

- Information Memorandum -

TQM CORPORATION PUBLIC COMPANY LIMITED ("TQM")

**This document is solely a summary information of
TQM Corporation Public Company Limited (the "Company")
For more information, please consider the Company's registration statement and prospectus**

<u>Head Office</u>	123 Lad Plakao Road, Chorakhe Bua, Latphrao, Bangkok 10230 Tel 0 2119 8888 Fax 0 2119 9000 Website www.tqmcorp.co.th
<u>Listing Date</u>	December 20, 2018 (trading commencement on December 20, 2018)
<u>Listed Securities</u>	300,000,000 ordinary shares with the par value per share of THB 1.00 totaling to THB 300,000,000. The number ordinary shares offered at the IPO 75,000,000 shares
<u>Capital</u>	As of December 20, 2018 (the trading commencement date) Registered Capital: Ordinary shares THB 300,000,000 (par value per share of THB 1.00) Paid-up Capital: Ordinary shares THB 300,000,000 (par value per share of THB 1.00) The number of ordinary shares offered at the IPO : 75,000,000 shares of (1) newly issued ordinary shares not exceed 6,100,000 shares offer to director management and/or employees of the Company and/or its subsidiaries under Employee Stock Option Plan (ESOP) (2) newly issued ordinary shares not less than 68,900,000 shares for public offering
<u>Secondary Market</u>	Stock Exchange of Thailand ("SET")
<u>Final Offering Price</u>	THB 23.00 per share
<u>Offering Date</u>	December 12 – 14, 2018

Use of Proceeds

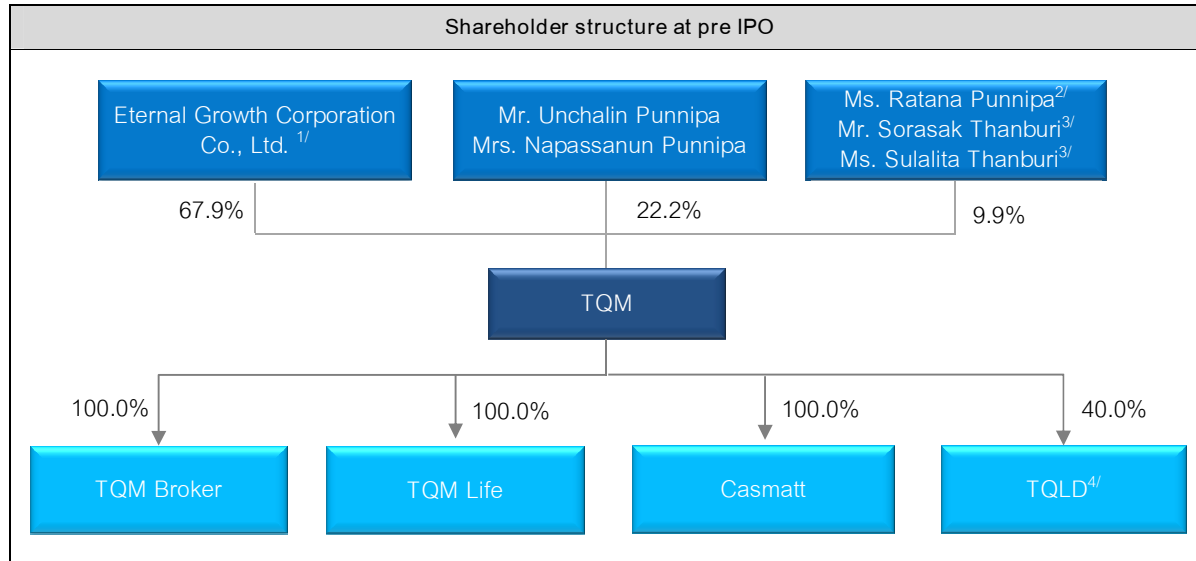
Use of Proceeds	Approximate Amount (THB mm)	Approximate Timing
1. Improvement and Development of Information Technology System Peoject		
1.1 Development of sales channel in online system by inveting in Chat Bot of TQM Broker	15.0	2018-2020
1.2 Implement Disaster and Recovery Site (DR Site) of TQM Broker	6.2	2019
2. Development of business process by inveting in Enterprise Resource Planning (ERP) of TQM Broker	50.0-80.0	2020-2022
3. Investing in TQM's subdiaries for working capital		
3.1 Investing in TQM Broker for working capital	200.0	2018
3.2 Investing in TQM Life for working capital	40.0	2018
4. Working capital within TQM Group	1,329.6-1,359.6	2018-2020
Total	1,670.8	

Overallotment

-None-

Business Type and Operation

TQM Corporation Public Co.,Ltd. (the "Company") is a holding company by holding shares in insurance brokerage companies. Currently, the Company has 2 subsidiaries which operate core business namely TQM Insurance Broker Company Limited ("TQM Broker"), operating non-life insurance broker business, and TQM Life Company Limited ("TQM Life"), operating life insurance broker business. The Company also has another supporting subsidiary, Casmatt Company Limited ("Casmatt") which provides IT and softwares services. Furthermore, TQLD Co.,Ltd. is the Company's associated company for providing insurance consulting. The Corporation Group is structured as below.



Note: ^{1/} Eternal Growth Corporation has registered in Thailand, operates in real estate rental business, have Mr. Unchalín Punnipa and Mrs. Napassanun Punnipa as major shareholders with 66.7% and 33.3% respectively

^{2/} Ms. Ratana Punnipa is younger sister of Mr. Unchalín Punnipa and have 3.3% shareholding in the Company

^{3/} Mr. Sorasak Thanburi and Ms. Sulalita Thanburi are younger brother and younger sister of Mrs. Napassanun Punnipa respectively and did not have participation in management of the Company. Mr. Sorasak Thanburi and Ms. Sulalita Thanburi have 3.3% and 3.3% shareholding in the Company respectively

^{4/} Legal Drive and TQR have 45.0% and 15.0% shareholding in TQLD. Almost all of Legal Drive's shareholders are individuals who are not related person and are not person in connection with the major shareholders of the Company pursuant to Section 258. TQR have Punnipa family as major shareholders with 60.0% shareholding, the rest of 40% are held by individuals who are not related person and are not person in connection with the major shareholders of the Company pursuant to Section 258

1. Product Characteristics

1.1. Non-Life Insurance Broker Business

The Group is operating a non-life insurance broker business under TQM Broker, the Company's subsidiary, which is licensed for being a non-life insurance broker. All products of TQM Broker have been approved from the Office of Insurance Commission ("OIC"). They are selected from credible insurance companies in Thailand who have been the Company's partners for over 31 years and have policies that are suitable for customers. Thus, the products proposed by TQM Broker are various, credible, attractive, and uncomplicated. As a result, TQM Broker can offer non-life insurances that best fit the target customers. TQM Broker offers 2 two types of non-life insurance which will be described below:

1.1.1 Motor Insurance Group

1) Compulsory Motor Insurance

Compulsory Motor Insurance is an insurance defined under the Protection of Road Accident Victim Act B.E. 2535 to protect and compensate insured person's losses from road accident. The insured person could be passengers, drivers, and pedestrians. Also, TQM Broker is an insurance broker for Compulsory Motor Insurance for not over 7-seater cars consisted of sedans, pickup trucks, and vans, which has annual premium ranging from 600 to 1,200 THB (excluding tax). However, the premium varies with car types follownig the protection table of 4-seated car insurance presented below:

Coverage	Vehicle accident coverage since April 1, 2016 (THB/Person)
1. Preliminary Compensation Received Without Wating for Proof	
1.1 Medical service, expense (Actual)	Not over 30,000
1.2 Loss one ability such as deaf, blind, speaking ability or loss of productive organ, or permanent disability	35,000
1.3 In case of injury in (1.1) and later disable described in (1.2)	Not over 65,000
1.4 Loss of life	35,000
1.5 Loss of life after receiving medical treatment with an actual expense in (1.1)	Not over 65,000
2 Excess Amount of Preliminary Compensation (Except legally liable drivers)	
2.1 Medical expenses	Not over 80,000
2.2 Loss of life, loss of more than 2 organs, or permanent disability	300,000
2.3 Dismemberment	200,000-300,000
3 Daily payment in the event of hospitalization (200THB per day with a maximum of 20 days lenth time)	Not over 4,000
The maximum coverage for 1,2, and 3 inclusively	Not over 304,000

Source: OIC's website.

