefore, THP determined the policy and guidelines for maintaining information security to minimize the effects or damage to operations, property, and personnel, as well as creating knowledge and communication of technology to the personnel to make sure that THP's use of technology was correct and safe from cyber attack.

#### Financial Risk Management

Implementation of technology in business leads to the change in consumer behaviors. This also includes financial business and financial services that have been developed to facilitate customers and help them save costs as no processing fee is charged for transaction making through digital channels such as payment of goods and services through electronic means or online transactions which are fast and available anytime anywhere. THP realized that the above situation may affect the income from operation. Thus, THP developed the products and services, improved service quality as well as payment channels and service channels by developing IT system and implementing technology in operations to facilitate and meet the needs of customers, as well as maintain THP competitiveness in the market.

#### Compliance Risk Management

THP strictly operated the business with transparency in accordance with the laws, rules, and government policies and followed up the changes in laws, rules, or regulations which may affect the business on regular basis. THP also monitored, communicated, and raised awareness of personnel at all levels to comply with the laws and good governance principle to assure the stakeholders that THP could adjust and operate under the laws and regulations to prevent legal disputes due to breaches of such laws and regulations.



### Internal Controls

THP puts importance on having good internal control system under the Rules of Ministry of Finance Re: Standards and Rules on Internal Control Operations for State Agencies, B.E. 2561 (2018). Therefore, THP implements the internal control framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO: 2013) which determines 5 main components for internal controls, including 1. Control environment 2. Risk assessment 3. Control activities 4. Information and communication and 5. Follow-up and assessment, to achieve the objectives of internal control in terms of effectiveness and efficiency of operations, financial and non-financial reporting, compliance with the laws, rules, regulations, and practices related to business operations determined by THP.

THP determines the structure and responsibilities for internal controls under the supervision of Risk Management and Internal Control Subcommittee, in accordance with THP internal control policy. The Subcommittee approves the internal control plan which has been screened by Risk Management and Internal Control Working Group, and assigns Corporate Governance Department to take charge of internal control work and conduct assessment as well as prepare annual report on internal controls of THP to be proposed to the Audit Committee for review of sufficiency and appropriateness and presented to THP Board of Directors prior to submitting to Ministry of Digital Economy and Society by March each year.

In 2020, THP required all units, consisting of departments/bureaus, mail centers, bulk posting centers, postal bureau areas, post offices, and provincial post offices, to conduct the annual assessment of internal controls, which consists of assessment of internal control components, assessment of internal control results of operational activities, and determined the assessment of internal control results on a case by case basis. The assessment results concluded that THP has 5 components and 17 principles of internal controls with good, appropriate and sufficient internal control environment for effective business operation. Executives supported the organizational culture that focuses on integrity and ethics. There was a clear organizational structure, specifying chain of command, authorities and responsibilities. The personnel were developed in terms of knowledge, competence and experience necessary to perform their duties and responsibilities. There were also several relevant practices including an assessment of possible risks which may affect operations of the organization, a determination of internal control activities to prevent or minimize the risks of achieving internal control objectives, and a system to exchange information internally and externally. Internal control results were followed up to update the internal control activities to align with the objectives and goals of the organization continuously and regularly.

In this regard, the Internal Audit Office was assigned to review the internal control results independently to ensure that THP mission would be fulfilled in accordance with the internal control objective in terms of efficiency and effectiveness of operation, reliable, timely and transparent reporting on financial and non-financial subjects, as well as compliance with the laws, rules, and regulations related to operations.

Based on the results of internal control assessment for the year 2020, it was found that THP had all 5 components of internal control structure under the Rules of Ministry of Finance Re: Standards and Rules on Internal Control Operations for State Agencies, B.E. 2561 (2018), which determines the effective and sufficient standards of internal control system to ensure successful operations according to the internal control objectives.

## Internal Audit

Internal audit includes processes of assurance service and consulting service provided fairly and independently to add value and improve operations of the organization. It also helps the organization to achieve the objective through risk assessment and improvement of risk management process, internal controls, and corporate governance. Internal Audit Office complies with the international standards of internal audit profession, Rules of Ministry of Finance Re: Standards and Rules on Internal Audit Operations for State Agencies, B.E. 2561 (2018), Regulations of Ministry of Finance Re: Audit committee and Internal Audit Unit of State Enterprises, B.E. 2555 (2012), and Manual for Internal Audit Practices of State Enterprises, Revision of 2012.

Thailand Post Company Limited placed importance and promoted the independence of the internal auditor. Internal Audit Office had an independent structure and directly reported to the Audit Committee and the Chief Executive Officer. The charter, in which the roles, authorities and responsibilities, as well as the audit practices were clearly indicated, was prepared by the Internal Audit Office and approved by the Audit Committee before being published for acknowledgement of the executives and employees of THP. The internal auditors always disclosed the conflicts of interest before conducting each internal audit.

Audit Operation and Reporting: Operation plan and strategic audit plan as well as annual internal audit plan were prepared in line with the enterprise plan and organizational goals on the basis of risks. The opinions of Audit Committee, senior executives, auditor, and significant events of the organization were taken into consideration for prioritizing risks in defining an audit plan in accordance with the resources of Internal Audit Office to ensure efficiency and effectiveness of the organization. Also, the plan was reviewed and revised to align with the changing operation environment. The audit activities covered all aspects of THP operations including review of operations under 7 aspects of Core Business Enablers. The operation and audit plan was approved by the Audit Committee. In 2020, the Internal Audit Office completed the operations as planned and reported the results to the executive of the audited unit to seek feedback for improvement. Operation under the feedback was followed up and reported to the executive of the line/office, the CEO, and Audit Committee. In addition, the Internal Audit Office entered into a cooperation agreement with Government Housing Bank (GHB) in implementing Audit Support System (A2S) as the tool to conduct internal audit. Moreover, Internal Audit Office added value to the organization by determining the plan to provide consulting service to give knowledge and understanding of the control and inspection of operations where errors were often detected, and fostering efficiency of work of the Head Postmaster so that the operators could have the guidelines for efficient and effective work for the utmost benefit of the organization, as well as consulting on various matters for executives, audited units, and subsidiaries in a total of 37 issues. Learning center website was created for internal audit learning and disseminating of useful knowledge to other units.

Maintenance of Audit Quality: It is determined that the internal audit manual and internal audit management manual were to be reviewed in accordance with the current context on annual basis, for internal auditors and officers to use as the guidelines for accurate operations under the same standards. Also, the post-audit quality assessment was conducted by the audited units in terms of reliability and consulting services, self-evaluation of the internal auditor, self-evaluation of the Internal Audit Office, evaluation of satisfaction of senior executives and Audit Committee on the performance of the Internal Audit Office, assessment of collaboration of the audited units, assessment of quality within the organization, and assessment of quality from outside the organization which would be conducted at least once every 5 years to ensure efficiency and effectiveness of the operations. In addition, the internal auditor was encouraged to attend internal and external training, as well as take exams to obtain a professional certificate in internal auditing and other related fields, totally 13 programs. In 2020, one internal auditor obtained the certificate of Certified Professional Internal Audit of Thailand (CPIAT), and the personnel of Internal Audit Office had the average of 41.68 training hours per person per year.



# Report on Performance in line with Good Corporate Governance Policy

THP 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 2020, THP Board of Directors worked on the activities that emphasized sustainability and enhanced efficiency of THP by directing, following up, controlling, and supervising the management to perform administrative duties for efficient and effective use of resources in accordance with the goals and in the way that gives the utmost benefit to all stakeholders and leads to competitiveness and satisfactory operating results by taking account of long-term impacts, ethical business operations, respecting the rights and responsibility to Ministry of Finance as a shareholder and stakeholder, providing benefit to the society, and developing or reducing negative impacts on the environment. Moreover, THP managed to adjust itself under the changing situation and placed importance on the assessment of operations of state enterprise under the rules of assessment of operation and management of state enterprises.

### **Good Corporate Governance Policy**

THP Board of Directors determined the Good Corporate Governance Policy for THP to comply with the Principles and Guidelines for Good Corporate Governance in State Enterprises, B.E. 2562 (2019) of State Enterprise Policy Office, Ministry of Finance and to ensure effective, transparent, and reliable management system, rendering THP to be a leading organization that helps develop the society and the nation in sustainable way and fairly provide the utmost benefit to all stakeholders. Good Corporate Governance Policy is set as the guidelines for directors, management and staff to practice, as follows:

- (1) Determine the policy and direction of operations in accordance with the Statement of Direction (SOD);
- (2) Organize the structure of Board of Directors having knowledge components that are appropriate to THP business;
- (3) Perform duty of care and duty of loyalty for the highest benefit;
- (4) Fairly treat the stakeholders by taking account of their legal rights, encourage engagement in development of THP operation in the future;
- (5) Establish policies and operating plans by taking account of sustainable operations with social and environmental responsibility and good governance, as well as use of innovations to develop and improve work process for service provision and internal management to be efficient;
- (6) Disclose significant financial and non-financial information correctly, reliably, completely, sufficiently, in a timely manner and in accordance with the relevant law and regulations for acknowledgement of the public and the stakeholders through easily accessible channels;
- (7) Provide appropriate and effective risk management and internal control to prevent or minimize the damage from potential risk, as well as arrange the personnel or units which are independent to review effectiveness of risk management and internal control on annual basis;
- (8) Strictly comply with the code of conduct of THP and provide channels for receiving complaints in the event of whistleblowing, as well as establish the guidelines for dealing with complaints and the persons breaching the code of conduct as appropriate, and impose the measure to protect the whistleblower as deemed appropriate;
- (9) Discuss with the State Enterprise Policy Office to determine the agreement on assessment of THP operating results. Once the assessment results have been obtained, they shall be used for improvement of operation to achieve the determined objectives;
- (10) Prepare the report on operating results on good governance for the state shareholders on annual basis.



### Structure and Responsibility of the Board of Directors

The 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 persons but not exceeding 11 persons and at least one-third of the Board members must be independent members. 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:

#### **>** Roles and responsibilities of THP Board of Directors

- · Perform duties with responsibility, care, and integrity by taking account of the highest benefit of THP without doing anything which may cause conflict of interest against THP;
- Determine vision, goals, and core values of THP which align with the mission, objectives, and policies of the government;
- Supervise THP to have accounting system, financial reporting, risk management, internal control system, and internal audit that are sufficient and appropriate for business operation;
- Follow up, assess, and ensure that THP report the performance at the appropriate time;
- Supervise the management to be responsible for their work under the determined policies and take action to achieve the missions, objectives and goals of THP. In this regard, THP Board of Directors should not interfere the decision making and administration of the management.
- Supervise THP to operate the business in accordance with the relevant laws and regulations;
- · Supervise THP to treat all stakeholders fairly and promote engagement of stakeholders in development of THP operation;
- Supervise THP to disclose significant financial and non-financial information correctly, reliably, completely, sufficiently, in a timely manner and in accordance with the relevant law and regulations.

#### **>** Roles and responsibilities of Chairman

- · Supervise, monitor and ensure that the Board of Directors perform their duties efficiently and achieve the main objectives and goals of THP;
- Supervise all directors to take part in promoting ethical organizational culture and good corporate governance;
- Determine the agendas for THP Board of Directors' Meeting by consulting the top management and impose the measure to ensure that important matters are included in the agendas;
- Allocate appropriate time for the management to propose matters and for directors to discuss the issues wisely, encourage directors to use their discretion and express their opinions independently;
- · Promote good relationships between executive directors and non-executive directors and between Board of Directors and the management.

#### List of Board of Directors

No.	Direc	ctors	Period of office in 2020
1	Mr. Rathapol	Bhakdibhumi	1 January - 31 December
2	Pol.Lt.Gen. Sompong	Chingduang	1 January - 31 December
3	Professor Dr. Parichart	Sthapitanonda	1 January - 31 December
4	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
5	Dr. Seree	Nonthasoot	1 January - 31 December
6	Asst.Prof. Somchai	Supphatada	1 January - 31 December
7	Asst.Prof. Dr. Ake	Pattaratanakun	1 January - 31 December
8	Dr. Pornchai	Thiraveja	1 January - 7 October
9	Mr. Sorasak	Meenatoree	1 January - 7 October
10	Mrs. Smorn	Terdthampiboon	1 January - 14 January
11	Mr. Korkij	Danchaivichit	18 August - 15 December
12	Mr. Putchapong	Nodthaisong	8 October - 31 December
13	Mr. Phantong	Loykulnanta	8 October - 31 December





### 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, internal control system and good governance; 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 2020, THP Board of Directors performed important activities, such as review of organizational risk management results of THP and Risk Correlation Map for the year 2020 on quarterly basis; review of risk identification, risk assessment, and organizational risk management plan of THP for 2021; review of operating results, quarterly financial statements and financial positions of THP; review of compliance with the relevant laws, rules, and regulations, as well as requirements of supervisory agencies related to THP business which may significantly affect the image and operations of THP; follow-up of quarterly progress of operation under the operation plan and internal audit plan of the year 2020, follow-up of the compliance with regulations of THP Board of Directors Re: Conflicts between Personal Interest and THP Interest, review of report on examination and report on conflicts of interest of the internal auditor, reporting on review of the compliance with 7 aspects of Core Business Enablers, approval of KPIs for the yar 2021, approval of appointment, transfer, and annual performance assessment of personnel under Internal Audit Office in 2020, appointment of auditor and determination of audit fee for 2020, assessment of appropriateness and sufficiency of resources for internal audit, approval of operation plan and strategic inspection for the years 2021 - 2025, and operation and internal audit plan for 2021.

List of THP Audit Committee Members (THP Directors Only)

No.	Directors		Period of office in 2020
1	Dr. Seree	Nonthasoot	1 January - 31 December
2	Professor Dr. Parichart	Sthapitanonda	1 January - 31 December
3	Asst.Prof. Somchai	Supphatada	1 January - 31 December

#### **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 2020 include revising work rules and regulations; solving problems as petitioned by the THP labor union; and solving problems of complaints about disciplinary action against the employees.

THP Relations Affairs Committee Members (THP Directors Only)

No.	Directors	Period of office in 2020
-	Pol.Lt.Gen. Sompong Chingduang	1 January - 31 December

#### THP Director Nomination and Remuneration Subcommittee

THP Director Nomination and Remuneration Subcommittee 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; considering and screening the recruitment and selection of the candidates for assuming any position under the authority of THP Board of Directors, determining the structure of remuneration, including other benefits of THP directors and subcommittees appropriately, transparently, and fairly and in accordance with THP operating results.

THP Director Nomination and Remuneration Subcommittee's important activities in 2020 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 and consideration of early retirement project.

THP Director Nomination and Remuneration Subcommittee Members (THP Directors Onl	THP	Director N	Nomination	and	Remuneration	Subcommittee	Members	(THP	Directors	Only	1)
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No.	Direc	tors	Period of office in 2020
1	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
2	Professor Dr. Parichart	Sthapitanonda	1 January - 31 December
3	Dr. Seree	Nonthasoot	1 January - 31 December
4	Asst.Prof. Dr. Ake	Pattaratanakun	1 January - 31 December

#### **THP CEO's Nomination Committee**

THP CEO's 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 Chief Executive Officer; and proposing a list of qualified persons to the Board of Directors for consideration.

In 2020, THP CEO's Nomination Committee performed significant tasks including determination of rules and procedures of nomination; announcement for recruiting eligible candidates to take the position of THP Chief Executive Officer; and nomination of persons with appropriate knowledge, ability and experience prior to submit to the Board of Directors for consideration.

THP CEO's Nomination Committee Members (THP Directors Only)

No.	Directors		Period of office in 2020
1	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
2	Dr. Seree	Nonthasoot	1 January - 31 December
3	Professor Dr. Parich	art Sthapitanonda	1 January - 31 December
4	Asst.Prof. Dr. Ake	Pattaratanakun	1 January - 31 December
5	Dr. Pornchai	Thiraveja	1 January - 7 October

#### THP CEO's Remuneration Subcommittee

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

In 2020, THP CEO'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 Chief Executive Officer.

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

No.		Directors	Period of office in 2020
1	Mr. Sorasak	Meenatoree	1 January - 7 October
2	Dr. Seree	Nonthasoot	1 January - 31 December

#### THP CEO's Performance Evaluation Subcommittee

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

In 2020, key activities of THP CEO's Performance Evaluation Subcommittee include: determination of criteria for evaluating THP Chief Executive Officer's performance in 2020; and evaluation of THP Chief Executive Officer's performance in the first 6 months of 2020.

