KERRY
EXPRESS

KEX

FORWARD

ANNUAL REPORT 2023

(FORM 56-1 ONE REPORT)

KERRY
EXPRESS

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MESSAGE FROM THE CHAIRMAN

Kledchai Benjaathonsirikul
Chairman of the Board of Directors

The year 2023 is considered a pivotal milestone in Kerry Express's 17th year journey. Following a comprehensive business plan overhaul and establishing critical foundations across all sectors, Kerry Express successfully revitalized its business operations, achieving its objectives and moving forward into a new era of prosperity as a leader in the express parcel delivery market in Thailand.

Through a commitment to conducting the excellence business, Kerry Express has been able to maintain its position as the preferred express parcel delivery service provider in the hearts of consumers in Thailand. In 2023, the Company was honored with the No. 1 Brand Thailand award for the 6th consecutive year. This recognition reflects the continuous trust that customers place in Kerry Express as their top choice for express parcel delivery services. It aligns with the Company's vision to be an outstanding provider of express parcel delivery services, exceeding customer expectations. The strategic planning encompasses both short-term and long-term goals, incorporating cutting-edge technology from global express parcel delivery companies to enhance overall operational capabilities. This includes implementing automated operation systems and optimizing the location of sorting and distribution centers to reduce operational redundancies. Not only does this result in cost reductions in line with business objectives, but it also opens opportunities for the Company to expand into the new markets, contributing significantly to future business success. Additionally, these positions will lead the Company to become a Tech Logistics in Thailand in the future.

In addition to the dedication to driving the business in the economic dimension, Kerry Express also places significant importance on conducting sustainable business in the long term. This involves strengthening environmental management to achieve the goal of greenhouse gas neutrality by reducing emissions from business operations. This is done through managing new parcel delivery routes to reduce operational redundancies and decreasing energy consumption from fossil fuels. Additionally, the Company is committed to continuously using packaging made from recycled materials. In the social dimension, the Company continues its efforts to recruit diverse talent without discrimination based on gender, ethnicity, or religion. Moreover, the Company is dedicated to developing its workforce internally, ensuring the Company's stable and sustainable growth in the future.

MESSAGE FROM THE CEO

In the year 2023 is a year of transformation and preparation for the Kerry Express's recovery amidst the waves of change and challenges throughout the year. For the express parcel delivery business in Thailand, there is the intense competition among major market players, coupled with the pressures from major E-Commerce players which are more willing to reduce prices in exchange for increasing volume and expediting their pace in building its self-operated delivery networks.

Nevertheless, through collaboration with our major stakeholders, KLN Logistics Network Limited (KLN) and SF Holding Co., Ltd (SF), we have elevated ourselves to a new level. This is bolstered by the confidence of our major shareholders, providing Kerry Express with significant support, particularly in terms of financial assistance and operation system deriving from the globally successful express parcel delivery businesses in various countries. As a result, Kerry Express now possesses a competitive edge in the business landscape, reaching heights we have never experienced before.

As the leader in the express parcel delivery business in Thailand, Kerry Express continues to seek for opportunities and possibilities to revitalize the company's performance and bring it back to a favorable position. We remain steadfast with a commitment to operate the business with determination, aiming to generate returns for all stakeholders. Kerry Express is poised to stride into a prosperous era once again.

The efforts to enhance efficiency in business operations and network structure throughout the country have resulted in a diversified and elevated capability for Kerry Express in providing express parcel delivery services. This has allowed the Company to access new markets for express parcel delivery and explore new business opportunities that were previously untapped. Coupled with the support from our major shareholders, Kerry Express is ready to step up as a strong regional player in the express parcel delivery industry. These will drive profitability from the year 2023 onwards.

Kerry Express continues to emphasize conducting business under strong corporate governance principles, coupled with a commitment to social and environmental responsibility. In 2023, the Company received a "Very Good" level certification for corporate governance from the Thai Institute of Directors (IOD). Additionally, Kerry Express was selected by the Stock Exchange of Thailand to be included in the SET ESG Ratings 2023, achieving a rating of "BBB" in the service industry category. This reflects the Company's dedication to elevating its commitment to social responsibility, environmental sustainability, and transparent corporate governance practices, aligning with its long-term business objectives.

Alex Ng
Chief Executive Officer

VISION, MISSION AND CORE VALUES

VISION

"Thailand's forefront express delivery company focusing on delivering utmost quality products and services that exceed customer expectations"

MISSION

"We are committed to providing quality services, enriching our society, caring for our staff and being responsible to our stakeholders and investors"

5-YEAR PRIORITIES

"Develop sustainable growth engines through express market leadership and expansion into new businesses surrounding core business of parcel express"

CORE VALUES HI STEP

H (Honesty)
We are committed to high ethical standards, operating with transparency and guided by relevant rules and regulations.

I (Innovation)
We encourage creative solutions and constantly innovate to meet our customers' unmet needs and to enhance value for our customers, employees and our business.

S (Service-minded)
We strive to deliver the utmost service excellence which exceeds our customers' expectations.

T (Teamwork)
We value united cooperation towards mutual goals as well as the diverse input of individual contributions.

E (Execution)
We are result-oriented and put our vision and mission into our everyday actions.

P (Positivity)
We believe possibilities can be realised and challenges overcome through determination and positive mindsets.

OPERATIONAL HIGHLIGHTS AND FINANCIAL SUMMARY

*as of 31st December 2023

OPERATIONAL HIGHLIGHTS*

As Thailand's leading express parcel delivery company, Kerry Express (KEX) provides a wide array of services to a variety of industry sectors that cover Consumer-to-Consumer (C2C), Business-to-Consumer (B2C), and Business-to-Business (B2B). Through our extensive nationwide network, Kerry Express offers to its customers trusted quality services with the utmost convenience at affordable prices.

Strong Network with Nationwide Coverage

2.5 M+
Sorting Capacity per Day

15,000+
Vehicles in the Fleet under our Management

14,000+
Service Locations

16
Key Sorting Hubs

800+
Distribution Centres

Industry-Leading Service Quality

99.99%
Next-Day Delivery Service Coverage within Thailand

94.41%
of Parcels Delivered on Time

Excellent Customer Satisfaction from 1,000 surveys

IPSOS Survey, Dec-2023

61
Net promoter score (NPS) which is better than our competitors in the same industry.

> 90%
of respondents are satisfied with Kerry Express' delivery service and intend to continue using Kerry Express in the future

One of the Largest Merchant Handling Payment Transaction Values in the Market

5 BN (BAHT)
Average Monthly Transaction Value

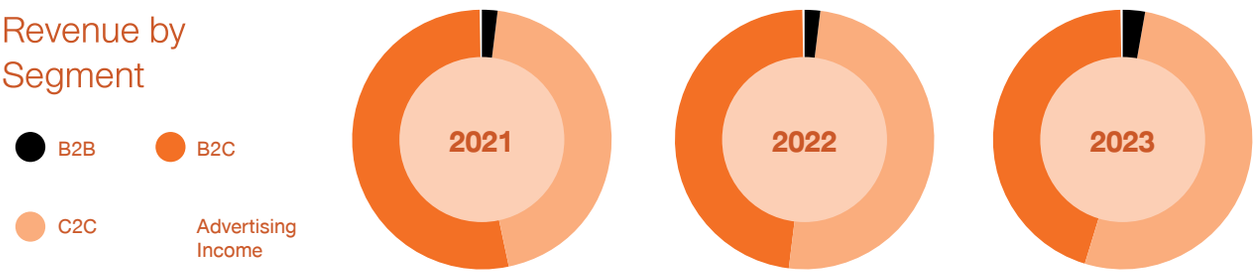
FINANCIAL SUMMARY

For the years ended 31th December

Sales and Service Income

(Unit : THB million)

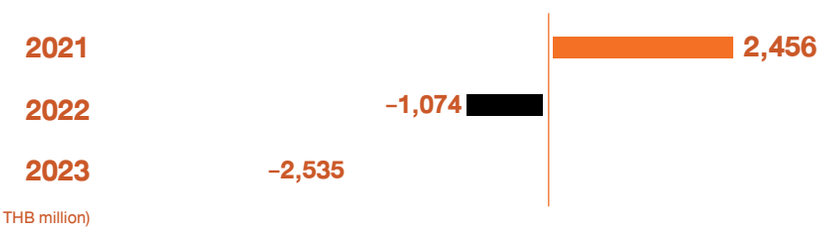
Revenue by Segment



EBIT

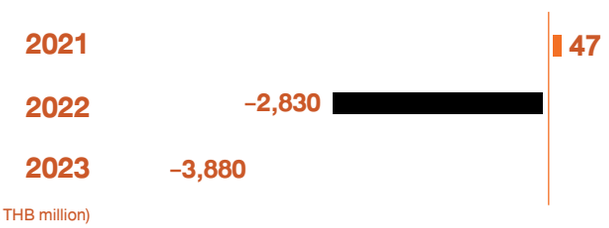
(Unit : THB million)

EBITDA



(Unit : THB million)

NET PROFIT



(Unit : THB million)

FINANCIAL POSITION

as of 31st December

(Unit : THB million)	2021	2022	2023
Cash and investment in liquid financial assets	7,295	2,963	736
Trade and other receivables	1,613	1,852	1,338
Plant and equipment	2,244	2,490	2,146
Right-of-use assets	4,897	2,903	2,449
Other assets	997	1,884	2,386
Total Assets	**17,046**	**12,093**	**9,055**
Current portion of long-term borrowings	-	9	1,300
Trade and other payables	1,977	1,942	1,718
Cash on delivery payable	724	568	615
Current portion of lease liabilities	2,502	1,812	1,441
Long-term borrowings from financial institutions	-	29	341
Lease liabilities	2,256	946	775
Other liabilities	270	290	223
Total Liabilities	**7,729**	**5,596**	**6,413**
Total Shareholders' Equity	**9,317**	**6,498**	**2,643**

FINANCIAL RATIOS

For the years ended 31st December

		2021	2022	2023
Liquidity ratios				
Current ratio	(times)	1.35	1.00	0.41
Quick ratio	(times)	1.30	0.95	0.38
Cash flow liquidity ratio	(times)	0.47	-0.26	-0.41
Profitability ratios				
Gross profit margin	(%)	7.12	-9.89	-25.00
Operating profit margin	(%)	0.11	-21.37	-39.87
Non-operating profit margin	(%)	0.50	0.57	0.52
Cash flow to income ratio	(times)	115.39	0.35	0.45
Net profit margin	(%)	0.25	-16.64	-33.83
Return on equity	(%)	0.47	-35.79	-84.91
Efficiency ratios				
Return on total assets	(%)	0.26	-19.42	-36.70
Return on fixed assets	(%)	31.61	-5.67	-36.65
Total asset turnover	(times)	1.03	1.17	1.08
Financial policy ratios				
Total liabilities to equity ratio	(times)	0.83	0.86	2.43
Interest coverage ratio	(times)	25.36	-14.66	-36.52
Interest-bearing debt to EBITDA	(times)	1.94	-2.60	-1.52
Debt service coverage ratio	(times)	0.98	-0.59	-0.83

CORPORATE STRATEGIES AND COMPETITIVE STRENGTHS

X	P	R	E	S	S
EXPRESS	PARTNERSHIP	RETAIL	EXPANSION	SYSTEM	SUSTAINABILITY

CORPORATE STRATEGIES

X- *Express*

Express-Focus, Market Leadership, and Sustainable Growth
The growth potential of parcel express is driven by differentiated products satisfying customer needs complimented by proactive sales strategies. Market leadership is asserted through consistent quality service at affordable prices.

P- *Partnership*

Robust Business Synergies through Neutral and Professional Partnerships
Strategic partnerships are proactively developed through collaboration synergies, leveraging each partner's unique strengths.

R- *Retail*

2C-Focus Based on the Customer-Centric Approach
Retail-focused expansion on express businesses ("2C" market) is achieved through deep penetration into the communities of online sellers, individual traders, and marketplace sellers.

E- *Expansion*

Express-Centric with Horizontal and Vertical Integration as New Growth Engines
Both vertically and horizontally, many businesses expansion paths stem from the core express business and foster a diversified business portfolio.

S- *System*

Operational Excellence through Cutting-edge Technologies and Seamless User Experience
There will be continuous improvement and development of our core systems, work process, and user applications, with a strong emphasis on process simplification, standardisation, and seamless user experience.

S- *Sustainability*

Economic Contribution along with Social Responsibilities under ESG Approach
Sustainability is a prerequisite and priority, with the progressive integration of sustainability into our daily business operations as our long-term commitment.

COMPETITIVE STRENGTHS

Leading express delivery company in Thailand, with top-ranked brand recognition.

A scalable hub-and-spoke business model with a large-scale operation and nationwide coverage, resulting in maximum flexibility and a competitive edge.

Industry-leading service quality and reliability, powered by proprietary technology capabilities.

Unique strategic partnerships that drive volume growth, create new revenue streams, and increase brand awareness.

Track record of rapid growth and operational efficiency.

Entrepreneurial and experienced management team with exceptional corporate culture.

Solid support from major and strategic shareholders in strategy formulation, market insights, business collaboration, technical expertise, operational know-hows, as well as financial assistance.

AWARDS AND RECOGNITIONS

BRANDING

1

No.1 Brand Thailand in the delivery/logistics category by Marketeer magazine for six consecutive years

2

Thailand's Most Admired Brand 2023 by BrandAge magazine for four consecutive years

3

Thailand Top Company Awards 2023 by Business+ magazine for two consecutive years

4

5-star "Excellent" rating in the Corporate Governance Report 2023 from the Thai Institute of Directors

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

5

Achieving a rating of "BBB" in the service industry category in the SET ESG Ratings 2023 from the Stock Exchange of Thailand

COMPANY JOURNEY

2006

Kerry Distribution (Thailand) began providing express delivery services including payment-on-delivery in Thailand under the brand "Kerry Express".

2014

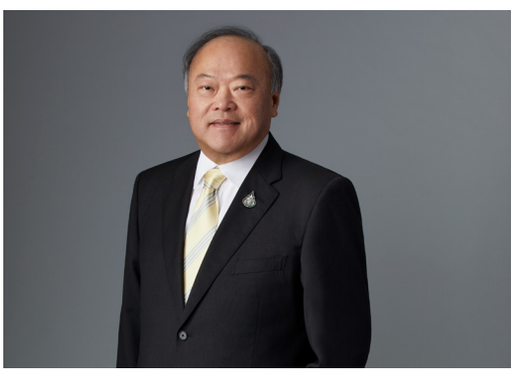
Kerry Express (Thailand) Limited was incorporated on 17th January 2014 with registered capital of THB 70 million to operate an express parcel delivery service in Thailand. The registered capital was later increased to THB 120 million in late 2014.

2018

VGI Public Company Limited ("VGI") became a strategic shareholder through the acquisition of a 23 per cent stake from KLN Logistics (Thailand) Company Limited, Gather Excellence Limited, and Siam Chaopraya Express Company Limited.

2019

Mr. Keeree Kanjanapas was appointed as the honorary chairman. As Mr. Keeree Kanjanapas is not a director, he is not involved in the management of KEX.



2020

Kerry Express (Thailand) Limited was converted to a Public Limited Company with its registered capital of THB 890 million and a par value of THB 0.50 per share. The Company's governance structure was established according to the good governance practice of the listed company with 9 qualified individuals making up the Board of Directors.

On 24th December 2020, KEX was listed on the Stock Exchange of Thailand under the stock code "KEX" at the IPO price of THB 28 per share with aggregate net proceeds of approximately THB 8.1 billion.

Mr. Keeree Kanjanapas is also the Chairman of the Board of Directors and the Chairman of the Executive Committee of BTS and certain of other companies within the group. Remarkably, his professional experience and reputation are renowned among the regional business communities. Mr. Keeree Kanjanapas does not sit on the Board of Directors of KEX, while his son Mr. Kavin Kanjanapas is a non-executive director of KEX.

KEY MILESTONES 2023

January

Kerry Express Introduces “Hibox” Smart Locker Business

March

Kerry Express Introduces Newest Mascot “Nong Carry”

May

Kerry Express Teams Up with ALL SPEEDY, expanding Service Points into 7-Eleven Branches Nationwide

September

Kerry Express Embraces the Convenience Seekers Trend, Offering Seamless Door-to-Door Service with No Minimum Parcel Requirements

Kerry Express Celebrates Year-End with Blast! Get a 100-Baht Discount Simply by Becoming a KERRY EXPRESS CLUB Member

KEY MILESTONES

November

Kerry Express Takes the Leap to Full-Fledged Tech Logistics, Unveiling State-of-the-Art “Kerry Fast Tech” at Kerry Express Bangna Logistics Centre. All for Unparalleled Efficiency and Accuracy in Express Parcel Delivery

Kerry Express Partners with Central Investigation Bureau for Year 3 of “Kerry Express Safe Driving and Traffic Discipline Promotion” Project

October

Kerry Express Joins Hands with Lotus’s Extending Its Network of Service Points into over 2,300 Lotus’s Branches Nationwide

December

Kerry Express Partners with SF Express spearheading Penetration of EEC Businesses into Chinese Market and Beyond through International Express Parcel Delivery to Continuously Elevate Thai Economic Growth

BUSINESS OVERVIEW

1

BUSINESS OVERVIEW

KERRY EXPRESS AT A GLANCE

Kerry Express (KEX) was established with the key objective to serve businesses, households, and social networks by offering reliable, trustworthy, and effective service solutions to all customers in every corner of Thailand. We have come a long way from kickstarted our first day of business operations with only five packages delivered, to now being the first express parcel delivery company to be listed on the Stock Exchange of Thailand on December 24th, 2020. The company has expanded along with Thailand's ever growing social commerce and e-commerce sectors, while consistently strives to offer the highest quality of goods, services, and innovations to sustain our forefront position as the leading express delivery brand in Thailand. We provide our valuable customers, business partners, and all other stakeholders innovative solutions, generating high-value returns, and harnessing our people's full potential to drive the organization, society, and the nation towards long-term sustainability.

In 2023, Kerry Express had a total sorting capacity of over 2.2 million parcels per day. As the pioneer of convenient and express delivery solutions in Thailand, we offer a comprehensive range of integrated parcel delivery services to customers in the Consumer-to-Consumer (C2C), Business-to-Consumer (B2C), and Business-to-Business (B2B) segments with high growth of approximately 22 million monthly active users (MAUs). We are also the pioneer in offering payment-on-delivery services, with an average monthly transaction value of over THB 4.7 billion for the year ended 31 December 2023. With the 2023 total revenue of THB 11,470 million, reaffirming Kerry Express' leading position in the industry.

Revenue Breakdown by Segment

For the years ended 31st December

(Unit : THB million)	2021	%	2022	%	2023	%
Sales and Parcel Delivery Services Income	**18,776**	**100%**	**16,995**	**100%**	**11,456**	**100%**
C2C	9,892	53%	8,241	48%	5,107	45%
B2C	8,523	45%	8,456	50%	6,017	52%
B2B	360	2%	298	2%	332	3%
Advertising Income	**42**	**0%**	**8**	**0%**	**14**	**0%**
Total Revenue	**18,818**		**17,003**		**11,470**	

Business Segments

Consumer-to-Consumer (C2C): Kerry Express offers retailers and individuals best-in-class express delivery and payment-on-delivery solutions through our extensive network of over 15,000 service points (including parcel shops, parcel lockers, and service points in our retail and individual partners' areas) and other service points (including BTS station service points and Offline-to-Online (O2O) service points). We also offer the Door-to-Door (D2D) service, where parcels are conveniently collected from customers right at their doorsteps.

Business-to-Consumer (B2C): Kerry Express serves nearly all e-commerce and social platforms and home-shopping channels operating in Thailand. We offer integrated e-commerce solutions, including cross-border delivery solutions, e-fulfilment services, parcel return management, and payment-on-delivery solutions.

Business-to-Business (B2B): Kerry Express serves numerous corporate customers by delivering parcels to offices, branches, and other business locations, namely banks, financial institutions, legal firms, international couriers, retail stores, modern trade companies, direct sales companies, telecom companies, trading firms, and general offices.

Express Service Offerings

Next-Day Delivery (ND): As the focus of Kerry Express, our ND service ensures that all parcels dropped off or collected before the cut-off time are delivered by the following day. Currently, our ND service covers up to 99.99 per cent of Thailand.

Economy Delivery (2D and 3D): Parcels are delivered within 2 or 3 days through our Economy Delivery service it is available nationwide.

Door-to-Door (D2D): D2D is a service for C2C customers where our couriers collect parcels from our customers' doorsteps.

Payment Solutions: As the first delivery company in Thailand to provide the Payment-on-Delivery solution, we have continued to innovate this service and introduced multiple payment solutions, including cash, credit card, debit card, and contactless payment (via QR payment, LINE Pay, PromptPay, and ShopeePay) to facilitate our customers' transactions.

Our Potential Service

Hibox: A smart locker system platform that offers customers 24-hour end-to-end parcel pickup and delivery services with plans to install up to 2,000 units of Hibox across greater Bangkok region within the next years.

Advanced Digital Capabilities and Portal Platforms

Apart from the delivery services offered, our customers also benefit from our advanced digital capabilities centred around proprietary technologies. Our inhouse-developed IT system and technology platforms enhance our operations' efficiency, visibility, and accountability while providing value-added services to our customers.

Kerry Express Application: An all-in-one app that combines Kerry Express services for customers, including one-click parcel pickup booking, real-time tracking, a map of nearby service locations, and all other promotional offers.

EasyShip: An online all-in-one parcel management platform designed to assist business that allows senders to create shipment by enter customer information, print shipping labels, track parcels, retrieve shipment reports, and access the Kerry Express Club for rewards and privileges.

Fulfilment Services: Fully integrated services including warehousing, inventory management, billing, packaging, labelling, shipping, payment-on-delivery payment, and product return and exchange.

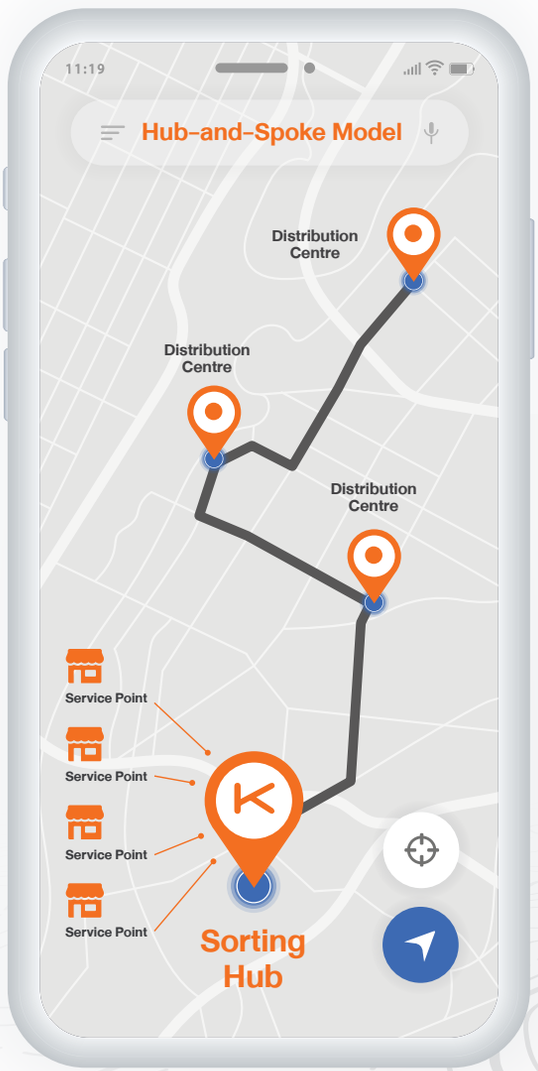
Kerry Express Club: Kerry Express customer loyalty program that allows customers to earn and burn points for discounts on delivery fees and other benefits, including lifestyle rewards from over 200 third-party partners.

Kerry Express Wallet: An open wallet platform that uniquely contains new services, tools, and retains users' spare cash inside KEX ecosystem.

Customer Experience–Net Promoter Score & Brand Health Check

Kerry Express conducted a nationwide quantitative customer survey by reputable research company IPSOS, where 1,000 online respondents participated across Thailand in December 2023. The key objective of this survey is measure and evaluate key performance of Kerry Express in all touchpoints, in particular the Net Promoter Score (NPS) pertaining to customer satisfaction and service recommendation rate from Kerry Express customers. The results were encouraging where Kerry Express achieved NPS at 61, and received the scores as following:

- 98% of respondents agree that they intend to continuously use Kerry Express in the future.
- 94% of respondents agree that they are most satisfied with Kerry Express' delivery service.
- 73% of respondents associate Kerry Express as a trustworthy parcel delivery service.
- 73% of respondents associate Kerry Express with quick delivery service.



- Fast and regular
- Scalable
- Economies of scale – the bigger the cheaper in cost; the bigger the better in service
- Higher efficiency – minimised down time
- Natural entry barrier
- All self-managed resources

Networks

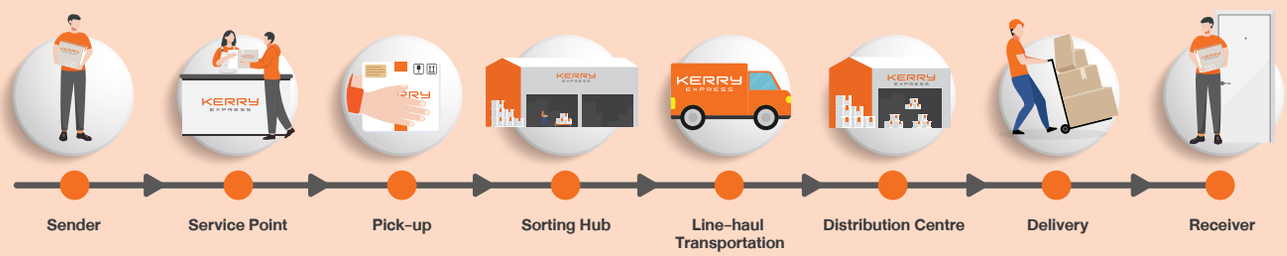
Since our inception, we have been operating under the hub-and-spoke model. We have leveraged these scalable and flexible business models to deliver highly reliable and efficient services. As of 31st December 2023, our expansive network covered 16 key sorting hubs, over 800 distribution centres, over 14,000 service points across all 77 provinces in Thailand, and over 15,000 vehicles under our management.

The sorting hubs, distribution centres, service points, and fleet vehicles are mostly leased. The 16 key sorting hub, Each hub is connected to our distribution centres by line-haul transportation, enabling us to dispatch parcels directly to other regions across Thailand. All distribution centres can collect, sort, and dispatch parcels for last-mile delivery within the region. In addition, our network includes all service points nationwide, comprises Parcel Shops, Distribution Centre Service Points (DCSP), Retail Service Points (RTSP), Independent Retail Service Points (PSP), BTS Skytrain Station Service Points, and Parcel Lockers.

Procuring for Value

Kerry Express places great importance on attracting, developing, and retaining qualified employees through our Human Resource Department. We believe that our employees are the vital assets to our success. In addition to full-time employees, Kerry Express also engages temporary staff to support our operations. Kerry Express recruits our people through various sources, including recruiters, social media advertisements, and referrals.

Kerry Express secures the fleet vehicles from many leasing companies on Kerry Express' Approved Vendor List. In registering vendors to the Approved Vendor List, we consider their track record, creditability, and financial positions. Kerry Express does not exclusively engage any vendor. Kerry Express considers its price, terms and conditions, and process that comply with Kerry Express' quality procurement procedure. In addition, Kerry Express secures fuel by using the fuel fleet cards from various major oil companies in Thailand.



Kerry Express' Parcel Journey

Kerry Express ensures that all parcels are delivered on time and handled with care.

- Customers/senders can drop their parcels at our service points or request a parcel pickup at a designated address (Door-to-Door Service) via Kerry Express application, website, or call centre. In addition, B2C and B2B customers can directly request support from our on-site staff at their facilities or warehouses.
- Our couriers collect parcels from our service points and transfer them to the nearest sorting hub via 4-wheel pick-up trucks. In some areas with high parcel volumes, processing centres handle extra volumes to reduce congestion before transferring them to the sorting hubs. The sorting hubs then primarily sort and dispatch the parcels by region and transfer them to the destination distribution centres.

- Line-haul transportation (between sorting hubs and destination distribution centres) is primarily carried out using 6-wheel haul trucks. However, in some instances, such as in short distances or during peak seasons, 4-wheel trucks may also be utilised for line haulage.

- At the destination distribution centres, the parcels are unloaded from the line-haul trucks and sorted, ready for last-mile delivery. The parcels are sorted based on the recipient's address. Then the last-mile delivery is carried out by our couriers using 4-wheel pick-up truck, motorbike and on foot.

Keys to Operational Excellence

As Thailand's leading go-to express company, we utilise our scalable and cost-efficient hub-and-spoke model to secure our position and accommodate the strong demand for parcel deliveries, primarily through our unique strategic partnerships and proprietary technologies. In 2023 Kerry Express received advanced and sophisticated technical know-how from major shareholder to improve business efficiencies and infrastructure, we have successfully installed automated sorting machines for the pilot locations in northeastern region and southern region. This algorithm led Kerry Express to strengthening 77 transit locations to 16 key sorting hubs. the parcel will pass through fewer transition points, this process not only increase frequency of movement of parcels but led Kerry Express to provide later cut-off and earlier delivery service in line with our strategies to improve service level.

Distinctive Strategic Partnerships

Kerry Express focuses on sustaining our competitiveness and long-term sustainable growth. To maintain the competitiveness of our operations in the face of increasing challenges and equip our business for future growth, we actively seek investment opportunities to strengthen our backbone operations and expand opportunities to enter new business areas. In addition, we continue to seek synergistic alliances with partners who can enhance and sharpen our competencies. As of 2023, we have been engaged in strong partnerships and collaborations with various business partners and industry leaders as per details indicated below:

New Sales Channels and Retail Partners

To enhance community penetration, Kerry Express co-branded with local delivery multi-brand channels to synergize the business in a more customized service to local users. This increases new sales channels to Kerry Express.

To increase coverage, Kerry Express shared its service as a delivery business option to well-known businesses and operate together to enhance coverage and convenience to customers.

Kerry Express also penetrate on social media commerce channel with Tiktok Shop to access the online influencer market.

Proprietary Technologies

Kerry Express' proprietary technologies and IT systems are the backbones of our superior services. Our technologies combine our in-house client-facing systems and operational systems from world-leading logistic sponsors to ensure the highest scalability and security of data and information. Deep Integration of both system groups allows us to better streamline and automate our operations, thereby optimizing our operations' efficiency, visibility, and accountability. With technologies and IT systems taking a significant role in all aspects of our business operations, from customer engagement and parcel delivery to payment solutions, we can leverage successful experience from mature systems and adjust our strategies and solutions to better fulfill customer requirements. This extra benefit would not be possible if such systems were developed progressively only by in-house teams.

Kerry Express's proprietary technologies include the Point of Sale System (POS), installed at our parcel shops and Kerry Buddy service counters, to record relevant details of senders and receivers, including parcel information (such as dimensions, weight, and product type) and service type. The POS system generates receipts with QR codes for easy tracking and updating of shipments.

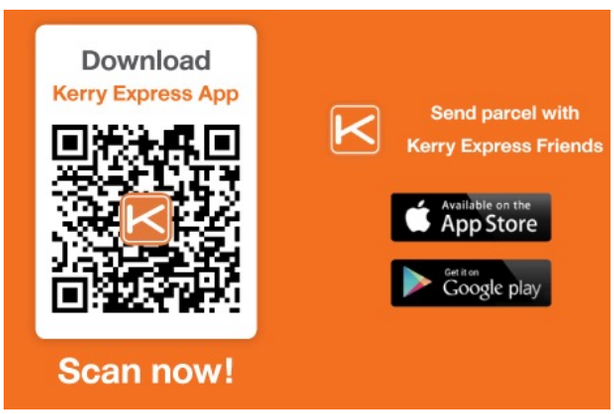
Our corporate retail partners use the Online Point of Sale system (onlinePOS) integrated with API for order placement. Additionally, our independent retail partners use the Mobile Parcel Service Point (mPSP). Our self-developed KES Portal also provides end-to-end information for key corporate customers.

In terms of operations, leveraging the technological advantages of SF, we have enhanced operational efficiency throughout the entire process, strengthened service timeliness, and quality monitoring. We have improved delivery task allocation efficiency and accuracy by adopting the new Mobile Delivery and Collection tool (KGO) and its task management system, optimizing the delivery process. The new Branch Management and Operation Tool

(DC Operator) facilitate mobile office operations for branches, improving operational efficiency based on local conditions and enhancing branch utilization efficiency.

We have transformed transit centers, introduced automated weighing and sorting equipment and systems (SSS), enhancing core transit center operational efficiency, cargo throughput capacity, and reducing labor costs. The Ground Capacity Task Management System (GROUND) and Driver Operation Tool (K-LH) contribute to transparent capacity utilization, digitized resource usage rates, efficiency improvement, and cost savings.