2) Voluntary motor insurance

Voluntary motor insurance provides life liability coverage, medical treatments for both passengers and pedestrians, coverage to property of third party and insured automobile in event of natural disaster or accident. Even car owner is not regulated by law to insure with this type of insurance, voluntary motor insurance is still widely popular. The coverage areas of 5 types of voluntary motor insurance can be summarized in the following table:

Insurance type	Third Party Liability		Insured automobile			Insured automobile passengers		
	Life/Body	Property	automobile	Loss	Fire	Personal accident	Medical Expenses	Driver insurance
Type 1	/	/	/	/	/	/	/	/
Type 2	/	/	-	/	/	/	/	/
Type 3	/	/	-	-	-	/	/	/
Type 4	-	/	-	-	-	-	-	-
Type 5								
Type 2+	/	/	/ ¹	/ ²	/ ²	/	/	/
Type 3+	/	/	/ ¹	-	-	/	/	/

Note: ¹ Insured automobile only case of collision with land vehicle with specified insured amount

² Loss and fire protection with specified insured amount

1.1.2 Non-Motor Insurance Group

1) Fire Insurance

Fire Insurance is a non-life insurance covered buildings, residential buildings, commercial buildings, industrial buildings, property, inventory, machinery, and raw materials in manufacturing caught on fire, struck by lightning or damaged from liquid gas explosion. However, customers can extend their coverage to include insurance from other disasters such as flood, earthquake, hail, and windstorm.

2) Marine Insurance

Marine Insurance is an insurance which protects damages or accidents on products or assets during the transportation both domestically and internationally. It covers all on land, water, or air transportation.

3) Miscellaneous Insurance

Miscellaneous Insurance is comprised of property insurance, liability Insurance, engineering Insurance, financial Insurance, Personal Accident : PA, travelling insurance and miscellaneous, other types of insurance such as motor add on insurance etc.

1.2 Life Insurance Broker Business

The Group is operating life insurance broker business under the operation of TQM Life, the Company's subsidiary, which is licensed for being a life insurance broker. TQM offers 2 types of life insurance which are Personal Life Insurance and Group Life Insurance. All of TQM Life products have been approved from the OIC. Similar to TQM Broker, TQM Life selected products from 14 leading life insurance companies who have been the Company's partners for a long time. Thus, products offered by TQM Life are various, credible, interesting, and uncomplicated. All in all, TQM Life is able to provide life insurance is the best fit to every customer group in which it can be divided into 2 types as follow:

1.2.1 Personal Life Insurance

1) Endowment Insurance

Endowment Insurance pays back an insured person at the end of the contract or when an insured person passed away within the life of the contract. This is a combination of insurance and saving where it protects an insured person's life with paying money back when the contract terminates.

2) Whole Life Insurance

Whole Life Insurance lasts life time which focuses on the benefits of life insurance. If an insured person died before the policy terminates, the company will transfer the insurance money to beneficiary. Similar to other types of insurance, all the insurance money will be paid back to an insured person at the end of the contract.

3) Term Insurance

Term Insurance compensates an insured person when he or she died within the life of contract. This type of insurance does not include saving, hence the premium is lower than any other types and no money is given back at the end of insurance contract. Nevertheless, Term Insurance still covers Personal Accident resulting in loss of organs, death or any condition specifies in the policy.

1.2.2 Group Life Insurance

It is an insurance policy that covers at least 5 insured persons under the same policy. Employers generally purchase this type of protection for their employees. Usually, employer will pay entire amount of premium or a half of the premium. Health Check-up might or might not be a requirement for insurance register, depending on an insurance company's consideration.

1.3 IT and Software Services Business

The Group provides IT and software services under the operation of Casmatt for supporting full system of IT and software service for the Group's businesses. The services provided by Casmatt can be summarized as follow:

- 1) Business Management Consultancy
- 2) Digital Market Research Consultancy
- 3) Development of installation of operating system and data center system consultancy

1.4 Insurance Advisory Services

TQLD provides insurance advisory services through filling details and making insurance comparison platform via website. TQLM also suggests customers on insurance types and plans that best fit the customers since individual has different desires and objectives. The process starts with a requirement of customer's personal details and needs on the website. Then the website will process and display several policies from various companies which serves customers' most matched needs. Hence, customers can clearly and easily compare details of each policy available.

Revenue Structure

The following table shows the revenue structure of the Company according to the consolidated financial statement categorized by business group for the year ended December 31, 2015, 2016 and 2017, and for the nine months period ended September 30, 2017 and 2018, the details are as follows

Business group	Operated by	For the year ended December 31						For the nine months period ended September 30			
		2015 ^{/1}		2016		2017		2017		2018	
		THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
1. Non-Life insurance broker	TQM Broker	1,982.2	90.8	2,111.5	94.9	2,201.1	96.5	1,590.3	96.3	1,744.8	96.0
- Brokerage income		1,278.6	58.6	1,303.0	58.6	1,336.8	58.6	971.0	58.8	1,046.1	57.5
- Other service income ^{/2}		703.6	32.2	808.5	36.3	864.3	37.9	619.3	37.5	698.7	38.5
2. Life insurance broker	TQM Life	133.7	6.1	80.6	3.6	56.7	2.5	48.5	2.9	57.5	3.1
- Brokerage income		74.3	3.4	71.8	3.2	54.5	2.4	46.9	2.8	53.6	2.9
- Other service income ^{/2}		59.4	2.7	8.8	0.4	2.2	0.1	1.6	0.1	3.9	0.2
Total Service income		2,115.9	96.9	2,192.1	98.5	2,257.8	99.0	1,638.8	99.2	1,802.3	99.1
Others income ^{/3}		68.1	3.1	33.9	1.5	23.9	1.0	13.1	0.8	15.9	0.9
รวม		2,184.0	100.0	2,226.0	100.0	2,281.7	100.0	1,651.9	100.0	1,818.2	100.0

หมายเหตุ: ^{/1} Financial information for the year ended December 31, 2015 is information from statement of comprehensive income which is management account as the Company reclassified and adjusted certain item of 2015-2016 financial statement according to note of financial statement in 2017 consolidated financial statement. Hence, such financial information in 2015 will be not equal with statement of comprehensive income for the year ended December 31, 2015 shown in 2016 consolidated financial statement

^{/2} Operated by TQM Broker และ Casmatt

^{/3} Others income comprises of interest income, gain from sale of investment in other companies for restructuring, service fee, compensation fee and IT and software services from Casmatt

2. Target Customer Group

2.1 Retail Customers

Retail customers refer to individual who wishes to purchase any types of insurance, either life or non-life insurance. Decision of retail customers depends on factors such as insurance company's services, credibility, stability, and information accessibility, and policy benefits given. As of December 31, 2015, 2016, 2017, and September 30, 2018, the percentages of retail customers contribution to total net premium from sale of insurance by the Group were 91.2%, 91.3%, 89.0%, and 93.0%, respectively

2.2 Corporate Customers

Corporate Customers include companies, stores, factories, cooperatives, government sectors, and other operators. Corporate customers generally purchase property insurance, life insurance for employees, health insurance for employees by choosing insurance from reputation and credibility of the insurance companies. Furthermore, the Company also provides after sale services for corporate customers. As of December 31, 2015, 2016, 2017, and

September 30, 2018, the percentages of corporate customers contribution to total net premium from sale of insurance by the Group were 8.8%, 8.7%, 11.0%, and 7.0%, respectively

Nowadays, the Company has several channels in sourcing target customer database as follow:

- 1) The Group develops customer database itself through online media such as Line, Facebook and Instagram to acquire customer behavior. Another channel is through the Company's marketing campaign and social media such as "Chum Chon Kon Sarng Sook" and "Member Get Member".
- 2) The Group receives customer data from selling products to corporate customers.
- 3) The Group purchases customer base (Lead) from customer database service provider who are partners in providing and managing target customer database. The Corporate also purchases customer base (Lead) from TQLD limited, a insurance consultant company. When target customers fill out forms in the company's website, their details will be transmitted via the Application Programming Interface (API) to the Group's system for analysts to use.

3. Distribution Channels

3.1 Telemarketing

Telemarketing is the main channel for offering insurance to customers. The Company aims and encourages every level of sale staff to have both life and non-life broker licenses issued by the OIC before offering any products to customers. The Company collaborates with the OIC in organizing life and non-life insurance brokerage license examination, and arranging training program to satisfy and provide customers with the best products and services.

3.2 Face to Face

Face to Face is another popular channel, especially for life insurance since it is a direct contact approach to target customers so they can receive information whether at their houses or companies. The customers then can consult and ask sale staff questions directly. It is a very convenient channel for target customers.