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

No.	Directors		Period of office in 2020
1	Professor Dr. Parichart	Sthapitanonda	28 April - 31 December
2	Mrs. Vunnaporn	Devahastin na Ayutthaya	28 Apri - 31 December
3	Mr. Sorasak	Meenatoree	28 April - 7 October
4	Dr. Seree	Nonthasoot	28 April - 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 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 laws, rules, regulations, and policies; reviewing and revising rules and regulations in conformity to the relevant laws.

In 2020, Good Corporate Governance Committee conducted important activities including follow-up of the results of operation under good corporate governance plan for 2020 and acknowledgment of operations consisting of Corporate Social Responsibility (CSR), compliance with the laws and external rules and ethics, approval of corporate governance policy, good corporate governance master plan for the years 2020-2024 (1st Revision, 2020) and good corporate governance operation plan for 2021, good corporate governance manual for 2021, social and environmental responsibility policy, 5-year CSR in Process strategic plan (2021-2025), and CSR in Process plan for 2021, THP CSR in Process manual, sustainable development policy and THP sustainable operation manual.

Good Corporate	Governance	Subcommittee	Members	(THP	Directors	Only)
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No.	Directors		Period of office in 2020
1	Professor Dr. Parichart	Sthapitanonda	1 January - 31 December
2	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
3	Asst.Prof. Somchai	Supphatada	1 January - 31 December
4	Asst.Prof. Dr. Ake	Pattaratanakun	1 January - 31 December
5	Mr. Korkij	Danchaivichit	18 August - 15 December

#### Risk Management and Internal Control Subcommittee

Risk Management and Internal Control Subcommittee is responsible for supervising THP's operation of risk management and internal control; determining policies to prevent and minimize risks; approving annual organizational risk management and internal control plan, and following up such operations at least on quarterly basis; promoting, supporting, and encouraging integration between risk management and IT management; determining THP's strategic plan by considering efficiency and effectiveness of risk management to create values for stakeholders of the organization, as well as creating knowledge and understanding of risk management to THP personnel.

In 2020, Risk Management and Internal Control Subcommittee conducted important activities as follows:

**Risk Management**: Acknowledge the THP's risk management operation results in 2020, risk culture creation result; approving THP's organizational risk management results in quarters 1 - 4, organizational risk management results and Risk Correlation Map in 2020, policy and guidelines for integration of Governance, Risk and Compliance (GRC), results of THP risk management policy review, identification of organizational risks, causes of risks, and THP risk management for 2021, results of review of THP risk management master plan for the years 2020 - 2024 (1st Revision, 2020), and THP risk management operation plan for 2021.

**Internal Control**: Acknowledge THP internal control operation in 2020 and operation results of Thailand Post Distribution Company Limited in 2020; approve THP overall internal control assessment review, results of THP internal control policy review, results of review of internal control master plan for the years 2020 - 2024 (1<sup>st</sup> Revision, 2020), and THP internal control operation plan for 2021

Risk Management and Internal Control Subcommittee (THP Directors Only)

No.	Direc	ctors	Period o	f office in 2020
1	Asst.Prof. Somchai	Supphatada	28 April	- 31 December
2	Professor Dr. Parichart	Sthapitanonda	28 April	- 31 December
3	Asst.Prof. Dr. Ake	Pattaratanakun	28 April	- 31 December
4	Mr. Korkij	Danchaivichit	18 Augus	t - 15 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 2020, Employee/Permanent Worker Appeal Review Subcommittee considered 4 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 2020		
-	Pol.Lt.Gen. Sompong Chingduang	1 January - 31 December		

#### Innovation and Digital Technology Development Subcommittee

Innovation and Digital Technology Development Subcommittee (formerly Innovation and Information Technology Development Subcommittee) is responsible for considering the framework for development of digital technology of THP to align with the national policies and plans on digital development for economy and society (2018 - 2037), determining the guidelines for development of innovations and digital technology system of THP to align with the management of innovations and digital operation plan of THP, propose appropriate technology that aligns with the national policies and plans on digital development for economy and society (2018 - 2037), supervise, control, follow up, and assess the advancement of operations on innovations and digital development system of THP in accordance with the determined goals, screen the issues regarding development of innovations and digital development system to be proposed to THP Board meeting.

In 2020, Innovation and Digital Technology Development Subcommittee conducted important activities including considering the framework of Digital Governance for 2020, acknowledging the progress of establishment of CIO Office, operation of Working Group on Big Data Promotion, operation under digital operation plan for the years 2020 - 2024, selection of personnel for operating under proactive digital technology plan, operating CA POS, acknowledging the plan for procurement of HRIS, plan for solving legal problems regarding the operation with New CA POS system, plan for assessment and support of New CA POS system, plan for solving New CA POS problems in the short run, considering preparation/review of policies, manuals, and innovative plans, digital operation draft plan for the years 2021 - 2025, long-term solution for New CA POS problems, considering adjustment of the plan to procure Cloud Service providers.

Innovation and Digital Technology Development Subcommittee Members (THP Directors Only)

No.	Directors		Period of office in 2020
1	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 31 December
2	Asst.Prof. Somchai	Supphatada	1 January - 31 December
3	Mr. Korkij	Danchaivichit	18 August - 15 December

#### Strategy Driving and Investment Screening Subcommittee

Strategy Driving and Investment Screening 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 enterprise 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; supervision of human capital management, planning of manpower, consideration of compensation/benefits, development of personnel to have appropriate knowledge and skills for business operation; supervision of THP operations regarding knowledge and innovation management for efficiency that leads to innovations that create added value to the organization.

In 2020, Strategy Driving and Investment Screening Subcommittee conducted important activities including considering corporate image plan for 2020, knowledge management promotion plan for 2020, THP investment disbursement plan for 2020, strategic plan on customers and markets for the years 2020 - 2024, human resources master plan for the years 2020 - 2024, preparation/review of policies, manuals, and plans on innovations for 2021, strategic plans for the years 2021 - 2025, and co-investment plan with private sector for the years 2021 - 2025; as well as following up the progress of work under the policy of THP Chairman.

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

#### Group 1

No.	Directors		Period of office in 2020
1	Dr. Pornchai	Thiraveja	1 January - 7 October
2	Mrs. Vunnaporn	Devahastin na Ayutthaya	1 January - 27 November
3	Asst.Prof. Dr. Ake	Pattaratanakun	1 January - 27 November
4	Mr. Sorasak	Meenatoree	1 January - 7 October
5	Mr. Korkij	Danchaivichit	18 August - 27 November

#### Group 2

No.	Di	rectors	Period of office in 2020
1	Asst.Prof. Dr. Ake	Pattaratanakun	28 November - 31 December
2	Mrs. Vunnaporn	Devahastin na Ayutthaya	28 November - 31 December
3	Mr. Putchapong	Nodthaisong	28 November - 31 December
4	Mr. Phantong	Loykulnanta	28 November - 31 December
5	Mr. Korkij	Danchaivichit	28 November - 15 December

#### Law Subcommittee

Law Subcommittee is responsible for providing consultations, advice and screening essences of the laws, 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 conducted the important activities including provision of consultations and suggestions e.g., consideration of powers in procurement and form of contracts for assessment of compliance with the rules on procurement and supplies management which directly relate to commerce, consideration of report on the progress of legal proceedings in each quarter, consideration of policies and rules on complaint management, compliance with the laws related to THP service provision, as well as solutions to problems and difficulties related to the laws governing THP business, guidelines for defending in the cases, screening of the laws and regulations e.g., preparation of the rules of THP Board of Directors on co-investment of THP, amendment of petition under the rules on procurement and supplies management which directly relate to commerce, provision of legal opinions regarding supervision of compliance with the laws on management and state service provision through digital system, the law on personal data protection, the law on cyber security, and the law on electronic transactions.

#### Law Subcommittee Members (THP Directors Only)

No.		Directors	Period of office in 2020				
-	Dr. Seree	Nonthasoot	1 January - 31 December				

#### Marketing and Communication Strategies Subcommittee

Marketing and Communication Strategies Subcommittee is responsible for overseeing the policies, directions and plans for "Thailand Post" branding to ensure efficiency, supervising marketing strategies, marketing communication, and corporate communication to achieve the determined goals; integrating marketing communication and corporate communication to be consistent in the same direction to ensure effectiveness of marketing activities.

In 2020, Marketing and Communication Strategies Subcommittee conducted important activities including reviewing corporate image plan for 2020, customer and marketing strategic plan for the years 2020 - 2024; proposing activities to increase revenue in the last quarter, marketing communication strategy for 2021; determining solutions to the problems and improvements of work system to support Product Champion, determining image communication framework for "Thailand Post" brand for 2021, and determining marketing plan for 2021.

Marketing and Communication Strategies Subcommittee Members (THP Directors Only)

No.	Directors	Period of office in 2020
1	Asst.Prof. Dr. Ake Pattaratanakun	24 August - 31 December
2	Professor Dr. Parichart Sthapitanonda	24 August - 31 December
3	Mr. Korkij Danchaivichit	24 August - 15 December

## Meeting of the Board of Directors, Committees and Subcommittees

THP Board of Directors determined that THP Board meeting should be held at least once a month on the second Monday of the month. Secretary of THP Board would send the meeting invitation together with the agendas and supporting documents to each director at least 7 days in advance so that the directors could have appropriate time to study the documents and details proposed by THP. During the meeting, each director could express their opinion freely and independently, which would be recorded in writing. The minutes of meeting certified by THP Board of Directors would be retained and ready for inspection by the directors and relevant persons. Copies of the minutes of meeting would be submitted to Ministry of Finance as the shareholder, Ministry of Digital Economy and Society as the supervisory agency, State Audit Office, and Miss Wimolporn Boonyasthian, Auditor under Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, who was approved by State Audit Office as the auditor of THP for the year 2020, for acknowledgement. In addition, the essential information conclusion of each meeting would be sent to THP Labor Union to be notified to show transparency.

In 2020, all members of THP Board of Directors attended at least 75 percent of all meetings in the year. This complies with the rules and principles of good corporate governance in state enterprises, B.E. 2562 (2019). The number of meetings attended by THP Board of Directors and sub-committees are as follows:

⊂ 0														
Marketing and Communication Strategies Subcommittee	ı	1	2/6	1	1	L	9/9	-1	1	T	1/5	1	T .	9
Law Subcommittee	ı	1	T	T	12/12	1	1	1	1	1	-1		I	12
Strategy Driving and Investment Screening Subcommittee	1	1	T	-/12	1	T	9/12	10/10	10/10	1	6/8	1/1	1/1	12
Innovation and Digital Technology Development Subcommittee	ı	1	I	12/13	1	9/13	1	1	1	-1	4/6	1	1	13
Employee/ Permanent Worker Appeal Review Subcommittee	ı	2/4	-1	ı	1	1	1	-1	T	ı	1	1	1	4
Risk Management and Internal Control Subcommittee	ı	-1	5/5	1	1	5/5	3/5	1	1	1	3/4	1	1	5
Good Corporate Governance Subcommittee	1		9/9	3/6	1	9/9	9/9	- 1			3/3		-1	9
THP CEO's Performance Evaluation Subcommittee	ı	-1	4/4	3/4	4/4	ı	-1	1	3/4	ı	1	1	- 1	4
THP CEO's Remuneration Subcommittee	I	1	1	1	1/1	1	-1	1	1/1	1	T	1	ı	1
THP CEO's Nomination Committee	ı	ı	1/1	1/1	1/1	1	1/1	1/1	1	1	1	1	L	1
THP Director Nomination and Remuneration Subcommittee	1	ſ	1/1	1/1	1/1	1	5/7	1	1	1			1	7
THP Relations Affairs Committee	ı	8/10	L	T	ı	ı	ı	1	1	-1-	1	1	T	10
THP Audit Committee	ı	1	13/13	ı	13/13	12/13	1	1	-1	1	1	1	1	13
THP Board of Directors	18/18	17/18	18/18	18/18	17/18	17/18	16/18	13/14	14/14	-/1	5/5	4/4	4/4	18
Directors	apol Bhakdibhumi	Pollt.Gen. Sompong Chingduang	Professor Dr. Parichart Sthapitanonda	Mrs. Vunnapom Devahastin na Ayutthaya	Nonthasoot	Asst.Prof. Somchai Supphatada	Asst.Prof. Dr. Ake Pattaratanakun	hai Thiraveja	ak Meenatoree	ırn Terdthampiboon	Danchaivichit	napong Nodthaisong	tong Loykulnanta	The number of meetings in the year
	Mr. Rathapol	Pollt.Ger	Professor	Mrs. Vunna	Dr. Seree	Asst.Prof.	Asst.Prof.	Dr. Pornchai	Mr. Sorasak	Mrs. Smorn	Mr. Korkij	Mr. Putchapong	Mr. Phantong	The numk
Ö	$\leftarrow$	7	23	4	2	9	7	∞	0	10	11	12	13	



## Remuneration of the Board of Directors, Subcommittees and Top Executives

#### Remuneration of the Board of Directors, Subcommittees

THP transparently paid the remuneration to THP Board of Directors in accordance with the letter of Ministry of Finance, Very Urgent, No. Kor Khor 0803.2/Wor90 dated 19 August 2019 Re: Circulation of Guidelines for the Rates and Rules of Monthly Remuneration and Meeting Allowance Payment to Board of Directors, and Other Committees and Subcommittees, or Working Groups under the Cabinet Resolution dated 24 April 2019 as follows:

#### 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 rate basis.
- The Chairman received the remuneration in the amount twice the rate paid to directors.

#### Meeting allowance:

- Directors receive the meeting allowance at the rate of 20,000 baht per meeting per person, once a month. If necessary, THP may consider paying the meeting allowance more than once a month but not exceeding 15 times a year.
- Chairman received meeting allowance 25 percent higher than directors.
- Directors receive the meeting allowance in the case that they are assigned to perform additional duties in any subcommittee or working group at the rate of 0.5 time of the meeting allowance for THP Board of Directors' meeting. Only attending directors receive this allowance. Directors shall receive the meeting allowance for participating in not more than 2 subcommittees or other working groups which met not more than once a month.

#### > Annual bonus

THP paid annual bonus upon consideration of the operating results and performance assessment of the state enterprise.

In 2020, the remuneration paid to the Thailand Post Board of Directors is shown below:

Remuneration						ation (baht)			
No.	Directors		Monthly Pay	Meeting attendance fees	Other Meeting attendance fees	Bonus (2019)	Total Remuneration		
1	Mr. Rathapol	Bhakdibhumi	240,000.00	375,000.00	-	100,000.00	715,000.00		
2	Pol. Lt. Gen. Sompo	ong Chingduang	120,000.00	280,000.00	112,500.00	90,000.00	602,500.00		
3	Professor Dr. Parich	art Sthapitanonda	120,000.00	300,000.00	340,000.00	80,000.00	840,000.00		
4	Mrs. Vunnaporn Dev	ahastin na Ayutthaya	120,000.00	300,000.00	242,500.00	80,000.00	742,500.00		
5	Dr. Seree	Nonthasoot	120,000.00	280,000.00	437,500.00	80,000.00	917,500.00		
6	Asst.Prof. Somchai	Supphatada	120,000.00	280,000.00	342,500.00	27,526.88	770,026.88		
7	Asst.Prof. Dr. Ake	Pattaratanakun	120,000.00	300,000.00	217,500.00	27,526.88	665,026.88		
8	Dr. Pornchai	Thiraveja	92,258.06	220,000.00	172,500.00	90,000.00	574,758.06		
9	Mr. Sorasak	Meenatoree	92,258.06	240,000.00	132,500.00	80,000.00	544,758.06		
10	Mrs. Smorn	Terdthampiboon	4,516.13	<u>-</u>	<u>-</u>	80,000.00	84,516.13		
11	Mr. Korkij	Danchaivichit	39,354.84	100,000.00	80,000.00	=	219,354.84		
12	Mr. Putchapong	Nodthaisong	27,741.93	60,000.00	10,000.00	-	97,741.93		
13	Mr. Phantong	Loykulnanta	27,741.93	60,000.00	10,000.00	-	97,741.93		
14	Dr. Thitipong	Nandhabiwat	-	-	-	69,555.56	69,555.56		
15	Mrs. Pratana	Mongkolkul	-	-	-	6,451.61	6,451.61		

Note:

<sup>1.</sup> Dr. Thitipong Nandhabiwat (No.14) resigned, effective 14 November 2019

<sup>2.</sup> Mrs. Pratana Mongkolkul (No.15) resigned, effective 31 January 2019



#### Remuneration for Top Executives

THP paid to top executives including: Chief Executive Officer and Chief Officers, the remuneration which was divided into payment for work, welfare benefits, employer contribution to provident fund, and other compensations, as detailed in the overall payouts in the past 3 years as follows:

Time of remumeration	Remuneration of top executives (baht)					
Type of remuneration	2018	2019	2020			
Payment for work	18,348,519.29	19,015,333.78	10,688,159.81			
Welfare benefits	2,079,837.28	3,257,845.81	220,248.00			
Employer contribution to provident fund	1,015,600.08	737,649.00	449,539.00			
Other compensations	3,705,270.17	3,273,242.02	1,934,970.56			

### **Conflict of Interest Prevention Policy**

THP Board of Directors set the policy on right management of shareholders for THP Board of Directors, executives, and officers to take account of the benefits and the rights of shareholders and refrain from doing anything which may violate the rights of shareholders, avoid doing anything which may cause conflicts between personal interest and THP interest. Before each meeting of THP Board of Directors, the Company secretary shall inform the directors to prepare report declaring their interest or conflict of interest between personal interest and THP interest in the matters proposed for discussion in the meeting. If any director has interest or conflict of interest in the proposed matter, he/she shall be suspended from voting or leave the meeting room during consideration of such matter. Moreover, THP Board of Directors, executives, and officers who are direct or indirect shareholders of any juristic persons holding more than ten percent of the shares with voting rights shall disclose the information of such shareholding to THP as reference for consideration of related party transactions.