The Operational End-to-End Monitoring System (OEWM) provides real-time monitoring of timeliness and quality data at every stage, enabling timely optimization of operational processes. The Operational Big Data Platform (BDP) offers flexible multi-dimensional data reports for various operational aspects, providing data-driven insights to further enhance timeliness, quality, and efficiency.



Additionally, we have developed a new platform called Kerry Express Friends by our in-house IT developers. Kerry Express Friends facilitates interaction between our agents and customers to transport customer parcels to Kerry Express Parcel Shops.

Industry and Business Outlook

The express delivery industry in Thailand is highly concentrated, consisting of both domestic and international large private companies. We have been the most prominent Thai express delivery company (excluding Thailand Post) in terms of scale, network coverage, service quality and brand reputation, competing with other market participants, including DHL Express, Ninjavan, SCG Express, Flash Express, Best Express, and J&T Express. However, most other players have a smaller operation scale, small presence, and they focus on selected customers/areas with limited services that do not require extensive operational capabilities.

As the leading express delivery company in Thailand, our early entry in the market and extensive operations in all parts of Thailand provide us a competitive advantage as, Thai customers typically consider factors such as price, reputation, and geographical coverage when choosing an express delivery service provider, and the more frequency of cut off time for shipping and delivery.

The express delivery market has seen a significant growth rate of over 30% CAGR in the past several years, according to Frost and Sullivan. This has attracted new domestic and international players, leading to increased fragmentation, competitive pricing, and intense competition. However, establishing a strong presence, track record, and brand recognition in the market can take years for new players, making it difficult to compete with established players or serve remote areas.

An established player like Kerry Express has a competitive edge due to significant investments in assets like warehouses and vehicles for economies of scale, as well as technology adoption to improve internal operations and customer service. Not all companies can offer high-quality services like

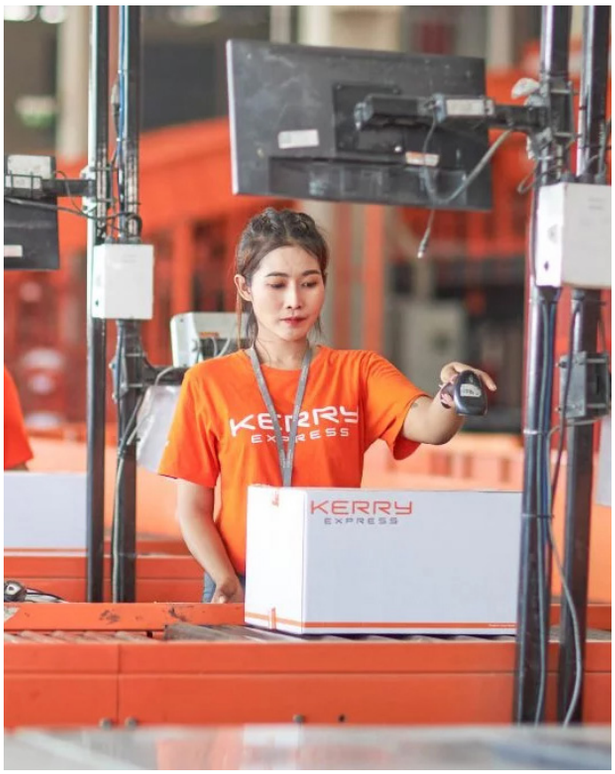
Kerry Express, which requires efficient, complex, and costly internal operations.

Growth in the express delivery industry is driven by changing customer behavior towards a digital lifestyle, including a preference for online shopping on platforms like Lazada, Shopee, and social commerce sites like LINE Shopping and TikTok Shop. The growth of delivery express market is driven mainly by the E-Commerce market. This shift is due to factors such as the increasing mobile phone and internet penetration, urbanization, higher middle-class income, and a tech-savvy population in Thailand, and has been further intensified by the COVID-19 pandemic. During 2023-2024 the growth of E-Commerce platform is projected to increase at an average rate 6% per year aligned with an increase in the number of Thai assessing the internet via Facebook and Line platforms. In addition, several businesses have prioritized online channels while offline advertising has continuously decreased.

Thailand is considered a compact market with medium-sized geography; the distance between the furthest North to the furthest South is less than 2,000 kilometres with a small population size of approximately 70 million.

The express delivery market in Thailand will inevitably follow a similar trend as in other countries with similar scale and characteristics. As the market is moving towards consolidation, premium services at an affordable price will become the norm and an entry barrier. The market will eventually be a place for only a few well-established players with a strong connection, track record, and brand recognition. This makes it extremely difficult for a newer entrant to establish a market presence in this highly consolidated market while the existing players are aggressively striving for either gaining or even maintaining their market shares. Small players with lower investment budgets are struggling with business survival against large companies that have comparatively well-developed infrastructure, network, and technology, giving them strong competitiveness. Some have already quit the market after suffering losses for a long time. As a result, only a few leaders remain in the market.

The pandemic during the past few years has brought about the New Normal lifestyle, accelerated the growth of online shopping, and exerted a positive impact on overall e-commerce growth. While online transactions have significantly increased during the period, prolonged Covid-19 pandemic has started to take tolls on local consumer purchasing power in 2022, causing consumer spending to decline. This has also been suppressed by gloomy geopolitical and macroeconomic conditions and outlook. Factors such as high inflation and interest rates, soaring fuel prices, minimum wage hikes, coupled with dampened growth in e-commerce marketplace sector, post-pandemic workforce disruptions as well as the rebound shift towards offline physical store shopping after the country's reopening, significantly weighed down on the express delivery industry. As market growth stalled, price competition among existing industry players in exchange for volume became more prevalent. Such market conditions may lead to a temporary setback in 2023. Nevertheless, we expect market growth to resume in the medium term once the economic conditions improve and consumers resume their digital lifestyle after short-term post-pandemic effects subside. In 2024, we believe that Thailand express parcel delivery will continue to grow due to the various online selling platforms and consumers' trends which move toward online purchases.



Service Excellence at Affordable Price is the Answer to Business Sustainability

Amidst such market conditions, businesses need to search for ways to reimagine the entire last-mile ecosystem to elevate customer experience through service excellence in terms of convenience, flexibility, and quality, with price competitiveness and innovation. Kerry Express aims to maintain and sustain our leading position in the express delivery industry with our quality service offerings and operational excellence. We remain committed to strengthening our core express delivery business by continuously improving our operational and cost efficiencies.

Kerry Express is aware of the challenges and intends to optimise resources to achieve utmost efficacy while offering value-added services to respond to the new normal customer lifestyle. Since 2021, we have widened the leading position by increasing our sorting capacity and services across Thailand to pursue “Kerry Express Everywhere” strategy. We have also expanded our coverage through our distinctive networkto facilitate at least 2.2 million parcels per day.

Technology Advancement is a Significant Enabler of Business Success

Technological advancement is the foundation of the positive outlook for the market. Technologies can be deployed to increase overall operational efficiency and enhance customer experience. Kerry Express responds to the digital disruption with key technology investments and partnerships to complement the omnichannel offering as a part of our strategy. Kerry Express has focused on the re-engineering process and streamlined operation standardisation to uplift efficiency. In terms of front-end operation, Kerry Express Wallet, a neutral, open platform to facilitate and connect with customers, was introduced as we have seen an upward trajectory of e-wallet penetration. Through Kerry Express Wallet, everyone can purchase, pay, top-up, and engage with Kerry Express’s marketing campaigns. In addition, KEX also has streamlined process and operation standards to improve back-end efficiency.

Diversification as One of the Key Strategy for Kerry Express’ Growth

Kerry Express is constantly exploring new opportunities to grow its business by leveraging its existing resources and network through integrations. One of its recent ventures is Kerry Cool, a cold delivery platform in partnership with Betagro. This venture has the potential to tap into the growing demand for food safety and convenient delivery in Thailand as cold chain delivery is still in infancy and fragmented without any dominant player, yet it is anticipated to become a notable prospect with the market estimated to post double-digit growth and margin in the coming years. Kerry Express’ technology-driven capabilities combined with Betagro’s quality control expertise promise to deliver fast and reliable nationwide delivery.

Another area of diversification is through the launch of Hibox, a smart locker service in partnership with Hive Box, a leading provider in China. With the shift towards online shopping, customers are seeking greater flexibility and control over their delivery times. Hibox aims to meet this demand by

offering 24/7 parcel pickup and delivery services. Senders can drop off their parcels at the lockers, and recipients can pick them up at their convenience. Kerry Express plans to further enhance the customer experience by integrating payment options through QR code, Kerry Express Wallet, and credit card. The round-the-clock availability and ease of use of Hibox is expected to transform customer behavior and provide greater control over their delivery times.

In 2023 Kerry Express continue to exploring brand new segments by offer fisherman and farmer to provide nationwide farm to table deliveries with time-definite, through Kerry Express new technologies and infrastructure. The confidence and trust of our "customers" are central to Kerry Express' service. Therefore, Kerry Express diligently trains our couriers to comprehend the needs of both orchard owners and customers. This training emphasizes the importance of delivering professional delivery service, starting right from the moment they collect fruits directly at orchards until they hand-deliver them to doorsteps across the country.

Assets Used in Operations

Kerry Express utilized leasing as a means of optimizing our balance sheet. Other than the property, plant, and equipment, intangible assets, and financial leases, booked as Rights-of-Use assets represent a significant component of Kerry Express' fixed assets. As of 31st December 2023, fixed assets contributed 52.7% per cent of Kerry Express' total assets. Furthermore, the Group operates express delivery services under a transportation license granted by the Department of Land Transport, which is the official license required to operate non-fixed route transportation services. This license was granted to Kerry Express Services Company Limited, a subsidiary of Kerry Express, on 21th July 2020 and is valid until 20th July 2025. Please refer to our financial statement for further information on the assets that Kerry Express utilizes in our operations.

The table below shows the significant assets' details as of 31st December 2023.

	Net Book Value (THB million)	Ownership Type	Obligation
1. Buildings and building improvements	127.14	Ownership	No Obligation
2. Operating equipment	528.21	Ownership	No Obligation
3. Furniture, fixtures and office equipment	133.79	Ownership	No Obligation
4. Computers	343.30	Ownership	No Obligation
5. Vehicles	802.72	Ownership	No Obligation
6. Assets under installation	210.81	Ownership	No Obligation
7. Intangible assets [1]	176.47	Ownership	No Obligation
8. Right-of-Use assets	2,449.28	Right-of-use	Obligation as per related lease agreement
Total Net Book Value	**4,771.72**		

[1] Intangible assets include computer software and software under installation.

Governance of Subsidiaries and Associates

The Board of Directors has approved a policy for the investment and management of subsidiaries and associates based on the rules for the governance of subsidiaries and associates under the Notification of the Capital Market Supervisory Board No. Tor Chor 28/2551 and the Corporate Governance Code for Listed Companies (CG Code) of the Securities and Exchange Commission. Below is the policy summary.

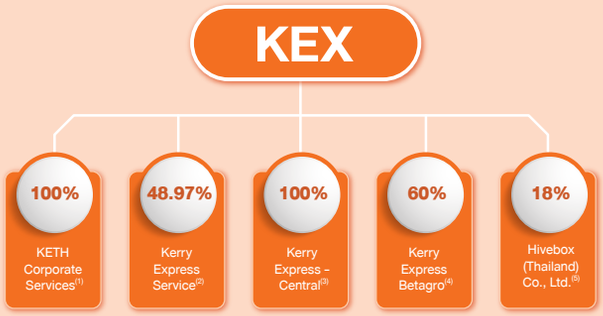
- An investment in a subsidiary or an associate shall be support or expand its business operations, whether by adding income streams or increasing profitability or corporate value. Such investment shall consider the return on equity, potential risks, and Kerry Express's financial standing.

- For any joint investment that Kerry Express holds at least 20 per cent but not exceeding 50 per cent of the voting rights and may require additional capital in the future, Kerry Express shall consider formulating a shareholder's agreement or other agreements to define the management and decision-making authority.

- Kerry Express shall manage a subsidiary or an associate following the CG Code and establish guidelines for exercising voting rights through Kerry Express' directors or executives based on their respective shareholding percentage.

- In the governance of a subsidiary or an associate, Kerry Express shall ensure financial control, disclosure of important information, and regular performance reporting. Any transaction with connected persons, acquisition or disposition of assets, and other significant transactions shall be disclosed, as stipulated by the CG Code.

INVESTMENT STRUCTURE



Notes

(1) KETH Corporate Services Limited is our wholly-owned subsidiary, incorporated in Hong Kong with registered capital of HKD 10,000. Currently, it has not commenced any commercial operations.

(2) Kerry Express Service was incorporated to hold the Land Transport License and conduct land transport activities under the Land Transport Act. KEX holds 49.00~ of Kerry Express Service's total issued shares and 90.57% of its voting rights. Kerry Express Service Co., Ltd. has other shareholders, namely: Miracle Rich Holding Company Limited[6], Mr. Warawut Natthapradit, Ms. Wanwisa Thadsanapreechachai, and Mr. Montree Busabatorn, with shareholding of 51.00%, 0.01%, 0.01% and 0.01% respectively.

(3) Kerry Express - Central (formerly known as Kerry Express Cargo) is our wholly-owned subsidiary, incorporated on 29 July 2021, with the initial registered capital of THB 1,000,000.

(4) Kerry Express Betagro (formerly known as Kerry Express Cold Chain Company Limited) is a partnership between KEX and BTG with a registered capital of THB 50,000,000 with the investment portions of 60 per cent by KEX and 40 per cent by BTG.

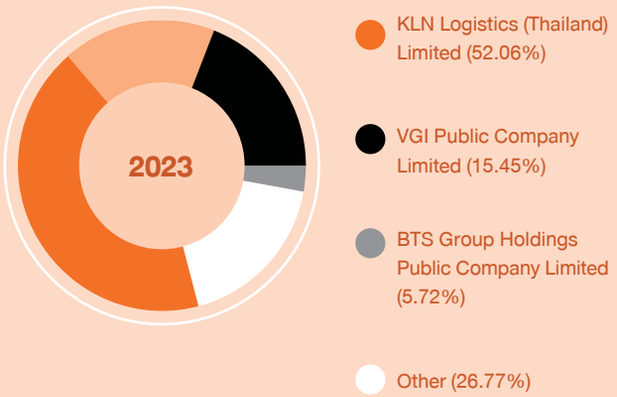
(5) Hivebox (Thailand) Company Limited is an associated company of the Company, registered on September 1, 2022, with a registered capital of THB 150 million. It consists of 1,500,000 ordinary shares with a par value of THB 100 per share. During the year ending December 31, 2023, the company paid for 270,000 shares at a rate of THB 66.67 per share, totaling THB 18.00 million. The associate's business operation was established with the objective of providing locker services for parcel delivery. As of December 31, 2023, the associate had not started their operations. Hivebox (Thailand) Company Limited has other shareholders, including HiveBox International (HK) Limited, Super Turtle Public Company Limited ("TURTLE") (TURTLE is a listed company in the Stock Exchange of Thailand), and FengThai Company Limited[7] with shareholding percentages of 49.00%, 18.00%, and 15.00% respectively.

(6) Miracle Rich Holding Company Limited has 6 shareholders namely: Mr. Kledchai Benjaathonsirikul, Ms. Pavinee Meensook, Mr. Warawut Natpradith, Ms. Wanvisah Tasanaprechachai, Mr. Jakapetch Ratchcahroensook and Ms. Kultaree Samakkeenitch, with shareholding percentages of 19.40%, 19.40%, 14.00%, 13.90% and 13.90% respectively.

(7) FengThai Company Limited has 3 shareholders namely: P2W Holding Company Limited[8], HiveBox International (HK) Limited and Mr. Jiang Siyuan with shareholding percentages of 51.00%, 48.99% and 0.01% respectively.

(8) P2W Holding Company Limited has 3 shareholders namely: Mr. Pentor Kamonyabut, Mr. Pordoo Kamonyabut and Mr. Waranyoo Phadungsri with shareholding percentages of 40.00%, 30.00% and 30.00% respectively.

MAJOR SHAREHOLDERS



- Kerry Logistics Network Limited ("KLN"), a Hong Kong listed company and one of Asia's leading logistics companies, indirectly holds 49.0 per cent of shares and the majority voting rights in KLN Logistics (Thailand) Limited ("KLNTH"), a limited liability holding company incorporated in Thailand.

KLN has continuously emphasised strong corporate governance principles and avoided a conflict of interest by separating the subsidiaries' business operations within the Kerry Logistics Group, particularly those engaged in providing express delivery services in Thailand. KLN operates many businesses in many countries i.e., the People's Republic of China (PRC) (including Chinese Taipei), Thailand, Vietnam, Malaysia, and India. In the course of its growth and expansion, KLN has been recognised as a model organisation for sustainable business operations, being ranked in the Hang Seng Corporate Sustainability Index Series in 2019-2022. We believe we have inherited the popularity and reputation of KLN and its good corporate governance principles, which we apply in our operation.

KLN and its significant subsidiaries and/or affiliates do not operate conflicting businesses in Thailand. KEX is the only company within the Kerry Logistics Group that provides express delivery services in Thailand.

To prevent potential a conflict of interest, KLN provided a non-compete undertaking letter dated 16th November 2020, which provides that KLN and its subsidiaries will not operate any express delivery service, courier service, or any other service similar to those of our Company or may compete with our

core business for as long as KLN holds more than 10 per cent of the shares in our Company, whether directly or indirectly. This restriction only applies to KLN's business operations in Thailand.

- VGI is a SET listed company operating advertising, electronic payment, and logistics businesses. Its majority shareholders are Bangkok Mass Transit Public Company Limited ("BTSC") and BTS Group Holdings Public Company Limited ("BTSG"), who hold 29.66 per cent and 22.49 per cent respectively.
- BTSG is a SET listed company, multi-industry conglomerate utilising data and partnerships to amplify value from its proprietary transport and media network through 3 core businesses Move, Mix, and Match.

Top 10 Shareholders

List of top 10 shareholders as per the record date on 23rd February 2024

No.	Name of Shareholders	No. of Shares	% of Total Shares
1	KLN Logistics (Thailand) Limited	907,200,000	52.06%
2	VGI Public Company Limited	269,230,900	15.45%
3	BTS Group Holdings (Thailand) Public Company Limited	99,636,900	5.72%
4	Mr. Taweechat Chulangkul	27,932,100	1.60%
5	Mr. Ng Kin Hang Alex	20,982,400	1.20%
6	KGI Securities (Thailand) Public Company Limited	20,317,400	1.17%
7	Bangkok Bank Public Company Limited	17,000,000	0.98%
8	Thai NVDR Company Limited	16,877,019	0.97%
9	UBS AG SINGAPORE BRANCH	11,500,000	0.66%
10	MORGAN STANLEY & CO. INTERNATIONAL PLC	10,000,000	0.57%
	Total top 10 shareholders	**1,400,646,719**	**80.38%**

Source : TSD

Shareholders' Agreement

KLNTH and VGI entered a Shareholders Agreement on 17th May 2018. The majority of the agreement is terminated upon effective IPO filing and prospectus except for the non-competition and strategic contribution clauses below:

- Non-competition clause: each party undertakes that it shall not carry out express delivery business, or domestic courier services, or any other business of the similar nature in Thailand that competes with KEX's business.
- Strategic contribution clause: Shareholders agree to grant VGI access to KEX's data in connection with marketing campaigns and advertisement and for KEX to engage in certain VGI's services. Meanwhile, VGI agrees to grant exclusive rights to KEX, as the sole express delivery partner of VGI and BTS Group, including the right to set up service points at any BTS Skytrain station.

CAPITAL INFORMATION AND OTHER SECURITIES

Registered capital	THB 890,000,000 (1,780,000,000 shares)
Paid-up capital	THB 871,288,500 (1,742,577,000 shares)
Par value	THB 0.50 per share
Name of Listed Market	SET
Industry	Service
Sector	Transportation & Logistics

Other Securities

KEX issued ESOP Warrants Scheme 2020 to offer the ESOP warrants to purchase KEX's shares at the IPO price of THB 28 per share for its directors, executives, and employees, including those of its subsidiaries. KEX offered 40,000,000 units under the conditions that the rights are non-transferable. If the warrant holders no longer hold the positions of directors, management, or staff at KEX for any reason, the unexercised warrants will be automatically cancelled. The ESOP warrants will be expired after 5 years from the issue date. Fifty per cent of the ESOP warrants may be exercised in one year after the issue date. The rest can be exercised after the second year, with vesting dates and amounts under the specific conditions attached to the granted warrants.

ESOP Warrants Scheme 2020

No.	Date of Exercise	Total amount of Exercised Units
First exercise	27th December 2021	2,577,000
Second exercise	24th June 2022	No warrant units were exercised
Third exercise	26th December 2022	No warrant units were exercised
Fourth exercise	26th June 2023	No warrant units were exercised
Fifth exercise	25th December 2023	No warrant units were exercised

Therefore, there are the remaining unexercised warrants total to 37,423,000 units.

DIVIDEND POLICY AND PAYMENT

Policy

The dividend shall be paid to the shareholders not less than 30 per cent of the net profit in KEX's separate financial statement after the corporate income tax deduction and other legal reserves as annually prescribed by applicable laws and KEX. The amount of dividend paid must not exceed the retained earnings in the separate financial statement.

The Board of Directors may specify dividend payment and dividend pay-out ratio that differ from the specified percentage depending upon KEX's operating performance, financial position, cash flows, working capital, investment plans, and business expansion, market conditions, debt obligation, conditions, and limitations as prescribed in the borrowing contracts, as well as other necessities and related factors as the Board of Directors deems appropriate. Such dividend payments shall not have any significant impact on the normal operations of KEX.

The annual dividend payment must be approved in the Shareholders' Meeting. However, the Board of Directors has the authority to approve an interim dividend payment as deemed appropriate periodically and shall report such payments to the shareholders at the next Shareholders' Meeting.

The dividend payments of KEX's subsidiaries shall be approved by the Board of Directors or at the Shareholders' Meeting of the subsidiary. In this regard, the dividend payments shall be made in the amount of not less than 30% of the net profit of the separate financial statements of the specific subsidiary after the deduction of corporate income tax and other legal reserves as yearly prescribed by relevant laws and KEX. The amount of dividends paid must not exceed the retained earnings in the separate financial statement of the subsidiary.

Historical dividend payment

On 21st May 2021, KEX paid its shareholders the annual cash dividend based on the 2020 net profit at the rate of THB 0.22 per share, totalling THB 382.8 million.

On 10th September 2021, KEX paid its shareholders the interim cash dividend from the retained earnings carried over from the fiscal year 2020 at the rate of THB 0.743 per share, totalling THB 1,292.8 million.

On 14th February 2022, the Board of Directors agreed to propose to the shareholders' meeting on 22 April 2022 to approve no further dividend payment from the 2021 performance. Therefore, total cash dividend per share for the year was THB 0.743 per share, equivalent to dividend pay-out ratio of 203%.

On 14th February 2023, the Board of Directors agreed to propose to the shareholders' meeting on 21st April 2022 to approve no dividend payment from the 2022 performance.

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GOVERNANCE STRUCTURE AND PRACTICES

2

GOVERNANCE STRUCTURE AND PRACTICES

1 2 3 4

1 **Chalush Chinthammit**
Director

2 **Kamthorn Tatiyakavee**
Independent Director

3 **Kavin Kanjanapas**
Director

4 **Prasan Chuaphanich**
Independent Director and
Chairman of the Audit Committee

BOARD OF DIRECTORS

5 6 7 8 9

5 Kledchai Benjaathonsirikul
Chairman of the Board of Directors and Member of the Nomination and Remuneration Committee

6 Ng Kin Hang Alex
Director, Chief Executive Officer, Chairman of the Risk Management Committee and Chairman of the Executive Committee

7 Choi Chun Sang Michael
Director, Deputy Chief Executive Officer, Member of Risk Management Committee and Member of the Executive Committee

8 Warawut Natpradith
Director, Chief Operations Officer and Member of the Executive Committee

9 Yeo Hwee Leng Eileen
Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee

PROFILE OF DIRECTORS AND EXECUTIVES

PROFILE OF DIRECTORS

Mr. Kledchai Benjaathonsirikul

Aged 68 and has been the Chairman of the Board of Directors since 2019.

Mr. Kledchai Benjaathonsirikul has been the non-executive director of KEX since 2017 and was previously the Chairman of the Executive Committee during 2017 until 2019. As of today, he is a member of the Nomination and Remuneration Committee.

Since 1995, he has been an independent director of Shangri-la Hotel Plc.(SHANG:SET), part of Kuok Group's multi-industry conglomerate. Furthermore, he also appointed as a director of many non-listed companies that operates in the transportation industry both domestically and internationally, among others.

He graduated from the University of Birmingham, United Kingdom, with the bachelor's degree in Law and he attended the Director Accreditation Program (DAP) by Thai institute of Directors in 2020.

For the full profile,
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Mr. Prasan Chuaphanich

Aged 72 and has been an independent director and the chairman of the Audit Committee since 2019. He has also been appointed as the Chairman of the Nomination and Remuneration Committee since 2020.

Mr. Prasan Chuaphanich is well-known among business moguls in Thailand due to his directorship and advisory positions both in public and private sectors in Thailand, e.g., Ministry of Finance, Ministry of Commerce, Thai Institute of Director, Singha Estate Plc. (S:SET), SCB X Plc. (SCB:SET), and Siam Commercial Bank Plc. Previously, he was the independent director and the Chairman of the Audit Committee of PTT Global Chemical Plc. (PTTGC:SET) and Advanced Info Service Plc. (ADVANC:SET)

In addition, he was also the president of Thailand Federation of Accounting Profession during 2014-2017 as well as director and the Chairman of the Audit Committee of Thai Institute of Directors. As of today, he is the honorary chairman of Thai Institute of Directors. As of today, he is the honorary chairman of Thai Institute of Directors.

He graduated from Chulalongkorn University with the bachelor's degree in Accounting with second-class honours, and also obtained the honorary doctorate degree in Accounting from Kasem Bundit University, Thailand.

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Mr. Kamthorn Tatiyakavee

Aged 69 and has been an independent and a member of the Audit Committee since 2019.

For over 40 years, Mr. Kamthorn Tatiyakavee has been the director of Thai President Food Plc.(TFMAMA:SET), industry's leading food and beverage company in Thailand. Moreover, he also holds various director positions in different industries, i.e., securities firm, banking, real estate, leasing, etc.

He graduated from Thammasat University with the bachelor's degree in Economics in Thailand and received the master's degree in Business Administration from University of Bridgeport, United States of America.

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Ms. Yeo Hwee Leng Eileen

Aged 49 and has been the independent director and the member of the Audit Committee since 2019. She was also appointed as the member of the Nomination and Remuneration Committee in the following year.

Ms. Eileen Yeo has the global business presence as she was the former chairwoman and director of Marionnaud France, one of the biggest perfumery brands and cosmetic retailers in European market during 2014-2017. In 2018, She then became the chief executive officer of Mornington Services Pte. Ltd, the Singaporean wealth management and fiduciary services. Subsequently, she became the director of Balnarring Pte. Ltd., as well as AKJ Singapore Investment Pte Ltd in 2020. In 2021, she was appointed as an independent director of Singapore Eye Research Institute, the Singapore's national research institute for ophthalmic and vision research.

She received the bachelor's degree in Business Administration from the National University of Singapore with the second upper class honours. She also attended the Director Accreditation Program organised by Thai Institute of Directors in 2020.

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Mr. Kavin Kanjanapas

Aged 49 and has been the non-executive director since 2018.

Mr. Kavin Kanjanapas has been the chief executive officer of BTS Group Holdings Plc.(BTS:SET), since 2015 and the magnate in the transportation industry. He is also the director and chairman of the executive committee of VGI Plc. (VGI:SET), one of KEX's major shareholders and subsidiary of BTS Group multi-industry conglomerate.

In addition, he also holds various directorship in both national and international non-listed companies from various industries.

He graduated from Stonyhurst College in United Kingdom. He attended the Director Accreditation Program (DAP) by Thai institute of Directors in 2020.

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Mr. Chalush Chinthammit

Aged 54 and has been the non-executive director since 2019 and the member of the risk management since 2020. Mr. Chalush Chinthammit is also the director and the president of Khon Kaen Sugar Industry Plc.(KSL:SET),

an association president of the Thai Sugar and Bio-energy Producers Association, and holds directorship in several listed companies, varying from advertisement industry to biofuel business. He also holds other positions in various private companies and public sectors.

He graduated from Assumption University with the bachelor's degree in Business Administration in finance and banking and he also attained the master's degree in Business Administration in finance and banking from Mercer University, United States of America.

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Mr. Ng Kin Hang Alex

Aged 44 and has been the executive director since 2014 and the chief executive officer since 2019.

Mr. Alex Ng was the executive director, Finance Committee member, and the member of the Risk Management Committee of Kerry Logistics Network Limited, a Hong Kong-listed company and the major shareholder of KEX, during 2019 to 2021. He started his journey with Kerry Logistics Group in 2001 as a management trainee. He then relocated to Thailand in 2008 and has widened KEX position to be Thailand's forefront parcel express delivery. He also holds the diverse directorship in subsidiaries and sister companies both locally and internationally.

He graduated from the University of Hong Kong with the bachelor's degree in Economics and Finance and he attended the Director Accreditation Program (DAP) by Thai institute of Directors in 2020.

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Mr. Choi Chun Sang Michael

Aged 41 and is the executive director of KEX since 2016.

Mr. Michael Choi started his journey with KEX in 2015 as the deputy general manager, and subsequently became the deputy chief executive officer and a member of the Executive Committee in 2019 and 2020 respectively. He also holds the directorships of KEX's subsidiaries, namely KETH Corporate Services (Hong Kong) Limited, Kerry Express Service Limited and Kerry Express – Central Company Limited.

He graduated from the University of Hong Kong with the bachelor's degree in Logistics Engineering and Supply Chain Management. He also attended the Director Accreditation Program (DAP) by Thai institute of Directors in 2020.

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Mr. Warawut Natpradith

Aged 45 and is the executive director and member of the executive committee and has hold the chief operations officer position since 2019.

Mr. Warawut Natpradith was the assistant general manager during 2014-2016 and then became the deputy general manager in 2017 until 2019. He holds the directorships in KEX's subsidiary namely Kerry Express Service Limited, Kerry Express Betagro Co., Ltd., Kerry Express - Central Co., Ltd., as well as in a sister company namely Miracle Rich Holding Limited. Moreover, he is also the director of Master Ad Plc.(MACO:SET), another SET listed firm.

He graduated from Maejo University with the bachelor's degree in Business Management. And obtained the honorary master's degree in business administration from Maejo University, Thailand. He also attended the Director Accreditation Program (DAP) by Thai institute of Directors in 2020.

For the full profile,
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EXECUTIVE PROFILE

Ms. Wanvisah Tasanaprechachai

Aged 49 and is a member of the Executive Committee and Risk Management Committee. She has also been the Chief Financial Officer since 2019.

Ms. Wanvisah Tasanaprechachai is concurrently a director of Kerry Express - Central Co.,Ltd. and Kerry Express Service Ltd. She is a certified public accountant from Thailand Federation of Accounting Professions.

She graduated from Thammasat University with an bachelor's degree in Accounting. In 2022, she attended the CFO 2022 training course from NYC Management Co., Ltd., which included the CFO Refresher course and the TLCA CFO CPD course, organised by SET. In addition to these, she received training in the PDPA for Accounting and Financial course from the Thai Listed Company Association

For the full profile,
please scan the QR code below

COMPANY SECRETARY

Ms. Kultaree Samakkeenitch

Aged 46 and has been the Chief Accountant since 2019.

Ms. Kultaree Samakkeenitch was a director of Gastropolis Co., Ltd., and is a certified public accountant from Thailand Federation of Accounting Professions.

She graduated from Assumption University with a bachelor's degree in Business Administration in Accounting with Cum Laude Honours. In 2022, she attended the CFO 2022 training course from NYC Management Co., Ltd., as well as the TFRS 9, TFRS 15, and TFRS 16 courses organised by Dharmaniti Seminar and Training Co., Ltd.

Ms. Patamabhorn Damrongsoontornchai

Aged 39 and has been the Head of Legal since 2021, as well as the Head of Data Protection Officer since 2022, and subsequently also the Company Secretary since August 2023.

Ms. Patamabhorn Damrongsoontornchai has experiences in legal, company secretary and compliance fields as she was the former Head of Legal and Company Secretary of CTI Logistics Co., Ltd. and AAS Auto Service Co., Ltd. She was also the Legal Director of 2W Group (9 Basil, and Blueprint Forest) and the Associate of the international law firm of Baker & McKenzie Ltd.
In addition, as of today, she also serves as an advisor to the Committee on Laws, Justice and Police Affairs of the Senate.

She graduated from Thammasat University with a bachelor's degree in Laws (LL.B.) and a master's degree in Laws (LL.M.). Additionally, she obtained another master's degree in Laws (LL.M.) in International Finance Law from King's College London, United Kingdom.

She attended the Director Certification Program (DCP) in 2023 and the Company Secretary Program (CSP) held by Thai institute of Directors in 2024.

For the full profile,
please scan the QR code below

HEAD OF INVESTOR RELATIONS

Ms. Tatcha Tanprasertrit

Aged 41 and has been the Head of Investor Relations Since 2023.

