

Annual Registration Statement / Annual Report 2023

(Form 56-1 One Report)

Charan Insurance Public Company Limited

MESSAGE FROM CHAIRMAN

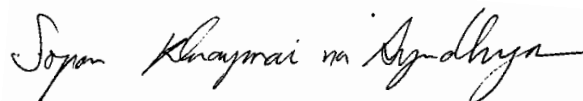
Dear Shareholders,

Despite Thailand having navigated through a challenging period following the COVID-19 outbreak, the nation's economic and social landscape remains impacted, further exacerbated by the Russian-Ukrainian war, influencing the entire supply chain. In 2023, "Charan Insurance" remains committed to standing alongside employees, customers, partners, shareholders, and stakeholders. The Company will conduct business with honesty, integrity, and transparency, ensuring fair and direct service provision. Despite numerous global central banks increasing interest rates to address escalating inflation, it has resulted in additional borrowing challenges for households and businesses. Nevertheless, amidst these difficulties, the Thai economy is slowly rebounding as economic and social activities normalize post-COVID, including the resumption of office work and school attendance. Crucially, the outcome of the recent elections and the formation of a new government will shape the trajectory of the country's economy. The Company will vigilantly monitor policies and changes, maintaining openness and readiness to collaborate with the government on forthcoming infrastructure projects.

In the fiscal year 2023, Charan Insurance Public Company Limited recorded a total income of 301.62 million Baht, marking an decrease of 37.74% compared to the previous year. This change is primarily attributed to intense competition in the insurance industry. Consequently, there is a corresponding decrease in income from premium revenue. Nevertheless, investment income witnessed a 3.34% decrease compared to the previous year. The profit margin before depreciation, amortization, interest, and taxes stood at 2.54%. Consequently, the Company achieved a net profit of 26.97 million Baht. Furthermore, the Company sustains a robust financial position, with total liabilities decreasing by 10.08% to 40.01 million Baht. Cash and liquid investments remain ample. Additionally, the net debt-to-equity ratio stands at 0.64 times, underscoring the Company's formidable capability to manage financial obligations effectively.

In 2023, Thailand will persist in grappling with challenges arising from economic volatility, the prolonged Israeli-Palestinian conflict, escalating living costs, and fierce technological competition in the business sector, signaling a departure from the conditions of the past. "Charan Insurance" inspires confidence in its potential and preparedness to engage in business, aligning with the Company's vision of "Charan promise gives the public peace of mind". I am confident that with collective cooperation and a shared journey, there is no challenge we cannot surmount. The steady progress of our country is well within reach, and we will soon witness its resurgence.

On behalf of the board of directors, executives, and employees of Charan Insurance Public Company Limited, I express gratitude to shareholders, business partners, collaborators, customers, and supporters across all sectors who entrust us and continue to believe in the operations of "Charan Insurance." In conclusion, I extend my wishes for everyone to overcome every crisis, anticipating a future where Thailand can progress with optimism and improved living conditions. This is my sincere hope for all Thai people.



(Mr. Sapon Kluaymai Na Ayudhya)

Chairman of the Board



BOARD OF DIRECTORS

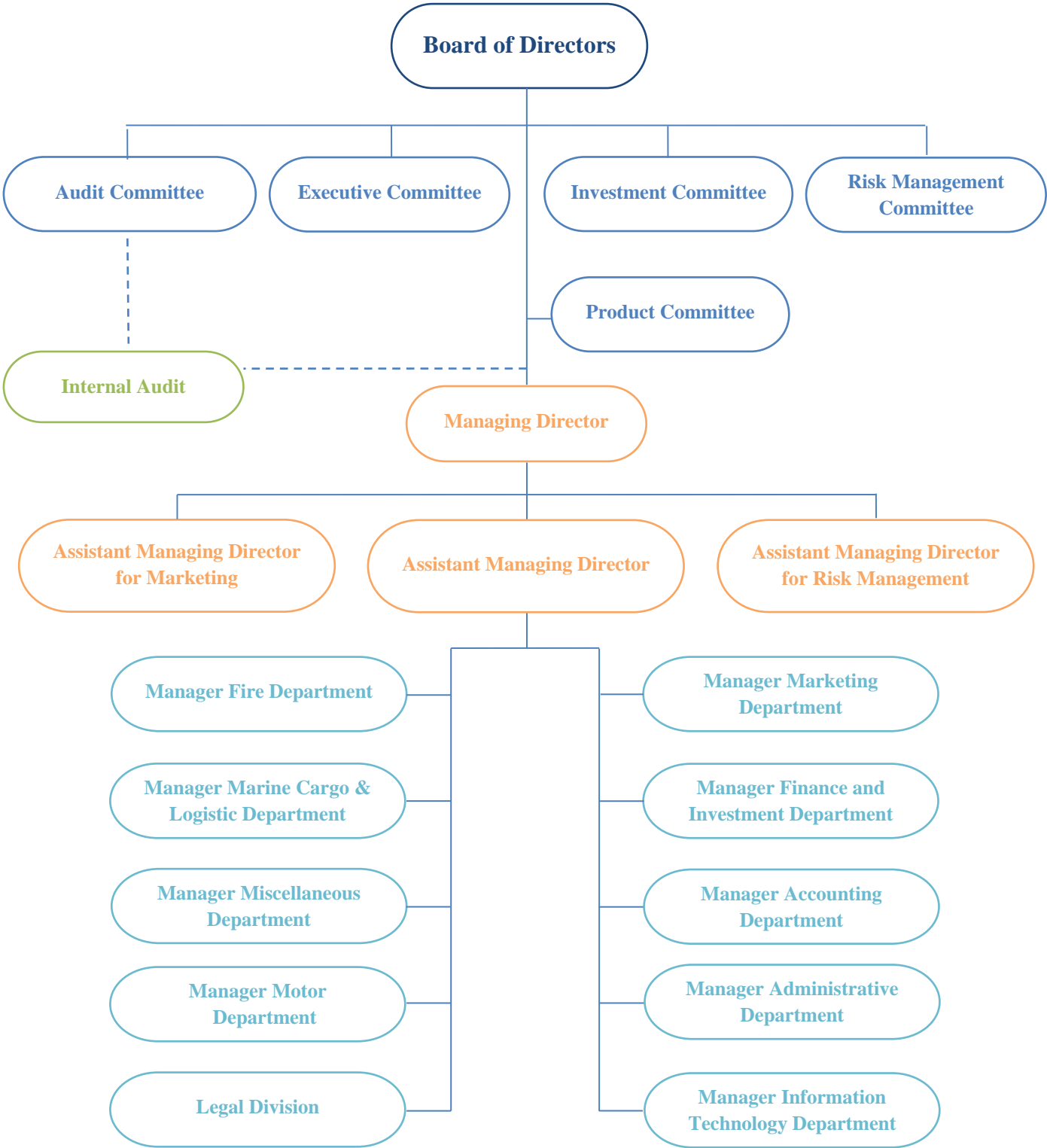
- | | |
|-------------------------------------|--|
| 1. Mr. Sapon Kluaymai Na Ayudhya | Chairman of the Board |
| 2. Mrs. Poodpong Arsingsamanunta | Chairman of the Audit Committee and Independent Director |
| 4. Mr. Vorayuth Charoenloet | Member of the Audit Committee and Independent Director |
| 5. Mr. Thanitphong Pichaibavornphat | Member of the Audit Committee and Independent Director |
| 6. Mr. Sukich Charanvas | Director and Secretary to the Board |
| 7. Mr. Pon Titipanichayangoon | Director |
| 8. Mr. Kittipong Charanvas | Director |



EXECUTIVES

- | | |
|--------------------------------|---|
| 1. Mr. Sukich Charanvas | Managing Director |
| 2. Mr. Kittipong Charanvas | Assistant Managing Director |
| 3. Mr. Kitti Charanvas | Assistant Managing Director for Marketing |
| 4. Mr. Kosit Angkasuwan | Assistant Managing Director for Risk Management |
| 5. Mr. Pon Titipanichayangoon | Manager Motor Department |
| 6. Miss Sudarat Wiwattanadej | Manager Accounting Department |
| 7. Miss Kanyawan Trisaksuriyan | Manager Finance and Investment Department |
| 8. Miss Siraya Chindasri | Manager Marketing Department |
| 9. Mr. Wisith Limcharoensuk | Manager Marine Cargo and Logistics Department |
| 10. Mrs. Pattama Trakarnaiem | Manager Fire Department |
| 11. Miss Punrada Ayucharoenkul | Manager Miscellaneous Department |
| 12. Mr. Nopadol Suwankareekul | Manager Information Technology Department |
| 13. Mrs. Promporn Lamdabpang | Manager Administration Department |

ORGANIZATION CHART



Remark: The Audit Committee considers, appoints, transfers, dismisses, and undertakes annual evaluation of the Internal Audit including review the independence.

Financial Summary

A summary of key financial information of Charan Insurance Public Company Limited for the years ended December 31, 2023, 2022 and 2021 is shown below.

Financial Statement (Unit: Thousand Baht)	2023	2022	2021
Financial Position			
Total Assets	916,247	980,014	886,658
Total Liabilities	356,855	396,864,	370,622
Shareholders' Equity	559,392	583,150	516,036
Operating Results			
Gross Premium	301,619	484,437	316,632
Net Premiums	223,523	406,966	256,880
Net Losses Incurred	123,772	141,767	39,612
Investment Income	18,786	19,444	19,192
Operating Expenditure	44,289	45,314	39,921
Net impairment losses on financial assets	(2,784)	220	16,449
Net Profit (loss)	26,973	69,798	(28,314)
Per-Share Value (Baht)			
Earnings (loss) per Share	2.25	5.82	(2.36)
Dividend per Share	1.25	2.00	-
Book Value per Share	46.62	48.60	43.00
Financial Ratios (%)			
Return on assets	2.84	7.84	(3.38)
Return on Investment	2.49	2.58	2.80
Return on Equity	4.72	12.70	(5.28)
Payout Ratio	55.56	34.36	-

Financial Ratio

Description		2023	2022	2021
<u>Liquidity ratio</u>				
Liquidity ratio (times)	Remark 1	2.31	2.23	2.15
Turnover rate of accrued insurance premiums (days)	360*premium & accrued insurance premium (average)/premium written	38	25	30
<u>Profitability ratio</u>				
Retention Rate (%)	Net Written Premiums/Written Premiums	71.11	84.01	81.13
Claim payment rate (%)	Claims/earned insurance premiums	47.62	33.63	28.50
Gross Profit Margin (%)	Profit (Loss) from Insurance/Net Written Premiums	5.14	16.14	(21.09)
Warranty expense ratio (%)	Remark 2	49.43	53.63	105.67
Rate of return on investment (%)	Remark 3	2.49	2.58	2.80
Net Written Premium Rate (Times)	Net Premium Written/Shareholders' Equity (Average)	0.39	0.74	0.48
Net Profit Margin (%)	Net Profit (Loss)/Total Revenue	11.08	15.91	(9.99)
Return on Equity (%)	Net Profit (Loss)/Shareholders' Equity (Average)	4.72	12.70	(5.28)
<u>Efficiency Ratio</u>				
Return on assets (%)	Net Profit (Loss)/Total Assets (Average)	2.84	7.48	(3.38)
Asset turnover (times)	Total income/total assets (average)	0.26	0.47	0.34
<u>Financial Policy Analysis Ratios</u>				
Debt to equity ratio (times)	Total Liabilities/Shareholders' Equity	0.64	0.68	0.72
Policy liability to capital fund (Times)	Remark 5	0.48	0.50	0.51
Reserve to equity ratio (times)	Unearned premium reserves/equity	0.28	0.33	0.40
Reserve to asset ratio (%)	Unearned premium reserves/total assets	17.32	19.52	23.13
Dividend payout ratio (%)	Dividend/Net Profit	55.56	34.36	-

Remarks:

- (investments in securities + cash and bank deposits + reinsurance assets +Receivables from reinsurance contracts+ Premium receivables - net + Accrued investment income) / Current liabilities
- (Wages and gratuities – wages and gratuities + other underwriting expenses + operating expenses) / Earned insurance premiums
- Investment income / cash and bank deposits + investments in securities + loans + other investments (average)
- Total income = net premiums + investment income + other income
- Unearned premium reserves + reserves for claims and outstanding claims / shareholders' equity

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Section 1

Business Operation and Performance

1. Structure and Operation of the Company

1.1 Policy and Business Overview

1.1.1 Vision, Objective, Goal and Strategy

Charan Insurance Public Company Limited aims to deliver great customer service and build a strong financial foundation, continuously develop corporate governance to add sustainable value to the organization and shareholders in long term as well as aims to generate returns to shareholders at a steadily higher rate. The Board of Directors is responsible for determining the vision and mission of the Company to executives and employees having the same operating direction. At the Board of Directors' meeting No.1/2023 held on February 22, 2023 has reviewed the vision, mission, strategy, and goals, as well as determine the direction of operations and investments to be consistent and up to date with the business situation. The Board of Directors has considered and approved the vision, mission and core values of the Company as before, as follows:

Vision

Emphasize on providing insurance services with morality and ethics under the slogan
“Charan’s promise gives the public peace of mind”

Mission

- M1** Operating business and providing honest services as the stable security and operating under good governance.
- M2** Inventing and developing products to respond to demands of society and to be consistent with current situation.
- M3** Developing information technology for utilizing in operational system as much as possible and developing all dimensions of management system of the Company for ultimate benefit.
- M4** Having good management, generating value and returns to all stakeholders.
- M5** Being responsible for environment and operating business fairly and sustainably under related rules, regulations, and laws.
- M6** Building awareness and enthusiasm on self-development of employees in order to be ready for coping with current and future situation.

Business Operations Strategy

- S1** Manage existing assets with full efficiency.
- S2** Seek for partners to expand business for growing.

S3 Enhance capability for organizational development.

Operational Goals

Our primary aim is to develop products that are diverse and can reach customers and prospects at all levels and to provide information and increase underwriting efficiency in addressing the needs of and creating maximum satisfaction for the insured. To fulfill the aim, the Company has developed appropriate plans to accommodate future changes, while also broadening knowledge necessary for the organization to be the most trusted insurer. In 2023, the Company expects the Premium Written will be up to 10% with the expectation of the capital adequacy ratio is not less than 200% and has the following operational goals:

- Increase online sales channels by using third-party services to assess and certify the work within the Company along with online policy sales (E-Policy) by applying for approval of policy forms and policy statements, including new premium rates.
- Reduce operating costs by maximizing the use of information technology.

1.1.2 Key Change and Development

The Charan Insurance Public Company Limited was established on 10 November 1949 under the name “Soon Heng Lee Insurance Company Limited”. With a starting capital of 2.0 million baht, the Company was licensed to operate all lines of non-life insurance underwriting, i.e. fire insurance, marine insurance, miscellaneous insurance and automobile insurance, with the following development:

- | | |
|-------------|---|
| 1975 | The Company was renamed “Charan Insurance Company Limited” |
| 1980 | Its registered capital was increased from 2.0 million Baht to 5.0 million Baht. |
| 1983 | Its registered capital was increased from 5.0 million baht to 10.0 million Baht |
| 1991 | Its registered capital was increased to 30.0 million Baht. |
| 1992 | Charan Insurance became a listed company on the Stock Exchange of Thailand with authorized share capital of 60.0 million baht comprising six million ordinary shares of 10.0 baht each. |
| 1994 | The Company was re-registered as a public company under the name “Charan Insurance Public Company Limited” with registration number Bor Mor Jor 327 (PCL 327). |
| 2006 | Charan Insurance was named the third winner of the Non-life Insurer of Management Excellence Award by the Office of Insurance Commission. |
| 2015 | The Company increased its registered capital to 120.00 million Baht consisting of 12 million ordinary shares of 10.00 Baht each. |

Today, the Company continues to go from strength to strength into its 74th year of operations with authorized paid-up share capital of 120.0 million baht listed on the Stock Exchange of Thailand under registration number 0107537000807 (formerly Bor Mor Jor 327).

1.1.3 Use of fund from Public Offering of Equity or Bond

- None -

1.1.4 Commitments provided in the Registration Statement and/or the Approval Conditions

- None -

1.1.5 Name and location of the head office, type of business, company registration number, telephone number, facsimile number, the Company's website (if any), the number and type of the total shares sold of the Company.

Company Name	: Charan Insurance Public Company Limited
Initial	: CHARAN
Public Company Registration	: 0107537000807
Type of Business	: Non-Life Insurance
Sector of Business	: Insurance
Industry	: Financial
Head Office Location	: Charan Insurance Building 408/1 Rachadaphisek Road, Samsennok, Huaykwang, Bangkok 10310
Branch Location	: 377/1-3, Moo 12, Mueang Kao, Mueang, Khon Kaen
Authorized Registered Capital	: 120,000,000 Baht
Number of Paid-up Ordinary Shares	: 12,000,000 Shares
Par Value Per Share	: 10 Baht
Telephone	: 0-2276-1024
Facsimile	: 0-2275-4919
Website	: www.charaninsurance.co.th
E-mail	: charanins@charaninsurance.co.th

1.2 Nature of Business

Charan Insurance Public Company Limited, operating in casualty insurance, reported its 2023 operating results. Total premiums received amounted to 301.62 million Baht, with reinsurance premiums deducted at 78.10 million Baht, leaving an unearned premium reserve of 36.40 million Baht. This resulted in net premiums considered as income from reinsurance totaling 259.92 million Baht. Including salary, commission income of 31.46 million Baht, and investment and other income of 19.84 million Baht, the Company achieved a net profit of 26.97 million Baht. This translates to earnings per share of 2.25 Baht, marking a 61.34% decrease from the previous year's 3.57 Baht. The Board of Directors, in the meeting on February 21, 2024, resolved to pay dividends to shareholders at a rate of 1.25 Baht per share, pending consideration and approval at the 2024 shareholder meeting.

The Company's financial status is robust, with a Capital Adequacy Ratio (CAR) of 211.84% as of December 2023, exceeding the standard criterion of not less than 140%. This level is deemed reliable, showcasing the Company's capacity to consistently maintain a strong financial position even in the face of various crisis situations.

1.2.1 Revenue Structure

The Company's revenue is made up of two major components, i.e., premium income and investment income. A comparative breakdown of income for the years ended December 31, 2023, 2022, and 2021 is shown below.

(Unit: Million Baht)

Line of Business	2023		2022		2021	
	Value	Percentage	Value	Percentage	Value	Percentage
1. Net Premium written						
1.1 Net Fire premiums	38.26	15.75	34.33	7.83	30.25	10.67
1.2 Net marine premiums	6.22	2.56	5.31	1.21	5.32	1.88
1.3 Net motor premiums	158.42	65.11	347.14	79.15	202.81	71.53
1.4 Net miscellaneous premiums	20.62	8.47	20.19	4.60	18.50	6.52
Total premiums written	223.52	91.86	406.97	92.79	256.88	90.60
2. Investment income	18.76	7.71	19.44	4.43	19.19	6.77
3. Other income	1.05	0.43	12.19	2.78	7.47	2.63
Total	243.33	100.00	438.60	100.00	283.54	100.00

1.2.2 Product Information

1. Product Characteristics

The business operations of the Company are divided into two areas.

1) Underwriting

Our core business includes all classes of non-life insurance underwriting and is divided into:

- Direct insurance refers to selling insurance through agents, brokers, individuals and firms, financial institutions, and directly to customers.
- Reinsurance refers to acceptance of risks from other non-life insurers. The Company operates four main classes of non-life insurance underwriting as follows:

1.1 Fire Insurance

Is the insurance underwriting of constructions (excluding foundations) buildings, houses, townhouses, shophouses, commercial buildings, manufacturing plants and/or building contents, stock of merchandise, furniture as well as machinery and equipment. Fire insurance is divided into:

- **Home fire insurance** covers property loss or damage caused by fire, lightning (including damage to electrical appliances and equipment arising from lightning-caused short circuit), explosion, vehicle impact, aircraft impact, water damage due to accidental discharge, leakage or overflow of water or steam (with protection against 4 natural disasters, i.e. storm, flood, earthquake or volcano eruption or tidal wave or tsunami and hailstorm, of up to 20,000 baht / year for actual damage caused by all disasters). Coverage can also be extended to include rent for temporary dwelling (as per the terms of home fire insurance).
- **Fire insurance** is the protection against property loss or damage caused by fire, lightning and explosion of lighting- or domestic-use gas. Coverage against additional perils such as explosion, water damage (excluding flood) windstorm, and electrical damage is provided only when specifically stated in the insurance policy.

1.2 Marine Cargo and Logistics Insurance

Protects domestic and international freight shipped by sea, air, road or rail. It provides coverage against any loss of or damage to imported and exported goods in transit caused by sea perils or natural forces, i.e. earthquake, volcano eruption, or lightning. Extra protection can also be offered against other risks such as theft, war, riot or strike. The insurance policies can be classified as follows:

1. Marine cargo and logistics insurance policy (by sea, air, road, or rail)
2. Inland cargo insurance policy
 - All-risks insurance policy
 - Named perils insurance policy
3. Carrier's Liability Insurance Policy

1.3 Miscellaneous insurance

Provides protection against loss or damage arising from perils other than those covered by fire insurance, motor insurance or marine insurance. We offer various types of miscellaneous insurance products as follows:

- Accidental Damage (Property) Insurance	- Business Interruption
- Contingencies Policy (Leasehold Interest Insurance)	- SMEs Comprehensive Shopowner
- Contract Works Insurance	- Erection All Risks Insurance
- Machinery Breakdown Insurance	- Boiler and Pressure Vessel Insurance
- Electronic Equipment Insurance	- Personal Accident Insurance
- Personal Accident 200 Micro Insurance	- Travel Accident Insurance for Individual or Group
- Individual / Group International Travel Insurance	- Travel Accident Insurance for Guide

- Cancer Guard Polity	- Public Liability Insurance
- Money Insurance	- Burglary Insurance
- Product Liability Insurance	- Operation of the Department of Energy
- Plate Glass Insurance	- Transporting hazardous materials by land
- Fidelity Guarantee Insurance	- Dormitory Insurance
- All Risks Insurance	- Crop Insurance
- Terrorism Insurance	- Gold Insurance
- Bail before Insurance	- Golfer' Indemnity Policy
- Nion Sign Insurance	- Bail After Insurance
- Workmen's Compensation Policy	- Boat Accident Insurance
- Jet Ski Accident Insurance	- Jobless Insurance
- Fault Building certification Insurance	- Director and Officer Insurance
- Disease-specific health insurance	- Unnamed Passenger Insurance
- Long Term Care Insurance	

1.4 Motor insurance

Covers risks arising from use of motor vehicle. Protection ranges from loss of and damage to the vehicle itself and theft of auto accessories, to injury, loss of life and property of both the driver and passengers of the vehicle, as well as loss of life and property of third party. It also provides extra coverage such as driver bail bond. Motor insurance is of the following two types:

- Compulsory insurance refers to the minimum insurance that the owner of each vehicle is required to have in accordance with the Road Accident Victims Protection Act, B.E. 2535 (1992) and is thus called “Road Accident Victims Protection Insurance” or “PorRorBor Insurance”. According to the Act, any person who uses or owns a vehicle for use must take out PorRorBor insurance (except those vehicles exempted by the Act, e.g. vehicles of the Bureau of the Royal Household, vehicles for the monarch's use, ministerial or government departmental vehicles, etc.) or face a penalty up to 10,000 baht.
- Voluntary insurance refers to the type of insurance that is taken out voluntarily by vehicle owner to cover against damage to the vehicle itself and/or the legal liability of the insured towards any third party. Voluntary coverage can be classified into the following five categories:

- Category 1:** covers legal liability towards any third party for death, bodily injury and damage to health or property as well as loss of or total or partial damage to the insured vehicle that is caused by accident, theft and fire.
- Category 2:** covers legal liability towards any third party for death, bodily injury and damage to health or property as well as loss of or damage to the insured vehicle that is caused by theft and fire.
- Category 3:** covers legal liability towards any third party for death, bodily injury and damage to health and property.
- Category 4:** protects against legal liability for third-party property only.
- Category 5:** covers legal liability towards any third party for death, bodily injury and damage to health or property as well as loss of or damage to the insured vehicle and its accessories or fixtures, that is caused by road traffic collision where the other party is involved.

1.5 Reinsurance

For the Company's insurance business operation, besides insurance underwriting with insured directly, the Company also accepts reinsurance from domestic and oversea companies. To support expansion of each type of insurance business, the Company establishes reinsurance management strategy as the guidelines for defining the framework of reinsurance management and related risks management. Reinsurance management policy must be reviewed and certified by the Board of Directors every year in order to follow up and control compliance with laws and regulations of Office of Insurance Commission (OIC). Reinsurance management must consist of selection, implementation, monitoring, review, control, and documentation by considering on acceptable risks of the Company, financial costs by comparing status of liquidity, attitudes towards tendency of domestic and international markets and economy, and estimation of future insurance. It is necessary that reinsurance management strategy must be consistent with business strategies, risk management framework, risk management policy, and capital management. They must be appropriate with nature, size, and complexity of insurance business of the Company whereas top managers of the Company are responsible for supporting and building confidence that reinsurance management strategy approved by the Board of Directors are operated efficiently. This strategy must be documented, and operational process must be defined for operating reinsurance management strategy explicitly. In addition, the guidelines of insurance acceptance, criteria and restriction of number of types of insurance for reinsurance must be defined in order to ensure that terms and conditions of reinsurance connect with insurance business as well as to avoid the risk on failure to be protected by reinsurance. Moreover, the Company also provides internal control system and report system in order to

monitor and evaluate reinsurance management strategy and allocate resources to be sufficient for operations and respond to requirements of the Board of Directors completely.

The Company's reinsurance policy and risk management are grounded in the fact that "Shareholders' equity" is approximately 559.39 million Baht. Consequently, the reinsurance management strategy is designed to align with acceptable risk levels by engaging in a reinsurance contract covering excess damages up to 2.5 million Baht for each casualty. Retention limits for accepting risks are established based on the average claim value of each event over the past 4-5 years, taking into account the cost of reinsurance. Moreover, the Company employs a combination of proportional reinsurance contracts and individual reinsurance contracts to enhance the diversification of the Company's risk profile.

The process for selecting reinsurance plans involves determining the Maximum Retention Limit, assuming reinsurance sections (Assumed Reinsurance), setting the Maximum Event Retention (MER), and establishing the Maximum Retention per Risk (MRR) not exceeding 10 percent of the company's capital. This aligns with the regulations of the Office of the Insurance Commission (OIC) and employs proportional and non-pro rata reinsurance contracts. Various reinsurance types, such as excess loss, catastrophe, and facultative reinsurance, are utilized to diversify risks in both insurance and reinsurance. The company actively monitors risk accumulation and regularly reviews the adequacy of reinsurance. In considering Inward Reinsurance, principles akin to those for direct insurance are applied, with emphasis on reinsurer underwriting standards. Concentration limits for exposure to specific reinsurer counterparties or groups are established, considering factors such as the reinsurer's capital size, OIC regulations, and a requirement that a reinsurer with a credit rating of A- (S&P Rating) or higher must constitute no less than 75 percent, with the remainder not falling below BBB-.

Reserve Compensation Process

The Company recorded the outstanding claims which have been provided upon receipt of claim advice from the insure, this will be recorded in accordance with the claims estimate value assessed by independent appraisers or the Company's officers, as the case may be, net of the recoverable portion of reinsurance, the maximum estimated indemnity value will not exceed the sum insured of the relevant policy. In addition, the Company sets up provision reserve for losses incurred but not reported (IBNR) to comply with the announcement of the Office of Insurance Commission regarding the allocation of reserves for insurance premiums that have not yet become income of non-life insurance companies, which such reserve calculations shall be allocated based on actual experience using the Chain Ladder Approach method and the actuaries shall certify such calculations. The difference between the estimated

value of the claim and the actual amount paid is included in the income statement for the year of payment.

Pricing Policy

The determination of premium rates and conditions of coverage according to each type of insurance policy can be divided as follows:

- According to the tariff rate which is determined by the Secretary General of the Office of Insurance Commission, including fire insurance, motor insurance, some miscellaneous insurance.
- Considering various factors for determining the premium rate, such as the nature, type, history of the insured property, history of the insured, including the coverage conditions of each type of policy such as marine and logistic insurance, some miscellaneous insurance.

Rights and Restrictions on Business Operations

The Company operates in non-life insurance business under the Non-Life Insurance Act B.E. 2535 with the Secretary General of the Office of Insurance Commission or a person assigned by the Secretary-General to be a registrar under this Act. which has the power to control the Company in terms of the insurance, determination of premium rate, investment, as well as capital maintenance according to the OIC's Risk Based Capital principle requires insurance companies to be more cautious about their underwriting risks and investments to provide adequate capital for their level of risk exposure.

2) Investment

As a non-life insurer, the Company is permitted to use its surplus funds to invest or seek returns as another major source of income. When choosing investments, we always consider the level of risk acceptable to the organization. We also ensure that the investments are liquid enough to be easily changed into cash when needed. All our investments conform strictly to the types, proportions and conditions statutorily required under the Office of Insurance Commission's Notification Re: Investment in Other Businesses by Non-Life Insurers (No. 2), B.E. 2558 (2015). The Company's investments consist of loans, securities, bills, bonds, ordinary shares, debentures and bank deposits.

Factors affecting business opportunities or limitations in 2023

1. While the adverse impacts of COVID-19 have diminished, numerous factors continue to exert pressure on the economy, particularly the Russia-Ukraine war resulting in trade sanctions and an enduring energy crisis. Additionally, China's economic deceleration, coupled with economic disparities between the US and China, is anticipated to influence global supply chains, potentially intensifying the trend toward deglobalization. Consequently, the insurance industry has faced significant payouts for COVID-19 insurance claims from existing policies. Despite the cessation of

COVID-19 insurance sales by all companies since mid-2021, the cumulative value of COVID-19 insurance claims has soared to as much as 100,000 million Baht (Source: Thai General Insurance Association). This has led to the closure of numerous insurance companies or their initiation of business rehabilitation plans.

2. Over the next three years, Thai automobile production is anticipated to grow at an average rate of 3.5-4.5% annually, while domestic sales are expected to continue expanding at an average of 4.5-5.5% annually. This growth is attributed to the sustained expansion of the domestic economy. Additionally, the policy to subsidize the use of battery electric vehicles (BEVs) is expected to positively impact automobile insurance premiums, constituting a significant portion of the general insurance market.
3. Competition in insurance premiums within the general insurance market has eased, primarily due to a reduction in the number of competitors caused by shutdowns stemming from liquidity challenges in settling COVID-19 insurance claims. Many insurance companies are grappling with severe liquidity issues in underwriting. Furthermore, consumers are shifting their focus toward the financial strength and reliability of insurance companies, placing greater emphasis on these factors over price considerations alone. Consequently, insurance companies have fewer incentives to engage in price-driven competition.
4. The Bank of Thailand's decision to increase the policy interest rate from 0.25% to 2.50% at the end of 2023 is anticipated to have a positive impact on insurance companies' returns on investment. Nevertheless, the upsurge in interest rates may influence consumers' decisions regarding the acquisition of fixed assets that involve long-term interest payments, such as houses and cars.
5. The proliferation of businesses embracing the ESG (Environmental, Social, and Governance) concept, coupled with government support measures to promote BCG (Bio, Circular, Green) ventures, has paved the way for certain sectors to experience rapid expansion. Notably, businesses in renewable energy and electric vehicles have seized these opportunities for growth. Consequently, there is a heightened demand for diverse insurance policies tailored to cover the associated enterprises.
6. The demand for insurance coverage is expected to rise, with an inclination towards increasing the sum insured or expanding coverage to encompass more risks. This heightened demand is driven by the awareness among insured individuals of the escalating severity of natural disasters. Furthermore, the upward trend in property insurance premium rates in the global market is contributing positively to the amount of premiums received by insurance companies from their customers.
7. The relaxation of COVID-19 measures and travel restrictions has led to a return to normal economic activities, resulting in an increased use of automobiles for transportation. This, in turn,

has caused car insurance claim rates to rise after experiencing a decrease during the period of 2020-2021.

2. Market and Competitive Environment

1) Policy and Market Nature

In 2023, insurance companies are actively developing new products to cater to diverse needs and better adapt to the current situation. Notably, over the past 2-3 years, the consumption behavior and lifestyle of the new generation have increasingly influenced the insurance business. The evolving lifestyle has led to changing demands, prompting insurance companies to adjust their products and services to align with consumer needs in an environment where society is fully embracing technology.

In 2023, Charan Insurance Public Company Limited is proactively adjusting its product offerings across Motor and Non-Motor categories to meet the diverse needs of various target groups. The Company aims to achieve a growth in total premiums of 10% by leveraging various brokers to effectively reach different customer segments. This strategic approach is designed to thoroughly address the needs of customers, partners, and interested parties. Building upon the initiatives from 2022, the Company remains committed to providing accessible and affordable products to the general public, accompanied by responsive after-sales service. Looking forward, the Company plans to develop digital products to align with the preferences of the new generation market, while maintaining the existing service for customers or business partners satisfied with the current offerings.

Type of Customer

Individual Customers include general individual customers who mostly use fire insurance services for residences, motor insurance, accident insurance, and health insurance, etc.

Corporate Customers consist of small businesses, medium businesses, and large businesses whereas the Company is able to provide all types of insurance services, for example, fire insurance or all-risk insurance for offices, residences, condominiums, department stores, and industrial factories, as well as motor insurance, international or domestic cargo insurance, and all-risks insurance underwriting for customers with large construction projects.

Customer Groups and Target Groups

In 2023, the Company continuously expands customer base from 2022 by adding distribution channels in order to increase marketing opportunities of new target groups. In addition, the Company also realizes on service quality mainly by emphasizing on after sale services and convenience of problem reporting for ultimate benefits and satisfaction of customers and target groups.

Distribution and Distribution Channels

In 2023, the Company still expands works in existing distribution channels by focusing on expanding existing works and improving works/working methods in order to enhance efficiency of distribution channel management under the Company's objectives. The Company's distribution channels are divided into four channels as follows:

1. Selling via individual agents and representatives who provide suggestions on insurance to insured causing the Company to highly emphasize on selecting individual agents and representatives by establishing efficient criteria on selection and evaluation and the applicants who are representatives of the Company must hold Insurance Agent License with complete qualifications as defined by laws.
2. Selling via agents that are juristic persons whereas the Company has agents that are juristic persons to provide services to insured directly starting from suggesting types of insurance to claiming for compensation, and insurance premium collection.
3. Selling via financial institutions whereas the Company has distribution channels via financial institutions and most customers of this group are credit customers of financial institutions.
4. Selling with direct customers consisted of customers who directly contact with the Company and customers under supervision and services of the Company's Marketing Department.

Market Segmentation and Market Share

Type of Insurance	Direct Premiums (Baht)		Market share % (3) = (1) / (2)
	CHARAN (1)	Non-life insurance business (2)	
Fire	47,900,410.81	7,761,704,024.61	0.617
Marine cargo & logistics	11,897,237.00	5,329,928,264.36	0.223
Compulsory motor	107,158,027.64	15,067,941,899.19	0.711
Voluntary motor	12,248,118.00	103,351,114,942.70	0.012
Property	33,918,575.60	25,884,298,266.30	0.131
Liability	684,315.00	2,985,335,960.56	0.023
Accident	373,780.00	23,925,288,534.56	0.002
Other miscellaneous	3,264,724.00	11,716,803,212.11	0.028
Health Insurance	-	12,297,485,786.67	-
Travel Insurance	-	1,744,003,910.12	-
Bail Bond Insurance	-	76,706,916.70	-
Total	217,445,188.05	210,140,611,717.88	0.103

Remark: Statistics of direct premiums of CHARAN and non-life insurance business during January 1 – September 30, 2023

Source: <https://www.oic.or.th/th/industry-statistic-data-39-2/> as of September 30, 2023

Type of Insurance	Number of Policies Sold			Direct Premiums (Baht)			Estimated Market Share
	2023	2022	Rates (%)	2023	2022	Rates (%)	
Fire	10,135	9,142	10.86	65,796,822.21	55,887,674.71	17.73	0.617
Marine cargo & logistics	2,924	2,981	(1.91)	15,690,516.00	14,573,186.00	7.67	0.223
Compulsory motor	211,694	492,677	(57.03)	148,275,767.13	348,638,330.80	(57.47)	0.711
Voluntary motor	2,709	2,529	7.12	18,602,205.00	16,965,397.00	9.65	0.012
Property	719	649	10.79	43,926,705.60	38,094,002.90	15.31	0.131
Liability	382	387	(1.29)	960,105.00	1,022,768.45	(6.13)	0.023
Accident	404	526	(23.19)	527,094.00	1,030,512.00	(48.85)	0.002
Other miscellaneous	245	237	3.38	4,045,031.00	4,533,306.00	(10.77)	0.028
Total	229,212	509,128	(54.98)	297,824,245.94	480,745,177.86	(38.05)	0.103

Remark: Estimated Market share of CHARN compared to the non-life insurance business for the year 2023

2) Industrial Condition and Competition

In 2023, Non-Life Insurance Industry has tendency to recover better. As a result of adjusting product and service styles to respond to those demands of consumers, changing strategy, including the rapid change in new technologies. These affect in a positive way toward the insurance industry to grow continuously. It is clearly that groups of non-life insurance, which decided to not sell Covid Insurance from the beginning, have better financial status and ready to grow more. On the contrary, there are some companies which cannot gain enough trust and confidence from people. As a result, there will be changing service provider phenomenon in next year as forecasted on the aspect of customers, employees, and brokers.

In this digital era, many organizations apply new technologies together with innovations in order to help improve efficiency of the business. New tech has a significant role in the world of insurance as well. In the present, Insurtech, which is the combination of Insurance and Technology, has changed the insurance purchasing process to make it more convenient. For example, using Extended Reality (XR) technology which comes as the same time as Metaverse. Over 85% of insurance business sees that it helps decreasing the gap of the business, and responds to clients' accessibility of products. Meanwhile, Blockchain technology will be used for recording insurance agreement through smart contract to acquire more reliable and safety for customers. The main factor which makes Insurance standout as a trend for the present and the soon future is Insurtech operate very well during the COVID-19 especially, calculating insurance's interests using the specific AI application including developing application and updating version within 2-3 months through Low-Code/No-Code software which promote insurance purchasing and present new products in a new way unlimitedly.

Technology has changed the world of insurance to be able to access anywhere and anytime. Especially, when people who wish to access the insurance can access it only with one click. The next challenge of using these technologies for selling insurance is the complication of the operation, understanding terms and conditions, filing document and record retention, as well as discussion with clients to find the greatest advantages for the clients. For these parts, technologies have promoted doing online insurance to decrease the complication, filing documents, and meeting in person for selling the insurance, which COVID-19 prevent people from meeting in person. Using LINE or Zoom or self-verification via OTP on mobile phone together with after sell service to facilitate accessing assistance at all time.

The principal CARE-Based Model (C: Convenience, A: Advice, RE: Reach) is one of the trends which comes together with digital tools for presenting services in the new way which will promote the service. It also responses to the convenience, giving advices, and reaching out to the customers. Meanwhile, clients will see insurance as easier to access unlike before including acquiring cares, higher covers, and worth the money that the clients pay.

Direct Premiums Written by Non-Life Insurance Industry

(Unit: Thousand Baht)

Type of Insurance	Type of Insurance		
	2023	2022	Increase (Decrease) %
Fire	10,061,422	9,868,048	1.96%
Marine cargo & Logistics			
Hull	619,478	515,951	20.07%
Cargo	6,295,647	6,485,622	-2.93%
Motor			
Voluntary	141,060,322	135,771,513	3.90%
Compulsory	19,934,698	19,114,098	4.29%
Miscellaneous			
Property	36,953,136	33,191,140	11.33%
Third-Parties Liabilities	3,894,654	3,719,095	4.72%
Personal Accident	31,564,337	31,360,501	0.65%
Health	15,669,284	15,810,831	-0.90%
Other	18,812,541	18,379,424	2.36%
Total	284,865,519	274,216,223	3.88%

Source: Data on Insurance Premium of Insurance Business for the year 2022 and 2021 in the 4th Quarter at November 16, 2022
<https://www.oic.or.th/industry/statistic/data/39/2>

Competitive Potential

Charan Insurance Public Company Limited prioritizes conducting business with care. Despite intense competition in the general insurance sector, the Company refrains from excessive price competition. This strategic approach enables the Company to maintain a consistently robust capital position, a testament to the trust and confidence customers place in the Company. This confidence is built on several key factors, including:

1. Financial Stability

Despite navigating challenging economic conditions during the COVID-19 outbreak, in 2023, the Company successfully maintained a commendable Capital Adequacy Ratio (CAR) in accordance with criteria established by the Office of Insurance Commission (OIC). This reflects the stability and reliability of the Company in its business operations, demonstrating its capability to promptly compensate customers and cover various expenses for partners.

2. The strength of "Charan Insurance"

For over 74 years, Charan Insurance Public Company Limited has been dedicated to serving the public, establishing a clear, reliable, and trusted image over the years. The Company's financial stability ensures swift and fair compensation payments to customers and business partners, including auto repair shops and hospitals. The brand has fostered strong customer relationships, evident in high levels of Brand Engagement and positive word-of-mouth recommendations. Consequently, the policy renewal rate remains consistently high.

3. The employees possess knowledge, skills, and experience.

The Company consistently recognizes every employee as its most valuable resource, emphasizing the continuous development of their knowledge and abilities. This approach aims to retain knowledgeable and skilled employees within the organization. The Company boasts a lower-than-industry-average employee turnover rate, primarily due to a workforce composed largely of experienced individuals who have been with the Company for an extended period. This longevity contributes to efficient customer service.

4. Moral organization

The Company adheres to the vision of "Charan promise gives the public peace of mind," consistently prioritizing services that consider customers, business partners, and other relevant stakeholders. Emphasizing the importance of considering stakeholders' interests, employees at all levels are instructed to follow this principle as a code of conduct. Additionally, the Company establishes goals to ensure fair treatment of customers, serving as a guiding principle for employees in their work. This commitment is aimed at instilling confidence among customers and all parties involved.