3.3 Online sale via the Company's Website

Online sale via the Company's Website is another channel that tends to have an upward trend in the near future since target customers of the Company is among the new generation who can access the insurance information easily and quickly, and can purchase policy by themselves. However, only few types of non-life insurance are offered through the website such as travel insurance and personal accident insurance. The insurance offered online must be from the companies that have license for selling insurance policy online.

However, since the Company has diverse distribution channels, there might be possibility of customers calling in for asking about insurance policies which is considered as telemarketing but it involves an extra contact with sale staff which is classified as Face to Face channel. Thus, the Company refers this the Company's distribution channel as Omni Channel, a mixed uses of both online and offline channels. This channel will link several distribution channels until the deal is closed, including the after sale services as well.

4. Procurement

4.1 Partner Acquisition and Selection

The acquisition and selection of the Group's partners, insurance companies, the details are as follows:

- 1) The insurance company must have financial stability and comply with the OIC's laws, regulations, procedures, and other announcements.
- 2) The insurance company can offer products that meet the needs of the Group's customers.
- 3) The insurance company must have expertises and experiences in insurance business, management, and risk management.
- 4) The insurance company must have well management in after sale services and claims. Also the company must be honest, fair, and responsible to the customers following the conditions specifies in the policy.

4.2 Insurance Product Selection

The Group has product development team who is responsible for screening and choosing insurance products. The team will analyze customers' personal details and data such as age and income, retrived from customer database, to understand customers' needs. So the Company can choose and offer the product that is most suitable to the customers under insurance product selection criteria from insurance companies. The process of choosing products begins at a meeting with the manager team to consider the customers' needs and conclude which products should be presented to the customers. Then the product development team will discuss with insurance companies in order to find the insurance that has characteristics that most matched with the needs of customers includes exclusive insurance product which can be offered only by the Company. The development team will collaborate with insurance company to deveop those products by analyzing industry and market information, customer database, customer behavior, and customer satisfaction. However, the products all the product that the Corporation Group offer for sale must be already approved from the Office of Insurance Commission. Once the insurance company agrees to sign contract to be the Company's partner, the Corporation will provide system and set the operational process in order to support the sale of those insurance products.

5. Competition in insurance broker business

The Company has positioned itself as a company offering mass market products, compared to other competitors. Not only the Company has numerous products, but customers can also compare benefits and prices of insurance policies from various insurance companies. The Company's certified and trained employees are expertise in each type of insurance they are responsible for, therefore they are able to answer questions and search for the best matched insurance customers would ask for. Moreover, the Company also concerns about after sale services for maximizing customers' satisfactions. After sale services cover contacting car repair center for customers, consulting about insurance claims, providing loaner cars, protection under terms of the policy services. Hence, from such

Company's positioning the Company can exploit benefit from positioning of competitor which are the same market and from increasing trend of consumers to purchase insurance product

When considering insurance brokerage companies in Thailand, there are 442 companies that registered as direct non-life insurance brokers, according to the Office of Insurance Commission as of 30 September 2018. The well known companies are ASN Broker Public Co.,Ltd, Silkspain Insurance Co.,Ltd, Direct Asia (Thailand) Co.,Ltd, and S.S. Standard Broker Co.,Ltd. Similar to TQM Broker etc., they all have several channels for providing non-life insurance services such as Online, Telemarketing, and Face to Face. TQM Broker also has revenue that places among the top, compared to all 442 Thai non-life insurance brokerage competitors.

180 companies are registered as direct life insurance brokers, according to the Office of Insurance Commission as of September 30, 2018. The generally known companies are ASN Broker Public Co.,Ltd.and Krungsri Life Assurance Broker Limited. These two companies has numerous insurance company partners so they offer products that are similar to TQM Life. However, TQM Life also has revenue that places among the top, compared to all 187 Thai life insurance brokerage competitors.

Due to the behavior change of customers, it can be seen that there are companies that act as both life and non-life insurance brokerage in order to meets various types of customers and provide more types of products. According to the Office of Insurance Commission as of 30 September 2018, there are 156 companies that registered themselves as both life and non-life insurance brokerage companies. Out of all companies, most of them are financial institutes such as Bangkok Bank Public Co.,Ltd, Thanachart Bank Public Co.,Ltd, Kasikorn Bank Public Co.,Ltd, and Siam Commercial Bank Public Co.,Ltd. etc. These banks not only provide financial services, they also offer both life and non-life insurance policies, along with certified sale representatives who can consult and provide information at branches all over Thailand.

Impact to Environment

- None –

Material Agreement Summary

1. Material Agreements Relating to the Company's Business

1.1 Non-Life insurance broker agreement

Parties	TQM Broker ("Service Provider") Non-Life Insurance Company ("Hiree")
Contract Date	Depends on the effective date of each contract between the Insurance Company and the Company
Contract Details	<p>Service provider is appointed to be the broker of non-life insurance company with the duty and responsibility to contact, advice, and facilitate the individual persons or juristic persons to enter into the non-life insurance agreement with the Hirer. The Hirer also assigns power of attorney to the Service Provider to collect insurance premium from the insured according to the contract. The following are examples of duties and responsibilities of the Service Provider.</p> <ul style="list-style-type: none"> - Adhere to the conditions, rules, orders, or regulations of the Office of Insurance Commission (OIC), Thai General Insurance Association, and other related Offices. - Deliver insurance policy from the Hirer to an insured person. - Recieve insurance premiums from insured person, as given authority from the Hiree, and delivers it to the Hirer. - Ask and monitor isured person to pay premium within the specified period in the policy or set by the Hiree or determined by the Office of Insurance Commission, depending on which date comes first. If an insured person missed the payment, it is the broker's responsibility to inform the Hirer with a written letter and return any document to the Hirer to cancel the policy. Otherwise, the Service Provider must pay all the premium or prorated - Delivers insurance premium from an insured person to the Hirer within the time both parties agreed. The premiums cannot be used in other purposed or deducted for any expenses. The Service Provider must take all responsibility with 15% interest rate in case if the premiums are used in other purposes
Compensations	Service Provider has a rights to receive the benefits, compensation, pension, or any other privileges as per the hirer's public rate as announced occasionally. However, it must not exceed the rate that the general insurance officer has specified. The Service Provider has the right to ask for the compensation upon the receipt of insurance premium by the Hirer.
Collaterals	Some Non-Life Insurance Broker agreements state that Service Provider must provide collaterals to secure any losses occurred to the Hirer. However, if the loss exceeds the receivables, Service Provider must cover all the liabilities to the Hirer. The collaterals will be returned when the Hirer is sure that there is no liabilities left for the hirer.
Duration	From the contract signed date until the contract end date notification or when there is any occation that causes the contract to terminate.
Termination of contract	<p>The contract terminates at its end date or any specified conditions under the contract when:</p> <ul style="list-style-type: none"> - Parties notify in a written agreement in advance of the termination date of contract - The Service Provider has breached or are forbidden according to Life Insurance Legislation that is still in effect at that time - There is no extension or termination of Life Insurance Broker License or when Parties in the contract have mutually terminated the contract - When the Service Provider has breached the contract or any other conditions in the contract. Or when the Service Provider has fraudulently or mis-acted that might cause or cause damages to the

	Insured, or to the insurance policy Beneficiary, to the Insurance Company, or to other People.
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1.2 Life insurance broker agreement