Ms. Tatcha Tanprasertrit has extensive experience in auditing, equity investment management, and investor relations. She previously held the position of AVP, Investor Relations at Thai Life Insurance Public Company Limited. Additionally, she had served as a financial analyst in the investor relations and investment management departments at Siam Commercial Bank Public Company Limited.

Ms. Tatcha Tanprasertrit holds a bachelor's degree in Commerce and Accountancy, major Accounting and Information System from Chulalongkorn University, and a Master's degree in Finance from Eastern Michigan University. Additionally, she received professional training in investor relations development programs organized by the Thai Listed Companies Association in 2023.

HEAD OF INTERNAL AUDIT PROFILE

Ms. Wirangrong Krobsanit

Aged 33 and has been the Head of Internal Audit since July 2022.

Ms. Wirangrong Krobsanit was an audit manager at Deloitte Touche Tohmatsu Jaiyos Co., Ltd. She has more than eight years of experience specialising in financial auditing for insurance, airlines, logistics, trading, and manufacturing business for both listed and multinational companies.

She graduated from Kasetsart University with a bachelor's degree in Accountancy with a second-class honours.

DIRECTORS AND MEMBERS OF THE MANAGEMENT IN KEX AND ITS SUBSIDIARIES

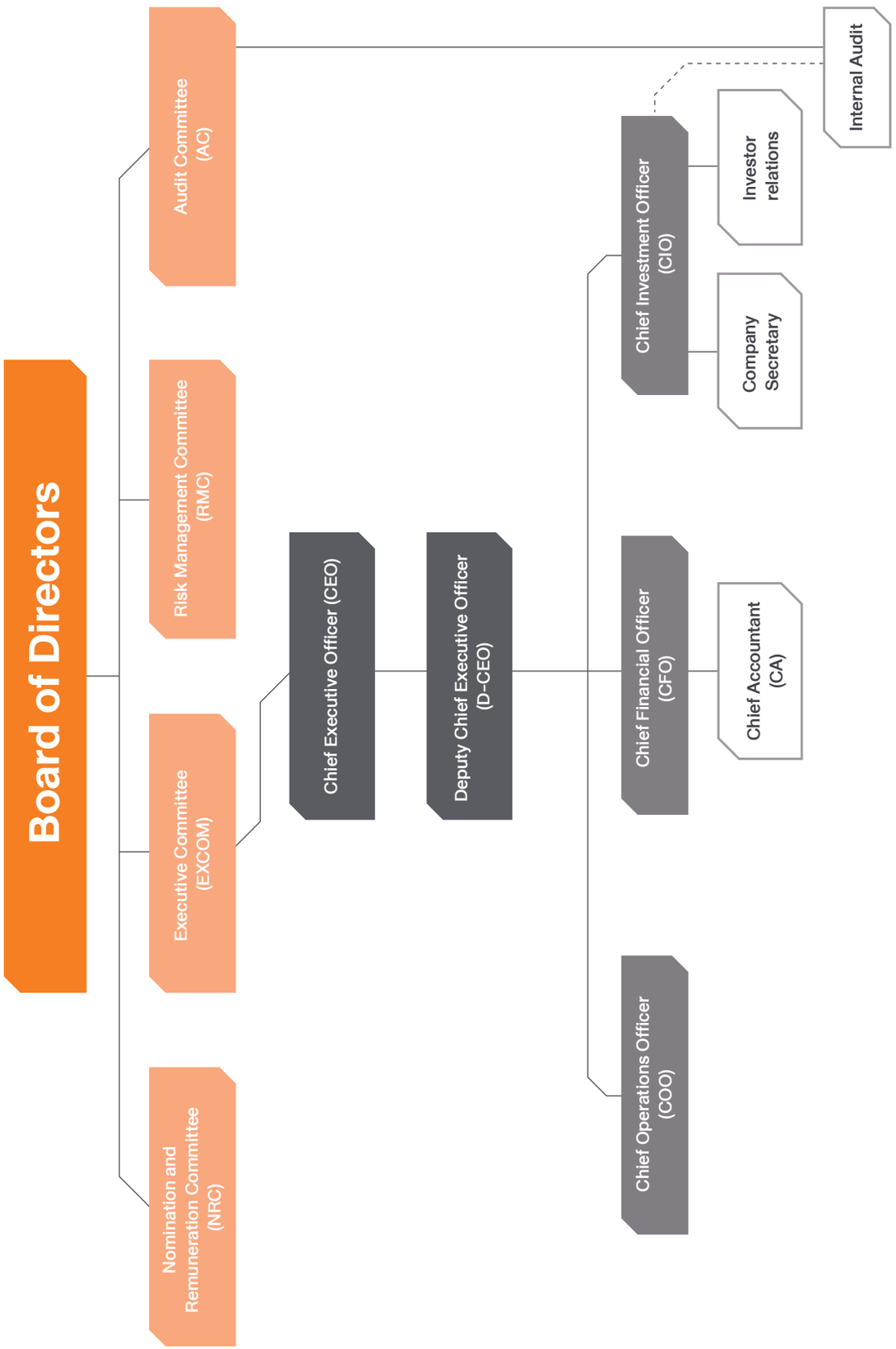
Directors and Management	KEX	KETH	KESL	Kerry XL	Kerry Cool
Mr. Kledchai Benjaathonsirikul	●	-	-	-	-
Mr. Prasan Chuaphanich	■	-	-	-	-
Mr. Kamthorn Tatiyakavee	■	-	-	-	-
Ms. Yeo Hwee Leng Eileen	■	-	-	-	-
Mr. Kavin Kanjanapas	■	-	-	-	-
Mr. Chalush Chinthammit	■	-	-	-	-
Mr. Ng Kin Hang Alex	△	■	■	■	■
Mr. Choi Chun Sang Michael	△	■	■	■	-
Mr. Warawut Natpradith	△	-	■	■	■
Ms. Wanvisah Tasanapreechachai	◎	-	■	■	-
Ms. Kultaree Samakkeenitch	◎	-	-	-	-

● Chairman ■ Director △ Executive Director ◎ Management

SECURITIES HOLDING OF DIRECTORS AND MEMBERS OF THE MANAGEMENT

No.	Name	Number of Shares		
		As of 1st January 2023	As of 31st December 2023	Increase/ (Decrease) of shares during the year (shares)
1.	Mr. Kledchai Benjaathonsirikul	9,845,700	9,845,700	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
2.	Mr. Prasan Chuaphanich	150,000	150,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
3.	Mr. Kamthorn Tatiyakavee	100,000	100,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
4.	Ms. Yeo Hwee Leng Eileen	100,000	100,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
5.	Mr. Kavin Kanjanapas	-None-	-None-	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
6.	Mr. Chalush Chinthammit	150,000	150,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
7.	Mr. Ng Kin Hang Alex	20,982,400	20,982,400	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
8.	Mr. Choi Chun Sang Michael	8,220,000	8,220,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
9.	Mr. Warawut Natpradith	6,874,400	6,574,400	(300,000)
	Spouse and minor child	-None-	-None-	-Unchanged-
10.	Ms. Wanvisah Tasanaprechachai	4,562,000	4,562,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
11.	Ms. Kultaree Samakkeenitch	-None-	-None-	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-

GOVERNANCE STRUCTURE AND MANAGEMENT



MEETING ATTENDANCE

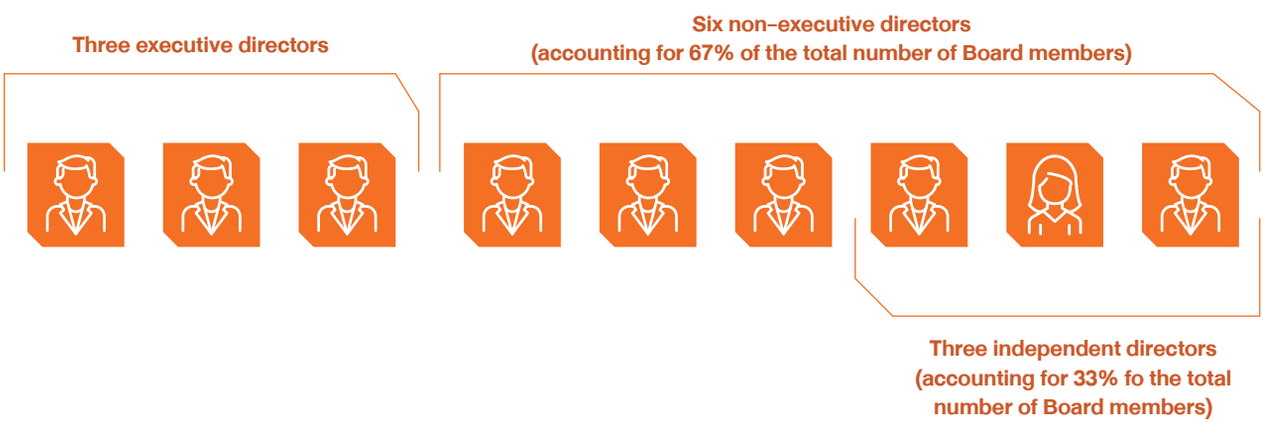
Name	Number of Attended Meetings /Total Meetings					
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee[1]	Executive Committee[2]	Non-Executive Directors
Mr. Kledchai Benjaathonsirikul	6/6		4/4			1/1
Mr. Prasan Chuaphanich	6/6	10/10	4/4			1/1
Mr. Kamthorn Tatiyakavee	6/6	10/10				1/1
Ms. Yeo Hwee Leng Eileen	6/6	10/10	4/4			1/1
Mr. Kavin Kanjanapas	5/6					1/1
Mr. Chalush Chinthammit	6/6			4/4		1/1
Mr. Ng Kin Hang Alex	6/6			4/4	8/8	
Mr. Choi Chun Sang Michael	6/6			2/2	8/8	
Mr. Warawut Natpradith	6/6				8/8	

Notes: (1) The other 2 members of the Risk Management Committee are executive officers.
(2) The other 3 members of the Executive Committee are executive officers.

THE BOARD OF DIRECTORS (BOARD)

Board Composition

The BOARD comprises nine qualified persons who possess knowledge, abilities, and experiences beneficial to KEX.



Authorities, Duties, and Responsibilities

The primary responsibilities of the BOARD are to oversee and guide KEX's business strategies, business plan, and annual budget and to ensure that the management of KEX is in line with the shareholders' resolution and performance objectives and in compliance with the law and good governance practice to ensure the sustainable growth of KEX and long-term value to our shareholders.

Scan to access the full charter of the BOARD

SUB-COMMITTEES

The Audit Committee (AC)

Composition

The AC comprises three independent directors who possess financial and accounting backgrounds and independent qualifications as required by law.

Authorities, Duties, and Responsibilities

The primary responsibilities of the AC are to check and balance the interests of KEX and our major shareholders with the interests of our minority shareholders. The AC ensures the integrity of KEX's BOARD and Management, financial statements, and internal control over the KEX's financial reporting.

Scan to access the full charter of the AC

The Executive Committee (EXCOM)

Composition

The EXCOM consists of five qualified persons experienced in KEX's businesses and possess knowledge and abilities considered beneficial to KEX.

Authorities, Duties, and Responsibilities

The main responsibilities of the EXCOM are to efficiently operate and manage KEX's business operations under KEX's objectives, Articles of Association, policies, vision, business strategies, business plans, and goals, and in line with the expectations of the BOARD.

Scan to access the full charter of the EXCOM

The Risk Management Committee (RMC)

Composition

The RMC consists of four competent persons with knowledge and experiences in finance, business, corporate risk management, and business continuity management. One out of the Committee's four members is a non-executive director.

Authorities, Duties, and Responsibilities

The main responsibilities of the RMC are to ensure the sufficiency and efficiency of KEX's internal control and corporate risk management in all areas. The RMC shall ensure that KEX takes all appropriate measures to balance risks and rewards in both ongoing and new business activities.

Scan to access the full charter of the RMC

The Nomination and Remuneration Committee (NRC)

Composition

The NRC is chaired by an independent director. It comprises two independent directors and one non-executive director.

Authorities, Duties, and Responsibilities

The main responsibilities of the NRC are to select and nominate candidates for directors and the CEO positions and seek the approval from the BOARD and/or the shareholders, The NRC also nominate a candidate to be appointed as the senior executives (N-2 from the CEO) and define the criteria for the performance evaluation and remuneration of the directors,

the CEO, and senior executives. The NRC also provides inputs in the formulation of the succession plan for the key executives and non-executive directors.

Scan to access the full charter of the NRC

Authorised Directors

The directors who are authorised to sign and bind KEX are as follows:

(1) Two (2) of the following directors, Mr. Kledchai Benjaathonsirikul, Mr. Ng Kin Hang Alex, Mr. Kavin Kanjanapas, Mr. Chalush Chinthammit, Mr. Choi Chun Sang Michael, or Mr. Warawut Natpradith, may jointly sign with KEX's seal, for any transaction not exceeding THB 125,000,000; or

(2) Any of the following directors, Mr. Kledchai Benjaathonsirikul, Mr. Ng Kin Hang Alex, Mr. Choi Chun Sang Michael or Mr. Warawut Natpradith, may jointly sign his or her name with any of the following directors, Mr. Kavin Kanjanapas or Mr. Chalush Chinthammit, with KEX's seal affixed, for any transaction exceeding THB 125,000,000.

Executives

KEX is principally managed by the executives who constitute the management team, including the Chief Executive Officer and the heads of the business segments. This management team is responsible for determining KEX's strategies and reviewing its policies. The management team is also responsible for managing the affairs of KEX following the policies established by the Board of Directors. The executive officers include:

1. **Mr. Ng Kin Hang Alex**
   Chief Executive Officer (CEO)
2. **Mr. Choi Chun Sang Michael**
   Deputy Chief Executive Officer (D-CEO)
3. **Mr. Warawut Natpradith**
   Chief Operations Officer (COO)
4. **Ms. Wanvisah Tasanaprechachai**
   Chief Finance Officer (CFO)
5. **Ms. Kultaree Samakkeenitch**
   Chief Accountant (CA)

Note: List of executive officers under the definition of the SEC

NOMINATION AND REMUNERATION COMMITTEE REPORT

Dear Shareholders,

The NRC comprises three members, whereby all members are non-executive directors and the Company Secretary serves as the secretary to the NRC. The committee held 4 meetings during the year and the attendance are as follows.

Member of the NRC	Position	Attendance/Total meetings
1. Mr. Prasan Chuaphanich	Chairman	4/4
2. Mr. Kledchai Benjaathonsirikul	Member	4/4
3. Ms. Yeo Hwee Leng Eileen	Member	4/4

In 2023, The NRC carried out its duties as stipulated in the NRC's charter which has been approved by the BOARD as follows:

Considered the nomination of directors to replace those who retired by rotation in 2023

The NRC reviewed the criteria and candidates to be elected as directors replacing the directors who retired by rotation in 2023 based on the skill matrix and criteria stipulated in the Nomination Policy.

Considered the director's compensation structure and budget for the year 2023

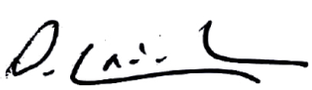
The NRC considered the director's compensation structure and budget for the year 2023 for the BOARD, the sub-committees, and the CEO, i.e., monthly remuneration, meeting allowance, and annual bonus. The NRC then proposes the directors' compensation structure and budget for 2023 to be considered in the BOARD and the shareholders' meetings, respectively.

Considered the evaluation criteria for the performance and evaluation of the BOARD, the sub-committees, the Chairman of the BOARD and the senior executives (N-2 from the CEO), and also the appointment of the senior executives.

The NRC considered and approved the BOARD, the sub-committees, the Chairman of the BOARD and the senior executives 's evaluation criteria comprised of Strategic Visionary, Communication & Motivation, Integrity, Execution Power, Accountability, and Corporate KPI Achievement. These criteria are aligned with the good governance practices and the industry standards. Also the NRC had considered the 2022 annual performance evaluation of the BOARD, the sub-committees, the Chairman of the BOARD and the senior executives, in accordance with their roles duties and responsibilities, relationships with management, and self-improvement/training before proposing for the BOARD's approval.

Considered the Company's succession plan

The NRC considered and approved the Company's succession plan for executives and the senior management level as proposed by the human resources department.



On behalf of

the Nomination and Remuneration Committee

Mr. Prasan Chuaphanich

DIRECTORS' REMUNERATION SCHEME

Monthly Remuneration	Meeting Allowance	Annual Bonus
• THB 80,000 for Chairman of the Board and Chairman of the AC • THB 40,000 for directors • THB 20,000 for member of a sub-committee	• THB 30,000 for Chairman of a sub-committee • THB 20,000 for member of a sub-committee	0.5 per cent of the annual dividend payment

Note: Directors who are executives or employees are not entitled to receive the above remuneration.

In 2023, the total remuneration paid to directors was THB 4.69 million (excluding bonus).

Directors' Remuneration in 2023

Name	Monthly Remuneration (THB)	Remuneration for Sub-committees Meeting Allowance (THB)			Bonus	Total (THB)
		The AC	The NRC	The RMC		
Mr. Kledchai Benjaathonsirikul	960,000	-	60,000	-	-	1,020,000
Mr. Prasan Chuaphanich	960,000	240,000	90,000	-	-	1,290.000
Mr. Kamthorn Tatiyakavee	480,000	160,000	-	-	-	640,000
Ms. Yeo Hwee Leng Eileen	480,000	160,000	60,000	-	-	700,000
Mr. Kavin Kanjanapas	480,000	-	-	-	-	480,000
Mr. Chalush Chinthammit	480,000	-	-	80,000	-	560,000
Grand Total	**3,840,000**	**560,000**	**210,000**	**80,000**	**-**	**4,690,000**

Remuneration for the CEO and other Senior Executives

In 2023, the aggregate remuneration for the 7 executive officers, under the SEC's definition of the term 'executive,' was THB 36.57 million, including monthly remuneration, bonus, and provident fund payments.

OTHER BENEFITS

ESOP Warrants

KEX offered 5-year ESOP warrants to its directors, executives, and employees, including those of our subsidiaries, in the total amount of 40,000,000 units. On 25th November 2020, the Board of Directors resolved to allocate up to 10,300,000 ESOP warrants to our directors and executives. The details of their allocation are as follows:

No.	Name	Position	ESOP-Warrant-1	
			Allocated amount (Unit)	Number of unexercised warrants (Unit)
1.	Mr. Kledchai Benjaathonsirikul	Chairman of the Board of Directors	1,200,000	1,200,000
2.	Mr. Prasan Chuaphanich	Chairman of the Audit Committee	200,000	200,000
3.	Mr. Kamthorn Tatiyakavee	Independent Director	200,000	200,000
4.	Ms. Yeo Hwee Leng Eileen	Independent Director	200,000	200,000
5.	Mr. Kavin Kanjanapas	Director	200,000	200,000
6.	Mr. Chalush Chinthammit	Director	200,000	150,0001
7.	Mr. Ng Kin Hang Alex	Director and Chief Executive Officer	1,000,000	1,000,000
8.	Mr. Choi Chun Sang Michael	Director and Deputy Chief Executive Officer	1,500,000	1,500,000
9.	Mr. Warawut Natpradith	Director and Chief Operations Officer	1,500,000	1,500,000
10.	Ms. Wanvisah Tasanaprechachai	Chief Financial Officer	1,500,000	1,500,000
11.	Ms. Kultaree Samakkeenitch	Chief Accountant	600,000	600,000
			8,300,000	**8,250,000**

Remark: [1] On 27th December 2021, the first exercise date, Mr. Chalush Chinthammit exercised 50,000 units of warrant equivalent to 50,000 shares.

Employees

KEX recognises the importance of personnel as the vital component in propelling our organisation towards sustainable progress and growth. For this reason, KEX is determined to develop our personnel so that they are fully equipped with the knowledge and abilities required, both soft and functional skills. KEX also strives to foster positive attitudes in line with our HI STEP corporate values. We do this through various training programmes following our defined personnel development policies. KEX continues to seek out new employees with the relevant skills and character traits be fitting our corporate values so that they can become an essential part of growth and in line with KEX's goals. As such, KEX offers competitive and performance-related remuneration, benefits, and human resource development opportunities that will help retain qualified personnel.

HI STEP encapsulates our core values that encourage the belief in creating a forward-thinking culture and modus operandi applied by both management and employees alike. It is expressed in our employees' thinking, behavior, and decision-making. It is analogous to our company culture and how KEX interacts and operates, further establishing our unique place and leading us forward as a sustainable company of excellence.

KEX organises various activities to encourage our employees to adhere to our corporate values. One outstanding project that has captured the interest of our employees, with more than 90 per cent of employees engaged, is the HI STEP The Idol Project, which has been active since June 2019. The project is the result of the foresight and vision of our executive management and our Human Resource Management and Development Department, who wanted to establish a project within KEX that honors employees who do good deeds, demonstrate behaviors consistent with our values or HI STEP, set a positive example for others, and take constructive action to help others in society and within KEX itself. As a result, the HI STEP Idol Project was initiated, communicating stories from KEX employees all over the country throughout our organisation and providing our employees with an opportunity to present their own stories, thus motivating them to try to become model employees in KEX.

Number of Employees

As of 31 December 2023, KEX and its subsidiaries employed 12,840 full-time permanent employees in total. The numbers of employees by key function and their average age are as follows:

Department	Number of Employees (persons)				
	KEX	KETH	KESL	Kerry XL	Kerry Cool
Parcel and Business Operations	12,588	8,935	3,614	-	39
Accounting & Finance	103	103	-	-	-
Investment	2	2	-	-	-
Corporate Admin & Support	160	160	-	-	-
Internal Audit	5	5	-	-	-
Management	9	9	-	-	-
Total employees for each company	12,867	9,214	3,614	-	39
Total employees	**12,840**				

Note: The total number of employees does not include daily and monthly contract employees.

Average age	31 years

In addition, the gender diversity ratio is calculated based on the number of KEX's full-time employees, excluding daily workers or employees under daily or monthly contracts.

Gender	Number of persons / percentages
Male	8,515 persons (66.32%)
Female	4,325 persons (33.68%)

Employee's remuneration

Type of Employee Remuneration	THB million
Salary, bonuses, and other benefits	4,181.79
Provident fund	31.42
Total	**4,213.21**

HUMAN RESOURCE DEVELOPMENT POLICY

Building an agile organisation and talents

KEX's human resource development policy and strategy align with the corporate strategic direction to provide career development for our employees and promote an agile organisation. KEX has implemented a framework on career planning, allowing our employees to learn; assess their aptitudes, interests, and abilities; seek additional opportunities, and set goals for personal needs in both the short and long-term future. Since 2021, KEX has rolled out its people development program under the "People Learning Solutions" structure, covering leadership development programs, individual development programs, and functional development programs.

To enable our employees and staff to develop, move forward, and reach our target goals, we will also carry out Employee Competency Assessments. These assessments will help each employee be aware of any competency gap against the expected levels and qualifications of the Employee Competency Model established by KEX. Employees and staff can then use these assessment results to support their personal development planning.

Employee career advancement planning is part of the annual performance evaluation process. Supervisors and employees hold joint discussions for career advancement for individuals within KEX.

KEX also encourages employees' horizontal and vertical career growth development or migration, allowing them to gain knowledge and experience more broadly (horizontal career progression) and upward growth through promotion (vertical career progression). To this end, KEX has established a policy framework defining the following three key factors that will enable our employees to achieve successful career growth:

- **Depth of Knowledge and Skills:** Employees and staff are knowledgeable and proficient in their work, demonstrating the knowledge and skills needed for successful job performance.
- **Required Competencies:** Employees and staff have the necessary capabilities expected for their level/position and can carry out their assignments and achieve specified goals.
- Employees and staff have sufficient/diverse work experience and a readiness to strive for continued growth at a higher level.

Promoting digital learning corporate-wide

Transforming to an online learning platform enables us to effectively, widely, and cost-effectively roll out the program. The e-learning system called Kerry GURU has been used as a tool for corporate-wide training, including KE Ready and the Compliance training programme that are mandatory for all new employees.

GOOD CORPORATE GOVERNANCE POLICY AND PERFORMANCE REPORT

Good Corporate Governance Policy

The Board of Directors has established the Good Corporate Governance Policy following the CG code of the SEC, applicable regulations, and internationally accepted standards. The Good Corporate Governance Policy has been communicated to all directors, management, and staff for implementation. The results are annually reported in Form 56-1 One Report. The Board of Directors has also prescribed specific policies and guidelines for important matters, e.g., the Code of Business Ethics, the Anti-corruption and Anti-bribery Policy, and the Corporate Social Responsibilities Policy.

Performance report

1. An establishment of clear leadership roles and responsibilities of the Board of Directors

As the leader of KEX, the Board of Directors has assigned the management to prescribe the business strategies in conformity with the Company's vision and mission that has been annually reviewed and approved by the Board of Directors and allocate sufficient budget for the execution of such strategies. Every year, KEX conducts a half-year review of its business strategies to ensure that KEX can quickly respond to economic and social changes, customers' needs, competitive landscape, technology advancement, and other important factors. The last meeting was held on 12th May 2023.

The Board of Directors has set up the sub-committees to focus on particular tasks according to their charters set forth by the Board of Directors and required them to report their performance to the Board of Directors at least once every quarter. If a sub-committee has no meeting in any quarter, its performance report can be postponed to the next quarter. The management also provides monthly updates on KEX's performance and significant changes to the Board of Directors.

The Board of Directors has segregated its roles and responsibilities from the management by determining the levels of approval for significant matters, including changes in organisation structure, vision, mission, and business strategies. The distinctions between the roles of the Chairman of the Board of Directors, the Chairman of the Executive Committee, and the CEO are clearly defined. At the operational level, KEX has segregated the controlling power between each business unit: operation, finance, accounting, and investment, to prevent conflict of interest and fraud risks. To avoid abuse of power and ensure conformity with KEX's business direction, KEX reviews the authority of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, and the senior executives every year.

2. Defining objectives that promote sustainable value

To define KEX's objectives and KPIs, the Board of Directors considers KEX's business environment, changes in business factors, and competitive advantage. In doing this, the expectations of our key stakeholders are considered to analyse and identify issues that are the most significant to the business and actions to be taken to manage these issues. Under the direction of the Board of Directors, the management develops a strategy roadmap accordingly, proposes it to the Board of Directors for its approval, and regularly reports the progress to the Board.

To uphold the ethical standards across the organisation, KEX has placed a strong foundation on legal compliance and good corporate governance, enabling us to create value in the long term. If an employee or an external stakeholder is aware of any violation of the law or KEX's business ethics, the person has a responsibility to speak up by sending an e-mail directly to the Audit Committee or through other whistleblower channels as per the details provided on KEX's corporate website. KEX will

protect the whistleblower from retaliation by keeping the whistleblower's identity confidential and setting up a high standard of whistleblower protection under KEX's whistleblower policy.

3. Strengthening the Board's Efficiency

The Board of Directors comprises 9 qualified experts with diverse knowledge and experiences per the Directors' Profile section in Form 56-1 One Report and the corporate website. To ensure KEX's optimum balance and efficiency, the composition of the Board of Directors is as follows:

- The Chairman of the Board of Directors is non-executive and has no relationship with the CEO and senior executives.
- 67 per cent of the Board's members are non-executive directors.
- One-third of the Board's members are independent.
- There is one female board member.
- An independent director jointly sets the board meeting agenda with the Chairman of the Board of Directors.

In the nomination and selection of the directors and independent directors, KEX considers the qualifications according to relevant laws and regulations, their business competency, diverse skills, and gender inclusion. A board skill matrix has been used to ensure optimum efficiency. The Board of Directors reviews the selection criterion at least once a year. The nomination and selection procedure includes: -

- Every year, KEX allows shareholders to nominate a qualified candidate to be elected as the Company's director in the AGM. In doing this, KEX announces the applicable criteria, nomination period, and form via SET's official channel and the corporate website. KEX also considers proposals from other channels, such as proposals from the major shareholders and a list of directors provided by the Thai Institute of Directors.
- The NRC has the duty to review and propose qualified candidates according to the criteria outlined in the good corporate governance policy and other criteria as agreed upon by the Board of Directors before proposing them for the Board of Directors' approval and/or the shareholders' approval.

The directors shall hold their positions for a term of up to 3 consecutive years but shall be eligible for reappointment. A director may resign from the office by written notice to the Company. The resignation takes effect from the date that the Company receives the resignation letter. The tenure of an independent director does not exceed a cumulative term limit of 9 consecutive years. However, he or she shall be eligible for reappointment if the Board of Directors and the shareholders' meeting agree that his directorship does not interfere with the exercise of independent judgment or the ability to act in the best interests of all shareholders.

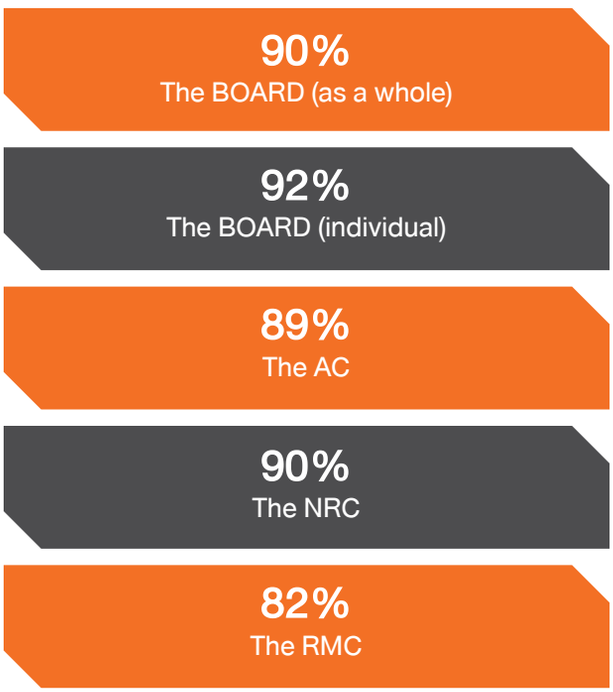
To strengthen the board's effectiveness, KEX fully supports regular training and development of the Board of Directors. The Company Secretary is also responsible for updating the Board about new regulations and notifications of the capital market. KEX may invite internal/ external experts or independent advisors to provide the training.

KEX encourages all directors to attend every meeting and invites senior executives such as CFO, CIO, and CA to join the sessions. KEX uses advanced technology to conduct virtual meetings, that is, through a high-security board portal application, thus eliminating the limitations of traveling. Through the board portal application, the Board of Directors can access meeting materials anywhere and anytime using digital devices such as iPads, mobile phones, and laptops. The annotation, casting of the votes, and certification of documents or minutes are also easily executed via this online tool. The meeting materials are provided to the Board of Directors at least 7 days before the meeting date or 14 days in cases of special events. If any director needs more information to support his or her decision-making, the director can contact the Company Secretary or the management at any time.

The performance evaluation of the Board of Directors and sub-committees is conducted collectively and individually from various angles, such as the board structure and qualifications, the effectiveness of the board's meetings, roles and responsibilities, relationship with the management, and training and development. The Company Secretary will

propose the criteria and results to the NRC before gaining approval from the Board of Directors and communicate to all board members every year. In this regard, the results will be used to strengthen the effectiveness of the Board of Directors and the sub-committees.

In 2024, The result of annual performance evaluation are as follows:



KEX also evaluated if the Chairman of the Board has performaned his duties in accordance with shareholders' expectation, good corporate governance principle as well as his roles and responsibilities as stipulated by laws.

Overall result of the Chairman of the Board was satisfied with score of 95 per cent.

As for the overseeing the subsidiaries and the joint venture companies, the Board of Directors has established the investment and management policy in the subsidiaries and the joint venture companies, according to the rules set forth by the Notification of Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares and the CG Code. The details are in the Governance of Subsidiaries and Associates section under the Business overview.

4. Ensuring the succession plan and proficiency of the senior executives, and people management

In selecting the CEO and the senior executives, the NRC plays a key role in setting qualifications and criteria for nomination and the succession plan. The CEO must inform the NRC and the Board of Directors annually about the updated succession plan. At the same time, the criteria are reviewed and adjusted based on business situations and directions in the short and long term.

The qualifications of the CEO and the senior executives are defined based on good corporate governance policy, leadership principles, and business competency. They are also checked against any applicable blacklists.

For the performance evaluation of the CEO and the senior executives, the NRC, together with the CEO and the senior executives, defines and designs the criteria based on the business strategies, good corporate governance practices, the expectations of the shareholders and the key stakeholders, including financial and non-financial performances, such as volume growth, cost reduction and service level, the achievement of the six business strategies, employee engagement, and leadership roles. The performance evaluation will be jointly conducted before being proposed to the Board of Directors for final approval.

In previous years, the CEO performance evaluation has consistently ranged from satisfactory to excellent, indicating a strong relationship between the CEO and the Board of Directors as well as external stakeholders, e.g., investors and business partners. The CEO shall demonstrate to the Board of Directors his professional abilities in leading the financial planning of KEX and strategy execution. The evaluation results are considered a part of the compensation structure per business directions. The NRC is responsible for considering and proposing the compensation structure of the CEO and senior executives to the Board of Directors.