# Report on Compliance with Relevant Laws and Regulations

According to the Principles and Guidance on Good Corporate Governance in State Enterprises, B.E. 2562 (2019) and Manual of State Enterprise Assessment Model (SE-AM) of State Enterprise Policy Office (SEPO), Ministry of Finance, guidelines for supervision of compliance with the relevant laws and regulations governing state enterprises were established by indicating the roles, duties and responsibilities of the Board of Directors in supervising the compliance with the relevant laws and regulations of the state enterprises, resolutions of the shareholders' meeting, as well as the determined operation policies. In addition, the state enterprises are required to appoint the persons or units to be responsible for overseeing and monitoring compliance with the laws, rules, and standards related to the organizational operations (Compliance Unit) to ensure that the state enterprises comply with the relevant laws, rules and standards without being complained or sued for breaches of such laws and regulations.

Thailand Post Company Limited supervised and monitored the operations to ensure compliance with the laws, rules and standards related to THP business systematically. The Senior Executive Vice President (Office of the President) was appointed to take charge of supervising the compliance of relevant laws and regulations (Compliance Officer) by monitoring operations of each unit to ensure appropriateness and legality. Corporate Secretarial Department was assigned to supervise and monitor the corporate operations to ensure compliance with the laws, rules, and standards (Compliance Unit) systematically. Moreover, the rules and procedures for monitoring, studying and complying with the applicable laws and regulations were established to ensure compliance with those laws and the Cabinet Resolution.

In 2020, THP followed up and studied the relevant laws and regulations which have been published in the Government Gazette, Royal Decree Issue, Type Kor, and general announcements and works, Type Ngor Special, as well as the Cabinet Resolution, total 8,125 issues, and 187 issues were found related to THP business. In this regard, the concerned units were informed and took the relevant issues into consideration to ensure complete (100%) compliance. In 2020, THP was not complained or sued against violation of the relevant laws or rules.



# 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 at 31 December 2020, THP Audit Committee consisted of:

Dr. Seree
 Professor Dr. Parichart
 Asst.Prof. Somchai
 Nonthasoot
 Sthapitanonda
 Member
 Member

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

The Audit Committee performed the duties within the scope of their responsibilities that were indicated in the charter which was approved by the Board of Directors of Thailand Post Company Limited, 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. Rules of Ministry of Finance prescribing Internal Audit Standard and Practices of Government Agencies B.E. 2561 (A.D. 2018). In 2020, the Committee attended 13 meetings (11 ordinary meetings and 2 extraordinary meeting) with executives, internal auditors, and the auditor on the relevant agendas for consideration and follow-up of various matters which have been recorded in the form of minutes of meetings after each meeting. The quarterly and annual reports of operation results have been made and submitted to THP Board of Directors for acknowledgement. The subject matters are as follows:

Review of risk management and internal control system: Review of efficiency and effectiveness of internal control and risk management system to consider appropriateness and sufficiency of management to ensure that it covered the significant issues and in line with THP strategies; providing the assessment of the internal control result by the internal auditor to ensure compliance with internal control standard; as well as follow-up of the operations of the management under the risk management plan on quarterly basis to ensure that THP could control or reduce the impact that may have on achievement of the objectives at an acceptable, appropriate and effective level. Also, the management was given suggestions for improvement of their work.

Review of financial statements: Review of the significant information in financial statements and significant issues in the note to financial statements of THP and THP subsidiaries on quarterly and annual basis, and analyzing THP operating results and financial positions by taking account of the significant issues and providing useful suggestions to the management to ensure that THP financial statements were complete, correct, reliable and significant information was sufficiently disclosed in accordance with the generally acceptable accounting standards; as well as discussing with top management and the auditor regarding development of the internal control system.

Discussion with the auditor: THP Audit Committee had a specific meeting with Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, which is the auditor, without the presence of executives to discuss the scope and plan of audit. Moreover, there was a discussion on performance of the auditor and suggestions derived from the interim financial statements review to ensure good coordination and enhancement of THP work efficiency, as well as to follow up improvements of THP operations according to the auditor's suggestions.

Supervision of Operation of Internal Audit Office: Review and approval of 5 year operation and strategic audit plan (2021 - 2025), operation and internal audit plan for 2020 including revised plan during the year 2020; consideration of resource sufficiency; approval of internal audit manual and internal audit management manual; approval of budget of Office of Internal Audit for 2022, and the KPIs for the year 2020, proposing opinion to THP Board of Directors for appointing the head of internal unit and evaluating performance of the head of internal unit; approval of the promotion and appointment of personnel, increase of salary/wage of personnel under the Internal Audit Office, review of the self-assessment report of the Internal Audit Office for the year 2019, report on the results of internal audit and report on the follow-up of operations under the suggestions of Internal Audit Office in the significant issues on quarterly and annual basis to ensure good governance and appropriate internal control; review of the report on internal audit of subsidiaries with advice given to the management, Internal Audit Office, and Internal Audit Unit of subsidiaries for improvements; 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 laws, rules and regulations: Review of compliance with the relevant laws, 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 compliants and disciplinary actions of staff and employees, compliance with significant IT laws; as well as follow-up of compliance with the rules of THP Board of Directors regarding disclosure of conflicts between personal interest and THP interest.

Quality Maintenance of Audit Committee: Review of the charter to ensure compliance with the rules and regulations of Ministry of Finance and compliance with the charter as well as self-assessment for the year 2020.

Remuneration of the Auditor: Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is THP auditor for the fiscal year 2020 with the audit fee of 3.50 million baht.

In conclusion, the Audit Committee is of the opinion that, in 2020, THP made the financial statements in accordance with the generally acceptable accounting principles with appropriate disclosure of information, THP complied with the relevant laws, rules, regulations, and policies governing its business, complied with the principles of good governance, appropriately conducted risk management, and an effective internal control system. No significant errors were found in its performance. Audit Committee independently expressed opinions and honestly gave suggestions to the management and internal auditor and the subsidiaries for the utmost benefits of all parties.

(Dr. Seree Nonthasoot) Chairman of Audit Committee 21 January 2021



# 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. 2557 (2014), Cabinet Resolution dated 18 July 2020 regarding Guidelines for the Appointment of State Enterprise Committee and Resolutions of State Enterprise Policy Committee dated 11 October 2020.

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.	Assistant Professor Dr. Ake	Pattaratanakun	Member		
5.	. Senior Executive Vice President (Administration)				

6. Vice President of Legal Department Assistant Secretary7. Vice President of Corporate Secretarial Department Assistant Secretary

In 2020, THP Director Nomination and Remuneration Subcommittee convened 7 meetings upon the relevant agendas. The report on operating results was always made and proposed to THP Board meeting for acknowledgment. The subject matters are as follows:

1. Nomination of the persons to be appointed as THP Board of Directors in case of completion of term and re-election for another term for the year 2020, totally 4 positions including 1) Mr. Rathapol Bhakdibhumi 2) Mr. Pornchai Thiraveja 3) Mr. Sorasak Meenatoree and 4) Mrs. Smorn Terdthampiboon. Ministry of Finance resolved on approval of the appointment of retired directors to assume the position for another term and the appointment of directors in place of the retired directors. The retired directors who were re-appointed include 1) Mr. Rathapol Bhakdibhumi 2) Mr. Putchapong Nodthaisong 3) Mr. Phantong Loykulnanta. In the case of Mrs. Smorn Terdthampiboon the Subcommittee agreed that the person who was qualified for being appointed as the THP Board member in place of Mrs. Smorn Terdthampiboon should have the necessary IT skill matrix.

In this case, THP has registered the change of directors under the resolution of Ministry of Finance with the Registrar of Bangkok Office of the Company and Partnership Registration as required by the law.

- 2. Nomination of the persons to be appointed as THP Director in case of vacancy due to resignation of Dr. Thitipong Nandhabiwat, the Subcommittee agreed that the qualified person to be appointed as THP Director should be Mr. Korkij Danchaivichit (Chief Executive Officer) to fill in the said vacancy.
- 3. Nomination of the persons to be appointed as THP Directors in case of completion of term and re-election for another term for the year 2021, totally 4 positions, including 1) Mrs. Vunnaporn Devahastin na Ayutthaya 2) Professor Dr. Parichart Sthapitanonda 3) Dr. Seree Nonthasoot and 4) Mr. Korkij Danchaivichit. The Subcommittee resolved on acknowledgment and approval of proposal to THP Board meeting for consideration. As for the CEO who resigned from the position, it was agreed that the position should be reserved for the person who will be recruited for the position.

- 4. Review of the order of the committee, subcommittee, and other working groups according to the new structure of THP, the Subcommittee resolved that the names of the positions of THP management should be revised to align with the new structure and the components of the following 3 committees should be improved: 1) THP Director Nomination and Remuneration Subcommittee 2) THP President's Performance Evaluation Subcommittee and 3) Strategy Driving and Investment Screening Subcommittee.
- 5. Review of the order of the committee, subcommittee, and other working groups due to retirement of Dr. Pornchai Thiraveja and Mr. Sorasak Meenatoree totally, 3 parties including 1) Strategy Driving and Investment Screening Subcommittee 2) THP President's Performance Evaluation Subcommittee and 3) Recruitment and Selection Committee for the position of Chief Corporate Strategy Officer.
- 6. Proposal for appointment of Marketing and Communication Strategies Subcommittee, consisting of 1) Assistant Professor Dr. Ake Pattaratanakun as the Chairman 2) Professor Dr. Parichart Sthapitanonda as the member.
- 7. Proposal for appointment of THP CEO's Nomination Committee, consisting of 1) Dr. Seree Nonthasoot as the Chairman 2) Mr. Putchapong Nodthaisong 3) Professor Dr. Parichart Sthapitanonda 4) Assistant Professor Somchai Supphatada and 5) Assistant Professor Dr. Ake Pattaratanakun, as members; and THP CEO's Remuneration Subcommittee, consisting of 1) Mr. Phantong Loykulnanta as the Chairman 2) Dr. Seree Nonthasoot and 3) Representative of State Enterprise Policy Office, as members.
- 8. Making of policy and guidelines for nomination of THP directors in accordance with the rules on State Enterprise Assessment Model (SE-AM).
- 9. Regarding the early retirement project, the Subcommittee considered that the rule on qualifications of participants in the project should be appropriately announced by clearly indicating prohibitions or conditions that the participants must not disclose THP information and not work for any organizations or companies having the same or similar objectives as THP within one year from the effective date of their resignation. Also, the project shall be operated in the way that does not affect THP operations and operating results.

(Mrs. Vunnaporn Devahastin na Ayutthaya)

Chairman of the THP Director

Vingon Derbertin

Nomination and Remuneration Subcommittee

30 December 2020

# 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 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 (Deloitte Touche Tohmatsu Jaiyos Audit Company Limited) 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.

R. Uhm,

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

Balong Subsant.

(Mr. Kalong Subsaart)
Chief Operating Officer
Acting for Chief Executive Officer



#### To the Shareholders and Board of Directors of Thailand Post Company Limited

#### Opinion

I have audited the consolidated financial statements of Thailand Post Company Limited and its subsidiary ("the Group of Company") and separate financial statements of Thailand Post Company Limited ("the Company") which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss, the consolidated and separate statement of comprehensive income, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Thailand Post Company Limited and its subsidiaries and Thailand Post Company Limited as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Standards of State Auditing and Standards of Auditing. My responsibilities are further described in the Auditor's Responsibilities for Auditing the Consolidated and Separate Financial Statements section of my report. I am independent of the Group of Companies in accordance with the Standards of the State Auditing determined by the State Audit Commission and the Code of Ethics for Professional Accountants prescribed by the Federation of Accounting Professions in respect to my audit of the consolidated and separate financial statements, and I have fulfilled other ethical responsibilities in accordance with these standards of the State Auditing and ethical requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter**

I draw attention to Note 2.7 to the financial statements, Thailand Post Company Limited and its subsidiaries implemented the financial tools standard and financial report standard No. 16 Re: "Leases" which was effective for the accounting period starting on or after 1 January 2020 by using the retrospective recognition of cumulative impacts after adoption of the above financial report standard as adjusting entries of retained earnings as at 1 January 2020. However, I did not give qualified opinions about this matter.

#### Other Matters

The Standards of the State Auditing prescribed in the Basis for Opinion paragraph and Auditor's Responsibilities for Auditing Consolidated and Separate Financial Statements are relevant only in the part involving the financial report audited by the certified public accountant.

Consolidated financial statements of Thailand Post Company Limited and its subsidiaries and separate financial statements of Thailand Post Company Limited for the year ended 31 December 2019 (prior to re-organization of items under Note 28) which show the comparative information, were audited by the Office of State Audit Commission with unqualified opinions in accordance with the report dated 11 June 2020.

#### Other Information

The management is responsible for other information which consists of the information included in the annual report but excludes the consolidated financial statements and separate financial statements, and the auditor's report included in such report which is expected to be prepared for me after the date of the auditor's report.

My opinions about the consolidated financial statements and separate financial statements do not cover other information and I will not express any form of assurance conclusion thereon.

In connection with the audit of the consolidated and separate financial statements, my responsibility is to read and consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in my audit, or whether the other information appears to contain material misstatements.

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

#### Responsibilities of Management for the Consolidated and Separate Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Financial Reporting Standards and for internal control as the management considered necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the management is responsible for assessing the ability of the Group of Companies and the Company to continue as a going concern, disclosing matters related to going concern (as applicable), and using the accounting basis for going concern unless the management either intends to liquidate or to cease operations, or is unable to continue as a going concern.