Parties	TQM Life ("Service Provider") Non-Life Insurance Company ("Hiree")
Contract Date	Depends on the effective date of each contract between the Insurance Company and the Company company
Contract Details	<p>Service provider is appointed to be the broker of non-life insurance company with the duty and responsibility to contact, advice, and facilitate the individual persons or juristic persons to enter into the non-life insurance agreement with the Hirer. The Hirer also assigns power of attorney to the Service Provider to collect insurance premium from the insured according to the contract. The following are examples of duties and responsibilities of the Service Provider.</p> <ul style="list-style-type: none"> - Inform an insured person about benefits and his or her responsibility to disclose all the important details before purchasing life insurance contract. Do not encourage an insured person to lie or hide any details. The Service Provider proceeds all steps that are agreed with the Hirer and/or make life contract for an insured person. Also, the Service Provider has to deliver insured person's details to life insurance company within the time and condition agreed. - Receive insurance premiums from insured person, given authority from the Hiree, and deliver it to the Hirer. - Adhere to the conditions, rules, orders, or regulations of the Hirer, Office of Insurance Commission (OIC), Thai General Insurance Association, and other related Offices. - Ask and monitor insured person to pay premium within the specified in the policy or set by the Hiree or determined by the Office of Insurance Commission, depending on which date comes first. If an insured person misses the payment, it is the broker's responsibility to inform the Hirer with a written letter and cancel the policy. Otherwise, the Service Provider must pay all the premium or proportionately upon the length of covered time.
Compensations	Service Provider has a rights to receive the benefits, compensation, pension, or any other privileges as per the hirer's public rate as announced occasionally, and the right to ask for the compensation upon the receipt of insurance premium by the Hirer.
Duration	From the contract signed date until the contract end date notification or when there is any occasion that causes the contract to terminate.
Collaterals	Some Life Insurance Broker agreements state that Service Provide must provide collateral ^๗ to secure any losses of the Hirer subjective to terms of the contract such as the Hirer has the rights to change or add bondsmans or other collaterals.
Termination of contract	<p>The contract terminates at its end date or any specified conditions under the contract when:</p> <ul style="list-style-type: none"> - Parties notify in a written agreement in advance of the termination date of contract - The Service Provider has breached or are forbidden according to Life Insurance Legislation - When the Service Provider fails to xx the breach of the contract within the specified time set by the Hirer. - There is no extension or termination of Life Insurance Broker License or when Parties in the contract have mutually terminated the contract - When the Service Provider has breached the contract or any other conditions in the contract. Or when the Service Provider has fraudulently or mis-acted that might cause or cause damages to the Insured, or to the insurance policy Beneficiary, to the Insurance Company, or to other People.

Techninal Assistnce

- None -

Future Projects

1. Information Technology Development Plan

1.1 Online Distrubution Channel Development By Investing in Chat Bot in TQM Broker

The Group plans to expand online distribution channels to respond to the change of customer behavior. The Company thus plans to invest in Chat Bot system which can connect to other social medias such as Line, Facebook, and other possible application in the future. This provides customers a One Stop Service where they can search for information, complain, and make payment etc. easily and quickly. Customer hence will be more satisfied with the Company's services while the Company can also reduce labor costs. However, all products offered on application must be approved by the OIC such as travelling insurance, certain life insurance product, type 2,3 or 5 of motor insurance. In additon, the Company must grant license to sell insurance via online application before any transaction.

Budget : Approximately THB 15 million

Project Duration : Duration can be divided into 3 phases

1. 1st Stage (Around July to September 2018): Develop product presentation process, sale process, and payment platform
2. 2nd Stage (Around at the end of 2018 – 2019): Develop other services such as information providing services and broken car reporting services, information services
3. 3rd Stage (Around 2019-2020): Develop and improve additional process

Current Status: The Group has been following 1st stage plan since 3 September 2018 and will start executing 2nd stage within quarter 4 of year 2018

1.2 Disaster and Recovery Site (DR Site) Installation for TQM Broker

In order to have appropriate information storage backups and data recovery systems, the Group stores information throught Tape Backup and Storage Backup. Tape Backup is kept out of the Company; it is stored at the backup company that the Group hires

However, the operation is required outsourced expertises to implement the DR site plan to prepare for the the Corporation Group's expansion and protect information losses. Since this will help the Company to sustain continuity in Business Continuity Plan and maintain customer's trust, it is necessary to put more investment in Disaster and Recovery Site. In case there is an unexpected situation, the Company can restore and recover itself back to operate normally the winthin the shortest amount of time. Furthermore, the replication of data server will be stored in DR Site regularly. The Corporation can turn on the DR Site and get back to the normal operation immediately.

Budget :

1. DR Site THB 1.2 million
2. Purchase new server THB 5.0 million (old server will be used as DR site for headoffice)

Project Duration : 2019

2. Business Process Development by Investing in Enterprise Resource Planning (ERP) in TQM Broker

It is a system that connect all Company's systems together including sale, accounting, finance, and human resources systems. It will help the Company to plan and manage resource efficiently, and reduce duration and steps in proceses. Moreover, this system will empower the Company to have more competitive advantagest to support an increasing sales in the future which will maximize customers' satisfactions.

Budget : Approximately THB 50.0 – 80.0 million

Project Duration: The development plan can be divided into 3 stages as follow:

1. 1st Stage (Around year 2020): Study the project to plan system and arrange an efficient way to connect data
2. 2nd Stage (Around at the end of 2020-2021): Hire consultant about the systems related to Enterprise Resource Planning (ERP)
3. 3rd Stage (Around 2021-2022): Start using Enterprise Resource Planning (ERP)

Key Related Transactions

For further details on the Company and its subsidiaries' related transactions, please see part 2.3.14 Related Transaction in Thai prospectus.

1. Office Rental

Person who may have conflict of interest	Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
		For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
1.1	<p>Eternal Growth Corporation Co., Ltd. ("EG")</p> <p><u>TQM Broker, TQM Life and Casmatt have rented head office buildings and branch offices from EG</u></p> <p>(1) <u>Rental and service expenses</u></p> <p>- Rental and services expenses 61.34</p> <p>(2) <u>Security deposit</u></p> <p>- Security deposit 40.71</p> <p>(3) <u>Utilities expense</u></p> <p>- Utilities expense 16.80</p> <p>- Accrued utilities expense 1.33</p>			<p>- TQM Broker has rented the 1st – 6th floors of Punnipa 1 Building with total area of 6,029 square meters and the 1st – 7th floors of Punnipa 2 Building with total area of 6,121 square meters as its head office, and has also rented total of 7 branch offices in Ayutthaya, Udon Thani, Rayong, Phitsanulok, Nakhon Pathom, Chiang Mai and Khon Kaen, as business contact points. Rent for Nakhon Ratchasima branch office had been terminated since February 2018.</p> <p>- TQM Life has rented the 2nd – 4th floor of Punnipa 2 Building with total area of 427 square meters, as its head office.</p> <p>- Casmatt has rented the 4th floor of Punnipa 1 Building with total area of 390.8 square meters, as its head office.</p> <p>In addition, TQM Broker, TQM Life and Casmatt have placed security deposits worth 3-month rent under general commercial condition. Utilities expense consists of water and electricity expenses which are actual amount billed by government agencies & state enterprises.</p> <p><u>Pricing</u></p> <p>Rental and service rates of Punnipa 1 and Punnipa 2 Buildings and 8 branch offices are comparable to the appraisal rates from an SEC-approved independent appraiser. Utilities expenses are actual amount billed by government agencies & state enterprises.</p>

Person who may have conflict of interest	Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
		For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
				<u>Audit Committee's opinion</u> Renting head office buildings and branch offices at the rates comparable to the appraisal rates from an independent appraiser, is an ordinary business support transaction which is necessary and reasonable.

2. Advertising and sales promotion expenses

Person who may have conflict of interest	Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
		For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
2.1	Daradaily Co., Ltd. ("Daradaily")	1) The Company and TQM Broker have paid advertising expenses to Daradaily - Advertising expenses 6.47 - Accrued advertising expenses 4.53	3.09 0.75	The Company and TQM Broker have bought advertising media on television, newspaper and online from Daradaily – an entertainment media company in Thailand – to promote the Company's products and services to the targeted customer group which are various retail customers who are interested in entertainment. The Company has a policy to purchase advertising media in accordance with its targeted customer group whereby it will properly gear the marketing and advertising scheme via various media channels towards retail customers. Daradaily itself also focuses on retail customers and measure effectiveness of each advertising media channel regularly. In addition, the Company and TQM Broker have engaged Daradaily for the production of advertising media and scoop on the company's activities. The Company's marketing department is in charge of overseeing, following up and verifying the completion of services received, as well as budgeting and presenting the annual advertising and sales promotion expenses to the Executive Committee prior to consideration and approval by the Board of Directors. The Company will also