3. Providing products or services

Nature of product acquisition

1) Lending

Lending Policy

The Company adheres to a policy of providing loans with mortgaged or pledged assets as collateral, aligning with the conditions outlined in the announcement of the Office of the General Insurance Commission (OIC) regarding investments in other businesses of general insurance companies, B.E. 2013, and its subsequent amendments. Careful consideration is given to lending decisions, factoring in the borrower's capacity to repay both principal and interest. The Company ensures that the returns derived from these loans are commensurate with the associated risks.

Lending risk management

The Company maintains a constant awareness of the inherent risks associated with lending, encompassing external factors such as domestic and international economic conditions, as well as internal risks such as credit approval standards and the concentration of credit experience among the credit analysis staff. In response to these risks, the Company has developed a comprehensive investment policy framework. This framework outlines a defined process for analyzing and approving loans, ensuring a clear and sequential loan approval process.

2) Investment

Investment Policy

The Company recognizes that the casualty insurance business involves transferring risks from the public and assuming responsibility for compensating damages, funded by the collection of insurance premiums. Consequently, the Company is diligent in allocating insurance premium reserves to adequately fulfill its obligations to policyholders under insurance contracts. Additionally, it deems it necessary to invest in suitable assets to generate sufficient returns in alignment with its existing obligations. Given the significance of investments and other business operations to the Company's functioning and stability, the Board of Directors places great importance on setting policies to ensure the Company operates in compliance with relevant laws. This involves having robust work systems and ensuring the knowledge and expertise of personnel are ready for such transactions. The Company is committed to choosing investments and engaging in other business operations with honesty and integrity, refraining from any actions that might result in the company paying more money or assets than necessary, or receiving less money, assets, or benefits than it should.

The Company's investments can be categorized into 7 parts as follows:

1. Deposit money with a local financial institution
2. Debt instruments issued, payable, certified, availed, or guaranteed by the Thai government, Bank of Thailand, Ministry of Finance, or the Fund for the Rehabilitation and Development of the Financial Institution System.
3. Debt instruments issued, payable, certified, availed, or guaranteed by a financial institution or debt instruments issued by a limited company, organization, or state enterprise with a credit rating of the instrument or issuer not lower than an investment-grade credit rating.
4. Investment units of mutual funds with a policy to invest in instruments according to categories 1, 2, and 3.
5. Domestic equity instruments issued by the company.
6. Lending to Company employees.
7. Lending with mortgaged property or insurance pawn.

3) Source of funds

As of the end of 2023, the Company's vital source of funds is its equity. The registered and paid-up capital stands at 120 million Baht, divided into 12 million common shares valued at 10 Baht per share. Additionally, the Company holds a surplus on common shares of 258.00 million Baht, with retained earnings allocated as a legal reserve totaling 12 million Baht. Unappropriated retained earnings amount to 163.28 million Baht, complemented by other components of owner's equity totaling 6.11 million Baht.

The Company generated net cash from operating activities amounting to 32.34 million Baht, with crucial components encompassing premiums from direct insurance, other income, and investment income, among others.

4) The source of funds used

In 2023, the Company utilized net cash in investing activities totaling 0.32 million Baht, covering net equipment costs. Additionally, the company had net cash used in financing activities amounting to 24 million Baht, attributed to the payment of dividends.

5) The ability to maintain ratios according to business type

In 2023, the Company reported total insurance premiums of 301.62 million Baht, reflecting a decrease of 37.74 percent. The details are as follows:

Type	2023	Distribution %	2022	Distribution %	2021	Distribution %
Fire	66.97	+17.74	56.88	+23.25	46.15	+26.54
Marine	16.26	+7.82	15.08	-12.17	17.17	+125.92
Motor	166.88	-54.35	365.60	+71.04	213.75	+73.60
Miscellaneous	51.51	+9.88	46.88	+18.50	39.56	+26.15

4. Operating Assets

- The assets of the Company used in the business operation are identify in main four categories as shown in **Attachment 4** -

5. Jobs Pending Deliver

- The Company has no jobs pending deliver –

1.3 Shareholding Structure

On the date of determining the names of shareholders (Record Date) for the right to receive the most recent dividend on March 14, 2024 the details are as follows:

Issued and Fully Paid-up Share: 120,000,000 Baht

Type of Share: Ordinary Share at 10 Baht per Share

Size of Shareholdings	Number of Shareholders	%	Number of Share	%
Those who hold more than 0.5% of shares	27	3.95	9,273,697	77.28
Those who hold securities not exceeding 0.5% but not less than one trading unit.	529	77.45	2,725,318	22.71
Those who hold shares less than one trading unit	127	18.60	985	0.01
Total	683	100	12,000,000	100

Nationality of Shareholder	Number of Shareholders	%	Number of Share	%
Thai	Juristic Person	12	2,003,284	16.70
	Individual	667	9,462,316	78.85
Foreign	Juristic Person	1	15,400	0.13
	Individual	3	519,000	4.32
Total	683	100	12,000,000	100

1.3.1 Shareholders

1. Major Shareholders

(a.) The list of the top ten shareholders of Charan Insurance Public Company Limited, with number and percentage of shares held as March 14, 2024 is set out below:

No.	Name - Surname	Number of Share held	Percentage of Share held (%)
1.	Mr. Sukich Charanvas	2,187,644	18.23
2.	Mr. Vichien Srimuninnimit	1,089,700	9.08
3.	Mr. Kittipong Charanvas	739,800	6.16
4.	Mr. Kitti Charanvas	692,000	5.77
5.	Bangkok Insurance Public Company	578,000	4.82
6.	Limited The Alexander Hotel Company Limited	500,000	4.17
7.	Mrs. Elizabeth Charanvas	467,200	3.89
8.	Mr. Nibhond Charanvas	412,800	3.44
9.	Subnatthavee Company limited	345,000	2.88
10.	Khun Chalermchai 8 Company Limited	339,000	2.82
	Other shareholders	4,648,856.00	38.74
Total		12,000,000.00	100.00

(b.) The Company has no group of major shareholders who significantly influence, by behavior, in formulating a policy, managing or operating business of the Company such as sending a person to be position as the authorized director.

2. Holding Company

- The Company has no holding company -

3. Shareholders' agreement

- The Company has no shareholders' agreement -

1.4 Registered and Paid-up Capital

1.4.1 Charan Insurance Public Company Limited has the registered capital of 120 million Baht and fully paid up, classified as 12 million ordinary shares of 10 Baht each.

1.4.2 Other Securities

- None -

1.4.3 Share or convertible securities used as depositary for issuing investment units of Thai Trust Fund and non-Voting Depositary receipt (NVDR).

- None -

1.5 Issuance of other Securities

- None -

1.6 Dividend Policy

In the 28th Annual General Meeting of Shareholder for the year 2021 held on April 28, 2021 resolved to approve the amendment dividend payment policy from not less than 60 percent of net profit to not less than 20 percent of net profit as proposed by the Board of Directors. However, at the Board of Director Meeting No. 1/2024 held on February 21, 2024 resolved to propose the Annual General Meeting of Shareholders for the year 2024 to consider and approve dividend payment for the year 2023 for the operating results, from January 1, 2023 to December 31, 2023 at 1.25 Baht per share totaling 15 mil. Baht, which will be paid from the net profit on May 23, 2024. *“However, the right to receive such dividends above remains uncertain unless the 31th Annual General Meeting of Shareholders for the year 2024 has granted its approval”*

Five-Year Comparison of Dividends Paid

(Unit: Baht)

Year	2023	2022	2021	2020	2019
Net profit per share (baht)	2.25	5.82	(2.36)	4.27	(2.59)
Dividend per share (baht)	1.25	2.00	-	2.60	0.50
Payout ratio (%)	55.56	34.36	-	60.89	119.31

Remark: Consideration on the dividend payment for the year 2023 is subject to approval by shareholders at AGM 2024

2. Risk Management

2.1 Risk Management Policy and Risk Management Guideline

Charan has adopted an international integrated enterprise-wide risk management system based on Enterprise Risk Management (ERM) to define management directions and measures to prevent and minimize impacts from a variety of risks preventing it from achieving goals. The risk management system has provided not only the capability for the Company to operate all businesses successfully under a relentlessly changing environment but has also warranted confidence among all stakeholders. All directors, executives, and employees, fully participate in this international risk management system aligned with the process of corporate mission, goal, and strategy, as well as the sustainability development policy involving environmental, social and governance (ESG), under the supervision and monitoring of Risk Management Committee to achieve common business goals, categorized by type of risk as follows:

- 1) Strategic Risk
- 2) Insurance Risk
- 3) Market Risk
- 4) Credit Risk
- 5) Liquidity Risk
- 6) Operational Risk
- 7) Reputation Risk
- 8) Information Technology Risk
- 9) Catastrophe Risk
- 10) Group Risk
- 11) Emerging Risk

2.2 Risk Factors and Risk Management

Charan Insurance Public Company Limited has always made risk management a high priority in order to protect the interests of the insured, the beneficiaries and other claimants and to deliver solid long-term value to our shareholders. As its business is concerned directly with accepting and managing risks, the Company has set up a Risk Management Committee to be responsible for managing, monitoring and controlling risks to be within acceptable levels, and for supporting the performance of the Board based on the established risk management framework and policy as well as good corporate governance. The Committee also has responsibility for developing the organization's risk management processes and continuously improving their efficiency and appropriateness. Furthermore, we have a risk monitoring and review process to ensure that risks are controlled to an appropriate and acceptable level. However, the Company is still faced with major risks which could impact upon its operations and financial position, and each area of such risks is

monitored and reported to the Board by the Risk Management Committee on a quarterly basis. In 2021, the Company has determined 11 risk factors as follows:

1) Strategic Risk

Strategic risk refers to the risk that policies, strategies and operating plans are formulated and implemented in such a way that is not appropriate to or not consistent with internal factors, external circumstances or changes in society, technology and public expectations, thus possibly affecting the attainment of corporate vision or the financial and capital position or financial results of a company.

The Company manages strategic risk by ensuring consistency of all strategic and operating plans with corporate vision and by monitoring implementation of such plans. We also set a system of warning of likely deviation from the formulated plans so as to realign them to such changing circumstances as changes in economic or political situation, competition or applicable statutory requirements. The Company has a focus on improving its information technology and process efficiency and on developing its people to be a powerful force in driving the achievement of the organization's strategies.

As the current competition in the non-life insurance market becomes increasingly fierce, there is the risk that our premium income may drop or may not be as projected. The Company has developed measures to manage such risk which include focusing on offering untapped, profitable products and expanding online business to extend our reach to target customers.

2) Insurance Risk

Insurance risk refers to the risk arising from unpredictability of frequency, severity and timing of damage that deviate from the assumptions made in premiums pricing, reserves calculation and insurance underwriting.

The insurance risk that could affect the business operations is insurance claims as they represent major expenditure with potential effect on the Company's performance. Another example of insurance risk is the risk of unbalanced mix of insurance products.

We manage insurance risk through formulation of insurance underwriting policy and reinsurance management strategies and ensuring that they are reviewed on an annual basis. There is a systematic underwriting process which emphasizes acceptance of perils with low degree of risk as well as careful selection of prospective clients, property, types of business and exposure of risks to be accepted and assessment of the area's vulnerability to natural disasters. These factors would be considered based on data and statistics collected before premiums are set appropriately according to the risk and these rates may be adjusted depending on domestic and overseas market conditions. All underwriting criteria are also reviewed and revised to suit competition in the market. The Company also mitigates insurance risk by transferring those large risks to financially sound domestic and overseas reinsurers under different

forms of reinsurance contracts such as treaty reinsurance, facultative reinsurance and excess of loss reinsurance. Such arrangements enable the Company to minimize insurance risk and ensure rigorous, systematic processes for managing claims and calculating reserves accurately according to actual loss

3) **Market Risk**

Market risk refers to the risk arising from movements in interest or exchange rates, or values of investment assets, equity instruments and money market instruments, and commodity prices.

Market risk factors for the Company include movements in share index as a consequence of domestic and international economic situations, as well as fluctuations in interest and exchange rates or values of equities and commodities. This is due to the fact that, apart from premium income, the other main source of revenue for us is income from investment. The Company is therefore faced with the risk of changes in financial instrument values resulting from changes in market factors, which can impact upon its revenue and capital position.

The Company manages market risk by formulating an investment policy which clearly defines the make-up of its bond-equity portfolio. Our investments are in accordance with the Office of Insurance Commission's Regulation Re: Investment in Other Businesses by Non-Life Insurers which specifies the types and proportions/limits of securities and instruments permissible for investment. Our Investment Committee is responsible for setting specific investment goals and policies, and our careful planning takes account of any potential risks involved in investment. We focus on investing in low-risk, highly reliable securities with regular, appropriate returns, while avoiding high-risk investments such as speculative equities. The Company has its investments diversified across different asset types, i.e. bank deposits, bills, bonds, debentures and ordinary shares, as they not only generate capital gains but also produce returns in the forms of interests and dividends. Moreover, we closely follow and analyze financial and capital market news and information in order to review and revise the investment plan and adjust the investment portfolio to the constantly changing conditions.

4) **Credit Risk**

Credit risk refers to the risk arising from the failure by a counterparty to meet its obligations to a company, and the possibility that counterparty's credit rating is downgraded.

Factors to consider for credit risk include failure by reinsurers to repay paid claims to the Company when these are demanded as per the obligations under reinsurance contracts. This is because when underwriting large businesses, it is our policy to spread and share the risks with other domestic and overseas insurers under reinsurance contracts and thus, we are exposed to the risk that the counterparty is unable to meet the contractual obligations. In addition, there is probability that the credit rating of a counterparty is lowered – a situation that can produce adverse effects on our business.

To manage credit risk, we have adopted the measures of considering the credit rating and financial stability of overseas reinsurers, entering into reinsurance contracts with only those on the “A-” and above credit rating lists and following such ratings regularly to ensure up-to-the-minute information. With regard to domestic reinsurers, we opt to consider those insurers with a minimum capital adequacy ratio of 200%, as per the capital adequacy report of the latest quarter before the date of our assessment. The Company also manages credit risk by setting aside, before and after reinsurance cession, sufficient loss reserves to cover losses incurred and not yet incurred. We have obtained extra protection through excess of loss reinsurance contracts as well as engaging the services of reinsurance agents and brokers to help identify reliable domestic and overseas reinsurers that meet our criteria. We further keep under quarterly review the capital adequacy ratios of domestic reinsurers and the credit ratings of overseas reinsurers.

5) Liquidity Risk

Liquidity risk refers to the risk arising from a company’s failure to meet its liabilities or obligations as they fall due because of inability to realize assets or raise sufficient funds or because funds can be secured but at too high a cost to be acceptable.

Liquidity risk factors that could adversely affect the operations include the occurrence of unexpected largescale damage caused by disastrous catastrophe which may prevent the Company from meeting its liabilities or obligations as they fall due.

The Company manages liquidity risk by allocating part of its investment funds to bank deposits, bills and short-term bonds which are highly liquid and suit the needs for cash and for meeting existing obligations. The funds are also invested in highly liquid marketable securities which can be easily changed into cash at prices similar to fair value. Furthermore, we comply with the regulations of the Office of Insurance Commission (OIC) by maintaining an acceptable level of risk-based capital, i.e. at a minimum ratio of 180% which is higher than the OIC’s required level of 140%. The aim is to provide assurances that our capital funds are sufficient to cover all risks and appropriate to our business direction, while also helping to raise the standards of the insurance industry through conformity to international practices.

6) Operational Risk

Operational risk refers to the risk of loss resulting from lack of effective oversight or good corporate governance or effective controls relating to internal processes, personnel, systems, information technology, data security or external events.

Examples of operational risk incident include rapid changes to a large number of rules, regulations or requirements of regulatory agencies which could result in the personnel or those concerned being unaware of or failing to comply properly with the new regulations.

We manage operational risk by: giving priority to and maintaining effective internal controls; assigning sufficient and suitable staff and specialists to every function to ensure all processes are efficient and staff are able to cover or substitute for one another thereby maintaining operational continuity; arranging for personnel to receive training to gain work-related skills and knowledge; and continuously improving processes to suit changing conditions. In addition, the Company has a Compliance Department responsible for keeping up to date on regulatory changes, for communicating to all personnel the rules and regulations issued by regulators and for monitoring strict compliance with such requirements. Each department is also required to be responsible for its own operational risk management and for increasing, among their own staff, awareness of and positive attitude towards management of all risks. In terms of information technology, data security or external events, the Company has set its data security policy and guidelines and formulated a business continuity plan which will enable the organization to mitigate any potential impact and continue the business even in an emergency.

7) Reputation Risk

Reputational risk refers to the risk of damage to corporate reputation due to negative perception of a company among customers, partners, shareholders and/or regulating bodies.

Factors to consider for reputational risk would be delay in settling insurance claims within the period required by law or regulations which may result in the Company's being negatively perceived by customers or business partners.

The Company manages reputational risk by adhering to good governance principles. We also focus on maintaining a good image with customers, business partners, shareholders and regulators through our strict compliance with applicable laws to prevent any penalty or fine which could affect the stability, financial position and reputation of the Company.

8) Information Technology

Risk Information technology risk refers to the risk potentially arising from IT utilization in the operations which may affect the systems or activities of a company, and the risk of cyber threats.

Examples of information technology risk incident are cyber threats from the use of the Internet for communication of the Company.

In order to manage IT risk, we have formulated our data security policy and guidelines for rigorous compliance by all personnel. Firewalls have been installed to control and restrict access to data or

detect internal and external intrusion, making the Internet safe from cyber threats. Antivirus software has also been installed on all computers in the organization to protect data - the core of our business - from being attacked or destroyed.

9) Catastrophe Risk

Catastrophe risk refers to the risk of loss caused by one event or series of events on a large scale that could result in a substantial deviation in actual claims from forecast claims.

The risk factors that could have an adverse effect on the operation would be making reinsurance contract for catastrophe risk but the coverage is not sufficient for potential risk as well as underwriting of risk exceeding the capacity limit for each geographical risk area.

The Company manages the risk by making reinsurance contracts with reinsurers with credit rating of A- and above in order to allow for potential catastrophe risk. We also have the policy of underwriting only those areas with low risk of catastrophe and of employing information technology to monitor and prevent exceeding of capacity limit for each geographical risk area.

10) Group Risk

Group risk refers to the risk that a company may be negatively affected by risk events (either of financial or non-financial nature) arising from member(s) of its corporate group. It also includes the risk relating to the solvency of the whole corporate group or member(s) of the group affected by a member's event which could either be an internal event within the group or an external one.

The Company is not impacted by group risk, as it has neither subsidiaries nor associated companies and does not belong to any group of companies.

11) Emerging Risk

Emerging risk refers to the risk of loss that may have never occurred or never been experienced and is difficult to quantify in terms of frequency and severity because of uncertainties and changes in such conditions as politics, law, society, technology, physical environment and natural changes.

The operations of the Company can be affected by emerging risk that has never arisen or never been experienced and is difficult to quantify in terms of impact.

We have adopted measures to manage emerging risk by establishing a Risk Management Committee and a Risk Management Working Group that are well prepared for dealing with the risk. Incident Report has been introduced to record unusual events and to identify real causes of each incident and timely action to remedy and restore the situation. The report is also designed to record all aspects of incidents as well as preventive and remedial steps so as to enable each department/office to monitor and improve processes in ensuring normal operations.

3. Driving a Business Sustainability

3.1 Sustainability Policy and Target










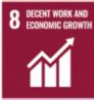



Corporate Sustainability Policy










Charan Insurance Public Company Limited conducts its business with a commitment to good corporate governance, aiming for organizational sustainability through adherence to social and environmental responsibility. The Company's focus is on promoting sustainable development in its relationship with stakeholders. It upholds the principles of good corporate governance, business ethics, and legal compliance, encompassing various requirements. The Company actively seeks to understand the needs and expectations of all stakeholder groups, allowing it to adapt to changes efficiently and respond to the diverse needs of stakeholders. The overarching objective is to establish a harmonious balance between the Company and stakeholders, facilitating coexistence. The Company strives to fulfill the needs and expectations of stakeholders in alignment with its vision, direction, and operational strategy. This commitment serves as a framework for sustainability operations at the corporate level, showcasing a dedication to sustainable business development across the entire value chain. In response to the United Nations' Sustainable Development Goals (SDGs), the Company integrates Corporate Social Responsibility for Sustainability into its practices. It has formulated a structured approach for conducting activities that resonate with the current societal context in Thailand, with the overarching goal of contributing to the creation of a harmonious and content society.

In 2023, the Company has implemented sustainability management policies and goals to steer its business operations, emphasizing social and environmental responsibility for sustainable growth. These policies encompass all facets of operations, spanning environment, society, governance, and the economy. Notably, the Company's current operations align with 14 out of the 17 Sustainable Development Goals.

SUSTAINABLE DEVELOPMENT GOALS



Policies	Sustainability issues	Targets	Indicators	SDGs
Sustainable environmental management	<ul style="list-style-type: none"> Environmentally friendly work processes Energy conservation Management of waste and leftover materials Water management Collaboration for environmental care within the community surrounding the office 	<ul style="list-style-type: none"> There is a continual reduction in GHG emissions resulting from energy consumption in business operations Efficiently manage waste and leftover materials Minimize unnecessary water consumption. No complaints from stakeholders were reported regarding the impact of the company's business operations 	<ul style="list-style-type: none"> There has been a 1% decrease in GHG emissions from energy consumption in office operations The amount of waste paper used in business operations continues to decrease There has been a 1% reduction in the amount of water consumption from the previous year Zero of complaint from stakeholders impacted by the Company's business operations 	      
Generating shared social value.	<ul style="list-style-type: none"> Employee stewardship and personnel development Occupational health and safety Society and community stewardship Employment and 	<ul style="list-style-type: none"> There has been a reduction in employee turnover compared to 2022 Number of training hours increase from 2022 All employees undergo annual health check up There have been no reported accidents involving employees in the workplace There were no complaints from neighboring communities regarding the impact of the Company's business operations There were no 	<ul style="list-style-type: none"> The employee turnover rate has decreased by a maximum of 4 % Number of training hours increased by 10% All employees have undergone 100% health check up Zero accident without any lost time Zero of complaint from neighboring communities regarding the impact of the Company's business operations throughout 2023 Zero of complaint 	     

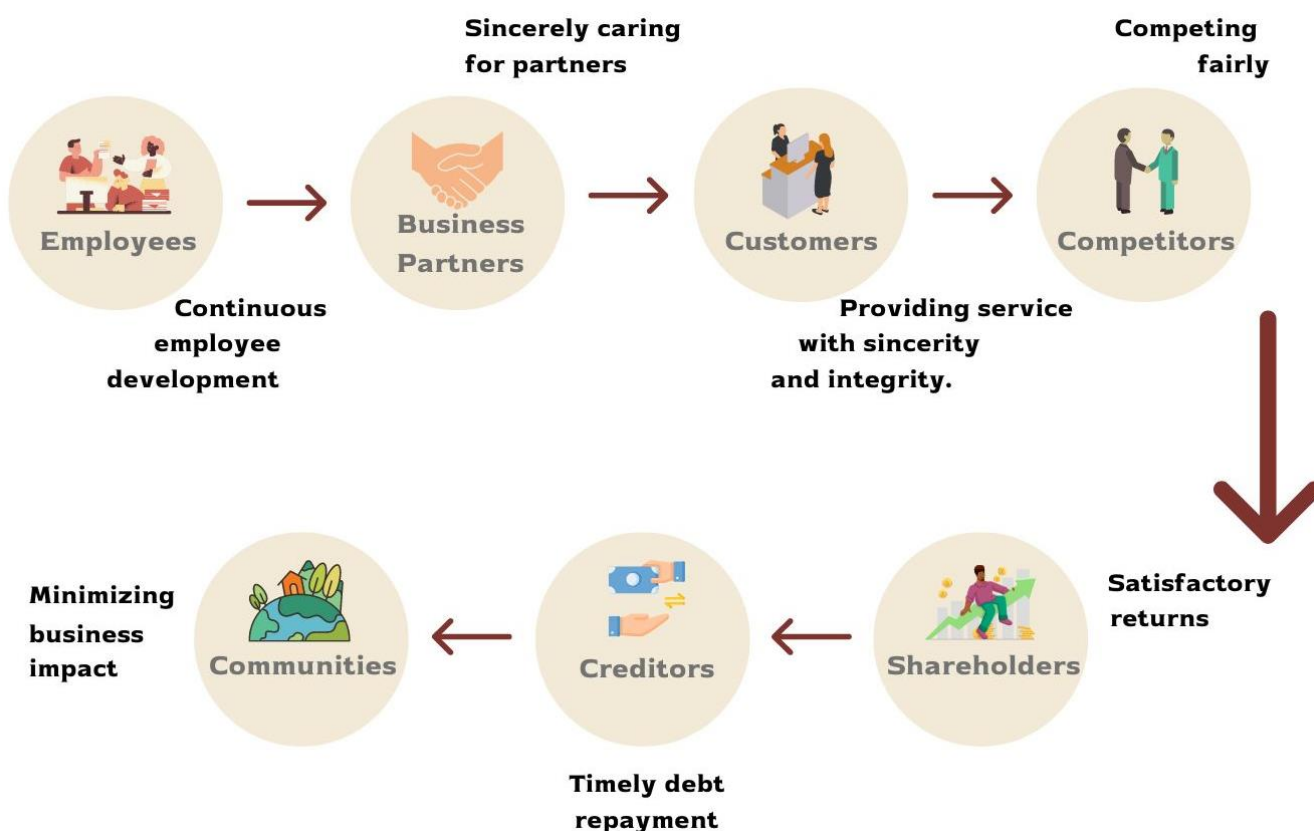
Policies	Sustainability issues	Targets	Indicators	SDGs
	respect for human rights ■ Communication and training on human rights ■ Manage human rights complaints and remedies	complaints from stakeholders affected by human rights violations	from stakeholders affected by human rights violations throughout 2023	
Corporate governance	■ Corporate governance ■ Risk management and business continuity	■ Implement operational guidelines based on the principles of good governance until become the organizational culture ■ Manage organizational risks within acceptable limits	■ Zero of violating the Company's code of conduct ■ Zero of risk event affecting the Company's operations	   
Continuous development of business processes	■ Good operational outcomes ■ Product responsibility ■ Innovation and technology ■ Supply chain management	■ Policy sales increased from 2022 ■ Various online channels available for selling insurance policies ■ No complains from stakeholders affected by the Company's business operations	■ The direct insurance premium statistics for the company amount to no less than 400 million baht. ■ Customers have the option to access services through online channels. ■ Zero of complaint from stakeholders	    

3.2 Stakeholder Impact Management throughout the Value Chain




The Company acknowledges the significance of stakeholder participation, considering strong relationships as the bedrock of trust. Incorporating suggestions and opinions from stakeholders is instrumental in propelling the Company towards sustainable goal achievement. Stakeholder management is crucial for organizations to respond effectively to the needs of all parties and mitigate risks that may harm the organization's image. Accordingly, the Company maintains regular communication with stakeholders to comprehend diverse issues of interest. This information is integrated into the decision-making process and used to plan the Company's business operations.





The Company has conducted an analysis of the relationship between its business and stakeholders in each operational activity. This analysis aims to assess the management of key sustainability issues crucial for adding value to products and services, thereby enhancing the company's competitiveness. The process comprises four continuous and interrelated activities, spanning from upstream to downstream along the value chain, as outlined below:

Relationship between business and stakeholders in the value chain



The Company categorizes stakeholders into 7 groups: employees, business partners, customers, competitors, shareholders, creditors, and communities/society. It has established an operational model designed to address diverse needs and expectations across these stakeholder groups.

Stakeholders	Needs / Expectations	Satisfy an Expectations	Results
Employees 	<ul style="list-style-type: none"> • Provide suitable remuneration and benefits. • Workplace safety • Knowledge and potential development • Expressing opinions freely • Equality and fairness • Career stability and advancement • Positive working atmosphere • Ensure proper and efficient measures for COVID-19 prevention and support 	<ul style="list-style-type: none"> • Conduct training sessions to educate employees and encourage participation in relevant seminars offered by pertinent agencies • Annual health checks up • Listen to complaints and comments through various channels • Organize the workspace and environment effectively to foster a conducive atmosphere for work. • Provide facilities and equipment to prevent the epidemic of Covid-19 situation • Provides an Antigen Test Kit (ATK) for employees who entering to the office with re-tests every 14 days 	<ul style="list-style-type: none"> • Zero accident without any lost time • There was a 3.55% decrease in training hours from 2022 • Zero of complaint from employees throughout 2023
Business partners 	<ul style="list-style-type: none"> • Follow trade conditions and agreements fairly • Participate in solving problems and improving collaborative processes • Support various activities • Ensure proper and efficient measures for COVID-19 prevention and support 	<ul style="list-style-type: none"> • Follow trade conditions and agreements fairly • Communication of information is accurate and clear • Stay continuously updated on new products • Summary report of policy renewal and monthly performance • Quickly coordinate and solve problems • Provide facilities and equipment to prevent the epidemic of Covid-19 situation 	<ul style="list-style-type: none"> • Zero of complaint from business partners throughout the year 2023
Customers 	<ul style="list-style-type: none"> • A variety of quality products and services to serve the customers need of all groups • Convenient to receive services • Responsible and fair service delivery, including the performance of contracts or agreements • Receive accurate product and 	<ul style="list-style-type: none"> • Provide a customer relationship supervisor to facilitate the needs • Public relations to provide accurate, complete, clear and transparent information about products and services • Providing channels for customers to express their opinions, suggestions and complaints 	<ul style="list-style-type: none"> • Zero of the complaint from customers throughout the year 2023 • Number of policy sales experienced a 54.98% decrease from 2022

Stakeholders	Needs / Expectations	Satisfy an Expectations	Results
	service information		
	<ul style="list-style-type: none"> Continuously support customer activities Ensure proper and efficient measures for COVID-19 prevention and support 	<ul style="list-style-type: none"> Provide facilities and equipment to prevent the epidemic of Covid-19 situation 	
Competitors 	<ul style="list-style-type: none"> Operate business with transparency, fairness, and comply with the framework of good and honest competition 	<ul style="list-style-type: none"> Do not seek competitors' confidential information by dishonest means, and do not damage competitors' reputation, in accordance with the requirements of the law 	<ul style="list-style-type: none"> Zero of complaint from competitors throughout the year 2023
Shareholders 	<ul style="list-style-type: none"> The Company's performance has improved steadily Stable business growth Good Corporate Governance Equitable treatment of shareholders Receive accurate, complete and timely information Manage risks appropriately and efficiently Ensure proper and efficient measures for COVID-19 prevention and support 	<ul style="list-style-type: none"> Provide the AGM meeting Annual Report Quarterly performance reporting Disclosure of information through corporate communication channels Equitable treatment both minority and majority shareholders Communicate information and hold an AGM meeting 	<ul style="list-style-type: none"> Total net income from the Company's business operations decreased from 2022 by 35.31% Dividend payment for the year 2023 has decreased from the year 2022 by 37.50% The Company's performance has decreased from the year 2022 Zero of the complaints from shareholders / investors throughout the year 2023
Creditors 	<ul style="list-style-type: none"> Interest payment and repayment on schedule Frequent communication and regular disclosure of information Strictly complying with terms and conditions stipulated in the contracts 	<ul style="list-style-type: none"> Provide communication channel for suggestions or complaints Strictly complying with terms and conditions stipulated in the contracts 	<ul style="list-style-type: none"> Zero of default Zero of complaint from creditors throughout the year 2023
Communities / Social / Environment 	<ul style="list-style-type: none"> Without creating a negative impact on the communities, social, and environment Take part in solving problem Operate the business with transparency 	<ul style="list-style-type: none"> Provide communication channel for suggestions or complaints. 	<ul style="list-style-type: none"> Zero of complaint from communities throughout the year 2023

3.3 Sustainability Management - Environmental Dimensions

3.3.1 Environmental Guideline and Policy

Environmental Policy

The Company acknowledges that, despite not being in the manufacturing industry with extensive reliance on natural resources, it utilizes energy and resources in its operations. In the Board of Directors' meeting No. 1/2023 on February 22, 2023, it was resolved to approve the Environmental Policy. This policy aims to comply with environmental and energy conservation laws and regulations by implementing measures for efficient energy and resource use within the organization. The focus is on raising awareness among directors, executives, employees, and all stakeholders involved in environmental protection. The objective is to transform the organization into a Green Office, encouraging all personnel to contribute to environmental care and sustainable reduction of environmental impact. The environmental guidelines include:

1. Recognize the significance of conducting business operations without adverse effects on the environment.
2. Address energy conservation and climate change by implementing diverse energy-saving measures, including the reduction of greenhouse gas emissions from business operations.
3. Promote awareness and responsible energy usage by establishing annual energy consumption targets. Advocate for practical implementation aligned with the defined.
4. Effectively handle waste materials and utilize them in diverse fields, with an emphasis on promoting their reuse for resource efficiency.
5. Encourage collaboration and engagement with external agencies in the conservation of natural resources and environmental stewardship.

The Company's "Environmental Policy," having undergone review and approval by the Board of Directors, is now accessible on the Company website under the "Good Corporate Governance" category.

3.3.2 Environmental Performance

1. Energy management

The Company prioritizes maximizing the benefit derived from energy use and, accordingly, has implemented measures for energy conservation in alignment with its environmental preservation policy. The focus is on reducing GHG emissions resulting from electrical energy consumption, a primary energy source in the Company's operations. Additionally, the Company opts for environmentally friendly technologies and materials, aligning with its overarching goal to decrease GHG emissions.

Goal: Reduce electricity consumption

Office electricity consumption decreased by 10%

The Company has implemented measures to regulate the utilization of electrical energy, aiming to decrease the GHG emission associated with its electrical energy consumption. These measures include:

- Establish guidelines for electricity conservation to be followed by all organizational departments and personnel, emphasizing the significance of energy preservation.
- Minimize electricity consumption and exercise careful energy use by employing economical and efficient practices, including turning off air conditioners, light switches, and electrical equipment at specified times.

Continuous monitoring of the above measures is conducted to ensure optimal performance, aiming to effectively control and reduce the energy consumption rate and GHG emissions at the head office.

In 2023, the head office's electricity consumption totaled 197,000 Kilowatt-hours (kWh), as indicated in the following table.

Energy consumption in business operation	Year (Unit: Kilowatt-hours)			Increase / (Decrease) (%)
	2021	2022	2023	
The amount of electrical energy consumption within the office	264,000	246,000	197,000	(19.92%)

2. Water resource management

The Company recognizes the significance of water resources, along with the associated risks and impacts tied to their utilization in Company activities. Policies and measures are in place for ongoing monitoring and management of risks related to water usage. The Company actively promotes judicious use of water resources to mitigate potential shortages in the future.

Goal: Reduce the water consumption

Water consumption within the office decreased by 5%

In 2023, the Company utilized 1,599 units of tap water, equivalent to 1,599 cubic meters, reflecting an increase of 16% compared to the previous year, as illustrated in the following table.

Water consumption	Year (Unit: cubic meters)			Increase / Decrease (%)
	2021	2022	2023	
The amount of water consumption within the office	1,458	1,344	1,559	16.00%

3. Valuable Use of Paper

Due to the Company's business requires a lot of paper resources, it can be considered a wasteful resource that is necessary to run an organization such as issuing policies, reminders, letters and receipts, etc. Therefore, opaque paper was used in the operation for optimal use on both sides, it is also produced under the Green Process using 100% planted wood pulp, ensuring that the Company participates in the best use of resources and does not destroy nature. Furthermore, in the coming future, the Company is developing an e-Document Platform system that is used to collect documents and information centrally within the organization to reduce the use of paper, resulting in a reduction in the use of natural resources and the amount of waste.

Goal: Reduce paper use within the office

Unnecessary paper use decreased by 10%

In 2023, the Company used 927 reams of paper for internal office activities, marking a decrease of 5.98% compared to the previous year, as depicted in the table below.

The use of paper	Year (Unit: ream)			Increase / (Decrease) (%)
	2021	2022	2023	
The amount of paper used for activities within the head office	924	986	927	(5.98%)
Equivalent to cutting down trees (trees/year)				
The amount of paper used for activities within the head office	77	82.17	77.25	(5.99%)

3.4 Sustainability Management - Social Dimensions

3.4.1 Social Policies and Guidelines

The Company recognizes that sustainable business growth requires acceptance and trust from stakeholders across the value chain. To achieve this, the Company is committed to conducting operations in compliance with laws, regulations, and the requirements of regulatory agencies. This includes upholding human rights in line with international principles such as the Universal Declaration of Human Rights (UDHR) and the United Nations Guiding Principles on Business and Human Rights (UNGPs). The Company also aligns with the Principles of the United Nation Global Compact (UNGC) and the United Nations Global Compact. Furthermore, the Company adheres to guidelines for responsibility towards stakeholders outlined in corporate governance, human rights, and business ethics policies. Employee welfare is addressed through related policies, and the Company supports employee development through continuous training and knowledge enhancement.

Human rights policy guidelines

1. The Company unequivocally opposes the use of child labor and strictly adheres to defined criteria and age conditions for hiring workers in accordance with the labor protection laws of the respective country.
2. The Company advocates for equitable employment practices, ensuring fair treatment of all employees. Employment terms and conditions are mutually agreed upon, with wage rates, benefits, working hours, overtime, holiday work, leave days, and other entitlements meeting or exceeding legal requirements. The Company safeguards the maternity rights of pregnant employees by granting maternity leave, which includes the period after childbirth. Wages and/or benefits during maternity leave are provided in accordance with legal requirements. Additionally, the Company ensures the right to return to the same position at the conclusion of maternity leave.
3. The Company categorically rejects all forms of forced labor and ensures that work duties are assigned based on individual abilities and mutual agreement between parties. Additionally, the Company strictly prohibits forced labor, prison labor, slave labor, or any other coerced forms of labor throughout its business operations and within the businesses under its managerial authority in the value chain.
4. The Company affords employees the right to voluntarily decide whether to participate in any activity. This includes the freedom to express opinions within the bounds of legal and ethical principles.
5. The Company advocates for the occupational safety and health of all individuals in the business value chain and relevant stakeholders. It ensures a safe working environment through the implementation of measures and systems to prevent and monitor safety risks, in strict adherence to pertinent safety and health laws.
6. The Company condemns human trafficking and harassment, unequivocally prohibiting any associated actions. This encompasses avoiding involvement in human trafficking, intimidation, parody, or any form of violence. The Company also prohibits commenting on others' differences in an undesirable manner, engaging in sexual harassment through behavior and words, and any actions that may cause physical or mental discomfort, violating human dignity.
7. The Company acknowledges and respects the rights of indigenous people, along with local customs and traditions in all areas of operation. It is committed to accepting, safeguarding, and promoting indigenous customs, traditions, heritage, wisdom, and culture, including traditional rights and cultural heritage of the indigenous people.
8. The Company will establish an extensive Human Rights Due Diligence system and process within its operations and throughout the business value chain to identify, assess, and address human rights risks. This includes implementing measures to prevent and reduce impacts, incorporating appropriate remedial measures and mitigation processes consistent with principles of righteousness and generally accepted practices. Furthermore, the Company will conduct investigations encourages the submission of

complaints or into human rights violations, monitor compliance with the human rights policy, and regularly report and disclose relevant information.

9. The Company welcomes complaints or reports of human rights violations arising from its activities or business value chain. Individuals can submit complaints through the dedicated channel on the Company's website at www.charaninsurance.co.th. The Company is committed to ensuring fairness and providing protection to those making the complaints.
10. The Company will foster a culture of respect for human rights by actively monitoring and addressing actions that violate such rights. Additionally, it will communicate, disseminate knowledge, and promote understanding of human rights consistently and regularly among the Board of Directors, executives, employees, and throughout the entire business value chain.
11. The Company will conduct an annual review of its human rights policy or when significant events occur, ensuring alignment with legal principles, international codes of practice, and the evolving business environment at all times.
12. Individuals who engage in human rights violations are deemed to be in breach of the Company's code of conduct and this policy. Such violations will be subject to disciplinary actions in accordance with the Company's regulations. In cases where the actions are considered legal offenses, legal punishments may also be imposed.

Sustainability policies and practices in the social dimension, including Corporate Governance Policy, Human Rights Policy, and Business Ethics, which have received approval from the Board of Directors, are accessible on the Company website <http://charaninsurance.co.th/>. These are located under the "About us" and "Good Corporate Governance" categories.

3.4.2 Social Performance

In 2023, the Company has a comprehensive review of human rights issues indicates that, although residual risks related to safety and occupational during COVID-19 and personal information protection have not resulted in any human rights violations, Charan will continue to improve on the risk management process to mitigate the probability and impacts of these risks as follows:

Employee Stewardship

The Company strategically plans and monitors employee engagement and development by facilitating annual opportunities for employees to voice their opinions and complaints. These complaints undergo screening before being presented at Board of Directors meetings for enhanced improvement and more effective monitoring. The focus includes issues related to workforce management tailored to business needs, learning and development initiatives, job rotation for skill enhancement, and promoting continuous learning to support business expansion. The Company also emphasizes personnel management aligned with Digital

Transformation, aiming to enhance efficiency in recruitment, succession planning, personnel selection, and particularly in key position manpower planning.

Charan's employee stewardship consists of three areas as are follows:

1. Planning and Recruitment

Charan employee planning and recruitment plans are developed to support the Company's 3-year strategic plan. In 2023, there were 64 employees, due to the COVID-19 crisis, emphasized internal recruitment (Job Rotation), only recruit new employees only for necessary positions with public relations through various channels.

2. Employee Development

To develop employees and increase their knowledge, the Company has continually emphasized that personnel development consistent with the business development plan as a key feature in recruiting personnel to be in the same direction, consistent and contributing to the success of the established organization's goals.

2023 Targets and Performance

Targets	Performance
<ul style="list-style-type: none"> Employ technology to develop new learning system that are user-friendly and serves employees' needs 	<ul style="list-style-type: none"> 100% of targeted employees completed e-learning
<ul style="list-style-type: none"> Employee training hours increased from 2023 	<ul style="list-style-type: none"> Training hours decrease from 2022 at 3.55%

3. Employee Retention

Charan's 2023 target for employee retention was to keep the Company's turnover rate to below industry benchmark. In 2023, the turnover rate was increase at 10% from 2023.