#### Auditor's Responsibilities for Auditing the Consolidated and Separate Financial Statements

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

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

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

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

Bangkok Metropolis 26 April 2021 (Signature)
Wimolporn Boonyasthian
Certified Public Accountant, Registration No. 4067
Deloitte Touche Tohmatsu Jaiyos Audit Company Limited



# Financial Statements Statements of Financial Position

Thailand Post Company Limited and Subsidiary As at December 31, 2020

	Notes	Consolidated Financial Statements		Separate Financial Statements		
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
Assets						
Current Assets						
Cash and cash equivalents	5.1	2,858,166	3,231,154	2,755,782	3,119,249	
Temporary investments	2.7 and 6	-	8,638,687	-	8,638,687	
Trade and other receivables	8	3,108,240	2,932,811	2,850,727	2,837,317	
Inventories	9	462,722	470,478	462,722	470,478	
Other current financial assets	6	7,163,689	-	7,163,689	-	
Restricted bank deposits	7	437,403	431,271	437,403	431,271	
Other current assets		85,451	67,069	76,852	56,672	
Total Current Assets		14,115,671	15,771,470	13,747,175	15,553,674	
Non-Current Assets						
Non-current restricted bank deposits	10	473,991	478,638	473,991	469,530	
Investments in subsidiary	11	-	-	350,000	350,000	
Other non-current financial assets	12	2,037,499	-	2,040,070	-	
Long-term investments	2.7 and 12	-	3,369,518		3,372,089	
Other non-current receivables		89,593	123,885	89,592	123,885	
Property, plant and equipment	13	10,393,263	9,530,972	10,389,298	9,524,913	
Assets under finance lease agreemer	nts 14	-	335,155	-		
Right-of-use assets	2.7 and 15	7,511,711		6,795,008	-	
Intangible assets	16	521,384	540,391	514,303	530,973	
Deferred tax assets	24	1,246,791	1,147,259	1,226,734	1,147,259	
Other non-current assets		61,830	152,522	37,316	132,712	
Total non-current Assets		22,336,062	15,678,340	21,916,312	15,651,361	
Total Assets		36,451,733	31,449,810	35,663,487	31,205,035	



## Statements of Financial Position (Continued)

Thailand Post Company Limited and Subsidiary As at December 31, 2020

	Notes	Consol Financial S		Separate Financial Statements		
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
Liabilities and Shareholders' Eq	uity					
Current Liabilities						
Trade and other payables	17	2,868,235	3,636,050	2,782,767	3,568,416	
Current portion of leases liabilities						
With 1 year due	2.7	1,397,402	69,451	1,166,058		
Accrued corporate income tax payable		7,864	-	-		
Other current liabilities	18	525,764	615,439	518,508	609,317	
Total Current Liabilities		4,799,265	4,320,940	4,467,333	4,177,733	
Non-Current Liabilities						
Leases liabilities	2.7	6,219,400	239,650	5,763,009		
Other non-current payables		10,420	27,835	10,420	27,835	
Estimated non-current liabilities						
for employee benefits	19	5,615,531	5,559,481	5,610,176	5,555,927	
Other non-current liabilities	20	260,245	138,196	238,847	117,959	
Total non-current Liabilities		12,105,596	5,965,162	11,622,452	5,701,721	
Total Liabilities		16,904,861	10,286,102	16,089,785	9,879,454	



## Statements of Financial Position (Continued)

Thailand Post Company Limited and Subsidiary As at December 31, 2020

Notes		lidated Statements	Separate Financial Statements		
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
Shareholders' Equity					
Share Capital					
Authorized share capital					
125,000,000 ordinary					
shares of Baht 10 each	1,250,000	1,250,000	1,250,000	1,250,000	
Issued and paid-up share capital					
125,000,000 ordinary					
shares of Baht 10 each, fully paid	1,250,000	1,250,000	1,250,000	1,250,000	
Retained Earnings					
Appropriated - Legal reserve 21	125,000	125,000	125,000	125,000	
Unappropriated	18,171,872	19,788,708	18,198,702	19,950,581	
Total Shareholders Equity	19,546,872	21,163,708	19,573,702	21,325,581	
Total Liabilities and Shareholders' Equity	36,451,733	31,449,810	35,663,487	31,205,035	

### Statements of Profit or Loss

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

	Notes Consolidated Financial Statements			Separate Financial Statements	
		2020	2019	2020	2019
Revenues					
Revenue from sales	22	699,104	705,546	699,104	705,546
Revenue from rendering of services	22	23,125,378	26,144,533	22,632,218	25,779,098
Other income		386,468	555,780	381,168	552,253
Total revenues		24,210,950	27,405,859	23,712,490	27,036,897
Expenses					
Costs of sales		270,081	259,792	270,081	259,792
Costs of rendering service		19,735,421	23,080,713	19,416,646	22,827,716
Selling expenses		795,411	748,382	792,733	744,291
Administrative expenses		2,574,982	2,352,557	2,494,491	2,278,498
Other expenses		16,589	65,975	16,452	62,658
Total expenses		23,392,484	26,507,419	22,990,403	26,172,955
Profit before finance cost and income tax e	xpense	818,466	898,440	722,087	863,942
Financial cost		227,587	4,265	277,691	-
Profit before income tax expense		590,879	894,175	444,396	863,942
Income tax expense	24	205,525	274,787	206,347	274,787
Profit for the year		385,354	619,388	238,049	589,155
Profit sharing:					
Shareholder's equity of the parent co	mpany	385,354	619,388	238,049	589,155
Non-controlling interests			-		-
Profit for the year		385,354	619,388	238,049	589,155
Earnings per share	0.5	0.00		4.60	,
Basic earnings per share (Baht)	25	3.08	4.96	1.90	4.71



## Statements of Comprehensive Income

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

Notes	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Profit for the year	385,354	619,388	238,049	589,155
Other comprehensive income				
Items that will not be reclassified subsequently as profit or loss				
Loss on remeasurement of employee benefits	(179,914)	(33,174)	(179,914)	(33,174)
Income tax relating to items that will not				
be reclassified subsequently as profit or loss	35,983	6,635	35,983	6,635
Total comprehensive income for the year	241,423	592,849	94,118	562,616
Total comprehensive income sharing:				
Equity of the parent company	241,423	592,849	94,118	562,616
Non-controlling interests	- 300	-		
Total comprehensive income for the year	241,423	592,849	94,118	562,616



## Statement of Changes in Shareholders' Equity

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

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	Note	Issued and	Retained earnings		Total
		paid-up share capital	Appropriated Legal reserve	Unappropriated	shareholders' equity
Beginning balance as at January 1, 2019		1,250,000	125,000	20,229,945	21,604,945
Total comprehensive income for the year				592,849	592,849
Dividends paid	21	-	-	(1,034,086)	(1,034,086)
Ending balance as at December 31, 2019		1,250,000	125,000	19,788,708	21,163,708
Beginning balance as at January 1, 2020		1,250,000	125,000	19,788,708	21,163,708
Adjust retained earnings at the beginninig of the period					
due to adoption of new financial					
reporting standard	2.7	-		(12,262)	(12,262)
Beginning balance as at January 1, 2020 as restated		1,250,000	125,000	19,776,446	21,151,446
Total comprehensive income for the year			-	241,423	241,423
Dividends paid	21	-	-	(1,845,997)	(1,845,997)
Ending balance as at December 31, 2020		1,250,000	125,000	18,171,872	19,546,872



# Statement of Changes in Shareholders' Equity (Continued)

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

Separate	Financial	Statements
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	Note	Issued and	Retained earnings		Total	
		paid-up share capital	Appropriated Legal reserve	Unappropriated	shareholders' equity	
Beginning balance as at January 1, 2019		1,250,000	125,000	20,422,051	21,797,051	
Total comprehensive income for the year		-	-	562,616	562,616	
Dividends paid	21	-		(1,034,086)	(1,034,086)	
Ending balance as at December 31, 2019		1,250,000	125,000	19,950,581	21,325,581	
Beginning balance as at January 1, 2020		1,250,000	125,000	19,950,581	21,325,581	
Total comprehensive income for the year			-	94,118	94,118	
Dividends paid	21	-	-	(1,845,997)	(1,845,997)	
Ending balance as at December 31, 2020		1,250,000	125,000	18,198,702	19,573,702	

# Statements of Cash Flows

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

Unit: thousand baht

Notes	Consolidated Financial Statements			oarate Statements
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax expense	590,879	894,175	444,396	863,942
Adjustments to reconcile profit before income				
tax expense to cash received (paid) from				
operating activities				
Depreciation and amortization	2,704,866	1,345,257	2,546,701	1,321,975
Income from assets acquired from donation	(3,007)	(75,809)	(3,007)	(75,809)
Bad debt and doubtful accounts	73,235	45,379	46,025	15,206
Loss on diminution in value of inventories	3,416	12,587	3,416	12,587
Deferred income	(17,416)	(18,911)	(17,416)	(18,911)
Interest income	(206,752)	(282,115)	(206,412)	(281,893)
Adjustment of assets to expenses	-	36,528	-	36,528
Adjustment of deferred expenses to				
other expenses	<u>-</u>	1,592	<u>-</u>	1,592
Long-term employee benefit expenses	429,641	1,672,903	427,841	1,670,491
Gain from disposal of assets	(16,468)	(16,753)	(16,803)	(16,753)
Gain from termination of lease agreement	(20)	-	-	<u>-</u>
Losses from change in value of				
long-term investment		2,571	-	-
(gain) loss on unrealized exchange rates	(7,836)	55,451	(7,836)	55,451
Financial cost	227,099	4,265	277,203	-
Profit from operations before changes in operating				
assets and liabilities	3,777,637	3,677,120	3,494,108	3,584,406
Operating assets (increase) decrease				
Trade and other receivables	(211,164)	(530,052)	(6,597)	(499,540)
Inventories	4,340	(54,518)	4,340	(54,518)
Other current assets	1,339	(36,341)	(459)	(42,146)
Other non-current receivables	34,293	-	34,293	<del>-</del>
Other non-current assets	92,822	44,710	97,525	44,679



# Statements of Cash Flows (Continued)

Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

Unit: thousand baht

Note		Consolidated Financial Statements		Separate Financial Statements		
	2020	2019	2020	2019		
Cash flows from operating activities (Continued)						
Operating liabilities increase (decrease)						
Trade and other payables	(916,593)	75,459	(933,063)	55,819		
Other current liabilities	(89,667)	(4,195)	(90,802)	(7,459)		
Other non-current liabilities	122,049	(1,278)	120,888	(1,278)		
Cash received from operations	2,815,056	3,170,905	2,720,233	3,079,963		
Cash paid for income tax	(277,866)	(1,027,070)	(269,560)	(1,019,893)		
Cash paid for employee benefit	(553,505)	(531,754)	(553,505)	(531,355)		
Net cash received from operating activities	1,983,685	1,612,081	1,897,168	1,528,715		
Cash Flows from Investing Activities						
Cash received from interest	238,941	267,593	238,591	267,384		
Cash received from temporary investments - net		3,924,688	<u>-</u>	3,924,688		
Cash received from other current financial assets	1,474,998	-	1,474,997	-		
Cash received from other non-current financial assets	1,332,019	-	1,332,019	- -		
Bank deposits with additional obligations	(1,484)	-	(10,592)	-		
Cash paid for long-term investments		(3,372,089)	<u>-</u>	(3,372,089)		
Cash paid for purchase of property,						
plant and equipment 5.2	(2,102,600)	(1,761,104)	(2,100,685)	(1,760,585)		
Cash paid for purchase of intangible assets 5.2	(12,586)	(26,801)	(12,067)	(26,801)		
Cash received from disposal of property,						
plant and equipment	19,071	20,532	19,071	20,532		
Net cash received from (paid in)						
investing activities	948,359	(947,181)	941,334	(946,871)		
Cash flows from financing activities						
Cash paid for lease liabilities 5.3	(1,445,873)	(36,141)	(1,342,809)	_		
Dividend paid 21	(1,845,997)	(1,034,086)	(1,845,997)	(1,034,086)		
Net cash used in financing activities	(3,291,870)	(1,070,227)	(3,188,806)	(1,034,086)		
Effect of exchange rate changes on cash						
and cash equivalents	(13,162)	(11,766)	(13,163)	(11,766)		
Net increase (decrease) in cash and cash equivalents	(372,988)	(417,093)	(363,467)	(464,008)		
Cash and cash equivalents as at January 1	3,231,154	3,648,247	3,119,249	3,583,257		
Cash and cash equivalents as at December 31 5.1	2,858,166	3,231,154	2,755,782	3,119,249		

Notes to the financial statements form an integral part of these statements



Thailand Post Company Limited and Subsidiary For the year ended December 31, 2020

### 1. General Information and Operations of The Company

Thailand Post Company Limited (the "Company") was incorporated and domiciled in Thailand. The registered address of the Company is at 111, Chaeng Watthana Road, Thung Song Hong Sub-district, Lak Si District, Bangkok, 10210-0299. 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.

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;
- d) Postal goods are materials and equipment sold by the Company to facilitate the customers' use of postal services.

The Company's major shareholder and the Company's ultimate shareholder is Ministry of Finance, holding 100% of the Company's shares.

The Company has significant entities and relationships with the related parties. Thus, these financial statements may not reflect the existing conditions or operating performance which may occur in case the Company operated without such relationships. The subsidiaries operate the main business under Note 2.5.

### Coronavirus Disease 2019 Outbreak

The Coronavirus Disease 2019 ("COVID-19") pandemic currently continues to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the business environment in which the Group operates. Nevertheless, the Group's management continues to monitor the ongoing situation and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

### 2. Basis for Preparation of the Financial Statements

- 2.1 The Group of Companies maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group of Companies' financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No.1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 onward, and under Notification of Department of Business Development "Prescribing Brief Items to be Listed in the Financial Statements (No.3), B.E. 2562 (A.D. 2019)" dated 26 December 2019
- 2.3 The Consolidated and separate financial statements as at 31 December 2019 and the consolidated and separate statement of income, the consolidated and separate statement of comprehensive income for the year then ended which are comparatively shown are obtained from the consolidated and separate financial statements of the Company for the year then ended that have been audited by the Office of State Audit Commission.



- 2.4 The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies. (See note 3)
- 2.5 Basis for preparation of consolidated financial statements

The consolidated financial statements for the years ended December 31, 2020 and 2019 include the financial information of the Company and its subsidiary. A subsidiary of the Company is as follows:

			Percentage of shareholdings (%)		
Subsidiary	Nature of business	Country of registration	as at Dec 31, 2020	as at Dec 31, 2019	
A Subsidiary held directly by the Company					
Thailand Post Distribution Co., Ltd	Manage the transport routes, addressing, packaging, storage and distribution of goods				
	as well as provide other related services.	Thailand	100	100	

- 2.6 Significant intercompany transactions between the Company and its subsidiary has been eliminated from the consolidated financial statements.
- 2.7 Financial Reporting Standards affecting the reporting and disclosure in the financial statements for the current fiscal year.

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were revised or provided to be equivalent to the International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except the following financial reporting standards:

### **Groups of Financial Instruments Standards**

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments : Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, principles for calculating impairment of financial instruments using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

### TFRS 9 introduced new requirements for :

- 1) Classification and measurement of financial assets and;
- 2) Impairment of financial assets

### The Group has adopted TFRS 9 during the transition in TFRS 9 as follows:

a) Classification and measurement of financial assets

The date of initial application is January 1, 2020. Accordingly, the Group has applied the requirements of TFRS 9 to the financial instruments that continue to be recognized as at January 1, 2020 and has not

Financial Reports

applied to financial instruments to be eliminated as at January 1, 2020. The comparative information in relation to the financial instruments that continue to be recognized as at January 1, 2020 has not been retroactively adjusted.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets specifically, as follows:

- Debt instruments that are held within a business model with objective to receive the contractual cash flows, and that generate cash flows that are solely payments of the principal and interest on the outstanding principal amount on a given date, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model with objective to receive the contractual cash
  flows and to sell debt instruments, and that generate cash flows that are solely payments of the
  principal and interest on the outstanding principal amount on a given date, are measured subsequently
  at fair value through other comprehensive income;
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss.

The management of the Company reviewed and assessed the Group's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the impact on the Group's financial assets in regard to their classification as follows;

• The Group's investments in equity instruments (neither held for trading nor a contingent payable consideration recognized by the acquirer in a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at fair value through other comprehensive income. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve.

None of the other reclassifications of financial assets have had any impact on the Group's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

### (b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to record expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since the initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

At the date of initial application of TFRS 9, the Group assessed the effect of allowance for expected credit losses on trade and other current receivables, and other current financial assets. The Group found that there was no significant increase in the credit risk since the initial recognition. Therefore, there was no material impact on the loss allowance expected to occur as at January 1, 2020.

### (c) Disclosure of information in relation to the initial application of TFRS 9

The table below shows the reclassification amount for each line item on the financial statements affected by the first adoption of TFRS 9 for the balance as at January 1, 2020.

Unit: million baht

### Consolidated financial statements

Impact on assets, as at January 1, 2020	Balance as at December 31, 2019	TFRS 9 adjustments	Balance as at January 1, 2020, as reclassified
Temporary investments	8,638.69	(8,638.69)	-
Other current financial assets	-	8,638.69	8,638.69
Long-term investments	3,369.52	(3,369.52)	-
Other non-current financial assets	-	3,369.52	3,369.52

Unit: million baht

### Separate financial statements

Impact on assets, as at January 1, 2020	Balance as at December 31, 2019	TFRS 9 adjustments	Balance as at January 1, 2020, as reclassified
Temporary investments	8,638.69	(8,638.69)	-
Other current financial assets	-	8,638.69	8,638.69
Long-term investments	3,372.09	(3,372.09)	-
Other non-current financial assets	-	3,372.09	3,372.09

Impact on retained earning, as at January 1, 2020 as follows;

Unit: million baht

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	statements
Unappropriated retained earnings as at December 31, 2019	19,788.71
Effect of unappropriated retained earnings from the initial application	
of TFRS 9 on January 1, 2020	
- Increment of loss allowance for trade receivables	(12.26)
Unappropriated retained earnings as at January 1, 2020 only effective from	
the initial application of TFRS 9 on January 1, 2020	19,776.45

### Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

The Group has applied TFRS 16 by adjusting the carrying amount and retained earnings as follows:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under Thai Accounting Standards No.17 "Leases" ("TAS 17") and Thai Financial Reporting Standard Interpretations No.4 "Determining Whether an Arrangement Contains a Lease" ("TFRIC 4").