5. Nurturing innovation and being a responsible business

The Board of Directors is responsible for determining the annual budget, which covers research and development, investment in technology and innovation, and the number of staff to serve business expansion. The Board of Directors also ensures the creation and promotion of an innovation culture among the staff.

The overall picture of KEX's business innovation has been reflected through our ongoing product and service innovations from various angles, such as the debut of Kerry Wallet, a total payment service solution. The introduction of Kerry Express Loyalty Club has made KEX the first express delivery provider to have a customer engagement programme. KEX has also introduced the Kerry Express Wallet, one of the pioneers of the online pocket. The Board of Directors has emphasised that KEX must uplift the express delivery service industry standard to become internationally recognised.

Investing in technologies and innovations might involve cybersecurity and information security risks. The Board of Directors has established specific policies and guidelines to prevent those risks and protect our staff's and customers' personal data. This is included in the Information Classification Policy, the Acceptable Use Policy, the Access Control Policy, and the Personal Data Protection Policy. The main principles of those policies are legal compliance; an investment in cybersecurity systems and standards to keep all important data confidential and to build integrity and availability of information; an identification of cybersecurity and information security risks and preventive or mitigation actions; the establishment of data classification guidelines by considering any impact on business strategy and operation, urgency, budget, information technology staff; and the business model.

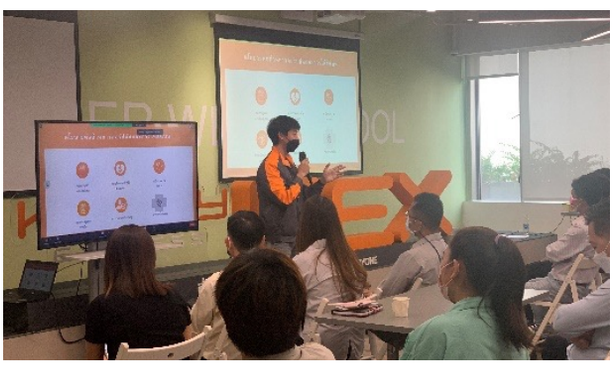
KEX has assigned the Risk Management team to take care of risk management and regularly communicate this to all staff.

6. Strengthening effective risk management and internal control

The Board of Directors assigned the AC and RMC to oversee risk management and internal control. The Chairman of the AC and the RMC must submit their performance reports to the Board of Directors once every quarter. Further information regarding the procedures and operating results can be found in the Internal Control and Risk Management section.

The Board of Directors also enforces the Risk Management Policy at a corporate level to control and assess risk. Meanwhile, the Code of Business Ethics has been implemented to prevent conflict of interests and the use of insider information. The Anti-Corruption and Anti-Bribery Policy and the Securities Trading Policy, for which the directors and the executives must declare their intention to KEX at least 24 hours prior to the trading hour, have been implemented to strengthen KEX's ethical culture. These policies have been communicated to staff and published on the website. KEX also requires its directors and staff to participate in annual ethics training and assessments.

The scope of the Code of Business Ethics was expanded to cover all business partners and key corporate customers.



Misconduct cases in 2023 and actions taken

The total number of misconduct cases in 2023 was 148. Most of the complaints were about supervisors' behaviours.

Below are some significant reported cases and actions taken;

Cases	Actions against the misconduct	Preventive actions
1. Inappropriate and non-compliant management practice of the supervisor that do not conform to company regulations.	Conducting fact-finding with supervisors and central departments to seek the truth. If wrongdoing is found, recommend penalties in accordance with company regulations. In case of no misconduct found, the central departments provides recommendations and communicates with all concern.	Develop skills in managing work of supervisors and knowledge of company regulations.
2. Inappropriate punishment is not acceptable to those under command.	Verify the truthfulness of the alleged wrongdoing and compare it with the company's regulations.	Developing knowledge and skills in company regulations and improving the system for requesting disciplinary actions involving severe penalties (suspension/termination) requires approval from the central department before taking disciplinary actions against employees.
3. Corruption	Conducting fact-finding with supervisors and central departments to seek the truth	Disciplinary actions processing according to company regulations and communicate internally to inform employees.

7. Ensuring Disclosure and Financial Integrity

The Board of Directors has established policies for the disclosure, submission, and communication of financial statements based on applicable laws and rules of regulatory agencies to ensure that KEX's financial reporting and disclosure of material information are accurate and in compliance with applicable standards and practices. In addition, the Board of Directors has designated sufficient personnel with the requisite knowledge, skills, expertise, and experience to prepare and disclose such information. Such personnel includes the CFO, the CA, the CIO, the Company Secretary, the investor relations manager, and the officers.

Furthermore, KEX has appointed spokespersons to oversee external communication, including the CEO, the COO, and the CIO.

The Board of Directors considers key factors related to information disclosure. For financial reporting, at least the following factors shall be taken into consideration:

- Results of the internal control adequacy assessment.
- The auditor's opinion on financial reports and observations on internal control, as well as the auditor's
- comments submitted via other communication channels (if any).
- Opinions of the Audit Committee.
- Alignment with KEX's objectives, primary goals, strategies, and policies.

Given the importance of KEX's financial status to shareholders and stakeholders, the Board of Directors has assigned the management team to monitor and assess KEX's financial status and regularly report to the Board of Directors. Upon detecting any issues with KEX's financial liquidity and debt servicing ability, the Board of Directors and the management team will work together to find prompt solutions. In approving transactions or seeking approval from the AGM on matters related to KEX's financial liquidity, the Board of Directors must be certain that such transactions will not affect KEX's business continuity, financial liquidity, or debt servicing ability. However, when KEX is faced with, or likely to be faced with, a financial problem, the Board of Directors and the management team will collaboratively develop plans and solutions or propose other mechanisms that may effectively solve the problem. Any such plan must be reasonable and prioritise the stakeholders' rights. The Board of Directors will monitor the resolutions, with the management team regularly reporting updates.

8. Ensuring Engagement and Communication with the Shareholders

Placing importance on shareholders' rights and equitable participation in KEX's activities, the Board of Directors has prescribed the guidelines on shareholders' engagement and communication in the Good Corporate Governance Policy. In 2023, KEX's practices were as follows;

- Providing an opportunity for its shareholders to propose AGM agenda items and nominate qualified candidates for directorship. In doing this, KEX has announced the criteria, forms, submission channels, procedures, and period through its website and the official channels of the SET. However, no agenda item was proposed, and no director candidate was nominated.
- Providing an opportunity for its shareholders to submit questions about AGM agenda items in advance and receive responses from investor relation officers and senior executives through electronic channels or in meetings.
- Matters to be presented in a meeting, a proxy form, and all supporting documents are posted on KEX's website at least 30 days before the meeting date. Hard copies of these documents are distributed to the shareholders at least 21 days before the meeting date.
- Encouraging funds and custodians to provide proxies in advance for pre-registration and document inspection.
- Providing sign language interpreters to facilitate shareholders who have hearing impairment, ensuring equal access to information and participation.

Further information regarding shareholders' engagement and communication can be found in the AGM notice and the minutes posted on the corporate website, including those disclosed in the announcements of the AGM through SET's channel.

Relationship with Investors

The Company discloses information that is useful, accurate, complete, transparency, timely and up to the standards required by the Stock Exchange of Thailand and the Securities and Exchange Commission, and any other significant information that can affect the price of stocks and decision making of investors and stakeholders. In this regard, the Company has established the Investor Relations department and assigned Ms. Tatcha Tanprasertrit as the Head of Investor Relations.

Investor Relations acts as the centre for disclosing important and useful information to allow investors and analysts to make informed decisions on investing. The utmost objective is to build trust and understanding of the Company' strategies and operations to reflect the Company's fair value. By committing to transparency, fairness, and trustworthiness, Investor Relations adheres to the disclosure policy and transparency with the key points that can be outlined as follows:

Disclosure Policy & Transparency

- **Transparent and fair disclosure**
  1. Information disclosure shall be in compliance with applicable legal and regulatory requirements.
  2. Information disclosure shall be accurate, adequate, timely and consistent.
  3. Information disclosure shall ensure fair and equitable access by all investors and analysts.
- **Prevention of the use of inside information**
  1. The Company must not publicly disclose material price-sensitive information until it has announced such information publicly through the Stock Exchange of Thailand.
  2. The Company shall implement 15-day silent period prior to the earning release.

The Company's designated persons privy to relevant internal information must refrain from trading or transferring the Company's securities for 30-day period prior to the quarterly financial statements.

The Company releases all significant information in both Thai and English, including annual reports, quarterly performance reports, and other public relations documents with various communication channels for the convenience of different stakeholders. These channels include the Investor Relations website at https://investor.th.kerryexpress.com, as well as through quarterly results meetings, attendance at SET's Opportunity Day, conference with investors. High-level executives place great importance on meeting with investors regularly. Information can also be found through Investor Relations' emails at the investor relations contact details below.

The Company places importance on communicating with and organising activities for shareholders and potential investors, and analysts from various securities firms continuously. Through the year 2023, Investor Relations conducted activities, where high-level executives engaged with and provided information to stakeholders in various formats including virtual conference through MS Teams, Zoom, and WebEx as follows:

Activity Type	Frequency
Company Site Visit	7
1 on 1 or Group meeting	5
Investor Conference	4
Analyst and Fund Manager Meeting	5

Investor Relations Contact Details

For enquiries by shareholders and potential investors, please contact KEX's Investor Relations department.

Head of Investor Relations	Ms. Tatcha Tanprasertrit
Email	ir@kerryexpress.com
Website	https://investor.th.kerryexpress.com
SET Stock Symbol	KEX
Shareholder Registrar	Thailand Securities Depository Co., Ltd. Tel: 02-009-9999 Website: www.set.or.th/tsd Email: SETContactCenter@set.or.th

Legal Disputes

As of the publication date of this Form 56-1 One Report, KEX is not involved in any material litigation, arbitration, or claims (including personal injuries, employee compensation, or product liability claims), KEX is not aware of any material litigation, arbitration or claims pending or threatened against us that would have any significant adverse effect on our business, financial status, or operations.

RISK MANAGEMENT AND INTERNAL CONTROL

3

RISK MANAGEMENT AND INTERNAL AUDIT

RISK MANAGEMENT COMMITTEE REPORT

Dear Shareholders,

The Risk Management Committee (RMC) consists of four qualified executive and non-executive members, with extensive skills, knowledge and experience in the industry. The Risk Management & Compliance Manager serves as the secretary to the RMC. The committee held 4 meetings during the year with the following attendance record;

Member of the NRC	Position	Attendance/Total meetings
1. Mr. Ng Kin Hang Alex	Chairman	4/4
2. Mr. Chalush Chinthammit	Member	4/4
3. Mr. Issarin Patramai	Member	2/2
Mr. Choi Chun Sang Michael	Member	2/2
4. Ms. Wanvisah Tasanaprechachai	Member	4/4

In 2023, RMC was acknowledged the resignation of Mr. Issarin Patramai, Chief Investment Officer and appointed Mr. Choi Chun Sang Michael, Deputy Chief Executive Officer, who had extensive experience in Kerry Express Operation to become RMC member. RMC also reappointed Ms. Wanvisah Tasanaprechachai, Chief Finance Officer, whose membership had expired, to retain the membership of RMC.

Throughout the year, RMC carried out its duties as stipulated in the RMC Charter which had been approved by the Board of Directors with commitment, devotion and responsibility as summarised below:

The Risk Management Committee has reviewed KEX's risk management framework, policy, appetite, indicators, and criteria to be in line with KEX's current business context. The Committee had taken transformation plan into account and had adjusted the monitoring plan in 4th RMC Meeting to ensure risk management plan being up to date for fiscal year 2023 monitoring, including emphasizing the importance of IT disaster recovery.

The Risk Management Committee has evaluated the overall risk management process and decided to place more emphasis on the alignment between risk management plan and the ongoing change of major business transformation. The committee also reported key performance to the Board of Directors on a quarterly basis.

On behalf of
The Risk Management Committee
Mr. Ng Kin Hang Alex

RISK MANAGEMENT

Risk Management Framework and Policy

KEX believes that efficient risk management is one of the key mechanisms to support the business to achieve sustainable development and growth. The Company places great emphasis on risk management. Therefore, risk management framework and policy have been continuously reviewed and improved.

KEX's risk management framework and policy are in conformity with COSO ERM 2017. The framework and policy's main purposes are to ensure that the organisation conducts the business with good governance, risks and potential incidents are reported to management in an adequate and timely manner, root causes of risks are analysed, impact and likelihood of risks are minimised, roles and responsibilities of stakeholders are clearly defined, and KEX is encouraged to achieve its business objectives.

KEX's Governance and Risk Culture

KEX has promoted risk management as an important part of its organisational culture that all employees, regardless of their levels, must adhere to in order to achieve the Company's vision & mission, objectives, strategies, business goals, stakeholders' expectations, and benefits.

Risk Management consists of two levels. The implementation of which contributes to KEX's governance and risk culture formation.

1. **At the Company's level.** Risk appetite is defined from top management to be the Company's reference for making important business decisions. The Company has established oversight bodies with clearly defined roles and responsibilities to be closely in charge of risk management with official meetings arranged on a periodic basis to discuss important matters, evaluate the effectiveness of current operations, and determine how existing risk management can adequately respond to risks and capture potential threats. Strategic moves are approved at both the top management and Board of Directors to ensure all relevant risks are taken care of.
2. **At the departments' level.** Heads of all departments as Risk Owners shall perform their function of risk assessment, risk reporting to risk management department, provision of advice from committees and oversight departments to improve their operations to ensure that directions are already aligned at both the Company's level and the departments' level. During a risk assessment process, the risk management department provides advice on risk management and raises awareness of risk to head of the department. The team also gives advice on risk angles for important projects to allow project leads to incorporate risks into their decisions.

ROLES AND RESPONSIBILITIES

The Board of Directors

The Board of Directors is responsible for supervising the Company's risk management under the vision & mission, objectives, strategies, goals of the organisation, and risk appetite. The Board also oversees the adequacy of risk management system & internal audit, monitors, and evaluates the efficiency & effectiveness of the risk management process.

The Audit Committee

As part of governance, the Audit Committee is responsible for ensuring that the Company has proper risk management system that aligns with framework and policies. The committee provides opinions on the adequacy of the risk management process and risk-related internal control systems.

The Office of Internal Audit

The Office of Internal Audit is responsible for ensuring that the risk management practices are adopted and implemented throughout the organisation, and reviewing the adequacy of such practices and risk-related internal audit systems. The Office also provides recommendations and action plans on ways to improve risk management as the third line of defense.

The Risk Management Committee

The Risk Management Committee is responsible for reviewing and approving risk management policy & risk appetite. The committee ensures the Company takes both internal and external factors into account for risk identification, assesses the impact and likelihood of the identified risks, and prioritises and mitigates risks properly. The Committee also monitors risk status, progress of risk management plans, changes in the corporate risks, and evaluates the adequacy of risk management plan, including efficiency and effectiveness of the Company's risk management, and provides suggestions for improvement for more efficient risk management.

The Risk Management Team

The Risk Management Team is responsible for developing the risk management framework and policy, ensuring effectiveness of risk management process, and monitoring risks that have potential to affect the Company's mission and vision, objectives, strategies, goals, and business operation processes. The team reports to the Risk Management Committee and proposes suggestions to improve related plans when circumstances and the business context change.

Risk Owners

All members of the management and employees are risk owners who must be responsible for following risk management framework, policy, and process. Risk owners shall determine risk mitigation, prepare additional plans, and monitor to keep the risks within the Company' risk appetite.

Strategy & Objective-setting

KEX has integrated enterprise risk management, strategy, and objective-setting in the strategic planning process. The objectives have been established and aligned with the Company's strategies and risk appetite by taking into account internal and external contexts of the business, including evaluating the alternative strategies and potential impact on the Company's risk profile.

Risk Management Process

KEX's Risk Management framework covers the risks at both the corporate and department levels. The framework must be implemented in accordance with the following processes

1. Risk Identification

The Company identifies risks that have potential to affect the Company. The root causes and potential effects of each risk shall be analysed, with all details updated regularly.

2. Risk Assessment

All identified risks shall be evaluated by estimating likelihood and impact, including KRI results developed for monitoring significant risks.

3. Risk Response

Proper plans depending on risk level, and cost and benefits of each plan, are executed as part of the risk response.

4. Risk Monitoring

Risk Management Team shall monitor risks and report to the Risk Management Committee, and the Board of Director on a quarterly basis to ensure the Company is managing risks properly.

Review and Revision

KEX has continuously monitored and reviewed risks and performance of the Company. The changes that may substantially affect strategies and business objectives are identified and assessed to ensure if revision or additional control is required. The Company also conducts regular review and revision to ensure Corporate Risk Management is adequate, effective, and efficient.

Information, Communication, and Reporting

KEX has developed reliable reporting process, and a simple channel for communication so management and stakeholders can be updated with risk assessment, and important operational issues on time. The Company emphasises on both top-down and bottom-up communication to ensure all necessary information is reported and handled effectively and in timely manner.

Risk Factors

KEX has always put great emphasis on risk management as a key to sustainable growth. Various types of risks are continuously monitored and analysed, as well as internal and external factors that might have effects on KEX business environment. Mitigation plans are also developed and monitored to minimise any potential impact of risk on our business operations. Key risk factors relating to KEX's business activities are summarised below.

Strategic Risk

Emerging Risk

KEX has constantly monitored emerging risks that can have potential impact on the express delivery industry and the Company's business operation. The most crucial factors during the past years have been the dismal global geopolitical landscape and macroeconomic conditions as well as change in customers behavior after Covid-19. Geopolitical conflicts, soaring inflation, skyrocketing commodity prices and interest rate trend, as well as volatile capital markets have put challenges on global businesses and consumers. The aforementioned factors affect the market volume and intensified the competition among existing players who are express company and platform own express unit. This put challenges on the Company's strategy execution and business operation. Given these changing environments, the Company may face challenges in forecasting market demands, acquiring volume, and optimizing resources that could significantly impact its operating and financial performance. In response to this, the Company has closely monitored the market movements, the emphasized market research, and the stiff competition so as to reassess volume projections and plan appropriate strategies to ensure that resources are properly allocated and managed.

Industry Risks

KEX operates in the highly dynamic parcel express delivery service industry, consisting of many industry players. Since its inception, KEX has continuously faced competition from international, regional, and domestic logistics actors in terms of business models, operating capabilities, pricing, cost control, and service quality. The industry has also seen the arrival of new entrepreneurs and e-commerce platform clients who establish express delivery businesses to compete with KEX. Some of these competitors may have broader service or network coverage, greater financial and marketing resources, more advanced technology infrastructure, stronger brand recognition, or greater capital resources. They may be able to devote additional resources following new capital injections, strategic alliances, or other similar events or implement aggressive marketing strategies to compete with KEX. In addition to the competitive nature of this industry landscape, the influence of rapid technological developments, demographic and socioeconomic trends, and global consumer behaviors on the e-commerce and social commerce industry have continually present emerging new risks to our businesses. Although KEX has successfully implemented various strategies to continuously grow the business in the face of this competitive and dynamic landscape, especially the aggressive pricing strategy to compete in the

express delivery service market, there is a possibility that these strategies may adversely affect our market share, revenue, and profitability.

In response to these risks, KEX continuously studies and analyses the market trends and movements, competitors, and customer needs and expectations to introduce new services, improve the service quality, and adjust our strategies to compete in the market in a timely and efficient manner. KEX also has dedicated customer service team devoted to managing relationships with clients and maintaining their service commitment to ensure customers' satisfaction.

Reputational Risk

KEX operates a household brand, which represents our commitment to provide comprehensive and high-quality services to our customers over the long term and embodies the reliability and efficiency of the services. However, our business operations involve many groups of stakeholders. If the employees, franchisees, subcontractors, or business partners are unable to provide the pick-up/delivery services to customers in accordance with the SLA (Service Level Agreements) or fail to comply with the relevant laws and regulations, they may have a significantly adverse effect on our corporate reputation, performance and business opportunities. Therefore, KEX has established operational policies and practices which KEX's employees and service representatives of KEX must adhere to. KEX requires its related functions to assess suppliers/sub-contractors' performance before and after projects to ensure that they comply with our standard code. The efficient process for handling customer complaints is also established to ensure maximum customers satisfaction and maintain KEX's reputation.

Operational Risks

Failure of On-Time Parcel Delivery

As delivering parcels to customers on time is a vital aspect of service quality, customer satisfaction, and reputation, KEX has been committed to achieving this objective ever since our company was founded. However, there is always the possibility that delivering parcels across KEX's nationwide service network may encounter unexpected incidents or errors from the performance of our employees or subcontractors, such as sorting or shipping mistakes, insufficient operational capability during peak seasons, or any force majeure that may lead to parcel delivery delay. Any of these situations can affect KEX's reputation and customer's trust. Therefore, KEX has established the service and safety standard in all aspects, including delivery status tracking protocols and constant close monitoring by the supervisors and the related departments. This system also includes incentives for employees who achieve their set targets for timely parcel delivery, including emergency planning. Moreover, KEX has in place a systematic tracking process to immediately investigate and track customer consignment in the case of customer complaint.

Human Resources Risk

The success of KEX's business operations depends mainly on the continuing efforts of our management and employees. Given the industry's high turnover rate and the limited supply of skilled personnel and experienced high-level professionals, if KEX is unable to develop, motivate, recruit and retain qualified, skilled and/or experienced managers and employees, or if we fail to timely respond to changes in the business environment, our business may be adversely affected. Responding to this risk, KEX places great importance on attracting, developing, and retaining qualified employees through the People Development Department. KEX is committed to continuously investing in employees' training and development through various specialised programs. In addition, a merit-based work environment, an open culture, competitive compensation schemes, career path development, and succession planning are among KEX's key strategies for strengthening this critical foundation of human resources for our long-term sustainable growth.

IT System Failure Risk

Information technology is integral to KEX's operations and the quality and competitiveness of our businesses. With this in mind, KEX has incorporated information technology systems across the entirety of our operations to enhance the efficiency and scalability of our network, with a strong focus on user experience. Our business may be materially affected if KEX's information technology systems experience problems, interruptions, or malfunctions. Consequently, KEX continuously improves, develops, and maintains our information technology infrastructure and systems. This includes ensuring that sufficient staff are available 24 hours a day to help solve problems or system failures and keep disruption to a minimum. In addition, KEX also has in place a backup plan with the accepted recovery period for restoring systems and emergency plans for every department in the event of IT system failure to ensure business operation without interruption.

Information Security and Cyber Attack Risk

KEX is fully aware of the importance of information security. As we mainly use information technology systems in our business operations, we may face the risk of identity theft or cyber-attacks leading to data breach, data loss, or operational interruption – all new types of risks that have emerged in recent years. Therefore, KEX has set policies and guidelines on information security so that all employees are aware of the appropriate information management and security. In addition, our cyber security measures are constantly updated and improved in accordance with international standards and applicable laws.

Business Continuity Risk

Natural disasters, epidemics, political violence, insurgency, terrorism, strikes, and other uncontrollable events may affect the operations of KEX, such as the inability to complete pickup or delivery services in some areas or a shortage of operational employees. The pandemic of COVID-19 from new variants has made this risk more imminent during the past year. For this reason, KEX has developed a business continuity management plan so that all departments can deal with any probable crisis or emergency and reduce the impact on the business and minimise any possible service interruption to build confidence among our stakeholders.

Financial Risk

Operating Expense Risk

KEX has adopted various cost reduction measures to reduce our operating costs by expanding our network, which drives economies of scale and improves our operating efficiency through routing, asset optimisation, and the adoption of advanced technology. However, these measures may take time to be effective in improving KEX's operating efficiency and profitability.

Fuel and labor costs are the main components of KEX's operating costs. Fuel prices may fluctuate due to changes in the global oil production capacity, seasonal variations, weather or climatic conditions, geopolitics, or other factors, while labor costs could fluctuate based on changes to the industry and economic conditions as well as relevant government policies. Such changes may affect KEX's cost structure and lower our profitability. Therefore, KEX has created a plan to increase the efficiency of our fuel usage and vehicle management as a way to control fuel costs. In addition, enhancing operating efficiency through better manpower and technology adoption is also a key focus of KEX. Furthermore, changes in fuel prices and labor costs are monitored closely to timely and appropriately develop and update plans in response to these risks.

Legal and Compliance Risk

KEX operates under several applicable laws and regulations, including the Land Transport Act B.E. 2522 (1979), the Vehicle Act B.E. 2522 (1979), the Trade Competition Act B.E. 2560 (2017), the Foreign Business Act B.E. 2542 (1999), and the Securities and Exchange Act B.E. 2562 (2019). In the event of a new law or an amendment to the existing laws or regulations, KEX's business operations may be adversely affected if we cannot fully comply with the laws.

The latest regulatory change was the Personal Data Protection Act 2019 (PDPA) which was effective on 1 June 2022. While the direction from the regulatory body was still unclear and had continuously released sub-law, the Company adapted its operations to align with the Act, including raising awareness & rechecking the protocol. KEX puts great emphasis on this Act due to the nature of its business that uses customers' personal data including names and addresses.

Overall, the Company has continuously monitored legal and regulatory requirements related to the business and the industry. The relevant changes are reported to the management to align their functions with the new requirements.

Occupational Health and Safety Risk

As human resource is essential to the success of our business, KEX places significant emphasis on the health and safety of our employees. In this respect, KEX provides safety and occupational health measures in the working environment following the relevant standards, laws, and regulations, especially concerning operational safety within the sorting hubs, the distribution centers, and transportation processes. KEX provides suitable working equipment to protect employees from any risks they might face during sorting, moving, and transporting parcels. Meanwhile, the conditions of the transport vehicles and the readiness of the carriers are also checked before working. In addition, KEX regularly promotes knowledge and awareness of workplace safety and safe driving through training and various communication channels to prevent physical and property damages to employees and third parties.

Corruption and Misconduct Risk

As KEX's business operation involves a variety of activities and relies on a significant number of managers, staff, suppliers and subcontractors, corruption and misconducts can arise at different levels in the Company. This could substantially impact our business operation, brand reputation, financial performance as well as bring about major legal and regulatory issues. Realising this important risk, KEX has placed great emphasis on corruption and misconduct prevention. The Company has employed ethical awareness campaign through intensive training programs. Assessment of corruption risk is conducted on a regular basis and corruption risk has been brought up to become a focus at the executive level. Moreover, the Company has provided procedure and guidelines for employees to follow such as anti-corruption policy and code of business conduct. Dedicated channel, Kerry Nokweed, was widely communicated to all employees so they know that they can report suspected cases. The investigation, if any, has been intensively executed and reported to the top management to ensure that the Company has minimal issues on corruption and misconduct.

Risks Related to the Use of Kerry Express Brand

KEX has entered into a licensing agreement with Kuok Registrations Limited ("KRL"), whereby KRL has granted KEX a limited and non-assignable right to use the "Kerry Express" brand and related trademarks and service marks in connection with our operations in Thailand (the "Master License Agreement"). The Master License Agreement does not extend to the use of the "Kerry Express" brand and related trademarks and service marks outside of Thailand. KEX will need to negotiate with and obtain approval from KRL for such use overseas. KEX may face limitations in overseas business expansion and establish another brand for such activities.

The Master License Agreement was effective upon the listing of KEX on the SET with a term of three (3) years and will be automatically renewed every three (3) years until KEX gives notice to KRL under the agreement regarding its intention not to renew the agreement, or the agreement is terminated by KRL upon the occurrence of certain termination events.

Following the acquisition of majority stake of KLN by Flourish Harmony Holdings Company Limited ("Flourish"), an indirectly wholly-owned subsidiary of S.F. Holding Company Limited ("SF"), KEX has entered into the new Brand Licensing Agreement dated 25th March 2021 to reflect the change in the shareholding structure of KLN and the related changes in the termination clauses and dated 1st August 2022 to reflect the changes to the use of trademarks.

Under the aforementioned agreement, the termination events include the event that Kerry Group Limited ("KGL") ceases to have at least 30 per cent of the voting rights in KLN, or SF and its subsidiaries ceases to control in any way or hold at least 50 per cent of the voting rights in KLN , or KLN and its subsidiaries ceases to control in any way or hold at least 50 per cent of the voting rights in KEX, or Mr. Wang Wei ceases to have control or ownership over SF, or any breach of the Master License Agreement by KEX that is not amended within the remedy period, or KEX's inability to pay debts, or KEX becoming insolvent or is subject to a wind-up order, or KEX ceasing to be listed on the SET.

After completion of Mandatory Tender Offer (MTO) triggered by KLN's distribution in specie transaction (DIS transaction) which may give rise to a affects change in KEX's shareholders. After the DIS transaction completed, KEX will have the right to use the brand and related trademarks for 9 months of which is to be confirmed with KGL to extend the time period under the license agreement for more than 9 months, but not exceeding 2 years.

Environmental Impact Risk

KEX realised that environmental changes, especially climate change, may cause natural disasters i.e., floods, drought, wildfires, etc. These incidents may affect the Company's business operations, supply chain operations, and the local community. Therefore, KEX sets the environmental responsibility as a key principle of KEX business ethics and part of our long-term business strategy. KEX has enhanced the operation processes by planning transportation routes, including a GPS planning system to optimise delivery routes and maximise fuel consumption efficiency. In addition, we also provide training to our drivers regarding driving behavior and speed limit to save fuel, and conduct scheduled maintenance sessions to ensure that the engine conditions and emissions remain at an optimal level.

AUDIT COMMITTEE REPORT

Dear Shareholders,

The Audit Committee consists of three independent directors who possess extensive experience in various fields, including finance and accounting. The Audit Committee performs its duties independently in accordance with the scope specified in the Charter of the Audit Committee. The Charter has been annually reviewed and approved by the Board of Directors, it is to ensure that the roles and responsibilities of the Audit Committee align with the criteria and guidelines set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Head of Internal Audit is the Secretary of the Audit Committee.

The Audit Committee convened a total of ten meetings during the year and attendance at these meetings is as follows.

Member of the Audit Committee	Position	Attendance/Total meetings
1. Mr. Prasan Chuaphanich	Chairman	10/10
2. Mr. Kamthorn Tatiyakavee	Member	10/10
3. Ms. Yeo Hwee Leng Eileen	Member	10/10

Typically, the Finance Director, the Chief Financial Officer, and the Head of Internal Audit, as well as representatives of the external auditor, are invited to attend the Audit Committee meetings. When required, key executives and senior management may also be invited to participate in the meeting to report and provide in-depth information on topics requested by the Committee to discharge their duties. The external auditor and the Head of Internal Audit have direct access to meet with the Committee, without other Executive Management being present. After each Committee meeting, the Chairman of the Audit Committee reports significant matters to the Board of Directors for acknowledgement.

In 2023, the Audit Committee performed its responsibilities in auditing and reviewing KEX's activities as follows:

Review of Financial Reports

The Audit Committee has reviewed the accuracy, completeness, and reliability of both the interim and annual financial statements of KEX and its subsidiaries for the fiscal year 2023. The Committee focused on auditing significant matters and reviewing the appropriateness and consistency of accounting policies, management judgement, and accounting estimates used in preparation of the financial statements, including disclosure in the notes to the financial statements. Additionally, the Audit Committee reviewed related party transactions or transactions that may cause conflicts of interest to ensure they are reasonable and beneficial to the Company and its shareholders. This is to ensure the reliability, transparency, and accuracy, in all material respects required by Thai Accounting Standards and Thai Financial Reporting Standards.

In the fiscal year 2023, the Audit Committee, without presence of management, held a meeting with an external auditor to discuss any issues that may have arisen during the audit. The external auditor expressed unconditional opinions and had no material observations regarding the accounting and financial aspects. The external auditor confirmed their independence and stated that good cooperation was provided while performing their duties without any limitations in both review and audit.

The Audit Committee concluded that the financial information was prepared with credibility, transparency, and accuracy, in all material respects required by Thai Financial Reporting Standards. The external auditor performed their duties independently and with verifiability. Furthermore, the related party transactions or potentially conflicting transactions were reasonable and beneficial to the Company's business. A complete and sufficient disclosure of information, as mandated by regulations, was also observed.

In accordance with the conditions under the waiver letter granted by the Securities and Exchange Commission to Flourish Harmony Holdings Company Limited and S.F. Holding Co., Ltd. (the "Applicants") for the performance of mandatory tender offer for all securities of Kerry Express (Thailand) Public Company Limited (the "Waiver Letter") as disclosed in the Company's announcement on the SET on 3 September 2021, S.F. Express Co., Ltd. ("S.F. Express") has submitted its supporting documents including its audited annual financial statement to KEX's Audit Committee.

Based on the document provided and the information made available by S.F. Express to the Company's management and the Audit Committee, nothing has come to our attention to believe that S.F. Express has not complied with the conditions 2 and 3 of the Waiver Letter for the year ended December 31, 2023.

Appointment of the External Auditor and Review of Audit Fee

The Audit Committee assessed the quality of services provided by PricewaterhouseCoopers ABAS Limited, and their remuneration by considering their adherence to professional expertise, efficiency, and independence. The Audit Committee believes that PricewaterhouseCoopers ABAS Limited has provided satisfactory services, providing valuable insights and recommendations beneficial to KEX, particularly in financial reporting and enhancing KEX's internal controls.