Key activities included performance assessment and compensation, promotion based on past performance as well as earnings growth, knowledge of individual abilities. In order to increase efficiency and create fairness in the long term, motivate workers and maximize their potential. The Company also plans to develop employees in line with career paths.

Appropriate employee compensation management of each level is another important part for engagement and becoming a high-performance organization. Each year, the Company considers the compensation of employees relative to the same industry as well as the external environment in order to review and improve the compensation criteria accordingly. There is an ongoing review of compensation scheme and criteria so the Company can manage compensation in consistent with the trend of needs from the new

generation employees. However, there is no discrimination on gender in determining remuneration and promotion of employee.

4. Listening to opinions and suggestions of employees

The Company provides employees with opportunities to express their opinions and suggestions, including lodging complaints through various channels such as the Company website or directly through relevant agencies. Recognizing that soliciting employee input contributes to organizational development, the Company aims to enhance internal and external aspects, including process and product development, to further strengthen the organization.

Responsibility to our Customers

Charan aims to develop a variety of products to be accessible to all groups of customers, including providing information and increasing the efficiency of insurance to serve the needs and create the highest satisfaction for the insured. In order to achieve this goal, the Company has developed appropriate plans to accommodate future changes while increasing the knowledge necessary for the organization to become the most trusted insurance company. By 2024, the Company expects the Premium Written will be up to 10% due to the expansion of voluntary and compulsory car insurance sales channels to make it more accessible to customers, including focusing on expanding the market for property and miscellaneous insurance even more in order to support the expansion of the business in the future. The Company has provided a complaint channel for customers to make suggestions or complaints on various matters; customer needs and expectations are used to continuously formulate strategies. The results of the year 2023 found that:

- Zero complaints from customers

Social and Community Development

Participation in caring for communities surrounding the office space by stipulating measures to avoid affecting the community or surrounding residents in order to meet the needs/expectations, most of which are: doing business without affecting the community, prompt communication during any emergency, multiple communication channels, etc. The results of the year 2023 found that:

- Zero complaints from the communities

Anti-Corruption

Charan regularly assesses the risks of corruption. The Risk Management Working Group will assess the initial risks and submit the assessment results to the Risk Management Committee for analysis, monitoring and control on acceptable risks, then submit to the Board of Directors accordingly. There is also an internal audit office that the company employs Thirty-Four Audit Office Co., Ltd. to review, assess and monitor the risks of corruption in the performance of duties in addition to the corporate risk assessment. The results of the year 2023 found that:

- No abnormal events or corruption were found

Safety and Occupational Health

In 2023, the Company provides a public hearing channel and exchange information from personnel each line through representatives and inform them of news and follow up on the progress of operations, pushing for the creation of COVID-19 prevention standards such as screening, equipment, maintaining a distance in common areas, which is a measure set by the Department of Disease Control, Ministry of Public Health.

As for the safety performance, resulting Charan's performance in safety and occupational health improved. Due to the Company has established safety measures in the workplace, follow-up as well as communication to those involved couple with the implementation of personal safety activities to create a sustainable safety culture. The results of the year 2023 found that:

- Zero of injury or accident while working
- Zero of illness due to occupational diseases

4. Management Discussion and Analysis: MD&A

Operating Result in 2023

For the year ended December 31, 2023 Charan Insurance Public Company Limited posted a net profit of 26.97 million Baht, decrease by 42.83 million Baht or 61.36% from 2022 which a net profit of 69.80 million Baht. The Company's revenue was from two main sources, as follows:

1) Underwriting income

Gross premiums written from all lines of business in 2023 totaled 301.62 million Baht, decrease by 182.82 million Baht or 37.74% from 2022. The vast majority of insurances are motor insurance premiums as a result of market expansion. Premiums ceded during the year were 78.10 million Baht, representing 25.89% of gross premiums. Net premiums written or retained premiums, which amounted to 223.52 million Baht, consisted of motor premiums of 158.42 million Baht, fire premiums of 38.26 million Baht, marine and logistics premiums of 6.22 million Baht, personal accident premiums 0.39 million Baht and miscellaneous premiums 20.23 million Baht, respectively.

2) Investment Income

In 2023, the investment income comprising interests and dividends, amounted to 18.79 million Baht, a year-on-year decrease of 0.65 million Baht 3.34 X%. Return on investment rate for 2023 at 2.49% increase/decrease from 2023 at 3.48% while, the return on investment of 2022 at 2.58%. The decrease was aligned with the investment yields of securities listed on the Stock Exchange of Thailand and current interest rate conditions in the financial market.

In 2023, the Company has two main types of expenditures as follows:

- Underwriting expenses amounted to 280.94 million Baht, a year-on-year increase/decrease by 115 million Baht or 29.04%. In 2023, insurance claims during the year from normal operations totaled 123.77 million Baht. The loss ratio to insurance claims was 47.62% of earned premium written, increase by 33.63% from 2022.
- Operating expenses for 2023 of 44.29 million Baht, a year-on-year decrease by 1.02 million Baht or 2.25%. The biggest expenditure items were staff-related costs and other operating expenses which mostly included IT investment spending.

Financial Position

Asset

As of December 31, 2023, the Company's total assets amounted to 916.25 million baht, declining by 63.76 million Baht or 6.51% compared to 2022. The Company holds investments in securities, including common stocks, debentures, Government Savings Bank lottery, deposits at financial institutions, and bonds, totaling 671.74 million Baht. This represents a decrease of 90.76 million Baht from 2022, accounting for 11.90%. These investments are recorded at fair value, contributing to a surplus of 6.11 million Baht in shareholders' equity, in contrast to 2022 when it was 34.50 million Baht. This decrease of 82.29% is attributed to adjustments in the Stock Exchange of Thailand index. In terms of cash and cash equivalents, along with loans and investments in securities (excluding equity instruments and general investments), the total for 2023 was 531.92 million Baht, reflecting a decrease of 48.06 million Baht from the 2022 total of 579.98 million Baht, representing 8.29%

In 2023, assets from reinsurance and receivables from reinsurance contracts amounted to 72.47 million Baht, marking an increase of 8.86 million Baht or 13.93% compared to 2022.

In 2022, assets from reinsurance and receivables from reinsurance contracts amounted to 63.61 million Baht, marking an increase of 18.65 million Baht or 41.48 % compared to 2021.

Accounts Receivable

In 2023, premiums due and uncollected total 36.84 million Baht increase from previous year by 10.93 million Baht or 42.18%. The accounts receivable is set out in the aging schedule below

(Unit: million Baht)

Age of Account Receivable	2023			2022		
	From the Insured	From Insured Agents and Brokers	Total	From the Insured	From Insured Agents and Brokers	Total
1. Not yet due	-	28.49	28.49	-	18.56	18.56
2. Up to 30 days past due	1.28	4.14	5.42	1.52	3.74	5.26
3. 31-60 days past due	0.06	2.19	2.25	0.08	1.40	1.48
4. 61-90 days past due	-	0.31	0.31	-	0.34	0.34
5. 91 days-1 year past due	0.02	0.99	1.01	-	1.36	1.16
Total premiums due and uncollected	1.36	36.12	37.48	1.60	25.20	26.80
Allowance for doubtful accounts	-	(0.64)	(0.64)	-	(0.89)	(0.89)
Net premiums due and uncollected	1.36	35.48	36.84	1.60	24.31	25.91

The average collection period for premiums due and uncollected for 2023 was 38 days. The Company pursued its policy of rigorous credit control aimed at ensuring the established risk management policies and plans are effectively implemented. At year end, an allowance for doubtful accounts was made for 0.64 million Baht, which was based on past collection experience and regarded as adequate.

Investment in Securities

(Unit: million Baht)

Available-for-sale Investment	2023					2022				
	Cost	Unrealized gain	Unrealized Loss	Fair Value	Percentage of equity investment to total assets	Cost	Unrealized gain	Unrealized Loss	Fair Value	Percentage of equity investment to total assets
Government and state enterprise securities										
Equity shares	4.92	3.40		8.32	0.91	4.92	2.77	-	7.69	0.78
Private securities										
Equity shares	168.08		(3.31)	164.77	17.98	167.99	94.09	(69.48)	192.60	19.66
Investments not listed in the Stock Exchange of Thailand	0.34	7.56		7.90	0.86	0.34	15.75	-	16.09	1.64
Total	173.34	10.96	(3.31)	180.99	19.75	173.25	112.61	(69.48)	216.38	22.08

(Unit: million Baht)

Held-to-Maturity Investment	2023		2022	
	Amortized Cost	Percentage of equity investment to total assets	Amortized Cost	Percentage of equity investment to total assets
Government and state enterprise securities				
Premium savings bonds	1.20	0.13	1.20	0.12
Foreign bonds	5.00	0.55	5.00	0.51
Debentures, convertible debentures	-		-	
Private securities				
Debentures, convertible debentures	345.00	37.65	350.54	35.77
Bank deposits	174.89	19.09	189.38	19.33
Investment outside the Stock Exchange of Thailand	-		-	
Total	526.09	57.42	546.12	55.73

In 2023, the company invested in securities with Available-for-sale investments totaling 180.99 million baht, a 16.36 percent decrease from the previous year, amounting to 35.39 million baht. Additionally, investments in held-to-maturity instruments amounted to 351.20 million baht, reflecting a 10.45 percent decrease of 41.00 million baht from the previous year. This reduction is attributed to decreased investment in private debt instruments and bank deposits. Simultaneously, the company set an allowance for expected credit losses at 35.35 million baht, indicating a 1.72 percent decrease of 0.62 million baht from the previous year.

Liquidity

Net cash generated from operating activities in 2023 was increase year over year by 143.57%, while net cash used in investing activities in 2022 was 0.06 million Baht, an increase by 0.32 million Baht from 2022. Cash and cash equivalents as at December 31, 2023 total 8.02 million Baht, a year-on-year increase by 110.80 million Baht.

As at December 31, 2023, the Company's liquidity ratio was 2.31 times, increase from the 2022's ratio of 2.23 times. Current assets available were sufficient to cover current liabilities and were in line with the liquidity risk management policy set by the Company.

Liabilities

As of December 31, 2023, the Company's liabilities stood at 356.85 million Baht, marking a decrease of 40.01 million Baht from the 2022 total of 396.86 million Baht. The current debt-to-equity ratio is 0.64 times, showing a reduction from 2022 when the ratio was 0.68 times. The majority of the Company's liabilities comprise unearned premium reserves, outstanding compensation, reserves for claims not reported to the company, funds held from reinsurance, accrued reinsurance-related amounts, employee benefit obligations, deferred tax liabilities, and others.

Shareholders' Equity

As of December 31, 2023, the Company's shareholders' equity totaled 559.39 million Baht, experiencing a decrease of 23.76 million Baht from the 2022 figure of 583.15 million Baht. This reduction was influenced by the 2023 profit of 26.97 million Baht, compared to the 2022 profit of 69.80 million Baht. In 2023, the Company distributed dividends to shareholders amounting to 24.00 million Baht, whereas no dividends were paid in 2022.

Events after the Reporting Period

During the Board of Directors' Meeting No. 1/2024 on February 21, 2024, it was resolved to endorse the payment of dividends for the fiscal year 2023. This proposal will be presented at the 2024 Annual General Meeting of Shareholders on April 24, 2024, for consideration and approval of regular dividends for the operating results spanning from January 1, 2023, to December 31, 2023.

Non-life Insurance Business Trends in 2024

In 2023, the general insurance industry rebounded from the Covid-19 crisis, witnessing a turnaround as many companies closed. The outlook for 2024 appears promising, potentially constituting a "golden year" with insurance premiums expected to surpass 300 billion Baht. A profit before tax (EBITDA) exceeding 20,000 million baht is anticipated for the general insurance business. The first nine months (January - September) of 2023 saw a profit of 17,677 million Baht, reversing the 39,425 million Baht loss in the same period last year (YoY). Almost all insurance types are expected to experience growth, driven by economic recovery and government initiatives to stimulate spending and investment. The return of liveliness to tourism further contributes positively to the insurance industry.

Insurance Premium for Electric Vehicles has Surged

During the initial 9 months, premiums received for electric vehicles (EVs) reached 210,141 million Baht, marking a 5.2% growth driven by a surge in record-breaking sales. Notably, EVs from China secured the second-highest sales position at the recent Motor Expo, suggesting a potential significant increase in car insurance amounts. Projections for insurance premiums on EVs in 2024 anticipate a 25-30% increase compared to traditional cars. This is due to insurance companies still facing high-cost risks, particularly related to battery damage and the expensive spare parts, necessitating direct ordering from abroad. Moreover, the limited number of skilled craftsmen, coupled with pending approvals for repairs outside authorized garages, contributes to the higher premiums.

In 2024, premiums exceed 300 billion!

The trend for total insurance premiums in 2024 anticipates a 5-6% increase, ranging from 301,050 to 303,900 million Baht. This growth is attributed, in part, to the continued rise in EV sales, potentially exceeding 100,000 units, supported by government initiatives. The miscellaneous insurance premium portfolio reached 78,630 million Baht, experiencing a 4.6% growth. This increase is driven by property



insurance (IAR) with higher premiums at 25,884 million Baht, reflecting a 16.1% growth, this attributed to the hard market, stemming from rising interest rates. This condition may impact the renewal of some reinsurance contracts in the upcoming year. The fire insurance premium portfolio stood at 7,762 million Baht, marking a 2.1% increase linked to the rising value of housing loans in the first half of the year. However, the marine and transportation insurance portfolio (Marine) reported a total premium income of 5,330 million Baht, showing a slight 0.6% decrease YoY due to the negative value of product imports. The

health insurance portfolio is expected to grow between 10.5% and 11.5%, fueled by sustained high medical inflation and increased awareness of health insurance importance, leading to annual premium increments. Additionally, travel insurance is projected to grow by 9-10%, considering the expected surge in tourists, surpassing 28 million this year, more than twice the previous year. This growth trend is expected to persist into the next year.

The general insurance landscape is undergoing rapid changes, driven by the swift evolution of technology and constant shifts in consumer behavior and expectations. These dynamic factors pose challenges to the insurance sector, prompting companies to adapt to changes. Many insurance firms are proactively addressing various issues that impact the confidence of policyholders and the public. This includes collaborating with relevant agencies to ensure protection against foreign companies selling insurance in Thailand without proper licenses. Public relations efforts are also underway to disseminate knowledge and provide advice to the public on insurance purchases. Additionally, compliance with the Personal Data Protection Act (PDPA) is a key focus. Recognizing the significance of these matters, the Thai General Insurance Association has implemented measures to oversee and encourage companies to adhere to the law. Comprehensive guidelines for the non-life insurance sector, covering all aspects of PDPA, have been developed (PDPA Guidelines for Non-life Insurance Industry). This initiative aims to facilitate communication and understanding among member companies, enabling full compliance with personal data protection laws. The association is dedicated to promoting and supporting the general insurance business as a sustainable pillar of the country's economic and social system. It aligns with the commitment to serve as a professional risk manager for both the government and private sectors, emphasizing professionalism and establishing operational standards to guide transparent business practices. This, in conjunction with societal contributions, propels the Thai general insurance business towards continuous and stable growth.

Source: <https://www.prachachat.net/finance/news-1463137>
<https://www.bangkokbiznews.com/finance/investment/1104157>

5. General Information and Other Key Information

5.1 General Information

Charan Insurance Public Company Limited

Location

Head Office: 408/1 Charan Insurance Building, Ratchadaphisek Road
Samsen Nok, Huai Khwang, Bangkok 10310

Khon Kaen Branch: 377/1-3, Moo 12, Mueang Kao, Mueang, Khon Kaen

Registration No.

0107537000807

Paid-up capital

120,000,000 Baht, comprising
12,000,000 ordinary shares, at 10 Baht per share

Company establishment & Commercial operation

November 10, 1949

Nature of business

Non-life insurance

Contact

▲ Investor Relations

Tel. 0-2276-1024 cont. 207, 212 Fax. 0-2275-4919

Email: charanins@charaninsurance.co.th

▲ The Company Secretary Department

Tel. 0-2276-1024 cont. 207, 212 Fax. 0-2275-4919

Email: charanins@charaninsurance.co.th

▲ Website

<http://charaninsurance.co.th/>



5.2 Reference Persons

▲ Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel. 0-2009-9000 Fax. 0-2009-9991

▲ Auditor's Office and Auditor

DIA International Audit Co., Ltd.

316/32 Sukhumvit 22 Road, Klongtoey, Bangkok 10110 Tel. 0-2259-5300-2

By Mrs. Suvimol Chrityakierne Registration No. 2982

and/or Mr. Joompoth Piratanakorn Registration No. 7645

and/or Miss Suphaphorn Mangjit Registration No. 8125

▲ Financial Advisors

- None -

▲ Legal Counsel

- None -

5.3 Legal Disputes

As of December 31, 2023, the Company does not have any legal disputes or litigation in any manner that has a negative impact on the assets, financial position, and the Company's business operations are more than 5% of the shareholders' equity or 10% of current assets.

5.4 Secondary Market

- The Company has no securities listed in the secondary market in other countries -

5.5 Regular Contact Financial Institution (Only in case when the Company issues debt securities)

- The Company does not issue debt securities -

Section 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors recognizes the roles and duties of the organization's leadership consistently by adhering to the principles of good corporate governance, focusing on creating utmost benefits for shareholders and considering all stakeholders with morality, transparency and accountability. Therefore, it has established its Corporate Governance Policy in writing since 2020 with the revision by the Board of Directors annually. We strongly believe that corporate governance processes will enhance the Company's operations to grow and sustainably lead to success, including adding value to shareholders. To date, the Company has focused on cultivating an understanding of good corporate governance as well as awareness of how to apply such principles in their daily life. This has turned into a company culture. The Company has constantly evolved its corporate governance practices by way of studying domestic and international governing guidelines for such practices. The Board has decided to annually revise its policy.

6.1.1 Policies and guidelines on the Board of Directors

1. Nomination and Appointment of Directors and Executives

Since the Nomination Committee has not been established, the Board of Directors jointly considers and screens qualified persons to appoint directors and executives, focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given to Board Diversity in order to nominate the directors' qualifications by considering skills which have been missing and also appropriate qualifications in compliance with the structure of Directors and in line with the Company's strategic directions, to enhance the strength and effectiveness of the Board of Directors toward professional and diverse directors by considering the structure, size and composition of the board.

2. Board Remuneration

The Company has not established a committee in charge of Director's and Executives' Remuneration. Decision on directors' remuneration has a transparent process in accordance with the scope of duties and responsibilities of the directors. The remuneration is enough to attract qualified directors who can complete their duties to achieve a desirable goal and direction for the Company. Such compensation is comparable to similar industries and size as well as considering the operating results before submitting to the Board of Directors for consideration, then propose to the Annual General Meeting of Shareholders with a transparent process to create confidence for shareholders.

3. Board Meetings

- (1) The Board of Directors meets regularly and has its meeting scheduled for at least once every quarter (minimum of four meetings per year). Special additional meetings may also be held, when necessary, to consider financial statements, to discuss and set policies and to monitor performance. Every Director must always be ready to attend a Board meeting.
- (2) Specific agenda including the date, time and location of the meeting along with supporting documents are sent to all Directors at least seven days in advance, except in exigent circumstances, to allow Board members sufficient time to peruse the information.

In 2023, schedule of the Board of Directors' meeting for 2027 was determined in advance (the schedule meeting may be subject to change) as follows:

No.	Board of Directors' meeting	Audit Committee's meeting
1	February 21, 2024	February 16, 2024
2	May 9, 2024	May 2, 2024
3	August 7, 2024	August 1, 2024
4	November 6, 2024	November 1, 2024

- (3) Under the Company's policy, a vote at a meeting of the Board shall require a quorum of not less than two-thirds of the total number of Directors.
- (4) The Board of Directors has access to significant information either from the Managing Director, the Company Secretary or other designated executives.
- (5) The Board encourages the Managing Director to invite key executives to Board meetings to present details on matters they are directly responsible for, and to allow the Board to gain familiarity with the executives for succession planning purposes.
- (6) At each meeting, the Chairman shall assign the Managing Director to present agenda items, allocate time for discussions and summarize issues for consideration by the Directors. Every member of the Board is encouraged and given the opportunity to express their views and opinions, all of which are gathered for decision-making and conclusion of the meeting.

4. Independence of Board of Directors from Management Department

Charan defines the roles and responsibilities of the Board of Directors separately from the management, with clearly preserving the specific rights of the Board of Directors and setting clear business goals to guide the management's performance. The Board supervises the Company to determine the roles and duties of the Board of Directors and executives in accordance with the law and charter, covering the important roles and duties of the Audit Committee, auditors, internal auditors, and the responsible person

for the financial reports where the Board of Directors is knowledgeable about the Company's business and has expertise that is beneficial to the Company.

5. Director Development

(1) Orientation of new directors

The Board of Directors has scheduled an orientation for new directors to create mutual understanding of Charan's business as well as prepare them for the performance of their duties. At the same time, it has a policy to enhance knowledge and new perspectives for all directors in terms of good corporate governance, information technology, and new innovations in order to support the effective performance of the directors to be able to take office as quickly as possible, with the Company secretary coordinating the following matters:

- Essential matters: business structure, Board structure, scope of authority and duties, essential legal matters;
- General knowledge of the business: operating approaches, and observation of each department at work;
- Meetings/briefings: with the Chairman of the Board and the Managing Director to obtain in-depth information about the business operations of the Company.

(2) Ongoing development

Charan encourages its directors to undergo additional study and training to enhance their knowledge of Board roles and duties in efficient management, supporting business changes and adding useful perspectives to apply to the Company's business. Therefore, the directors are encouraged to develop their knowledge in various courses, such as the Director Certification Program (DCP) and the Director Accreditation Program (DAP) from the Thai Institute of Directors Association (IOD).

6. Assessment of directors' performances

The Board of Directors set an evaluation form for the Board's performance at least once a year. The Board conducts the evaluation in two forms, namely self-assessment, and group-assessment, for the Board's review of performance outcomes and problems for performance development.

The Board of Directors Performance Assessment Process

- (1) The Board approves and reviews the assessment forms to ensure that they are proper and complete and meet the standards of the regulatory agencies.
- (2) The Company Secretary collates appraisal results from each Director as well as analyzing and summarizing assessments of the Board's effectiveness over the past year, before reporting assessment analyses to the Board of Directors.
- (3) The Company Secretary then compiles the analyses and additional opinions from the Board into an improvement action plan

Overall Performance Assessment Criteria

Assessment Criteria	Self-Assessment	Group-Assessment	
		Entire Board	Committee
Board / committee structure and qualifications	✓	✓	✓
Board's / committee's role and responsibility	✓	✓	✓
Board meeting / committee meeting	✓	✓	✓
Board's functions	×	✓	×
Board-Management relationship	×	✓	×
Board and executive development	×	✓	×

6.1.2 Policies and guidelines on the Shareholders and Stakeholders

• Rights of Shareholders

Pre-meeting

Charan appreciates the shareholders' rights by promoting and protecting their exercise of basic rights and facilitating all aspects that ensure all shareholders can equally enjoy the rights they are entitled to. These include, among others, the right to receive adequate information, the right to suggest agenda items and questions in advance of a meeting, and the right to vote on important matters. We shall avoid anything that might violate any right of our shareholders.

In 2023, the Company has scheduled the Annual General Meeting of Shareholders on April 26, 2023 at 14.00 hours at the Company's conference room on 11th floors, Charan Insurance Building 408/1, Ratchadaphisek road, Samsen Nok, Huaykwang, Bangkok. The Company has assigned the Thailand Securities Depository Co., Ltd., its registrar sends the notice of the meeting to the shareholders 21 days prior to the meeting, as statutorily required. The meeting notice was also posted on our website 30 days in advance to allow our shareholders sufficient time to peruse the supporting information provided. The Company also invited all shareholders to propose agenda and put forward questions as well as nominating candidate to be the Company's director in advance of the meeting. The notice provided clear details, in Thai and in English, of the date, time, venue and agenda of the meeting as well as attendance and voting procedures along with sufficient advance information relating to the decisions to be made under each agenda item in timely manner. Each item on the agenda was marked clearly as for information or for consideration and included opinion of the Board on the matter. We ensured that there was nothing to limit the shareholders' opportunity to peruse meeting-related information or to attend the general meeting. In addition, the notice advised the shareholders of the proof of identity required to be presented on the day of the meeting in ensuring their right to attendance. The Company further arranged for the notice of the general meeting to be published in newspapers three days in advance.

Day of meeting

Charan emphasizes to all shareholders and their convenience by choosing to hold its general meeting at the Company's conference room on 11th floors, an easily accessible location with proximity to Ratchadaphisek MRT Station. We provided facilities to suit the convenience of attending shareholders, e.g. arranging screening point, well-staffed reception, signposts, registration officer in a reasonable number, using barcoding to facilitate registration and voting processes, providing printed supplementary documents, proxy forms in the formats prescribed by the Ministry of Commerce, voting ballot papers, and allowing shareholders to register one hour before the start of the meeting for more convenience.

The Board has a policy that requires all Directors, particularly the Chairman of the Board, as well as senior executives, Company Secretary and external auditors to attend every general meeting in order to answer questions from the shareholders. Our 2023 general meeting was also attended by Mr. Winchai Kiatniyomsak, the shareholders' rights protection volunteers from the Thai Investors Association who acted as observers to ensure transparent conduct of meeting in accordance with the law and the Company's Articles of Association. Before the meeting commenced, the Managing Director was assigned by the Chairman to inform the meeting the numbers of the shareholders present in person and proxy and to explain the rules and procedure of voting by ballot on each agenda item – especially with regard to votes against and abstentions so as to ensure all votes of the shareholders were transparent and could be verified should a dispute arise.

During the meeting, the chairperson conducted the meeting according to the stated agenda and allocated sufficient time for consideration of each item before putting it to a vote. Information about the Company's external auditors were also presented to the meeting to demonstrate their independence. Moreover, all shareholders are given opportunities to exercise fully their right to protect their interest by debating, querying, suggesting or expressing their opinions at the meeting. The chairperson and executives provided clear and pertinent answers to every question. A written record or minutes were taken of the proceedings of the meeting, together with details of questions and answers as well as voting results for each resolution, i.e. Approve, Disapprove, Abstain, and Void.

Post-meeting

After the meeting, the Company ensured that the minutes were clearly recorded with list of Directors present, questions and significant clarifications, and details of each resolution, and that the resolutions passed at the meeting and the voting results were disclosed via the Stock Exchange of Thailand's system and submitted to the relevant agencies within 14 days of the meeting date. The minutes were also posted in Thai and in English on the Company's website.

- **Equitable Treatment of Shareholders**

It is the Company's policy to promote and emphasize fair and equitable treatment of all shareholders in order to protect their exercise of basic rights, particularly the rights of minority shareholders that might be infringed on. We have therefore adopted the following practices to ensure consistency with the policy:

1. Every general meeting is conducted according to the order of the agenda given in the meeting notice and no extra items shall be added to the agenda without notifying the shareholders in advance. This is to ensure that the shareholders have sufficient time to consider information relating to each item on the agenda before making a decision;
2. We invite our shareholders to suggest agenda items in advance by issuing an invitation to all shareholders on our website and on the website of the Stock Exchange of Thailand. Details are also provided as to the procedure for advance suggestion of agenda items and the criteria for inclusion of such items on the agenda. Suggestions received shall be screened by the Board of Directors, and those approved by the Board will be included on the agenda. Any suggestions not agreed for inclusion by the Board shall be communicated, along with the reasons, to the shareholders via the Company's website.
3. We encourage shareholders to use form of proxy by sending Proxy Form B and Form C – prescribed by the Ministry of Commerce's notification and by which shareholders can indicate their voting preference, together with details of the Independent Director designated by the Company as shareholders' proxy. The forms enable shareholders to appoint any person to attend and vote on their behalf or to appoint the Independent Director as their proxy at the meeting. The Company also arranges for duty stamps to be available for those proxy forms produced without stamps on to facilitate attendance by shareholder's representative.
4. Before the meeting commenced, the Managing Director shall inform of the voting and vote counting rules and procedures which are in accordance with the Company's Articles of Association. Such rules are: that each shareholder shall have one vote for every share held, and voting shall be done in an open manner; that ballot papers shall be used for voting on each item on the agenda, especially on the appointment of Directors, where shareholders can exercise their right to appoint each director individually; that the meeting shall be conducted in accordance with the Company's Articles of Association and with no items other than those on the agenda originally stated in the notice; and that, during the meeting, the chairperson shall allocate time for all shareholders to ask questions and make comments or suggestions in an equitable manner before putting the item to the vote.
5. Voting and vote counting is done in a speedy manner. All shareholders are given ballot papers, which are made for each significant agenda item so that they can be used properly. All ballot papers cast will be kept for verification purposes. The number of votes cast at the meeting shall be added to the

number of votes indicated in advance in the proxy forms before voting results are announced to the meeting.

6. The Company ensures that each resolution passed with the number of Approve, Disapprove, Abstain, and Void are recorded in writing in the minutes of the meeting, along with all questions, answers, clarifications and opinions at the meeting. Within 14 days of the meeting, we shall publish the minutes on our website and keep the original minutes at the Company's head office for scrutiny by all concerned.
7. The Company has formulated a policy and guidelines governing inside information, which prohibit executives and staff at all levels from making use of inside information for personal gain. All Directors and executives have a duty to submit a declaration of their interest or the interest of their related persons, a declaration of their shareholding in the Company or such holdings of their spouse and children under legal age, and a declaration of any change to such holding either from buying, selling, transferring or accepting transfer of shares. Details of the policy and guidelines are set out under the "Inside Information Control"

- **Stakeholder Rights**

Charan is committed to looking after stakeholders, whose rights are provided by applicable laws. The Board establishes a process promoting cooperation between Charan and stakeholders in creating wealth, financial security, and business sustainability. The Board recognizes and values the rights of stakeholders as defined by laws, human rights and fair labor treatment to ensure that the stakeholders' rights are protected and well-treated. It also establishes suitable communication channels for all stakeholders and whistleblowing channels for employees and other stakeholders so that stakeholders may more efficiently participate in maintaining Charan's interests. We have established the framework for ethical business conduct, which is published on our website, as an understanding that the Company shall not engage in anything that would violate the rights of our stakeholders and that our responsibility towards each group of stakeholders shall be demonstrated through the following practices:

- **Shareholders:** We have a policy to emphasis on creating value and being a good representative of the shareholders in business operation, protecting the interests of shareholders to deliver maximum satisfaction to all shareholders through good returns with quality and transparent disclosure of correct, complete, reliable and traceable information.
- **Staffs:** We regard our people as valuable and pivotal to the efficient conduct of the business and therefore ensure that they are treated fairly and their rights duly respected. The safety and welfare of the staff is always our chief concern. Committed to equal treatment and opportunity for all, the Company provides fair and appropriate compensation and benefits. Staff members are remunerated according to their responsibility and labor market mechanism as well as the Company's short- and long-term performance. We also have a policy to promote the development of staff's knowledge and

competence to provide opportunities for staffs to develop their working skills and promote successful operation and deliver maximum customer satisfaction as well as attach importance to hygiene in the workplace by maintaining safe and good hygiene environment for all staffs.

- **Business partners:** Our Code of Business Ethics ensures that we conduct our business with all partners with fair and appropriate treatment within an honest, transparent competitive framework. includes such standards as: honoring the commercial terms and agreements/contracts which are fair to the partners; notifying the partners to find a solution together whenever unable to meet the agreed conditions; avoiding all possibilities of conflict of interest; setting down clear rules concerning procurement and other arrangements; not soliciting or accepting any monies or gains from business partners; not having any dealings which are in breach of human rights or intellectual property rights or involved in illegal behaviors; and assessing partners against established requirements so as to develop sustainable mutual partnerships.
- **Creditors:** We strictly meet all contractual obligations while never engaging in any act that is in breach of any agreed terms or that is intended to conceal information or facts and thus causing damage to any of our creditors. Such practices have always earned us the trust of all creditors. In the event of our inability to meet an agreed condition or where circumstances may force us to default on a debt, we shall notify the creditor in advance as soon as possible so as to find a prompt and fair solution together. In the past year, the Company has fulfilled all conditions agreed with the creditor and there is no default of payment.
- **Customers:** The Company is committed to improving product and service quality and to offering protection to suit customers' needs through fair and ethical practices. We also have a duty to all customers to provide correct information and to put in place a dedicated unit responsible for receiving complaints and suggestions from customers. Further information can be found in "**Sustainability Management - Social Dimensions**" under "**Responsibility to our Customers**" section.
- **Competitors:** Adhering to the rules of fair and transparent competition, the Company avoids gaining unfair competitive advantage and aims to compete on service quality and efficiency for the maximum benefit of customers. We never fail to meet any confidentiality obligations nor find out about any competitor's trade secrets by dishonest means. We also comply with the competition policy stipulated in our Code of Business Ethics, viewing all competitors as allies in business.
- **Communities, society and the environment:** We always recognize our responsibility towards communities, society and the environment by embedding this responsivity into our core business operation, covering the use of water, electricity and various resources within the organization by providing channels for complaints or comments through the Company's website so that those affected are receiving timely problem-solving.

- **Disclosure of Information and Transparency**

Charan discloses key information, whether financial or non-financial, in an accurate through readily accessible channels that are equitable and credible. This policy on disclosure of information forms part of the Company's good corporate governance policy. The Company is committed to the fair disclosure of information to the shareholders, financial institutions, securities companies, investors, those needing financial information, and the general public. It highly values communication practices that are open, complete, accurate, timely, and regular for past information and future value addition without bias against positive or negative information. The Company recognizes the need to maintain sensitive information for critical business information and operating strategies. This policy aligns with the SET and SEC criteria and terms for information disclosure.

- **Anti-Corruption**

Charan has defined business ethics against corruption in every form and integrated the ethics in the corporate governance policy. Also, it has waged a campaign to stress anti-corruption within the Company. At the same time, Charan has integrated the anti-corruption policy into its corporate governance policy to reiterate its intention to operate business by abiding by the law and regulations relevant to corporate governance, refusing all forms of fraud and covering all businesses in all applicable countries and agencies. It has defined anti-corruption measures to implement the policy and has regularly reviewed them to comply with changes in laws and business circumstances and uphold Charan's reputation by ensuring that directors, executives, and employees implement them.

6.2 Code of Conducts

Charan commands the code of conduct as part of the Corporate Governance Policy, regards as directors, executives and employees guidelines to adhere in their discharge of duties; it also makes the Company's business operations ethical. The Company has disseminated to employees at all levels through various channels, requiring directors, executives, and employees to strictly adhere to business ethics. Any violation will be subject to disciplinary action and / or law, as the case may be, and in the case of encountering a practice that may be contrary to business ethics, employees are required to report to their supervisors, as the case may be, through complaints or whistleblower channels provided by the Company. The Company has disclosed the business ethics at the company website: <http://charaninsurance.co.th/aboutus/cg/>

6.3 Milestones of Policy, Guidelines, and Corporate Governance of This Past Year

6.3.1 Milestones of Policy, Guideline, and Corporate Governance System

The Board has a process to review the adoption of Good Corporate Governance Principles for Listed Companies 2017 and apply them to suit the business context at least once a year. In reviewing the appropriateness of the practice, the Committee adopted the practice and recorded the reasons as part of its review.

6.3.2 Compliance with CG Code

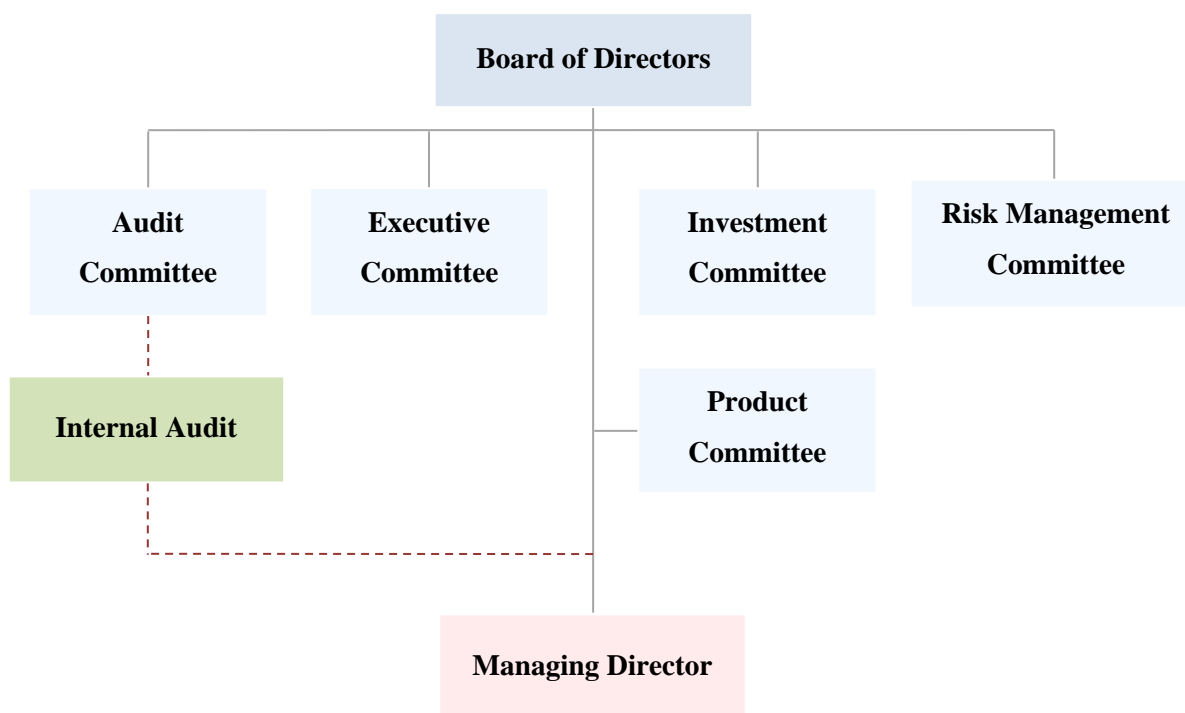
The Board reviewed the SEC-developed CG Code of 2017 and recognized its role as corporate leaders in the application of CG to create sustainable business value. It assessed compliance with each item of the code of Charan's policies, CG practices, concluding that its overall policies, measures, and business processes aligned with CG Code guidelines and proved appropriate for its business growth directions. In 2023, the following exception matters are the aspects not yet applied, which will in time be adapted as seen fit:

No.	CG Code guideline	Charan's justification or alternative measure
1.	The chairman of the board is not an independent director. (Guideline 3.2.1)	Charan also relies on people with the knowledge, competence, years of experience, and leadership to achieve our goals. However, we operate our business in accordance with the principles of good corporate governance. The composition of the Board of Directors has appropriate balance of powers and operations are subject to the Company's rules and regulations and good corporate governance.
2.	The independent director exceeds a cumulative term of nine years from the first day of service. (Guideline 3.2.5)	Those Independent Directors are knowledgeable, competent, and experienced in insurance business and have good performance all the time, as well as having full qualifications in accordance with the regulations of the SEC SET, therefore, deem it appropriate to continue holding their term in order to lead the organization achieve its goals.
3.	The Company has not established a Remuneration Committee and a Nomination Committee. (Guideline 3.4.1)	Remuneration and nomination of the Board of Directors will be considered and screened together with fairness and transparency.

7. Corporate Governance Structure and Key Information about the Board, Sub-Committees, Management, Employees, and Others

7.1 Corporate Governance Structure as of December 31, 2023

The Board of Directors and the management perform in the best interests of Charan and its shareholders under a clear, balanced, and accountable management structure. The Board monitors and ensures that the management implements its policies, plans and strategies, and that there is clear distinction of roles and responsibilities between the Board and the management. The Board appoints sub-committees to consider significant matters, consist of the Audit Committee, Executive Committee, Investment Committee, Risk Management Committee, and Product Committee. The Managing Director is the top executive.

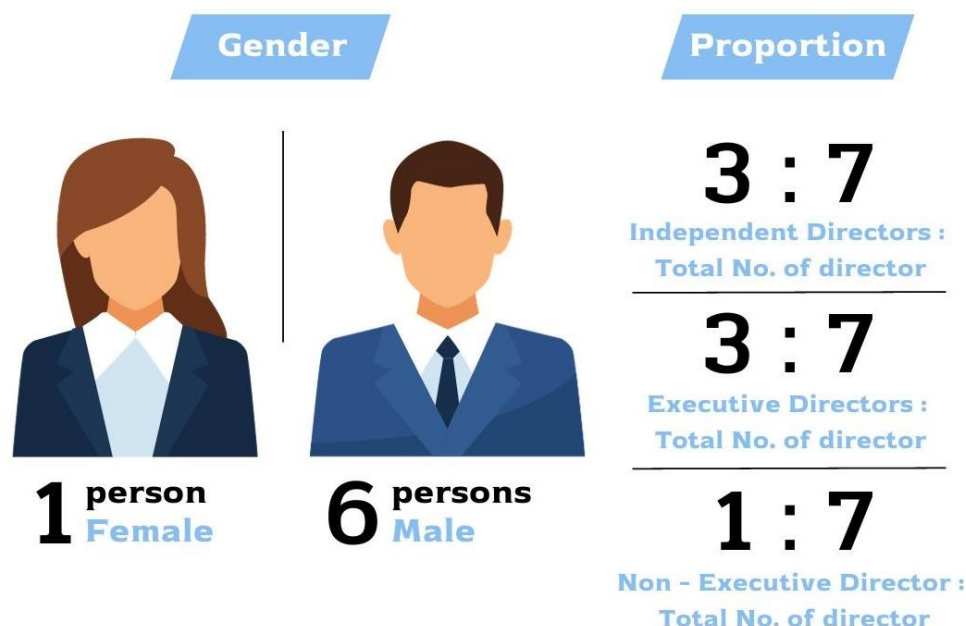


7.2 The Board of Directors

7.2.1 The Board Composition

- Board diversity prevails, equipped with a series of skills matching Charan's business strategies. Also, there is a wide variety of education and experience without discrimination;
- The Board consists of 5-15 directors without gender discrimination. Today there are 7 of them, with one female;
- The Board was composed of 3 Independent Directors, or 42.8% of the total number of Board members, 3 Executive Directors or 42.8% of the total number of Board members and 1 Non-Executive Director, or 14.3% of the total number of Board members;

- The Chairman is different from the Managing Director, does not hold any position in any sub-committees. To ensure balance of powers and operations.