### a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract is a lease or contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on "risk and rewards" in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

### b) Impact on Lessee Accounting

### The former leases were classified as operating leases.

TFRS 16 changes the Group's account records for lease previously classified as operating leases under TAS 17, which were off statement of financial position.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statement of profit or loss and other comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated and separate statements of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities, whereas under TAS 17, lease incentives are recognize as a reduction of rental expenses on a straight line basis throughout the lease term.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with Thai Accounting Standard No.36 "Impairment of Assets" ("TAS 36.").

For short-term leases (lease term of 12 months or less) and leases of low-value assets such as tablets, PCs, as well as small-value items such as office furniture, telephones, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16 in the statement of profit or loss.

The Group has used the following practical relief measures : when applying an adjustment to retained earnings for leases previously classified as operating leases under TAS 17 :

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognize the right-of-use assets and lease liabilities for leases in which the lease terms end within 12 months after the date of the initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use assets at the date of the initial application.
- The Group has used hindsight when determining the lease term, in case the contract contains options to extend or terminate the lease.

### The former leases were classified as finance leases

For leases that were classified as finance leases under TAS 17, the carrying amount of the leased assets and liabilities under finance leases measured under TAS 17 before the date of initial application are reclassified to right-of-use assets and lease liabilities, respectively, without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for under TFRS 16 from January 1, 2020.

### c) Financial Impact due to the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position before the date of the initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The lessees' weight average incremental borrowing rate applied to the lease liabilities recognized in the statement of financial position as at January 1, 2020 is 6.24% p.a.

The following table shows the operating lease commitments disclosed under TAS 17 as at December 31, 2019, discounted using the incremental borrowing rate at the date of the initial application and the lease liabilities recognized in the statement of financial position at the date of the initial application.

Lease liabilities as at December 31, 2020 are summarized below:

Unit: million baht

Portion of lease liabilities due within 1 year Lease liabilities

	Consolidated Sepa financial statements financial st		
2020	2019	2020	2019
1,397.40	69.45	1,166.06	-
6,219.40	239.65	5,763.01	- 200
7,616.80	309.10	6,929.07	-



Carrying amounts of the right-of-use assets as at December 31, 2020 are as follows:

Unit: million baht

Right-of-use assets as at January 1, 2020 before the effects of the initial application of the new accounting standards Effects of the initial application of the new accounting standards Leasehold rights and assets under finance leases recognized under TAS 17 as at January 1, 2020 - net Add Increase during the year

Less Amortization during the year

Less Depreciation for the year

Right-of-use assets as at December 31, 2020

Consolidated financial statements	Separate financial statements
	_
2,918.59	2,582.28
335.16	-
5,612.52	5,415.36
(1.98)	-
(1,352.58)	(1,202.63)
7,511.71	6,795.01

# Accounting Treatment Guidance on "The Temporary Relief Measures for Additional Accounting Alternatives to Alleviate the Impacts of COVID-19 Outbreak".

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period in which the COVID-19 situation is still highly uncertain as at the end of the reporting period which may cause the entities' management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions, the objectives of this accounting treatment guidance are to alleviate some of the impacts of the application of certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance to the preparation of financial statements with a reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- Not to use forward-looking information to measure the value of expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.
- 2.8 Improvement of Thai Financial Reporting Standard No.16 "Leases"

TFRS 16 has been amended for the rent reduction consent related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical relief, not to assess whether rent reduction consent that occurs as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent reduction consent as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.9 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Financial Reporting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were revised or provided to be equivalent to the International Financial Reporting Standards, with most of the changes directed towardsrevisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

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### Conceptual Framework for Financial Reporting

The Conceptual Framework for revised Financial Reporting comprises the revision of definitions and criteria for recognizing assets and liabilities, addition of measurement basis, derecognition of assets and liabilities, presentation and disclosure of information. In addition, this Conceptual Framework for Financial Reporting describes the ability of the management in maintaining the economic resources of the business, cautions, and uncertainty of measurement of the financial information more clearly.

### **Definition of Business**

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires an immediate change for such amendment. Earlier application is permitted.

### **Definition of Materiality**

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires an immediate change for such amendment. Earlier application is permitted.

### Reference Interest Rate Reform

Due to the reference interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

### 3. Significant Accounting Policies

- 3.1 Basis for Preparation of Consolidated Financial Statements
  - a) Consolidated financial statements comprise the financial statements of the Company and its subsidiaries. It is deemed that the Company has control over the invested business or its subsidiaries. If the Company has the power over the invested persons, it is entitled to, or has the interest in the invested business and is able to exercise the power to order the activities having significant effects on the amount of remuneration. In case any conditions or circumstances indicate that any of the above controlling powers may change, the Group may re-consider the controlling power over the controlled business;
  - b) The Company includes the financial statements of the subsidiaries in the consolidated financial statements from the date that the Company has control over the subsidiary until the date that control is terminated;
  - c) The financial statements of the subsidiaries are made with the accounting cycle and by implementing the same accounting policy as the Company;
  - d) Significant outstanding balance between the Company and the subsidiaries and the intercompany transactions have been eliminated from these consolidated financial statements;
  - e) Non-controlling stakeholders' equity means the amount of net profits or losses and assets of the subsidiaries which do not belong to the Company and are shown separately in the section of consolidated profits or losses and the shareholders' equity in the consolidated statements of financial position.

### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the maturities of three months or less and highly liquid short-term investments, excluding restricted bank deposits.



### 3.3 Temporary investments

Policies applicable prior to January 1, 2020

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.

### 3.4 Trade receivables

Policies applicable prior to January 1, 2020

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

Policies applicable from January 1, 2020

Trade receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.6

### 3.5 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 envelops is determined by the moving average cost method.

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

The Group provides allowance for devaluation of inventories for the goods which are obsolete, damaged and remain in stock for too long.

### 3.6 Financial instruments

Policies applicable as of January 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

### Financial assets

All recognized financial assets are measured subsequently in their entirely at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

### Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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# Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

### Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income (FVTOCI), and trade receivables. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes a loss allowance for lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### (1) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the debts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### (2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default, for financial assets is represented by the asset's gross carrying amount as at the reporting date. For financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future. The default date is determined based on the historical trend. The Group tries to understand of the specific future financing needs of the debtors, and other relevant forward-looking information.

### 3.7 Fair Value Measurement

Fair value means the price expected to receive from the sale of assets or the price payable for transfer of liabilities to other persons. The said transaction shall occur in the normal course of business between the buyer and the seller (market participants) on the date of measurement. The Group uses the price offer in the market having liquidity in measurement of fair value of assets and liabilities which are required by the financial reporting standards to be measured with the fair value, except the case that the market lacks liquidity. For the assets or liabilities having the same nature or in the case that the price offer cannot be found in the market with liquidity, the Group will conduct the fair value measurement by implementing the situation-based measurement technique and tries to use the visible information about the assets or liabilities to measure fair value as much as possible.

The levels of fair value used for measurement and disclosed for the assets and liabilities in the financial statements can be divided into three levels according to the types of information used for measurements as follows:

- Level 1: Use price offer of the same assets or liabilities in the market having liquidity
- Level 2: Use other visible information of the assets or liabilities whether it is direct or indirect information
- Level 3: Use invisible information e.g., information about the future cash flow estimated by the company

On each end date of reporting cycle, the Group will assess the necessity of inter-level transfer of the transactions of the fair value for the assets and liabilities held on the end date of reporting cycle when the fair value measurement usually happens.

### 3.8 Investments in a subsidiary

Investments in a subsidiary in the separate financial statements of the Company are accounted for using the cost method.

### 3.9 Property, plant and equipment

Property, plant 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)
Land improvements	10
Buildings, structures and improvements	10 - 20
Machinery and equipment	10
Tools and equipment	5 - 10
Office equipment	3 - 5
Vehicles	5 – 7

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. Repair and maintenance expenses are recognized as expenses in the accounting period when they actually occur.

### 3.10 Other intangible assets

Other intangible assets consist of computer programs, which are stated at acquisition cost less accumulated amortization. Amortization is calculated on the straight-line basis over the estimated useful lives of 10 years.

### 3.11 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to the statement of comprehensive income.

### Calculation of recoverable amount

The recoverable amount of a non-financial asset is the asset's value in use or fair value less costs to sell, whichever is higher. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit in which the asset is involved.

### Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

### 3.12 Provision

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

### 3.13 Employee benefits

### 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.

### 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.

### Severance Pay - Defined benefit pension plans

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.



The liabilities under the post-employment benefits project are calculated by a professionally qualified independent actuary based on actuarial techniques, using the projected Unit credit method.

Actuarial gains and losses for post-employment benefits project are recognized immediately in other comprehensive income.

Cost of past services related to the correction of projects will be recognized as expenses in the statements of income when the correction of projects is effective.

### 3.14 Revenue and expense recognition

### Revenue from sales

Revenue from sales of goods is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over goods. A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

### Revenue from rendering services

Income from services are recognized at any time of services.

### Interest income

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

### Other incomes and expenses

Other incomes and expenses are recorded on accrual basis.

### 3.15 Leases

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

Policies applicable from January 1, 2020

### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases and leases of low-value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

# The lease liability is presented in a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever :

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs of dismantling and removing a leased asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37 (Provisions, Contingent Liabilities and Contingent Assets). To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in a separate line in the consolidated and separate statements of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in statement of profit or loss.

### The Group as Lessor

TFRS 16 does not significantly change the accounting record of lease in part of the lessor. Under TFRS 16, the lessor still classifies the type of lease as financial lease or operating lease and recorded both types of lease separately.

Policies applicable prior to January 1, 2020

### Operating Lease

Long-term lease of assets in which the majority of risks and returns of ownership belong to the lessor will be considered as the operating lease. Any payment to ne made under the operating lease (net of incentive obtained from the lessor) will be recoded as expenses in the statement of profit or loss with the straight-line method throughout the term of such lease.

Expenses arising from the termination of an operating lease prior to the expiration of the lease, such as penalties to be paid to the lessor, will be recorded as an expense in the accounting period the cancellation occurred.

### 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 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.



### 3.16 Income tax expense

Income tax expense represents the sum of the current tax and deferred tax.

### Current income tax

The income tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and excludes non-revenue items or taxable expenses. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

### Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amount of assets and liabilities used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. A reversal is made when it is highly probable that the Company and its subsidiaries will have sufficient taxable profits to utilize all or some of the tax assets.

The Company and its subsidiaries measure deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or expected to be effective by the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of subsidiaries is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

### 3.17 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of profit or loss for the year.

### 3.18 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 who are directors or officers of the Company, 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 Baht 350 million and was established on 9 January 2014. Its share capital of Baht 350 million has been fully paid on 29 September 2014.

### 3.19 Earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year are based on the weighted-average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.20 Fair Value Measurement

Fair value is the price expected to receive from the sale of assets or payable for transfer of liabilities in the normal course of business between market participants on the date of measurement whether such price is directly visible or estimated with valuation technique. In measuring the fair value of any assets or liabilities, the Group considers the nature of assets or liabilities to be considered by market participants in determining the price of assets or liabilities on the date of measurement by measuring the fair value and/or disclosing these consolidated financial statements based on the said criteria.

Moreover, fair value measurement can be categorized into Level 1, Level 2, and Level 3 according to the levels of visible information and significance of information used to measure the fair value. These include:

- Level 1 is the quoted price (unadjusted) in the market having liquidity for the same assets or liabilities and the business can access the market on the date of measurement.
- Level 2 is other information which is directly or indirectly visible for the assets or liabilities in addition to the price offer included in Level 1 information.
- Level 3 is the invisible information for those assets or liabilities.

### 3.21 Use of Discretion of the Management

In preparing the financial statements in accordance with the standards of financial reporting, the management of the Group rely on a variety of discretions in determining the accounting policy, estimation, and assumption which affect the presentation of the amount of assets, liabilities and disclosure of information about the possible assets and liabilities as at the end date of reporting cycle, as well as the presentation of incomes and expenses of the accounting period. Despite the management's reasonable estimation at that time, the actual results may be different from the estimation.

Important uses of discretion in accounting estimation are as follows:

### Benefits after Employees' Resignation from Work under the Benefits Project

Liabilities under the Benefits Project after employees' resignation are estimated based on the principles of actuarial science which relies on assumptions such as discount rate, future pay raise rate, death rate, and turnover rate, etc.

Cost of past services related to the correction of projects will be recognized as expenses in the statements of profit or loss when the correction of projects is effective.

### 4. Related Parties Transactions

For the purposes of preparing these financial information, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions.

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



Significant transactions with related parties for the years ended December 31, were as follows:

Unit : million baht

	Consolidated Financial Statements		Separate Financial Statements		Pricing policy
	2020	2019	2020	2019	
Transactions with a subsidiary					
(eliminated from the consolidated					
financial statements)					
Postal Package transportation					
service income - Business customers	-		0.93	0.60	Contract price
Income from the use of premises and equipment	-	-	4.17	2.96	Contract price
Utility income	-	-	1.90	1.66	As agreed
Income from penalties against the breach					
of contract	-	-	0.12	0.09	As agreed
Other operating income	<u>-</u>	-	-	0.07	As agreed
Domestic mail bag transportation					
fee - contracted	-	-	-	222.07	Contract price
Domestic mail bag transportation					
fee - no contract		<u>-</u>	76.27	25.55	As agreed
EMS bag transportation fee - contracted	-	<del>-</del>	<u>-</u>	48.41	Contract price
Postal assistant wages	-	-	23.70	12.89	As agreed
Building and facility rental fee	-	-	0.33	1.70	Contract price
Depreciation of the assets and right of use	-	-	294.19	=	Rate of rent under the lease
Financial Cost	-	<u>-</u>	77.95	-	Rate of rent under the lease

Significant Balances with related parties as at December 31, were as follows:

Unit : million baht

	Consolidated Financial Statements		Sepa Financial S	
	2020	2019	2020	2019
Other trade receivables - related parties (see Note 8)				
Subsidiary	-	-	1.38	1.09
Accrued income				
Subsidiary	-	-	0.11	0.14
Prepaid expenses				
Subsidiary	-	-	-	62.46
Right of use assets				
Subsidiary	-	-	53.28	-
Other current assets - undue input VAT				
Subsidiary	-	-	-	0.38
Other payables - related parties (see Note 17)				
Subsidiary	-	-	3.30	1.10
Accrued expenses				
Subsidiary	-	-	46.09	38.90
Leases liabilities				
Subsidiary	-	-	23.72	-
Other current liabilities - undue output VAT				
Subsidiary		-	0.05	0.08

### Directors and management's remuneration

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

Unit: million baht

Unit: million baht

Consol Financial S	lidated Statements	Separate Financial Statements		
2020 2019		2020	2019	
11.97	8.91	3.08	1.97	
0.18	0.14	-	-	
12.15	9.05	3.08	1.97	

Short-term benefits Post-employment benefits Total

Cash

Bank deposits

### 5. Supplementary Information on Cash Flow

5.1 Cash and cash equivalents as at December 31, consisted of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
١	215.22	325.27	214.93	324.96
k deposits				
Current accounts	17.79	16.62	17.79	16.62
Saving accounts	2,534.16	2,116.63	2,455.34	2,014.97
Fixed deposits, Maturity not exceeding 3 months	91.00	772.63	67.72	762.69
Total	2,858.17	3,231.15	2,755.78	3,119.24

As at December 31, 2020 Bank deposits interest rate 0.25% - 0.93 percent per annum (as at December 31, 2019, interest rate 0.25 - 1.26 percent per annum).