The Audit Committee endorsed PricewaterhouseCoopers ABAS Limited to be the external auditor for the fiscal year 2024 for Board's concurrence and the shareholders' approval at the 2024 AGM, together with the remuneration of the external auditor.

Review of KEX's Operations

The Audit Committee oversees KEX's operations through the internal audit unit. The management committee is responsible for transparent operations, adhering to good corporate governance principles, legal regulations, ethics, and KEX's policies that comply with both Thai and international standards. Additionally, the Company places importance on risk management, and a risk management committee is responsible for risks evaluation, including developing risk management plans to prevent or mitigate potential impacts on business operations to an acceptable level. The risk management committee reports its activities quarterly to both the Audit Committee and the Board of Directors.

The Audit Committee concluded that the Company has carried out its duties transparently and in accordance with good corporate governance principles. The Company has established an appropriate and sufficient risk management system that aligns with the current business operations and conditions.

Review of Internal Control System and Internal Auditing Activity

The Audit Committee reviews the effectiveness of KEX's risk management and internal control processes to ensure that the Company has an adequate and suitable internal control system. Additionally, the Audit Committee oversees the operations and efficiency of the internal audit unit, focusing on significant issues, an internal audit plan, internal audit unit operations, and the resources of the internal audit unit.

In 2023, the Audit Committee considered and approved hiring, an annual audit plan, the scope of work in line with the audit plan, and the quarterly internal audit results report. The Committee reviewed the adequacy and suitability of the internal control system and internal control activities of KEX quarterly.

Internal audit result report consists of observations from the audit including related risks from fraud or errors. The observations from the audit were continuously monitored to ensure that corrective and proactive measures were taken promptly as suggested by the internal audit unit. This was to ensure compliance with the Company's good corporate governance principles and that internal control was sufficient. Additionally, the Committee assessed the appropriateness of resources, key performance indicators, and provided suggestions for continuous improvement in the quality of the internal audit unit.

The Audit Committee concluded that KEX's internal control system is effective, efficient, and suitable for its business operations. The internal audit unit performed its duties appropriately and independently.

In conclusion, the Audit Committee deems that KEX's financial reporting has complied with applicable laws related to its business operations with good governance, adequate risk management, and effective and efficient internal control and internal audit activities. The Board of Directors has approved the Audit Committee's report in meeting No.1/2024, dated 7 February 2024.

On behalf of
The Audit Committee
Mr. Prasan Chuaphanich

INTERNAL CONTROL

The Audit Committee has been entrusted by the Board of Directors to provide assurance regarding the adequacy of the internal control system, including the accuracy and reliability of financial reports and compliance with relevant laws and regulations. The effectiveness of the internal control system has been assessed within the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013. The key matter can be summarized as follows:

Control Environment

- **Commitment to integrity and ethical values**
  KEX has an internal control environment that is appropriate and sufficient to ensure the efficiency and effectiveness of its business operations. KEX has established policies and regulations in accordance with good corporate governance principles, covering various objectives such as business ethics and responsibility to shareholders. KEX has mandated that all employees and management disclose information that may lead to conflicts of interest in KEX's operations to prevent potential risks associated with conflicts of interest that may affect the Company. Additionally, all employees and management are required to sign a business ethics acknowledgment, demonstrating KEX's commitment to ethical business practices. The Company has also defined and communicated penalties resulting from violations of governance rules and procedures to ensure awareness among all employees.

- **Independent oversight of internal control performance**
  The Board of Directors and its subcommittees have been established independently, separated from the management. The responsibilities and delegation of authority within the committees are designed for the purpose of oversight and checks and balances within the Company. This separation aims to enhance the efficiency of the Company's internal control, with an independent internal audit unit tasked with examining the Company's internal control systems and reporting directly to the Audit Committee on the issues identified. The Board of Directors oversees and implements recommendations made by the Audit Committee. Additionally, regular board meetings are conducted to consider various aspects of internal control, including enterprise risk management.

- **Appropriate management structure, reporting line, and authorities**
  KEX has clearly defined and separated the roles and responsibilities of employees in each department and division. They have established job levels for positions and provided clear job descriptions for every role. This approach is designed to achieve KEX's objectives while ensuring a balanced and appropriate segregation of duty. The emphasis is on creating checks and balances and suitability in job performance through a clear definition of roles and responsibilities.

- **Commitment to attract, develop and retain competent employees**
  KEX has established criteria for personnel recruitment, development, and training processes for all employees. KEX reviews these policies annually. KEX recruits personnel based on the qualifications for each position, without discrimination. Additionally, the Company plans the succession process for critical positions to ensure continuous operations. In terms of employee development, the Company conducts both internal and external training programs as part of its annual employee development policy. Each department is encouraged to set key performance indicators, motivation strategies, and appropriate rewards, considering performance, potential, and alignment with the Company's culture and values.

Risk Assessment

- **Risk identification and assessment**
  KEX has established a Risk Management Committee to oversee the risk management of KEX and report to the Audit Committee and the Board of Directors. The Risk Management Committee is responsible for setting policy frameworks to guide risk management that may impact on the Company's objectives.

This involves identifying risks, specifying corrective measures, and appointing individuals responsible for each issue to manage the identified risks. Subsequently, the Committee monitors and assesses necessary corrective actions before reporting to the Audit Committee and the Board of Directors.

KEX has established an enterprise risk registry to identify and analyze risks associated with each department. This includes identifying existing internal controls and additional internal control plans to reduce the impact or likelihood of risks and maintain risk levels to be within the Company's risk appetite. KEX has defined the enterprise risk factors and implemented ongoing corrective actions to manage risks consistently. Key Risk Indicators (KRIs) have been established for each type of risk as standardized criteria for measuring and ensuring effective and timely risk management. Additionally, the Company has developed a Business Continuity Plan (BCP) to prepare for crisis situations that may significantly impact business operations. The Risk Management Committee considers the assessment of fraud risks as preventive control, identifying potential fraud risks, and engaging in discussions with various departments, such as finance, legal, business, and operations. Internal controls have been identified to reduce risks associated with different types of fraud, and action plans have been developed to address internal control deficiencies.

- **Key change and impact on risk assessments**
  According to the risk management policy, the Risk Management Committee must review the risk management policy at least once a year or when any significant changes occur in the organization or situations that have a material impact on KEX's operations. Any changes to the policy must be approved by the Risk Management Committee and reported to the Audit Committee and the Board of Directors before being officially announced. The Audit Committee and the Board of Directors are responsible for overseeing and ensuring that risk management measures are appropriately implemented to provide confidence that the Company's risks are within acceptable levels.

Control Activities

- **Control activity selection and development**
  KEX has established internal control activities in various written formats, including policies, work procedures, and registers, to prevent risks that may arise. These policies, work procedures, and other internal control activities are regularly reviewed to ensure that approval authorization, work processes and verification processes align with changing circumstances or align with identified risks under a controlled environment.

  The internal control activities encompass both manual and automated controls, and both preventive and detective controls. Additionally, the Company ensures data collection, resource management, and the delegation of duties are organized to facilitate internal auditing and maintain a balanced structure within the organization.

- **General information technology controls**
  KEX has established policies, processes, and information management systems, along with access control measures for all units across the entire organization. The Company has defined practices for computer users, guidelines for system administrators, and limitations on system access. Access rights are allocated based on roles and responsibilities. KEX also emphasizes the importance of using legally licensed computer programs for operational processes. Deployed information technology in day-to-day operations and general information system controls is importance to consistently monitor and investigate operational abnormalities promptly. This approach aims to raise awareness regarding the Company's security maintenance and the protection of personal data.

- **Control activity deployment through policies and procedures**
  KEX has established policies, regulations, rules, directions, plans, and work processes. The policies are reviewed annually, and communication is ensured to make all employees aware of their proper implementation. The Audit Committee is appointed by the Board to assess

the effectiveness and efficiency of the internal control system, ensuring that internal controls are appropriately designed and implemented in actual operations. The internal audit unit conducts reviews, focusing on achieving objectives, enhancing the effectiveness of the internal control system, and timely reducing risk to be at acceptable levels. If policies or work procedures are inappropriately designed, reports will be submitted to the management for corrective action, and it will be directly reported to the Audit Committee. The internal audit unit continuously monitors corrective actions until successful implementation.

Information and Communications

- **Internal control, information generation and utilization**

  KEX has established a policy on internal data usage and procedures to prevent employees from using confidential or internal information that cannot be disclosed to the public for their own or others' benefits. The inappropriate use of undisclosed information, whether done intentionally or unintentionally, and regardless of whether it results in benefits or not, is strictly prohibited. This includes the use of such information for securities trading.

  In the data collection and use of data, the Company considers accuracy, sufficiency, necessity, and the expected benefits from the information to be evaluated. This involves assessing the appropriate cost of obtaining such information and ensuring the availability of a high-quality, up-to-date technological system with continuous development for data processing to prepare and store essential documents, controlling access and determining suitable retention periods in accordance with regulatory requirements.

- **Internal communications**

  KEX utilizes various communication channels to ensure that employees and management are well-informed and can access information efficiently. This includes direct communication through both in-person and online meetings, interactive communication through Town Hall sessions, email, centrally stored documents, as well as data platforms and other communication channels.

  Additionally, the Company has implemented a Whistleblower Policy concerning business ethics, which is communicated to employees. Employees and stakeholders are encouraged to report complaints through whistleblower communication channels or the Audit Committee or internal audit unit. Information from such complaints is treated confidentially to instill confidence in the complainants.

- **External communications**

  The Company has various communication channels to disseminate information to external parties through its website and online platforms. Additionally, the Company has established processes for communicating information with external individuals through the Company Secretary, Investor Relations department, and complaint reception center. The Company also provides avenues for complaints and discussions through its website, a Call Center at 1217, or external individuals can submit information to Audit.committee@kerryexpress.com. Complainants can report information, including wrongdoing and malfeasance, and their information will be protected under the Company's Whistleblower Policy.

Monitoring Activities

- **Internal control auditing and evaluation**
  KEX regularly reports performance results to the management and the Board of Directors to ensure that the goals and objectives are achieved and that actions can be taken promptly. Furthermore, the Company has established a regular internal control system adequacy assessment, conducted annually, with the results reported to inform stakeholders in the annual report. The internal audit unit, operating independently and fairly, provides confidence to the Board of Directors and management regarding the sufficiency and effectiveness of the internal control system, risk management, and corporate governance.

- **Internal control deficiency communications and monitoring**
  The internal audit unit must immediately communicate to the Audit Committee if there are significant deficiencies which cover the causes, the impact, and proposed recommendations. The internal audit unit is responsible for monitoring the progress of the corrective action taken by management in addressing the identified deficiencies and reporting to the Audit Committee until the issues are resolved.

Internal Audit

In the process regarding appointments, removals, or transfers of the head of the internal audit, approval must be obtained from the Audit Committee. This is to ensure that appointments, removals, or transfers are appropriate. The head of the internal audit is responsible for reporting directly to the Audit Committee, and the internal audit unit operates independently, impartially, ethically, and in accordance with professional Internal Auditing Standards.

On July 1, 2022, Ms. Wirangrong Krobsanit was appointed as the Head of the Internal Audit, with approval from the Audit Committee. The Committee considered her to be a person with sufficient knowledge, skills, and experience to perform the duties adequately. The qualifications of the person holding the position of the head of the internal audit unit are specified in the section “Director and Executive Profiles”.

The internal audit unit has the responsibility to perform its duties under the Charter of the Internal Audit, which specifies the mission, scope of work, authority, and responsibilities, which the Charter is regularly reviewed to ensure its appropriateness. The unit adheres to the framework of professional internal auditing standards, focusing on providing recommendations for improving the Company’s systems and internal control processes. Internal audit unit performs work with independence and impartiality, aiming to enhance the organization’s operations with confidence and fair advice. The primary objective of the internal audit unit is to enhance the internal control system for the Company to contribute to the organization’s business objectives and goals. Additionally, the unit provides valuable advice on managing risks. In addition to internal audit activities, the internal audit unit also has the responsibility of collecting information related to fraud and misconduct, which is a crucial part of risk assessment. The gathered data is then used to conduct assessments and report results to the Audit Committee, ensuring that the Committee is informed about the status, impact, and corrective actions.

The internal audit unit goes beyond its auditing role and serves as the secretary to the Audit Committee. This includes providing support to enable the Audit Committee to fulfill their assignments effectively and comprehensively. This is to empower the Audit Committee to conduct audits and reviews of the Company activities efficiently, covering all aspects related to internal control and risk management.

In personnel development, the Company provides support for the development and training of internal auditors to enhance their skills, under the continuance of professional development, and improve internal audit practices within the framework of guidelines. The Company places importance on ongoing knowledge development to improve the audit processes to adapt to changes in the internal auditing profession. The goal is to ensure that the professional skills and knowledge of the Company’s internal auditors remain contemporary.

RELATED PARTY TRANSACTION

4

RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTION (RPT) 2023

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Kerry Logistics (Thailand) Company Limited ("KLTH") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Sales of goods and services** Sales and service income Sales of equipment Trade and other receivables **Purchases of goods and services** Cost of sales and services Cash on delivery payable	 1.79 - 0.38 0.02 0.68	 3.91 0.09 1.02 0.03 0.50	• KEX provides a Last Mile delivery service and collects COD for KLTH. The Last Mile delivery and COD surcharge rates and conditions are comparable to those given to third party.
KMMT Company Limited ("KMMT") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Sales of goods and services** Sales and service income Trade and other receivables	 0.09 0.02	 0.08 0.01	• KEX provides Last Mile delivery services for KMMT. The Last Mile delivery rates charged to KMMT are comparable to those charged to third party.
KART (Thailand) Co., Ltd. ("KART") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Sales of goods and services** Sales and service income	 0.0003	 -	• KEX provides Last Mile delivery services for KART. The Last Mile delivery rates charged to KART are comparable to those charged to third party.

Remark: Last-mile delivery is the final phase of the delivery process.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Kerry-APEX (Thailand) Co., Ltd. ("K-APEX") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Sales of goods and services** Sales and service income **Purchases of goods and services** Purchase of services	 0.01 1.35	 - 4.16	• KEX provides Last Mile delivery services for K-APEX. The Last Mile delivery rates charged to K-APEX are comparable to those charged to third party. • KEX uses K-APEX's domestic air transportation services for urgent delivery of high-value parcels. The fee charged is comparable to third party that offers the same service.
KLN (Thailand) Co., Ltd. ("KLN (THAILAND)") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Other income** Rental income Sale of equipment Deposit	 5.78 - 1.00	 2.89 0.04 -	• KLN (Thailand) has sub-leased office space at Sathon Square Building from KEX. The rate charged is based on cost-plus-margin, which includes other expenses and service fees.
Kerry Siam Seaport Co., Ltd. ("KSSP") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Purchases of goods and services** Other expense Trade and other payables	 0.023 0.005	 0.047 0.001	• KEX pays for messenger outsource at cost of service to KSSP.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Kerry Logistics (Bangna) Co., Ltd. ("KLBN") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., and KEX's ultimate major shareholder - Common director: Mr. Kledchai Benjaathonsirikul	**Sales of goods and service** Sales and service income **Purchases of goods and services** Rental Expense Payment on Lease Liability Interest Expense Lease Liability Trade and other payables Deposit	 - 31.64 102.54 3.68 164.64 4.30 22.20	 0.08 37.05 99.11 3.73 236.57 3.50 22.93	• KEX charges custom clearance service to KLBN at the actual cost. • KEX has rented a warehouse from KLBN for its sorting hub and office spaces at market rates, under terms and conditions that are comparable to those from a third party. • KEX pays utility bills to KLBN at cost incurred plus margin basis.
Shangri-La Hotel Public Company Limited ("SHANG") - A subsidiary of Shangri-La Asia Limited ("SA"), a member under Kerry Group Limited ("KGL"), which is the major shareholder of KLN - Common director: Mr. Kledchai Benjaathonsirikul	**Purchases of goods and services** Rental expense Other expenses Payment on lease liability Interest expense Leases liabilities Trade and other payables Deposit	 29.23 2.52 15.88 0.91 74.12 1.59 9.07	 32.17 2.07 14.92 2.29 59.20 1.63 9.07	• KEX enters into lease and service agreements with SHANG for its office and parcel shop at the Chao Phya Tower. The rental and service cost as well as terms and conditions are comparable to the market rental rates of office spaces in the area. • KEX also pays utility bills to SHANG at the actual cost. • KEX rents spaces to install company's sign and advertising at Chao Phya Tower, which also includes stainless steel and LED light box, from SHANG. The rental rates as well as terms and conditions are at arm-length basis. • KEX has other expenses with SHANG such as rental of meeting rooms, F&B expenses and accommodation expenses at the Shangri-La Hotel Bangkok at discounted rates, as a member of Kerry Group Limited.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
S.F. EXPRESS Company Limited ("SFTH") - A subsidiary of S. F. Holding Co., Ltd., KEX's ultimate major shareholder	**Sales of goods and services** Sales and service income Other income Trade and other receivables **Purchases of goods and services** Cost of sales and services Trade and other payables Cash on delivery payable Advance for SF	 23.87 18.25 127.39 0.15 48.87 0.89 22.39	 100.68 - 164.58 70.13 118.36 13.31 22.03	• KEX provides custom clearance, last mile delivery services and collects COD for SFTH. The surcharge rates and conditions are comparable to those given to third party. • KEX charges service fee during business integration period at the cost-plus margin basis. • SFTH paid the cost of sales and service instead of KEX at the actual cost.
KEC (Bangkok) Limited ("KECB") - A subsidiary of Kerry Logistics Network Limited ("KLN"), an indirect subsidiary of S. F. Holding Co., Ltd., KEX's ultimate major shareholder - Common director: Mr. Ng Kin Hang Alex	**Sales of goods and services** Sales and service income Other income Trade and other receivables Advance for KECB **Purchases of goods and services** Rental Expense Cost of sales and services Trade and other payables	 0.20 2.88 3.11 0.47 - - -	 (2.77) - - - 1.50 35.72 14.77	• KEX enters into sub-lease service with KECB for its office at the Chao Phraya Tower. The charging rate are cost-plus margin basis. • KECB provides Fulfillment service to KEX, the charging rate are cost-plus margin basis.
KLN Logistics (Thailand) Ltd. ("KLNTH") - KEX's major shareholder	**Finance cost** Interest Expense Accrued Interest Expense Short-term loan	 - - -	 3.34 3.34 1,300.00	• KEX entered into a borrowing agreement with KLNTH, to borrow for working capital and investment for the improvement of operation's efficiency. • Total credit facility amounting to Baht 1,500 million, the interest rate at 1.65% and the repayment are due in 12 months from each drawdown date.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Kerry Logistics (Hong Kong) Limited ("KLHK") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd.	**Purchases of goods and services** Corporate administration service expense Other expenses Trade and other receivable Trade and other payables	 26.80 0.18 - 5.25	 24.20 0.02 4.03 30.05	• KEX engages KLHK to provide corporate administration services and IT services at market and cost-based rates. • KEX reimburses other expenses to KLHK such as travelling and subscription expenses at actual cost.
Times E-Commerce Company Limited ("TEC") - A joint venture of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and Times Global Logistics Limited - Common director: Mr. Ng Kin Hang Alex	**Sales of goods and services** Sales and service income Trade and other receivables Deposit Advance to TEC Cash on delivery payable **Purchases of goods and services** Cost of sales and services	 94.46 8.94 10.00 0.29 4.90 1.54	 24.64 3.28 - 0.20 -	• KEX provides custom clearance, last mile delivery, COD and warehouse-related services to TEC at comparable rates and conditions to those charged to a third party. • KEX pays for damage and loss to TEC at the comparable rate to that of third party.
Kerry Express (Cambodia) Co., Ltd. ("KEKH") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd. - Common directors: Mr. Kledchai Benjaathonsirikul and Mr. Ng Kin Hang Alex	**Other income** IT service income Trade and other receivables	 3.08 6.76	 - 4.67	• KEX provides IT services to KEKH at the cost-plus margin basis. • KEX reimburses certain trade and other receivables with KEKH for IT service income supply as well as miscellaneous expenses that KEX paid in advance for KEKH.
ABX EXPRESS (M) SDN. BHD. ("ABX") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd.	**Other income** IT Service income Trade and other receivables	 6.47 6.47	 - 6.47	• KEX provides IT services to ABX at the cost-plus margin basis.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
PT. KERRY NEX EXPRESS ("KNEX") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd. - Common director: Mr. Ng Kin Hang Alex	**Other income** IT service income Trade and other receivables	 2.63 1.78	 - 0.89	• KEX provides IT services to KNEX at the cost-plus margin basis.
Kuok Registrations Limited ("KRL) - 100% held by KGL, KLN's major shareholder	**Purchases of goods and services** Professional service expense Trade and other payables	 0.46 0.06	 0.07	• KEX pays KRL for the legal costs of the lawsuit regarding the service mark infringement in Thailand. The costs are shared equally between KRL and KEX. • KEX reimbuses the professional service fee for review of Kerry Express Wallet licence agreement to KRL at the actual cost.
Kerry Express (Hong Kong) Limited ("KEHK") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd.	**Other income** IT Service income Trade and other receivables	 2.43 2.43	 - -	• KEX provides IT services to KEHK at the cost-plus margin basis.
KERRY EXPRESS (SINGAPORE) PTE. LTD. ("KSIN") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd.	**Other Income** IT service income Trade and other receivables	 - -	 1.69 1.69	• KEX provides IT services to KSIN at the cost-plus basis.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Kerry Ecommerce Limited ("KECOM") - A subsidiary of Kerry Logistics Network Limited ("KLN"), KEX's major shareholder, and an indirect subsidiary of S. F. Holding Co., Ltd.	**Sales of goods and services**			• KEX provides custom clearance, last mile delivery service and collects COD for KECOM. The last mile delivery and COD surcharge rates and conditions are comparable to those given to third parties. • KECOM provide fulfillment service to KEX for Jan - Mar 2023. • As KEX provides export services which include pick-up cargo, express export custom clearance, arranging the air freight to the destination as well as doing the import custom clearance and last-mile delivery at the destination countries. KECOM provides services in part of import custom clearance and last-mile delivery at the destination countries. The fee charged is comparable to third party companies that offer the same service. • KEX pays for damage and loss to KECOM at the comparable rate to that of third parties.
	Sales and service income	99.80	175.22	
	Trade and other receivables	99.80	21.65	
	Purchases of goods and services			
	Purchase of goods	4.75	6.74	
	Other expenses	0.25	-	
	Trade and other payables	1.56	0.77	

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
SHENZHEN S.F. TAISEN HOLDING (GROUP) CO., LTD. ("SF TAISEN") - A subsidiary of S.F. Holding Co., Ltd, KEX's ultimate major shareholder	**Other income** Other income Trade and other receivables **Purchases of goods and services** Purchase of services Trade and other payables	 - - - -	 9.33 9.33 28.55 28.55	• Expenses of SF TAISEN employees who worked for international assignment. KEX paid expenses on behalf of SF and be able to reimburse with SF later. • Expenses of employees who were transferred from SF to KEX
S.F. EXPRESS (CHINA) LIMITED ("SF CHINA") - A subsidiary of S.F. Holding Co., Ltd, KEX's ultimate major shareholder	**Sales of goods and services** Sales and service income Trade and other receivables	 - -	 2.40 3.11	• KEX provides custom clearance, and last-mile delivery service for SF CHINA. The last mile-delivery and customs clearance surcharge rates and conditions are comparable to those given to third party.
S.F. EXPRESS (TAIWAN) LIMITED ("SF TAIWAN") - A subsidiary of S.F. Holding Co., Ltd, KEX's ultimate major shareholder	**Sales of goods and services** Sales and service income Trade and other receivables	 - -	 0.85 1.14	• KEX provides custom clearance, and last-mile delivery service for SF TAIWAN. The last mile-delivery and customs clearance surcharge rates and conditions are comparable to those given to third party.
S.F. EXPRESS CO., LTD ("SF SHENZHEN") - A subsidiary of S.F. Holding Co., Ltd, KEX's ultimate major shareholder	**Sales of goods and services** Sales and service income Trade and other receivables	 - -	 15.92 20.77	• KEX provides custom clearance, and last-mile delivery service for SF SHENZHEN. The last mile-delivery and customs clearance surcharge rates and conditions are comparable to those given to third party.
GUANGDONG SF E-COMMERCE CO., LTD. ("SF GUANGDONG") - A subsidiary of S.F. Holding Co., Ltd, KEX's ultimate major shareholder	**Sales of goods and services** Sales and service income Trade and other receivables	 - -	 4.06 5.22	• KEX provides custom clearance, and last-mile delivery service for SF GUANGDONG. The last mile-delivery and customs clearance surcharge rates and conditions are comparable to those given to third party.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Rabbit-Line Pay Company Limited ("RLP") - A jointly controlled entity of VGI, which has 15.45% stake in KEX - Common director: Mr. Ng Kin Hang Alex	**Other income** Commission income Trade and other receivables Trade and other payables **Purchases of goods and services** Cost of sales and services Trade and other receivables	 0.002 0.0004 0.04 12.44 0.19	 0.001 0.0003 0.02 14.86 13.06	• KEX has entered into an agreement with RLP to allow RLP customers to top-up their Rabbit LINE Pay E-Wallet at KEX's parcel shops and couriers at fixed percentage rate, which was agreed upon by both parties. • KEX pays a transaction fee for transactions made via Rabbit LINE Pay E-Wallet to RLP at a fixed percentage rate which is comparable to that of third party service providers.
Rabbit Care Broker Company Limited (fka. Rabbit Insurance Broker Company Limited) ("RCB") - A subsidiary of VGI, which has 15.45% stake in KEX	**Sales of goods and services** Sales and service income Trade and other receivables	 2.91 0.17	 3.34 0.30	• KEX provides last mile delivery services for RCB. The last mile delivery rates charged to RCB are comparable to those charged to third party.
888 Media Company Limited ("888") - A subsidiary of VGI, which has 15.45% stake in KEX	**Purchases of goods and services** Advertising Expenses	 0.19	 -	• KEX pays 888 for BTS train body sticker wrap and static media inside BTS train as well as project brand to advertise with BTS's stanchion. The rates are comparable to the market rate.
Rabbit Rewards Company Limited ("RR") - A subsidiary of VGI, which has 15.45% stake in KEX	**Other income** Other Income **Purchases of goods and services** Cost of sales and services	 0.93 1.00	 0.56 0.60	• KEX vs RR exchange the cash coupon to each other. RR provide cash coupon to use with department store, movie and food & beverage which for redemption of Kerry point. KEX provide cash coupon to use in KEX's parcel shop.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
VGI Public Company Limited ("VGI") - Holds 15.45% of shares in KEX - Common director: Mr. Kavin Kanjanapas	**Other income**			• KEX receives revenue share from VGI for renting out advertising spaces on KEX delivery vehicles for its clients. • KEX receives revenue from delivering sampling products with the client's parcels at cost-plus margin basis.
	Marketing Revenue	3.29	0.41	
	Trade and other receivables	0.47	-	
	Purchases of goods and services			• KEX entered into lease and service agreements with VGI for the rental of retail spaces on BTS stations its parcel shops at the rental and service rates comparable to those VGI gives to third party. • KEX also pays the utility bills to VGI at the actual cost. • As a part of its marketing and promotional campaigns, KEX pays VGI to provide digital media advertising services as well as various advertising spaces on BTS trains and platforms at prevailing market rates. • KEX paid for miscellaneous expenses relating to its parcel shops on BTS stations to VGI, such as registration/ entrance fee, smoke detector and stamp duty, with rates comparable to those VGI charges other party.
	Rental Expense	1.71	-	
	Administrative expenses	0.77	1.33	
	Payment on Lease Liability	2.82	-	
	Interest Expense	0.12	-	
	Lease liabilities	4.13	-	
	Trade and other payables	0.48	-	
	Deposit	1.22	-	

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
SUPER TURTLE PUBLIC COMPANY LIMITED ("NINE") - A subsidiary of VGI, which has a 15.45% stake in KEX	**Purchases of goods and services** Rental Expense Administrative expenses Payment on Lease Liability Interest Expense Lease liabilities Trade and other payables Deposit	 - - - - - - -	 3.25 0.11 3.98 0.50 10.78 0.56 2.57	• KEX enters into lease and service agreements with NINE for the rental of retail spaces on BTS stations its parcel shops at the rental and service rates comparable to those NINE gives to third party. All the rental contract with VGI ended at 31 Dec 2022. The new contract with all BTS station are under NINE. • KEX also pays the utility bills to NINE at the actual cost.
Rabbit Cash Company Limited ("RC") - A subsidiary of VGI, which has a 15.45% stake in KEX	**Sales of goods and services** Commission income Trade and other receivables	 0.50 0.48	 0.23 0.01	• KEX receives referral fee from RC for application in and loan booking via Kerry channel. The charging rate are agreed upon by both parties.
BSS Holding Company Limited. ("BSSH") - A subsidiary of VGI, which has a 15.45% stake in KEX	**Sales of goods and services** Marketing Revenue Trade and other receivables	 4.00 3.21	 12.67 7.02	• KEX promotes Rabbit product and service at shops, online media and mobile application of KEX. The charging rate are comparable to those given to third party.

Related Parties / Relationships	Nature of Transactions	Total Amount (Unit: THB Million) Year 2022	Year 2023	Transaction Rationale
Bangkok Smartcard System Company Limited ("BSS") - A subsidiary of VGI, which has 15.45% stake in KEX	**Other Income** Commission income Trade and other receivables Trade and other payables	 - 0.0005 0.007	 - 0.0005 0.007	• KEX receives commission from BSS customers who top-up their Rabbit Cards at KEX parcel shops at the fixed-percentage rate which was agreed upon by both party.
Fanslink Communication Company Limited ("FANSLINK") - A subsidiary of VGI, which has a 15.45% stake in KEX	**Sales of goods and services** Sales and service income Trade and other receivables	 - -	 5.87 5.12	• KEX provides fulfillment services for Fanslink. The fulfillment rates charged to Fanslink are comparable to those charged to third party.
The Siam Commercial Bank Public Company Limited ("SCB") - Common director: Mr. Prasan Chuaphanich	**Other income** Interest income Cash Deposit	 0.014 5.129	 0.013 0.519	• KEX receives interest income from saving account at SCB at the market rate.

FINANCIAL PERFORMANCE

5

MANAGEMENT DISCUSSION AND ANALYSIS

2023 HIGHLIGHTS

- 2023 was a difficult year with numerous factors and challenges impacting KEX's performance. The fierce competition faced within the industry, e-commerce volume fluctuations, and the prolonged market reception of new products we introduced (e.g. real-time D2D service) in the market are only a few that were overcame in the year and impacting recovery of performance. As the macro-economy softened along with weakened consumer demands, the tasks and needs to reform KEX after its 17 years of operations in a bigger scale were both demanding and indisputable. Despite the difficulties, in 2023 KEX continued to win the "Number 1 Brand Thailand" award for the sixth consecutive years, and NPS surveys done in 2023 continued to show KEX being the most trusted brand in the industry. Our brand continued to be very strong.
- KEX focused on its operations reformation in 2023 and the improvement was evidenced, after expertise, technical know-how, and operations systems were shared from SF Express. The improvement in the quality of service was proven by customers complaints rate reduced by 61% as well as continuous reduction in damage, loss & claims amounts. Courier's turnover rate reduced by more than threefold largely due to their increase in earnings. These can correlate with our new resources planning and efficiency improvement measures enabled by the operations revamped which consisted of **SYSTEM AND TECHNOLOGY ADOPTION, PROCESS RE-ENGINEERING, COMPREHENSIVE TRANSIT PLATFORM PLANNING,** and **ACCURATE RESOURCE INTEGRATION AND OPTIMIZATION.**
- Delivery volume reduced 30% YoY in 2023, driven down mainly by unexpected e-commerce volume fluctuations, which also increased the difficulty to maintain operations stability. In 2H2023, both B2B and C2C volume (i.e. higher yield segments) stabilized and started to trend close to 40% of total volume. In terms of revenue contribution, these two segments were trending above 50% thank to their higher price per unit. KEX continues to target in acquiring more high yield customers (including senders who are individuals, SMEs, big corporations, local farmers, fishermen and craftsmen, event organizers and attendees, etc.) to increase their revenue contribution while retaining our market share of E-commerce platforms with our distinguished service.
- In Q4 KEX, the establishment of a "three-tier" organization structure and a new "regional management" model ensured that customer satisfaction and front-line staff satisfaction (Tier 1) are KEX's priorities. This is another way of reflecting true improvements in **OPERATION EFFICIENCY** and **SERVICE QUALITY.** The full introduction of pay-per-unit ("PPU") and dynamic outsourcing courier management method to improve both productivities and earnings of KEX couriers. A thorough revisit to the network profile of KEX in 2023 also enable KEX to have better cost and efficiency: (i) locations and sizes of shops, DCs and service points are being rationalized, (ii) transportation routes connecting these locations are being optimized, (iii) new hubs are being built while non-performing hubs are being replaced, (iv) more motorbikes are running in our network while reliance on 4-wheel trucks reduces.
- The implementation of automated sorting systems reduced entire sorting processes and end-to-end delivery time; these were evidenced by the double-digit growth in our on-time-in-full ("OTIF") delivery rates reported QoQ. KEX also deepened to leverage more regional sourcing especially in the resourceful network in China, to engage capable regional suppliers for higher quality and lower priced material supplies as well as industrial solutions.
- We believe the most difficult times of KEX are behind. KEX will solidify our unwavering strategy to retain market share in E-Commerce platform while putting focus on "differentiations" to serve better our high yield customers: faster lead time, better end-to-end user experience ("UX"), one-stop service and international shipping that market competitors cannot compare.