7.2.2 The Board Information and the Authorized Director

The Board of Directors consists of 7 members as of December 31, 2023

Name	Position	Appointment Date
1. Mr. Sapon Kluaymai Na Ayudhya	Chairman of the Board	January 17, 2008
2. Mrs. Poodpong Arsingsamanunta	Chairman of the Audit Committee and Independent Director	September 22, 2006
3. Mr. Vorayuth Charoenloet	Member of the Audit Committee and Independent Director	June 13, 2002
4. Mr. Thanitphong Pichaibavornphat	Member of the Audit Committee and Independent Director	September 2, 2022
5. Mr. Sukich Charanvas	Director and Managing Director	January 1, 1974
6. Mr. Pon Titipanichayangoon	Director	July 1, 1985
7. Mr. Kittipong Charanvas	Director	February 1, 2005

Authorized signatories

The Board may designate any Director(s) or any other person(s) to undertake any task on its behalf and in such cases the signatures of any two of the following three authorized Directors, i.e. **Mr. Sukich Charanvas Mr. Pon Titipanichayangoon Mr. Kittipong Charanvas**, together with the Company seal, would be required to be binding upon the Company.

7.2.3 Roles, Duties, and Responsibilities of the Board of Director

1. Determine policies, vision, mission, strategies, goals and direction of the Company as well as overseeing the effective and efficient implementation of established policies by the Management;
2. Set policies on corporate governance and social responsibility including anti-fraud and corruption policy as well as ensuring that such policies are efficiently applied;
3. Consider and decide upon significant matters concerning the Company's operations such as business policies and plans, management authority, acquisition or disposal of assets and any other statutory transactions, except where such matters or transactions require the approval of a general meeting;
4. Consider the appointments of members of Board committees, e.g. the Audit Committee, the Executive Board and/or any other sub-committee or recommending their appointments to the general meeting for approval, by taking account of qualification and disqualification criteria for committee membership prescribed by securities and exchange laws;
5. Consider and endorse the nominations and appointments to the Management, of qualified candidates with knowledge and competences suitable for the roles and experience beneficial to the organization;
6. Consider the appointment / removal of company secretary to assist the Board of Directors in the discharge of its responsibilities to ensure that the Company operates in accordance with applicable laws, rules and regulations
7. Oversee the appropriate system of internal controls and risk management that ensures an acceptable level of risks and effective achievement of objectives as well as conformity with the law, the Company's standards and Articles of Association and with the best practice principles of honesty, justification and prudence;
8. Monitor and evaluate the Management's performance on a regular, continuous basis in ensuring successful implementation of plans and strategies.
9. Consider and recommend Directors' remuneration and annual dividend payout for the approval by a general meeting;
10. Determine the framework and policy on salaries, pay rises, bonuses and remuneration for staff and executives;
11. Oversee the organization's drive for innovation and technology adoption to develop capacity for increasing business opportunities and enhancing the operations; oversee the Company's IT risk management and ensure: that there is ongoing compliance with IT-related laws, regulations and

standards; that data security measures are in place to protect the confidentiality, reliability and availability of data and to safeguard against improper use or unauthorized modification of data; and that there are measures to deal with incidents affecting IT system's security in ensuring the organization's ability to achieve its principal aim and objective;

12. Convene an annual general meeting of shareholders within 4 months of the end of each accounting year by stating the date, time, venue and agenda of the meeting as well as proposed dividend (if applicable) and the Board's opinions on matters put forward to shareholders;
13. Oversee the efficiency of the Company's accounting system as well as the accuracy, objectivity and completeness of its financial reporting and disclosures of significant information including resolutions and minutes of general meetings, while also ensuring that all financial statements, annual reports, and Annual Registration Statements (Form 56-1) reflect accurately the Company's financial position, financial liquidity and operating performance in a timely, adequate manner and in accordance with applicable regulations and that complete records are maintained for future inspection.

Roles, Duties, and Responsibilities of the Chairman of the Board

1. Oversee, monitor and ensure that the Board performs its duties efficiently to achieve the organization's principal aim and objective;
2. Chair all Board meetings and general meetings and ensure that each meeting is conducted in accordance with the Company's Articles of Association and the published agenda, while also encouraging all Directors to engage in promoting the Company's ethical culture and good corporate governance;
3. Set board meeting agenda in consultation with the Managing Director and ensure that important matters are included; have the casting vote where there is an equality of votes at a board meeting;
4. Allocate sufficient time for matters proposed for thorough discussions by Directors; encourage Directors to exercise prudent judgement and express independent opinions;
5. Strengthen good relationships between Executive and Non-Executive Directors and between the Board and the Management.

The Board is authorized to approve various matters, including:

- Vision, mission, short-term and long-term strategic plans
- Annual plans and budgets
- Investment and operation of key projects for Charan
- Management restructuring
- Dividend policy
- Performance assessment of itself and the Managing Director
- Appointment of Directors who resign during the year and that of sub-committees
- Designation of Directors authorized to sign and bind Charan

Matters involving shared responsibility of the board and management:

- Formulating and reviewing policies and strategies, plans and targets
- Ensuring robust system for risk management and internal control
- Clearly defining management's responsibilities
- Monitoring and evaluating financial and non-financial corporate performance
- Ensuring integrity of financial and non-financial information disclosures.

Matters that the board should delegate or not get involved with:

- Engaging in activities which under normal circumstances are not expected roles of the board, including day-to-day management and decisions (such as procurement and staffing), ongoing monitoring that conduct and operations are in compliance with the company's policies, strategies, plans, and applicable law and standards.
- Not getting involved in or influencing matters in which a director may have vested interests.

Authority and duties of the Managing Director

1. Managing the business in accordance with the Company's objectives, Articles of Associations and delegated authority as well as resolutions of Board meetings, while having authority over all staff and employees of the Company. In the management of the operations, the Managing Director is responsible to the Board of Directors.
2. Setting terms of employment for staff/employees as well as issuing orders and notifications concerning day-to-day and operational management of the Company in line with corporate rules, Board resolutions, the labour law and other applicable laws.
3. On business/activities involving external parties, the Managing Director and the signatory Directors are authorized to act on behalf of and bind upon the Company within the scope of the delegated authority specified under paragraph 1 above. However, if the Managing Director or the authorized Director(s) is an interested party or constitutes a conflict of interest with the Company in such transactions, then the transactions can only be conducted with the approval and resolution of a Board meeting attended only by Independent Directors. In this respect, the Managing Director and the signatory Directors may designate any person to undertake a particular task or transaction on their behalf.
4. Ensuring that any transactions over his authorized limit must be submitted to the consideration and approval of the meeting of the Board according to the Company's Articles of Association or other applicable laws.
5. Employment, recruitment, appointment, disciplinary action and termination including postponement or adjustment of wages of employees, but excluding employees or employees whom the committee or regulations require the Board of Directors to employ, recruit, appoint, discipline

6. Managing the operations in accordance with the statutory rules and provisions, i.e. the Civil and Commercial Code, the law governing non-life insurance business, the Non-Life Insurance Act, the Public Limited Companies Act and other applicable laws in force currently and in the future. In addition to integrity and fairness, the Managing Director is required to discharge his duties with the best of his ability and prudence in achieving the Company's established objectives.

7.3 Sub-Committees

7.3.1 Sub-Committees as of December 31, 2023

The Company's Board of Directors has appointed directors with relevant knowledge and expertise to serve as members of five sub-committees, namely the Audit Committee, Executive Committee, Investment Committee, Risk Management Committee, and Product Committee. These sub-committees are established to bolster the execution of specific directorial duties. The scope, duties, and responsibilities of each sub-committee are clearly outlined, and regular reports on meeting outcomes are presented to the Board of Directors.

1. Audit Committee

The Audit Committee is mandated to comprise a minimum of three independent directors of the Company, all possessing qualifications mandated by the Securities and Exchange Commission and the Stock Exchange of Thailand. Each member of the Audit Committee is required to demonstrate acceptable knowledge, understanding, and work experience, with at least one director holding a degree in accounting and possessing the requisite knowledge, skills, and experience to review the reliability of financial statements. The term of office for committee members is 3 years.

Name	Position
1. Mrs. Poodpong Arsingsamanunta	Chairman of the Audit Committee and Independent Director
2. Mr. Vorayuth Charoenloet	Member of the Audit Committee and Independent Director
3. Mr. Thanitphong Pichaibavornphat ¹	Member of the Audit Committee and Independent Director

Remark: 1. An individual with a degree in accounting possesses the knowledge, skills, and experience necessary for reviewing the reliability of financial statements.

Roles and Responsibilities

- 1) Review and ensure the accuracy and objectivity of the Company's financial reports as well as the adequacy of disclosures;
- 2) Review and ensure the appropriateness and effectiveness of the Company's systems of internal control and internal audit; assess the independence of the internal audit unit as well as recommending the appointment or removal of the head of internal audit;
- 3) Review compliance by the Company with the law governing securities and exchange, regulations and notifications of the Office of Securities and Exchange Commission and the Stock Exchange of

- Thailand as well as all other laws, rules and regulations applicable to the Company and/or its business;
- 4) Consider and recommend, to the meeting of the Board, the appointment of independent persons as external auditors to the Company as well as the approval of the auditors' remuneration; meet with the auditors at least once a year, without the participation of the Management;
 - 5) Consider and ensure compliance of related-party transactions and potential conflict-of-interest transactions with the law governing securities and exchange as well as regulations and notifications of the Stock Exchange of Thailand or all other laws applicable to the Company and/or its business in providing assurance that all transactions are justified and conducted in the best interests of the Company;
 - 6) Prepare an audit committee report, for consideration by the Board and for inclusion in the Company's annual report, which shall be signed off by the Committee Chairman and shall include the following information, at a minimum:
 - (1) Opinion on the accuracy, completeness and reliability of the Company's financial reports;
 - (2) Opinion about the adequacy of the Company's internal control system;
 - (3) Opinion on compliance with the law governing securities and exchange, regulations and notifications of the Stock Exchange of Thailand and other laws relevant and applicable to the Company and its business;
 - (4) Comments on the suitability of the auditors;
 - (5) Opinion about transactions with potential conflict of interest;
 - (6) Number of meetings held by the Audit Committee and attendance by each Committee member at such meetings;
 - (7) Overall opinion on the Audit Committee's performance in accordance with the Committee Charter;
 - (8) Other matters considered useful to shareholders and general investors that falls within the scope of the Committee's responsibilities delegated by the Board.
 - 7) Review and recommend, for the Board's consideration, any revision of the authority and responsibilities of the Audit Committee to suit changing circumstances;
 - 8) In the event that the Audit Committee discovers or suspects any of the following acts or transactions which could materially impact on the Company's financial position or performance, it shall immediately report such act/transaction to the Board of Directors so that remedial action can be taken:
 - (1) transaction involving conflict of interest;
 - (2) fraud or irregularity or material weakness in the internal control system;

- (3) violation of securities and exchange law or the Stock Exchange of Thailand's regulations and notifications or any laws applicable to the Company and/or its business;

If the Board of Directors or the Management does not take any remedial action, a member of the Audit Committee may report the act or transaction discovered to the Office of Securities and Exchange Commission or to the Stock Exchange of Thailand.

- 9) Review compliance with the Company's anti-corruption policy and measures to provide assurance of the adequacy of internal controls;
- 10) Review regularly the Company's anti-corruption policy so as to recommend appropriate policy revisions for approval by the Board;
- 11) Undertake any other tasks delegated by the Board and mandated in the Company's policy.

2. Executive Committee

The Executive Committee was comprised of three members who are appointed by the Board of Directors. The term of appointment of its members expires according to the individual's term of office.

Name	Position
1. Mr. Sukich Charanvas	Chairman of the Executive Committee
2. Mr. Pon Titipanichayangoon	Member of the Executive Committee
3. Mr. Kittipong Charanvas	Member of the Executive Committee

Roles and Responsibilities

- 1) Oversee and ensure that the Management's performance is in accordance with the policies and plans mandated by the Board of Directors;
- 2) Formulate, for submission to the Board, the key policies, plans, budgets and approaches for the Company's business operations;
- 3) Oversee and ensure that the Company complies with the law governing securities and exchange, the Non-Life Insurance Act, the Public Limited Companies Act and other applicable laws as well as the requirements and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission;
- 4) Ensure that the Company conforms to generally accepted accounting standards and that all financial reports/statements are prepared in a way that gives a true and fair view of the Company's financial position and results;
- 5) Assess and analyze the risks inherent in the Company's business and to develop, for consideration by the Board, appropriate measures to manage such risks;
- 6) Perform any other tasks assigned by the Board of Directors.

3. Investment Committee

The Investment Committee was comprised of five directors, executives who are appointed by the Board of Directors. The term of appointment of its members expires according to the individual's term of office.

Name	Position
1. Mr. Sukich Charanvas	Chairman of the Investment Committee
2. Mr. Pon Titipanichayangoon	Member of the Investment Committee
3. Mr. Kittipong Charanvas	Member of the Investment Committee
4. Miss Sudarat Wiwattanadej	Member of the Investment Committee
5. Miss Kanyawan Trisaksuriyan	Member of the Investment Committee

Roles and Responsibilities

- 1) Developing, for approval by the Board of Directors, an investment policy framework;
- 2) Ensuring that investment plans are in line with the Board-approved policy framework and risk management policies as well as meeting the requirements of the OIC and applicable laws;
- 3) Devising guidelines on investment risk management;
- 4) Drawing up the Company's investment procedures;
- 5) Overseeing and ensuring that the Company's investments are in accordance with the investment policy framework, the investment plans and procedures, and the risk management policies approved by the Board;
- 6) Reviewing and revising the investment policy framework and investment plans to suit the changing circumstances before submitting them to the Board for approval;
- 7) Approving investments in securities;
- 8) Approving general loans;
- 9) Approving sale of immovable property

4. Risk Management Committee

The Risk Management Committee was comprised of five directors and executives, one of them has expertise in risk management. The term of appointment of its members expires according to the individual's term of office.

Name	Position
1. Mr. Sukich Charanvas	Chairman of the Risk Management Committee
2. Mr. Pon Titipanichayangoon	Member of the Risk Management Committee
3. Mr. Kittipong Charanvas	Member of the Risk Management Committee
4. Miss Kanyawan Trisaksuriyan	Member of the Risk Management Committee
5. Mr. Kosit Angkasuwan	Member of the Risk Management Committee

6. Miss Sudarat Wiwattanadaj	Member of the Risk Management Committee
7. Mr. Nopadol Suawankareekul	Member of the Risk Management Committee
8. Miss Napaporn Tanangtong	Member of the Risk Management Committee

Roles and Responsibilities

- 1) Defining, and presenting to the Board of Directors for approval, the Company's risk management framework and policy which must cover at least the following significant risks:
 - 1.1 Strategic Risk
 - 1.2 Insurance Risk
 - 1.3 Market Risk
 - 1.4 Credit Risk
 - 1.5 Liquidity Risk
 - 1.6 Operational Risk
 - 1.7 Reputation Risk
 - 1.8 Information Technology Risk
 - 1.9 Catastrophe Risk
 - 1.10 Emerging Risk
 - 1.11 Group Risk (If any)

The scope of risk management must cover the following core activities of the Company:

- (1) insurance product development, and premium rating / pricing;
 - (2) selling/ offering for sale (of insurance products), and premium collection;
 - (3) insurance underwriting;
 - (4) insurance reserving;
 - (5) claims management;
 - (6) reinsurance;
 - (7) investment in other businesses;
 - (8) asset–liability management;
 - (9) outsourcing (if any)
- 2) Assessing the adequacy, efficiency and effectiveness of the Company's risk management;
- 3) Meeting regularly once every quarter, at a minimum, to monitor status of and changes in the Company's risks as well as progress in risk management implementation and to make recommendations for improvements; and reporting results of its meetings to the Board of Directors at least quarterly;
- 4) Overseeing the overall risk related activities of the Company;
- 5) Ensuring that the Company carries out its activities under the risk management policy;

6) Formulating risk mitigation

5. Product Committee

The Product Committee was comprised ten directors, executives and related parties appointed by the Board of Directors. The term of appointment of its members expires according to the individual's term of office.

Name	Position
1. Mr. Pon Titipanichayagoon	Chairman of the Product Committee
2. Mr. Kitti Charanvas	Member of the Product Committee
3. Mr. Kittipong Charanvas	Member of the Product Committee
4. Mr. Wisith Limcharoensuk	Member of the Product Committee
5. Mrs. Pattama Trakarnaiem	Member of the Product Committee
6. Miss Punrada Ayucharoenkul	Member of the Product Committee
7. Mrs. Krissana Kongtong	Member of the Product Committee
8. Mr. Sornchai Keawrakmuk	Member of the Product Committee
9. Mr. Kosit Angkasuwan	Member of the Product Committee

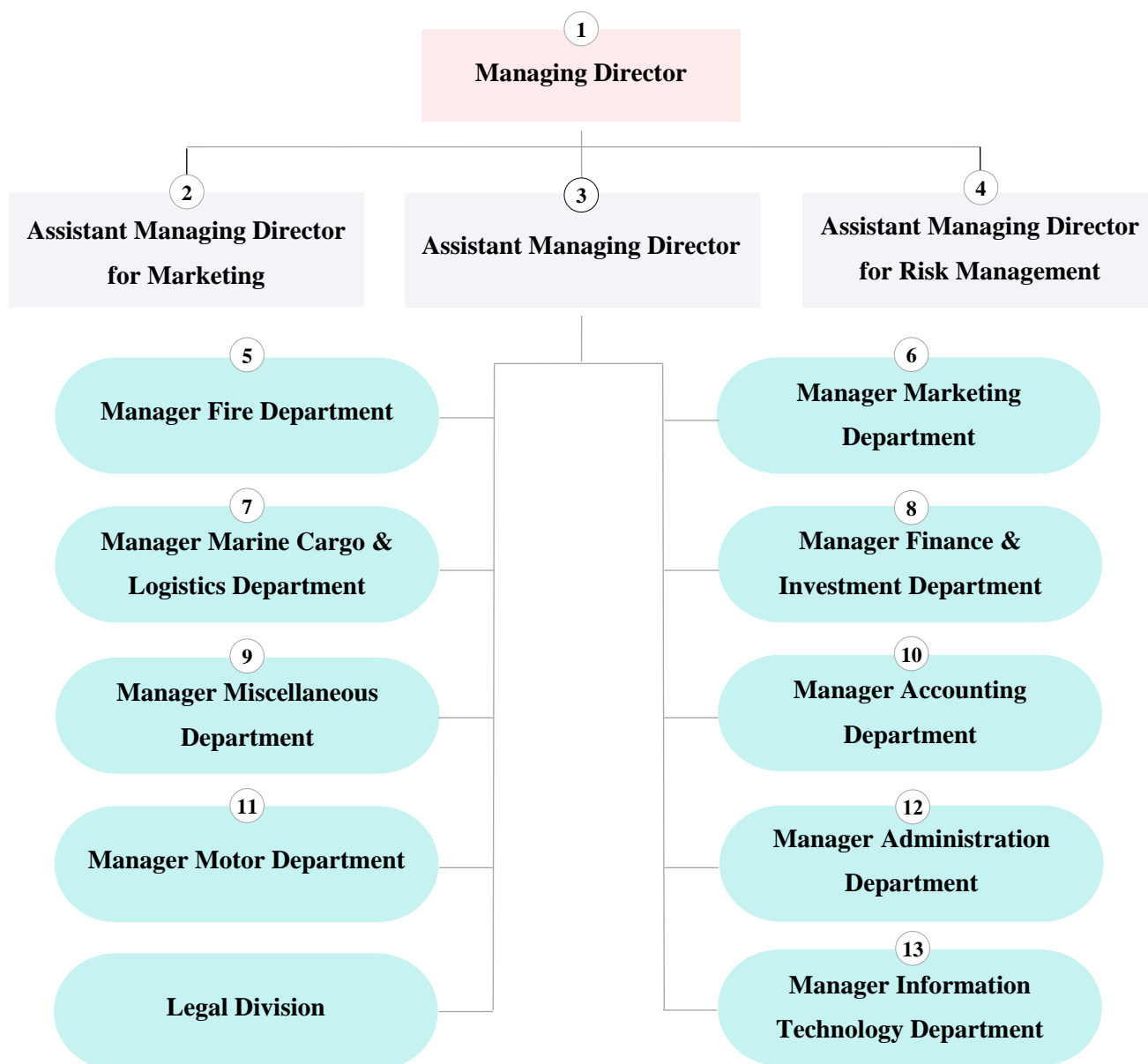
Roles and Responsibilities

- 1) Supervise insurance products to operate under the principles of good corporate governance in compliance with laws, regulations, and orders / announcements / guidelines including requirements related to insurance products.
- 2) Develop marketing strategies for invented products and present the plans to the management team and related departments.
- 3) Plan and develop insurance products with competitive affordable premium rate, serve the large customer needs and suit the target customers.
- 4) Analyze appropriate sales channels with business partners and develop new sales channels.
- 5) Identify, analyze and assess risks in a comprehensive manner in order to find appropriate management methods for product development to achieve sales as expected.
- 6) Assess the adequacy, efficiency and effectiveness of risk management related to the Company's insurance product release.
- 7) Coordinate with internal departments and the Office of Insurance Commission in applying for approval forms and statements, including premium rates for new insurance products and products that need improvement.
- 8) Work with internal and external department to carry out marketing activities effectively.
- 9) Review the suitability of coverage, including the quoting of premium rates, to ensure that the established premiums are sufficient and appropriate and competitive in the market once they are sold.

- 10) Follow market movements, consumer trends, competition and various information that will benefit the business.
- 11) Track the performance of each product to determine if the coverage agreement or premium rate needs to be adjusted or changed in order to improve the quality of the insurance product.
- 12) Monitor the progress of product development operations, as well as continually monitor the status of various risks associated with product development and review risk management measures according to the circumstances.
- 13) Perform any other tasks as assigned by the Board of Directors.

7.4 Executive Officers

The structure of organization as of December 31, 2023



Remark: No. 1-13 are the executives of the Company defined by the SEC regarding the definition in issuance and offer for sale of securities.

7.4.1 Names and Positions of Executive Officers as of December 31, 2023

The Board of Directors has clearly delineated roles and responsibilities between itself and the management, outlining the duties and responsibilities of the management for the day-to-day operations in alignment with policies, plans, goals, regulations, and company policies. The management is committed to adhering strictly, honestly, and diligently to the resolutions of the Board of Directors' meetings, safeguarding the interests of the Company and shareholders following the principles of good corporate governance. Progress reports on operations and significant performance outcomes are regularly submitted to the Board of Directors' meetings at least once every three months. Presently, the Company has 13 executives, meeting the definition set forth by the SEC Office, and their names are as follows:

Names	Position
1. Mr. Sukich Charanvas	Managing Director
2. Mr. Kittipong Charanvas	Assistant Managing Director
3. Mr. Kitti Charanvas	Assistant Managing Director for Marketing
4. Mr. Kosit Angkasuwan	Assistant Managing Director for Risk Management
5. Mr. Pon Titipanichayangoon	Manager Motor Department
6. Miss Sudarat Wiwattanadej	Manager Accounting Department
7. Miss Kanyawan Trisaksuriyan	Manager Finance and Investment Department
8. Miss.Siraya Chindasri	Manager Marketing Department
9. Mr. Wisith Limcharoensuk	Manager Marine Cargo and Logistics Department
10. Mrs. Pattama Trakarnaiem	Manager Fire Department
11. Miss Punrada Ayucharoenkul	Manager Miscellaneous Department
12. Mr. Nopadol Suwankareekul	Manager Information Technology Department
13. Mrs. Promporn Lamdabpang	Manager Administration Department

7.4.2 Executive Remuneration Policy

1. Executives Remuneration

While the Company currently lacks a nominating and remuneration committee, it maintains a transparent process and well-defined compensation policy for the managing director and executives. The remuneration is established in accordance with their respective duties and responsibilities. The Board of Directors collectively reviews the compensation, benchmarking it against industry standards, experience, duties, scope, and roles, along with the Company's performance. The remuneration for the managing director and executives is directly tied to the results of the annual performance evaluations conducted by the Company.

The remuneration for the managing director and executives comprises three components: (1) Salary, determined based on job position, experience, individual skills, and responsibilities, subject to annual reviews considering performance evaluation results and salary increase rates in the labor market. (2) Welfare and various benefits, both short-term and long-term, aligning with labor market practices and legal requirements such as social security contributions and provident funds. (3) Special compensation (bonus), determined by performance evaluation outcomes and benchmarked against management compensation in companies listed on the Stock Exchange of Thailand within the same industry group and of similar sizes. This approach aims to attract and retain talented executives for the long-term success of the Company.

Furthermore, the outlined criteria and compensation structure for executives take into account both financial indicators and management within the organization, as well as individual performance success. This comprehensive approach determines the structure of short-term and long-term compensation, aiming to provide a suitable framework that motivates executives to fulfill their duties and drive towards organizational goals. This strategy emphasizes proactive performance and the establishment of organizational sustainability in adherence to the principles of good corporate governance. Detailed information on directors' remuneration is provided in the **"Individual Directors' Remuneration for the Year 2023."**

7.4.3 Total Executives Remuneration

In 2023, the total remuneration for the 13 executives, encompassing salaries, bonuses, and contributions to the provident fund, amounts to approximately 5 million Baht.

7.5 Personnel as of December 31, 2023

In 2023, there has been no significant change in the number of employees and no labor dispute has occurred since the establishment of the Company. The total number of employees of the Company can be divided by main department as follows:

No. of Employees and Executives in 2021		
Executives	18	Persons
Employees	46	Persons
Total	64	Persons
No. of Employees in the Major Business Group		
Marketing and Branch Operations Department.	2	Persons
Product Development and Insurance Underwriting Department	9	Persons
Finance and Accounting Department	11	Persons
Claim Department	10	Persons
Administrative Department	3	Persons
Actuarial Department	1	Persons
Information Technology Department	1	Persons
Others	9	Persons
Total	46	Persons

Employee Remuneration

As of December 31, 2023, the Company's total employee compensation amounts to 33.42 million Baht. This compensation encompasses salary, bonuses, contributions to the social security fund, contributions to the provident fund, and other forms of compensation, including overtime pay, living allowance, transportation allowance, etc. The determination of employee compensation takes into account various factors such as the Company's operating results growth, individual knowledge and abilities, and performance. This approach aims to enhance efficiency and promote long-term fairness, motivating employees to utilize their potential. Additionally, the Company considers the sufficiency of compensation to meet living expenses, aligning with the current cost of living conditions and economic situation.

The Company places emphasis on fair compensation, ensuring that employees with equivalent performance receive equal remuneration. Employees undertaking more challenging tasks are rewarded with higher compensation. The Company conducts transparent analyses and evaluations, facilitating a comprehensive comparison of work across every department in the organization. Distinctions in compensation arise only from the inherent nature of job duties. Details of this approach are outlined as follows:

Expenses		
Salary/ Wage	28.29	Mil. Baht
Bonus	3.03	Mil. Baht
Provident Fund Contribution	0.36	Mil. Baht
Social Security Contribution	0.41	Mil. Baht
Other benefits	1.33	Mil. Baht
Total	33.42	Mil. Baht

Charan has provided welfare benefits to alleviate the burden of employees. The following benefits are provided:

- Charan has established an employee provident fund in which the employees voluntarily contribute to the fund's contributions, and the employees contribute a certain amount of their salary and the Company also pays a certain amount of their salary. The registered fund, it is managed by a licensed fund manager in compliance with the provisions of the Provident Fund Act B.E. 2542.
- General loan/housing benefits
- Providing employees special privileges to purchase products at a discount.
- Medical expense reimbursement
- Dental reimbursement
- Annual health check-ups
- Hosting funerals for employees and their families
- Marriage Aid
- Maternity assistance payments
- Annual trips or parties

Personnel Development

Charan appreciates the manpower rate to suit the workload, recruiting efficient personnel to serve organization needs, having a good attitude and behave in accordance with the organization's culture. The Company has improved the recruitment system by increasing recruitment channels with the selection method serve the organization needs; they are required a positive attitude and behavior consistent with the corporate culture.

Charan focuses on continuing personnel development, matching with the business development plan as a key feature in recruiting personnel in the same direction, consistent and contributing to the success of the organization's goals. In 2023, the Company has encouraged executives and employees to attend training / seminars as follows:

Training course	Number of		
	Course	Attendees	Course
External Training			
e.g. Company Secretaries, Insurance, Legal, Finance, Accounting, Claim, and IT	59	20	263.30
In-house Training	-	-	-
Total	59	20	263.30
Average number of hours of employee training per year			13.17

Remark: One employee may attend more than one training course.

7.6 Other Key Information

7.6.1 Responsible for overseeing various functions

• Company Secretary

The Board of Directors' Meeting No. 5/2022 on November 10, 2022, passed a resolution appointing Miss. Manthana Phuengpathomporn to the position of Company Secretary. She possesses all the qualifications required for the role of Company Secretary. Further historical details can be found in **Attachment 1**.

Roles and Responsibilities

1. Prepare and maintain documents on directors, annual reports, invitation letters and minutes of the Meeting of the Board of Directors, invitation letters and minutes of the Meeting of Shareholders.
2. Keep declaration of interest made by directors or executives.
3. Submit copies of declaration of interest directors and executives or related persons to the Chairman of the Board and the Chairman of the Audit Committee will audit such copies within 7 working days from the date of receiving the declaration.
4. Convene the Meeting of the Board of Directors and the Meeting of Shareholders to be in line with rules, articles of association, and related laws.
5. Provide suggestions on operations of the Company and the Board of Directors to meet with Memorandum of Association, Company's Regulations, Securities and Exchange Act, Public Limited Companies Act, and other related laws.
6. Be the center for communicating news and information among directors, executives, and shareholders.
7. Coordinate and follow-up operations under the resolutions of directors and shareholders.
8. Supervise disclosure of information and information report of responsible areas to competent authorities under requirements of government agencies.

9. Perform other actions as defined by Capital Market Supervisory Board or as assigned by the Board of Directors.

- **Accounting Supervisor**

The Company has appointed Ms. Napaporn Thanangthong is directly responsible for the supervision of accounting, effective from November 1, 2018. Details of biographies appear in **Attachment 1**.

- **Head of Internal Audit**

The Company has hired Thirty-Four Audit Office Co., Ltd as an internal auditor. The qualifications of which appear in **Attachment 3**.

- **Head of the Compliance Division**

The Company has appointed Mr. Sornchai Keawrakmuk as the head of Compliance Division responsible for overseeing the compliance with the rules of the official departments that govern the Company's business operations. The qualifications of which appear in **Attachment 3**.

7.6.2 Head of Investor Relations

- **Miss. Manthana Phuengpathomporn**

Address: Charan Insurance Public Company Limited

408/1 Charan Insurance Building, Rachadapisek Road,
Samsen-Nok Sub-district, Huaykwang District, Bangkok 10310

Email: charanins@charaninsurance.co.th

Website: www.charaninsurance.co.th

Tel: 0-2276-1024 Ext. 207, 212 Fax: 0-2275-4919

7.6.3 Audit Fee

Remuneration of auditors (Audit Fee) and other fees (Non-Audit Fee) in the years 2023 and 2022, the Company has paid remuneration to DIA International Audit Co., Ltd as follows:

Type of Services	Auditor’s Name		CPA No.	Amount (Baht)	
				2023	2022
Audit fee					
1. Review the quarterly financial statements - 3 quarters	Miss Suvimol Chrityakierne	and/or	2982	570,000	570,000
2. Audit the annual financial statements as of December 31, 2023	Mr. Joompoth Priratanakorn	and/or	7645	780,000	780,000
	Miss Suphaphorn Mangjit		8125		
3. Review half-year and audit annual risk-based capital reports				200,000	200,000
Other Fees					
Total	-			1,550,000	1,550,000

8. Highlights of Corporate Governance

8.1 Performance of the Board of Directors

The Board of Directors' Meeting No. 1/2023 on February 22, 2023, conducted a review of the corporate governance policy and business ethics manual. This review was based on the principles outlined in the Good Corporate Governance for Listed Companies 2017 by the SEC Office. The objective was to align the policies with the long-term direction of business operations, considering the evolving business environment.

8.1.1 Recruitment, Development, and Performance Assessment of the Board of Directors

1. Recruitment of Directors and Executives

Recruitment and Appointment of Directors

As of now, the Company does not have a nominating and remuneration committee. The Board of Directors collectively undertakes the consideration and selection of individuals possessing qualifications beneficial to the Company's operations. The selection criteria and process are transparent, emphasizing qualifications, experience, knowledge, and work ability, ensuring that the Board of Directors has the necessary skills and expertise. Additionally, the Company considers diversity in the board's structure (Board Diversity) in various aspects such as age, gender, education, etc. Moreover, expertise is a critical factor in assessing the qualifications of potential company directors. The consideration involves identifying the essential skills that may be lacking and ensuring alignment with the committee's composition and structure based on the Company's strategy. The process is transparent and clear, adhering to the Company's regulations and relevant legal requirements to instill confidence among shareholders. The selection and appointment of directors undergo a careful consideration and screening process by the Company's Board of Directors. This ensures the nomination of individuals with a sufficient background for decision-making, subject to appointment by the shareholder meeting according to the Company's regulations.

Methods for Recruitment of Directors and Executives

- 1) Charan provides opportunities for minor shareholders / major shareholders / directors to nominate persons to be considered as directors to the Company;
- 2) The Board of Directors reviews Board structure for suitability and Charan's strategic needs;
- 3) The Board of Directors provides an opportunity to those who are qualified to hold the position of director to consider replacing the director who retires by rotation;
- 4) The Board of Directors endorses the list of directors for subsequent approval by the AGM.

Appointment and Dismissal of Directors

- 1) Shareholder's meetings elect Directors through majority voting with one shareholder holding one vote per share held and can elect Directors individually. The candidates with the most votes are to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote;

- 2) In every Annual General Meeting (AGM), one-third of the Directors must retire. If this number is not a multiple of three, then the number nearest to one-third. The retired Directors can be re-elected.
- 3) Other than the completion of term, a director may retire for to the following reasons:
 - Death;
 - Resignation;
 - lack of qualifications according to the Public Company Limited Act and the Securities and Exchange Act;
 - decision of the shareholders' meeting to resign according to the Public Company Limited Act; and
 - court order
- 4) In case a director's position is vacant due to other reason than the completion of term, the Board of Directors is to elect a candidate with qualifications according to the Public Company Limited Act, Securities and Exchange Act in the next meeting. The person who is appointed as a replacement director will be in the position of director for only the remaining term of the director he replaces. The resolution of the Board of Directors as stated above must consist of votes of not less than three-fourths (3/4) of the number of remaining directors.

Independent Directors

The Board of Directors consists of three independent directors from the total number of committees, the Company stipulates that independent directors shall possess the following qualifications:

- 1) Not holding more than 1% of the total number of voting shares of the Company, any of its major shareholders or controlling parties; The number of shares held shall include those owned by any person related to such independent director;
- 2) Neither being an executive director, employee, staff member or adviser receiving regular compensation from, nor being a controlling person or major shareholder of the Company or its controlling party, either currently or within at least two years prior to appointment as independent director;
- 3) Not being a relation, either by blood or by law, of any director, executive, major shareholder, controlling party or any person being nominated as a director, executive or controlling party of the Company; A relation shall include father, mother, spouse, sibling and child including son- or daughter-in-law;
- 4) Not having any business relationships with the Company or any of its major shareholders or controlling parties in such a way that may prevent the exercise of independent judgement, and neither being nor having previously been a significant shareholder or controlling person of any party that has business relationships with the Company or any of its major shareholders or controlling parties, either currently or within at least two years prior to appointment as independent director;

- 5) Neither being an auditor to the Company or any of its major shareholders or controlling parties, nor being a significant shareholder (owning more than 10% of the total number of voting shares, including those owned by any related person), a controlling person or a partner of an audit firm which is the affiliation of the auditors to the Company or to any of its major shareholders or controlling parties, either currently or within at least two years prior to appointment as independent director;
- 6) Neither being a provider of any professional services, including legal or financial advice, that receives payments exceeding two million baht per year from the Company or from any of its major shareholders or controlling parties, nor being a significant shareholder, a controlling person or a partner of such professional service provider, either currently or within at least two years prior to appointment as independent director;
- 7) Not being a director who has been appointed to represent any director or major shareholder of the Company, or any shareholder related to a major shareholder of the Company;
- 8) Neither engaging in any business of the same nature as or in significant competition with the business of the Company, nor being a significant partner of a partnership or an executive director, employee, staff member or adviser who receives regular compensation from or hold more than 1% of the voting shares of another company engaging in any business of the same nature as or in significant competition with that of the Company;
- 9) Not having any characteristics which could interfere with the exercise of their independent judgement on the Company's operations.

2. Development and Training of Directors

In 2023, the Board of Directors participated in training courses relevant to their duties as directors, organized by Institute of Directors (IOD), including programs such as the Directors Accreditation Program (DAP) and Directors Certification Program (DCP). The majority of directors, accounting for 85.71%, have successfully completed the mentioned training. Detailed information on each director's training is provided in **Attachment 1**. The Company Secretary is responsible for keeping all directors informed about any additional training courses deemed necessary, including those for newly appointed directors. Moreover, the Company encourages Company Secretaries to attend various training sessions and engage in discussions on matters relevant to their roles. These sessions, organized by entities such as the Securities and Exchange Commission, Stock Exchange of Thailand, Thai Listed Companies Association, and other related agencies, are conducted regularly to provide ongoing benefits to their work. The Board of Directors has a policy promoting continuous knowledge development for directors, aiming to enhance their capabilities in fulfilling their roles and improving the efficiency of committee operations.

3. Assessment of directors' performances

The Board completes business performance assessment forms at least once a year, which the Company Secretary will arrange for delivery and collection the results for presentation at a Board meeting. Directors jointly consider business performance and suggest improvements. Assessment scores are given in percent, with >85% = excellent, >75% = very good, >65% = good, >50% = fair, and <50% = need improvement. The criteria of assessment are shown in “**Overall Performance Assessment Criteria**”. The results of the assessment are summarized as follows:

(1) Individual directors

- Self-assessment

Percentage point average of 3.96%, regarded as very good

(2) Entire Board

Percentage point average of 3.87%, regarded as very good

(3) Sub-committees

- Audit Committee

Percentage point average of 3.98%, regarded as excellent

- Risk Management Committee

Percentage point average of 3.95%, regarded as very good

- Executive Committee

Percentage point average of 3.78%, regarded as very good

8.1.2 Meeting Attendance and Remuneration of Individual Directors for the year 2023

Summary of meeting attendance of the Board of Directors

In 2023, there were 4 Board of Directors meetings, 1 Annual General Meeting of Shareholders, 4 Audit Committee meetings, 1 Executive Committee meeting and 4 Risk Management Committee meetings. The details are as follows:

Names	Meeting attendance / total (times)							Remarks
	AGM Meeting	Board of Directors	Audit Committee	Executive Committee	Investment Committee	Risk Management Committee	Product Committee	
1. Mr. Sopon Kluaymai Na Ayudhya	1/1	4/4		-	-	-	-	
2. Mrs. Poodpong Arsingsamanunta	1/1	4/4	4/4	-	-	-	-	
3. Mr. Vorayuth Charoenloet	1/1	4/4	4/4	-	-	-	-	
4. Mr. Thanitphong Pichaibavornphat	1/1	4/4	4/4	-	-	-	-	
5. Mr. Sukich Charanvas	1/1	4/4	-	1/1	-	4/4	-	
6. Mr. Pon Titipanichayangoon	1/1	4/4	-	1/1	-	4/4	-	
7. Mr. Kittipong Charanvas	1/1	4/4	-	1/1	-	4/4	-	
8. Mr. Kosit Angkasuwan	1/1	-	-	-	-	4/4	-	
9. Miss Kanyawan Trisaksuriyan	1/1	-	-	-	-	4/4	-	
10. Miss Sudarat Wiwattanadej	1/1	-	-	-	-	4/4	-	
11. Mr. Nopadol Suawankareekul	-	-	-	-	-	4/4	-	
12. Miss Napaporn Tanangtong	1/1	-	-	-	-	4/4	-	

Board Remuneration

- 1) The Board's remuneration comes in two forms: meeting allowances and director's fee which was calculated from the rate of 5% of dividend payout and the Chairman of the Board was paid 50% higher than the rate payable to each member of the Board. Such remuneration, made comparable to those of the same industry.
- 2) One director can hold a position in more than one sub-committee.
- 3) In line with good corporate governance, the Board has instituted the reporting of individual directors' remuneration and the management's remuneration.

Policy on Director Remuneration

The determination of directors' remuneration considers the appropriateness of their assigned duties and responsibilities, aligning with comparable levels in similar industries. The remuneration is designed to be sufficient to motivate directors, fostering quality performance in achieving the Company's goals and business direction. This process is transparent, contributing to building trust among shareholders.