### 5.2 Significant non-cash transactions are as follows:

Liabilities incurred from the acquisition of fixed assets and intangible asset as at December 31, consisted of :

Unit: million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020 2019		2020	2019
Liabilities incurred from acquisition of				
fixed assets and intangible assets as at January 1	81.33	106.12	81.06	106.10
Add Purchase during the year	2,202.95	1,838.93	2,199.15	1,838.16
<u>Less</u> Donated assets during the year	(3.01)	(75.81)	(3.01)	(75.81)
Total acquisition during the year	2,199.94	1,763.12	2,196.14	1,762.35
<u>Less</u> Cash payments	(2,115.19)	(1,787.91)	(2,112.75)	(1,787.39)
Liabilities incurred from acquisition of				
fixed assets and intangible assets as at December 31	166.08	81.33	164.45	81.06

### 5.3 Changing in liabilities from financing activities

Unit: million baht

Balance as at January 1, 2020	Cash flows from financing activities	Non-cash Effect of the application of the new accounting standards	Other changes (1)	Balance as at December 31, 2020
309.10	(1,445.87)	2,918.60	5,834.97	7,616.80
309.10	(1,445.87)	2,918.60	5,834.97	7,616.80

Leases liabilities Total

Unit: million baht

### Consolidated Financial Statements

Balance as at January 1, 2019 Cash flows from financing activities		Non-cash changes (1)	Balance as at December 31, 2019	
147.57	(36.14)	197.67	309.10	
147.57	(36.14)	197.67	309.10	

Leases liabilities **Total** 

Unit : million baht

### Consolidated Financial Statements

Balance Cash flows	Cash flows	Non-cash changes		Balance	
as at January 1, 2020	from financing activities	Effect of the application of the new accounting standards	Other changes <sup>(1)</sup>	as at December 31, 2020	
-	(1,342.81)	2,582.28	5,689.60	6,929.07	
	(1,342.81)	2,582.28	5,689.60	6,929.07	

Leases liabilities **Total** 

Remark

(1) Other changes due to deferred interest

### 6. Other Current Financial Assets and Temporary Investments

Other current financial assets as at December 31, 2020 consisted of:

Fixed deposits with maturities of more than
6 months but not more than 12 months
Current portion of long-term deposits with maturities of 1 year
Total other current financial assets

Temporary investments as at December 31, 2019 consisted of:

Consolidated Financial Statements	Separate Financial Statements
4,016.10	4,016.10
3,147.59	3,147.59
7,163.69	7,163.69

Unit: million baht

Unit: million baht

Fixed deposits with maturities of more than
3 months but not more than 6 months
Fixed deposits with maturities of more than
6 months but not more than 12 months
Current portion of long-term deposits with maturities of 1 year
Total temporary investments

Consolidated Financial Statements	Separate Financial Statements
1,302.88	1,302.88
6,521.70	6,521.70
814.11	814.11
8,638.69	8,638.69

As at December 31, 2020, other current financial assets carry interest at the rate of 0.70 - 1.60 percent per annum (as at December 31, 2019, temporary investments carry interest at the rate of 1.36 - 2.35 percent per annum).

### 7. Restricted Bank Deposits

Restricted bank deposits as at December 31 consisted of:

Unit: million baht

Saving accounts (1)

Fixed deposits with maturities of more than 6 months (2) Provident fund bank deposits (3)

2020	2019
20.00	20.00
50.20	49.64
367.20	361.63
437.40	431.27
	20.00 50.20 367.20

Consolidated and Separate Financial Statements

### Remark:

- (1) Having the obligation of service business guarantee by using it as the collateral with the bank for issuance of the letter of guarantee for providing coin transportation service.
- (2) Being the deposit with obligation as loan guarantee in the pension fund projects.
- (3) Having the obligation of payment to employees who resign in the future for contribution to the provident fund of employees who resign from the provident fund but do not resign from the Company.

### 8. Trade and other Receivables

8.1 Trade and other receivables as at December 31, consisted of:

Unit : million baht

	Consolidated Financial Statements		Separate Financial Statement	
	2020 2019		2020	2019
Trade receivables - others	1,062.65	1,237.10	881.97	1,134.52
Other receivables - related parties	-	=	1.38	1.09
Other receivables - others	106.63	100.72	84.10	78.24
International post terminal dues receivable	797.83	525.32	797.83	525.32
Accrued income	271.59	329.85	227.10	309.43
Prepaid expenses	869.54	739.82	858.35	788.72
Total trade and other current receivables	3,108.24	2,932.81	2,850.73	2,837.32

Unit : million baht

	Consol Financial S		Sepa Financial S	
	2020	2019	2020	2019
<u>Trade receivables - others</u>				
Not yet due	674.76	600.94	627.73	568.95
Past due				
Up to 3 months	377.36	507.66	250.68	451.61
3 - 6 months	45.66	133.90	11.35	123.06
6 - 12 months	20.78	27.81	7.93	11.39
Over 12 months	125.85	63.62	79.14	28.74
Total	1,244.41	1,333.93	976.83	1,183.75
<u>Less</u> : Loss allowance/ Allowance for doubtful accounts	(181.76)	(96.83)	(94.86)	(49.23)
Total trade receivables	1,062.65	1,237.10	881.97	1,134.52
Other receivables				
Other receivables - related parties	-	<u>-</u>	1.38	1.09
Other receivables - others	182.11	175.79	159.57	153.31
<u>Less</u> : Loss allowance/ Allowance for doubtful accounts	(75.48)	(75.07)	(75.47)	(75.07)
Other receivables - others	106.63	100.72	84.10	78.24
International post terminal dues receivable	797.83	525.32	797.83	525.32
Accrued income	271.59	329.85	227.10	309.43
Prepaid expenses	869.54	739.82	858.35	788.72
Total other receivables	2,045.59	1,695.71	1,968.76	1,702.80
Total trade and other receivables	3,108.24	2,932.81	2,850.73	2,837.32



### 9. Inventories

Inventories as at December 31, consisted of:

Unit: million baht

	Consoli Financial S			oarate Statements	
	2020	2019	2020	2019	
Postal goods	228.94	211.41	228.94	211.41	
Collectibles	85.79	86.40	85.79	86.40	
Postage stamps for collection	68.65	54.76	68.65	54.76	
Definitive postage stamps	21.27	17.51	21.27	17.51	
Consumables	148.88	187.95	148.88	187.95	
	553.53	558.03	553.53	558.03	
Less: Allowance for diminution in value	(90.81)	(87.55)	(90.81)	(87.55)	
Total inventories	462.72	470.48	462.72	470.48	

Cost of inventories which was recognized as expenses and included in the cost of sales for the years ended December 31, consisted of:

Unit: million baht

Consol Financial S		Sepa Financial S	
2020	2019	2020	2019
270.08	259.79	270.08	259.79

Cost of inventories recognized as an expense in cost of sales

Movements in the allowance for diminution in value of inventories for the years ended December 31, are as follows:

Unit: million baht

## Consolidated and Separate Financial Statements

2020	2019
87.55	74.97
3.26	12.58
90.81	87.55

Balance as at January 1 Adjustment of net realizable value for the year Balance as at December 31

### 10. Restricted Non-Current Bank Deposits

Restricted non-current bank deposits as at December 31, 2020 of 473.99 million baht (as at December 31, 2019 of 478.64 million baht) in the consolidated financial statements and as at December 31, 2020 of 473.99 million baht (as at December 31, 2019 of 469.53 million baht) in the separate financial statements. This amount is deposit at the Government Housing Bank in accordance with housing loan agreement for employees, which required the Company to maintain deposits at bank not less than outstanding employee loan with bank which was over 12 months.

As at 31 December 2019, the subsidiaries used the right of claim in the savings account amounting to 9.11 million baht made with Krungthai Bank Public Company Limited as the collateral for overdraft and under the terms of the credit agreement. The said deposit had limitations in terms of drawdown to reserve the amount for repayment of the principal and the interest. In June 2020, the subsidiaries changed the collateral for overdraft by withdrawing the suspension of the above savings account.

### 11. Investments in a Subsidiary

Investments in a subsidiary as presented in the separate financial statements consisted of:

Unit: million baht

	Paid-up cap	o share oital	Percent sharehol	-	Co	est	Dividence For the ve	
	as at December 31, 2020	as at December 31, 2019	as at December 31, 2020	as at December 31, 2019	as at December 31, 2020	as at December 31, 2019	Decem	
	2020	2019	2020	2019	2020	2019	2020	2019
Company's name								
Subsidiary held directly								
by the Company								
Thailand Post Distribution								
Company Limited	350	350	100	100	350	350	-	-
Total Investments in								
a subsidiary					350	350	_	-

Thailand Post Distribution Company Limited was incorporated on January 9, 2014 according to the cabinet resolution on October 22, 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 Thailand Post Distribution Company Limited with the registered capital of 350 million baht.

### 12. Other Non-Current Financial Assets and Long-Term Investments

Other non-current financial assets as at December 31, 2020 consisted of:

Unit : million baht

Fixed deposits with maturities of more than
12 months but not more than 24 months
Fixed deposits with maturities of more than
24 months but not more than 36 months
Investments in equity securities measured at fair value
through other comprehensive income
Total other non-current financial assets

Consolidated Financial Statements	Separate Financial Statements
815.57	815.57
1,200.00	1,200.00
21.93	24.50 2,040.07
	Financial Statements  815.57  1,200.00

Long-term investments as at December 31, 2019 consisted of:

Unit : million baht

Fixed deposits with maturities of more than
12 months but not more than 24 months
Fixed deposits with maturities of more than
24 months but not more than 36 months
Investments in equity desiderated at fair value through other
comprehensive income
Total long-term investments

Consolidated Financial Statements	Separate Financial Statements
3,147.59	2 147 50
	3,147.59
200.00	200.00
21.93 3,369.52	<u>24.50</u> <b>3,372.09</b>
3,309.32	3,312.09

As at December 31, 2020, other non-current financial assets carry interest at the rate of 1.40 - 2.00 percent per annum (as at December 31, 2019, long-term investments carry interest at the rate of 1.60 - 2.00 percent per annum).

Unit: million baht

13. Property, Plant and Equipment

Property, plant and equipment consisted of:

As at December 31, 2020

44.47)\* (18,481.10)1.58 (286.26)(17,487.56)(1,277.19)283.65 10,393.26 28,874.36 27,018.53 2,184.98 Total and installation construction (44.47)Assets under 1,345.28 (1,154.61)563.96 417.76 563.96 (301.27)(2,080.09)388.62 (105.81)(1,884.62)105.80 3,018.43 0.71 3,301.95 1,221.86 Vehicles (0.01)71.16 134.59 0.23 (110.07)(2,672.68)(2,988.93)1.31 (426.01)109.77 744.43 Office equipment 3,636.14 3,733.36 Consolidated Financial Statements (475.04)(26.27)(51.20)(0.18)176.23 Tools and equipment 32.04 19.83 0.18 (449.46)25.80 625.22 0.27 651.27 (39.13)(2,107.17)(114.76)(2,183.98)104.78 90.94 37.95 658.87 equipment 2,685.89 0.37 2,842.85 Machinery and structures and improvements (1.49)(4.98)29.64 (10, 149.77)0.19 (10,485.51)771.36 (340.26)4.33 3,611.85 13,302.83 14,097.36 Buildings, improvements (223.86) 546.72 (43.69)279.17 498.26 0.55 47.91 (267.55)Land 2,834.00 212.91 86.68 3,136.89 3,136.89 Land Transfer of assets under construction Transfer of deferred expense Accumulated depreciation: At as December 31, 2020 At as December 31, 2020 Depreciation for the year At as January 1, 2020 At as January 1, 2020 Disposals/write-off Disposals/write-off Net book value: Reclassification Reclassification Additions Cost:

# 13. Property, Plant and Equipment (Continued)

As at December 31, 2019

Consolidated Financial Statements

Unit: million baht

(328.32)\*(254.55)(16,466.72)(1,271.63)(17,487.56)2.07 27,018.53 250.79 1,796.11 9,530.97 25,803.22 Total and installation construction Assets under (697.13)582.93 840.36 (308.40)417.76 417.76 (0.18)1.55 0.18 (1,715.71)(274.13)105.40 (1,884.62)252.18 (105.55)2,870.07 3,018.43 1,133.81 Vehicles (79.64)(7.63)963.46 13.40 (2,307.32)(437.11)79.38 (2,672.68)162.08 175.39 3,636.14 3,364.91 equipment Office (9.80)(12.57)(414.89)(53.90)(449.46)175.76 Tools and equipment 0.52 9.56 9.77 582.78 48.92 15.37 625.22 (29.67)(2.15)(2,107.17)2.16 111.60 5.88 (2,030.27)(107.93)28.87 578.72 2,685.89 equipment 2,600.23 Machinery and structures and improvements (18.77)(28.83)(4.13)(9,813.58)(10, 149.77)65.05 424.45 (358.85)26.79 3,153.06 12,860.93 13,302.83 Buildings, improvements (0.01)(184.95)(1.06)(39.71)(223.86)274.40 498.26 0.79 433.90 3.32 62.11 0.01 Land 312.60 13.93 2,834.00 2,834.00 2,507.47 Land Transfer of assets under construction Transfer of deferred expense Accumulated depreciation: At as December 31, 2019 At as December 31, 2019 Depreciation for the year At as January 1, 2019 At as January 1, 2019 Disposals/write-off Disposals/write-off Net book value: Reclassification Reclassification Additions Cost:

# Depreciation for the year ended December, 31

2020 (1,133.25 million baht included in cost of sales and services, and the remaining balance in selling and administrative expenses) 2019 (1,074.22 million baht included in cost of sales and services, and the remaining balance in selling and administrative expenses)

1,277.19	1,271.63
million baht	million baht

1,271.63	
million baht	

# 132

Unit: million baht

13. Property, Plant and Equipment (Continued)

As at December 31, 2020

1				Separate	Separate Financial Statements	ments			
	Land	Land improvements	Buildings, structures and improvements	Machinery and equipment	Tools and equipment	Office equipment	Vehicles	Assets under construction and installation	Total
Cost:									
At as January 1, 2020	2,834.00	498.26	13,287.01	2,685.15	624.90	3,628.44	3,018.43	417.76	26,993.95
Additions	212.91	0.55	29.64	104.51	31.80	69.64	388.62	1,345.28	2,182.95
Transfer of assets under construction	86.68	47.91	771.36	90.94	19.83	134.59	-	(1,154.61)	ı
Transfer of deferred expense		ī	1	0.37	0.27	0.23	0.71	1	1.58
Disposals/write-off	1	-	(4.65)	(39.11)	(26.27)	(110.07)	(105.81)	1	(285.91)
Reclassification	1	1	(1.49)		0.18	1.31	1	(44.47)	(44.47)*
At as December 31, 2020	3,136.89	546.72	14,081.87	2,841.86	650.71	3,724.14	3,301.95	563.96	28,848.10
Accumulated depreciation:									
At as January 1, 2020	1	(223.86)	(10,138.23)	(2,106.62)	(449.29)	(2,666.41)	(1,884.63)		(17,469.04)
Depreciation for the year	ı	(43.69)	(337.52)	(114.66)	(51.07)	(425.21)	(301.27)	ı	(1,273.42)
Disposals/write-off	ľ	ŗ	4.34	37.95	25.80	109.77	105.80	-	283.66
Reclassification	1	1	0.19	1	(0.18)	(0.01)	1	1	1
At as December 31, 2020		(267.55)	(10,471.22)	(2,183.33)	(474.74)	(2,981.86)	(2,080.10)	1	(18,458.80)
Net book value:	3,136.89	279.17	3,610.65	658.53	175.97	742.28	1,221.85	563.96	10,389.30

1,267.25 1,273.42

# 13. Property, Plant and Equipment (Continued)

As at December 31, 2019

Separate Financial Statements

Unit: million baht

	Land	Land improvements	Buildings, structures and improvements	Machinery and equipment	Tools and equipment	Office equipment	Vehicles	Assets under construction and installation	Total
Cost:									
At as January 1, 2019	2,507.47	433.90	12,845.11	2,599.58	582.56	3,357.79	2,870.07	582.93	5,779.41
Additions	312.60	3.32	65.05	111.51	48.82	161.50	252.18	840.36	1,795.34
Transfer of assets under construction	13.93	62.11	424.45	5.88	15.37	175.39	1	(697.13)	ı
Transfer of deferred expense	I	Γ		-	0.52	I	1.55	T	2.07
Disposals/write-off	T	(1.06)	(28.83)	(29.67)	(9.80)	(79.64)	(105.55)	ı	(254.55)
Reclassification	I-	(0.01)	(18.77)	(2.15)	(12.57)	13.40	0.18	(308.40)	(328.32)*
At as December 31, 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:									
At as January 1, 2019	1	(184.95)	(9,805.21)	(2,029.85)	(414.78)	(2,302.08)	(1,715.71)	1	(16,452.58)
Depreciation for the year	1	(39.71)	(355.68)	(107.80)	(53.84)	(436.08)	(274.14)	I	1,267.25)
Disposals/write-off	ı	0.79	26.79	28.87	9.56	79.38	105.40	ı	250.79
Reclassification		0.01	(4.13)	2.16	9.77	(7.63)	(0.18)	1	-
At as December 31, 2019	1	(223.86)	(10,138.23)	(2,106.62)	(449.29)	(2,666.41)	(1,884.63)	1	(17,469.04)
Net book value:	2,834.00	274.40	3,148.78	578.53	175.61	962.03	1,133.80	417.76	9,524.91

# Depreciation for the year ended December, 31

million baht million baht 2020 (1,129.56 million baht included in cost of sales and services, and the remaining balance in selling and administrative expenses) 2019 (1,070.59 million baht included in cost of sales and services, and the remaining balance in selling and administrative expenses) \*Between 2020 and 2019, the Company transferred the type of assets under construction and installation amounting to 44.47 million baht and 328.22 million baht,

respectively to the intangible assets under installation (see Note 16) and the non-current advance expenses.