- With more service points in our network to reach the high yield customers, more differentiated products offered, and new income streams (local specialties and cross-border international) developed, there will be sustainable growth in revenue. In Q1 2024, we will continue to build on the foundations we established in 2023 and streamline our costs to prepare KEX for the turnaround long expected.
- The management pays high attention to the latest announcement of our major shareholder (KLN, 0636.HK) and ultimate shareholder (SF, stock code SHE: 002352.SZ) in respective countries and stock exchanges. We believe KEX will continue to gain strong technical and financial supports from our major shareholders to continue our reform and bounce-back. The management is highly focused on delivering improving operational results.

FY2023 FINANCIAL PERFORMANCE

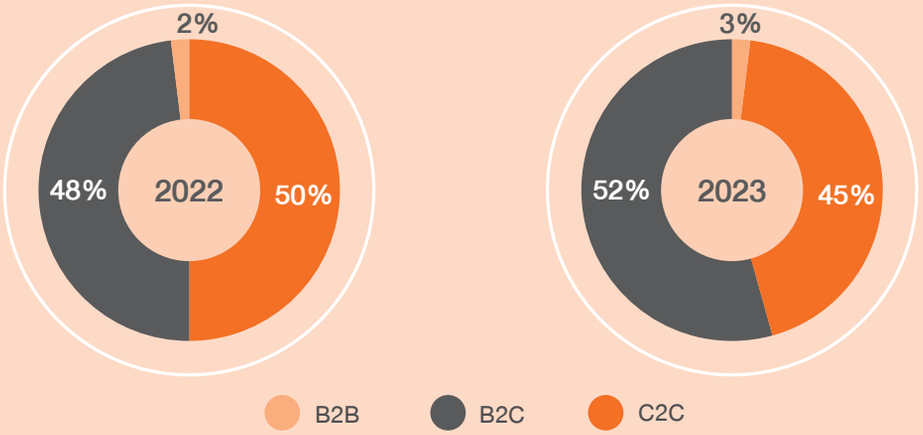
For the years ended 31st December

Table 1: Selected Indicators for Operational Results

(Unit: Million THB)	2022	2023	YoY % +/(-)
Sales and services income	17,003.0	11,470.3	-32.5%
Cost of sales and services	(18,685.1)	(14,337.8)	-23.3%
Gross Loss	(1,682.1)	(2,867.5)	-70.5%
Selling and administrative expenses	(1,996.4)	(1,718.1)	-13.9%
EBITDA	(1,073.7)	(2,535.3)	-136.1%
EBIT	(3,536.5)	(4,514.5)	-27.7%
Net Loss attributable to the owners of the Company	**(2,829.8)**	**(3,880.6)**	**-37.1%**
EPS (THB/Share)	**(1.624)**	**(2.227)**	
Gross Profit Margin (%)	-9.9%	-25.0%	
EBITDA Margin (%)	-6.3%	-22.1%	
EBIT Margin (%)	-20.8%	-39.4%	
Net Profit Margin (%)	-16.6%	-33.8%	

Remark: As shown in financial statements, excluding minority interests

Figure 1: Revenue Contribution by Segment



For the year ended 2023 compared with the previous year

- **Sales and Services Income**
  - Sales and services income was recorded at 11,470.3 million, decreased by 32.5% compared to the previous year due to a decline in delivery volume. Total delivery volume decreased by 30% compared to the year 2022 mainly caused by lower-than-expected e-commerce volume especially the one-off drop in Q3 2023.
  - Stable C2C / B2B demand mitigated partially the impact from e-commerce volume drop due to a higher contribution (i.e. high yield customers) of up to two to three folds compared to the amount paid by e-commerce platforms.
  - The development of new income streams started to solidify to 4% of total company's revenue. Aside from expanding the express business to new markets and industries (e.g. local specialties and events & exhibitions), cross-border international shipping and supply chain businesses started to contribute and continue to develop.

- **Cost of sales and services**

  In 2023 cost of sales and services were at THB 14,337.8 million, decreased by 23.3% compared to in 2022. Although full compensation for the revenue drop cannot be matched, our cost reduction actions allowed KEX a healthier foundation that costs and efficiencies are linear proportional and have continuous improvement.

  The service points and shops revamp program enabled: 1) GP modules to allow meticulous pricing, 2) clearance of non-performing service points, channels and tools, and 3) new partnership models to elevate sales motivation and cap costs of sales.

  Operation costs and productivities are interlinked by 1) pay-per-unit ("PPU") scheme widely applied to couriers and workers 2) dynamic use of insource employees and outsourcing workforce, 3) automation of sorting hubs integrated with renewed linehaul and service points network, and 4) apps and software modules which were implemented in these processes to support and unleash the maximum efficiency.

- **Selling and administrative expenses (SG&A)**

  Selling and administrative expenses declined from THB 1,996.4 million in 2022 to THB 1,718.1 million in 2023 or a 13.9% decrease YoY. The decrease mainly came from other administrative expenses, where marketing expenses reduced, and regional synergy achieved from regional sourcing (especially from China). The full impact included by THB 37 million one-off expenses in Q4 2023 (FY2023 is THB 221 million) in relation to network reformation.

- **Net loss attributable to owners of the Company**
  The Company reported net loss attributable to owners of the Company at THB 3,880.6 million for the year 2023, a wider loss than the previous year by 37.1% attributable mainly to the dropped in delivery volume which mainly affected from the drop in E-commerce platform volumes and the shift of consumer behaviors towards physical shopping after the country's reopening.

FINANCIAL POSITION AND LIQUIDITY

As of 31st December

Table 2: Asset Breakdown

(Unit: Million THB)	2022	2023	YoY % +/(-)
Cash and cash equivalents	2,163.0	736.3	-66.0%
Short-term investments & financial assets	800.1	0.0	-100.0%
Trade and other receivables	1,852.3	1,338.3	-27.7%
Plant and equipment	2,490.1	2,146.0	-13.8%
Right-of-use assets	2,903.4	2,449.3	-15.6%
Investment in associates	0.0	16.1	100.0%
Deferred tax assets	879.5	1,575.9	79.2%
Other Assets	1,004.8	793.8	-21.0%
Total Assets	**12,093.2**	**9,055.7**	**-25.1%**

Table 3: Liabilities and Shareholders' Equity

(Unit: Million THB)	2022	2023	YoY % +/(-)
Short-term loan from related party	0.0	1,300.0	100.0%
Loan from financial institutions	38.3	340.7	789.6%
Trade and other payables	1,941.5	1,717.7	-11.5%
Cash on delivery payable	568.3	614.8	8.2%
Current portion of lease liabilities	1,812.2	1,441.1	-20.5%
Lease liabilities	945.5	775.3	-18.0%
Other Liabilities	289.7	223.2	-23.0%
Total Liabilities	**5,595.5**	**6,412.8**	**14.6%**
Total Shareholders' Equity	**6,497.7**	**2,642.9**	**-59.3%**
Total Liabilities and Equity	**12,093.2**	**9,055.7**	**-25.1%**

- As of 31 December 2023, cash and cash equivalents decreased by 66.0% to THB 736.3 million.
- For the investment in associates, in 2023, KEX has invested THB 18.0 million in the shares of our new associate, HiveBox (Thailand) Co., Ltd., with 18% ownership stake. The new company aims to provide smart locker service in Thailand by offering 24/7 parcel pickup and delivery services. During 2023, KEX recorded a share loss from investment in associates of THB 1.9 million. The service is expected to be fully launched within Q1/2024.
- Right of use assets decreased by 15.6% to THB 2,449.3 million, resulted mainly from the depreciation and amortization of rental contract lives useful per existing lease agreements, lease cancellation following our relocation plan.
- Deferred tax assets increased by 79.2% to THB 1,575.9 million which was caused by recognized tax losses and expected to be utilized in the future.
- Cash on delivery payables increased by 8.2% to THB 614.8 million.
- During 2023, KEX received short-term borrowings from parent company, KLN Logistics (Thailand), the major shareholder of KEX, amounted THB 1,300.0 million for the working capital in the Company.
- In addition to the above, the Company had borrowings from financial institutions (both current and non-current portion portions) with an amount of THB 340.7 million as of 31st December 2023. The purpose of the borrowing is to support the Company's operations and investments.
- Lease liabilities (both current and non-current portions) dropped by 19.6% from THB 2,757.7 million to THB 2,216.4 million, primarily due to lease cancellation associated with the reorganization plan to maximize our productivity.

KEY FINANCIAL RATIOS

For the years ended 31st December

Table 4: Key Financial Ratios

(Unit : Million THB)		2022	2023
Liquidity ratios			
Current ratio[1]	(times)	1.00	0.41
Quick ratio[2]	(times)	0.95	0.38
Cash flow liquidity ratio[3]	(times)	-0.26	-0.41
Accounts receivable turnover[4]	(times)	13.86	10.42
Average collection period[5]	(days)	26.33	35.03
Accounts payable turnover[6]	(times)	18.29	17.81
Average payment period[7]	(days)	19.96	20.49
Cash cycle (days)[8]	(days)	6.37	14.54
Profitability ratios			
Gross profit margin[9]	(%)	-9.89	-25.00
Operating profit margin	(%)	-21.37	-39.87
Non-operating profit margin	(%)	0.57	0.52
Cash flow to income ratio	(times)	0.35	0.45
Net profit margin[10]	(%)	-16.64	-33.83

(Unit : Million THB)		2022	2023
Return on equity[11]	(%)	-35.79	-84.91
Efficiency ratios			
Return on total assets[12]	(%)	-19.42	-36.70
Return on fixed assets	(%)	-5.67	-36.65
Total asset turnover[13]	(times)	1.17	1.08
Financial policy ratios			
Total liabilities to equity ratio[14]	(times)	0.86	2.43
Interest-bearing debt to EBITDA[15]	(times)	-2.60	-1.52
Interest coverage ratio[16]	(times)	-14.66	-36.52
Debt service coverage ratio[17]	(times)	-0.59	-0.83

Remarks:

(1) Current ratio = total current assets divided by total current liabilities

(2) Quick ratio = sum of cash and cash equivalents, short-term investments and trade and other receivables, divided by total current liabilities

(3) Cash flow liquidity ratio = net cash generated from operating activities divided by average total current liabilities

(4) Accounts receivable turnover = sales and services income divided by average gross trade accounts receivable

(5) Average collection period = 365 divided by accounts receivable turnover

(6) Accounts payable turnover = cost of sales and services divided by average trade account payable

(7) Average payment period = 365 divided by accounts payable turnover

(8) Cash cycle = the difference between the average collection period and the average payment period

(9) Gross profit margin = gross profit divided by sales and services income

(10) Net profit margin = profit (loss) for the period divided by sales and services income

(11) Return on equity = profit (loss) for the period divided by average total equity

(12) Return on total assets = profit (loss) for the period divided by average total assets

(13) Total asset turnover = sales and services income divided by average total assets

(14) Total liabilities to equity ratio = total liabilities divided by total equity

(15) Interest-bearing debt to EBITDA ratio = total interest-bearing debt and lease liabilities divided by EBITDA

(16) Interest coverage ratio = EBITDA divided by interest expense

(17) Debt service coverage ratio = EBITDA divided by the sum of the current portion of short-term loan obligation, lease liabilities due within one year and finance cost.

(16) Interest coverage ratio = EBITDA divided by interest expense

(17) Debt service coverage ratio = EBITDA divided by the sum of the current portion of short-term loan obligation, lease liabilities due within one year and finance cost

Progressing into 2024, KEX will continue to adhere to our core XPRESS strategy below, with heavier emphasis on operating efficiency, service quality and profitability improvements of our core express business.

1 | X – Express: Strengthen "Express" Market Leadership & Profitable Growth

Maintain market leadership and continue to grow profitable "Express" core business driven by strong brand equity and loyalty with service quality at lower cost.

2 | P – Partner: Engage More Synergistic Partnerships & Acquisitions

Pursue strategic investment and partnership by maintaining a "carrier neutral" concept. Strategically invest & seek synergistic partnerships that sustainably support our growth & assurance for our shareholders.

3 | R – Retail: Grow "Open and Neutral" Retail Networks

Continue to adapt to local habits and preferences, change to more dynamic model by deploying "social-oriented" sales network and rationalise retail network while deep penetrating into communities of online sellers, individual traders as well as marketplace sellers.

4 | E – Expansion: Diversify for Sustainable Growth

Revenue stream enhancement through existing network & continual creation of new initiatives. Selectively pursue horizontal expansion & vertical integration to further strengthen our competitiveness & profit growth and grow inorganically.

5 | S – Systems: Improve Efficiency in Technology & IT Systems

Continue investing in in-house developed proprietary technologies, IT systems, R&D capabilities to uplift standard & control of data centre, optimise operations network & route planning and streamline work process enabling by technology.

6 | S – Sustainability: Achieve Sustainable Development

Strive to integrate ESG (Environmental, Social & Corporate Governance) approach and initiate sustainability program to our business operations, product & service development, employee welfares, talent attraction & retention and stakeholders' engagement.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

To Shareholders,

The BOARD is responsible for the consoliated financial statements of the Company and its subsidiaries and separate financial statements of the Company, including the information and information disclosure and the financial presentation in the 56-1 One Report. The financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy and reviewed by the Company's financial auditors and the Audit Committee. The discretion and estimates were used carefully and reasonably as needed.

The BOARD realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system and internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations.

The BOARD is of the opinion that the financial statements of the Company and subsidiaries were well-prepared and presented in substantial context, in an accurate and reliable manner.

On behalf of
The Board of Directors
Mr. Kledchai Benjaathonsirikul

FINANCIAL STATEMENTS

Independent Auditor's Report

To the shareholders and the Board of Directors of Kerry Express (Thailand) Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Kerry Express (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. 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 judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
1) Recognition of revenue from parcel delivery service Refer to note 5.18 'Accounting policies - Revenue recognition' and note 25 'Sales and service income' to the financial statements. Revenue from the parcel delivery service is the major operating revenue of the Company and the Group, with the characteristics of small parcel delivery transactions and large volume. For the year ended 31 December 2023, the Group's and the Company's revenue from the parcel delivery service was Baht 11,340.30 million and Baht 11,309.03 million respectively, accounting for 98.87% and 98.86% of total sales and service income in the consolidated financial statements and separate financial statements, respectively. The revenue from the parcel delivery service is recognised over time where the collectability of the consideration is highly probable. The Group tracks the rendering of the parcel delivery service to determine revenue recognition on a real-time basis, using the applications on its IT systems. The transaction price is based on a parcel's dimensions, weight and distance and calculated by the information and technology systems supporting the revenue cycle. So, revenue recognition largely relies on the effectiveness of the design and implementation of the internal controls over the relevant information and technology systems. I considered the recognition of revenue from the parcel delivery service as a key audit matter because the revenue from this service is material to the financial statements, and the Group has to deal with a large volume of transactions that rely on calculations and data collection in complex IT systems.	In response to the key audit matter, I performed the following procedures: • Understand of the process of the Group's parcel delivery business, obtained contract terms relating to revenue, and evaluated the revenue recognition accounting policy adopted by the Group with the requirements for revenue recognition under TFRS 15 'Revenue from contracts with customers'. • Understand of, evaluated and tested the Group's key internal controls relating to the recognition of revenue from the parcel delivery service to consider the effectiveness of internal controls relating to the accuracy, occurrence and completeness of transactions. • Understand of, evaluated and tested the IT systems' general controls and application controls that relate to revenue from the parcel delivery service. This was executed with the assistance of an IT system audit specialist. • For the revenue from the parcel delivery service, I checked on a sample basis the relevant supporting evidence such as service contracts or service orders, invoices, receipt confirmation records, bank statements etc., as well as checking reconciliation records with data from the Company's IT system and collection report. • For the revenue from the parcel delivery service which hadn't been settled, I requested confirmations on a sample basis of the outstanding accounts receivable year-end balance. • Tested the revenue from the parcel delivery service that occurred near the end of the accounting period (cut-off testing) including the revenue recognised before and after the reporting date, in line with the risk determined by the terms of each type of service. On a sample basis, I checked the parcels' tracking status and relevant supporting documents to evaluate whether the revenue was recognised in the appropriate period. • Determined the criteria for selecting journal entries, including other adjusted entries related to revenue, to access whether there were any unusual revenue transactions. Based on the above procedures, I found that the recognition of revenue from the parcel delivery service conformed to the Group's accounting policy for revenue recognition and was properly supported by the audit evidence we obtained.

Key audit matter	How my audit addressed the key audit matter
2) Right-of-use assets and lease liabilities Refer to note 5.10 'Accounting policies - Leases', note 17 'Right-of-use assets', and note 21 'Borrowings' to the financial statements. As at 31 December 2023, the Group recorded right-of-use assets of Baht 2,449.28 million and lease liabilities of Baht 2,216.37 million in the consolidated financial statements, which account for 27.05% and 34.56% of total assets and liabilities in the consolidated financial statements, respectively. The Company recorded right-of-use assets of Baht 987.46 million and lease liabilities of Baht 979.39 million in the separate financial statements, which account for 13.13% and 18.33% of total assets and liabilities in the separate financial statements, respectively. I considered right-of-use assets and lease liabilities as a key audit matter because - these transactions are material to the financial statements because the Group has a large number of lease contracts - the assumptions and estimates used in the assessment of lease terms and the determination of appropriate discount rates require management judgements, and - the accounting treatment of subsequent measurement of right-of-use assets and lease liabilities, including lease modification are complex. The management of the Group and the Company need to consider the conditions specified in the lease agreements and recognise such transactions in accordance with the guidelines specified in the relevant financial reporting standards.	In response to the key audit matter, I performed the following procedures: • Obtained an understanding of the content of the lease contracts and evaluated the accounting treatment for leases adopted by the Group to determine whether it was consistent with the requirements of TFRS 16. • Gained an understanding of, evaluated and tested the Group's key internal controls relating to leases to consider the effectiveness of internal controls relating to the accuracy, occurrence and completeness of transactions. • On a sample basis, I: - Tested the completeness of the lease data used in the lease liability calculation prepared by management by selecting signed lease contracts and comparing them with the lease contract list, then reconciling total lease payments with rental expenses during the year - Tested the accuracy of the lease data, i.e. contract effective date, lease payments, lease terms and other terms specified in the lease contracts through the inspection, on a sample basis, of signed lease contracts - Challenged management to assess the appropriateness of the discount rates and lease terms by considering the renewal options and termination options - Recalculated right-of-use assets and lease liabilities, including depreciation of the right-of-use assets and interest expenses of lease liabilities recognised during the year. • Evaluate the appropriateness of the accounting treatment adopted by the Group and the Company in recognising the subsequent measurements of right-of-use assets and lease liabilities, for example the remeasure of lease liability (and related right-of-use assets) to reflect the changes to the lease payments, lease modification, whether they are consistent with the requirements of the relevant financial reporting standards. • Verify whether adjustments arising from re-measurement of lease liabilities (including the corresponding adjustment to the related right-of-use assets) were appropriately made, for any subsequent measurement of right-of-use assets and lease liabilities and lease modifications or lease termination. • Evaluated the appropriateness of the associated presentation and disclosures made by the Group in the financial statements under the requirements of TFRS 16. Based on the above procedures, the Group's accounting treatments for leases were consistent with the requirements of TFRS 16. The recognition of right-of-use assets and lease liabilities including depreciation and interest expenses related to lease contracts was reasonable and supported by the available audit evidence.

Key audit matter	How my audit addressed the key audit matter
3) Deferred tax assets Refer to note 5.13 'Accounting policies - Current and deferred income taxes', note 19 'Deferred income taxes' and note 28 'Income tax' to the financial statements. As at 31 December 2023, the Group and the Company recorded deferred tax assets of Baht 1,575.92 million and Baht 1,547.92 million in the consolidated financial statements and separate financial statements, respectively, which account for 17.40% and 20.58% of total assets in the consolidated financial statements and separate financial statements, respectively. The majority of the Company and Group's deferred tax assets arise from unused tax losses. I considered deferred tax assets as a key audit matter because: - this transaction is material to the financial statements - recognition of deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. This, including deferred tax assets, shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised - estimates of the probability that the Company and the Group's taxable profit will be available for deductible temporary differences and unused tax losses require management's judgement. It also depends on assumptions that are affected by many factors, including the overall economic condition - estimate future taxable profits calculated from data and assumptions used in estimating accounting profits, revenue and costs from sales and services, operating expenses and other income and expenses. This also included the impact of the adjustment transactions of the estimated accounting profit to the estimated taxable profit - from the management's estimate, the estimated future taxable profit is available against deductible temporary differences and unused tax losses, recognised as deferred tax assets in the statement of financial position as at 31 December 2023, to utilise in the period specified by the relevant law.	In response to the key audit matter, I performed the following procedures. • Inquired the management about the current market and industry conditions, including the Company's strategic plan and business plan. • Evaluated the reasonableness of the key data and assumptions used in estimating future taxable profit, especially the revenue's growth rate, the proportion of costs and related expense and strategic operations, including cost reduction plans and comparable market data. • Carried out a sensitivity analysis of key assumptions to assess which factors are sensitive to estimating future taxable profit and the potential impacts of the possible outcomes. • Calculated estimates independently and compared results with estimates prepared by management. • Compared the amount of deferred tax assets that the Company and the Group recognised in the statement of financial position as at 31 December 2023 to the estimated future taxable profit that will be utilised from the deferred tax assets, to evaluate the appropriateness of the recognition of deferred taxes. • Evaluated the appropriateness and the adequacy of the disclosures made in the notes to the financial statements relating to this matter. From the above procedures, the key data and assumptions used by management in estimating future taxable profits are reasonable based on the available evidence.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

I communicate with the audit committee 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 the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

Nopanuch Apichatsatien
Certified Public Accountant (Thailand) No. 5266
Bangkok
7 February 2024

Kerry Express (Thailand) Public Company Limited

Statements of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	10	736,326	2,163,030	722,738	2,103,136
Financial assets measured at fair value through profit or loss	7, 12	-	168,929	-	168,929
Trade and other receivables, net	11	1,338,333	1,852,308	1,336,741	1,860,209
Short-term loans to related party	29.4	-	-	-	782,100
Inventories	13	52,738	123,457	52,738	123,457
Other current assets		116,622	100,307	113,708	97,064
Total current assets		2,244,019	4,408,031	2,225,925	5,134,895
Non-current assets					
Financial assets measured at fair value through other comprehensive income	7, 12	-	631,133	-	631,133
Investment in associate	14	16,080	-	18,000	-
Investment in subsidiaries	15	-	-	49,529	31,529
Loans to related party	29.4	-	-	782,100	-
Plant and equipment, net	16	2,145,970	2,490,144	1,310,465	1,574,502
Right-of-use assets, net	17	2,449,281	2,903,437	987,462	1,161,620
Intangible assets, net	18	176,475	212,350	176,060	211,933
Deferred tax assets	19	1,575,922	879,460	1,547,917	863,658
Other non-current assets	20	447,958	568,680	423,308	551,855
Total non-current assets		6,811,686	7,685,204	5,294,841	5,026,230
Total assets		9,055,705	12,093,235	7,520,766	10,161,125

Director _____ Director _____

Kerry Express (Thailand) Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	21	300,000	-	300,000	-
Short-term borrowings					
from related party	21, 29.5	1,300,000	-	1,300,000	-
Current portion of long-term borrowings					
from financial institution	21	11,160	9,300	-	-
Trade and other payables	22	1,717,749	1,941,548	1,952,757	2,014,036
Cash on delivery payable		614,810	568,278	614,810	568,278
Deferred revenue		9,700	48,541	9,700	48,541
Current portion of lease liabilities	21	1,441,097	1,812,187	453,033	644,280
Other current liabilities		23,330	37,398	21,344	37,302
Total current liabilities		5,417,846	4,417,252	4,651,644	3,312,437
Non-current liabilities					
Long-term borrowings					
from financial institution	21	29,540	29,000	-	-
Lease liabilities	21	775,274	945,523	526,354	516,748
Employee benefit obligations	23	131,656	125,818	106,941	99,103
Other non-current liabilities		58,490	77,955	57,761	77,250
Total non-current liabilities		994,960	1,178,296	691,056	693,101
Total liabilities		6,412,806	5,595,548	5,342,700	4,005,538

Kerry Express (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)
As at 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary share, 1,780,000,000 shares					
at par value of Baht 0.50 each		890,000	890,000	890,000	890,000
Issued and paid-up share capital					
Ordinary share, 1,742,577,000 shares					
paid-up at Baht 0.50 each		871,289	871,289	871,289	871,289
Premium on paid-up capital		8,139,148	8,139,148	8,139,148	8,139,148
Other reserves - share-based payments		87,981	87,981	87,981	87,981
Retained earnings (deficits)					
Appropriated - legal reserve	24	89,000	89,000	89,000	89,000
Deficits		(6,534,155)	(2,680,398)	(7,009,352)	(3,024,659)
Other components of equity		-	(7,172)	-	(7,172)
Equity attributable to the parent		2,653,263	6,499,848	2,178,066	6,155,587
Non-controlling interests		(10,364)	(2,161)	-	-
Total equity		2,642,899	6,497,687	2,178,066	6,155,587
Total liabilities and equity		9,055,705	12,093,235	7,520,766	10,161,125

Kerry Express (Thailand) Public Company Limited

Statements of Comprehensive Income
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Sales and service income	25	11,470,337	17,003,046	11,438,860	16,991,665
Cost of sales and providing services		(14,337,817)	(18,685,139)	(14,493,610)	(19,001,357)
Gross loss		(2,867,480)	(1,682,093)	(3,054,750)	(2,009,692)
Other income	26	71,139	141,998	95,560	171,224
Selling expenses		(279,184)	(349,263)	(279,182)	(347,744)
Administrative expenses		(1,438,928)	(1,647,134)	(1,421,618)	(1,643,972)
Finance costs		(69,423)	(73,251)	(32,254)	(29,305)
Share of loss of associate accounted for using the equity method		(1,920)	-	-	-
Loss before income tax		(4,585,796)	(3,609,743)	(4,692,244)	(3,859,489)
Income tax	28	684,951	759,758	688,774	775,526
Net loss for the year		(3,900,845)	(2,849,985)	(4,003,470)	(3,083,963)
Other comprehensive income (expense) :					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations, net of tax		26,885	24,470	18,777	20,074
Total items that will not be reclassified to profit or loss		26,885	24,470	18,777	20,074
Items that may be reclassified subsequently to profit or loss					
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax		7,172	(670)	7,172	(670)
Total items that will be reclassified subsequently to profit or loss		7,172	(670)	7,172	(670)
Other comprehensive income (expense) for the year, net of tax		34,057	23,800	25,949	19,404
Total comprehensive expense for the year		(3,866,788)	(2,826,185)	(3,977,521)	(3,064,559)

Kerry Express (Thailand) Public Company Limited

Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Profit (loss) attributable to:				
Owners of the Company	(3,880,642)	(2,829,843)	(4,003,470)	(3,083,963)
Non-controlling interests	(20,203)	(20,142)	-	-
	(3,900,845)	(2,849,985)	(4,003,470)	(3,083,963)
Total comprehensive income (expense) attributable to:				
Owners of the Company	(3,846,585)	(2,806,043)	(3,977,521)	(3,064,559)
Non-controlling interests	(20,203)	(20,142)	-	-
	(3,866,788)	(2,826,185)	(3,977,521)	(3,064,559)
Earnings (loss) per share				
Basic earnings (loss) per share (Baht)	(2.227)	(1.624)	(2.297)	(1.770)
Diluted earnings (loss) per share (Baht)	(2.227)	(1.624)	(2.297)	(1.770)

Kerry Express (Thailand) Public Company Limited

Statements of Changes in Equity
For the year ended 31 December 2023

	Consolidated financial statements								
	Attributable to owners of the Company								
	Capital contributed			Retained earnings (deficits)		Other components of equity			
	Issued and paid-up share capital Thousand Baht	Premium on paid-up capital Thousand Baht	Other reserves - Share-based payments Thousand Baht	Appropriated - legal reserve Thousand Baht	Unappropriated (deficits) Thousand Baht	Measurement of debt instruments at fair value through other comprehensive income Thousand Baht	Total owners of the parent Thousand Baht	Non-controlling interests Thousand Baht	Total equity Thousand Baht
Opening balance at 1 January 2022	871,289	8,139,148	81,001	89,000	124,975	(6,502)	9,298,911	17,981	9,316,892
Transactions with owners during the year									
Share-based payments	-	-	6,980	-	-	-	6,980	-	6,980
Total comprehensive income (expense) for the year	-	-	-	-	(2,805,373)	(670)	(2,806,043)	(20,142)	(2,826,185)
Closing balance at 31 December 2022	871,289	8,139,148	87,981	89,000	(2,680,398)	(7,172)	6,499,848	(2,161)	6,497,687
Opening balance at 1 January 2023	871,289	8,139,148	87,981	89,000	(2,680,398)	(7,172)	6,499,848	(2,161)	6,497,687
Transactions with owners during the year									
Capital increase of subsidiary	-	-	-	-	-	-	-	12,000	12,000
Total comprehensive income (expense) for the year	-	-	-	-	(3,853,757)	7,172	(3,846,585)	(20,203)	(3,866,788)
Closing balance at 31 December 2023	871,289	8,139,148	87,981	89,000	(6,534,155)	-	2,653,263	(10,364)	2,642,899

The accompanying notes are an integral part of these consolidated and separate financial statements

Kerry Express (Thailand) Public Company Limited

Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2023

	Separate financial statements						
	Capital contributed					Other components of equity	
	Issued and paid-up share capital Thousand Baht	Premium on paid-up capital Thousand Baht	Other reserves - share-based payments Thousand Baht	Retained earnings (deficits) Appropriated - legal reserve Thousand Baht	Retained earnings (deficits) Unappropriated (deficits) Thousand Baht	Measurement of debt instruments at fair value through other comprehensive income Thousand Baht	Total equity Thousand Baht
Opening balance at 1 January 2022	871,289	8,139,148	81,001	89,000	39,230	(6,502)	9,213,166
Transactions with owners during the year							
Share-based payments	-	-	6,980	-	-	-	6,980
Total comprehensive income (expense) for the year	-	-	-	-	(3,984,693)	(670)	(3,985,363)
Closing balance at 31 December 2022	871,289	8,139,148	87,981	89,000	(3,945,463)	(7,172)	5,234,783
Opening balance at 1 January 2023	871,289	8,139,148	87,981	89,000	(3,024,659)	(7,172)	6,155,587
Transactions with owners during the year							
Share-based payments	-	-	-	-	-	-	-
Total comprehensive income (expense) for the year	-	-	-	-	(3,984,693)	7,172	(3,977,521)
Closing balance at 31 December 2023	871,289	8,139,148	87,981	89,000	(7,009,352)	-	2,178,066

The accompanying notes are an integral part of these consolidated and separate financial statements

Kerry Express (Thailand) Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash flows from operating activities					
Profit (loss) before income tax		(4,585,796)	(3,609,743)	(4,692,244)	(3,859,489)
Adjustments for:					
Depreciation and amortisation expense	16, 17, 18, 27	1,979,130	2,462,812	1,281,185	1,626,134
Allowance for expected credit loss		13,142	987	12,557	971
Share-based payment expense		-	6,980	-	6,980
Employee benefits expenses	23	40,588	34,599	32,218	26,105
Loss from disposal and written-off of equipment		87,651	87,895	85,902	87,623
(Gain) Loss from disposal and written-off of intangible assets		1,684	6	1,679	(14)
Gain on disposal of provision for decommissioning		(7,003)	-	(7,003)	-
Gain from cancellation of lease contracts		7,106	(5,313)	(8,948)	(9,270)
Loss from written-off of deposits		73,414	6,139	73,414	6,139
Gain from disposal of financial assets measured at fair value through profit or loss	12	(1,914)	(14,213)	(1,914)	(14,213)
Loss from changes in fair value of financial assets measured at fair value through profit or loss	12	1,025	7,690	1,025	7,690
Loss from disposal of financial assets measured at fair value through other comprehensive income	12	11,683	28,188	11,683	28,188
Interest income	26	(6,432)	(52,593)	(25,934)	(63,550)
Share of loss of associate accounted for using the equity method	14	1,920	-	-	-
Finance costs		69,423	73,251	32,254	29,305
		(2,314,379)	(973,315)	(3,204,126)	(2,127,401)
Changes in working capital:					
- Trade and other receivables, net		466,425	(250,332)	496,054	(245,098)
- Inventories		70,719	52,581	70,719	52,581
- Other current assets		(16,109)	(28,659)	(16,438)	(25,712)
- Trade and other payables		(215,978)	226,546	(58,728)	199,197
- Cash on delivery payable		46,532	(155,414)	46,532	(155,414)
- Deferred revenue		(38,841)	20,873	(38,841)	20,873
- Other current liabilities		(14,068)	(9,977)	(15,958)	(5,676)
- Other non-current liabilities		(13,871)	2,848	(13,895)	2,657
- Employee benefit obligations	23	(1,144)	(916)	(909)	(639)
Cash used in operations		(2,030,714)	(1,115,765)	(2,735,590)	(2,284,632)
Interest received		10,179	62,288	10,128	62,265
Interest paid		(64,678)	(71,541)	(27,509)	(27,600)
Withholding tax refund		161,510	-	161,510	-
Income tax paid		(115,070)	(157,481)	(89,192)	(118,967)
Net cash used in operating activities		(2,038,773)	(1,282,499)	(2,680,653)	(2,368,934)

The accompanying notes are an integral part of these consolidated and separate financial statements

Kerry Express (Thailand) Public Company Limited

Statements of Cash Flows (Cont'd)
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash flows from investing activities					
Cash received from fixed deposit maturity within one year		-	500,000	-	500,000
Cash payment for financial assets measured at fair value through profit or loss	12	-	(1,042,000)	-	(1,042,000)
Cash payment for financial assets measured at fair value through other comprehensive income	12	-	(205,870)	-	(205,870)
Proceeds from disposals of financial assets measured at fair value through profit or loss	12	169,818	4,289,945	169,818	4,289,945
Proceeds from disposals of financial assets measured at fair value through other comprehensive income	12	659,077	1,641,656	659,077	1,641,656
Cash payment for purchases of plant and equipment		(489,926)	(556,346)	(459,450)	(521,826)
Cash payment for purchases of intangible assets		(35,887)	(114,795)	(35,887)	(114,795)
Cash received from disposal of equipment		2,739	3,034	3,356	7,352
Cash received from disposal of intangible assets		-	-	108	416
Cash payment to short-term loan to a related party	29.4	-	-	-	(782,100)
Cash payment for investments in subsidiaries	15	-	-	(18,000)	-
Cash payment for investment in associate	14	(18,000)	-	(18,000)	-
Cash received for deposits		15,935	36,919	15,865	36,919
Cash payment for deposits		(43,469)	(18,015)	(43,399)	(18,015)
Dividends received from subsidiary		-	-	-	279,300
Net cash generated from investing activities		260,287	4,534,528	273,488	4,070,982
Cash flows from financing activities					
Cash received from short-term borrowings from financial institutions	21	300,000	-	300,000	-
Cash received from short-term borrowings from a related party	21, 29.5	1,300,000	-	1,300,000	-
Cash received from long-term borrowings from financial institutions	21	11,700	38,300	-	-
Cash repayment to long-term borrowings from financial institutions	21	(9,300)	-	-	-
Cash payment for lease liabilities	21	(1,262,611)	(2,416,140)	(573,226)	(752,357)
Dividends paid to the Company's shareholders		(7)	-	(7)	-
Dividends paid to non-controlling interests		-	(26)	-	-
Proceeds from issue of shares of subsidiaries		12,000	-	-	-
Net cash received from (used in) financing activities		351,782	(2,377,866)	1,026,767	(752,357)
Net increase (decrease) in cash and cash equivalents		(1,426,704)	874,163	(1,380,398)	949,691
Opening balance of cash and cash equivalents		2,163,030	1,288,867	2,103,136	1,153,445
Closing balance of cash and cash equivalents	10	736,326	2,163,030	722,738	2,103,136

The accompanying notes are an integral part of these consolidated and separate financial statements

Kerry Express (Thailand) Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2023

	Notes	Consolidated financial statements 2023 Thousand Baht	Consolidated financial statements 2022 Thousand Baht	Separate financial statements 2023 Thousand Baht	Separate financial statements 2022 Thousand Baht
Significant non-cash transactions					
Purchases of plant and equipment by credit		63,523	66,246	63,523	60,974
Purchases of intangible assets by credit		781	832	781	832
Change in fair value of financial assets through other comprehensive income	12	8,965	(523)	8,965	(523)
Provision arising from decommissioning costs		1,410	3,123	1,410	3,123
Acquisition of right-of-use assets under lease contracts	17	602,404	854,793	509,760	394,615
Change in right-of-use assets from lease modifications and reassessments	17	435,412	(143,045)	169,389	29,684
Equipment transferred to non-current assets held for sale	16	206	7,304	206	7,304
Share-based payment expense		-	6,980	-	6,980
Transfer right-of-use assets to plant and equipment	17	86,376	894,536	-	-

1 General information

Kerry Express (Thailand) Public Company Limited ("the Company") is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

Head office: No. 89 Chao Phaya Tower, 9 Fl. Room 906, Soi Wat Suanphloo, Charoen Krung Rd. Bang Rak, Bangkok 10500.