The Annual General Meeting of Shareholders held on April 26, 2023, resolved to approve the directors' remuneration for the year 2023 as proposed by the Board, detailed in the following table:

Compensation component	2023	2022
1. Board of Director		
• Monetary Remuneration		
Meeting Allowance		
- Chairman of the Board	25,000 Baht / Time	25,000 Baht / Time
- Board Member	20,000 Baht / Person / Time	20,000 Baht / Person / Time
Director's fee	1,200,000 Baht, which was calculated from the rate of 5% of dividend payout and the Chairman of the Board was paid 50% higher than the rate payable to each member of the Board	-
• Non-monetary compensation	-	-
2. Audit Committee		
• Monetary Remuneration		
Meeting Allowance		
- Chairman of the Committee	25,000 Baht / Time	25,000 Baht / Time
- Audit Member	20,000 Baht / Person / Time	20,000 Baht / Person / Time
• Non-monetary compensation	-	-

Remark:

1. Directors' remuneration is not applicable to the Executive Committee, the Investment Committee, the Risk Management Committee, and the Product Committee
2. Directors shall receive meeting allowances solely for attending meetings, and they shall receive such allowances each time they attend a meeting.
3. In 2022, the Company omitted to pay dividends, so director's remuneration was not paid

In 2023, the individual remuneration of Directors was as follows:

1. Monetary Remuneration

Remuneration of the Board of Directors in 2023 approved by the shareholders' meeting No. 30 / 2023

(Unit: Baht)

Names	Monetary Remuneration								
	AGM Meeting	Board of Directors	Audit Committee	Executive Committee	Investment Committee	Risk Management Committee	Product Committee	Director's fee	Total
1. Mr. Sapon Kluaymai Na Ayudhya	-	100,000	-	-	-	-	-	240,000	340,000
2. Mr. Vorayuth Charoenloet	-	80,000	100,000	-	-	-	-	160,000	340,000
3. Mrs. Poodpong Arsingsamanunta	-	80,000	80,000	-	-	-	-	160,000	320,000
4. Mr. Thanitphong Pichaibavornphat	-	80,000	80,000	-	-	-	-	160,000	320,000
5. Mr. Sukich Charanvas	-	80,000	-	-	-	-	-	160,000	240,000
6. Mr. Pon Titipanichayangoon	-	80,000	-	-	-	-	-	160,000	240,000
7. Mr. Kittipong Charanvas	-	80,000	-	-	-	-	-	160,000	240,000
8. Mr. Kosit Angkasuwan	-	-	-	-	-	-	-	-	-
9. Miss Kanyawan Trisaksuriyan	-	-	-	-	-	-	-	-	-
10. Miss Sudarat Wiwattanadej	-	-	-	-	-	-	-	-	-
11. Mr. Nopadol Suawankareekul	-	-	-	-	-	-	-	-	-
12. Miss Napaporn Tanangtong	-	-	-	-	-	-	-	-	-

Comparison of Remuneration of Directors in 2023 and 2022

Remuneration	2023		2022	
	Directors	Baht	Directors	Baht
Meeting Allowance	7	840,000	8	745,000.00
Director' s fee	-	1,200,000	-	-
Total		2,040,000		745,000.00

Remarks: In 2022, the Company omitted to pay dividends, so director's remuneration was not paid

2. Other remuneration

- None -

8.1.3 Oversight of subsidiaries, associates, and joint-venture companies

- None -

8.1.4 Monitoring Compliance of Corporate Governance Policy and Guidelines

Charan attaches great importance to good corporate governance by stipulating relevant policies and guidelines in the Company's Corporate Governance Policy and Code of Conduct, by enhancing real practice to create confidence in all groups of stakeholders.

In addition, Charan has monitored for compliance with four other good corporate governance issues as follows:

1) Prevention of conflicts of interest

The directors, executives or employees shall perform their duties in the best interests of the Company, they and their close relatives are required to disclose the information of their interest annually or whenever there is a change for consideration by the Board of Directors and to make decisions, toward the utmost benefit for Company as a whole before the meeting. In the event that directors, executives or employees having the interests in transactions with the Company, they will not participate in the meeting to consider the agenda.

However, if there are connected transactions with the persons who may have conflicts of interest or have interests in the future, the Company will disclose such information in the Company's annual Note Financial Statement.

In 2023, there are no instances that may cause conflicts of interest.

2) Inside Information Control

Charan gives emphasis to inside information requirements under the Corporate Governance Code and has instituted rules and measures to prevent misuse of insider information. These include: defining the roles of those with direct responsibility; setting levels of authorized access to proprietary information in computer system by using password; having a policy forbidding all personnel from disclosing or making use of information about the Company's operations for personal gain. The director, executive and the Company's employees or related person are prohibited to trade the Company's shares within 30 days (Blackout period) prior to public disclosure of quarterly and annually financial statements or inside information and within 24 hours after public disclosure of the Company's financial statements or inside information and report the same to the Stock Exchange of Thailand and any other period as the Company may determine from time to time. Failure to comply with the rules is considered a disciplinary offence. In the case where any director, executive or employee violates this prohibition, the Company will consider the degree of violation case by case as per the Company's rules.

In the year 2023, no directors, executives or employees were found trading during the period specified by the Company to refrain from trading.

- Report on Securities Holding

Charan establishes Inside Information Control Policy to define those directors or executives of the Company must be responsible for preparing and submitting Report on Securities Holding of themselves and their spouses and children below legal age under the methods as defined by SEC (via electronic submission) within 3 working days from purchasing, selling, transferring, or accepting transfer of securities. In the event that the Company already informs the list of directors and executives in data system of the list of directors and executives, the copies of those reports must be submitted to the Company's secretary for transparency as defined by corporate governance principles. The information of securities holdings of the Charan's Board of Directors and the executives can be summarized as follows:

CHARAN Shareholding of the Directors and Executives (Ordinary share)						
Names	March 14, 2024		March 16, 2023		Increase (Decrease) During accounting period	
	Director/ Executive	Spouse / children under legal age	Director/ Executive	Spouse / children under legal age	Director/ Executive	Spouse / children under legal age
1. Mr. Sopon Kluaymai Na Ayudhya			-	-	-	-
2. Mrs. Poodpong Arsingsamanunta			-	-	-	-
3. Mr. Vorayuth Charoenloet	200		200	-	-	-
4. Mr. Thanitphong Pichaibavornphat	-		-	-	-	-
5. Mr. Sukich Charanvas	2,187,644		2,187,644	467,200	-	-
6. Mr. Pon Titipanichayangoon	150,000		150,000	8,000	-	-
7. Mr. Kittipong Charanvas	739,800		739,800	-	-	-
8. Mr. Kitti Charanvas	692,200		692,000	-	-	-
9. Mr. Kosit Angkasuwan	-		-	-	-	-
10. Miss Sudarat Wiwattanadej	1,000		1,000	-	-	-
11. Miss Kanyawan Trisaksuriyan	1,000		1,000	-	-	-
12. Miss.Siraya Chindasri	-					
13. Mr. Wisith Limcharoensuk	4,000		4,000	-	-	-
14. Mrs. Pattama Trakarnaiem	-		-	-	-	-
15. Miss Punrada Ayucharoenkul	-		-	-	-	-
16. Mr. Nopadol Suwankareekul	-		-	-	-	-
17. Mrs. Promporn Lamdabpang	-		-	-	-	-

- Declaration of interest

Charan sets the rules and prepares the declaration of interest which is determining the Director and the Executive to acknowledge their interest or the interest of their related persons in the management of the Company. The declaration must be made for the first time within the 15th day of the following month where the transaction takes place and update the declaration every time when there is a change

to such interest without delay within 3 working days of the change by informing the number of change as well as submitting interest declaration form for themselves or for their related persons to the Company's secretary immediately or within specified time. The Company's secretary shall submit them to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days of the declaration receiving date.

3) Anti-corruption

Focusing on fair and transparent business conduct, we realize that fraud and corruption pose a major obstacle to social and economic development. This is because corrupt behaviors create business unfairness which could dent the reputation and stability of the Company, thereby making it unacceptable to society. For this reason, we have adopted an anti-corruption policy to be strictly followed and implemented by our directors, executives, employees and all parties concerned

The Company regularly assesses risks on corruption, i.e., Risk Management Team will primarily assess risks. Subsequently, Risk Management Committee will be responsible for analyzing, monitoring, controlling, and collecting evidence to make such risk as acceptable risk before reporting to the Board of Directors. In addition, Internal Audit Office is also responsible for assessing and monitoring risks caused by corruption besides enterprise risk assessment.

Our anti-fraud and corruption guidelines are outlined below

- (1) A Code of Business Ethics has been issued in writing to promote conformity to ethical standards, thus leading to preventive measures. The established organizational structure ensures that the management of the operations is in alignment with corporate goals and that there are appropriate separation of duties and a balance of power. Ethical emphasis is communicated across the organization through channels like the Company's website and comment box, while compliance with the Code is monitored and reviewed appropriately;
- (2) The head of each department is responsible for: overseeing and assessing departmental performance to mitigate fraud risk; maintaining an effective internal control system in order to close any loopholes for possible wrongdoing as well as continuously reviewing and improving its effectiveness; and monitoring the performance of their respective team to prevent failures arising from work activities;
- (3) The Company works with the internal auditors to review conformity to rules, procedures and the Code of Business Ethics, to assess fraud-corruption risk and warning signs, and to assess the adequacy of the internal control system for preventing, monitoring and detecting fraud risk. Results of such reviews and assessments are reported to the Board of Directors quarterly at the minimum;
- (4) The Company provides safe channels for reporting instances of fraud and corruption and has in place measures to protect whistle-blowers, informers or those cooperating in reporting such fraud

and to minimize any harm caused. Details of these are given in the “**Whistle-blowing measures and whistle-blower protection mechanism**”;

- (5) If any wrongdoing is discovered and there is evidence of fraud, a temporary special investigative panel shall be set up to ensure fair treatment of any person accused of wrongdoing as well as appropriate protection for the whistle-blower.
- (6) The wrongdoing discovered shall be used as a case study for devising preventive measures and ways to identify the cause of such act so as to prevent any further fraud.

Monitoring and Assessment on Performance of Anti-Corruption Policy

- (1) Internal Audit Office is assigned to audit and review internal control system and operations to meet with policies, practices, operational authority, rules and regulations, laws, and requirements of competent agencies in order to ensure that control system is appropriate and sufficient for risks on corruption. Compliance with anticorruption policy must be inspected and reported to the Audit Committee;
- (2) Risk Management Committee is assigned to be responsible for supervising risk management systematically and efficiently for the ultimate benefits in accordance with strategic plans of the Company and Risk Management Policy as well as reporting to the Board of Directors;
- (3) The Company regularly reviews practices and requirements on compliance with Anti-Corruption Policy in order to be consistent with changes of rules, regulations, and provisions of laws and business changes.

Anti-Money Laundering and Combating the Financing of Terrorism Policy

The Company is a financial institution that must comply with laws and regulations related to Anti-Money Laundering, Combating the Financing of terrorism, and Proliferation of Weapon of Mass Destruction Financing B.E. 2559. Although the Company has low risk on money laundering or offences, the Company may become the source of money-laundering or provide financial support to terrorism, for example, in the event that some customers commit offences as defined by AMLO to pay for insurance premium through such money gained from offences, etc. As a result, the Company has to ask customers to show their identification and inspect facts of customers prior making all transactions as well as establishes the following policies and practices to be consistent with laws:

- (1) Establish policies with determination to prevent and suppress money laundering and combating the financing of terrorism as well as define duties and ethics for complying with Money-Laundering Act and international standards;
- (2) Establish policy on risk assessment and management regarding anti-money laundering, combating the financing of terrorism, and proliferation of weapon of mass destruction financing;
- (3) Establish policy on customer acceptance or transactions made with customers, representatives,

agents, business partners, and substitutes in Thailand and other countries with business relationship with the Company by receiving customers' information for proving and identifying identification of customers as well as checking customers' information with the risky list as defined by laws in order to prevent becoming the tool or mediator of customers in money laundering or combating the financing of terrorism;

- (4) Establish policy on inspection in order to acknowledge facts on customers with database and monitor suspicious transactions for reporting to AMLO under terms and conditions of Anti-Money Laundering Act and related regulations;

Moreover, the Company also checks the list of customers and list of risky persons and persons informed by AMLO via electronic system before making all transactions. To realize on importance of this matter, the Company holds some training for providing knowledge on Anti-Money Laundering Act, prevention and suppression of combating the financing of terrorism, and proliferation of weapon of mass destruction financing to employees and executives.

- (5) The Company regularly reviews practices and requirements on compliance with Anti-Corruption Policy in order to consistent with changes of rules, regulations, and provisions of laws and business changes.

4) Whistleblowing

Whistle-blowing measures and whistle-blower protection mechanism

It is the Company's policy to protect every group of stakeholders. We have adopted whistle-blowing measures which ensure details and identity of the whistle-blowers or informers and the person being reported are kept confidential and shall be disclosed, as necessary, only to an authorized person/party. We give prime consideration to the safety of and potential harm to any informant and all concerned to provide assurance for those involved in the whistle-blowing procedure. The Company Secretary is designated to receive and collect reports of wrongdoing for further submission to the Audit Committee. Any suspicious instances of fraud or corruption can also be reported directly via the following channels:

Address: Charan Insurance Public Company Limited

408/1 Charan Insurance Building, Rachadapisek Road,
Samsen-Nok Sub-district, Huaykwang District, Bangkok 10310

Email: charanins@charaninsurance.co.th

Website: www.charaninsurance.co.th

Tel: 0-2276-1024 Cont. 207, 212

Fax: 0-2275-4919

In the event that any employee finds any offence or violation against code of conduct that may affect to any employee and other stakeholders, such employee is able to submit the complaint to his/her superior unless such complaint relates to his/her superior that must be informed to the Company's secretary directly. The Company has the process to manage whistle blowing, measures for protecting complainers, and investigation for finding facts and fairness of all parties by considering whether such whistle blowing is classified as offence and in which level for defining punishment through inspection process and conclusion of details for further consideration.

In the year 2023, there is no whistleblowing or complaints related to corruption or violating the Company's corporate governance policy.

8.2 Report on the Audit Committee's performance during the past year

8.2.1 Number of meetings and attendance of the individual Audit Committee

As shown in No. 8.1.2

8.2.2 Performance of the Audit Committee

The Audit Committee supervises the performance of internal auditors as well as reviewing the sufficiency and appropriateness of the Company's internal control system annually, covering various activities in accordance with the corporate structure such as review of financial statements, auditor selection and compensation, performance review, fraud investigation, compliance with the requirements, regulations, orders of the company and the specified government regulatory agencies, then report to the Board of Directors for acknowledgment. The details of the report on the performance of the Audit Committee are shown in **Attachment 6.1**

The scope, duties and responsibilities of the Audit Committee are shown in **No. 7.3 Sub-Committees**.

8.3 Report on the Sub-Committee's Performance

8.3.1 Number of meetings and attendance of individual committees

As shown in No. 8.1.2 **Meeting Attendance and Remuneration of Individual Directors for the year 2023**

8.3.2 The results of the performance of the sub-committees assigned by the Board of Directors

As shown in **No. 7.3 Sub-Committees**

9. Internal Control and Connected Transactions

9.1 Internal Control

The Board of Directors is responsible for the internal control system, therefore, it is constantly reviewed and monitored in order to increase efficiency and reduce losses from business operations in conditions that are constantly changing, both internal and external factors. Therefore, the board should always focus on the internal control system by requiring all departments to cooperate and consider the importance of the internal control system to cover all aspects, such as management and resource allocation of the company, accounting – finance, human resources management, procurement, information technology system, and legal in order to avoid serious damages and infringement disputes that could lead to civil and criminal prosecution. The Company has implemented the following processes:

- (1) The Company has established an organizational plan in accordance with the nature of the work, along with clearly defining the scope of powers and duties in order to achieve flexibility in operations such as establishment of a Board of Directors to supervise the policies and be responsible to the persons involved in the Company. The management team is responsible for overseeing and supervising various departments to ensure that the business can operate according to its goals. The various sub-committees are: Audit Committee, Executive Committee, Investment Committee, Risk Management Committee, Product Committee responsible for the duties assigned by the Board of Directors of various departments with appropriate amount and sufficient for the operation. In order to manage good control and balance of power among the operators of each department, as well as to maintain the overall risk management process at an acceptable level.
- (2) The Board of Directors has assigned three Audit Committee members to monitor and consider the adequacy of the internal control system due to the ever-changing circumstances and report the follow-up results to the Board of Directors.

Meetings between the Audit Committee and the external auditor, namely DIA International Audit Co., Ltd and the internal auditor, Thirty-Four Audit Office Co., Ltd are held regularly at least once a quarter in order to follow up and inquire about Company's internal control system. In the past year, there were no significant deficiencies related to the Company's internal control system. Only some items should be completely corrected and the responsible departments have already taken corrective actions. The report of the Audit Committee is shown in **Attachment 6.1**

At the department level, the Company has a self-assessment system to use in the operations of various departments, which is done annually in order to review the operations and develop various work systems for effective internal control and encourage continuous development.

- (3) In order to build immunity for the organization and to lay a good foundation in the long run, the Company has created an organizational culture by using personnel as a template to connect, for example, attending training, creating the Company Ethics and Code of Conduct.

The Board of Directors ensures that the auditor can develop its operating system independently and has good ethics, which the Company has assigned Thirty-Four Audit Office Co., Ltd to perform its duties as an internal auditor by assigning Mr. Silpachai Raksapol, the certified public accountant is primarily responsible for performing the duties of the internal auditor. The Audit Committee considered the qualifications of Thirty-Four Audit Office Co., Ltd and Mr. Silpachai Raksapol, found that they were appropriate to perform the said duties. He is independent and has 45 years of experience working in internal audits in the insurance and corporate industries, previously attended training courses related to internal audit operations, namely: Department of Revenue, Ministry of Commerce, Office of Insurance Commission, Professional Institution and the Cooperative Auditing Department.

In this regard, the consideration and approval of the appointment, removal of the Company's internal audit unit must be approved by the Audit Committee. The qualifications of the person holding the position of Head of the Internal Audit Department are shown in **Attachment 3**.

The Company has assigned Mr. Sornchai Keawrakmuk as the Head of Compliance Division to oversee the compliance with the regulations of the official units governing the Company's business operations. The position of Head of the Company's Compliance Division is shown in **Attachment 3**

9.2 Connected Transaction

During the year ended December 31, 2023, Charan had no connected transactions. However, the Board has stipulated that if in the future there is a need for transactions to be made between the Company and any of its directors, executives or related persons, such transactions must be strictly compliant with the related-party disclosure regulations and procedures prescribed by law or by the regulators. In such cases, prices and conditions must be specified as if the transactions were conducted with an external party, and the transactions must be agreed on fair and arm's-length' terms. Any director, executive or staff member who is an interested party to the transactions must not be involved in the approval process. The Audit Committee is responsible for scrutinizing such transactions and for providing opinion as to their justification for recommendation to the Board for approval. In this connection, the Board of Directors shall adhere to the Stock Exchange's rules and notifications governing the matter.

Section 3

Financial Statements

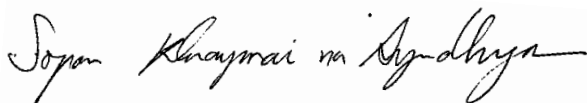
As of December 31, 2023

Statement of Directors' Responsibility in Respect of Financial Report

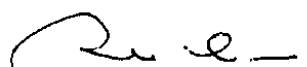
The Board of Directors is responsible for the Company's financial statements and financial information presented in the Annual Report. The financial statements for the year ended December 31, 2023 have been prepared in accordance with generally accepted accounting standards in Thailand, using appropriate and consistent accounting policies and based on sound, prudent and reasonable judgement. Significant information on accounting policies and financial reporting standards has also been adequately disclosed in the Notes to the Financial Statements. The Company's financial position and results are thus reflected accurately and transparently, providing useful facts for the shareholders and investors in general. Such financial statements have been audited and given an unqualified opinion by independent certified auditors.

The Board ensures adequate, appropriate systems for internal controls, risk management, internal audit and good governance are in place to provide reasonable assurances that the accounting information is objective, complete and reliable enough to protect the Company's property and safeguard the organization against frauds or material irregularities and that there is compliance with all applicable laws and regulations. In this regard, the Audit Committee has reported to the Board on the results of its reviews of assurances and has provided its opinions in such respect in the Report of the Audit Committee which is duly set out in this Annual Report.

The Board of Directors is of the view that the Company's overall system of internal controls is adequate and appropriate to provide assurance that the financial statements of Charana Insurance Public Company Limited for the year ended December 31, 2023 present accurately, in all material respects, the financial position, operating results and cash flow of the Company.



Sopon Kluaymai Na Ayudhya
Chairman of the Board



Sukich Charanvas
Managing Director

Independent Auditor's Report

To the shareholders of Charan Insurance Public Company Limited

Opinion

I have audited the financial statements of CHARAN INSURANCE PUBLIC COMPANY LIMITED, which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in owners' equity and statement 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 accompanying financial statements present fairly, in all material respects, the financial position of CHARAN INSURANCE PUBLIC COMPANY LIMITED as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Gross premium written

The Company had gross premium written amount of Baht 301.62 million, representing 85.47 percent of total revenues before premium coded to reinsurers which are insurance from retail customers and there were a large number of insurance policies written. Calculation and recognition of gross premium written as revenue are dependent upon information and technology (IT) systems. Hence, I focused on examining whether gross premium written are correctly recorded as actually incurred.

I have obtained an assurance relating to the accuracy and occurrence of gross premium written.

- Obtained an understanding and tested internal control system relating to operation procedure, insurance policy issuance, recording data in information and technology systems (IT) and gross premium written account.
- Performed sampling test internal control of information and technology system (IT) relating to insurance premium sales, insurance premium calculation and gross premium written recognition.
- Performed sampling test insurance policy in order to examine gross premium written is recognized in accordance with condition indicated in insurance policy and policy of the Company.
- Performed analytical procedure gross premium written account recognized in the accounting period and sampling test of recording gross premium written made through journal voucher.
- Reviewed data of insurance policy and endorsed insurance policy before and after reporting period.

Loss reserves

The Company had loss reserves of Baht 109.59 million (presented as a part of insurance contract liabilities.) representing 30.71 percent of total liabilities. Loss reserves are included both claims incurred and reported and not yet reported. Such reserves are calculated by the Management under actuarial method and key assumption used in calculation referred from information in the past and judgment made by the Management to determine assumption. Hence, I focused on examining the adequacy of loss reserves.

I have obtained an assurance relating to the adequacy of loss reserves by included.

- Obtained an understanding and assessed internal control system relating operation procedure, relevant to claims estimation of claim reserves and recording of loss reserves.
- Performed sampling test internal control system of the company relating to recording loss reserves.
- Inquired the Management relating to assumption used in estimation by actuary of the Company.
- Considered qualification of actuary of the Company.
- Read estimated loss reserve report prepared by actuary and compared with accounting record.
- Assessed assumption and loss reserve calculation by sampling claims information used by actuary.
- Examined claims document of major claim file.
- Required an expert for reviewing loss reserve estimation and assumption assessment including calculation method and comparing with assumption of previous year.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Co., Ltd.

(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 21, 2024

Charan Insurance Public Company Limited
Financial Statement
As of December 31, 2023

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		(Unit : Baht)	
	Note	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	6	38,418,107.15	30,395,288.95
Premium due and uncollected	7	36,842,990.25	25,908,818.54
Accrued investment income		3,754,258.44	3,303,359.95
Reinsurance assets	8	57,048,557.67	44,397,007.44
Reinsurance receivables	9	15,421,862.62	19,209,492.29
Investment properties			
Investments in securities	10	671,735,923.75	762,503,190.66
Loans and interest receivables	11	2,758,789.79	3,463,821.38
Property, plant and equipment	12	42,212,000.87	42,128,853.39
Intangible assets	13	5.00	5.00
Deferred tax assets	14	32,336,618.23	27,377,373.75
Other assets	15	15,717,850.98	21,327,089.50
TOTAL ASSETS		916,246,964.75	980,014,300.85

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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CHARAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2023

		(Unit : Baht)	
	Note	December 31, 2023	December 31, 2022
LIABILITIES AND OWNERS' EQUITY			
Insurance contract liabilities	16	268,261,034.39	293,938,398.97
Due to reinsurers	17	46,853,534.68	47,517,111.17
Income tax payables		2,079,265.70	7,161,567.43
Employee benefit obligations	19	8,649,642.28	9,743,624.00
Deferred tax liabilities	14	1,528,625.91	11,518,955.07
Others liabilities			
Unearned revenue		9,549,292.59	8,454,649.29
Others	20	19,933,223.11	18,529,897.51
TOTAL LIABILITIES		356,854,618.66	396,864,203.44

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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CHARAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2023

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
LIABILITIES AND OWNERS' EQUITY		
Owners' equity		
Share capital		
Registered capital		
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00
Issued and paid-up share capital		
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00
Premium on share capital	258,000,000.00	258,000,000.00
Retained earnings		
Appropriated		
Statutory reserve	12,000,000.00	12,000,000.00
Unappropriated	163,277,842.43	158,646,690.26
Other components of equity	6,114,503.66	34,503,407.15
TOTAL OWNERS' EQUITY	559,392,346.09	583,150,097.41
TOTAL LIABILITIES AND OWNERS' EQUITY	916,246,964.75	980,014,300.85

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



CHARAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)	
	Note	2023	2022
Revenues			
Premium written		301,619,047.85	484,436,878.51
<u>Less:</u> Premium ceded		(78,096,126.36)	(77,470,827.13)
Net Premium written		223,522,921.49	406,966,051.38
<u>Add/Less:</u> Unearned premium reserves from prior period		36,401,866.73	14,596,367.20
Net Premiums earned	36	259,924,788.22	421,562,418.58
Fee and commission income	36	31,458,564.56	27,864,303.75
Income on investments - net	32, 36	18,785,556.99	19,443,935.19
Other income		1,050,466.91	12,186,898.22
Total revenues		311,219,376.68	481,057,555.74
Expenses			
Gross insurance claims		146,953,956.50	161,881,081.95
<u>Less:</u> claims recovered from reinsurers		(23,182,151.47)	(20,114,057.87)
Total	36	123,771,805.03	141,767,024.08
Commission and brokerage expenses	36	47,366,037.48	67,881,749.10
Other underwriting expenses	36	68,296,137.36	140,753,531.64
Operating expenses	22	44,288,762.58	45,313,793.10
Expected credit losses (reversal)	23	(2,784,380.13)	220,454.90
Total expenses		280,938,362.32	395,936,552.82
Profit (loss) before income tax		30,281,014.36	85,121,002.92
Tax income (expense)	14.2	(3,308,448.37)	(15,323,502.72)
Profit (loss) for the year		26,972,565.99	69,797,500.20

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



CHARAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)	
	Note	2023	2022
Other comprehensive income (expenses)			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations		2,073,232.72	402,138.00
Income tax relating to other comprehensive income	14.3	(414,646.54)	(80,427.60)
Remeasurements of post-employment benefit obligations - net of tax		1,658,586.18	321,710.40
<u>Items that will be reclassified subsequently to profit or loss</u>			
Change in value of investments measured at			
fair value through other comprehensive income		(35,486,129.36)	(3,756,731.23)
Income tax relating to component of other comprehensive income	14.3	7,097,225.87	751,346.24
Change in value of investments measured at			
fair value through other comprehensive income, net of tax		(28,388,903.49)	(3,005,384.99)
Other comprehensive income (expense) for the years, net of tax		(26,730,317.31)	(2,683,674.59)
Total comprehensive income (expense) for the years		242,248.68	67,113,825.61
Earnings per share			
Basic earning (loss) per share		2.25	5.82
Number of ordinary shares		12,000,000	12,000,000

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



CHARAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

Note	Share capital Issued and fully paid	Premium on share capital	Retained earnings		Other component of owners' equities	
			Appropriated	Unappropriated	Fair value	Total
			Statutory reserve		changes on investments	
Balance as at December 31, 2021	120,000,000.00	258,000,000.00	12,000,000.00	88,527,479.66	37,508,792.14	516,036,271.80
Profit for the years	-	-	-	69,797,500.20	-	69,797,500.20
Other comprehensive income (expense) for the year	-	-	-	321,710.40	(3,005,384.99)	(2,683,674.59)
Balance as at December 31, 2022	120,000,000.00	258,000,000.00	12,000,000.00	158,646,690.26	34,503,407.15	583,150,097.41
Profit for the years	-	-	-	26,972,565.99	-	26,972,565.99
Dividend	-	-	-	(24,000,000.00)	-	(24,000,000.00)
Other comprehensive income (expense) for the year	-	-	-	1,658,586.18	(28,388,903.49)	(26,730,317.31)
Balance as at December 31, 2023	120,000,000.00	258,000,000.00	12,000,000.00	163,277,842.43	6,114,503.66	559,392,346.09

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	(Unit : Baht)	
	2023	2022
Cash flows from (used in) operating activities		
Net direct premium written	288,233,045.20	489,940,911.21
Cash paid for reinsurance	(72,420,891.74)	(70,382,102.67)
Interest income	11,889,925.84	9,984,740.63
Dividend	6,441,819.12	8,489,989.34
Other income	1,050,466.91	12,186,898.22
Losses incurred of direct insurance	(124,168,829.93)	(104,074,837.30)
Commissions and brokerages	(14,442,808.09)	(40,749,823.03)
Other underwriting expenses	(68,296,137.36)	(140,753,531.64)
Operating expenses	(37,934,031.05)	(73,945,630.15)
Tax expense (income)	(16,657,744.40)	(4,559,967.30)
Cash received from financial assets	252,414,253.79	248,669,441.84
Cash used in financial assets	(193,766,264.42)	(409,025,161.54)
Net cash from (used in) operating activities	32,342,803.87	(74,219,072.39)
Cash flows from (used in) investing activities		
Equipment	(319,985.67)	(64,039.53)
Net cash used in investing activities	(319,985.67)	(64,039.53)
Cash flows from (used in) financing activities		
Dividend paid	(24,000,000.00)	-
Net cash from (used in) financing activities	(24,000,000.00)	-
Net increase (decrease) in cash and cash equivalents	8,022,818.20	(74,283,111.92)
Cash and cash equivalents at beginning of the year	30,395,288.95	104,678,400.87
Cash and cash equivalents at end of the year	38,418,107.15	30,395,288.95

Notes to the financial statements are an integral part of these financial statements.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



Charan Insurance Public Company Limited
Notes to Financial Statement
As of December 31, 2023

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CHARAN INSURANCE PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

CHARAN INSURANCE PUBLIC COMPANY LIMITED ("the Company") was incorporated as a public limited company on March 15, 1994, Registration No. BorMorJor. 0107537000807. The Company has its registered head office at 408/1 Ratchadapisek Road, Samsenok, Huaykwang, Bangkok. The Company's principal activity is the provision of non - life insurance.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 Preparation of financial statements

The financial statements have been prepared in Conformity with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission ("OIC"), regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2562 dated April 4, 2019.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

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

(Sign) T. Pan Directors

(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2024, onwards

The Federation of Accounting Professions has revised the numbers of accounting standards, financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The management of the Company is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

2.3 Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2025, onwards

Thai Financial Reporting Standard No.17 "Insurance Contracts" establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes Thai Financial Reporting Standard No.4 "Insurance Contracts".

The Company's management will adopt TFRS 17 in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of this TFRS on the financial statements of the Company in the period of initial application.

3. ACCOUNTING POLICY

3.1. Product classification

The Company classifies the insurance contract and reinsurance contract based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the Company classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk. Financial risk is the risk of a possible future change in interest rate, foreign exchange rate and index of price or rates.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.1. Product classification (Cont.)

The Company classifies contracts based on an assessment of the insurance risk at an inception of contract on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as investment contracts at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

The Company classifies all insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as critical illness and personal accident that have coverage periods of more than 1 year and the Company can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

3.2. Revenue recognition

(a) Premium

Premium income is recognized on the date the insurance policy comes into effective date by after deducting premium ceded, cancelled and unearned premium reserve adjustment for insurance policies of which the coverage periods are less than 1 year. For long-term policies which the coverage periods are longer than 1 year that the related revenues and expenses are recorded as unearned and prepaid items. The Company amortizes the recognition of the unearned and prepaid items as income and expenses over the coverage period on the yearly basis.

(b) Reinsurance premium income

Reinsurance premium income is recognized as income when the reinsurer places the reinsurance application or statement of accounts with the Company.

(c) Commission and brokerage fee income

Commission and brokerage fee from ceded premium are recognized as income when services have been rendered to the reinsurers.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and recognized as income over the coverage period.

(d) Interest income and dividends

Interest income is recognized as interest accrues based on the effective interest method. Dividends are recognized when the right to receive the dividend is established.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.2. Revenue recognition (Cont.)

(e) Gain (loss) on trading securities

Gain (loss) on trading securities is recognized as income or expenses on the transaction date.

(f) Other income

Other income is recognized on the accrual basis

3.3. Premium reserve

(a) Unearned premium reserve

Unearned premium reserve is set aside in compliance with the Notification of the Ministry of Commerce governing the appropriation of unearned premium reserves of non-life insurance companies as follow:-

<u>Type of insurance</u>	<u>Reserve Calculation Method</u>
- Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
- Others	- Monthly average basis (the one-twenty fourth basis)

(b) Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims that may be incurred in respect of in-force policies. Unexpired risks reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

The Company compares the amounts of unexpired risks reserve with unearned premium reserve, and if unexpired risks reserve is higher than unearned premium reserve, the difference is recognized as unexpired risks reserve in the financial statements.

3.4. Loss reserve and outstanding claims

The Company recorded the outstanding claims which have been provided upon receipt of claim advices from the insured. They are recorded at the value appraised by an independent appraiser, or by the Company's officer as each case but not exceed than the maximum of sum insured of each policy.

In addition, the Company sets up provision reserve for losses incurred but not yet reported (IBNR) which calculated as based on the best estimate by Professional Actuary, the provision will be covered for all projected losses, such as losses incurred during this period, losses incurred but not reported (IBNR) and net by losses paid.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.5. Commissions, brokerages and other expense

Commissions and brokerages are recognized as expended as incurred, other expense is recognized on the accrual basis.

3.6. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposit at financial institutions and short-term investment with high liquidity with an original maturity of 3 months or less and not subject to withdrawal restrictions.

3.7. Premium due and uncollected

Premium due and uncollected from direct is carried at its net realizable value. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging and current status of the premium due as at the Statements of financial position date.

3.8. Reinsurance assets

Reinsurance assets are stated at the amounts of insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve, loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

The Company sets up an allowance for doubtful debt, of reinsurance assets based on losses that may be incurred due to irrecoverable, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting period.

Increase (decrease) in allowance for doubtful debt during the year is recorded as expense in profit or loss.

3.9. Reinsurance receivables and due to reinsurers

- (a) Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers, amounts deposit on reinsurance, and insurance reserve refundable from reinsurers.

Amounts due from reinsurers consist of accrued commission and brokerage income receivables, claims and various other items receivable from reinsurers, excluding reinsurance premium receivable, less allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.9. Reinsurance receivables and due to reinsurers (Cont.)

- (b) Amounts due from reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance. Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims. The Company presents net of reinsurance to the same entity (reinsurance receivables or amounts due to reinsurers) when the criteria for offsetting as follows.
- (1) The entity has a legal right to offset amounts presented in the statements of financial position, and
 - (2) The entity intends to receive or pay the net amount recognized in the statements of financial position, or to realize the asset at the same time as it pays the liability.

3.10. Financial assets - Investments in securities

(a) Classification and measurement

The Company shall classify financial assets as trading securities, available for sale securities, held to maturity securities, and receivables and loans by not taking into consideration of its business model and the characteristics of the contractual cash flows.


Financial liabilities are measured at amortized cost.

(b) Investment in securities

Investments in available-for-sale securities are stated at fair value. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

Held-to-maturity investments are stated at amortized cost. The premium/discount on debt securities is amortized/accreted by the effective rate method with the amortized/accreted amount presented as an adjustment to the interest income. Debt securities are classified as held-to-maturity investments when the Company has an intent and ability to hold to maturity.

Investments in non-marketable equity instruments (non-listed company) are stated at fair value and are classified as investments in available-for-sale securities which are measured at fair value through other comprehensive income. Change in the fair value of these securities are recognized in other comprehensive income.

(Sign)  Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.10. Financial assets - Investments in securities (Cont.)

(b) Investment in securities (Cont.)

The fair value of marketable securities is based on the latest bid price of the last working day of the year of the Stock Exchange of Thailand. The fair value of debt instrument is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of investment unit is determined from its net asset value. The fair value of non-marketable equity instruments is determined using generally accepted approach.

The weighted average method is used for computation of the cost of investments.

In the event that the Company reclassifies investment from one type to another, such investment will be readjusted to its fair value as at the reclassification date. The difference between the carrying amount of the investment and the fair value on the date of reclassification are recorded in profit or loss or recorded as surplus (deficit) from changes in the value of investments in equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognized in profit or loss.

Loss from impairment of equity instruments classified as investments in available-for-sale securities is immediately recognized through profit or loss when there is an objective evidence supporting impairment of the instruments, which indicate that the cost of the investment in an equity instrument may not be recovered, and there is a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Expected credit loss and loss on impairment (if any) are recorded as expenses in profit or loss.

3.11. Assets held for sales

Immovable properties held for sales are stated at the lower of cost or net saleable value. The Company set up an allowance for impairment on such assets.

3.12. Loans and interest receivables and expected credit losses

Loans and interest receivables are stated at net realizable value. Allowance for expected credit loss is provided for the expected loss using the general approach to determine the allowance for expected loss over the lifetime.

Increase (decrease) in allowance for expected credit loss during the year is recorded as expenses in profit or loss.

(Sign)



(Mr. Sukich Charanvas



Mr. Pon Titipanichayangoon)

Directors



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3. ACCOUNTING POLICY (Cont.)

3.13. Property, Plant and equipment, and depreciation

- (a) Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if applicable).
- (b) Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Building and improvement	20	years
Fixtures and office equipment	5	years
Motor vehicles	5	years

Land and construction in progress were not depreciated.

3.14. Intangible assets and amortization

Intangible asset is stated at cost less accumulated amortization and impairment of assets (if applicable). Amortization of intangible assets is calculated by reference to their costs on a straight-line basis over the period of the lease and the expected beneficial period as follows: -

Computer software	5	years
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3.15. Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, building and equipment and right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognized in the profit or loss.

3.16. Income tax

Income tax consists of current income tax and deferred income tax

- (a) Current income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation, during the reporting period and including of unpaid tax in previous year.

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Directors

(Mr. Sukich Charanvas

Mr. Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.16. Income tax (Cont.)

Income tax consists of current income tax and deferred income tax (Cont.)

(b) Deferred Tax

- 1) Deferred income tax is calculated based on temporary differences between book value of assets and liabilities as book in the Statements of financial position compare with these taxes base of assets and liabilities. The Company will be evaluate the value of deferred tax assets and liabilities by tax rate for each period that the Company has expected to be get benefit from deferred tax assets or in each period to expected to paid for deferred tax liabilities.
- 2) The Company recognizes deferred tax liabilities for taxable temporary differences and recognizes deferred tax assets by compare with the deductible temporary differences and tax losses carried forward. The Company recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.
- 3) At each Statements of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized or change in tax rate.
- 4) The Company recognizes deferred tax expenses to revenue or expense in the statements of income, except when the temporary differences relate to items under the owners' equity, in which case the deferred tax is directly recorded in the owners' equity.

3.17. Related party transactions

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

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

(Sign)   Directors
(Mr. Sukich Charanvas Mr. Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.18. Employee benefits

Short-term benefit

The Company recognizes salary, wage, bonus, contribution to social security fund and provident fund as incurred expenses.

Post-employment benefits (Defined contribution plan)

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

Post-employment benefits (Defined benefit plan)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. The Company's obligation under the defined benefit plan is using the projected unit credit method, determined by the certified actuary. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits (Defined contribution plan) is recognized immediately in the other comprehensive income and recognized in the Statements of comprehensive income for Actuarial gains and losses arising from post-employment benefits (Defined benefit plan).

3.19. Allowance for expected credit losses of financial assets

The Company recognized expected credit loss on its debt instruments that are cash and cash equivalents, financial assets measured at amortized cost and loans by applying the general approach in accordance with the Accounting Guidance related to financial instruments. The Company recognizes an allowance for expected credit losses at the amount equivalent to the lifetime expected credit losses when there has been a significant increase in credit risk since the initial recognition date but that are not credit-impaired or that are impaired. However, if there has not been a significant increase in credit risk since the initial recognition date, the Company recognized allowance for expected credit losses at the amount equivalent to the expected credit losses for the next 12 months.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.19. Allowance for expected credit losses of financial assets (Cont.)

At every reporting date, the Company assesses whether there has been a significant increase in the credit risk of financial assets since initial recognition by considering internal and external credit ratings of the counterparties and overdue status such as over 30 days past due, and if the debtor is more than 90 days past due it is assessed to be credit-impaired.

For other financial assets or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Increase (decrease) in allowance for expected credit loss is recognized as expenses during the year in profit or loss in statements of comprehensive income. The Company has a policy to write off any financial assets when it is believed that they will not be collected from the debtor.

3.20. Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

3.21. Derecognition of financial instruments

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.22. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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3. ACCOUNTING POLICY (Cont.)

3.23. The Company as a lessor

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

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

3.24. Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currency outstanding at the Statements of financial position date are translated into Baht at the exchange rates ruling on the Statements of financial position date. Gains and losses on exchange are included in the calculation of operation result.

3.25. Provision, expenses and contingent assets

The Company set up the provision and expense in the financial statements when there is a legally incurred liability or certain possibility inferring from a continuing result from the past incident, which may result in the Company having to repay or compensate for the said liability and the amount to be repaid can be reliably estimated. The Company would recognize the contingent assets as separate assets when there is a supporting factor for the absolute certainty in receiving the repayment.

3.26. Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

(Sign) Directors
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3. ACCOUNTING POLICY (Cont.)

3.27. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

3.28. Basic earnings per share

Basic earnings (loss) per share presented in the statements of income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

4.1. Allowance for doubtful accounts of premium due and uncollected and reinsurance assets.

In determining an allowance for doubtful accounts of premium due and uncollected and reinsurance assets, the management needs to make judgement and estimates expected loss incurred from expected uncollectible of premium due and collected and reinsurance assets.

Allowance for doubtful accounts is estimated based upon past collection history, aging profile of outstanding debts and the current status of premium due and uncollected and reinsurance assets as at the statement of financial position date. Reliability rankings, existing information of fund at the closing date and other information disclosed in public are additionally determined for reinsurance assets.

4.2. Allowance for expected credit losses of financial assets

The management is required to use judgement in estimating allowance for expected credit losses of financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the debtors status analysis, the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

(Sign)



(Mr. Sukich Charanvas



Mr.Pon Titipanichayangoon)

Directors



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4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont.)