Person who may have conflict of interest		Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
			For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
					<p>consider such marketing activities on case by case basis by taking into account the prevailing situation and trend at that time, as well as compare market prices from other suppliers and comply with the approval procedure for related party transactions</p> <p><u>Pricing</u></p> <p>Advertising rates are comparable to the market rates generally offered by other suppliers under general commercial conditions. For the production of advertising media and scoop which is unique in nature, comparable market rates cannot be found. The rates of such transactions are determined by a cost-plus pricing method whereby the plus component is comparable to that of other non-related service providers.</p> <p><u>Audit Committee's opinion</u></p> <p>Advertising media purchase and production, of which the advertising rates and the plus component in the cost-plus method are comparable to those of the market under general commercial conditions, is an ordinary business support transaction. Such sales promotion transactions are necessary, reasonable and beneficial to the Company.</p>
		<p><u>2) TQM Broker and TQM Life paid sales promotion expenses to Daradaily</u></p> <p>- Sales promotion expenses</p> <p>- Accrued sales promotion expenses</p>	<p>12.38</p> <p>5.35</p>	<p>8.39</p> <p>0.48</p>	<p>TQM Broker and TQM Life have continuously held sales promotion activities, both domestically and internationally e.g. TQM Family Club activities which are domestic travel activities with customers and "Mahakam Kon Sang Suk" Fair to spread out knowledge about insurance to public, with their business partners in order to promote the Company's products and services. Such activities engage their customers and press to build relationship and brand loyalty to the Company, create word of mouth, reduce insurance cancellation rate in the renewal years, as well as expand the network of targeted customer group. TQM Broker and TQM Life have hired Daradaily,</p>

Person who may have conflict of interest		Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
			For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
					<p>who is specialized in organizing events involving famous actors/actresses, for such sales promotion activities. In addition, the Company has conducted satisfaction survey in order to measure effectiveness of each sale promotion activity. The Company's marketing department is in charge of overseeing, following up and verifying the completion of services received, such as verifying TV program names and airing dates and time and sampling actual advertisement aired in specific time period, verifying number of reaches via each of the social media channels; as well as budgeting and presenting the annual advertising and sales promotion expenses to the Executive Committee prior to consideration and approval by the Board of Directors. The Company will also consider such sales promotion activities on case by case basis by taking into account the prevailing marketing situation and trend at that time, as well as compare market prices from other suppliers and comply with the approval procedure for related party transactions</p> <p><u>Pricing</u></p> <p>Sales promotion activities are priced at the rates comparable to the market rates generally offered by other suppliers. For certain unique activities, comparable market rate cannot be found. Such unique activities are priced by a cost-plus pricing method whereby the plus component is comparable to that of other non-related service providers.</p> <p><u>Audit Committee's opinion</u></p> <p>Sales promotion activities, of which the rates and the plus component in the cost-plus method are comparable to those of the market under general commercial conditions, are ordinary business support transactions which are necessary, reasonable and beneficial to the Company.</p>

Person who may have conflict of interest		Characteristics of the transaction	Size of the transaction (Million Baht)		Necessity and rationale of the transaction
			For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	
2.2	Daradaily Tour Co., Ltd. ("Daradaily Tour")	<p><u>TQM Broker has paid sales promotion and travelling expenses to Daradaily Tour</u></p> <p>- Sales promotion and travelling expenses</p> <p>- Accrued sales promotion and travelling expenses</p>	<p>28.03</p> <p>8.59</p>	<p>0.22</p> <p>-</p>	<p>TQM Broker has continuously held sales promotion activities, both domestically and internationally e.g. Motor for Lady press conferences in Taiwan in 2017 and South Korea in 2018, with its business partners. Such activities engage its customers, salespersons and press to promote the Company's products and services, build relationship, and motivate and incentivize its salespersons to achieve sales target. TQM Broker has hired Daradaily Tour – a travel agency specialized in organizing private group tours and providing travel-related services e.g. flight and accommodation booking and travel document preparation – for such sales promotion activities. Approximately 80% of the Company's international travelling expenses were paid to Daradaily Tour, while approximately 30% - 40% of Daradaily Tour's revenue was generated from services provided to the Company. In addition, the Company has conducted satisfaction survey in order to measure effectiveness of each sale promotion activity.</p> <p><u>Pricing</u></p> <p>Sales promotion activities are priced at the rates comparable to the market rates generally offered by other suppliers. For certain unique activities, comparable market rates cannot be found. Such unique activities are priced by a cost-plus pricing method whereby the plus component is comparable to that of other non-related service providers.</p> <p><u>Audit Committee's opinion</u></p> <p>Sales promotion activities, of which the rates and the plus component in the cost-plus method are comparable to those of the market under general commercial conditions, are ordinary business support transactions which are necessary, reasonable and beneficial to the Company.</p>

In addition to the aforementioned transactions, other related transactions with persons who may have conflict of interest which remained outstanding as at the period ended 30 September 2018 and will continue in the future are ordinary business transactions or business support transactions under general commercial conditions, and the Audit Committee is of the opinion that such transactions are necessary and reasonable. For instance:

Characteristics of the transaction	Size of the transaction (Million Baht)	
	For the year ended 31 December 2017	For the nine-month period ended 30 September 2018
Surveying expense		
- Surveying expense	6.96	1.66
- Accrued surveying expense	2.31	0.02
IT maintenance service income	-	0.14
Insurance broker income received from insurance policies sold to persons who may have conflict of interest	0.21	0.16
Personal guarantee on brokerage service contract ^{1/}	Amount as specified in each contract	Amount as specified in each contract

^{1/} The Company is currently negotiating with its partnered insurance companies to release such personal guarantee, the completion of which is expected to be by the end of 2018.

Contingencies and Commitments

The Company and its subsidiaries have entered into several lease agreements in respect of land, office building, vehicles and equipment. The terms of the agreements are generally between 1 and 5 years.

As at September 30, 2018, the Company and its subsidiaries have future minimum lease payment required under operating lease agreements were as follows:

	Consolidated financial statement as at September 30, 2018
Payment	
Within 1 year	THB 55.8 mm
In over 1 and up to 5 years	THB 48.5 mm

Risk Factors

For further details on the Company and its subsidiaries' risk factors, please see part 2.2.3, Risk factors in Thai prospectus.

1. Risk impact from change of laws or regulation changes of related government sector

- 1.1 In case that, the subsidiaries cannot comply with the laws, regulations or announcement which is currently enforced or amended in the future, it may negatively affect to business operation, financial status, performance and business opportunity.

Previously, the subsidiaries have acquired and maintained a brokerage license for a non-life insurance and a brokerage license for a life insurance for 15 years and 10 years respectively. In addition, the Company and the subsidiaries have no lawsuits against the Office of Insurance Commission (OIC).

- 1.2 The risk from compliance with the issuance of the Data Protection Act.

The business operations as non-life and life insurance broker requires contacting customers by personal data as defined by the drafted the Data Protection Act. And if the Data Protection Act becomes effective in the future, the subsidiaries will have to comply the business operation with the Act related to personal data usage, collection, and disclosure.

Although, the drafted Data Protection Act has not been effective yet. The subsidiaries complies their business operation with the Act related to personal data usage, collection and disclosure, and the Group will monitor and comply with the Data Protection Act when it officially be effective and take effect in the future.

2. Business Risks

2.1 Risk from the revenues concentration from major suppliers (Contribution of over 10% of total brokerage income and other service income)

TQM group's revenues are contributed from 2- 4 major suppliers, represented 60.7%, 51.2%, 44.3%, and 55.4% of total brokerage income and other service income in 2015-2017 and 9 months of 2019, respectively. These major suppliers are the major players in the insurance industry. Therefore, if the major suppliers cancel the agreements, decrease brokerage commission, or the major suppliers are in unfavorable business operation, it may inevitably affect TQM group's business operation, performance and financial status.

To mitigate the risk, the Company and the subsidiaries emphasize on choosing and selecting suppliers, and also creating long term relationship with insurance companies.

2.2 The risk from staff recruitment

TQM Group requires staffs with insurance industry knowledge and expertise, especially for insurance brokers who are required to have insurance broker licenses for a non-life or life insurance based on the insurance products they offer to customers. Hence, TQM Group has the risk of recruitment and retaining staff to be sufficient according to business operation plan, and the risk of staff resignation or losing potential staffs to competitors.

Although, TQM Group acknowledges the risks and emphasize on mitigating the risks by focusing on recruiting potential staffs, improving work environment, lower the turnover rate, providing employee incentives and benefits, and enhancing staffs' capability by continuously providing training to the staffs.

2.3 The risk from consumer behavior change

The insurance industry is constantly changing according to the change of social flows, the technology development. Changes in consumer behavior including buying behavior or selecting media channels may incur risk if TQM Group is not prepared to accommodate such changes.

TQM Group acknowledges the risks and places importance on researching and monitoring the customer behavior as well as integrating technology to enhance its capabilities by digital marketing and developing sale channels to be more efficient and various to accommodate the change of customer behavior

2.4 The risk from competitive rivalry and new entrants

Non-life and life insurance brokerage businesses have numerous players, both large- and small-sized companies, with high competition, resulting in solicitation of license-holding salespersons. The insufficient increase of license-holding salespersons and competitive environment of the industry may affect the operating performance and financial status of TQM group.