### 14. Assets Under Finance Leases

Assets under finance leases, consisted of:

As at December 31, 2020

Unit : million baht

### Consolidated Financial Statements

Balance as at 1 January 2020	Impacts of first adoption of TFRS 16 (See Note 15)	Balance as at 31 December 2020
359.83 359.83	(359.83)	-
(24.67) (24.67) 335.16	<u>24.67</u> <u>24.67</u>	<u>-</u> -

Cost:

Vehicles

Total costs

Accumulated depreciation:

Vehicles

Total Accumulated depreciation

Assets under finance leases

As at December 31, 2019

Unit : million baht

### Consolidated Financial Statements

Corisona	acca i manciai statei	Tierres
Balance as at 1 January 2020	Additions	Balance as at 31 December 2020
161.81	198.02	359.83
161.81	198.02	359.83
(9.88)	(14.79)	(24.67)
(9.88)	(14.79)	(24.67)
151.93		335.16

Cost:

Vehicles

Total costs

Accumulated depreciation:

Vehicles

Total accumulated depreciation

Assets under finance leases

Depreciation for the year ended December 31,

2020 2019

million baht million baht 14.79

### 15. Right of use assets

Right of use assets consisted of:

As at December 31, 2020

Unit : million baht

### Consolidated Financial Statements

	Balance as at January 2020	Impacts of first adoption of TFRS 16 (See Note 2.7)	Increase	Decrease	Inward remittance (see Note 14)	Balance as at 31 December 2020
Cost:						
Land	-	27.36	3,720.07	(1.98)	-	3,745.45
Premises	-	354.35	431.72	-	-	786.07
Vehicles	-	2,080.51	1,447.22	-	359.83	3,887.56
Office equipment	<u>-</u>	432.74	0.94	-	<del>-</del>	433.68
Tools and equipment	-	23.63	12.57	=	-	36.20
Total costs		2,918.59	5,612.52	(1.98)	359.83	8,888.96
Accumulated depreciation						
Land	<u>-</u>	-	(241.35)	0.33	<del>-</del>	(241.02)
Premises	-	-	(183.82)	-	=	(183.82)
Vehicles	-	-	(859.38)		(24.67)	(884.05)
Office equipment	-	-	(1.43)	<del>-</del>	-	(1.43)
Tools and equipment	-	-	(66.93)	-	-	(66.93)
Total accumulated						
depreciation	-	-	(1,352.91)	0.33	(24.67)	(1,377.25)
Total right of use assets	-					7,511.71

Depreciation for the year ended December 31, 2020

million baht

1,374.61

Unit: million baht

### Separate Financial Statements

	Balance as at 1 January 2020	Impacts of first adoption of TFRS 16 (See Note 2.7)	Increase	Decrease	Balance as at 31 December 2020
Cost:					
Land	-	27.36	3,718.09	-	3,745.45
Premises	-	179.75	421.37	_	601.12
Vehicles	<u>-</u>	1,924.20	1,275.90	-	3,200.10
Office equipment	-	429.80	-		429.80
Tools and equipment	-	21.17	-	-	21.17
Total costs	-	2,582.28	5,415.36	-	7,997.64
Accumulated depreciation					
Land	-	-	(241.02)	-	(241.02)
Premises	-		(121.80)	-	(121.80)
Vehicles	<u>-</u>	-	(779.35)	<u>-</u>	(779.35)
Office equipment	-	<u>-</u>	(52.74)	-	(52.74)
Tools and equipment	-		(7.72)	-	(7.72)
Total accumulated depreciation			(1,202.63)	-	(1,202.63)
Total right of use assets					6,795.01
Depreciation for the year ended Dec	cember 31, 20	20		million baht	1,199.66

During the year 2020, the lessor reduced the rent for the Company in the amount of 3.35 million baht in accordance with the temporary relief measures for additional accounting options to accommodate the effects of COVID-19. The Group adjusted the rent by reducing depreciation of the right of use assets amounting to 2.97 million baht and the interest on liabilities under the leases amounting to 0.66 million Baht and recorded the differences in the profits or losses amounting to 0.28 million baht. The Group rents various types of assets including lands, buildings, vehicles, and machines. The lease terms are between 2 - 15 years.

### 16. Other Intangible Assets

Other intangible assets consisted of:

As at December 31, 2020

Unit : million baht

### Consolidated Financial Statements

Balance as at January 1, 2020	Increase	Write-off	Transfer in/out	Balance as at December 31, 2020
811.28	16.39	(0.17)	42.34	869.84
811.28	16.39	(0.17)	42.34	869.84
(270.89)	(77.73)	0.16	<u>-</u>	(348.46)
(270.89)	(77.73)	0.16	-	(348.46)
-	42.34*	-	(42.34)	-
540.39				521.38

### Cost:

Computer programs

Total costs

### Accumulated amortization:

Computer programs

Total accumulated amortization

Intangible assets during installation

Other intangible assets

As at December 31, 2019

Unit : million baht

### Consolidated Financial Statements

	Balance as at January 1, 2019	Increase	Write-off	Transfer in/out	Balance as at December 31, 2019
Cost:					
Computer programs	478.78	40.75	(0.04)	291.79	811.28
Total Costs	478.78	40.75	(0.04)	291.79	811.28
Accumulated amortization:					
Computer programs	(212.09)	(58.83)	0.03	-	(270.89)
Total accumulated amortization	(212.09)	(58.83)	0.03		(270.89)
Intangible assets under installation	-	291.79*	-	(291.79)	-
Other intangible assets	266.69				540.39

Amortization for the years ended December 31,

2020 million baht **77.73**2019 million baht **58.83** 

As at December 31, 2020

Unit : million baht

### Separate Financial Statements

	Balance as at January 1, 2020	Increase	Write-off	Transfer in/out	Balance as at December 31, 2020
Cost:					
Computer programs	790.79	14.62	(0.17)	42.34	847.58
Total Costs	790.79	14.62	(0.17)	42.34	847.58
Accumulated amortization:					
Computer programs	(259.82)	(73.62)	0.16	= -	(333.28)
Total accumulated amortization	(259.82)	(73.62)	0.16	-	(333.28)
Intangible assets under installation	-	42.34*	-	(42.34)	-
Other intangible assets	530.97				514.30

As at December 31, 2019

Unit : million baht

### Separate Financial Statements

	Balance as at January 1, 2019	Increase	Write-off	Transfer in/out	Balance as at December 31, 2019
Cost:					
Computer programs	458.29	40.75	(0.04)	291.79	790.79
Total Costs	458.29	40.75	(0.04)	291.79	790.79
Accumulated amortization:					
Computer programs	(205.12)	(54.73)	0.03		(259.82)
Total accumulated amortization	(205.12)	(54.73)	0.03	-	(259.82)
Intangible assets under installation	-	291.79*	_	(291.79)	-
Other intangible assets	253.17				530.97

### Amortization for the years ended December 31,

2020	million baht	73.62
2019	million baht	54.73

<sup>\*</sup> During the years 2020 and 2019, the Company accepted the transfer of intangible assets under installation amounting to 42.34 million baht and 291.79 million baht respectively, from the assets under construction and installation (see Note 13).

Consolidated

### 17. Trade and Other Payables

Trade and other payables as at December 31, consisted of:

Unit : million baht

Separate

	Financial S	tatements	Financial S	tatements
	2020	2019	2020	2019
Accrued domestic money order	163.12	176.88	163.12	176.88
Agency service account payable	51.13	208.46	51.13	208.46
Domestic trade payables - others	478.95	408.27	420.26	354.53
International trade payables	330.26	728.01	330.26	728.01
Other payables - related parties (See note 4)	<u>-</u>	-	3.30	1.10
Other payables - others	42.62	46.38	38.18	42.57
Payables for acquisition of assets (See note 5.2)	166.08	81.33	164.45	81.06
Accrued expenses	1,470.45	1,816.81	1,446.44	1,805.90
Unearned revenue	165.63	169.91	165.63	169.91
Total trade and other payables	2,868.24	3,636.05	2,782.77	3,568.42

### 18. Other Current Liabilities

Other current liabilities as at December 31, consisted of:

Unit : million baht

	Consol Financial S		Sepa Financial S	
	2020	2019	2020	2019
Deferred provident fund contribution	371.34	363.76	371.34	363.76
Customs duties in arrears for international parcels	74.21	75.33	74.21	75.33
Special remuneration fund for the Lottery Project	0.06	7.45	0.06	7.45
Pending sales tax	6.84	6.13	1.14	2.08
Advance payment for international money orders	-	0.32	-	0.32
Current security deposit payables	23.56	139.96	23.56	139.96
Others	49.75	22.49	48.20	20.42
Total other current liabilities	525.76	615.44	518.51	609.32

### 19. Provision of Non-Current Liabilities for Employee Benefits

Provision of non-current liabilities for employee benefits as at December 31, are as follows:

Unit: million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Estimated non-current liabilities for employee				
benefits under labor law	5,501.72	5,451.40	5,496.37	5,447.85
Pension fund for THP employees	113.81	108.08	113.81	108.08
Total estimated non-current liabilities for				
employee benefits	5,615.53	5,559.48	5,610.18	5,555.93

### 19.1 Provision of non-current liabilities for employee benefits under labor law

Movements of the present values of provision of non-current liabilities for employee benefits under labor law for the years ended December 31, are as follows:

Unit: million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance at the beginning of the period				
as at January 1	5,451.40	4,286.36	5,447.85	4,284.82
Recognized in profit or loss:				
Current service cost	274.19	281.66	272.39	280.15
Interest cost	146.09	148.89	146.09	148.86
Past service cost	<del>-</del>	1,233.07	-	1,232.20
Recognized in other comprehensive income:				
Actuarial (gain) loss	179.91	33.17	179.91	33.17
Paid benefits	(549.87)	(531.75)	(549.87)	(531.35)
Balance at the end of the year as at December 31	5,501.72	5,451.40	5,496.37	5,447.85

As at December 31, 2020 and 2019, the weighted average duration to pay the long-term employee benefits of the Company and its subsidiary is 13.65 years and 12.75 years respectively.

Significant actuarial assumptions are summarized below:

	Consolidated Financial Statements		Separate Financial Statements	
	2020 (%)	2019 (%)	2020 (%)	2019 (%)
Discount rate	1.72 - 1.78	1.72 - 2.81	1.78	2.81
Long-term Inflation Rate	2.75	2.75	2.75	2.75
Future salary increase rate	3.00 - 6.00	3.00 - 6.00	6.00	6.00
Turnover rate (depending on age range)	0 - 11	0 - 11	0.89 - 1.75	0.19 - 1.72
Mortality rate		Thai Deatl	h table 2017	

The effect of significant assumptions that affect the present value of the long-term employee benefit obligation increase (decrease) as at December 31, are summarized below:

Unit: million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Discount rate				
Discount rate, decrease of 1 percent	474.21	482.92	473.36	482.33
Discount rate, increase of 1 percent	(407.95)	(415.47)	(407.26)	414.99
Salary growth rates				
Salary growth rates, increase of 1 percent	(1,032.96)	(957.47)	(1,032.23)	(957.00)
Salary growth rates, decrease of 1 percent	1,360.67	1,249.76	1,359.80	1,249.19
Employee turnover rate				
Employee turnover rate, decrease of 1 percent	76.14	68.72	75.75	68.44
Employee turnover rate, increase of 1 percent	(74.25)	(67.04)	(73.52)	66.53

### 19.2 Pension fund for THP employees

Movements of the encumbrances of the employees' benefits of the pension fund for THP employees for the year ended December 31, are as follows:

Unit : million baht

# Consolidated and Separate Financial Statements

Balance at the beginning of the period as at January 1 Increase during the year Paid during the year Balance at the end of the year as at December 31

2020	2019
108.08	98.80
9.36	9.28
(3.63)	<u>-</u>
113.81	108.08

### 19.3 Provident Fund

The Company and the subsidiaries and employees thereof collectively established the provident fund in accordance with the Provident Fund Act, B.E. 2530 (A.D. 1987). For the year ended 31 December 2020 and 2019, the Group and the employees shall pay contributions to the fund on monthly basis at the rate of 2 - 15 percent of the monthly salary equally in both years. The provident fund is managed by Krung Thai Asset Management Public Company Limited and SCB Asset Management Company Limited. The fund shall be refunded to employee when they resign from the work in accordance with the Rules on Funds of the Group. For the year ended 31 December 2020 and 2019, the Company and the subsidiaries paid the contributions in the amount of 735.26 million baht and 734.63 million baht, respectively, in the consolidated financial statements, and the Company paid the contributions amounting to 733.14 million baht and 732.83 million baht, respectively, in the separate financial statements.

### 20. Other Non - Current Liabilities

Other non-current liabilities as at December 31, consisted of:

Unit: million baht

Financial Statements			Sepa Financial S	
	2020	2019	2020	2019
	253.08	131.69	231.68	111.45
	7.16	6.51	7.16	6.51
	260.24	138.20	238.84	117.96

Canaalidatad

Consolidated

Non-current security deposit payables (See note 28)

Others

Total other non-current liabilities

### 21. Legal Reserve and Dividends Paid

Under the provisions of the Civil and Commercial Code, the Company must appropriate to a reserve fund, at each distribution of dividend, at least one-twentieth of the profit arising from the business of the Company until the reserve fund reaches one-tenth of the capital of the Company. This reserve fund is not available for distribution as dividend.

As at December 31, 2020 and 2019, the Company's legal reserve equaled to one-tenth of the registered share capital.

On 19 August 2020, the Company Board of Directors' Meeting on the special agenda resolved on approval of the additional payout of the interim dividend from accumulated earnings to Ministry of Finance as a shareholder for the budget year 2020 in the amount of 1,500 million baht, which was paid on 18 September 2020.

On 19 October 2020, the Company Board of Directors' Meeting No.10/2563 resolved on approval of payout of the 1<sup>st</sup> interim dividend to Ministry of Finance as a shareholder in the amount of 346 million baht, which was paid on 30 October 2020.