4.3. Property, plant and equipment / intangible assets

Management determines the estimated useful lives and residual values for the property, plant and equipment / intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previous estimates, or will write off or write down technically obsolete assets that have been abandoned or sold.

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

4.4. Deferred tax

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. The Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognize deferred tax assets. The Company's assumptions regarding the future profitability and the anticipated timing of utilization of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Company's reported financial position and results of operations.

4.5. Loss reserves and outstanding claims

In determining whether insurance contracts meet the definition of insurance contracts under Thai Financial Reporting Standard, the Company is required to test whether the contracts accept/transfer significant insurance risk from/to the reinsurers, using actuarial technique based on assumptions regarding historical claim data and other assumptions. The management is required to exercise judgement in determining these assumptions. Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

4.6. Employee benefits obligations

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

(Sign) Directors

(Mr. Sukich Charanvas Mr.Pon Titipanichayagoon)



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4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont.)

4.7. Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

4.8. Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and believes that loss incurred will not exceed the recorded amounts as at the end of reporting period. However, actual results could differ from the estimates.

5. FAIR VALUE MEASUREMENT

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

(Sign)



(Mr. Sukich Charanvas



Mr. Pon Titipanichayagoon)

Directors



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5. FAIR VALUE MEASUREMENT (Cont.)

As at 31 December 2023 and 2022, the Company had assets and liabilities that were measured at fair value or disclosed at fair value using different levels of inputs as follows:

(Unit: Baht)

		2023			
	Carrying values	Fair values			
		Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>					
Available-for-sale investments					
Equity securities	173,091,562.34	173,091,562.34	-	-	173,091,562.34
General investments	7,899,646.90	-	-	7,899,646.90	7,899,646.90
<u>Assets for which fair value are disclosed</u>					
Cash and cash equivalents	38,418,107.15	38,418,107.15	-	-	38,418,107.15
Premium receivables	36,842,990.25	-	-	36,842,990.25	36,842,990.25
Reinsurance assets – claim reserves					
refundable from reinsurers	17,899,547.01	-	-	17,899,547.01	17,899,547.01
Reinsurance receivables	15,421,862.62	-	-	15,421,862.62	15,421,862.62
Held to maturity investments					
Government and state enterprise securities	6,200,000.00	-	-	6,200,000.00	6,200,000.00
Private sector debt securities	309,681,798.04	-	309,681,798.04	-	309,681,798.04
Deposits at financial institutions which matured over 3 months	174,862,936.47	174,862,936.47	-	-	174,862,936.47
Loans	2,758,789.79	-	-	2,758,789.79	2,758,789.79
<u>Liabilities which fair value are disclosed</u>					
Insurance contract liabilities - claim reserves	109,590,160.43	-	-	109,590,160.43	109,590,160.43
Amounts due to reinsurances	46,853,534.68	-	-	46,853,534.68	46,853,534.68

During the current year, there were no transfers within the fair value hierarchy.

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)

Directors



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5. FAIR VALUE MEASUREMENT (Cont.)

(Unit: Baht)

	2022				
	Carrying values	Fair values			
		Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>					
Available-for-sale investments					
Equity securities	200,288,479.78	200,288,479.78	-	-	200,288,479.78
General investments	16,092,894.16	-	-	16,092,894.16	16,092,894.16
<u>Assets for which fair value are disclosed</u>					
Cash and cash equivalents	30,395,288.95	30,395,288.95	-	-	30,395,288.95
Premium receivables	25,908,818.54	-	-	25,908,818.54	25,908,818.54
Reinsurance assets – claim reserves					
refundable from reinsurers	9,064,382.45	-	-	9,064,382.45	9,064,382.45
Reinsurance receivables	19,209,492.29	-	-	19,209,492.29	19,209,492.29
Held to maturity investments					
Government and state enterprise securities	6,200,000.00	-	-	6,200,000.00	6,200,000.00
Private sector debt securities	350,537,629.47	-	350,537,629.47	-	350,537,629.47
Deposits at financial institutions which matured over 3 months	189,384,187.25	189,384,187.25	-	-	189,384,187.25
Loans	3,463,821.38	-	-	3,463,821.38	3,463,821.38
<u>Liabilities which fair value are disclosed</u>					
Insurance contract liabilities - claim reserves	102,682,043.95	-	-	102,682,043.95	102,682,043.95
Amounts due to reinsurances	47,517,111.17	-	-	47,517,111.17	47,517,111.17

The methodology of fair value measurement depends upon the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique such as discounted cash flow.

The methods and assumptions used by the Company in estimating the fair values of financial instruments are described in note 3.10 to financial statement.

(Sign)   Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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6. CASH AND CASH EQUIVALENTS

	(Unit : Baht)	
	2023	2022
Cash	522,414.52	632,950.38
Deposits at banks with no fixed maturity date	37,895,692.63	29,762,338.57
Cash and cash equivalents	38,418,107.15	30,395,288.95

7. PREMIUM DUE AND UNCOLLECTED

As at December 31, 2023 and 2022, the Company has balances of premium due and uncollected which classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit : Baht)					
	2023			2022		
	Due from insured	Due from agents and brokers	Total	Due from insured	Due from agents and brokers	Total
Not yet due	642.21	28,487,454.51	28,488,096.72	-	18,559,969.84	18,559,969.84
Not over 30 days	1,280,012.50	4,142,323.29	5,422,335.79	1,525,423.56	3,738,154.53	5,263,578.09
Over 30 days to 60 days	59,493.57	2,199,818.41	2,259,311.98	84,847.65	1,399,050.92	1,483,898.57
Over 60 days to 90 days	-	310,234.75	310,234.75	-	336,654.66	336,654.66
Over 90 days	19,302.63	987,802.08	1,007,104.71	-	1,157,138.75	1,157,138.75
Total premium receivables	1,359,450.91	36,127,633.04	37,487,083.95	1,610,271.21	25,190,968.70	26,801,239.91
Less: Allowance for doubtful accounts	-	(644,093.70)	(644,093.70)	-	(892,421.37)	(892,421.37)
Total premium due and uncollected, net	1,359,450.91	35,483,539.34	36,842,990.25	1,610,271.21	24,298,547.33	25,908,818.54

8. REINSURANCE ASSETS

As at December 31, 2023 and 2022, the Company has reinsurance assets as below:

	(Unit : Baht)	
	2023	2022
<u>Insurance recovered from reinsurers</u>		
Loss reserves	17,899,547.01	9,064,382.45
Unearned premium reserves (UPR)	39,149,010.66	35,332,624.99
Total	57,048,557.67	44,397,007.44

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Directors

(Mr. Sukich Charanvas

Mr. Pon Titipanichayangoon)



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9. REINSURANCE RECEIVABLES

As at December 31, 2023 and 2022, the Company has reinsurance receivables as below:

	(Unit : Baht)	
	2023	2022
Amounts due from reinsurers	15,421,862.62	19,209,492.29
Total	15,421,862.62	19,209,492.29

As at December 31, 2023 and 2022, balances of amounts due from reinsurers are classified by aging as follows:

	(Unit : Baht)	
	2023	2022
Within credit terms	15,392,704.52	19,189,416.74
Not over 12 months	29,158.10	20,075.55
Total	15,421,862.62	19,209,492.29

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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10. INVESTMENT IN SECURITIES

10.1 Classified by type of investments As at December 31, 2023 and 2022, the Company has investments in securities as follows:

	(Unit: Baht)			
	2023		2022	
	Cost / Amortized cost	Fair value	Cost / Amortized cost	Fair value
Investments measured at fair value				
through other comprehensive income /				
Available-for-sale investments				
Government and state enterprise securities				
Equity securities	4,923,750.00	8,319,750.00	4,923,750.00	7,690,500.00
Private enterprise debt securities				
Equity securities	168,083,249.67	164,771,792.34	167,987,305.00	192,597,979.78
Non-listed equity instruments	341,060.00	7,899,646.90	341,060.00	16,092,894.16
Total	173,348,059.67	180,991,189.24	173,252,115.00	216,381,373.94
Add (Less) Unrealized gain (loss)	7,643,129.57	-	43,129,258.94	-
Total investments measured at fair value				
through other comprehensive income /				
Available-for-sale investments	180,991,189.24	180,991,189.24	216,381,373.94	216,381,373.94
Investment measured at amortized cost /				
Held-to-maturity investments				
Government and state enterprise securities	6,200,000.00		6,200,000.00	
Private sector debt securities	345,000,000.00		386,000,000.00	
Deposits at banks	174,890,000.00		189,890,000.00	
Total	526,090,000.00		582,090,000.00	
(Less) Allowance for expected credit losses	(35,345,265.49)		(35,968,183.28)	
Total investment measured at amortized cost				
/ Held-to-maturity investments	490,744,734.51		546,121,816.72	
Investments in securities - net	671,735,923.75		762,503,190.66	

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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10. INVESTMENT IN SECURITIES (Cont.)

10.2 Period to maturity

(Unit : Baht)

	2023			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	200,000.00	6,000,000.00	-	6,200,000.00
Private sector debt securities	94,000,000.00	246,000,000.00	5,000,000.00	345,000,000.00
Deposits at financial institutions which matured over 3 months	174,890,000.00	-	-	174,890,000.00
Less: Allowance for expected credit losses	(20,129,758.19)	(15,206,133.68)	(9,373.62)	(35,345,265.49)
Total available-for-sale investments	248,960,241.81	236,793,866.32	4,990,626.38	490,744,734.51

(Unit : Baht)

	2022			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	1,000,000.00	5,200,000.00	-	6,200,000.00
Private sector debt securities	65,000,000.00	291,000,000.00	30,000,000.00	386,000,000.00
Deposits at financial institutions which matured over 3 months	189,890,000.00	-	-	189,890,000.00
Less: Allowance for expected credit losses	(673,317.33)	(20,282,181.40)	(15,012,684.55)	(35,968,183.28)
Total available-for-sale investments	255,216,682.67	275,917,818.60	14,987,315.45	546,121,816.72

10.3 Debt securities that are measured at amortized cost

(Unit : Baht)

	2023		
	Gross carrying value	Expected credit loss	Carrying
Investments in debt securities which credit risk has not significantly increased (Stage 1)	491,090,000.00	(345,265.49)	490,744,734.51
Credit-impaired investments in debt securities (Stage 3)	35,000,000.00	(35,000,000.00)	-
Total	526,090,000.00	(35,345,265.49)	490,744,734.51

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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10. INVESTMENT IN SECURITIES (Cont.)

10.3 Debt securities that are measured at amortized cost

	(Unit : Baht)		
	2022		
	Gross carrying value	Expected credit loss	Carrying
Investments in debt securities which credit risk has not significantly increased (Stage 1)	547,090,000.00	(968,183.28)	546,121,816.72
Credit-impaired investments in debt securities (Stage 3)	35,000,000.00	(35,000,000.00)	-
Total	582,090,000.00	(35,968,183.28)	546,121,816.72

(Sign)





Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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10. INVESTMENT IN SECURITIES (Cont.)

10.4 Fair values of investments in debt instruments

(Unit : Baht)

		2023	
		The contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the only outstanding principal amount	The contractual terms of financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the only outstanding principal amount
		Changes in fair value during year	Changes in fair value during year
		Fair value	Fair value
Held-to-maturity investments which are measured at amortized cost			
Government and state enterprise securities	-	-	6,200,000.00
Private sector debt securities	-	-	309,681,798.04
Deposits at financial institutions which matured over 3 months	-	-	174,862,936.47
Total	-	-	490,744,734.51

(Unit : Baht)

		2022	
		The contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the only outstanding principal amount	The contractual terms of financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the only outstanding principal amount
		Changes in fair value during year	Changes in fair value during year
		Fair value	Fair value
Held-to-maturity investments which are measured at amortized cost			
Government and state enterprise securities	-	-	6,200,000.00
Private sector debt securities	-	-	350,537,629.47
Deposits at financial institutions which matured over 3 months	-	-	189,384,187.25
Total	-	-	546,121,816.72

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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10. INVESTMENT IN SECURITIES (Cont.)



10.5 Other components of equity

(Unit: Baht)

	For the year ended 31 December	
	2023	2022
Available-for-sale investments which are measured at fair value through other comprehensive income		
Balance - beginning of the year	34,503,407.15	37,508,792.14
Other comprehensive income (expenses) for the year	(28,388,903.49)	(3,005,384.99)
Balance - end of the year	6,114,503.66	34,503,407.15

10.6 Investments subject to restriction

As at December 31, 2023 and 2022, the Company pledged bank deposit Baht 84.89 million and Baht 104.89 million, respectively as collateral as stated in note 37.

(Sign)   Directors
(Mr. Sukich Charanvas Mr. Pon Titipanichayangoon)



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11. LOANS

As at December 31, 2023 and 2022, loans and accrued interest aged by principal and accrued interest are as follows:

Classification	2023		
	LOANS		Total
	Mortgage loans	Other	
Loans which credit risk has not significantly increased (Stage 1)	2,395,904.51	362,885.28	2,758,789.79
Total - Loans and interest receivables	2,395,904.51	362,885.28	2,758,789.79

(Unit : Baht)

Classification	2022		
	LOANS		Total
	Mortgage loans	Other	
Loans which credit risk has not significantly increased (Stage 1)	3,182,986.19	280,835.19	3,463,821.38
Credit-impaired loans (Stage 3)	2,035,988.91	-	2,035,988.91
Total	5,218,975.10	280,835.19	5,499,810.29
Less: Allowance for expected credit losses	(2,035,988.91)	-	(2,035,988.91)
Total - Loans and interest receivables	3,182,986.19	280,835.19	3,463,821.38

(Unit : Baht)

11.1 The collateralized loans are loan facilities provided to employees as part of the credit welfare project for house with interest rate MLR – 1.5% and MOR - 2.0% per annum.

11.2 The collateralized loans are personal loans provided to employees as part of the benefit program with interest rate at MLR - 1.5% per annum and MOR per annum.

11.3 The collateralized loans are loan facilities provided to other person at interest rate MOR-1.5% per annum.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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12. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	2023				
	Land	Building	Fixture and office equipment	Vehicle	Total
Cost :					
At December 31, 2022	41,549,000.00	80,536,138.70	4,237,759.30	10,610,618.62	136,933,516.62
Additions	-	-	327,128.75	-	327,128.75
Disposal	-	-	(257,307.23)	-	(257,307.23)
At December 31, 2023	41,549,000.00	80,536,138.70	4,307,580.82	10,610,618.62	137,003,338.14
Accumulated depreciation :					
At December 31, 2022	-	80,369,061.30	3,824,995.31	10,610,606.62	94,804,663.23
Depreciation for the year	-	78,685.63	158,152.56	-	236,838.19
Disposal	-	-	(250,164.15)	-	(250,164.15)
At December 31, 2023	-	80,447,746.93	3,732,983.72	10,610,606.62	94,791,337.27
Net book value :					
At December 31, 2022	41,549,000.00	167,077.40	412,763.99	12.00	42,128,853.39
At December 31, 2023	41,549,000.00	88,391.77	574,597.10	12.00	42,212,000.87
Depreciation for the year :					
At December 31, 2023					236,838.19

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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12. PROPERTY, PLANT AND EQUIPMENT (Cont.)

(Unit : Baht)

	2022				
	Land	Building	Fixture and office equipment	Vehicle	Total
Cost :					
At December 31, 2021	41,549,000.00	80,536,138.70	4,199,227.80	11,927,618.62	138,211,985.12
Additions	-	-	67,210.00	-	67,210.00
Disposal	-	-	(28,678.50)	(1,317,000.00)	(1,345,678.50)
At December 31, 2022	41,549,000.00	80,536,138.70	4,237,759.30	10,610,618.62	136,933,516.62
Accumulated depreciation :					
At December 31, 2021	-	80,290,375.67	3,659,663.12	11,927,605.62	95,877,644.41
Depreciation for the year	-	78,685.63	190,841.22	-	269,526.85
Disposal	-	-	(25,509.03)	(1,316,999.00)	(1,342,508.03)
At December 31, 2022	-	80,369,061.30	3,824,995.31	10,610,606.62	94,804,663.23
Net book value :					
At December 31, 2021	41,549,000.00	245,763.03	539,564.68	13.00	42,334,340.71
At December 31, 2022	41,549,000.00	167,077.40	412,763.99	12.00	42,128,853.39
Depreciation for the year :					
At December 31, 2022					269,526.85

As at December 31, 2023 and 2022, the Company has furniture, fixtures and office equipment at cost before deducting accumulated depreciation amount of Baht 92.89 million and Baht 93.03 million, respectively which are fully depreciated and still used in its operation.

(Sign)



(Mr. Sukich Charanvas



Mr.Pon Titipanichayangoon)

Directors



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13. INTANGIBLE ASSETS

	(Unit : Baht)
	<u>Computer software</u>
Cost:	
At December 31, 2021	1,941,571.03
Additions	-
At December 31, 2022	1,941,571.03
Additions	-
At December 31, 2023	1,941,571.03
Accumulated amortization	
At December 31, 2021	1,941,566.03
Amortization charge	-
At December 31, 2022	1,941,566.03
Amortization charge	-
At December 31, 2023	1,941,566.03
Net book value:	
At 31 December 2022	5.00
At 31 December 2023	5.00
Amortization for the year 2023	-
Amortization for the year 2022	-

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(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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14. DEFERRED TAX

14.1 As at December 31, 2023 and 2022, the component of deferred tax assets and liabilities consist of following items.

	(Unit: Baht)	
	2023	2022
Deferred tax assets		
Premium reserve	6,022,538.94	-
Loss reserves and outstanding claims	13,663,464.73	12,709,524.76
Loss reserves incurred but not reported (IBNR)	3,396,726.93	4,588,623.46
Allowance for expected credit losses / Allowance for doubtful accounts	7,523,959.17	8,130,500.73
Employee benefit obligation	1,729,928.46	1,948,724.80
Total	32,336,618.23	27,377,373.75
Deferred tax liabilities		
Premium reserve	-	2,893,103.28
Unrealized gain from investment valuation – Available for sale	1,528,625.91	8,625,851.79
Total	1,528,625.91	11,518,955.07
Deferred tax assets (liabilities) - net	30,807,992.32	15,858,418.68

14.2 Tax income (expense) for the year ended December 31, 2023 and 2022, is summarized as follows:

	(Unit: Baht)	
	2023	2022
Current income tax:		
Income tax for the year	11,575,442.67	8,229,246.99
Deferred income tax:		
Deferred tax from temporary difference	(8,266,994.30)	7,094,255.73
Income tax presented in statement of comprehensive income	3,308,448.37	15,323,502.72

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(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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14. DEFERRED TAX (Cont.)

14.3 The amount of income tax relating to each component of other comprehensive incomes for the year ended December 31, 2023 and 2022, are summarized as follows:

	(Unit : Baht)	
	2023	2022
Deferred tax relating to Remeasurements of post-employment benefit obligations for the year	(414,646.54)	(80,427.60)
Deferred tax relating to gain (loss) from investment valuation Available for sale	7,097,225.87	751,346.24
	6,682,579.33	670,918.64

14.4 Reconciliation amount between income tax expenses and multiplication of taxable profit and tax rate used for the year ended December 31, 2023 and 2022, are presented as follows:

	(Unit : Baht)	
	2023	2022
Profit (Loss) from accounting before income tax	30,281,014.36	85,121,002.92
Income tax rate	20%	20%
Profit (Loss) from accounting before income tax multiplied by income tax rate	6,056,202.87	17,024,200.58
Income tax adjusted of previous year	-	-
The effect from changing income tax rate of deferred tax	(1,520,565.18)	-
The effect of income tax:		
Current year tax profit (loss) for which no deferred tax asset was recognized	-	-
Non-taxable revenues and expenses	(1,287,963.82)	(1,697,697.86)
Non-deductible expenses	60,774.50	(3,000.00)
Income tax presented in statement of comprehensive income	3,308,448.37	15,323,502.72

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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15. OTHER ASSETS

	(Unit: Baht)	
	2023	2022
Prepaid long-term commission	1,806,913.06	1,661,162.26
Loss recovery from counter parties	4,350,425.45	4,734,329.83
Other receivables	276,191.90	10,135,174.48
Others	10,914,757.24	6,552,333.03
Total	17,348,287.65	23,082,999.60
Less: Allowance for expected credit losses	(1,630,436.67)	(1,755,910.10)
Other assets - net	15,717,850.98	21,327,089.50

16. INSURANCE CONTRACT LIABILITIES

	(Unit: Baht)		
	2023		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	86,911,895.52	(12,204,916.75)	74,706,978.77
- Incurred but not reported claim reserves	22,678,264.91	(5,694,630.26)	16,983,634.65
Premium liabilities - Unearned premium reserves	158,670,873.96	(39,149,010.66)	119,521,863.30
Total	268,261,034.39	(57,048,557.67)	211,212,476.72

	(Unit: Baht)		
	2022		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	75,298,478.82	(4,623,934.60)	70,674,544.22
- Incurred but not reported claim reserves	27,383,565.13	(4,440,447.85)	22,943,117.28
Premium liabilities - Unearned premium reserves	191,256,355.02	(35,332,624.99)	155,923,730.03
Total	293,938,398.97	(44,397,007.44)	249,541,391.53

(Sign)



(Mr. Sukich Charanvas



Mr.Pon Titipanichayangoon)

Directors



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16. INSURANCE CONTRACT LIABILITIES (Cont.)

Loss reserves and outstanding claims

	(Unit: Baht)	
	2023	2022
Beginning balances	102,682,043.95	57,666,129.33
Claim incurred in this year	168,530,281.25	200,308,126.11
Changes in claim reserves in previous year	(7,217,419.94)	(21,173,678.30)
Changes in claim reserves assumptions	(12,549,071.46)	(13,082,035.36)
Claim paid in this year	(141,855,673.37)	(121,036,497.83)
Ending balances	109,590,160.43	102,682,043.95

As at December 31, 2023, the Company had loss reserves and outstanding claims under reinsurance contracts of Baht 0.43 million (December 31, 2022: Baht 0.57 million).

Unearned premium reserve

	(Unit: Baht)	
	2023	2022
Beginning balances	191,256,355.02	205,053,164.44
Premium written for the year	301,619,047.85	484,436,878.51
Premium earned for the current year	(334,204,528.91)	(498,233,687.93)
Ending balances	158,670,873.96	191,256,355.02

Unexpired risk reserve

	(Unit: Baht)	
	2023	2022
Beginning balances	87,822,026.25	99,557,856.23
Estimated claims for the year	165,273,463.33	230,167,668.60
Expired risk during the year	(175,270,139.42)	(241,903,498.58)
Ending balances	77,825,350.16	87,822,026.25

(Sign)





Directors

(Mr. Sukich Charanvas

Mr. Pon Titipanichayangoon)



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16. INSURANCE CONTRACT LIABILITIES (Cont.)

As at December 31, 2023, the Company has not provided for unexpired risk reserve for the amount of Baht 77.83 million (December 31, 2022, Baht 87.82 million) since unexpired risk reserve is lower than unearned premium reserve.

Gross claims table

							(Unit: Baht)
Accident year/Reporting year	2018	2019	2020	2021	2022	2023	Total
Claim estimates:							
- As at accident year	71,469,051	171,146,908	131,607,373	91,898,667	161,967,480	142,344,845	
- Next one year	65,399,721	175,520,628	121,490,921	88,699,308	177,514,254		
- Next two years	55,573,021	163,013,083	103,794,544	82,253,707			
- Next three years	53,656,075	158,763,267	103,090,354				
- Next four years	53,670,175	119,920,197					
- Next five years	53,665,042						
Cumulative claim estimates	53,665,042	119,919,569	103,083,768	80,829,996	167,402,415	162,514,393	687,415,183
Cumulative payments	(53,665,042)	(118,919,003)	(102,376,523)	(80,916,950)	(147,828,878)	(88,275,886)	(591,982,282)
Total	-	1,000,566	707,245	(86,954)	19,573,537	74,238,507	95,432,901
Claims before 2018							40,800
Others							14,116,459
Total gross loss reserves							109,590,160

Net claims table

							(Unit: Baht)
Accident year/Reporting year	2018	2019	2020	2021	2022	2023	Total
Claim estimates:							
- As at accident year	60,216,395	133,884,158	113,889,725	72,439,294	143,571,869	119,837,399	
- Next one year	57,141,350	136,393,962	106,691,796	71,573,298	159,754,490		
- Next two years	48,547,921	123,514,370	88,617,801	65,553,059			
- Next three years	46,691,204	116,871,739	87,986,851				
- Next four years	46,705,979	111,411,513					
- Next five years	46,700,846						
Cumulative claim estimates	46,700,846	111,410,961	87,984,736	64,830,443	152,798,065	135,698,599	599,423,650
Cumulative payments	(46,700,846)	(110,460,962)	(87,291,389)	(64,331,659)	(131,135,291)	(79,081,606)	(519,001,753)
Total	-	949,999	693,347	498,784	21,662,774	56,616,993	80,421,897
Claims before 2018							40,800
Others							8,869,120
Total net loss reserves							89,331,817

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)

Directors



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16. INSURANCE CONTRACT LIABILITIES (Cont.)

Key assumptions

Key assumptions used in the valuation of loss reserves arising from insurance contracts are as follows.

(a) The assumptions of in claim experiences.

For assessment, the Company applies 3 actuarial methods as follows:

- 1) Chain Ladder method is used for claims paid and incurred.
- 2) Bornhuetter-Ferguson or "BF" method is used for claims paid and incurred.
- 3) The Expected Loss Ratio or "ELR".

The Company usually uses the Chain Ladder method to estimate losses incurred, which is considered the best method while the BF and ELR will be applied to on a case by case basis where appropriate. Key assumption of both methods is Ultimate Loss Ratio. For selecting Ultimate Loss Ratio, the Company will consider information in the past including other factors that can reflect the appropriate level of liabilities of the Company at the end of the reporting periods such as changing in policy of insurance or changing coverage in insurance policy and soon.

(b) The assumption of the relevant expenses.

The estimation of unallocated loss adjustment expenses (ULAE).

In estimating ULAE, the Company uses the "Kittel's Refinement of the Classical Paid-to-Paid" method by reference to Conger and Nolibos on "Estimating ULAE Liabilities: Rediscovering and Expanding Kittel's Approach" in collecting the Company's internal expenses in order to analyze and estimate analytical expenses of claim department and unallocated loss adjustment expenses (ULAE). For this method, the estimation has been considered the ratio of ULAE to the average claims paid by considering to select such ratio from information in the past at least 3 years.

17. DUE TO REINSURERS

	(Unit: Baht)	
	2023	2022
Premium ceded payables	27,337,904.81	28,417,197.82
Amount withheld on reinsurance	19,515,629.87	19,099,913.35
Total reinsurance payables	46,853,534.68	47,517,111.17

(Sign)





Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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18. BANK OVERDRAFTS

As at December 31, 2023 and 2022, the Company has credit facilities of bank overdrafts amounting to Baht 20.00 million with interest rate at MOR - 3 % guaranteed by fixed deposit as disclosed in note 37.

19. EMPLOYEE BENEFIT OBLIGATIONS

<u>Employee benefits expenses project as determined :</u>		(Unit: Baht)
	2023	2022
Current service cost	772,686.00	742,343.00
Interest cost	206,565.00	158,059.00
Remeasurements of post-employment benefit obligations for the year	(2,073,232.72)	(402,138.00)
Total expenses	(1,093,981.72)	498,264.00
<u>The statement of financial position obligation was determined as follows :</u>		
Present value of the defined benefit obligations	6,989,923.00	7,392,061.00
Remeasurements of post-employment benefit obligations for the year	(2,073,232.72)	(402,138.00)
Defined benefit obligation at end of year	4,916,690.28	6,989,923.00
<u>Movement in the present value of the defined benefit obligations :</u>		
Defined benefit obligations at January 1,	9,743,624.00	9,968,047.00
Current service cost	772,686.00	742,343.00
Interest cost	206,565.00	158,059.00
Less Benefits paid	-	(750,167.00)
Past Service Cost – Plan Changes	-	27,480.00
Remeasurements of post-employment benefit obligations for the year	(2,073,232.72)	(402,138.00)
Defined benefit obligation at December 31,	8,649,642.28	9,743,624.00

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(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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19. EMPLOYEE BENEFIT OBLIGATIONS (Cont.)

Actuarial assumptions to use for calculation.

	2023	2022
	Percentage	Percentage
Retirement age	60 Years old	60 Years old
Discount Rate	2.65	2.12
Long term salary increases	3.00	1.80
Employees turn over	1.91-22.92	0.00-21.00
Mortality Rate	TMO2017	TMO2017

Remeasurements of post-employment benefit obligations recognized in other comprehensive income arising from:

Assumptions	(Unit : Baht)	
	2023	2022
Experience Adjustments on Plan Liabilities	(2,389,334.80)	(113,039.00)
Change in Demographic Assumptions on Plan Liabilities	(17,918.60)	(212,673.00)
Change in Financial Assumptions on Plan Liabilities	334,020.68	(76,426.00)
Total	(2,073,232.72)	(402,138.00)

Sensitivity analysis :

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Defined benefit obligation at December 31, 2023	(Unit : Baht)	
	Increase	Decrease
Discount Rate (1.0% movement)	(495,210.19)	546,112.72
Long term salary increase (1.0% movement)	538,669.19	(498,216.00)
Employees turn over (10.0% movement)	(174,495.67)	184,793.69

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayagoon)

Directors



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20. OTHER LIABILITIES

	(Unit: Baht)	
	2023	2022
Accrued expense	8,693,912.39	9,596,159.94
Accrued commission	5,986,687.88	4,376,272.25
Others	5,252,622.84	4,557,465.32
Total	19,933,223.11	18,529,897.51

21. DIVIDEND PAYMENT

According to the resolution of ordinary shareholders' meeting held on April 26, 2023. The company passed resolution to pay dividend to the shareholders from result of its operation of the year 2022 at the rate Baht 2.00 per share for 12 million shares total amount of Baht 24.00 million. The company already paid dividend on May 25, 2023.

22. OPERATING EXPENSES

	(Unit: Baht)	
	For the year ended December 31,	
	2023	2022
Personal expenses which are not expenses for underwriting and claims	24,081,814.64	23,047,348.13
Premises and equipment expenses which is not expenses for underwriting	7,396,636.92	9,249,958.47
Taxes and duties	2,134,921.02	2,822,704.05
Directors' remuneration	2,040,000.00	760,000.00
Other operating expenses	8,635,390.00	9,433,782.45
Total operating expenses	44,288,762.58	45,313,793.10

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(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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23. EXPECTED CREDIT LOSSES

	(Unit : Baht)	
	For the year ended December 31,	
	2023	2022
Loans and interest receivables	(1,832,392.00)	-
Other assets	(329,070.34)	596,682.61
Investment in securities	(622,917.79)	(376,227.71)
Total	(2,784,380.13)	220,454.90

24. EMPLOYEE BENEFIT EXPENSE

	(Unit : Baht)	
	For the year ended December 31,	
	2023	2022
Management		
Wages and salaries	14,630,869.00	12,510,151.00
Pension costs - defined contribution plans	186,006.00	182,404.00
Others	922,723.45	1,001,255.19
	15,739,598.45	13,693,810.19
Other employees		
Wages and salaries	16,690,096.00	16,787,931.11
Pension costs - defined contribution plans	175,873.71	64,539.93
Others	814,741.48	674,375.90
	17,680,711.19	17,526,846.94
Total	33,420,309.64	31,220,657.13
Employee benefit expenses has been allocated to:		
Other underwriting expenses	4,625,213.00	4,518,956.00
Insurance claim and loss adjustments	2,673,282.00	2,594,353.00
Operating expenses	26,121,814.64	24,107,348.13
Total	33,420,309.64	31,220,657.13

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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25. BENEFITS PAID TO DIRECTORS AND KEY MANAGEMENT

Directors' remuneration is benefit paid to the Company's directors in accordance with the Section 90 of the Public Company Limited Act B.E. 2535 (1992) excluded salaries and related benefits to be paid to executive directors.

Benefit expenses paid to chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels consist of salaries, bonus, retirement benefit and meeting allowance.

Directors' remuneration and management benefit expenses for the year ended December 31, 2023 and 2022, are presented as follows.

	(Unit : Baht)	
	For the year ended December 31,	
	2023	2022
Short-term benefits	14,965,209.45	13,050,198.19
Long-term benefits	774,389.00	643,612.00
Total	15,739,598.45	13,693,810.19

26. TAX AFFECT TO RELATE WITH EASH COMPONENT OF OTHER COMPREHENSIVE INCOME

	(Unit : Baht)		
	Amount before Tax	Benefit (Expense) Tax	Net amount from Tax
As at December 31, 2023			
Surplus (deficit) on changes in values of			
investments	(35,486,129.36)	7,097,225.87	(28,388,903.49)
Remeasurements of post-employment benefit			
obligations	2,073,232.72	(414,646.54)	1,658,586.18
Total	(33,412,896.64)	6,682,579.33	(26,730,317.31)
As at December 31, 2022			
Surplus (deficit) on changes in values of			
investments	(3,756,731.23)	751,346.24	(3,005,384.99)
Remeasurements of post-employment benefit			
obligations	402,138.00	(80,427.60)	321,710.40
Total	(3,354,593.23)	670,918.64	(2,683,674.59)

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS

27.1. Insurance risk

Insurance risk refers to the risk of loss arising from unpredictability of frequency, severity and timing of damage that differ from the assumptions made in calculating premiums or reserves and in underwriting considerations as well as loss or damage arising from unusual external factors, particularly those caused by geographical changes, including social calamities. All such factors can do severe damage to life and property insured by the Company.

The risk factors that could negatively affect the operations include insurance claims as they represent a major expenditure uncontrollable by the Company. Another factor is the risk of unbalanced product mix resulting.

Systematic risk management is in place covering from the process of risk underwriting. It is our policy to insure against those perils with a low degree of risk through careful selection of prospective clients, property, types of business and exposure of risks to be accepted and by taking into account the area's vulnerability to natural disasters. These factors would be considered based on data and statistics collected before premiums are set appropriately according to the risk. The Company also mitigates insurance risk by transferring those large risks to financially sound domestic and overseas reinsurers under different forms of reinsurance contracts such as treaty reinsurance, facultative reinsurance and excess of loss reinsurance. Such arrangements enable the Company to minimize insurance risk and ensure a rigorous, systematic claims management process where claims are settled accurately according to actual loss.

Concentrations of insurance contract liabilities, segregated by insurance type, is tabled below.

	2023			2022		
	Outward			Outward		
	Gross premium reserves	premium reserves	Net	Gross Premium reserves	premium reserves	Net
Fire	34,679,586.77	(15,265,056.78)	19,414,529.99	29,738,126.60	(12,230,975.64)	17,507,150.96
Marine and transportation	7,522,471.86	(4,327,138.53)	3,195,333.33	4,972,003.65	(2,517,451.40)	2,454,552.25
Motor	91,642,511.03	(4,596,742.69)	87,045,768.34	132,462,294.16	(6,783,620.29)	125,678,673.87
Personal accident	281,515.60	(101,171.17)	180,344.43	563,106.26	(229,490.62)	333,615.64
Miscellaneous	24,544,788.70	(14,858,901.49)	9,685,887.21	23,520,824.35	(13,571,087.04)	9,949,737.31
Total	158,670,873.96	(39,149,010.66)	119,521,863.30	191,256,355.02	(35,332,624.99)	155,923,730.03

(Unit: Baht)

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)

Directors



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.1. Insurance risk (Cont.)

(Unit: Baht)

	2023			2022		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	3,542,442.19	(854,379.14)	2,688,063.05	2,897,810.11	(615,043.79)	2,282,766.32
Marine and transportation	3,203,101.92	(1,237,808.96)	1,965,292.96	3,079,327.09	(1,143,237.78)	1,936,089.31
Motor	85,719,193.87	(3,299,099.82)	82,420,094.05	88,466,507.64	(2,344,459.49)	86,122,048.15
Personal accident	117,065.99	(39,700.29)	77,365.70	102,500.94	(2,332.77)	100,168.17
Miscellaneous	17,008,356.46	(12,468,558.80)	4,539,797.66	8,135,898.17	(4,959,308.62)	3,176,589.55
Total	109,590,160.43	(17,899,547.01)	91,690,613.42	102,682,043.95	(9,064,382.45)	93,617,661.50

Sensitivity testing is an analysis of the extent to which insurance liabilities risk will increase or decrease due to changes in the assumptions used in the calculation. This will affect both gross claim expenses and net claim expenses and the risk may be the result of the frequency and severity of the losses or expenses used in determining the claims not being as expected.

The variables used for testing consist of the Ultimate Loss Ratio or "ULR", in the latest accident year and the Unallocated Loss Adjustment Expenses or "ULAE", and so on.

(Unit: Baht)

	2023			
	Assumption change	Provision for gross loss reserves	Provision for net loss reserves	Profit (loss) before income tax
Ultimate Loss Ratios	+1%	3,471,668	2,728,870	(2,728,870)
	-1%	(3,471,668)	(2,728,870)	2,728,870
ULAE Ratio	+1%	637,564	637,564	(637,564)
	-1%	(637,564)	(637,564)	637,564

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayagoon)

Directors



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.1. Insurance risk (Cont.)

(Unit: Baht)

	2022			
	Assumption change	Provision for gross loss reserves	Provision for net loss reserves	Profit (loss) before income tax
Ultimate Loss Ratios	+1%	5,162,315	4,407,618	(4,407,618)
	-1%	(5,162,315)	(4,407,618)	4,407,618
ULAE Ratio	+1%	625,766	625,766	(625,766)
	-1%	(625,766)	(625,766)	625,766

27.2. Financial instruments and risk management

The Company's financial instruments, comprise cash and cash equivalents, premium receivables, investments, loans, reinsurance assets and reinsurance receivables. The financial risks associated with these financial instruments and how they are managed is described below.

(a) Credit risk

Concentrations of the credit risk with respect to premium receivables, reinsurance assets and reinsurance receivables are considered low because the Company's policy holders and reinsurers are dispersed across different industries and geographic regions in Thailand and in foreign countries.

The maximum exposure to credit risk is limited to the carrying value of those assets after deduction of allowance for doubtful accounts as stated in the statement of financial position.

Credit risk arising from collection of premium receivables

The Company has managed the risk arising from the collection of insurance premiums, establishing stricter criteria and conditions as to determination of a credit limit and credit terms of agents and brokerages and authorization control in order to facilitate business expansion.

Credit risk arising from reinsurance

The Company has managed the risk arising from reinsurance, developing reinsurance strategies and establishing criteria and guidelines in assessing the credibility of reinsurance companies in order to minimize credit risk arising from reinsurance. The select reinsurance companies' credit ratings are not to be lower than that specified.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(a) Credit risk (Cont.)

Credit risk arising from investments

The Company has managed the risk arising from investments, establishing investment limits for each agreement and the minimum credit rating criteria for counterparties that the Company is able to make an investment within the Company's investment policy framework.

The criteria used in determining measurement of expected credit losses in the next 12 months are as follows:

Stage 1: Financial assets with no significant increase in credit risk (12-mth ECL)

An investment asset, with a credit rating performed by a reliable credit rating agency or, if unavailable, a credit rating performed by an issuer, or comparable credit rating of BBB- or higher that can be obtained without incurring any costs, is classified to be in this stage. The Company uses the asset's credit rating at the end of the reporting period or on the most recent date the credit rating has been changed.

Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

An investment asset, with a credit rating lower of BBB- at the end of the reporting period.

Stage 3: Financial assets that are credit-impaired (Lifetime ECL - credit impaired)

Only after a payment of interest or principals missed by 1 day.

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)



27.2. Financial instruments and risk management (Cont.)

(a) Credit risk (Cont.)

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses)

(Unit: Baht)

	2023			
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets that applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)
				Total
Cash and cash equivalents				
Investment grade	38,418,107.15	-	-	38,418,107.15
Allowance for expected credit loss	-	-	-	-
Held-to-maturity investments which are measured at amortized cost				
Investment grade	491,090,000.00	-	-	491,090,000.00
Non-investment grade	-	-	35,000,000.00	35,000,000.00
Allowance for expected credit loss	(345,265.49)	-	(35,000,000.00)	(35,345,265.49)
Accrued investment income				
Investment grade	3,754,258.44	-	-	3,754,258.44
Allowance for expected credit loss	-	-	-	-

(Sign)   Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(a) Credit risk (Cont.)

(Unit: Baht)

2022				
	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit risk (12-mth ECL))	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets that applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents				
Investment grade	30,395,288.95	-	-	30,395,288.95
Allowance for expected credit loss	-	-	-	-
Held-to-maturity investments which are measured at amortized cost				
Investment grade	547,090,000.00	-	-	547,090,000.00
Non-investment grade	-	35,000,000.00	-	35,000,000.00
Allowance for expected credit loss	(968,183.28)	(35,000,000.00)	-	(35,968,183.28)
Accrued investment income				
Investment grade	3,303,359.95	-	-	3,303,359.95
Allowance for expected credit loss	-	-	-	-

(Sign)





Directors

(Mr. Sukich Charanvas

Mr. Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(a) Credit risk (Cont.)

The table below shows the movement in the allowance for expected credit losses for the year ended December 31, 2023.

(Unit: Baht)

	2023			
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Beginning balance	-	-	-	-
Change due to remeasurement of allowance for impairment	-	-	-	-
Ending balance	-	-	-	-
Held-to-maturity investments which are measured at amortized cost				
Beginning balance	(968,183.28)	-	(35,000,000.00)	(35,968,183.28)
Change due to remeasurement of allowance for impairment	622,917.79	-	-	622,917.79
Ending balance	(345,265.49)	-	(35,000,000.00)	(35,345,265.49)
Accrued investment income				
Beginning balance	-	-	-	-
Change due to remeasurement of allowance for impairment	-	-	-	-
Ending balance	-	-	-	-

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(a) Credit risk (Cont.)

The table below shows the movement in the allowance for expected credit losses for the year ended December 31, 2022.