To enhance its competitive advantage, TQM group has set the clear market positioning by offering insurance products which can be accessed by mass consumers. The quality and standard of after-sale service control

and the expansion of the distribution channels with nationwide coverage enable TQM group to execute transactions with customers thoroughly and promptly, as well as to promote accessibility to insurance and suitable financial services.

3. Information technology (IT) system Risks

3.1 The risk from Information technology (IT) system disruption

IT system is the significant resource for TQM group business operation. Thus, it may incur risk in case that IT system is damaged, disrupted or TQM group's information is lost or stolen or adjusted without approval. These may affect TQM operation's efficiency and effectiveness and expenses, as a result of the disruption, discontinuity on business operation and loss of information.

TQM group places importance on monitoring IT system to be normally and properly processed according to the related standard including setting an annual test plan and backup system for unexpected events.

4. Financial Risk

4.1 The risk from uncollected premium.

TQM group provides term of payment for insurance premiums both of single payment and installment payment. TQM group will record premium receivable when the new policy becomes effective. Thus, the uncollected premium which TQM Group has not fully collected will incur the collection risk.

TQM group has a policy to prevent such risk by considering rationale of installation payment request, major premium amounts paid prior to the insurance effective date and clear installation plan. In case of overdue payment, TQM group will monitor and ask for the need of insurance coverage. TQM group may coordinate with insurance company if customers request to stop the insurance coverage

4.2 The risk from losing customers.

TQM group's major revenues are brokerage and other service income contributed from non-life insurance which is motor insurance. Revenues from motor insurance are recognized on an annual basis based on coverage term, which may incur risk from losing customers in case that the existing customers change to buy insurance with insurance company directly, with other brokers or with other channels

To mitigate the risk from losing customers and build a strong revenues stream, TQM group emphasize on maintaining existing customers and customer relationship management by providing after sales service to increase customers' brand loyalty and word of mouths.

Lawsuit As of 30 September 2018, the Company and its subsidiaries are no any disputes (1) that may pose a negative impact on the Company's and its subsidiaries' greater than 5.0% of the shareholders' equity (2) that may affect the company's operations significantly.

Number of Employees As of 30 September 2018, total number of employees of the Company and its subsidiaries (excluding the executives) was 3,678

Summary of the Company's background

The Company was founded on 4 July 2011 by the Punnipa family acting as a holding company by holding shares in insurance brokerage companies. Currently, the Company has 2 major subsidiaries: TQM Insurance Broker Company Limited, focusing on non-life insurance, and TQM Life Company Limited, focusing on life insurance. The Company also has one supporting company: Casmatt Company Limited which provides IT and softwares services. Furthermore, TQLD Co.,Ltd. is the Company's associated company for providing insurance consulting. As of September 30, 2018 TQM Broker and TQM Life offers more than 140 non-life insurance products and life insurance product from insurance companies who are our business partner. There are 31 non-life insurance companies and 14 life insurance companies. The Company offer insurance product by utilize customer database includes retail customer and coporate customer for example cooperative and government sector. Our sale person will contact and offer insurance product through various distribution channels such as Telemarketing, Online and Online including mixed uses of both online and offline channels (Omni Channel). As of September 30, 2018 we have executives, sale person and back office employees approximately 3,600 persons at headoffice, 74 branches and 21 services centers across the country

Investment in Subsidiaries/Associated Companies/Related Companies

As at September 30, 2018 the Company have investment in subsidiaries and associated companies as follows

Unit: in million baht

Company Name	Type of Business and Nature of Business	Paid-up Capital	% of Shareholding	Investment Cost (Cost method)
TQM Broker	Non-Life insurance broker	200.0	100.00	210.0
TQM Life	Life Insurance broker	10.0	100.00	10.3
Casmatt	IT and software services	5.0	100.00	5.2
TQLD	Advisory channels for insurance product via website (www.noon.in.th)	3.0	40.0	1.2

Increase (Decrease) in Registered Capital in the Last 3 Years

Unit: in baht

Date/Month/Year	Paid-up Capital (Decrease) Increase	Post Paid-up Capital (Decrease) Increase	Note / Use of Proceeds
September 9, 2016	500,000	225,000,000	For working capital / For shareholding restructuring in TQM Broker, TQM Life and Casmatt
June 27, 2018	225,000,000	300,000,000	To offer shares for the initial public offering

Accounting Period January 1 – December 31

Auditor Ms.Rosaporn Decharkom

Certified Public Accountant (Thailand) No.5659

EY Office Limited

Registrar Thailand Securities Depository Company Limited (TSD)

Financial Advisors Bualuang Securities Public Company Limited

Thanachart Securities Public Company Limited

Lead Underwriters Bualuang Securities Public Company Limited

Thanachart Securities Public Company Limited

Dividend Policy

The Company and its subsidiaries have a policy to pay dividends at the rate of not less than 50.0% of the Company's and its subsidiaries separate net profits after deducting corporate income tax and other reserve funds as required by law. The rate of dividend may varies depend on operating performance, financial position, liquidity, investment, working capital, business expansion plan, requirements of loans and whether a dividend payment will have a material impact on the normal business operations of the Company and its subsidiaries, as deemed suitable and appropriate by the Board of Directors and/or shareholders of the Company and its subsidiaries. After Board of Directors of the Company and its subsidiaries have resolution to approve to pay annual dividend payment, it must be proposed to shareholders' meeting of the Company and its subsidiaries for approval except case of interim dividend payment which the Board of Directors of the Company and its subsidiaries have authorized to approve such interim dividend payment and report to shareholders' meeting accordingly

BOI Certificates

- None -

No. of Shareholders As of December 19, 2018 are as follows:

	<u>No. of shareholders</u>	<u>No. of shares</u>	<u>% of paid-up capital</u>
1. Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated person	12	213,186,800	71.06%
1.2 Shareholders who have a holding of above 5% including related persons ^{1/}	-	-	-
1.3 Controlling Shareholders	-	-	-
2. Non-Strategic shareholders hold \geq 1 trading unit	3,436	86,813,200	28.94
3. Non-Strategic shareholders hold < 1 trading unit	-	-	-
Total Shareholders	3,448	300,000,000	100.00

Major Shareholders

As of December 19, 2018 are as follows:

Shareholder list		Pre-IPO		Post-IPO	
		Number of Shares	%	Number of Shares	%
1.	<u>Mr. Unchalin Punnipa Group</u>				
	Eternal Growth Corporation Company Limited ^{1/}	152,700,100	67.87	152,700,100	50.90
	Mr. Unchalin Punnipa	25,000,000	11.11	25,000,000	8.50
	Mrs. Napassanun Punnipa	25,000,000	11.11	25,000,000	8.50
	Total Unchalin Punnipa Group	202,700,100	90.1	203,700,100	67.90
2	Mrs. Ratana Punnipa ^{2/}	7,499,900	3.33	7,499,900	2.50
3	Mr. Sorasak Thanburi ^{3/}	7,400,000	3.29	7,400,000	2.47
4	Mrs. Sulalita Thanburi ^{3/}	7,400,000	3.29	7,400,000	2.47
5	Southeast Life Insurance Public Company Limited	-	-	4,250,000	1.42
6	Bangkok Insurance Public Company Limited	-	-	4,250,000	1.42
7	Muang Thai Life Assurance Public Company Limited	-	-	4,000,000	1.33
8	Muang Thai Insurance Public Company Limited	-	-	3,000,000	1.00
9	The Viriyah Insurance Public Company Limited	-	-	3,000,000	1.00
10	Bangkok Life Assurance Public Company Limited	-	-	2,923,600	0.97
11	Bualuang Long-Term Equity Fund	-	-	1,820,300	0.61
12	Thanachart Divident Stock Fund (T-DIV)	-	-	1,605,800	0.54
13	Dhipaya Insurance Public Company Limited	-	-	1,500,000	0.50
14	Other shareholders	-	-	47,650,300	15.88
Total		225,000,000	100.00	300,000,000	100.00

Note: ^{1/} Shareholder list of Eternal Growth Corporation Company Limited as of April 30, 2018 comprises of

Shareholder list	Number of Shares	%
1. Mr. Unchalin Punnipa	899,850	66.7
2. Mrs. Napassanun Punnipa	449,850	33.3
3. Mr. Sorasak Thanburi	100	0.0

Shareholder list	Number of Shares	%
4. Mrs. Sulalita Thanburi	100	0.0
5. Mrs. Ratana Punnipa	100	0.0
Total	1,350,000	100.0