Main hub: 33/2 Moo 7, Bang Pla, Bang Phli, Samut Prakarn 10540.

The principal business operations of the Company and its subsidiaries (together "the Group") is domestic parcel delivery service. The major shareholder is Kerry Logistics Network Limited (KLN), incorporated in British Virgin Islands and continued into Bermuda. On 28 September 2021, the subsidiary of S.F. Holding Co., Ltd. which was registered in Shenzhen Stock Exchange acquired 51.8% of KLN's shares. This caused Shenzhen Mingde Holding Development Co., Ltd., a parent company of S.F. Holding Co., Ltd. to become the ultimate parent thenceforth.

These consolidated and separate financial statements were authorised for issue by the Company's authorised directors on 7 February 2024.

2 Financial position

As at 31 December 2023, the Company and the Group, have a deficiency of capital of Baht 7,009.35 million and Baht 6,534.16 million, respectively, and a working capital deficiency of Baht 2,425.72 million and Baht 3,173.83 million, respectively. The Company has also experienced substantial operating losses and negative cash flows during the financial year ending on that date. The Company and the Group meet its day-to-day working capital requirements through its major shareholder and bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's services; and (b) the availability of the major shareholder and bank finance for the foreseeable future. Based on an assessment by the management of the Group, considering the amount of remaining credit facilities not utilised by major shareholders and financial institutions, totalling to Baht 3,920 million (note 6.1.3), as well as changes in the Group's performance, including projections of cash flow expected for financing and investing activities, it is indicated that the Group should be able to operate within the level of its current facilities. Therefore, the Company and the Group continue to adopt the going concern basis in preparing the financial statements.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and financial liabilities and employee benefit obligations as disclosed in note 5.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in note 8.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023

a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.

b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.

c) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The new and amended Thai Financial Reporting Standards above do not have material impact on the Group.

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2024 and have significant impacts to the Group

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group.

a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

c) **Amendments to TAS 12 - Income taxes** require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

The impact of the amended financial reporting standards is under the management's consideration.

5 Accounting policies

5.1 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investment in subsidiaries are accounted for at cost less impairment (if any).

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures together with any long-term interests, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

d) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated.

Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

5.2 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When there is a recognition of gains and losses on the non-monetary item in other comprehensive income, any exchange component of gains and losses will also be recognised in other comprehensive income. In contrast, the recognition of gains and losses on the non-monetary item in profit or loss, any exchange component of gains and losses will also be recognised in profit or loss.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

5.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

5.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in notes 5.6 e) and 6.1.2 b).

5.5 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the weighted average method. Cost of inventories comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts.

5.6 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through profit or loss (FVPL) or through other comprehensive income (FVOCI))
- those to be measured at amortised cost

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for 1) the recognition of impairment gains or losses 2) interest income using the effective interest method and 3) foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.

- Fair value through profit or loss (FVPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

The Group applies the TFRS 9 simplified approach to recognise expected credit losses for trade receivables and contract assets using a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

5.7 Plant and equipment

All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and building improvements	Based on lease period (include extended period)
Leasehold improvements	Based on lease period (include extended period)
Operating equipment	5 years
Furniture, fixtures and office equipment	5 years
Computers	5 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposal of plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses, net.

5.8 Intangible assets

Acquired computer software

Acquired computer software is measured at historical cost. These costs are amortised over their estimated useful lives of 5 - 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

Internally generated intangible asset

Research expenditure is recognised as an expense as incurred.

Development expenditure is recognised as an asset when the Group can demonstrate all of the following:

- the expenditure attributable to its development can be measured reliably;
- the Group can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Group intends to and has the ability to complete the development for the purpose of using or selling.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are amortised when the asset is ready to use by applying a straight-line method over the period of its expected benefit, which is 5 - 10 years.

5.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.10 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise motorbike and small items of office equipment.

5.11 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.

- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs incurred, and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 12 months to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

5.13 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities of the current period are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.14 Employee benefits

5.14.1 Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

5.14.2 Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

5.14.3 Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

5.15 Share-based payment

The Group receives services from employees as consideration for equity instruments of the Group in the forms of share and warrants. Share-based compensation plan operates an equity-settled. The fair value of the employee services received by the Group in exchange for the Group's equity instruments is determined at grant date. Fair value is recognised as an expense in the Group's profit or loss over the vesting period with a corresponding increase in equity.

The fair value of services received by the Group should be measurable directly. If the fair value cannot be measured reliably, the Group measures the value of the services by reference to the fair value of the equity instruments granted as consideration. This is referred to as the 'indirect method'.

The Group measures the value of the services by reference to the fair value of the equity instruments granted as consideration. The fair value of the Group's share is determined by Price-to-Earnings ratio of comparable entities in The Stock Exchange of Thailand within the same industry and adjusted by Discounts for Lack Of Marketability (DLOM) to reflect the Group's share value.

The fair value of the warrants is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of warrants that are expected to vest.

At the end of each reporting period, the Group reviews the number of warrants that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the warrants are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

5.16 Provisions

5.16.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.16.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs of plant and leasehold improvements, which are provided at the end of lease period by considering the option of extension of lease contract, at the present value of the estimate of the eventual costs relating to the removal of plant and leasehold improvement. The recognised provision for decommissioning costs is calculated based on many assumptions such as abandonment time, future inflation rate and the discount rate estimated by the management.

5.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

5.18 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities are also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is highly probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Services

Revenue of parcel delivery services, which are presented in sales and services income, are recognised over time based on the output method (progress of the delivery), regardless of the payment pattern. Normally, parcel delivery services occur over the short period of time.

Advertising income

Advertising income is recognised over time based on a straight-line basis over the period stipulated in the contract.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities are set off against contract assets.

Sale of goods

Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the acceptance of the products.

Customer loyalty programme

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognised at the time of the sale or service. Revenue is recognised when the points are redeemed or when they expire (not over 12 months after the initial sale or providing service).

Other income and interest income

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

5.19 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

6 Financial risk management

The group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Thai Baht	Cash flow forecasts Sensitivity analysis	Foreign currency forward contracts / forward contracts and forward options
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk -security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversification
Credit risk	Cash and cash equivalents, trade and other receivables, instruments, debt investment and contract assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letter of credit, investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

6.1 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the investment department under policies approved by the board of directors. The Group identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units.

6.1.1 Market risk

a) Foreign exchange risk

The Group has no material business transactions in foreign currencies thus the risk arising from exchange rate fluctuation does not significantly have impacts to the Group.

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of change in market interest rates. The Group's significant cash flow interest rate risk are deposits at financial institutions, investments in fixed income funds, debt instruments, Borrowings to related parties, short-term borrowings from related parties, short-term borrowings from financial institutions, long-term borrowings from financial institutions, and lease liabilities.

Interest rate risk of the Group arises from long-term borrowings from financial institutions with variable rates, and short-term borrowings which the interest rate might re-considered on its maturity date.

The Group does not use derivative financial instruments to hedge certain exposures.

Borrowings and trade receivables were disclosed at amortised cost based on the contracts. Interest rate of borrowings will change based on the condition in the contract (table below) which effect to the Group's risk arising from the changing in market interest rate.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Consolidated financial statements			
	2023		2022	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	40,700	2	38,300	100
Fixed rate borrowings				
- repricing or maturity dates:				
Less than 1 year	1,600,000	98	-	-
- Maturity dates within 1 - 5 years	-	-	-	-
	1,640,700	100	38,300	100

	Separate financial statements			
	2023		2022	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	-	-	-	-
Fixed rate borrowings				
- repricing or maturity dates:				
Less than 1 year	1,600,000	100	-	-
- Maturity dates within 1 - 5 years	-	-	-	-
	1,600,000	100	-	-

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Sensitivity analysis

Other components of equity will change according to an increase or decrease in the fair value of debt investments measured at fair value through other comprehensive income.

	Consolidated and separate financial statements	
	Impact on other components of equity increase / (decrease)	
	2023 Thousand Baht	2022 Thousand Baht
Interest rate - increase by 0.50%	-	(9,337)
Interest rate - decrease by 0.50%	-	9,507

* Holding all other variables constant

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables, investments in fixed income funds measured at FVPL and investments in debt instruments measured at FVOCI.

a) Risk management

The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Deposits are limited to high credit quality financial institutions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

b) Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model as follows:

- Fixed deposit maturity within one year
- Trade and other receivables
- Contract assets
- Short-term loans to a related party
- Deposits
- Investment in fixed income funds
- Debt investments carried at FVOCI

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

On that basis, the loss allowance was determined as follows for both trade receivables and contract assets:

	Consolidated financial statements				
As of 31 December 2023	**Within 3 months Thousand Baht**	**3 - 6 months Thousand Baht**	**6 - 12 months Thousand Baht**	**Over 12 months Thousand Baht**	**Total Thousand Baht**
Gross carrying amount					
- trade receivables	811,887	42,850	15,318	17,697	887,752
- contract assets	364,693	-	-	-	364,693
Loss allowance	-	-	6,404	17,697	24,101
As of 31 December 2022					
Gross carrying amount					
- trade receivables	1,266,406	37,573	576	9,189	1,313,744
- contract assets	439,504	-	-	-	439,504
Loss allowance	115	1,079	576	9,189	10,959

	Separate financial statements				
As of 31 December 2023	**Within 3 months Thousand Baht**	**3 - 6 months Thousand Baht**	**6 - 12 months Thousand Baht**	**Over 12 months Thousand Baht**	**Total Thousand Baht**
Gross carrying amount					
- trade receivables	808,056	42,634	14,686	17,345	882,721
- contract assets	364,473	-	-	-	364,473
Loss allowance	-	-	6,155	17,345	23,500
As of 31 December 2022					
Gross carrying amount					
- trade receivables	1,260,545	37,573	576	9,189	1,307,883
- contract assets	438,005	-	-	-	438,005
Loss allowance	99	1,079	576	9,189	10,943

The loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated financial statements			
	Contract assets		Trade receivables	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Opening loss allowance at 1 January	3	-	10,956	9,972
Increase in loss allowance recognised in profit or loss during the year	-	3	14,656	2,048
Unused amount reversed	-	-	(1,514)	(1,064)
Closing loss allowance at 31 December	3	3	24,098	10,956

	Separate financial statements			
	Contract assets		Trade receivables	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Opening loss allowance at 1 January	-	-	10,943	9,972
Increase in loss allowance recognised in profit or loss during the year	-	-	14,071	2,035
Unused amount reversed	-	-	(1,514)	(1,064)
Closing loss allowance at 31 December	-	-	23,500	10,943

Impairment losses on trade receivables and contract assets are presented as net impairment losses within profit before finance costs and income taxes. Subsequent recoveries of amounts previously written off are credited against the same line item.

Short-term loans to a related party

As at 31 December 2022, the Company had short-term loans to a related party measured at amortised cost which are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

Debt investments measured at fair value through other comprehensive income

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI. As at 31 December 2022, the loss allowance from the impairment of debt investments measured at fair value through other comprehensive income is immaterial.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include deposits in respect of lease contracts. The Group considers that the impairment of those items is insignificant.

6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 736.33 million (2022: Baht 2,163.03 million) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

a) Financing arrangements

The Group had access to the following undrawn credit facilities as at 31 December:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Floating rate				
Expiring within one year				
- Bank overdraft	29,558	30,000	20,000	20,000
- Bank loans	3,720,000	1,511,700	3,720,000	1,500,000
- Loans from related party	200,000	-	200,000	-
	3,949,558	1,541,700	3,940,000	1,520,000

On 15 January 2024, the Company entered into a short-term loan agreement with KLN Logistics (Thailand) Limited ("KLNTH"), which is a related party. The loan amount is intended for working capital purposes and to support investments aimed at enhancing operational efficiency totalling Baht 1,700 million.

The bank overdraft facilities and the bank loan facilities which do not have collateral may be drawn at any time by the Group and may be terminated by the bank without notice. The bank will have the annual review on credit facilities without collateral. However, if the Group maintains the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Thai Baht.

b) Maturity of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements					
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book value Thousand Baht
As at 31 December 2023						
Short-term borrowings from financial institution	-	300,000	-	-	300,000	300,000
Short-term borrowings from related party	-	1,300,000	-	-	1,300,000	1,300,000
Long-term borrowings from financial institution	-	11,160	29,540	-	40,700	40,700
Trade and other payables	1,561,727	156,022	-	-	1,717,749	1,717,749
Cash on delivery payable	173,176	441,634	-	-	614,810	614,810
Lease liabilities	-	1,462,169	828,242	6,140	2,296,551	2,216,371
Other financial liabilities	-	-	20,565	-	20,565	20,565
Total	1,734,903	3,670,985	878,347	6,140	6,290,375	6,210,195
As at 31 December 2022						
Long-term borrowings from financial institution	-	9,300	29,000	-	38,300	38,300
Trade and other payables	735,408	1,206,140	-	-	1,941,548	1,941,548
Cash on delivery payable	23,216	545,062	-	-	568,278	568,278
Lease liabilities	-	1,929,818	890,431	6,949	2,827,198	2,757,710
Other financial liabilities	-	-	34,464	-	34,464	34,464
Total	758,624	3,690,320	953,895	6,949	5,409,788	5,340,300

	Separate financial statements					
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book value Thousand Baht
As at 31 December 2023						
Short-term borrowings from financial institution	-	300,000	-	-	300,000	300,000
Short-term borrowings from related party	-	1,300,000	-	-	1,300,000	1,300,000
Trade and other payables	1,796,735	156,022	-	-	1,952,757	1,952,757
Cash on delivery payable	173,176	441,634	-	-	614,810	614,810
Lease liabilities	-	459,951	562,987	6,140	1,029,078	979,387
Other financial liabilities	-	-	20,565	-	20,565	20,565
Total	1,969,911	2,657,607	583,552	6,140	5,217,210	5,120,987
As at 31 December 2022						
Trade and other payables	735,407	1,278,629	-	-	2,014,036	2,014,036
Cash on delivery payable	23,216	545,062	-	-	568,278	568,278
Lease liabilities	-	651,043	536,170	6,949	1,194,162	1,161,028
Other financial liabilities	-	-	34,464	-	34,464	34,464
Total	758,623	2,474,734	570,634	6,949	3,810,940	3,777,806

6.2 Capital management

Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under terms of the long-term borrowings from financial institution in the consolidated financial statements, which represents loan of a subsidiary, the Group is required to comply with the following financial covenants:

- Debt to equity ratio not exceeding 2 times, which the condition will take effect in the financial statements for 2024 onwards.
- Loans from shareholders have to be considered as subordinated debt compared to the lender's loan debt.
- Maintain shareholding proportion in subsidiaries, which are another one of the shareholders, totalling not less than 85% of the issued and paid-up share capital. No action that changes the shareholding proportion of such shareholders, unless there is a written consent from the lender.

The Group has complied with these covenants throughout the reporting period.

7 Fair value

The following table presents fair value of financial assets and liabilities recognised by their fair value hierarchy.

	Consolidated and separate financial statements									
	Level 1		Level 2		Level 3		Total		Carrying amount	
	31 December 2023 Thousand Baht	31 December 2022 Thousand Baht	31 December 2023 Thousand Baht	31 December 2022 Thousand Baht	31 December 2023 Thousand Baht	31 December 2022 Thousand Baht	31 December 2023 Thousand Baht	31 December 2022 Thousand Baht	31 December 2023 Thousand Baht	31 December 2022 Thousand Baht
Assets										
Financial assets at fair value through profit or loss (FVPL)										
Fixed income funds	-	168,929	-	-	-	-	-	168,929	-	168,929
Financial assets at fair value through other comprehensive income (FVOCI)										
Debt instruments	-	-	-	631,133	-	-	-	631,133	-	631,133
Total financial assets	-	168,929	-	631,133	-	-	-	800,062	-	800,062

The fair value of the investments in fixed income funds is measure based on the fund's net asset value (NAV) disclosed by the asset management company. The fair value is in level 1 of fair value hierarchy.

The fair value of debt instruments is determined from contractual cash flows, discounted at the rate derived from observable market price of other quoted debt instruments reference to Thai Bond Dealing Centre. The fair value is in level 2 of fair value hierarchy.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the fund's net asset value (NAV) disclosed by the asset management company.
Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
Level 3: The fair value of financial instruments is not based on observable market data.

As at 31 December 2023, the Group has financial assets and financial liabilities carried at amortised cost which their fair values are approximately to the carrying amounts as follows:

- Cash and cash equivalents
- Trade and other receivables
- Loans to related party
- Deposits
- Short-term borrowings from financial institution
- Short-term borrowings from related party
- Current portion of long-term borrowings from financial institution
- Trade and other payables
- Cash on delivery payable
- Deferred revenue
- Long-term borrowings from financial institution

8 Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 7.

b) Allocation of transaction price in contracts with customers

The customer loyalty programme provides a material right to customers. The promise to provide points to the customer is a separate performance obligation. Therefore, the transaction price is allocated to the provided service and the points on a relative stand-alone selling price basis. Management estimates stand-alone price per point on the basis of the discount granted when the points are redeemed and the likelihood of the redemption, based on past experience.

c) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on parcel shops, offices, and warehouses leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

d) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

e) Share-based payment

The Group measures the value of the services by reference to the fair value of the warrants.

The Group measures warrants granted to the Group's executives and employees by reference to the fair value of the warrants at the grant date. Fair value has been recognised depending on the assumptions used in the valuation of warrants' fair value. The variability of those assumptions would affect to employee expense recognised in each year.

Management determines the appropriateness of the assumptions used in the equity's purchase option fair valuation.

f) Useful life of plant, equipment and intangible assets

Management assess the estimated useful lives and the residual values of the Group's plant, equipment and intangible assets. Management review depreciation when useful lives and the residual values are difference from the previous estimation or written-off the damage or inactive assets when are sold.

g) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 23.

h) Deferred tax asset for carried forward tax losses

The Group has incurred losses from the prior year operations following the temporary business strategy. However, from the estimated future taxable income based on the approved business plans, operation strategy plan, cost reduction plan which is recognised in the budget, it is expected that the deferred tax assets which was recognised in financial statements will be utilised within 5 years.

i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

9 Segment information

The Group has not presented segment information since the chief operating decision-maker considers the Company only operates in one segment which is the domestic parcel delivery business. The chief operating decision-maker primarily uses of segment profit before tax, which is derived on a basis consistent with the measurement of profit for the year in the financial statements. The revenues by service type and by customer type are disclosed in note 25.

10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash on hand	9,571	14,234	9,531	14,194
Cash at bank	726,755	2,148,796	713,207	2,088,942
Total	736,326	2,163,030	722,738	2,103,136

11 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Trade receivables - third parties	754,640	1,193,786	749,425	1,187,843
- related parties (note 29.3)	133,112	119,958	133,296	120,040
Contract assets - third parties	241,689	302,291	239,461	301,101
- related parties (note 29.3)	123,004	137,213	125,012	136,904
Less Allowance for expected credit loss	(24,101)	(10,959)	(23,500)	(10,943)
Trade receivables - net	1,228,344	1,742,289	1,223,694	1,734,945
Other receivables - third parties	-	30,662	-	30,662
- related parties (note 29.3)	17,718	6,752	19,589	13,859
Accrued interest income - third parties	286	4,033	286	4,033
- related parties (note 29.3)	-	-	30,533	10,980
Prepayments	91,985	68,572	62,639	65,730
Total	1,338,333	1,852,308	1,336,741	1,860,209

12 Financial assets and financial liabilities

The Group's financial assets and financial liabilities are classified as follows:

	Consolidated financial statements			Separate financial statements		
	31 December 2023			31 December 2023		
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht
Financial assets						
Cash and cash equivalents	-	-	736,326	-	-	722,738
Trade and other receivables*	-	-	1,246,348	-	-	1,274,102
Loans to related party	-	-	-	-	-	782,100
Deposits	-	-	215,360	-	-	215,149
Financial liabilities						
Short-term borrowings from financial institution	-	-	300,000	-	-	300,000
Short-term borrowings from related party	-	-	1,300,000	-	-	1,300,000
Long-term borrowings from financial institution	-	-	40,700	-	-	-
Trade and other payables	-	-	1,717,749	-	-	1,952,757
Cash on delivery payable	-	-	614,810	-	-	614,810
Other current financial liabilities	-	-	2,132	-	-	2,132
Lease liabilities	-	-	2,216,371	-	-	979,387
Other non-current financial liabilities	-	-	18,433	-	-	18,433

	Consolidated financial statements			Separate financial statements		
	31 December 2022			31 December 2022		
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht
Financial assets						
Cash and cash equivalents	-	-	2,163,030	-	-	2,103,136
Financial assets at fair value through profit or loss (FVPL)	168,929	-	-	168,929	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	-	631,133	-	-	631,133	-
Trade and other receivables*	-	-	1,783,736	-	-	1,794,479
Short-term loans to related party	-	-	-	-	-	782,100
Deposits	-	-	269,617	-	-	269,406
Financial liabilities						
Long-term borrowings from financial institution	-	-	38,300	-	-	-
Trade and other payables	-	-	1,941,548	-	-	2,014,036
Cash on delivery payable	-	-	568,278	-	-	568,278
Other current financial liabilities	-	-	395	-	-	395
Lease liabilities	-	-	2,757,710	-	-	1,161,028
Other non-current financial liabilities	-	-	34,069	-	-	34,069

* Not including items that are not financial assets/liabilities

Financial assets measured through FVPL and FVOCI

The movements of financial assets measured through FVPL and FVOCI are as follows:

	Consolidated and separate financial statements	
	Financial assets measured at fair value through profit or loss Thousand Baht	Financial assets measured at fair value through other comprehensive income Thousand Baht
Opening net book value	168,929	631,133
Disposal	(169,818)	(628,415)
Transfer FVOCI reserve to profit or loss	-	(8,965)
Gain (loss) from disposal of financial assets	1,914	(2,718)
Change in fair value recognised in profit or loss and other comprehensive income	(1,025)	8,965
Closing net book value	-	-

The following gains (losses) were recognised in profit or loss and other comprehensive income for the year ended 31 December 2023.

	Consolidated and separate financial statements	
	Financial assets measured at fair value through profit or loss Thousand Baht	Financial assets measured at fair value through other comprehensive income Thousand Baht
Gains from fair value measurement and disposal of investment in fixed income funds measured at FVPL recognised in profit or loss	889	-
Gains (losses) recognised in other comprehensive income		
- Related to investments in debt instruments		
- Gains (losses) recognised in other comprehensive income	-	8,965
- Income tax of gains (losses) recognised in other comprehensive income	-	(1,793)
Total gains (losses) recognised in other comprehensive income, net of tax	-	7,172
Realised gains (losses) from disposal of investments in debt instruments measured at FVOCI	-	(2,718)
Adjustment to profit or loss from disposal of investments in debt instruments measured at FVOCI	-	(8,965)
Recognition of interest income from debt investments measured at FVOCI in profit or loss - other income	-	3,187

Offsetting financial assets and financial liabilities

As at 31 December 2023, the Group does not have financial instruments that are offset and present as net amount in the statement of financial position since the Group does not have financial assets and financial liabilities that are subject to enforceable master netting arrangements.

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Boxes	10,960	45,721	10,960	45,721
Satchels	10,925	20,096	10,925	20,096
Labels and tapes	14,668	30,502	14,668	30,502
Others	16,185	27,138	16,185	27,138
Total	52,738	123,457	52,738	123,457

During the year ended 31 December 2023, inventories were recognised as cost of sales and services in profit or loss in the consolidated and separate financial statement amounting to Baht 174.72 million (2022: Baht 352.31 million).

14 Investment in associate

As at 31 December 2023 and 2022, investment in associate is as follows:

			% of ownership interest		Consolidated financial statements Investment at equity method		Separate financial statements Investment at cost method	
Entity name	Country of incorporation	Nature of business	2023 %	2022 %	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Hivebox (Thailand) Company Limited	Thailand	Providing locker for delivery	18.00	-	16,080	-	18,000	-

Movements of investment in associate during the year is as follows:

	Consolidated financial statements Investment at equity method	Separate financial statements Investment at cost method
	2023 Thousand Baht	2023 Thousand Baht
Opening net book value	-	-
Increase in investment	18,000	18,000
Share of loss of associates accounted for using the equity method	(1,920)	-
Closing net book value	16,080	18,000

Hivebox (Thailand) Company Limited

Hivebox (Thailand) Co., Ltd. was registered on 1 September 2022 with its registered capital of Baht 150 million, comprise 1,500,000 ordinary shares at par value of Baht 100 each. During the year ended 31 December 2023, the Company paid for 270,000 shares at Baht 66.67 per share, totalling Baht 18.00 million. The associate's business operation is to provide lockers for delivery.

As of 31 December 2023, the associate had not started their operations.

15 Investments in subsidiaries

15.1 Investment details

As at 31 December 2023, the subsidiaries included in consolidated financial statements are listed below.

The subsidiaries have ordinary shares and preference shares of which entitle to the different voting right. The Group only directly holds the subsidiaries' ordinary shares. At the result, the proportion of ownership interests held by the Group is not equal to voting rights in subsidiaries held by the Group.

			Ownership interest held by Company		Ownership interest held by the Group		Ownership interests held by non-controlling interests		Voting rights held by non-controlling interests		Investment in cost method	
Entity name	Country of incorporation	Nature of business	2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 Thousand Baht	2022 Thousand Baht
KETH Corporate Services Limited	Hong Kong	Providing administrative and corporate support	100.00	100.00	100.00	100.00	-	-	-	-	39	39
Kerry Express Service Limited	Thailand	Providing transportation services	49.00	49.00	49.00	49.00	51.00	51.00	9.43	9.43	490	490
Kerry Express Betagro Company Limited	Thailand	Providing cold-chain delivery	60.00	60.00	60.00	60.00	40.00	40.00	40.00	40.00	48,000	30,000
Kerry Express - Central Company Limited	Thailand	Providing bulk item delivery	99.97	99.97	99.97	99.97	0.03	0.03	0.03	0.03	1,000	1,000
											49,529	31,529

As at 31 December 2023, the total non-controlling interest of Baht (10.36) million (2022: Baht (2.16) million) is of Kerry Express Betagro Co., Ltd. which is not material to the overall financial statements.

15.2 Movements of investments

Movements of investments in subsidiaries during the year are as follows:

	Separate financial statements	
	Investment at cost method	
	2023 Thousand Baht	2022 Thousand Baht
Opening net book amount	31,529	31,529
Increase in investment	18,000	-
Closing net book amount	49,529	31,529

On 29 March 2023, Kerry Express Betagro Co., Ltd., a subsidiary, increased authorised share capital from Baht 50.00 million to Baht 80.00 million by issuing 300,000 new ordinary shares with a par value of Baht 100 each. The Company subscribed and paid for 180,000 shares at Baht 100 per share, totalling Baht 18.00 million to maintain the interest proportion held by the Company at 60% of the authorised and paid-up share capital.