	2022			(Unit: Baht)
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Beginning balance	-	-	-	-
Change due to remeasurement of allowance for impairment	-	-	-	-
Ending balance	-	-	-	-
Held-to-maturity investments which are measured at amortized cost				
Beginning balance	(1,344,410.99)	-	(35,000,000.00)	(36,344,410.99)
Change due to remeasurement of allowance for impairment	376,227.71	-	-	376,227.71
Ending balance	(968,183.28)	-	(35,000,000.00)	(35,968,183.28)
Accrued investment income				
Beginning balance	-	-	-	-
Change due to remeasurement of allowance for impairment	-	-	-	-
Ending balance	-	-	-	-

As at 31 December 2023 and 2022, the maximum exposure to credit risk of financial assets (excluded insurance contract assets) is limited to the carrying value of those assets without taking into account any collateral held or other credit enhancements, are detailed as follows:

	(Unit: Baht)	
	2023	2022
Cash and cash equivalents	38,418,107.15	30,395,288.95
Held-to-maturity investments which are measured at amortized cost	526,090,000.00	582,090,000.00
Accrued investment income	3,754,258.44	3,303,359.95
Total maximum exposure to credit risk	568,262,365.59	615,788,648.90

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(b) Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position.

(1) Interest rate risk

The Company's exposure to interest rate risk relates primarily to its investments in securities and loans.

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

(Unit: Baht)

	2023						
	Fixed interest rates			Floating interest rate	Non- Interest bearing	Total	Effective interest rate (% per annum)
	The repricing period or maturity date						
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	38,418,107.15	-	38,418,107.15	0.00-0.45
Premium receivables	-	-	-	-	36,842,990.25	36,842,990.25	-
Reinsurance assets – claim reserves refundable from reinsurers	-	-	-	-	17,899,547.01	17,899,547.01	-
Reinsurance receivables	-	-	-	-	15,421,862.62	15,421,862.62	-
Investment in securities							
Government and state enterprise securities	1,000,000.00	5,200,000.00	-	-	-	6,200,000.00	0.10-5.00
Equity securities	-	-	-	-	173,091,542.34	173,091,542.34	-
General investments	-	-	-	-	7,899,646.90	7,899,646.90	-
Private sector debt securities	73,897,305.34	230,793,866.32	4,990,626.38	-	-	309,681,798.04	1.36-5.50
Deposits at financial institutions which matured over 3 months	174,862,936.47	-	-	-	-	174,862,936.47	0.15-2.40
Loans	-	-	-	2,758,789.79	-	2,758,789.79	6.225-6.725
Financial Liabilities							
Insurance contract liabilities - claim reserves	-	-	-	-	109,590,160.43	109,590,160.43	-
Amounts due to reinsurances	-	-	-	-	46,853,534.68	46,853,534.68	-

(Sign) Directors

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(b) Market risk (Cont.)

(Unit: Baht)

	2022						
	Fixed interest rates			Floating interest rate	Non- Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	30,395,288.95	-	30,395,288.95	0.00-0.45
Premium receivables	-	-	-	-	25,908,818.54	25,908,818.54	-
Reinsurance assets – claim reserves refundable from reinsurers	-	-	-	-	9,064,382.45	9,064,382.45	-
Reinsurance receivables	-	-	-	-	19,209,492.29	19,209,492.29	-
Investment in securities							
Government and state enterprise securities	1,000,000.00	5,200,000.00	-	-	-	6,200,000.00	0.10-5.00
Equity securities	-	-	-	-	200,288,479.78	200,288,479.78	-
General Investments	-	-	-	-	16,092,894.16	16,092,894.16	-
Private sector debt securities	64,832,495.42	270,717,818.60	14,987,315.45	-	-	350,537,629.47	1.13-5.50
Deposits at financial institutions which matured over 3 months	189,384,187.25	-	-	-	-	189,384,187.25	0.15-1.25
Loans	-	-	-	3,463,821.38	-	3,463,821.38	5.275-5.900
Financial Liabilities							
Insurance contract liabilities - claim reserves	-	-	-	-	102,682,043.95	102,682,043.95	-
Amounts due to reinsurances	-	-	-	-	47,517,111.17	47,517,111.17	-

The sensitivity analysis of the interest rate

The sensitivity analysis of changes in interest rates represents the effect of possible interest rate changes to comprehensive income statement, with all other variables held constant.

(Sign)

(Mr. Sukich Charanvas

Mr.Pon Titipanichayangoon)

Directors



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(b) Market risk (Cont.)

The effects of changes in interest rates to profit or loss as of December 31, 2023 and 2022, are summarized below:

	Increase (decrease) (%)	(Unit: Baht)	
		Effect on profit or loss	
		2023	2022
Investments which are measured at fair value			
through profit or loss - Debt	1%	5,260,900.00	5,820,900.00
	(1%)	(5,218,620.00)	(5,219,730.00)

The above analysis has been prepared assuming that the amounts of debt instruments and all other variables remain constant over one year. Moreover, the floating legs of these debt instruments are assumed to not yet have set interest rates. As a result, a change in interest rates affects the value of debt instruments. This information is not a forecast or prediction of future market conditions and should be used with care.



(2) Equity position risk

Equity position risk is the risk that changes in the market prices of debt securities and equity securities are to result in fluctuations in revenues and in the value of financial assets.

As at December 31, 2023 and 2022, the Company had risk from investments in securities, of which the prices are to change with reference to market conditions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

(Sign)   Directors
(Mr. Sukich Charanvas Mr. Pon Titipanichayangoon)



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27. RISKS OF NON-LIFE INSURANCE BUSINESS (Cont.)

27.2. Financial instruments and risk management (Cont.)

(c) Liquidity risk (Cont.)

The maturity profile of the Company's financial assets and liabilities as at December 31, 2023 and 2022, based on contractual undiscounted cashflows are as follows:

(Unit: Baht)

	2023					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial Assets						
Cash and cash equivalents	38,418,107.15	-	-	-	-	38,418,107.15
Premium receivables	-	36,842,990.25	-	-	-	36,842,990.25
Reinsurance assets	-	57,048,557.67	-	-	-	57,048,557.67
Reinsurance receivables	-	15,421,862.62	-	-	-	15,421,862.62
Investment in securities	-	248,960,241.81	236,793,866.32	4,990,626.38	180,991,189.24	671,735,923.75
Loans	-	-	362,885.28	2,395,904.51	-	2,758,789.79
Financial Liabilities						
Insurance contract liabilities -						
claim reserves	-	109,590,160.43	-	-	-	109,590,160.43
Amounts due to reinsurances	-	46,853,534.68	-	-	-	46,853,534.68

(Unit: Baht)

	2022					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial Assets						
Cash and cash equivalents	30,395,288.95	-	-	-	-	30,395,288.95
Premium receivables	-	25,908,818.54	-	-	-	25,908,818.54
Reinsurance assets	-	44,397,007.44	-	-	-	44,397,007.44
Reinsurance receivables	-	19,209,492.29	-	-	-	19,209,492.29
Investment in securities	-	255,216,682.67	275,917,818.60	14,987,315.45	216,381,373.94	762,503,190.66
Loans	-	-	280,835.19	3,182,986.19	-	3,463,821.38
Financial Liabilities						
Insurance contract liabilities -						
claim reserves	-	102,682,043.95	-	-	-	102,682,043.95
Amounts due to reinsurances	-	47,517,111.17	-	-	-	47,517,111.17

(Sign) Directors

(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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28. CAPITAL FUND MANAGEMENT

The primary objectives of the Company's capital fund management are to ensure that it has an appropriate financial structure, presences the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission (OIC).

29. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

(Unit: Baht)

	For the years ended December 31	
	2023	2022
Accumulated contribution at the beginning of the year	7,885,379.32	6,683,516.38
Contribution during the year	945,508.26	1,201,862.94
Accumulated contribution at the end of the year	8,830,887.58	7,885,379.32

30. ASSETS PLEDGED WITH REGISTRAR

As at December 31, 2023 and 2022, the Company used bank deposit amount of Baht 14 million as collateral with the registrar in accordance with the Section 19 of Insurance Act B.E. 2535. (1992).

31. ASSETS RESERVE PLEDGED WITH REGISTRAR

As at December 31, 2023 and 2022, bank deposit amount of Baht 50.00 million and Baht 70.00 million respectively used as collateral against premium reserve with the registrar.

32. Net investment revenues

As at December 31, 2023 and 2022, the Company had revenues relating to investment as follows.

(Unit: Baht)

	For the years ended December 31	
	2023	2022
Interest income	12,343,737.87	10,953,945.85
Dividend	6,441,819.12	8,489,989.34
Total	18,785,556.99	19,443,935.19

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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33. PROVIDENT FUND

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. (1987). The fund is contributed to by the Company and its employees at the equal monthly rate of 3 percent of the employees' basic salary, based on the length of employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Management Company Limited. For year ended December 31, 2023 and 2022, the Company contributed to Fund approximately Baht 0.36 million and Baht 0.25 million respectively.

34. LEGAL RESERVE

Under the Section 116 of the Public Companies Act B.E. 2535 (1992), the Company is required to set aside a legal reserve at least 5 % of annual net profit until the cumulative reserve reaches an amount of 10 % of the authorized share capital. Such legal reserve is not available for dividend distribution.

35. 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)

	(Unit : Baht)	
	2023	2022
Profit (loss) for the year	26,972,565.99	69,797,500.20
Weighted average number of ordinary shares	12,000,000	12,000,000
Earnings (loss) per share	2.25	5.82

36. FINANCIAL INFORMATION BY SEGMENT

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

The Company's operations involve the single business segment of non-life insurance and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographical area. And for the purposes of administration. The Company reported operating segments. Divided into categories of products include fire insurance, marine and transport insurance, personal accident insurance and miscellaneous insurance.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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36. FINANCIAL INFORMATION BY SEGMENT (Count.)

The following tables present revenue and profit information regarding the Company's operating segments for the years ended December 31, 2023 and 2022, respectively.

	(Unit: Baht)					
	For year ended December 31, 2023					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	66,965,193.35	16,260,766.16	166,877,972.13	590,983.05	50,924,133.16	301,619,047.85
Less: Premium ceded	(28,703,170.72)	(10,037,364.52)	(8,455,634.35)	(204,811.94)	(30,695,144.83)	(78,096,126.36)
Net premium written	38,262,022.63	6,223,401.64	158,422,337.78	386,171.11	20,228,988.33	223,522,921.49
Add/Less: Unearned premium reserves	(1,907,379.03)	(740,781.08)	38,632,905.53	153,271.21	263,850.10	36,401,866.73
Earned premium written	36,354,643.60	5,482,620.56	197,055,243.31	539,442.32	20,492,838.43	259,924,788.22
Fee and commissions income	14,995,296.86	3,696,996.73	1,372,534.30	74,889.72	11,318,846.95	31,458,564.56
Total underwriting income	51,349,940.46	9,179,617.29	198,427,777.61	614,332.04	31,811,685.38	291,383,352.78
Underwriting expenses						
Claims and losses adjustment	3,930,343.27	779,652.73	112,747,927.09	43,472.16	6,270,409.78	123,771,805.03
Commissions and brokerages	15,539,249.99	2,271,128.72	20,861,108.76	107,946.52	8,586,603.49	47,366,037.48
Other underwriting expenses	3,203,660.61	1,646,416.04	62,130,540.71	3,282.30	1,312,237.70	68,296,137.36
Total underwriting expenses						
before operating expenses	22,673,253.87	4,697,197.49	195,739,576.56	154,700.98	16,169,250.97	239,433,979.87
Operating expenses						44,288,762.58
Expected credit losses (reversal)						(329,070.34)
Profit from underwriting						7,989,680.67
Net investment income						18,785,556.99
Other income						1,050,466.91
Expected credit losses						2,455,309.79
Profit before income tax expenses						30,281,014.36
Income tax (expenses) income						(3,308,448.37)
Profit for the year						26,972,565.99



(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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36. FINANCIAL INFORMATION BY SEGMENT (Count.)

	(Unit: Baht)					
	For year ended December 31, 2022					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<u>Underwriting income</u>						
Premium written	56,875,685.19	15,078,649.20	365,603,727.80	1,112,711.84	45,766,104.48	484,436,878.51
Less: Premium ceded	(22,544,605.62)	(9,771,954.79)	(18,464,478.54)	(421,550.75)	(26,268,237.43)	(77,470,827.13)
Net premium written	34,331,079.57	5,306,694.41	347,139,249.26	691,161.09	19,497,867.05	406,966,051.38
Add/Less: Unearned premium reserves	(2,639,887.43)	182,939.74	18,186,744.97	1,966.03	(1,135,396.11)	14,596,367.20
Earned premium written	31,691,192.14	5,489,634.15	365,325,994.23	693,127.12	18,362,470.94	421,562,418.58
Fee and commissions income	11,507,311.26	3,723,523.83	2,872,932.48	149,992.00	9,610,544.18	27,864,303.75
Total underwriting income	43,198,503.40	9,213,157.98	368,198,926.71	843,119.12	27,973,015.12	449,426,722.33
<u>Underwriting expenses</u>						
Claims and losses adjustment	6,110,123.65	802,791.87	130,684,541.86	256,712.93	3,912,853.77	141,767,024.08
Commissions and brokerages	13,241,799.07	2,100,789.83	44,598,117.11	207,070.22	7,733,972.87	67,881,749.10
Other underwriting expenses	2,790,118.66	1,609,679.52	135,115,660.22	5,667.82	1,232,405.42	140,753,531.64
Total underwriting expenses						
before operating expenses	22,142,041.38	4,513,261.22	310,398,319.19	469,450.97	12,879,232.06	350,402,304.82
Operating expenses						45,313,793.10
Expected credit losses						596,682.61
Profit from underwriting						53,113,941.80
Net investment income						19,443,935.19
Other income						12,186,898.22
Expected credit losses						376,227.71
Profit before income tax expenses						85,121,002.92
Income tax (expenses) income						(15,323,502.72)
Profit for the year						69,797,500.20

(Sign)   Directors
(Mr. Sukich Charanvas Mr. Pon Titipanichayangoon)



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36. FINANCIAL INFORMATION BY SEGMENT (Count.)

The following table presents segment assets and liabilities of the Company's operating segments as at December 31, 2023 and 2022, are as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Unallocated assets	Total
Assets							
As at December 31, 2023	35,885,955.96	8,855,111.85	35,906,087.61	238,124.56	42,240,547.30	793,121,137.47	916,246,964.75
As at December 31, 2022	30,552,005.63	6,468,310.85	25,930,886.18	403,801.50	36,034,115.40	880,625,181.29	980,014,300.85
Liabilities							
As at December 31, 2023	80,002,462.27	14,344,025.81	184,317,155.49	417,162.78	51,764,880.20	26,008,932.11	356,854,618.66
As at December 31, 2022	71,421,402.31	10,921,193.48	225,373,927.39	696,686.95	46,026,323.54	42,424,669.77	396,864,203.44

Major customers

During the year ended December 31, 2023 the Company had premium written through 4 insurance brokers with premium written from each broker of more than 10% of total premium written, equivalent to 59.47 % of total premium written.

During the year ended December 31, 2022 the Company had premium written through 3 insurance brokers with premium written from each broker of more than 10% of total premium written, equivalent to 51.24 % of total premium written.

37. RESTRICTED ASSETS WITH COMMITMENT

As at December 31, 2023 and 2022, the Company pledged bank deposit of Baht 84.89 million and Baht 104.89 million respectively as collaterals follows:

(Unit: Baht)

	2023	2022
Bank deposit as collateral for :		
Bank overdraft	20,000,000.00	20,000,000.00
Assets pledged with registrar	14,000,000.00	14,000,000.00
Assets reserve pledged with registrar	50,000,000.00	70,000,000.00
Credit card usage	500,000.00	500,000.00
Electricity usage	390,000.00	390,000.00
Total	84,890,000.00	104,890,000.00

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



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38. CONTINGENT LIABILITIES AND COMMITMENT

Litigation

As at December 31, 2023 and 2022, the Company was sued from act as insurer with the prosecution value of Baht 5.43 million and Baht 14.53 million, respectively. However, the Company's contingent liabilities from prosecution cases in the value not more than the policy custody amount of Baht 3.35 million and Baht 2.49 million, respectively. Those prosecution cases have been incompletely considered and the Company expects to win the mostly cases. Nevertheless, the Company recorded the provision for contingent loss amount of Baht 1.95 million and Baht 1.49 million respectively in the financial statements.

Guarantees

As at December 31, 2023 and 2022, the Company has the unused letter of guarantee issued by bank in the name of the Company for the amount of Baht 0.89 million relating to guarantee for electricity usage.

Operating lease commitments

As at December 31, 2023 and 2022, the Company has commitments to pay under the rental and service agreement as follows:

	(Unit : Baht)	
	2023	2022
Due within 1 year	2,712,964.60	1,710,864.60
Over 1 year but within 5 years	4,970,000.00	4,970,000.00
More than 5 years	-	1,988,000.00
Total	7,682,964.60	8,668,864.60

39. EVENTS AFTER THE REPORTING PERIOD

According to the Board of Director meeting held on February 21, 2024, the Company passes resolution to pay dividend to shareholders from performance of the year 2023 at the rate Baht 1.25 per share for 12 million shares total amount of Baht 15.00 million.

40. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved to be issued by authorized directors on February 21, 2024.

(Sign) Directors
(Mr. Sukich Charanvas Mr.Pon Titipanichayangoon)



Section 4

Certification of Information and Data Accuracy for Submitting 56-1 One Report

Having carefully verified the information and data shown in this annual registration statement / annual report, Charan certifies that they are completely accurate, factual, and not misleading or lacking in essential detail. In addition:

- (1) The financial statements and data summarized in annual registration statement show essentially accurate information and data about its financial standing, performance, and cash flow of Charan and its subsidiaries.
- (2) It has put in place a good information and data disclosure system to ensure that it discloses essential details about itself and its subsidiaries completely and accurately, while ensuring due compliance.
- (3) It has put in place a good internal control system and ensured due compliance with such system. Charan has provided internal control system assessment details as of December 31, 2023, to the external auditor and the Audit Committee, including defects and key changes in the internal control system together with wrongdoing potentially affecting the preparation of the financial reports for itself and its subsidiaries.

As evidence that all documents are identical to those certified by Charan, the Company has assigned Miss Munthana Peoungpathompron to put her initials on every page of the documents. Therefore, if her initials are missing on any given page, Charan will disown such data.

Names	Position	Signature
1. Mr. Sukich Charanvas	Managing Director	
2. Mr. Pon Titipanichayangoon	Director	
3. Mr. Kittipong Charanvas	Director	
Authorized person	Position	Signature
Miss Munthana Peoungpathompron	Company Secretary	

Attachment 1 Profiles of Directors, Executives, Head of Finance and Accounting, Accounting Supervisor and Company Secretary

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
1. Mr. Sopon Kluaymai Na Ayudhya - Chairman of the Board <u>Appointment date</u> January 17, 2008	71	<u>Educational Background</u> - Master of Business Administration, Texas Christian University, U.S.A. - Bachelor of Business Administration, Chiang Mai University <u>Training</u> - Director Certification Program (DCP), Class of 2008 Thai Institute of Directors (IOD)	-	-	2008 - Present	- Chairman of the Board	- Charan Insurance Public Company Limited
3. Mrs. Poodpong Arsingsamanunta - Director - Chairman of the Audit Committee - Independent Director <u>Appointment date</u> September 22, 2006	74	<u>Educational Background</u> - Master of Business Administration, General Management, Ramkhamhaeng University - Bachelor of Commerce and Accountancy Finance and Banking, Thammasat University <u>Training</u> - Director Accreditation Program (DAP), Class of 2007 Thai Institute of Directors (IOD)	-	-	2006 - Present	- Director - Chairman of the Audit Committee - Independent Director	- Charan Insurance Public Company Limited
4. Mr. Vorayuth Charoenloet - Director - Member of the Audit Committee - Independent Director <u>Appointment date</u> June 13, 2002	73	<u>Educational Background</u> - Master of Economics, Pittsburg State University, U.S.A. - Master of Economics (honours degree), University of Delhi, India <u>Training</u> - Director Accreditation Program (DAP), Class of 2005 Thai Institute of Directors (IOD)	-	0.001%	2002 - Present	- Director - Member of the Audit Committee - Independent Director	- Charan Insurance Public Company Limited
5. Mr. Thanitphong Pichaibavornphat - Director - Member of the Audit Committee - Independent Director <u>Appointment date</u> September 2, 2022	65	<u>Educational Background</u> - Master of Accounting Thammasat University - Bachelor of Accounting (Second Class Honors) Thammasat University <u>Training</u> - Asean Chartered Professional Accountant, Class of 2017 Asean Chartered Professional Accountants-	-	-	September 2, 2022 - Present	- Director - Member of the Audit Committee - Independent Director - Accounting Consulting and System and Functional Design	- Charan Insurance Public Company Limited - Italiasa Trading (Thailand) Co., Ltd. - Indy International Co., Ltd. - Asoke Valley Winery Co., Ltd. - Granmonte Co., Ltd.

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
Mr. Thanitphong Pichaibavornphat (cont.)		Coordinating Committee - Cooperative auditing by private auditors, Class of 2017 Cooperative Auditing Department - Certified Public Accountant No. 7028, Since 2008 Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Director Accreditation Program (DAP), Class of 2008 Thai Institute of Directors (IOD)					- Siam Health Group Co., Ltd. (Smooth-E Product) - Hummingbird International Kindergarten - Tropicana Oil Co., Ltd.
5. Mr. Sukich Charanvas - Director - Chairman of Executive Committee - Chairman of Investment Committee - Chairman of Risk Management Committee - Managing Director - Secretary to the Board <u>Appointment date</u> January 1, 1974	77	<u>Educational Background</u> - Master of Civil Engineering, California State University at Long Beach, U.S.A. - Bachelor of Civil Engineering, California State University at Long Beach, U.S.A. <u>Training</u> - Director Accreditation Program (DAP) Class of 2005 Thai Institute of Directors (IOD)	Spouse of : Mrs. Elizabeth Charanvas (Major Shareholders) Father of : Mr. Kittich Charanvas, and Mr. Kittipong Charanvas	22.12%	1974 - Present	- Director - Chairman of Executive Committee - Chairman of Investment Committee - Chairman of Risk Management Committee - Managing Director - Secretary to the Board	- Charan Insurance Public Company Limited
6. Mr Pon Titipanichayangoon - Director - Chairman of Product Committee - Member of Executive Committee - Member of Investment Committee - Member of Risk Management Committee - Manager Motor Department <u>Appointment date</u> July 1, 1985	73	<u>Educational Background</u> - Vocational Certificate, Bangkok Commercial College <u>Training</u> - Director Accreditation Program (DAP) Class of 2005 Thai Institute of Directors (IOD) - Insurance Management Development Program (IMDP) Class of 1996 General Insurance Management Development Institute, Thammasat University	-	1.32%	1985 - Present	- Director - Chairman of Product Committee - Member of Executive Committee - Member of Investment Committee - Member of Risk Management Committee - Manager Motor Department	- Charan Insurance Public Company Limited
7. Mr. Kittipong Charanvas - Director - Member of Executive Committee - Member of Investment Committee - Member of Risk Management Committee	49	<u>Educational Background</u> - Bachelor of Science in Business Administration - General Management, City University of Seattle, U.S.A. <u>Training</u> - Corporate Governance Program for Insurance	Son of: Mr. Sukich Charanvas	6.17%	2005 - Present	- Director - Member of Executive Committee - Member of Investment Committee - Member of Risk	- Charan Insurance Public Company Limited

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
Mr. Kittipong Charanvas (Cont.) - Member of Product Committee - Assistant Managing Director <u>Appointment date</u> February 1, 2005		Companies (CIC), Class of 2022 Thai Institute of Directors (IOD) - Environment in an Agile Leaders, Class of 2022 Thai General Insurance Association - Insurance Management Development Program (IMDP), Class of 2006 General Insurance Management Development Institute, Chulalongkorn University				Management Committee - Member of Product Committee - Assistant Managing Director	
8. Mr. Kitti Charanvas - Assistant Managing Director for Marketing - Member of Product Committee <u>Appointment date</u> March 19, 2014	52	<u>Educational Background</u> - Bachelor of Arts in Business Management, Whitworth University, U.S.A. <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association - Insurance Management Development Program (IMDP), Class of 2016 General Insurance Management Development Institute, Chulalongkorn University	Son of: Mr. Sukich Charanvas	5.76%	2014 - Present	- Assistant Managing Director for Marketing - Member of Product Committee	- Charan Insurance Public Company Limited
9. Mr. Kosit Angkasuwan - Assistant Managing Director for Risk Management - Member of the Risk Management Committee - Member of Product Committee <u>Appointment date</u> April 1, 2018	52	<u>Educational Background</u> - Master of Science in Information Technology, King Mongkut's University of Technology Thonburi - Bachelor of Science in Applied Mathematics, King Mongkut's University of Technology Thonburi <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2021 Thai General Insurance Association - Insurance Management Development Program (IMDP) General Insurance Management Development Institute, Chulalongkorn University	-	-	2018 - Present	- Assistant Managing Director for Risk Management - Member of the Risk Management Committee - Member of Product Committee	- Charan Insurance Public Company Limited

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
10. Miss Sudarat Wiwattanadaj - Manager Accounting Department - Chief Financial Officer - Member of the Investment Committee - Member of the Risk Management Committee <u>Appointment date</u> December 1, 1981	69	<u>Educational Background</u> - Bachelor of Accounting, University of the Chamber of Commerce <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2021 Thai General Insurance Association - Insurance Management Development Program (IMDP), Class of 1993 General Insurance Management Development Institute, Thammasat University	-	0.01%	1981- Present	- Accounting Manager - Chief Financial Officer - Member of the Investment Committee - Member of the Risk Management Committee	- Charan Insurance Public Company Limited
11. Miss Napaporn Tanangtong - Accounting Supervisor - Member of the Risk Management Committee <u>Appointment date</u> November 1, 2018	56	<u>Educational Background</u> - Bachelor of Accounting, Sukhothai Thammathirat Open University <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2021 Thai General Insurance Association - CFO's Orientation Course (Thai Version), Class of 2021 The Stock Exchange of Thailand - Internal control of accounting information systems for effective risk management, Accounting Information No.1	-	-	2018- Present	- Accounting Supervisor - Member of the Risk Management Committee	- Charan Insurance Public Company Limited
12. Miss Kanyawan Trisaksuriyan - Manager Finance and Investment Department - Member of the Investment Committee - Member of the Risk Management Committee <u>Appointment date</u> July 1, 1985	67	<u>Educational Background</u> - Bachelor of Business Administration, Dhonburi Rajabhat University <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2021 Thai General Insurance Association - Insurance Management Development Program	-	0.01%	1985- Present	- Finance Manager - Member of the Investment Committee - Member of the Risk Management Committee	- Charan Insurance Public Company Limited

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
Miss Kanyawan Trisaksuriyan (Cont.)		(IMDP), Class of 1993 General Insurance Management Development Institute, Thammasat University					
13. Miss.Siraya Chindasri - Manager Marketing Department <u>Appointment date</u> June 16, 2022	52	<u>Educational Background</u> - Bachelor of Art, Chandrakasem Rajabhat University <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association - Insurance Academic, Class of 2001 Thailand Insurance Institute	-	-	June 16, 2022 - Present	- Manager Marketing Department	- Charan Insurance Public Company Limited
14. Mr. Wisith Limcharoensuk - Marine Cargo & Logistic Department Manager - Member of Product Committee <u>Appointment date</u> December 3, 2007	77	<u>Educational Background</u> - Vocational Certificate, Bangkok Technical Institute <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association	-	0.03%	2007- Present	- Marine Cargo & Logistic Department Manager - Member of Product Committee	- Charan Insurance Public Company Limited
15. Mrs. Pattama Trakarnaiem - Manager Fire Department - Member of Product Committee <u>Appointment date</u> January 15, 2020	58	<u>Educational Background</u> - Bachelor of Business Administration Sripatum University <u>Training</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association	-	-	2020- Present	- Manager Fire Department - Member of Product Committee	- Charan Insurance Public Company Limited

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
16. Miss Punrada Ayucharoenkul - Manager Miscellaneous Department - Member of Product Committee <u>Appointment date</u> March 15, 2004	58	<u>Educational Background</u> - Vocational Certificate, Ratchadamnern-Thonburi College <u>Training-</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association - Insurance Management Development Program (IMDP), Class of 2002 General Insurance Management Development Institute, Chulalongkorn University	-	-	2004- Present	- Manager Miscellaneous Department - Member of Product Committee	- Charan Insurance Public Company Limited
17. Mr. Nopadol Suawankareekul - Manager Information Technology Department - Member of the Risk Management Committee <u>Appointment date</u> March 1, 1994	53	<u>Educational Background</u> - Master of Business Administration, Finance & Banking, Sripatum University - Bachelor of Business Administration, Computer, Sripatum University <u>Training-</u> - None -	-	-	2537 - Present	- Manager Information Technology Department	- Charan Insurance Public Company Limited
18. Mrs. Promporn Lamdabpang - Manager Administration Department <u>Appointment date</u> January 4, 2012 Mrs. Promporn Lamdabpang (Cont.)	53	<u>Educational Background</u> - Bachelor of Business Administration, Accounting, Chandrakasem Rajabhat University <u>Training-</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2020 Thai General Insurance Association	-	-	2012 - Present	- Manager Administration Department	- Charan Insurance Public Company Limited

Names-Surnames / Position	Age (Year)	Education / Training	Family relationship with any director or executive	Shareholding (including spouse and children)	Experience in the past five years		
					Period	Position	Organization
19. Miss Munthana Peoungpathompron - Company Secretary <u>Appointment date</u> November 11, 2022	29	<u>Educational Background</u> - Bachelor of Arts English Major, Kasetsart University <u>Training-</u> - Anti-Money Laundering and Anti-Terrorist Financing and Proliferation of Weapons of Mass Destruction Financing Course of Non-Life Insurance Financial Institutions, Class of 2021 Thai General Insurance Association - Advance for Corporate Secretaries Program, Class of 2020 Thai Listed Companies Association	-	-	November 10, 2022 - Present	- Company Secretary	- Charana Insurance Public Company Limited

Attachment 2 Profiles of Subsidiaries' Directors

- The Company has no subsidiary -

Attachment 3 Details of Head of Internal Audit and Head of Compliance Division

Head of Internal Audit

For the year 2023, the Company has employed Thirty-Four Audit Office Co., Ltd as an internal auditor by the person primarily responsible for performing the duties of the Company's internal auditor, with the following details:

Names	Affiliation	Education	Experience
Mr. Silpachai Raksapol	Thirty-Four Audit Office Co., Ltd	- Certified Public Accountant, High School (Chulalongkorn University) (CPIA)	45 Years
Mr. Thanadon Raksapol	Thirty-Four Audit Office Co., Ltd	- Certified Public Accountant - Ph.D.(Acc.) (Chulalongkorn University) - M.Acc. (Chulalongkorn University) - B.Acc. (Chulalongkorn University, 1st Class Honors) - Diploma in Thai Financial Reporting – Dip TFR - Academic staff of the Federation of Accounting - Professions under the Royal Patronage of His Majesty the King	17 Years
Mr. Chatchawan Ngennak	Thirty-Four Audit Office Co., Ltd	B.Acc. (Sripatum University)	29 Years

Head of Compliance Division

Perform duties as the supervisory authority

Names	Affiliation	Education	Experience
Mr. Sornchai Kaewrakmuk	Charan Insurance Pcl.	Bachelor of Laws Ramkhamhaeng University	20 Years

Attachment 4 Operating Assets

The assets of the Company used in the business operation are identify in main four categories as follow:

(Unit: Million Baht)

Type of Assets	Net book value as of 31 December 2023	Net book value as of 31 December 2022
Property, plant and equipment	42.21	42.13
Other intangible assets	-	-
Total	42.21	42.13

(1) Property, plant and equipment

Fixed assets of the Company are as follow:

(Unit: Million Baht)

Type of Assets	Net book value as of 31 December 2023	Net book value as of 31 December 2022
Land	41.55	41.55
Building	0.09	0.17
Vehicle	-	-
Fixture and office equipment	0.57	0.41
Total	42.21	42.13

Approximately useful life of various asset classes are as follow:

- Building 20 years
- Vehicle 5 years
- Fixture and office equipment 5 years

(2) Other intangible assets

Other intangible assets of the Company are as follows:

(Unit: Million Baht)

Type of Assets	Net book value as of 31 December 2023	Net book value as of 31 December 2022
Computer software	-	-
Total	-	-

Attachment 5 Corporate Governance and Business Ethics Policy and Practice

Corporate Governance

Corporate governance is the system that establishes structures and processes of correlation between the board of directors, executives, employees and shareholders with the aim of enhancing competitiveness and shareholder value by taking into account the organization's ethical business conduct, its long-term impact on, as well as its respect for and responsibility to shareholders, stakeholders, society, the environment, government agencies and regulatory bodies.

The Board of Directors of the Company consists of qualified, experienced members who are committed to discharging their duties with accountability, prudence and integrity and to fulfilling statutory requirements, the Company's objectives and Articles of Association as well as the resolutions of Board meetings and shareholders' meetings. The Board of Directors is responsible for: determining strategies, goals and annual plans; overseeing the appropriateness and adequacy of risk management and internal control systems; setting delegated authority levels appropriate to the Management's responsibilities; allocating resources and budgets; monitoring and evaluating corporate performance; and ensuring conformity of financial disclosures to established requirements. The Company attaches particular importance to internal control system as they are a vital mechanism for mitigating business risks, safeguarding its property against loss or misuse and for preventing fraud and misconduct within the organization. The Board and the Management perform their duties carefully and exercise rigorous controls to ensure compliance of the operations with applicable statutory provisions and regulatory frameworks. An Audit Committee that meets the requirements of the Stock Exchange of Thailand has also been established as a key component of good governance to help discharge the Board's oversight responsibilities and to provide unbiased opinions on the Company's financial reporting and internal control system. The Company has adhered to the Corporate Governance Code (CG Code) principles and guidelines of the Stock Exchange of Thailand and the Office of Insurance Commission (OIC). Based on these standards, we have set down our good governance policy in promoting transparency, building confidence among investors and all stakeholders as well as preventing conflicts of interest. It is also our policy to ensure equitable treatment of all shareholders and stakeholders for the best interests of all parties, i.e. shareholders, customers, business partners and staff members. Our corporate governance principles and practices are set out below.

Principle 1: Recognize value creating leadership role and responsibility of the Board

Principle 1.1: Understand leadership role and responsibility for good corporate governance

1.1.1 Defining goals and objectives:

The Board of Directors recognizes its leadership role and responsibility for overseeing and ensuring that the organization maintains effective management and ethical business conduct and has a duty to all shareholders and stakeholders and respect for their rights as well as full regard for social and environmental

impact and that it is adaptable in changing conditions and able to create sustainable value for the business in meeting the goals and objectives of:

- (a) gaining the confidence of shareholders, stakeholders and all interested parties;
- (b) improving management efficiency and standards so as to increase the Company's competitiveness;
- (c) monitoring performance against plans and making the operations more efficient;
- (d) ensuring that the Company is adaptable to the changing business environment and can build good relationships with surrounding communities in creating sustainable value for its business;
- (e) ensuring that the Company can grow and survive in the long term.

1.1.2 Formulating Policies and strategies

The Board of Directors has established policies, such as Good Corporate Governance Policy, Anti-Corruption, Ethics and Business Ethics Requirements, etc., for directors, executives and employees that express the principles and guidelines for their operations in writing and communicate so that all directors, executives and employees understand and have sufficient mechanisms for the implementation of the above policies through internal communication channels such as the Company's website, bulletin boards or any other appropriate means.

1.1.3 Monitoring and evaluation

The Board of Directors has the power to approve various matters of the company in accordance with the scope of duties stipulated by the laws, regulations of the company and the departments governing the company, as well as to monitor the performance and review the compliance with the specified policies.

Principle 1.2: Perform governance role in pursuing sustainable value creation outcomes

1.2.1 The Board attaches importance to the compliance with the established framework which promotes transparent competition, avoids gaining unfair competitive advantage, and focuses on competing on service quality and efficiency for the maximum benefit of customers.

1.2.2 The Board of Directors is committed to growing and developing the business with honesty, transparency based on ethics and integrity so as to deliver sustainable value to the organization and the shareholders. In this regard, guidelines for ethical conduct of business have been framed and a Code of Business Ethics has been drawn up to set a business framework in line with the Company's defined goals and to provide a set of professional standards and best practice we hope to maintain. To enable the Company to achieve its business objectives and also uphold its ethical values, compliance with the Code is thus monitored on a yearly basis. Such adherence will not only benefit the organization, its personnel and all of its stakeholders but will also help drive the Company towards long-term growth and stability.

1.2.3 To ensure no adverse effects of the operations on society, the Board has made it a policy that the Company fulfils its duty of a good corporate citizen by supporting those activities that contribute to the

nation and social advancement and by allocating a budget for corporate social responsibility (CSR) programmes. Emphasis has also been placed on organization-wide efforts to save energy and conserve the environment which include economical use of water, recycling of resources, and restoration of biodiversity impacted by the business operations.

1.2.4 To enable the business to operate under changing factors, the Board has made it a policy to ensure that the Company's Directors, executives and staff are well prepared for possible changing circumstances and to monitor implementation as well as reviewing the policy on a regular basis.

Principle 1.3: Ensure compliance with applicable laws, rules and shareholder resolutions

The Board of Directors consists of qualified, experienced members who are committed to discharging their duties with accountability, prudence and integrity and to fulfilling statutory requirements, the Company's objectives and Articles of Association as well as the resolutions of Board meetings and shareholders' meetings.

Principle 1.4: Define and delegate authority and responsibilities

The Board of Directors is responsible for: shaping strategies, goals and annual plans; overseeing the appropriateness and adequacy of risk management and internal control systems; setting delegated authority levels appropriate to the management team's responsibilities; allocating resources and budgets; monitoring and evaluating corporate performance; and ensuring conformity of financial disclosures to established requirements. The Company attaches great importance to internal control system as they are a vital mechanism for mitigating business risks, safeguarding its property against loss or misuse and for preventing fraud and misconduct within the organization. The Board and the Management perform their duties carefully and exercise rigorous controls to ensure compliance of the operations with applicable statutory provisions and regulatory frameworks. An Audit Committee that meets the requirements of the Stock Exchange of Thailand has also been established as a key component of good governance to help discharge the Board's oversight function and to provide unbiased opinions on the Company's financial reporting and internal control system.

Principle 2: Define principal aim and objective for sustainable value creation

Principle 2.1: Define clear aims or objectives for creating sustainable value for the business, customers, stakeholders and society

The Board directs the activities of the Company while also recognizing the corporate aims of earning customer trust and confidence by defining corporate vision, mission, policies, strategies, goals and direction and by overseeing the Management's effective and efficient implementation of the established policies. Seeking to make the company a non-life insurer with optimal level of trust and satisfaction, the Board oversees the appropriate system of internal controls and risk management that ensures an acceptable level of risks and effective achievement of objectives as well as conformity with the law, the Company's standards and Articles of Association and with the best practice principles of honesty, reasonableness and prudence.

Principle 2.2: Ensure that business goals and objectives are achieved in line with the principal aim, and that innovations and technologies are utilized safely and appropriately

The Board oversees the Company's drive for innovation and technology adoption to increase business opportunities and improve operational capabilities. The Board also oversees the organization's IT risk management and ensure that there is ongoing compliance with IT-related laws, regulations and standards, that data security measures are in place to protect the confidentiality, reliability and availability of information and to safeguard against improper use of information or unauthorized modification of information, and that there are measures to manage incidents affecting IT system's security in ensuring the organization's ability to achieve its principal aim and objective;

Principle 3: Strengthen Board effectiveness

Principle 3.1: Be responsible for determining and reviewing the Board structure, in terms of size, composition and independent membership needed to lead the organization towards defined objectives

3.1.1 The Board's policy on director nomination gives consideration to the elements still lacking on the Board such as skill, profession and specialization including age and gender which can add to the strength and diversity of the Board. In selecting persons to be nominated as company directors or independent directors, the Board shall meet to consider the nominations before recommending them to the shareholders' meeting for approval and appointment. Appointments to the Board are subject to final approval by a majority vote of the shareholders present and entitled to vote at the Company's annual general meeting.

3.1.2 The board structure is in accordance with the Company's Articles of Association, i.e. the number of directors shall not be less than five but shall not exceed twelve, and at least half of the directors must be residents of the Kingdom.

3.1.3 There is an appropriate balance between executive and non-executive directors on the Board. The Company's Board of Directors has been appointed in such a way that no single person or group of persons is allowed to have sole decision-making authority to enable efficient governance and management as well as a good balance of power. At present, the Board of Directors comprises seven members as follows:

- 3 Executive Directors;
- 1 Non-Executive Director;
- 3 Independent Directors serving on the Audit Committee (constituting 42.86% of total Board membership)

(a) The Non-Executive Director plays an important role in making policy decisions resulting from Board meetings where business goals are considered and set in consultation with the Management. Apart from closely monitoring the Management's performance, the Non-Executive Director has oversight of corporate strategies and policies, oversees overall compliance with applicable laws and regulations, and is in charge of the

efficient conduct of all Board meetings by encouraging active participation and independent views from all Directors.

(b) As stipulated by its Articles of Association, the Company has three Independent Directors who meet all the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The Independent Directors are able to work efficiently with all members of the Board and to express their opinions independently.

3.1.4 The Board has disclosed, in the Company's annual reports and website, its policy of maintaining a diverse board composition as well as particulars of all Directors, e.g. age, gender, education, experience, shareholding, number of years on the Board, and directorship in other listed companies.

Principle 3.2: Select a suitable person as Chairman and ensure that board composition and functions facilitate the exercise of independent judgement

The Company has a clear separation between the governance role and the routine management role. The positions of Chairman of the Board, Executive Director and Managing Director are not held by the same person. The Chairman is not involved in the day-to-day management, but provides support and guidance on the Management's running of the business through the Managing Director, while the latter is responsible for managing the Company within the authority delegated by the Board. Their roles and duties are described below.