### 22. Revenue from Sales and Rendering of Services

Revenue from sales and rendering of services for the years ended December 31, consisted of:

Unit : million baht

Separate

	Financial Statements		Financial S	tatements
	2020	2019	2020	2019
Revenue from sales				
Retail business	699.10	705.55	699.10	705.55
Revenue from rendering of services				
Transport and logistics services	12,604.72	13,391.76	12,104.96	13,022.17
Mail services	7,133.05	8,405.88	7,133.04	8,405.88
International services	2,732.13	3,861.85	2,732.13	3,861.85
Financial business	495.24	325.69	495.24	325.69
Other businesses	160.24	159.35	166.85	163.51
Total revenue from rendering of services	23,125.38	26,144.53	22,632.22	25,779.10
Total revenue from sales and rendering				
of services	23,824.48	26,850.08	23,331.32	26,484.65



Categorization of revenue from sales and rendering of services for the years ended December 31, are as follows:

Unit: million baht

Consolidated Financial Statements		Sepa Financial S	
2020	2019	2020	2019
23,824.48	26,850.08	23,331.32	26,484.65
23,824.48	26,850.08	23,331.32	26,484.65

At any period of time **Total** 

### 23. Expenses by Nature

Significant expenses by nature for the years ended December 31, are as follows:

Unit : million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Expense for employees	14,121.44	15,400.24	13,896.03	15,276.92
Rental fee	427.54	2,290.71	415.81	2,158.51
Other operation expenses	2,027.52	2,148.28	1,855.98	2,012.99
Postal transport expenses	1,128.47	1,781.03	1,017.72	1,889.96
Depreciation and amortization	2,410.68	1,345.26	2,546.70	1,321.98
Terminal dues and financial services remuneration	802.81	1,123.42	802.81	1,123.42
Postal expenses	961.81	870.28	961.13	866.34
Utility expenses	488.61	515.87	481.31	501.92
Repair and maintenance expenses	531.56	497.02	523.01	489.06
Cost of products sold	289.74	269.87	289.74	269.87
Expense for publication and marketing promotion	185.70	199.47	183.71	199.32
Financial costs	227.59	4.27	277.69	-
Other expenses	16.59	65.97	16.45	62.66
Total	23,620.06	26,511.69	23,268.09	26,172.95

### 24. Income Tax Expense and Deferred Income Tax Assets

Income tax expenses for the years ended December 31, are made up as follows:

Unit : million baht

Current income tax:
Corporate income tax for the year
Deferred income tax:
Deferred income tax arising from the
occurrence of temporary differences and
reversal of temporary differences
Income tax expenses reported in the statement
of profit or loss

Consolidated Financial Statements		Sepa Financial S	
2020	2019	2020	2019
266.01	508.65	249.85	508.65
(60.48)	(233.86)	(43.50)	(233.86)
205.53	274.79	206.35	274.79

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

Unit : million baht
Consolidated and Separate
Financial Statements

Deferred income tax on actuarial loss

Total

2020	2019
35.98	6.63
35.98	6.63

The reconciliation between tax income expense and accounting profit for the years ended December 31, are as follows:

Unit : million baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Accounting profit before income tax	590.88	894.18	444.40	863.94
Applicable corporate income tax rate	20%	20%	20%	20%
Income tax	118.18	178.84	88.88	172.79
Tax-related forbidden payment	192.28	476.62	184.82	476.62
Income not recognized as income	(0.30)	(0.52)	(0.30)	(0.52)
Deductible expense for tax benefit	(44.15)	(140.24)	(23.55)	(140.24)
Current income tax	266.01	514.70	249.85	508.65
Change of the temporary differences	(60.48)	(233.86)	(43.50)	(233.86)
Effects of elimination of transactions with the subsidiaries	-	(6.05)	-	-
Income tax expenses reported in the statement of profit or loss	205.53	274.79	206.35	274.79
Effective tax rate	34.78%	30.73%	46.43%	31.81%

As at December 31, the components of deferred income tax assets are as follows:

Unit : million baht

	Consol Financial S			arate Statements
	2020	2019	2020	2019
Deferred income tax assets				
Allowance for losses/Allowance for doubtful accounts	17.38	=	-	-
Allowance for devaluation of residual inventories	18.19	17.51	18.19	17.51
Right of use assets	65.59	-	64.18	-
Provision of liabilities for employee benefits	1,103.46	1,089.57	1,102.38	1,089.57
Pension fund for THP employees	20.00	18.85	20.00	18.85
Others	22.17	21.32	21.98	21.32
	1,246.79	1,147.25	1,226.73	1,147.25



The movements of deferred income tax assets during the years ended December 31, are as follows: 2020

Unit: million baht

### Consolidated Financial Statements

	As at January 1, 2020	Impacts of first adoption of TFRS 9	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2020
Deferred income tax assets					
Allowance for losses		3.08	14.30	-	17.38
Allowance for devaluation of					
residual inventories	17.51	-	0.68	-	18.19
Right of use assets	-	<u>-</u>	65.59	-	65.59
Provision of liabilities for employee					
benefits	1,089.57	<u>-</u>	(22.09)	35.98	1,103.46
Pension fund for THP employees	18.85	<u>-</u>	1.15	<u>-</u>	20.00
Others	21.32	_	0.85	-	22.17
Deferred income tax assets	1,147.25	3.08	60.48	35.98	1,246.79

2019

Unit : million baht

## Consolidated Financial Statements

As at January 1, 2019	recognized in profit or loss	recognized in other comprehensive income	As at December 31, 2019
14.99	2.52	_	17.51
856.97	225.97	6.63	1,089.57
16.99	1.86	-	18.85
17.81	3.51		21.32
906.76	233.86	6.63	1,147.25

Pension fund for THP employees

Deferred income tax assets

Deferred income tax assets

Unit : million baht

### Separate Financial Statements

	As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2019
	17.51	0.68		18.19
	-	64.18	-	64.18
	1,089.57	(23.17)	35.98	1,102.38
	18.85	1.15	=	20.00
	21.32	0.66	<u>-</u>	21.98
4	1,147.25	43.50	35.98	1,226.73

2020

Others

Deferred tax assets

Allowance for devaluation of residual inventories

Right of use assets

Provision of liabilities for employee benefits Pension fund for THP employees

Allowance for devaluation of residual inventories Provision of liabilities for employee benefits

Others

Deferred income tax assets

Unit : million baht Separate Financial Statements

As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2019
14.99	2.52	_	17.51
856.97	225.97	6.63	1,089.57
16.99	1.86	-	18.85
17.81	3.51	<u>-</u>	21.32
906.76	233.86	6.63	1,147.25

Deferred income tax assets

Allowance for devaluation of residual inventories Provision of liabilities for employee benefits Pension fund for THP employees Others

Deferred income tax assets

### 25. Earnings Per Share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The following table sets forth the computation of basic earnings per share for the year ended December 31, as follows:

		lidated Statements	Sepa Financial S	arate Statements
	2020	2019	2020	2019
Profit for the year (million baht)	385.35	619.39	238.05	589.16
Weighted average number of ordinary shares (million shares)	125.00	125.00	125.00	125.00
Basic earnings per share (baht per share)	3.08	4.96	1.90	4.71

As at December 31, 2020 and 2019, the Company does not have any items causing diluted earnings per share.

### 26. Fair Value Measurement

Fair value measurement was conducted on some financial assets of the Company and the subsidiaries in the financial statements as at the end date of reporting cycle. The table below shows the information about the fair value measurement of the said financial assets.

Financial Assets	Financial S	lidated Statements	Financial S	Separate Financial Statements		Valuation Technique and Information Used for
		Fair Value (Thousand baht)		Fair Value (Thousand baht)		Fair Value Measurement
	2020	2019	2020	2019		
Fixed deposit with 3 to12-month term	7,163.69	8,638.69	7,163.69	8,638.69	Level 3	Amortized cost and effective interest rate method
Fixed deposit with more than 12 to 36-month term	2,201.30	3,369.52	2,040.07	3,372.09	Level 3	Amortized cost and effective interest rate method
Non-marketable equity securities	21.93	21.93	24.50	24.50	Level 2	Other directly and indirectly visible information of the assets or liabilities



### 27. Cases and Obligations

27.1 Cases in which the Company is the plaintiff

The Company was the plaintiff in the disputes with individual persons and businesses mostly related to the breach of procurement agreement, construction agreement and employment agreement. The amount in dispute as at 31 December 2020 was 343.18 million baht (as at 31 December 2019 amounting to 150.21 million baht). Significant cases included:

- 27.1.1 V-Smart Company Limited in the case of breach of Agreement for Enterprise Resource Planning (ERP).

  The amount in dispute was 55.72 million baht. The case is under the hearing of the Court of First In stance.
- 27.1.2 Mr. Pensiri Atthajin et al., totally 8 persons, in the case of breach of employment agreement and embezzlement. The amount in dispute was 53.96 million baht. The case is under enforcement process.
- 27.1.3 China Thai Marketing Company Limited in the case of unpaid service fee for postal delivery to foreign destinations. The amount in dispute was 48.63 million baht. The case is under preparation process.
- 27.1.4 Mr. Weerachai Kraisithao in the case of breach of employment agreement and embezzlement at Sawang Daen Din Post Office. The amount in dispute was 29.40 million baht. The case is under enforcement process.
- 27.1.5 Diamond Hill Company Limited in the case of breach of agreement in which THP was the agent for purchase of "Phra Somdet Nuae Hua" for Diamond Hill Company Limited, but Diamond Hill Company Limited failed to pay the fee. The amount in dispute was 28.64 million baht. The case is under the process of document compilation for settlement of the case.
- 27.2 Cases in which the Company is the defendant.

The Company was sued in the disputes with individual persons and businesses mostly related to the breach of procurement agreement, construction agreement and employment agreement. The amount in dispute as at 31 December 2020 was 843.33 million baht (as at 31 December 2019 amounting to 826.83 million baht). Significant cases included:

- 27.2.1 V-Smart Company Limited and ICE Consulting Company Limited in the case of termination of Agreement for Enterprise Resource Planning (ERP). The amount in dispute was 432.32 million baht. The case is under the hearing of the Court of First Instance.
- 27.2.2 Ideal Systems (Thailand) Company Limited in the case of breach of Agreement for Development and Installation of Counter Automation Point of Sale (CA POS). The amount in dispute was 150.02 million baht. The case is under the hearing of the Court of First Instance. However, the Company recognized the liabilities at 133.65 million baht.
- 27.2.3 Mr. Nipan Charoenkan in the case of requesting the court to revoke the order of termination of employment or dismissal and re-employment of the plaintiff to work in the position of Head of Post Office. The amount in dispute was 68.41 million baht. The case is under the hearing of the Supreme Court.
- 27.2.4 Miss Janthima Riengrattanatrai in the case of explosion of a postal parcel at Trat Post Office. The amount in dispute was 64.07 million baht. the Court of First Instance ordered the Company to pay damages of 0.11 million baht. The case is under the appeal process.
- 27.2.5 Mr. Itthikorn Srithong in the case of unfair termination of employment due to severe disciplinary violation.

  The amount in dispute was 19.53 million baht. The case is under the hearing of the Supreme Court.
- 27.2.6 Miss Kanokporn Wanitchayanon et al, totally 5 persons, in the case of driving of postal truck bearing THP logo which crashed with a car in which the plaintiff's wife who was the passenger lost her life. The amount in dispute was 12.36 million baht. The Court of First Instance dismissed the case, and the case is under the appeal process with the Court of Appeal.
- 27.2.7 Mr. Adisak Singkhao in the case of requesting the court to revoke the order of termination of employment or dismissal and re-employment of the plaintiff to work. The amount in dispute was 14.22 million baht. The case is under the hearing of the Supreme Court.
- 27.2.8 Mr. Kiat Chanthaisong in the case of requesting the court to revoke the order of termination of employment or dismissal and re-employment of the plaintiff to work. The amount in dispute was 14.04 million baht. The case is under the process of approval of settlement.
- 27.2.9 CAT Telecom Public Company Limited in the case that the Administrative Court summoned the Company as the party and issued the statements in the case that CAT Telecom Public Company Limited sued True Move Company Limited for payment of the rent of antenna area. The amount in dispute was 12.48 million baht. The case is under the process of settlement between the government agencies.

27.3 The Company has the obligations under the operating leases with the minimum amount payable in the future for the irrevocable lease of lands, buildings, machines, office supplies, and internet network. As at 31 December 2020, the Company has the obligations under the operating lease as follows:

Unit: million baht

Within 1 year More than 1 year but less than 5 years

Consolidated Financial Statements	Separate Financial Statements
271.72	270.52
304.97	304.87
576.69	575.39

For the year ended December 31, 2020, the Company recognized rental expenses in the statement of profit or loss for the consolidated and separate financial statements amounting to 437.14 million baht and 425.41 million baht, respectively.

27.4 As at December 31, 2020 and 2019, the Company has bank guarantees issued by banks for use as collateral with banks for issuing letters of guarantees for providing coin transport service of 20 million baht (see Note 7).

### 28. Reclassifications

Certain transactions in the statement of financial position as at December 31, 2019 have been reclassified in conformity with the presentation in the statements of financial position as at December 31, 2020 and certain transactions in the statement of profit or loss for the year ended December 31, 2019 have been reclassified in conformity with the presentation in the statement of profit or loss for the year ended December 31, 2020. Such reclassifications are as follows:

Unit: million baht

ltem	Previous presentation	Reclassified to	Consolidated Financial Statements	Separate Financial Statements
Statements of Financial Position				
as at December 31, 2019				
Cheques at the Company	Cash and cash equivalent	Trade and other payables	(27.31)	(27.31)
Restricted saving deposits	Cash and cash equivalent	Restricted bank deposits	20.00	20.00
Restricted fixed deposits with	Temporary investment	Restricted non-current bank		
maturities of not more than 1 year		deposits	411.27	411.27
Deposit at banks	Domestic trade account receivable	Cash and cash equivalent	139.33	139.33
Domestic trade account receivable	Domestic trade account receivable	Trade and other receivables	1,233.60	1,131.02
International trade account	International trade account	Trade and other receivables	528.81	528.81
receivable	receivable			
Bank deposits	Other account receivable	Cash and cash equivalent	0.14	0.14
Other receivables	Other account receivable	Trade and other receivables	103.96	79.33
Employee receivables	Other account receivable	Other non-current receivables	123.88	123.88
Waiting expenses - fines	Other account receivable	Other current assets	3.23	-
Accrued income	Accrued income	Trade and other receivables	329.85	309.43
Prepaid expenses	Prepaid expenses	Trade and other receivables	739.82	788.72
Consumables	Other current assets	Inventories	187.95	187.95
Accrued expenses	Other current assets	Trade and other payables	(4.59)	(4.59)
Long-term investments	Investments in Joint Ventures	Long-term investments	21.93	24.50
Accrued domestic money order	Accrued domestic money order	Trade and other payables	176.88	176.88
Agency service account payable	Agency service account payable	Trade and other payables	208.46	208.46
Domestic trade account payable	Domestic trade account payable	Trade and other payables	462.29	408.28

Unit: million baht

ltem	Previous presentation	Reclassified to	Consolidated Financial Statements	Separate Financial Statements
Statements of Financial Position as at December 31, 2019 (Continue)				
International trade account payable	International trade account payable	Trade and other payables	728.01	728.01
Other payables	Other account payable	Trade and other payables	63.24	51.84
Current Security deposit payable	Other account payable	Other current payables	139.96	139.96
Non-Current Security deposit payable	Other account payable	Other non-current payables	131.69	111.45
Accrued expenses	Accrued expense	Trade and other payables	1,812.21	1,801.31
Advance revenue	Advance revenue	Trade and other payables	169.91	169.91
Deferred revenue	Deferred revenue	Other non-current payables	27.84	27.84
Liabilities under Financial Lease	Liabilities under Financial Lease	Current portion of leases liabilities		
Agreement	Agreement	with 1 year due	36.52	-
Pension fund for THP employees	Pension fund for THP employees	Non-current provisions for employee benefits	108.08	108.08
Statements of Profit or Loss for				
The Year Ended December 31, 2019				
Revenue from sales	Revenue from sale and service	Revenue from sales	831.15	831.15
Revenue from rendering of services	Revenue from sale and service	Revenue from rendering of services	26,144.53	25,780.00
Revenue from domestic money order	Revenue from sale and service	Other income	23.19	23.19
Cost of sales	Sale and service cost	Costs of sales	247.21	247.21
Cost of consignments	Sale and service cost	Revenue from sales	125.60	125.60
Cost of rendering services	Sale and service cost	Cost of rendering services	23,080.71	22,827.72
Bad debts and doubtful accounts	Selling expenses	Administrative expenses	45.38	15.21
Amortized outdated goods	Administrative expenses	Costs of sales	12.59	12.59
Administrative expenses	Selling expenses	Administrative expenses	40.49	-
Loss sharing from investment in the affiliated company	Loss sharing from investment in the affiliated company	Other expenses	2.57	-

### 29. Events after Reporting Period

Possible liabilities

On 11 February 2021, the subsidiary received the notice of VAT assessment for the years 2016 and 2017 stating the total taxes and fines of 63.63 million baht from Revenue Officer of Bangkok Office of the Revenue Region 9. On 8 March 2021, the subsidiary filed the tax petition to the Appeal Commission to dispute the assessment of the Revenue Officer. It is currently in the process of awaiting the appeal consideration result.

### 30. Approval of the Financial Statements

The financial statements have been approved for issue by the authorized director of the Company on April 26, 2021.







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