^{/2} Ms. Ratana Punnipa is younger sister of Mr. Unchalini Punnipa

^{/3} Mr. Sorasak Thanburi and Ms. Sulalita Thanburi are younger brother and younger sister of Mrs. Napassanun Punnipa respectively

Foreign Shareholders As of December 19, 2018, the Company has 15 foreign shareholders with total of 1,190,500 shares or equal 3.97% of total paid-up capital

Note: The Company has foreign shareholders limit under no.11 of its Articles of Association that "There is no restriction on the transfer of Company's shares unless the transfer of shares causes shares hold by non-Thai nationality shareholders in total exceed 49% of total paid-up shares. The Company can deny such transfer of share which makes the total shares hold by non-Thai nationality shareholders exceed the above proportion

The "person" as mentioned above refers to individual and juristic person"

Board of Directors

Board of Directors: The Company's board of directors is consisted of 9 directors as follow:

Name	Position	Appointing Date
1. Dr. Unchalini Punnipa	Chairman of the Board	14 th July 2011
	President	14 th July 2011
2. Dr. Napassanun Punnipa	Director	14 th July 2011
	Chief Executive Officer (CEO)	14 th July 2011
3. Mr. Ampon Oniam	Director	4 th October 2017
	Chief Operating Officer (COO)	14 th July 2011
4. Ms. Ratana Punnipa	Director	4 th October 2017
	Chief Risk Officer (CRO)	14 th July 2011
5. Ms. Somporn Ampaisutthipong	Director	4 th October 2017
	Chief Financial Officer (CFO)	15 th June 2016
6. Ms. Suvabha Charoenying	Director	8 th May 2018
7. Mr. Marut Simasathien	Independent Director	22 nd February 2018
8. Mr. Chinapat Visuttiapat	Independent Director	22 nd February 2018
9. Ms. Rutchaneeporn Pookayaporn	Independent Director	22 nd February 2018

Audit Committee Scope of Work

Board of Director no. 1/2018, dated 1 February 2018, approved the appointment of audit committee, which became effective according to the approval of the Extraordinary meeting of shareholder no.1/2018 dated 22 February 2018.

As of 30th September 2018, the Company's audit committee consisted of 3 directors as follow:

Name	Position	Appointing Date
1.Mr. Marut Simasathien ^{1/}	Chairman of Audit Committee	22 nd February 2018
2. Mr. Chinapat Visuttiapat	Audit Committee	22 nd February 2018
3. Ms. Rutchaneeporn Pookayaporn	Audit Committee	22 nd February 2018

Note: ^{1/} the audit committee with knowledge and experiences to review the credibility of the financial statements.

The board of directors meeting no. 3/2018 on 2nd April 2018 approved the scope and authorities of audit committee with the major scope as follow;

1. Review the Company's financial reports to ensure the correctness and sufficiency of financial reports in accordance with the relevant financial reporting standards
2. Review the internal control and internal audit system and ensure that they are suitable and efficient. Assess the internal audit unit's independence, and approve the appointment, transfer, dismissal and evaluation of the performance of the chief of an internal audit and other department responsible for internal audit
3. Ensure that the Company complies with the securities and exchange law, SET regulation or the laws that are relevant to the Company and subsidiaries' business
4. The Audit Committee shall hold a meeting to consider the following items:
 - 4.1 Financial statements and reports.
 - 4.2 Conformance to accounting standards, business continuity and change in key accounting policies and their supporting reasons prior to proposing them for approval by the board of directors and public disclosure.
 - 4.3 Internal control and internal audit systems.
 - 4.4 Internal audit plan and process in coordinating with internal auditor and coordinating with internal and external auditors in assessing internal audit results. The audit committee must enquire about scope of internal audit and conformance to internal audit plan by internal auditor to ensure potential fraud and internal control deficiencies are timely identified.
 - 4.5 Coordination with internal auditor in identifying problems or constraints that occur during internal audit process and evaluate internal auditor's performance.
 - 4.6 Coordination with external auditor in identifying problems or constraints that may occur during financial statement audit process.
 - 4.7 Coordination with internal auditor and external auditor in determining the proper electronic system review and enquiry about its computer security system to prevent potential fraud and misuse of computer by its employees or third-parties.
 - 4.8 To review transactions that may lead to conflict of interests such as connected transactions.
 - 4.9 Conformance with securities regulations, SET rules and laws related to its businesses.
 - 4.10 Performance of other tasks as assigned by the Board of Directors

Listing Condition – None –

Silent Period - additional

1. For all remaining 37,700,100 shares of Dr. Unchalin and Dr. Napassanun Punnipa, Dr. Unchalin and Dr. Napassanun Punnipa, which is the remaining shares that are not be under the silent period according to regulations of the Stock Exchange of Thailand, will enter into an agreement with the lead underwriter to not offer, sell or transfer such shares after this IPO either directly or indirectly and will not enter into any transaction which may impact their shareholding of the Company directly or indirectly for 6 months period from listing date
2. The Company allocated not exceed of 6,100,000 newly issued ordinary shares to director, management and/or employees of the Company and/or its subsidiaries under Employee Stock Option Plan (ESOP). Directors, managements and/or employees with the position higher than supervisor, who got the shares allocation under ESOP, accounted not less than 80.0 percent of shares under ESOP program, agreed with the Company that their shares will not be sold for the period of 6 months from the first trading date.

Relaxation – None –

Policy for Submission Interim Financial Statements

Of the Financial Statements The Company intends to submit reviewed financial statements of the first, second, and the third quarter of each year within 45 days from the end of accounting period of each quarter.

Annual Financial Statements

The Company intends to submit audited annual financial statements within 2 months from the end of accounting period and will not submit the reviewed interim financial statements of the fourth quarter.

Others (if any) – None –

Statistical Summary

TQM Corporation Public Company Limited

Accounting Period	Total Service income (THB mm)	Net profit (THB mm)	Net profit per share ^{/2} (THB/share)	Dividend per share (THB/share) ^{/2}	Book Value per share ^{/2} (THB/share)	Dividend Payout to Net Profit ^{/3} (%)
2015 ^{/1}	2,105.7	140.4	280.8	104.0	813.3	37.0
2016	2,190.9	178.2	3.5	8.0	6.6	228.6
2017	2,257.8	268.3	1.2	1.0	1.7	83.3
the nine months period ended September 30, 2018	1,802.4	276.1	1.2	1.0	1.9	83.3

Note : ^{/1} Information for the year ended December 31, 2015 is information from statement of comprehensive income which is management account as the Company reclassified and adjusted certain item of 2015-2016 financial statement according to note of financial statement in 2017 consolidated financial statement. Hence, such financial information in 2015 will be not equal with statement of comprehensive income for the year ended December 31, 2015 shown in 2016 consolidated financial statement

^{/2} we calculated net profit per share, dividend per share and book value per share from net profit attributable to owners of the Company and using weighted average number of ordinary shares from financial statement 500,000 shares in 2015, 51,075,200 shares in 2016 and 225,000,000 shares in 2017 and first nine months of 2018 as adjust the par value from THB 100.0 per share to current par value of THB 1.0 per share in accordance with the resolution of Extraordinary General Meeting of the shareholders No. 2/2018 at June 27, 2018 which resolved to change par value of the Company's share from THB 100.0 per share to THB 1.0 per share

^{/3} we calculated dividend payout to net profit by using dividend declared divided by net profit of the Company. In addition, the meeting of Board of Director of the Company on November 14, 2018 has resolved to approve interim dividend payment from operating performance of January 1, 2018 to November 14, 2018 to shareholders equal to THB 0.45 per share or totally THB 101.3 mm, such interim dividends are paid on November 21, 2018

Summary of consolidated financial statements for the year ended December 31, 2015-2016 and 2017 and for the nine months period ended September 30, 2017-2018