3.2.1 Role and duties of the Chairman as leader of the Board

(a) Overseeing, monitoring and ensuring that the Board performs its duties efficiently to achieve the organization's principal aim and objective;

(b) Chairing all Board meetings and general meetings and ensuring that each meeting is conducted in accordance with the Company's Articles of Association and the published agenda, while also encouraging all Directors to engage in promoting the Company's ethical culture and good corporate governance;

(c) Setting board meeting agenda in consultation with the Managing Director and ensuring that important matters are included; having the casting vote where there is an equality of votes at a board meeting;

d) Allocating sufficient time and proposing matters for thorough discussions by Directors; encouraging Directors to exercise prudent judgement and express independent opinions;

(e) Strengthening good relationships between Executive and Non-Executive Directors and between the Board and the Management.

3.2.2 Role and duties of the Managing Director

(a) Managing the business in accordance with the Company's objectives, Articles of Associations and delegated authority as well as resolutions of Board meetings, while having authority over all staff and employees of the Company. In the management of the operations, the Managing Director is responsible to the Board of Directors.

(b) Setting terms of employment for staff/employees as well as issuing orders and notifications concerning day-to-day and operational management of the Company in line with corporate rules, Board resolutions, the labour law and other applicable laws.

(c) On business/activities involving external parties, the Managing Director and the signatory Directors are authorized to act on behalf of and bind upon the Company within the scope of the delegated authority specified under paragraph (a) above. However, if the Managing Director or the authorized Director(s) is an interested party or constitutes a conflict of interest with the Company in such transactions, then the transactions can only be conducted with the approval and resolution of a Board meeting attended only by Independent Directors. In this respect, the Managing Director and the signatory Directors may designate any person to undertake a particular task or transaction on their behalf.

(d) Ensuring that any transactions over his authorized limit must be submitted to the consideration and approval of the meeting of the Board according to the Company's Articles of Association or other applicable laws.

(e) Employing, appointing, promoting and terminating staff and employees, assigning them to posts as well as raising their salaries, and taking disciplinary measures against them where appropriate. These do not include, however, any staff members or employees where established rules specifically mandate that employment, appointment, assignment of post and taking of disciplinary action in respect of such staff are under the authority of the Board of Directors.

(f) Managing the business in accordance with the statutory rules and provisions, i.e. the Civil and Commercial Code, the law governing non-life insurance business, the Non-Life Insurance Act, the Public Limited Companies Act and other applicable laws in force currently and in the future. In addition to integrity and fairness, the Managing Director is required to discharge his duties with the best of his ability and prudence in achieving the Company's established objectives.

Principle 3.3: Ensure the procedures for selecting and nominating Directors are clear and transparent so as to create the desired composition of the Board

Although a nomination committee has not been appointed, the Company has clearly defined criteria for selecting suitable individuals with non-life insurance expertise and experience to be appointed to the Board. Our transparent procedure provides assurances that the nominated directors will be able to fulfill their duties towards the achievement of the defined objectives. The selection and nomination are conducted in accordance with the Company's human resource management rules and results are reported to the Board of Directors.

Principle 3.4: Determine remuneration of Directors

At present, the Company has not established a remuneration committee. However, a clear and transparent process is in place for determining remuneration commensurate with the Directors' respective responsibilities, taking into consideration the standards of peer companies in the industry as well as the

Company's performance. Recommendations of appropriate remuneration are then presented to the Board for consideration and endorsement before submission to the shareholders' meeting for approval.

Principle 3.5: Ensure all Directors are accountable for their duties and allocate enough time to discharge their responsibilities

3.5.1 The Board helps all Directors to gain full understanding of their roles and duties;

3.5.2 The Board has set a policy limiting the number of directorships that the Managing Director and each Director of the Company can hold, as follows:

- Each member of the Board is allowed to hold up to three directorships in other listed companies as per the regulations of the Stock Exchange of Thailand.

- The Managing Director is allowed to hold up to three directorships in other firms. However, such other positions must not hinder the discharge of his duties of Managing Director of the Company and such other firms must neither be in the same industry as that of the Company nor in competition with the business of the Company. The Managing Director is also required to obtain prior approval from the Board before taking up a directorship with other company.

3.5.3 The Board has instituted policies and rules to prevent the use of inside information for personal gain by directors, executives and related parties. All Directors and executives of the Company, including their spouses and children under legal age, as well as the auditors are required to submit online a declaration of holding in the Company (Form 59-2) to the Office of the Securities and Exchange Commission within three days of the date of acquisition, selling or transfer of such shareholding, and to have the declaration published on the Company's website. The aim is to prevent any conflict of interest arising from their shareholdings and to ensure transparent disclosure under good governance principles. All Directors, executives and units/departments are also forbidden from disclosing any information which has not yet been made public to outside parties or unauthorized persons to prevent misuse of inside information.

3.5.4 Every Director of the Company attended not less than 86% of the total number of Board meetings held during the reporting year.

Principle 3.6: Conduct a performance review of the Board, its committees and each individual member so that results can be fed back into future performance

A self-appraisal is conducted collectively by the Board at least once a year. The evaluation allows the Board to review its own performance as well as issues and challenges arising over the preceding year while also helping to increase the Board's effectiveness.

- **Performance evaluation of Board committees:** The Company has introduced self-assessment for the committees of the Board, i.e. the Executive Board and the Audit Committee, to ensure conformity with the corporate governance assessment guidelines which recommend a minimum of one annual appraisal.

- **Performance evaluation of Managing Director:** The Board has ensured that performance evaluation of the Managing Director is conducted annually against the assessment indicators and criteria that are linked to strategic plan achievements in order to determine appropriate remuneration and incentive package. Performance review is carried out using a form which has been adapted from the Stock Exchange of Thailand's templates for board self-evaluation and CEO appraisal to fully and properly suit the Company's specific needs. Assessment results are also communicated to the Board of Directors so as to be analyzed and help improve performance efficiency and effectiveness.

Principle 3.7: Ensure the Board and each Director understand their roles and responsibilities, the nature of the Company's business and relevant laws; support all Directors in broadening and updating their skills and knowledge necessary for their performance

All our Directors and senior executives make training and development a priority by attending training programs and seminars beneficial to the discharge of their duties, or taking part in those activities which allow them to gain different areas of knowledge relevant to their assigned roles. Members of the Board have received directorship training from the Thai Institute of Directors (IOD) including the Director Certification Program (DCP) and the Director Accreditation Committee Program (DAP). In-house training sessions are organized regularly to keep them updated on developments in the business and statutory requirements applicable to the operations and to enhance the efficiency of their performance.

Principle 3.8: Ensure the Board works effectively and have access to essential information, and appoint a company secretary with necessary knowledge to support the Board's functions

3.8.1 The Board has its meeting scheduled for at least once every quarter (minimum of four meetings per year). A special Board meeting may also be convened as and when necessary. Specific agenda along with supporting documents giving sufficient information for consideration is sent to all Directors at least seven days in advance except in exigent circumstances. Every Board meeting must be attended by not less than half of the total number of its members.

3.8.2 The Board encourages the Managing Director to invite key executives to Board meetings to present details on matters they are directly responsible for, and to allow the Board to gain familiarity with the executives for succession planning purposes.

3.8.3 The Board of Directors has access to significant information either from the Managing Director, the Company Secretary or other designated executives.

3.8.4 The Board has appointed a company secretary who has suitable qualifications and receives continuous training beneficial to her duties of: advising the Board on regulatory requirements; preparing board meeting and other important documents; supporting the activities of the Board; and coordinating the implementation of Board resolutions. The qualifications and experience of the Company Secretary are disclosed in the annual report.

Principle 4: Ensure effective processes for top executive nomination and development and for personnel management

Principle 4.1: Maintain an effective process for nomination and development of Managing Director and key executives that ensures they possess the knowledge, skills, experience and qualities necessary for the organization to achieve its objectives

4.1.1 Despite the absence of a nomination committee, the Board has set the criteria for the selection of key executives based on the standards laid down by the Company, e.g. seniority, qualification, professional ethics and work experience. The Board would meet with the Managing Director to consider candidates against such criteria and final selection of a successful candidate is subject to agreement by the meeting.

4.1.2 The Company recognizes the importance of preparing the right people to be successors by putting in place a clear, efficient, transparent and accountable process of nomination. Consideration is given to those with suitable skills, specializations, experience, leadership skills and ethical behaviours. The aim is to provide our shareholders, investors and staff with assurances of continuity of the Company's business.

4.1.3 The Board encourages and supports the Managing Director and key executives in development and training to expand knowledge and experience relevant to their roles.

Principle 4.2: Ensure appropriate compensation structure and performance appraisal

4.2.1 The Board ensures that the compensation structure incentivizes the Managing Director, key executives and staff at all levels to carry out their duties in support of the Company's principal objective and long-term value. This is achieved by:

- (a) ensuring appropriate relationship between compensation in the form of salary (e.g. bonus) and long-term results;
- (b) adopting a compensation policy that takes account of industry peer standards and the Company's performance;
- (c) setting performance appraisal criteria and communicating them across the organization.

4.2.2 The Board plays a role in determining the compensation of and evaluating the performance of the Managing Director, through:

- (a) agreeing performance appraisal criteria for the Managing Director based on corporate objectives and strategies aligned with the Company's long-term value;
- (b) annually appraising the performance of the Managing Director;
- (c) approving annual compensation of the Managing Director, taking into consideration his performance and other factors;

4.2.3 The Board approves the performance appraisal factors and criteria and compensation structure of key executives. The Board also ensures that the Managing Director appraises the performance of key

executives against the predetermined criteria and that there are clearly defined performance evaluation factors and criteria for all personnel.

Principle 4.3: Understand shareholder structure and relationships that may impact on the management and operations of the Company

The Board is aware of the shareholder structure and relationships that could affect the control or management of the business, including written or unwritten family agreements, shareholders' agreements, or group company policies. The Board has therefore ensured that such agreements do not impede the discharge of the Board's duties and that no information is disclosed under any conditions that may impact upon the control of the Company.

Principle 4.4: Monitor human resource management and development and ensure the Company has adequate staffing and appropriately skilled, knowledgeable, experienced and motivated personnel

The Board ensures that human resource management is in alignment with the Company's direction and strategies and that staff at all levels are appropriately skilled and motivated and are treated fairly. To retain the organization's quality people, a provident fund has been set up as a way to help our employees save for retirement. Staff members are also encouraged to have better understanding of how the fund is managed and how to select the investment plans that suits their age and risk appetite.

Principle 5: Foster innovation and responsible business

Principle 5.1: Focus on and promote a culture that creates value for the business and its customers, stakeholders, society and the environment

In conducting the business to the defined objectives, the Board keeps corporate plans and strategies under regular review. The Board also emphasizes to staff and all concerned the importance of innovating to serve the needs of customers and expanding our branch network to support faster and more extensive provision of services. The main focus of the Company's operations is always on our responsibility towards society and the environment. We have earned the trust and confidence of customers and society through our principled practices of never supporting any acts or behaviours which are improper or against the law or ethical standards.

Principle 5.2: Ensure that social and environmental responsibility is integral to the Management's business conduct and included in the operational plans to provide assurance that every department works to principal corporate objective and strategies

The Board respects the rights of all stakeholders of the organization. The Company's integrity and ethical conduct not only ensures that none of its activities is in violation of the rights of any stakeholder, but also provides an organization-wide direction for achieving the principal objective and sustainable success. In this

connection, the Board has adopted policies and practices on corporate responsibility to stakeholders, which can be summarized as follows.

5.2.1 Responsibility to employees and staff

The Company treats all staff with fairness and respect for human rights. The safety and welfare of all employees is always our chief concern. We provide employee benefits such as medical care, annual check-up, general and housing loans, provident fund, retirement severance payment, etc. Company rules concerning personnel management have also been established in line with the provisions of the labour law. Training opportunities are offered to the staff to promote their advancement and development of job-related or other skills.

5.2.2 Responsibility to customers

The Company has a duty of care to all customers by complying with the law and standards, offering quality service and insurance policies that suit their needs, protecting customer confidentiality and providing appropriate and reasonably-priced protection. We also ensure that claim payments are fairly and promptly made for any loss or damage incurred under the terms of the insurance policy.

5.2.3 Responsibility to business partners

We conduct business with all partners within an honest, transparent competitive framework by: honouring the commercial terms and agreements/contracts which are fair to the partners; notifying the partners to find a solution together whenever unable to meet the agreed conditions; avoiding all possibilities of conflict of interest; setting down clear rules concerning procurement and other arrangements; not soliciting or accepting any monies or gains from business partners; not having any dealings which are in breach of human rights or intellectual property rights or involved in illegal behaviours; and assessing partners against established requirements so as to develop sustainable mutual partnerships.

5.2.4 Responsibility to the environment

We seek to prevent and reduce any negative impact of our activities on the environment. Our environmental responsibility includes efficient use of raw material, electricity and water, and recycling of resources. The Board regularly monitors the business to ensure that the environment in which we operate is properly protected and rehabilitated.

5.2.5 Responsibility to competitors

The Company adheres to the principles of fair and transparent competition and avoids unfairly gaining competitive advantage. We only compete on service quality and efficiency for the maximum benefit and satisfaction of our customers.

5.2.6 Responsibility to the state

The Company seeks to operate within the law and maintain good relationships with regulating agencies through open liaison and communication and ready cooperation with regulators' requests with a view to demonstrating the organization's transparency and promoting mutual confidence.

5.2.7 Anti-fraud and corruption

With fair and transparent conduct of business being our priority, we realize that fraud and corruption poses a major obstacle to social and economic development. This is because corrupt behaviours create business unfairness which could dent the reputation and stability of the Company, thereby making it unacceptable to society. For this reason, we have adopted an anti-corruption policy to be strictly followed and complied with by our Directors, executives, staff members and all parties concerned.

Principle 5.3: Ensure the Management allocates and manages resources efficiently and effectively, paying regard to impact through the value chain in sustainably achieving the principal objective

5.3.1 The Board has a complete understanding of the varied resource needs of the different parts of the operations, ranging from financial to production, human and natural resources, and has therefore entrusted the Managing Director with the appropriate and sufficient allocation of resources in ensuring smooth running of the business.

5.3.2 The Board has a good understanding of how the business model determines resources optimization on the basis of ethical, responsible creation of sustainable value.

5.3.3 The Board ensures that the Company's resources optimization is reviewed, adapted and improved, with external factors always taken into consideration, in achieving the principal corporate aim and objective.

Principle 5.4: Establish governance of enterprise IT in line with the Company's business needs, while ensuring technologies are utilized to increase business opportunities and strengthen risk management in enabling achievement of the principal corporate objective

5.4.1 The Board has entrusted the Information Technology (IT) Department with the responsibility for devising all IT-related strategies of the organization by taking into account the actual operational needs and by developing backup plans to support insufficient resources allocation. The Department is also responsible for improving and bringing the Company's IT systems up to date so as to keep pace with the industry and increase opportunities for the business.

5.4.2 The Board ensures that the enterprise risk management framework covers IT risk management. The IT Department Manager is required to submit a risk report to the Risk Management Committee on a regular basis.

.4.3 The Board has adopted a corporate IT security policy as the framework for ensuring security of the Company's IT systems and for safeguarding against improper use of or unauthorized modification of data.

Principle 6 Ensure appropriate risk management and internal control systems

Principle 6.1: Ensure the risk management and internal control systems in place provide effective support for the Company's achievement of objectives and compliance with applicable laws and standards

The Board ensures that possible significant risks to the Company are identified and appropriate risk control measures devised by each corporate area by taking into account those external and internal factors potentially affecting the achievement of corporate objectives. The Board has established a risk management framework in line with the Company's goals, objectives and risk appetite to enable all parties to work in the same direction. Priority is given to early warning of risks and regular review of risk management policies. The Risk Management Committee meets once a month to monitor, assess and review risks. The Risk Management Department is responsible for collating and summarizing results of the organization's risk management into a report to be presented to the Risk Management Committee and the Board of Directors.

Principle 6.2: Establish an audit committee that can act effectively and independently

The Board has established an audit committee comprising three Independent Directors in accordance with the standards of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. In line with the Corporate Governance Code, the Audit Committee is required to meet four times a year at a minimum and each member of the Committee is appointed for a three-year term of office. The Board has defined the duties and responsibilities of the Audit Committee as follows:

6.2.1 Review and ensure the accuracy and completeness of the Company's financial reports as well as the adequacy of disclosures;

6.2.2 Review and ensure the appropriateness and effectiveness of the Company's systems of internal control and internal audit; assess the independence of the internal audit unit as well as recommending the appointment, transfer or termination of the head of internal audit or the head of any unit/department responsible for internal audit;

6.2.3 Review compliance by the Company with the law governing securities and exchange, regulations of the Stock Exchange of Thailand (SET) and any other applicable laws;

6.2.4 Consider and recommend the appointment of independent persons as external auditors to the Company, and the approval of their remuneration; meet with the auditors at least once a year, without the participation of the Management;

6.2.5 Ensure compliance of related-party-transaction disclosures and conflict-of-interest disclosures with the law and the Stock Exchange's regulations in providing assurance that all transactions are

justified and conducted in the best interests of the Company;

6.2.6 Report, in the Company's annual report, the activities of the Audit Committee during the year. The report is to be signed off by the Committee Chairman and should include the following information, at the minimum:

- a. Opinion on the accuracy, completeness and reliability of the Company's financial reports;
- b. Opinion on the adequacy of the Company's internal control system;
- c. Opinion on compliance with the law governing securities and exchange, the Stock Exchange's regulations and other applicable laws;
- d. Comments on the suitability of the auditors;
- e. Opinion about transactions with potential conflict of interest;
- f. Number of meetings held by the Audit Committee and attendance by each Committee member at such meetings;
- g. Overall opinion on the Audit Committee's performance in accordance with the Committee Charter;
- h. Other matters considered useful to shareholders and general investors that falls within the scope of the Committee's responsibilities delegated by the Board.

6.2.7 Undertake any other tasks assigned by the Board and agreed by the Committee. The Board has also set up an internal audit unit to be responsible for reviewing and improving the effectiveness of the Company's systems of risk management and internal controls. In this regard, the Audit Committee is mandated by the Board to make judgement on the risk management and internal control systems and to have authority to gain access to information needed for the task delegated to it. This includes the authority to call upon the persons/parties concerned to supply information, and to have consultations with the external auditors. The internal audit unit is required to submit, to the Audit Committee, its reports on review results which are disclosed in the annual report.

Principle 6.3: Monitor and control conflicts of interest potentially arising between the Company and the Management, Directors or shareholders while also preventing misuse of corporate assets, information and opportunities and improper transactions with related parties

The Company has instituted a policy to prevent exploitation of inside information by directors and executives. All executives including their spouses and children under legal age are forbidden, under the provisions of securities law, from buying, selling or accepting transfer of the Company's shares on information which has not yet been made public. All Directors and executives are further required to declare any changes to their holdings in the Company, including those holdings by their spouses, children under legal age or any related persons, to the Office of the Securities and Exchange Commission within three days of the transaction date. In addition, the Board has set down a Code of Conduct for Staff as part of the Code of Business Ethics to govern confidentiality and prohibit the use of one's position or information obtained in the course of one's duties that is

not available to the public in a dishonest way or the disclosure of such information to an outside party either for personal gain or gain of related person(s) or to the disadvantage of the Company, or any act that causes a conflict of interest. Procedures have been put in place to ensure security of data in the IT systems, to protect the Company's information against external access, and to authorize levels of data access appropriate to staff's responsibilities. The Management shall report annually, to the Board, on any instances of use of inside information or behavior that may cause harm or damage to the Company.

Principle 6.4: Establish clear anti-corruption policy and guidelines and communicate them organization-wide and externally to ensure tangible practice

In complying with applicable laws and standards, the Board of Directors has formulated an anti-corruption policy which prohibits all Directors, executives and employees from engaging in, accepting or using one's position to support any form of corruption either directly or indirectly and from offering unlawful inducements to any person(s) to gain business advantages for the Company. We also ensure that policy compliance is monitored and procedural rules reviewed on a regular basis and realigned to business and statutory changes. Any policy breach representing support or cooperation for corrupt practices shall be subject to disciplinary action in accordance with the Company's rules. Channels have been set up for personnel and relevant parties for reporting indications of any suspicious acts. The Company ensures that the identity and information of the whistle-blowers or informers and the persons being reported shall be kept confidential and shall be disclosed only as necessary by giving prime consideration to personal safety and potential harm to all concerned.

Principle 6.5: Establish a mechanism for handling complaints and whistleblowing

6.5.1 To ensure transparency in the operations, the Board oversees the organization's mechanism for dealing with complaints and whistleblowing from stakeholders by providing a number of safe and appropriate channels for informers. Any employees, shareholders or stakeholders who have found any irregularities possibly caused by governance weaknesses, unusual financial reporting, violation of rules or regulations, breach of rights, coercion or fraud or who have other doubts can always report such irregularities or file their complaints through the channels specified on the corporate website.

6.5.2 The Board has issued clear and systematic guidelines for protecting the rights of whistleblowers by ensuring that their information shall never be disclosed to any unauthorized party except when demanded by a lawful order, court order or by any regulator.

Principle 7: Ensure financial integrity and disclosure

Principle 7.1: Ensure the Company's financial reporting and disclosures are in conformity with applicable requirements and standards

7.1.1 The Board has designated the officer concerned who has relevant knowledge, skills and

experience to be responsible for adequate and mandatory information disclosures. When approving information disclosures, the Board considers all relevant factors as follows:

- (a) the review results of the adequacy of internal control system;
- (b) the external auditor's opinions on financial reporting and observations on the internal control system;
- (c) the opinions of the Audit Committee;
- (d) consistency with the Company's objectives, strategies and policies

7.1.2 The Board ensures that information disclosures, which include financial statements, annual reports and Form 56-1, reflect the Company's financial position and performance adequately. Management discussion and analysis (MD&A) is also provided in all quarterly financial statements to give investors more complete information and better understanding about the Company's financial status and performance for each quarter rather than only the figures in financial statements.

Principle 7.2: Monitor the Company's financial liquidity and solvency

7.2.1 The Board ensures that the relevant department is designated to monitor, assess and report the Company's financial status to the Board on a regular basis. There are procedural rules to guide and ensure that any detected threats to the Company's financial liquidity and solvency are promptly dealt with.

7.2.2 The Board assures that any transactions approved or put forward for shareholder approval shall not negatively affect business continuity, financial liquidity or solvency of the Company.

Principle 7.3: Ensure plans and mechanisms are in place to resolve financial difficulties, with due regard to stakeholder rights

The Board ensures that the Company has a sound and prudent risk management framework with clear, written procedures. The departments concerned shall meet to discuss and review such procedures for handling any difficulties arising, making sure that the steps taken are within the established framework and have proper regard for stakeholder rights.

Principle 7.4: Ensure sustainability reporting, as appropriate

The Board governs the organization under the "Sufficiency Economy" values by focusing on the optimized use of resources in the operations. A number of resource- and energy-saving measures have thus been adopted, including switching lights off during breaks, using stairs instead of elevators, reusing resources, and sorting waste before disposal. The Company also encourages the sharing of environmental knowledge among staff with a view to promoting environmental awareness as part of the corporate culture. Moreover, we are conscious of environmental risk and impact as well as public safety in every step of our operations and therefore encourage all staff to engage in conservation of resources in and outside the organization to minimize our impact on the environment and increase value and sustainability for the organization. Such practices, as detailed in the

annual report, are regarded by the Board as very important as they reflect the way that leads to sustainable development of the organization.

Principle 7.5: Ensure establishment of an investor relations unit/function responsible for communication with shareholders and stakeholders

The Board attaches importance to the transparent disclosure of accurate and complete information, financial and non-financial, as all such information can influence the decisions of investors and stakeholders of the Company. Particular emphasis is also placed on the disclosures required by industry regulators. For this reason, an investor relations unit has been established by the Board to act as the focal point for corporate communication and for handling enquiries from investors, shareholders, stakeholders or relevant state analysts. Investors and interested parties can contact our investor relations unit for more information as follows.

• **Miss Munthana Peoungpathompron**

Address: Charan Insurance Public Company Limited
408/1 Charan Insurance Building, Rachadapisek Road,
Samsen-Nok Sub-district, Huaykwang District, Bangkok 10310

Email: charanins@charaninsurance.co.th

Website: www.charaninsurance.co.th

Tel: 0-2276-1024 Ext. 207 Fax: 0-2275-4919

Principle 7.6: Ensure effective use of information technology in information dissemination

The Board promotes the use of technology by the Company in its disclosure of information. Our information is disclosed in Thai and in English via the corporate website and is regularly updated.

Principle 8: Ensure engagement and communication with shareholders

Principle 8.1 Ensure shareholders' involvement in significant decision-making

8.1.1 The Board ensures that important corporate decisions are on the agenda for the general meeting so as to be considered and/or approved by the shareholders. Such decisions include all matters required statutorily to be approved by shareholders and those that could affect the Company's business direction.

8.1.2 Supporting active participation of shareholders, the Board has established criteria that provide opportunity for minority shareholders to propose agenda items prior to the general meeting. The Board shall consider shareholders' proposals to be included on the agenda, and if a proposal is rejected, the Board shall explain the reasons at the meeting.

8.1.3 The Board ensures that the notice of the shareholders' meeting gives accurate, complete and sufficient information for all shareholders to exercise their rights.

8.1.4 The Board ensures that the notice of the shareholders' meeting and related documents are sent to the shareholders and posted on the Company's website at least 28 days in advance of the meeting.

8.1.5 The Board ensures that shareholders are given the opportunity to put forward their questions prior to the meeting. The procedure for advance submission of questions is published on the Company's website.

8.1.6 English translation of the notice of meeting and related documents are also available to the shareholders.

Principle 8.2: Ensure shareholders' meetings are properly conducted in a transparent and efficient way in enabling all shareholders to exercise their rights

8.2.1 When scheduling a shareholders' meeting, the Board ensures that meeting date and venue are appropriate and sufficient time is allocated for discussions, giving consideration to the convenience of our shareholders. In 2018, the Company's general meeting was scheduled for 1500 hours on 26 April 2018 at Chaophya Park Hotel, 2nd Floor, Rachada 2 Room, Hotel Building, Rachadapisek Road, Samsen-Nok, Huaykwang, Bangkok 10310.

8.2.2 The Company never requires the shareholders or proxies to produce any proof or documentation additional to the identification required by law so as not to put an undue burden on the shareholders or restrict their rights or opportunities to attend the meeting.

8.2.3 The Chairman of the Board chairs the shareholders' meeting and is responsible for ensuring that the meeting is conducted in accordance with statutory requirements and the Company's Articles of Association, that appropriate time is allocated for each item on the agenda, and that all shareholders are offered opportunities to share their views or ask questions related to the Company.

8.2.4 The Board does not support the addition, to the meeting agenda, any items that have not been notified in advance – particularly those matters requiring time to consider before a decision can be made. This is to ensure that all shareholders are able to participate in making important decisions of the Company.

8.2.5 All our Directors and executives concerned attend every annual general meeting to answer questions from the shareholders.

8.2.6 Before the start of the meeting, the shareholders shall be informed of the number and proportion of the shareholders present in person and by proxy, the meeting procedure, as well as the voting and vote counting methods.

8.2.7 Where several resolutions are proposed under one agenda item, the chairman of the meeting shall arrange to have a separate vote taken on each of the proposed resolutions.

8.2.8 The Board promotes the use of ballots for voting on important resolutions, and the designation of an independent person to count or check the voting results and to disclose to the meeting the number of "for", "against" and "abstain" votes for each resolution. Such voting results are also recorded in the minutes of the meeting.

Principle 8.3: Ensure accurate and complete disclosure of shareholder resolutions and preparation of minutes of shareholders' meetings

8.3.1 The Board ensures that the Company discloses the resolutions and voting results at the shareholders' meeting through the Stock Exchange of Thailand channels and through the Company's website on the next business day.

8.3.2 The Board ensures that the minutes of the shareholders' meeting are submitted to the Stock Exchange of Thailand within 14 business days of the date of the meeting.

8.3.3 The Board ensures that the minutes of the shareholders' meeting are taken and prepared with the following information, at a minimum:

- (a) list of Directors and executives present, and the proportion of Directors present to Directors absent;
- (b) voting and vote counting methods, meeting resolutions, and voting results ("for", "against", "abstain") for each proposed resolution;
- (c) questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions.

Code of Business Ethics

Charan Insurance Public Company Limited is committed to conducting business with integrity and transparency based on ethics and morality as the basis for creating sustainable added value for the organization and shareholder.

Charan has established guidelines for conducting business with ethics, which has been created as a business ethics framework for doing business in accordance with the goals that the Company has planned. This Code arises from the Code of Ethics, performance standards, and expectation practices. Therefore, it is the duty and responsibility of directors, executives, employees of all levels, including those related to the Company, to acknowledge, understand and strictly adhere to the guidelines.

In order to achieve business goals along with maintaining ethics, compliance with the Code of Business Conduct Manual is regularly monitored every year. Operating in accordance with the Code of Conduct will benefit the Company, its employees and all related parties as well as drive the Company to grow continuously and with long-term stability.

1. Code of Conduct for the Company's Business Operations

- 1.1 The Company should operate its business under the requirements of the law, does not violate customs, tradition, does not support the infringement of intellectual property or copyright, and does not cause damage to society.
- 1.2 The Company should encourage all directors, executives and employees to strictly comply with the laws and regulations of the Company.
- 1.3 The Company should take part in social, community and environmental responsibilities as well as support activities that help create society.
- 1.4 The Company should conduct business and market competition with fairness and transparency.
- 1.5 The Company should treat the interests of all stakeholders with fairness.
- 1.6 The company should encourage the creation of a good working environment without any form of harassment.
- 1.7 The Company shall disclose information sufficiently, timely, accurate, complete and can be examined.
- 1.8 The Company shall take care of its employees by defining the compensation and benefits for all employees fairly and appropriately without discrimination.
- 1.9 The Company should provide training for employees in related fields and promote the development of knowledge and abilities, as well as encourage all employees to grow in their work according to the knowledge and abilities of each person.
- 1.10 The Company should practice and emphasize to human rights issues.
- 1.11 The Company should encourage all employees to consider the mutual interests over personal interests.

2. Code of Conduct for the Board of Directors

- 2.1 The directors shall perform their duties in accordance with the objectives and regulations of the Company, as well as the resolutions of the shareholders' meeting with care, taking into account the preservation of the Company's interests.
- 2.2 The directors shall comply with the laws, rules, and regulations related to business operations.
- 2.3 The directors shall monitor the Company's operations at all times, attend the Board of Directors' meetings to acknowledge the submissions that each director must perform in the performance of his/her duties.
- 2.4 The directors shall perform their duties to the best of their knowledge, abilities and experiences.
- 2.5 The directors shall protect the interests of shareholders and treat stakeholders with fairness.
- 2.6 The directors shall act with honesty and morality, not speak or do anything that is false, including upholding the interests of the organization as the main decision-making factor.
- 2.7 The directors must not disclose confidential information of customers, employees and the Company's operations to third parties whether intentionally or unintentionally, except with the consent of the Company.
- 2.8 The directors shall not use information received from being a Company director for personal gain and others who do not act for the benefit of the Company.
- 2.9 The directors shall not use their position for personal gain.
- 2.10 The directors shall avoid having conflict of interest in businesses that are competitive with the Company, whether directly or indirectly.

3. Code of Conduct for the Executives

- 3.1 The executives shall conduct themselves within the framework of good morals, adhere to ethics and Codes of Conduct and make decisions with sincerity, taking into account the interests of the Company, customers, shareholders, employees and all stakeholders.
- 3.2 The executives should manage their work with caution, prudence, and wide vision in order to achieve the Company's goals with efficiency and effectiveness.
- 3.3 The executives shall treat employees with politeness, act as a good role model for their subordinates with fairness, do not abuse their power, as well as enhance the working environment and prevent violations of ethics and Code of Conduct.
- 3.4 The executives should support the capacity building and increase the efficiency of work for employees, respect the rights and opinions, as well as provide appropriate welfare for employees.

4. Code of Conduct for the Employees

- 4.1 The employees shall have a good attitude towards the Company and strictly abide by the rules and regulations set by the Company.

- 4.2 The employees shall perform their duties with responsibility, diligence, honesty, and always develop their work to be efficient for the benefit of the employees and the Company.
- 4.3 The employees are expected to respect, obey the orders of the supervisors in accordance with the Company's policies and regulations.
- 4.4 The employees shall perform their duties with the knowledge and abilities to the best of their ability, including studying for additional knowledge and developing themselves regularly for the most efficient operation.
- 4.5 The employees shall treat their fellow with good manners, sincere solidarity, and respect for individual rights. Avoid revealing or criticizing other people's information or stories, both related to work and personal matters, or criticizing them in a manner that may cause damage, as well as not claiming the work of others as their own.
- 4.6 The employees shall not use their powers and duties to seek benefits for themselves or their associates, both directly and indirectly that will cause damage to the Company.
- 4.7 The employees shall report matters that affect the Company's operations or reputation to their supervisors without delay.
- 4.8 The employees shall strictly maintain the confidentiality of the Company, not to leak or disseminate the Company's confidential information or information to unrelated parties that will affect the Company, not use the information received from their duties for personal gain.
- 4.9 The employees shall maintain the benefits and take care of the Company's assets to remain in the condition that they are ready for the best use, not cause of damage or wasted prematurely or not to use them for personal gains.
- 4.10 The employees shall not have financial interests with customers or business partners, whether they are partners, directors, creditors, debtors or consultants. In the case of such interests, it must be disclosed to the supervisor.
- 4.11 The employees must not charge or receive any property from both customers and those doing business with the Company other than the expenses and fees charged by the Company.
- 4.12 The employees shall provide services to customers with accuracy, promptness, attention, politeness, honesty, as well as explaining to customers all information and benefits that should be received completely.
- 4.13 The employees shall treat their business partners with honesty, fairness and equality.
- 4.14 The employees shall not disclose the secrets or trade information of business partners to others.
- 4.15 The employees shall not demand benefits from business partners in return for their work.
- 4.16 Listen to the supervisors' instructions and honor the supervisor unless the superior above is the one giving the order, including being courteous to employees who have positions above them.

- 4.17 Treat subordinates with kindness and fairness, take care and develop them for advancement in their work, as well as transfer knowledge and promote training to increase their knowledge and experience regularly.
- 4.18 Receive opinions or suggestions about the work performed by the subordinates and develop the relevant work.
- 4.19 The employees are encouraged to participate in activities for the public benefit in order to enhance society according to their abilities as much as they can.

5. Environmental practices

- 5.1 Conservation, improvement and maintenance of buildings and environments to be in a clean, tidy and hygienic condition.
- 5.2 Maintain and improve safety standards in accordance with international standards to mitigate potential hazards.
- 5.3 Using natural resources for maximum efficiency and effectiveness, as well as helping to protect the environment by taking into account the current and future environment.
- 5.4 Continuously and earnestly support activities that will contribute to the creation of society and the environment, as well as instilling awareness of social and environmental responsibilities among employees.

Solution Recommendations

All these Code of Conduct may not be fully covered by the Company. Employees may face unforeseen circumstances or situations. If they are uncertain how to behave appropriately, they should consult or seek guidance from their hierarchical supervisors.

Attachment 6.1 Report of the Audit Committee

Dear Shareholders,

The Audit Committee comprising three independent directors, namely Mrs. Poodpong Arsingsamanunta, Chairman of the Audit Committee, Mr. Vorayuth Charoenloet, Mr. Thanitphong Pichaibavornphat, Member of Audit Committee

During the year 2023, the Audit Committee held four meetings with attendance by all members every time. The Audit Committee performed its duties within the scope assigned by the Board of Directors and supervised in accordance with the Audit Committee Charter and the principles of Governance. The summary of the performance report for the year 2023 is as follows:

1. Reviewing quarterly financial statements and audited annual financial reports

The Audit Committee reviewed the Company's quarterly and annual financial statements for 2023 by inviting the executives concerned and the external auditors to take part in the financial statement reviews to ensure conformity of the audited statements with financial reporting standards as well as adequate disclosure of complete, reliable information. The observations made by the auditors at each meeting were fed back for consideration and appropriate improvement by the Company. Through these reviews, the Committee concluded that all financial statements gave true and accurate information in all material aspects in accordance with the current financial reporting standards and the rules of the Office of Insurance Commission (OIC).

2. Reviewing internal controls assessment

The Audit Committee reviewed the Company's internal control systems: by appraising the systems with the external auditors and regularly considering reports from the Office of Internal Audit, where no material weaknesses were identified; by assessing the adequacy of and the risks involved in the internal control systems to prioritize and align each system with the organization's goals; and by providing operational guidance to the Office of Internal Audit. Through such assessments, the Audit Committee agreed that the Company's internal control systems were adequate and appropriate

3. Reviewing risk management

The Risk Management Committee has been established to be in charge of the Company's risk management. In this regard, the Audit Committee carried out reviews with company executives to ensure that risk management plans were developed and that there was sufficiently effective monitoring and assessment of risks potentially arising from the changing business environment. The Committee then provided its opinions to the Board on the areas for improvement in ensuring the Company's efficient risk management and compliance with the requirements and guidelines of the Office of Insurance Commission (OIC).

4. Reviewing related-party and conflict-of-interest transactions

The Audit Committee reviewed all related-party transactions or transactions with potential conflict of interest which were classified as connected transactions under the notifications of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). Reviews of transactions made by the Company with related parties/persons found that all transactions were carried out under normal commercial terms on fair, justifiable basis and did not lead to transfer of any gain/benefit, and that full and adequate disclosure of information was duly made by the Company in line with good governance policies and the notifications of the SET and SEC.

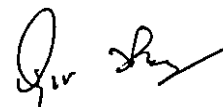
5. Reviewing statutory compliance

The Audit Committee reviewed the Company's operations and ensured that all activities conformed with the established procedures/processes, that the Company operated with integrity and complied strictly with the law governing securities and exchange and all other laws applicable to its operations. The reviews found no indication of any non-compliance with or practices contrary to applicable laws and regulations and that the Company met all of its business obligations properly.

6. Recommending appointment of external auditors and their fees for 2024

The Audit Committee considered and selected the external auditors by taking into consideration their performance, independence, qualifications, audit skills and experience, the audit firm's business and financial statements for the past year as well as their audit fees. The Committee made its recommendation, to the Board for further approval by the 2024 Annual General Meeting of Shareholders, that the following auditors of Mazars Company Limited be appointed as the Company's external auditors for fiscal 2024: Mr. Sompop Phonprasan, CPA Registration No. 6941 and/or Miss Thipawan Phumbansao, CPA Registration No. 9552 and/or Miss Wannawat Hemchayat, CPA Registration No. 7049.

In conclusion, the Audit Committee discharged its duties in 2023 by monitoring the Company's activities with competence and sufficient independence in accordance with the responsibilities stated in the Audit Committee Charter. The Committee has reached the opinion that, during the reporting year, the Company's financial reporting continued to provide material, reliable information in line with generally accepted accounting standards, that there was adequate disclosure of related-party transactions and transactions with potential conflict of interest, that there were effective systems to ensure good governance and to manage risks to acceptable levels, that the internal control systems in place were adequate for the operations, and that there was full compliance with all the laws, rules and regulations applicable to the Company's business operations.



Mrs. Poodpong Arsingsamanunta,
Chairman of the Audit Committee

Attachment 6.2 Report of the Risk Management Committee

Dear Shareholders,

The Risk Management Committee has discharged its duties as stipulated in the Risk Management Committee Charter and in line with statutory and regulatory requirements as well as the Company's corporate governance guidelines. During 2023, the Committee held a total of four meetings to perform its functions which can be summarized under the following 11 categories of risk.

1. Strategic risk:

The risk was reviewed against such factors as: the core strategy for optimizing available resources which led to renegotiations of service agreements with significant reduction in fees/charges and better services from vendors and which could be extended to all areas of work to increase the organization's overall efficiency; and the Company's capital adequacy ratio as at December 31, 2023 which stood at 211% and was regarded as being within acceptable level and higher than the OIC's minimum requirement of 140%.

2. Insurance Risk:

The risk was reviewed against the ratio of claims to earned premiums for all products as at December 31, 2023 of 48% which was considered to be within the acceptable level. The underwriting expenses that exceed the required threshold, the Company has adjusted to the prescribed range.

3. Market risk:

Having considered the rate of return of 2.54% as at December 31, 2023, the Committee concluded that the rate was within the acceptable level.

4. Credit risk:

The reviews of credit ratings of overseas and domestic reinsurers as at December 31, 2023 found that capital adequacy ratios of domestic reinsurers were higher than 200% while overseas reinsurers' credit was rated A- and above. The risk was thus within the acceptable level.

5. Liquidity risk:

Based on the Company's liquidity ratio of 630% as at December 31, 2023, it was agreed that the ratio was within the acceptable level and higher than the standard required by the OIC at not less than 100%

6. Operational risk:

The risk was reviewed and considered to be within the acceptable level, based on the premium receivable ratio as at December 31, 2023 of 99% which was higher than the OIC's standard of 80% and on the incident report which revealed no operational incident in 2022.

7. Reputational risk:

The number of complaints received from business partners or the insured was found to be very small and within the acceptable level. All issues have also been rectified without any impact on the Company's reputation.

8. Information technology risk:

As neither event affecting the Company's systems or activities nor event of cyber threat was detected in 2023, the risk was considered to be within the acceptable level.

9. Catastrophe risk:

The risk was assessed against the number of incident and loss caused by large-scale event which results in substantial deviation in actual claims from forecast. As no such incident occurred in 2023. In addition, there are enough reinsurance contracts to support catastrophic events, which are considered acceptable risk levels.

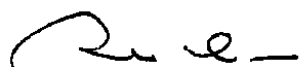
10. Emerging risk:

Assessments during 2023 identified no incident that had never occurred or never been experienced, as no such incident occurred in 2023.

11. Group risk:

As the Company is not connected with any group of companies, this type of risk has no impact on the Company's operations.

The reviews of the Company's overall risks found that the organization continued to have adequate and effective risk management plans for controlling various types of risk in its activities. Having reviewed the organization's risk management performance over the reporting year, the Risk Management Committee is of the opinion that the risk management framework and policy in place remain effective for the Company's business operations.



(Mr. Sukich Charanvas)

Chairman of the Risk Management Committee