Statement of financial position	Consolidated financial statements							
	As at December 31						As at September 30	
	2015 ¹		2016		2017		2018	
	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Assets								
Current assets								
Cash and cash equivalents	408.4	20.3	295.1	15.8	539.5	28.3	403.1	21.7
Deposits at banks with restrictions	472.5	23.5	413.7	22.1	510.5	26.8	649.0	35.0
Current investments	25.5	1.3	25.5	1.4	5.2	0.3	0.0	0.0
Accrued service income and other receivables	649.5	32.4	551.9	29.5	508.3	26.6	433.0	23.4
Short-term loan to related parties	230.8	11.5	341.3	18.2	-	-	-	-
Other current assets	45.1	2.2	63.8	3.4	51.3	2.7	48.2	2.6
Total current assets	1,831.8	91.2	1,691.3	90.4	1,614.8	84.7	1,533.3	82.7
Non-current assets								
Deposits at banks - pledge as collateral	2.6	0.1	5.1	0.3	3.0	0.2	1.0	0.0
Long-term investments	-	-	-	-	85.1	4.5	166.2	9.0
Investment in subsidiaries	-	-	-	-	-	-	-	-
Investment in associate	-	-	-	-	1.2	0.1	0.5	0.0
Investment in other companies	10.0	0.5	-	-	-	-	-	-
Building and equipment	106.9	5.3	116.1	6.2	125.0	6.5	101.4	5.5
Intangible assets	14.8	0.8	14.3	0.8	10.6	0.5	7.4	0.4
Deferred tax assets	7.2	0.4	8.4	0.4	12.4	0.6	13.6	0.7
Other non-current assets	34.4	1.7	35.5	1.9	54.3	2.9	31.6	1.7
Total non-current assets	175.9	8.8	179.4	9.6	291.7	15.3	321.7	17.3
Total assets	2,007.7	100.0	1,870.7	100.0	1,906.5	100.0	1,855.0	100.0
Liabilities and shareholders' equity								
Current liabilities								
Insurance premium payables and other payables	1,188.3	59.2	1,112.8	59.5	1,089.4	57.1	819.7	44.2
Insurance premium received in advance	362.4	18.0	339.1	18.1	363.0	19.1	490.9	26.4
Income tax payable	-	-	3.5	0.2	-	-	10.6	0.6
Current portion of liabilities under financial lease agreement	0.2	0.0	-	-	-	-	-	-
Short-term provision	-	-	-	-	6.2	0.3	7.2	0.4
Other current liabilities	13.9	0.7	37.6	2.0	19.7	1.0	32.0	1.7
Total current liabilities	1,564.8	77.9	1,493.0	79.8	1,478.3	77.5	1,360.4	73.3
Non-current liabilities								
Provision for long-term employee benefits	36.2	1.8	42.0	2.3	51.7	2.7	58.0	3.1
Total non-current liabilities	36.2	1.8	42.0	2.3	51.7	2.7	58.0	3.1
Total liabilities	1,601.0	79.7	1,535.0	82.1	1,530.0	80.2	1,418.4	76.5
Shareholders' equity								
Share capital								
Registered	0.5	0.0	225.0	12.0	225.0	11.8	300.0	16.2
Issued and paid-up	0.5	0.0	225.0	12.0	225.0	11.8	225.0	12.1

Statement of financial position	Consolidated financial statements							
	As at December 31						As at September 30	
	2015 ^{1/}		2016		2017		2018	
	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Surplus on business combination under common control	-	-	67.9	3.6	67.9	3.6	67.9	3.7
Retained earnings (deficits)								
Appropriated - statutory reserve	-	-	22.5	1.2	22.5	1.2	22.5	1.2
Unappropriated	4.5	0.3	20.3	1.1	61.1	3.2	121.2	6.5
Equity attributable to owners of the Company	5.0	0.3	335.7	17.9	376.5	19.8	436.6	23.5
Non-controlling interests of the subsidiary	401.6	20.0	-	-	-	-	-	-
Total shareholders' equity	406.7	20.3	335.7	17.9	376.5	19.8	436.6	23.5
Total liabilities and shareholders' equity	2,007.7	100.0	1,870.7	100.0	1,906.5	100.0	1,855.0	100.0

Note : ^{1/} The statement of financial position of the Company as of December 31, 2015 is financial information showed as of January 1, 2016 which is a comparison figures presented in consolidated financial statement for the year ended December 31, 2017 audited by EY Office Limited according to financial reporting standard specified by Federation of Accounting Professions

Statement of comprehensive income	Consolidated Financial statements									
	For the year ended December 31						For the nine months ended September 30			
	2015 ^{1/}		2016		2017		2017		2018	
	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
<u>Revenues</u>										
Service income	2,105.7	96.4	2,190.9	98.5	2,257.8	99.0	1,638.8	99.2	1,802.4	99.1
Brokerage income	1,352.9	61.9	1,374.8	61.8	1,391.3	61.1	1,017.8	61.6	1,099.6	60.5
Other service income	752.8	34.5	816.1	36.7	866.5	37.9	620.9	37.6	702.8	38.7
Other income										
Dividend income	-	-	-	-	-	-	-	-	-	-
Interest income	19.3	0.9	20.8	0.9	17.8	0.8	11.7	0.7	11.1	0.6
Gain from sales of investment in other companies	-	-	8.9	0.4	-	-	-	-	-	-
Others	59.0	2.7	5.4	0.2	6.1	0.2	1.5	0.1	4.7	0.3
Total revenues	2,184.0	100.0	2,226.0	100.0	2,281.7	100.0	1,651.9	100.0	1,818.2	100.0
<u>Expense</u>										
Cost and expenses of services	(1,171.0)	(55.0)	(1,190.3)	(53.5)	(1,172.2)	(51.4)	(827.6)	(50.1)	(915.7)	(50.4)
Administrative expenses	(822.3)	(36.7)	(805.9)	(36.2)	(775.2)	(34.0)	(557.9)	(33.8)	(558.1)	(30.7)
Total expenses	(1,993.4)	(91.7)	(1,996.2)	(89.7)	(1,947.4)	(85.4)	(1,385.5)	(83.9)	(1,473.9)	(81.1)
Profit before share of gain from investment in associate and income tax expenses	190.6	8.3	229.8	10.3	334.3	14.6	266.3	16.1	344.3	18.9
Share of gain from investment in associate	-	-	-	-	-	-	-	-	(0.8)	(0.0)
Profit before income tax expenses	190.6	8.3	229.8	10.3	334.3	14.6	266.3	16.1	343.5	18.9
Income tax expenses	(50.2)	(2.0)	(51.6)	(2.3)	(66.0)	(2.9)	(53.3)	(3.2)	(67.4)	(3.7)
Profit for the period	140.4	6.3	178.2	8.0	268.3	11.7	213.0	12.9	276.1	15.2
Profit attributable to:										
Equity holders of the Company	(0.0)		38.3		268.3		213.0		276.1	
Non-controlling interests of the subsidiaries	140.4		139.9		-		-		-	

Statement of comprehensive income	Consolidated Financial statements									
	For the year ended December 31						For the nine months ended September 30			
	2015 ^{1/}		2016		2017		2017		2018	
	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Profit for the year/period	140.4		178.2		268.3		213.0		276.1	
Earnings per share										
Earnings per share (adjusted) ^{2/}										
Profit attributable to equity holders of the Company (Adjusted) ^{2/} (THB per share)	(0.01)		0.75		1.19		0.95		1.23	
Par Value (Adjusted) ^{2/} (THB per share)	500,000		51,075,200		225,000,000		225,000,000		225,000,000	

Note : ^{1/} Information for the year ended December 31, 2015 is information from statement of comprehensive income which is management account as the Company reclassified and adjusted certain item of 2015-2016 financial statement according to note of financial statement in 2017 consolidated financial statement. Hence, such financial information in 2015 will be not equal with statement of comprehensive income for the year ended December 31, 2015 shown in 2016 consolidated financial statement

^{2/} Adjust par value from THB 100.0 per share to current par value at THB 1.0 per share in accordance with the resolution of Extraordinary General Meeting of shareholders No. 2/2018 at June 27, 2018 which resolved to change par value of the Company's share from THB 100 per share to THB 1 per share

Statement of cash flows Unit: THB mm	Consolidated Financial statements			
	For the year ended December 31		For the nine months ended September 30	
	2016	2017	2017	2018
Net cash from (used in) operating activities	274.5	222.8	99.7	159.6
Net cash from (used in) investing activities	(203.0)	246.6	248.8	(80.0)
Net cash from (used in) financing activities	(184.8)	(225.0)	(225.0)	(216.0)
Net increase (decrease) in cash and cash equivalents	(113.3)	244.4	123.5	(136.4)
Cash and cash equivalents at the beginning of the year	408.4	295.1	295.1	539.5
Cash and cash equivalents at the end of the year	295.1	539.5	418.6	403.1

Prepared by Thanachart Securities Public Company Limited
 Bualuang Securities Public Company Limited

The Company certifies that information reported in this information memorandum is correct

TQM Corporation Public Company Limited



(Mr. Unchalin Punnipa)

Director



(Mrs. Napassanun Punnipa)

Director