16 Plant and equipment, net

	Consolidated financial statements							
	Buildings and buildings improvements Thousand Baht	Leasehold improvements Thousand Baht	Operating equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Computers Thousand Baht	Vehicles Thousand Baht	Assets under installation Thousand Baht	Total Thousand Baht
At 1 January 2022								
Cost	232,575	495,775	1,469,585	926,551	1,381,209	119,248	37,369	4,662,312
Less Accumulated depreciation	(100,700)	(288,927)	(685,781)	(560,398)	(719,022)	(63,271)	-	(2,418,099)
Net book amount	131,875	206,848	783,804	366,153	662,187	55,977	37,369	2,244,213
For the year ended 31 December 2022								
Opening net book amount	131,875	206,848	783,804	366,153	662,187	55,977	37,369	2,244,213
Additions	10,908	18,679	111,651	33,266	93,516	-	46,205	314,225
Transfer in from right-of-use assets	-	-	-	-	-	894,536	-	894,536
Disposals - net	-	(51,204)	(12,796)	(21,720)	(3,359)	(50)	(1,800)	(90,929)
Transfer out to non-current assets held for sale	-	-	(5,388)	(1,812)	(104)	-	-	(7,304)
Transfer in (out)	11,607	55	32,486	2,361	20,297	-	(66,806)	-
Depreciation charge	(43,876)	(70,954)	(252,907)	(169,840)	(257,281)	(69,739)	-	(864,597)
Closing net book amount	110,514	103,424	656,850	208,408	515,256	880,724	14,968	2,490,144
At 31 December 2022								
Cost	255,090	345,918	1,483,693	873,571	1,436,168	1,012,468	14,968	5,421,876
Less Accumulated depreciation	(144,576)	(242,494)	(826,843)	(665,163)	(920,912)	(131,744)	-	(2,931,732)
Net book amount	110,514	103,424	656,850	208,408	515,256	880,724	14,968	2,490,144

	Consolidated financial statements							
	Buildings and buildings improvements Thousand Baht	Leasehold improvements Thousand Baht	Operating equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Computers Thousand Baht	Vehicles Thousand Baht	Assets under installation Thousand Baht	Total Thousand Baht
For the year ended 31 December 2023								
Opening net book amount	110,514	103,424	656,850	208,408	515,256	880,724	14,968	2,490,144
Additions	2,805	34,202	24,789	52,608	47,924	-	310,555	472,883
Transfer in from right-of-use assets	-	-	-	-	-	86,376	-	86,376
Disposals - net	(31,137)	(26,681)	(10,597)	(7,606)	(2,262)	(1,778)	(10,329)	(90,390)
Transfer out to non-current assets held for sale	-	-	(136)	(61)	(9)	-	-	(206)
Transfer in (out)	-	30,874	69,947	3,566	-	-	(104,387)	-
Depreciation charge	(45,274)	(51,585)	(212,641)	(123,125)	(217,607)	(162,605)	-	(812,837)
Closing net book amount	36,908	90,234	528,212	133,790	343,302	802,717	210,807	2,145,970
At 31 December 2023								
Cost	163,957	313,934	1,507,261	877,594	1,451,332	1,125,291	210,807	5,650,176
Less Accumulated depreciation	(127,049)	(223,700)	(979,049)	(743,804)	(1,108,030)	(322,574)	-	(3,504,206)
Net book amount	36,908	90,234	528,212	133,790	343,302	802,717	210,807	2,145,970

	Separate financial statements							
	Buildings and buildings improvements Thousand Baht	Leasehold improvements Thousand Baht	Operating equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Computers Thousand Baht	Vehicles Thousand Baht	Assets under installation Thousand Baht	Total Thousand Baht
At 1 January 2022								
Cost	232,575	495,775	1,465,204	926,551	1,381,209	83,646	37,369	4,622,329
Less Accumulated depreciation	(100,700)	(288,927)	(685,357)	(560,398)	(719,022)	(61,457)	-	(2,415,861)
Net book amount	131,875	206,848	779,847	366,153	662,187	22,189	37,369	2,206,468
For the year ended 31 December 2022								
Opening net book amount	131,875	206,848	779,847	366,153	662,187	22,189	37,369	2,206,468
Additions	10,908	13,217	82,450	28,313	93,340	-	46,205	274,433
Disposals - net	-	(51,204)	(13,726)	(21,720)	(4,747)	(50)	(3,528)	(94,975)
Transfer out to non-current assets held for sale	-	-	(5,388)	(1,812)	(104)	-	-	(7,304)
Transfer in (out)	11,607	55	32,592	2,361	20,191	-	(66,806)	-
Depreciation charge	(43,876)	(70,149)	(248,251)	(169,371)	(257,235)	(15,238)	-	(804,120)
Closing net book amount	110,514	98,767	627,524	203,924	513,632	6,901	13,240	1,574,502
At 31 December 2022								
Cost	255,090	340,456	1,449,039	868,618	1,434,116	82,331	13,240	4,442,890
Less Accumulated depreciation	(144,576)	(241,689)	(821,515)	(664,694)	(920,484)	(75,430)	-	(2,868,388)
Net book amount	110,514	98,767	627,524	203,924	513,632	6,901	13,240	1,574,502

	Separate financial statements							
	Buildings and buildings improvements Thousand Baht	Leasehold improvements Thousand Baht	Operating equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Computers Thousand Baht	Vehicles Thousand Baht	Assets under installation Thousand Baht	Total Thousand Baht
For the year ended 31 December 2023								
Opening net book amount	110,514	98,767	627,524	203,924	513,632	6,901	13,240	1,574,502
Additions	2,805	34,052	24,793	52,610	47,924	-	310,555	472,739
Disposals - net	(31,137)	(26,681)	(10,644)	(7,606)	(2,804)	(58)	(10,328)	(89,258)
Transfer out to non-current assets held for sale	-	-	(136)	(61)	(9)	-	-	(206)
Transfer in (out)	-	30,874	68,220	3,566	-	-	(102,660)	-
Depreciation charge	(45,274)	(50,463)	(205,415)	(122,136)	(217,182)	(6,842)	-	(647,312)
Closing net book amount	36,908	86,549	504,342	130,297	341,561	1	210,807	1,310,465
At 31 December 2023								
Cost	163,957	308,322	1,471,123	872,642	1,449,117	68,914	210,807	4,544,882
Less Accumulated depreciation	(127,049)	(221,773)	(966,781)	(742,345)	(1,107,556)	(68,913)	-	(3,234,417)
Net book amount	36,908	86,549	504,342	130,297	341,561	1	210,807	1,310,465

The depreciation charge has been recognised in the profit and loss as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cost of sales and services	663,612	743,914	498,087	683,438
Selling expenses	6,104	8,139	6,104	8,139
Administrative expenses	143,121	112,544	143,121	112,543
	812,837	864,597	647,312	804,120

17 Right-of-use assets, net

	Consolidated financial statements			
	Vehicles Thousand Baht	Buildings Thousand Baht	Operating equipment Thousand Baht	Total Thousand Baht
Balance as at 1 January 2022	3,140,139	1,745,936	11,055	4,897,130
Additions	463,139	365,134	26,520	854,793
Transfer to equipment	(894,536)	-	-	(894,536)
Lease cancellation, net	(7,482)	(271,611)	(831)	(279,924)
Lease modifications and reassessments	(172,729)	29,684	-	(143,045)
Depreciation	(779,722)	(735,890)	(15,369)	(1,530,981)
Balance as at 31 December 2022	1,748,809	1,133,253	21,375	2,903,437
Balance as at 1 January 2023	1,748,809	1,133,253	21,375	2,903,437
Additions	92,644	495,184	14,576	602,404
Transfer to equipment	(86,376)	-	-	(86,376)
Lease cancellation, net	(19,974)	(287,454)	(1,902)	(309,330)
Lease modifications and reassessments	266,592	168,820	-	435,412
Depreciation	(536,130)	(540,254)	(19,882)	(1,096,266)
Balance as at 31 December 2023	1,465,565	969,549	14,167	2,449,281

	Separate financial statements			
	Vehicles Thousand Baht	Buildings Thousand Baht	Operating equipment Thousand Baht	Total Thousand Baht
Balance as at 1 January 2022	7,561	1,745,936	11,055	1,764,552
Additions	2,961	365,134	26,520	394,615
Lease cancellation, net	-	(271,611)	(831)	(272,442)
Transfer lease contracts to subsidiary	-	29,684	-	29,684
Depreciation	(3,530)	(735,890)	(15,369)	(754,789)
Balance as at 31 December 2022	6,992	1,133,253	21,375	1,161,620

	Separate financial statements			
	Vehicles Thousand Baht	Buildings Thousand Baht	Operating equipment Thousand Baht	Total Thousand Baht
Balance as at 1 January 2023	6,992	1,133,253	21,375	1,161,620
Additions	-	495,184	14,576	509,760
Lease cancellation, net	-	(287,454)	(1,902)	(289,356)
Lease modifications and reassessments	569	168,820	-	169,389
Depreciation	(3,815)	(540,254)	(19,882)	(563,951)
Balance as at 31 December 2023	3,746	969,549	14,167	987,462

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Expense relating to short-term leases	531,511	586,943	494,932	558,886
Expense relating to leases of low-value assets	46,083	87,613	46,080	87,609

Total cash outflow for leases in 2023 is Baht 1,840.21 million in the consolidated financial statements and Baht 1,114.24 million in the separate financial statements (2022: 3,072.51 million in the consolidated financial statements and Baht 1,428.38 million in the separate financial statements).

18 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
At 1 January 2022			
Cost	399,628	5,197	404,825
Less Accumulated amortisation	(210,712)	-	(210,712)
Net book amount	188,916	5,197	194,113
For the year ended 31 December 2022			
Opening net book amount	188,916	5,197	194,113
Additions	21,951	63,526	85,477
Disposals - net	(6)	-	(6)
Transferred in (out)	34,265	(34,265)	-
Amortisation charge	(67,234)	-	(67,234)
Closing net book amount	177,892	34,458	212,350
At 31 December 2022			
Cost	455,709	34,458	490,167
Less Accumulated amortisation	(277,817)	-	(277,817)
Net book amount	177,892	34,458	212,350

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
For the year ended 31 December 2023			
Opening net book amount	177,892	34,458	212,350
Additions	2,869	32,967	35,836
Disposals - net	(397)	(1,287)	(1,684)
Transferred in (out)	66,138	(66,138)	-
Amortisation charge	(70,027)	-	(70,027)
Closing net book amount	176,475	-	176,475
At 31 December 2023			
Cost	521,533	-	521,533
Less Accumulated amortisation	(345,058)	-	(345,058)
Net book amount	176,475	-	176,475

	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
At 1 January 2022			
Cost	399,585	5,197	404,782
Less Accumulated amortisation	(210,699)	-	(210,699)
Net book amount	188,886	5,197	194,083
For the year ended 31 December 2022			
Opening net book amount	188,886	5,197	194,083
Additions	21,951	63,526	85,477
Disposal - net	(402)	-	(402)
Transferred in (out)	34,265	(34,265)	-
Amortisation charge	(67,225)	-	(67,225)
Closing net book amount	177,475	34,458	211,933
At 31 December 2022			
Cost	455,271	34,458	489,729
Less Accumulated amortisation	(277,796)	-	(277,796)
Net book amount	177,475	34,458	211,933
For the year ended 31 December 2023			
Opening net book amount	177,475	34,458	211,933
Additions	2,869	32,967	35,836
Disposal - net	(500)	(1,287)	(1,787)
Transferred in (out)	66,138	(66,138)	-
Amortisation charge	(69,922)	-	(69,922)
Closing net book amount	176,060	-	176,060
At 31 December 2023			
Cost	520,993	-	520,993
Less Accumulated amortisation	(344,933)	-	(344,933)
Net book amount	176,060	-	176,060

Amortisation recognised in profit and loss is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cost of sales and providing services	31,396	40,961	31,291	40,953
Selling expenses	1,057	745	1,057	745
Administrative expenses	37,574	25,528	37,574	25,527
	70,027	67,234	69,922	67,225

19 Deferred income taxes

The analysis of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Deferred tax assets:	1,575,922	879,460	1,547,917	863,658
Deferred tax liabilities:	-	-	-	-
Deferred tax asset - net	1,575,922	879,460	1,547,917	863,658

The movements in deferred tax assets during the year is as follows:

	Consolidated financial statements							
	Provision for decommissioning Thousand Baht	Employee benefit obligations Thousand Baht	Depreciation charge Thousand Baht	Loyalty programme Thousand Baht	Change in fair value of financial assets Thousand Baht	Tax losses Thousand Baht	Others Thousand Baht	Total Thousand Baht
Deferred tax assets								
At 1 January 2022	1,460	24,608	19,373	3,443	1,940	45,207	-	96,031
Decrease in profit or loss (note 28)	3,377	6,737	9,425	3,814	-	733,413	32,928	789,694
Increase in other comprehensive income	-	(6,118)	-	-	(147)	-	-	(6,265)
At 31 December 2022	4,837	25,227	28,798	7,257	1,793	778,620	32,928	879,460
At 1 January 2023	4,837	25,227	28,798	7,257	1,793	778,620	32,928	879,460
(Increase) decrease in profit or loss (note 28)	(3,055)	7,889	(796)	(7,128)	-	730,836	(22,770)	704,976
Increase in other comprehensive income	-	(6,721)	-	-	(1,793)	-	-	(8,514)
At 31 December 2023	1,782	26,395	28,002	129	-	1,509,456	10,158	1,575,922

	Separate financial statements							
	Provision for decommissioning Thousand Baht	Employee benefit obligations Thousand Baht	Depreciation charge Thousand Baht	Loyalty programme Thousand Baht	Change in fair value of financial assets Thousand Baht	Tax losses Thousand Baht	Others Thousand Baht	Total Thousand Baht
Deferred tax assets								
At 1 January 2022	1,460	19,746	22,749	3,443	1,940	43,959	-	93,297
Decrease in profit or loss	3,377	5,093	6,049	3,814	-	724,265	32,928	775,526
Increase in other comprehensive income	-	(5,018)	-	-	(147)	-	-	(5,165)
At 31 December 2022	4,837	19,821	28,798	7,257	1,793	768,224	32,928	863,658
At 1 January 2023	4,837	19,821	28,798	7,257	1,793	768,224	32,928	863,658
(Increase) decrease in profit or loss	(3,055)	6,261	(796)	(7,128)	-	718,234	(22,770)	690,746
Increase in other comprehensive income	-	(4,694)	-	-	(1,793)	-	-	(6,487)
At 31 December 2023	1,782	21,388	28,002	129	-	1,486,458	10,158	1,547,917

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 239.13 million (2022: nil) from tax losses of Baht 1,195.66 million (2022: nil), to carry forward against future taxable income; these tax losses of Baht 43.96 million for the Company and tax losses of Baht 45.21 million for the Group will expire in 2026. Tax losses of Baht 724.27 million for the Company and tax losses of Baht 733.41 million for the Group will expire in 2027.

20 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Deposits	215,360	269,617	215,149	269,406
Creditable withholding tax	232,598	299,063	208,159	282,449
Total	447,958	568,680	423,308	551,855

	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance	299,063	282,449
Addition	97,017	89,192
Refundable withholding tax	(161,510)	(161,510)
Write-off withholding tax	(1,972)	(1,972)
Closing balance	232,598	208,159

21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Current				
Short-term borrowings from financial institution	300,000	-	300,000	-
Short-term borrowings from a related party	1,300,000	-	1,300,000	-
Current portion of long-term borrowings from financial institution	11,160	9,300	-	-
Current portion of lease liabilities	1,441,097	1,812,187	453,033	644,280
Total current borrowings	3,052,257	1,821,487	2,053,033	644,280
Non-current				
Long-term borrowings from financial institution	29,540	29,000	-	-
Lease liabilities	775,274	945,523	526,354	516,748
Total non-current liabilities	804,814	974,523	526,354	516,748
Total borrowings	3,857,071	2,796,010	2,579,387	1,161,028

The movements of promissory notes from financial institutions during the year are as follows:

	Consolidated and separate financial statements Thousand Baht
Opening book value, net	-
Additions	300,000
Closing book value, net	300,000

The promissory notes are repayable within six-month. The promissory notes bear fixed interest rates at 4.02% and 4.20% per annum. The carrying amounts of promissory notes approximate their fair value as the effect of discounted cash flows is insignificant.

The movements of long-term borrowings can be analysed are as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
At 1 January	38,300	-
Additions	11,700	38,300
Repayments	(9,300)	-
At 31 December	40,700	38,300

As at 31 December 2023, the fair values of long-term borrowings from financial institution are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.35% and are within the level 2 of the fair value hierarchy. Fair value is equivalent to the carrying value of long-term borrowings.

The movement in lease liabilities is analysed as follows.

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Balance as at 1 January	2,757,710	4,758,077	1,161,028	1,781,537
Additions	613,143	842,577	520,500	382,399
Lease liabilities payments	(1,262,611)	(2,416,140)	(573,226)	(752,357)
Lease modifications and reassessments	410,353	(141,568)	169,389	31,160
Lease cancellation	(302,224)	(285,236)	(298,304)	(281,711)
Balance as at 31 December	2,216,371	2,757,710	979,387	1,161,028

Maturity details of lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Minimum lease liabilities payments				
Not later than 1 year	1,462,169	1,829,639	459,951	651,043
Later than 1 year but not later than 5 years	828,242	990,610	562,987	536,170
Later than 5 years	6,140	6,949	6,140	6,949
	2,296,551	2,827,198	1,029,078	1,194,162
Less Future finance charges on leases	(80,180)	(69,488)	(49,691)	(33,134)
Present value of lease liabilities	2,216,371	2,757,710	979,387	1,161,028
Present value of lease liabilities				
Not later than 1 year	1,441,097	1,812,187	453,033	644,280
Later than 1 year but not later than 5 years	770,898	940,674	521,978	511,899
Later than 5 years	4,376	4,849	4,376	4,849
	2,216,371	2,757,710	979,387	1,161,028

22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Trade payable - third parties	546,918	1,062,032	494,964	921,861
- related parties (note 29.3)	820	-	496,862	297,053
Other payables - third parties	206,551	225,165	162,929	220,085
- related parties (note 29.3)	3,433	5,147	3,433	5,231
Accrued staff costs - third parties	224,532	280,835	182,535	231,493
- related parties (note 29.3)	-	9,459	-	9,459
Accrued agent service fees	79,239	32,640	79,239	32,640
Accrued transportation expense				
- third parties	128,263	66,960	126,258	65,252
- related parties (note 29.3)	52,152	17,921	52,152	17,921
Accrued rental expense - third parties	82,941	21,346	19,441	14,241
- related parties (note 29.3)	12,303	4,363	12,303	4,363
Other accruals - third parties	231,851	176,528	173,895	157,110
- related parties (note 29.3)	136,507	24,977	136,507	24,977
Refundable deposits - third parties	12,239	14,175	12,239	12,350
Total	1,717,749	1,941,548	1,952,757	2,014,036

23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Statement of financial position:				
Retirement benefits	131,656	125,818	106,941	99,103
Liability in the statement of financial position	131,656	125,818	106,941	99,103

Retirement benefits plan

The movement in the defined benefit obligation for the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
At 1 January	125,818	122,723	99,103	98,729
Current service cost	36,598	31,551	29,076	23,652
Interest expense	3,990	3,048	3,142	2,453
	166,406	157,322	131,321	124,834
Remeasurements:				
Gain from change in financial assumptions	1,570	(10,935)	1,323	(8,928)
Experience gain (loss)	(35,176)	(19,653)	(24,794)	(16,164)
	(33,606)	(30,588)	(23,471)	(25,092)
Benefit payment	(1,144)	(916)	(909)	(639)
At 31 December	131,656	125,818	106,941	99,103

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Percentage	2022 Percentage	2023 Percentage	2022 Percentage
Discount rate	3.10%	3.20%	3.10%	3.20%
Salary growth rate	3.75%	3.75%	3.75%	3.75%
Turnover rate	23.22%	23.22%	23.22%	23.22%

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
			Impact on retirement benefits			
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022	2023	2022
Discount rate	0.50%	0.50%	Decrease by 5.45%	Decrease by 5.87%	Increase by 6.58%	Increase by 6.36%
Salary growth rate	0.50%	0.50%	Increase by 6.40%	Increase by 6.19%	Decrease by 5.31%	Decrease by 5.75%
Turnover rate	1.00%	1.00%	Decrease by 12.09%	Decrease by 12.64%	Increase by 14.87%	Increase by 14.84%

	Separate financial statements					
			Impact on retirement benefits			
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022	2023	2022
Discount rate	0.50%	0.50%	Decrease by 5.53%	Decrease by 6.07%	Increase by 6.95%	Increase by 6.58%
Salary growth rate	0.50%	0.50%	Increase by 6.70%	Increase by 6.35%	Decrease by 5.34%	Decrease by 5.90%
Turnover rate	1.00%	1.00%	Decrease by 12.41%	Decrease by 13.05%	Increase by 15.56%	Increase by 15.36%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The weighted average duration of the defined benefit obligation is 11.93 years (2022: 12.23 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Less than 1 year	1,321	1,125	538	906
Between 1 - 5 years	13,672	10,512	10,053	7,123
Over 5 years	179,855	178,986	149,792	144,080
Total	194,848	190,623	160,383	152,109

24 Legal reserve

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

25 Sales and services income

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Parcel delivery services	11,340,302	16,763,315	11,309,025	16,751,999
Sales income	115,591	231,610	115,391	231,545
Advertising income	14,444	8,121	14,444	8,121
Total	11,470,337	17,003,046	11,438,860	16,991,665

Sales and parcel delivery service income (exclude advertising income) are categorised by types of customers as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Business to Business (B2B)	332,438	297,862	318,358	295,343
Business to Customer (B2C)	6,016,625	8,456,052	6,000,197	8,447,854
Customer to Customer (C2C)	5,106,830	8,241,011	5,105,861	8,240,347
Total	11,455,893	16,994,925	11,424,416	16,983,544

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Timing of revenue recognition				
Overtime	10,298,292	15,212,085	10,267,014	15,200,769
Point in time	1,172,045	1,790,961	1,171,846	1,790,896
Total	11,470,337	17,003,046	11,438,860	16,991,665

26 Other income

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Commission income	48	67	48	67
Management services income	12,618	30,715	24,058	43,165
IT services income	-	14,618	-	14,618
Interest income calculated using the effective interest method				
- Financial assets measured at amortised cost	3,874	4,397	23,376	15,354
- Debt investments measured at FVOCI	2,558	48,196	2,558	48,196
Gain from financial assets measured at fair value through profit or loss	889	6,523	889	6,523
Others	51,152	37,482	44,631	43,301
Total	71,139	141,998	95,560	171,224

27 Expenses by nature

The following expenditure items, classified by nature, have been charged to profit or loss:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Staff expense	5,241,126	7,693,312	4,274,577	6,297,304
Subcontract cost	3,682,861	4,337,722	6,387,965	8,112,323
Fuel cost	1,780,488	2,450,148	1,075,742	1,292,495
Lease payment - short-term leases	531,511	586,943	494,932	558,886
Lease payment - low-value leases	46,083	87,613	46,080	87,609
Cost of inventories and consumable supplies	300,341	459,617	298,788	457,050
Depreciation and amortisation	1,979,130	2,462,812	1,281,185	1,626,134
IT service fee	10,538	13,297	10,538	13,297
Agent service fee	931,870	1,281,052	931,870	1,281,052
Repair and maintenance expense	156,366	83,382	65,151	65,581
Mobile phone expense	69,713	83,741	69,713	83,741
Advertising expense	91,356	69,815	91,356	68,835

The above staff expenses including expenses for the year ended 31 December 2022 related to future business plan adjustments of Baht 165 million which included in administrative expenses in profit or loss.

28 Income tax

Income tax for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Current tax:				
Current tax on profits for the year	18,053	29,936	-	-
Adjustments in respect of prior year	1,972	-	1,972	-
Deferred income tax:				
Increase in deferred tax assets (note 19)	(704,976)	(789,694)	(690,746)	(775,526)
Income tax	(684,951)	(759,758)	(688,774)	(775,526)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Profit (loss) before income tax	(4,585,796)	(3,609,743)	(4,692,244)	(3,859,489)
Tax calculated at a tax rate of 20%	(917,159)	(721,949)	(938,449)	(771,898)
Tax effect of:				
Expenses not deductible for tax purpose	21,958	12,533	21,229	10,961
Additional deductible expense and double deductible expense	(30,853)	(50,342)	(12,657)	(14,589)
Recognition of previously unrecognized deferred expense	239,131	-	239,131	-
Adjustment in respect of prior year	1,972	-	1,972	-
Tax charge	(684,951)	(759,758)	(688,774)	(775,526)

The weighted average applicable tax rate was 14.94% in the consolidated financial statements and 14.68% in the separate financial statements (2022: 21.05% in the consolidated financial statements and 20.09% in the separate financial statements). The weighted average income tax rate is different from the statutory income tax rate. This is mainly due to tax losses that have not yet been realised in deferred tax assets.

The tax relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2023			2022		
	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	33,606	(6,721)	26,885	30,588	(6,118)	24,470
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	8,965	(1,793)	7,172	(817)	147	(670)
Other comprehensive income	42,571	(8,514)	34,057	29,771	(5,971)	23,800

	Separate financial statements					
	2023			2022		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	23,471	(4,694)	18,777	25,092	(5,018)	20,074
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	8,965	(1,793)	7,172	(817)	147	(670)
Other comprehensive income	32,436	(6,487)	25,949	24,275	(4,871)	19,404

29 Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities controlled or jointly controlled by these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Group's parent is KLN Logistics (Thailand) Limited which is controlled by Kerry Logistics Network Limited owns 52.06% (2022: 52.06%) of the Company's shares. The Group's ultimate controlling party is Shenzhen Mingde Holding Development Co., Ltd., incorporated in People's Republic of China (note 1).

Relationship between the Company and related parties, which has transactions are as follows:

Company	Nature of relationship
Shenzhen Mingde Holding Development Co., Ltd.	Ultimate parent company (since 28 September 2021 onwards)
S.F. Express Co., Ltd.	Intermediate Parent company
Kerry Logistics Network Limited	Ultimate parent company (to 27 September 2021)
KLN Logistics (Thailand) Limited	Parent company
KLN (Thailand) Limited	Entity under common control
Kerry Logistics (Hongkong) Limited	Entity under common control
Kerry Logistics (Thailand) Limited	Entity under common control
Kerry Logistics (Bangna) Limited	Entity under common control
Kerry Express (Hong Kong) Limited	Entity under common control
Kerry Express (Cambodia) Limited	Entity under common control
Kerry-Apex (Thailand) Co., Ltd.	Entity under common control
Kerry Siam Seaport Limited	Entity under common control
KART (THAILAND) Limited	Entity under common control
KMMT Company Limited	Entity under common control
Times E-Commerce Limited	Entity under common control
Shangri-la Hotel Public Company Limited	Entity under common control
Kuok Registrations Ltd.	Entity under common control
VGI Public Company Limited	Shareholder
Rabbit - Line Pay Company Limited	Joint venture of shareholder
Rabbit Rewards Company Limited	Joint venture of shareholder
888 Media Co., Ltd.	Subsidiary of shareholder
Kerry Express Service Limited	Subsidiary (since 3 July 2020)
Rabbit Care Broker Company Limited	Joint venture of shareholder
KLN (Thailand) Co., Ltd	Entity under common control
Kerry Express Betagro Company Limited	Subsidiary (since 27 July 2021)
Kerry Express - Central Company Limited	Subsidiary (since 27 July 2021)
Betagro Agro Industry Company Limited	Non-controlling interest of subsidiary
KETH Corporate Services Limited	Subsidiary
BSS Holding Company Limited	Subsidiary of shareholder
KEC (Bangkok) Limited	Entity under common control
Rabbit Cash Company Limited	Subsidiary of shareholder
ABX Express Sdn. Bhd.	Entity under common control
PT. Kerry Nex Express	Entity under common control
Bangkok Smartcard System Co., Ltd.	Subsidiary of shareholder
Kerry Ecommerce Limited	Entity under common control
Hivebox (Thailand) Company Limited	Associate

Pricing policy regarding business transactions with related entities comprises the following:

Related transaction	Pricing policies
Sales and services income	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Management service income	Mutually-agreed price by referring to actual cost incurred plus margin
Commission income	Mutually-agreed price by referring to market price
Interest income	Fixed rate at 2.50% per annum
Interest expense	Mutually-agreed price by referring to market price specified in the contract
Rental income	Mutually-agreed price by referring to actual cost incurred plus margin
Cost of services and purchase of equipment and advertising	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Transaction fee	Fixed percentage by referring to market price
Cost of rental and services	Mutually-agreed price by referring to market price
Management fee and IT service fee	Mutually-agreed price by referring to actual cost incurred

Transactions with related parties are as follows:

29.1 Sales of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Revenues				
Sales of services to:				
Shareholder	414	3,289	414	3,289
Subsidiary	-	-	1,008	284
Non-controlling interest	5,514	2,351	2	116
Related parties	254,701	227,135	254,701	227,135
	260,629	232,775	256,125	230,824
Other income				
Interest income from:				
Subsidiary	-	-	19,553	10,980
Management service income from:				
Subsidiary	-	-	11,400	12,450
Commission income from:				
Joint venture of shareholder	234	504	234	504
IT service income from:				
Related parties	-	14,618	-	14,618
Sales of equipment:				
Subsidiary	-	-	721	5,450
Related parties	125	-	125	-
	125	-	846	5,450
Sales of supplies:				
Subsidiary	-	-	402	674
Rental income from:				
Subsidiary	-	-	2,023	991
Related parties	2,888	5,776	2,888	5,776
	2,888	5,776	4,911	6,767
Others from:				
Shareholder	-	-	97	-
Related parties	11,578	22,073	11,578	22,073
	11,578	22,073	11,675	22,073

29.2 Purchases of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Purchases of service from:				
Shareholder	1,330	720	1,330	720
Subsidiary	-	-	2,712,592	3,776,598
Related parties	128,355	26,335	128,355	26,335
	129,685	27,055	2,842,277	3,803,653
Transaction fee:				
Joint venture of shareholder	14,865	12,442	14,865	12,442
Rental and service expense:				
Shareholder	-	1,579	-	1,579
Related parties	78,393	60,213	78,393	60,213
	78,393	61,792	78,393	61,792
Payment on lease liabilities:				
Shareholder	-	2,816	-	2,816
Related parties	118,017	118,419	118,017	118,419
	118,017	121,235	118,017	121,235
Interest expense on lease liabilities:				
Shareholder	-	121	-	121
Related parties	6,527	4,582	6,527	4,582
	6,527	4,703	6,527	4,703
Interest expenses on loan from:				
Related parties	1,121	-	1,121	-
IT service fee:				
Related parties	10,538	12,371	10,538	12,371

29.3 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the period in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Trade receivables from:				
Shareholder	-	472	-	472
Non-controlling interest	342	-	-	-
Subsidiary	-	-	526	82
Related parties	132,770	119,486	132,770	119,486
	133,112	119,958	133,296	120,040
Other receivables from:				
Subsidiary	-	-	1,871	7,107
Related parties	17,718	6,752	17,718	6,752
	17,718	6,752	19,589	13,859
Contract assets:				
Subsidiary	-	-	2,137	1,020
Non-controlling interest	132	1,329	-	-
Related parties	122,872	135,884	122,875	135,884
	123,004	137,213	125,012	136,904
Accrued interest income from:				
Subsidiary	-	-	30,533	10,980
Deposit and advance to:				
Shareholder	-	1,219	-	1,219
Subsidiary	-	-	14	3
Related parties	53,311	54,428	53,311	54,428
	53,311	55,647	53,325	55,650
Trade payables to:				
Subsidiary	-	-	496,042	297,053
Related parties	820	-	820	-
	820	-	496,862	297,053
Other payables to:				
Subsidiary	-	-	-	84
Related parties	3,433	5,147	3,433	5,147
	3,433	5,147	3,433	5,231
Cash on delivery payable to:				
Related parties	14,006	8,229	14,006	8,229
Accruals to:				
Shareholder	-	175	-	175
Related parties	200,962	56,545	200,962	56,545
	200,962	56,720	200,962	56,720
Lease liabilities:				
Shareholder	-	4,129	-	4,129
Related parties	306,555	238,756	306,555	238,756
	306,555	242,885	306,555	242,885
Refundable deposits from:				
Related parties	-	11,000	-	11,000

29.4 Loans to related party

	Separate financial information	
	2023 Thousand Baht	2022 Thousand Baht
Current		
Loans to related party	-	782,100
Non-current		
Loans to related party	782,100	-
Total	782,100	782,100

The movements of loans to related party during the year are as follows:

	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Opening book value, net	782,100	-
Addition during the year	-	782,100
Closing book value, net	782,100	782,100

The loans to related party are unsecured loans that are loans to subsidiary, denominated in Thai Baht. The loan bear interest rate at 2.50% per annum. These loans are due at call. As at 31 December 2023, the management considered the repayment plan of the subsidiary, and concluded to classify these loans to non-current portion, to be aligned with the financial management plan of the Group.

Such loans have fair value nearly to the book value since the effect of the discount rate is insignificant. The fair value of the loans to related party are calculated from future cash flows that are discounted at market interest rates of 2.50%. These are within the level 2 of the fair value hierarchy.

29.5 Short-term borrowings from related party

The movements of short-term borrowings from related party during the year are as follows:

	Consolidated and separate financial information Thousand Baht
Opening book value as at 1 January 2023	-
Additions	1,300,000
Closing book value as at 31 December 2023	1,300,000

On 31 July 2023, the Company entered into the borrowing agreement with KLN Logistics (Thailand) Limited, related company, to borrow for the purpose of working capital and support investment for the improvement of operation's efficiency of the Company. The borrowing has a total credit facility amounting to Baht 1,500 million with a tenor of six-month, and bears interest rate at 3.30%. The interest and the principal repayment are due in 6 months from each drawdown date.

Subsequently, on 6 November 2023, the Company and KLN Logistics (Thailand) Limited were entered into the amendment contract by changing a tenor of six-month to twelve-month and changing the interest rate at 3.30% to 1.65%.

29.6 Key management compensation

Key management includes directors (executive and non-executive), and members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Salaries and other short-term employee benefits	42,042	59,862	42,042	59,862
Post-employment benefits	1,881	1,489	1,881	1,489
Share-based payments	-	2,507	-	2,507
Total	43,923	63,858	43,923	63,858

30 Commitments and contingent liabilities

30.1 Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Purchases of equipment	56,696	101,424	56,696	93,732
Purchases of intangible assets	191	13,286	191	13,286
	56,887	114,710	56,887	107,018

30.2 Leases - where the Company is the lessee

Commitments for minimum lease and service payments in relation to non-cancellable low-value assets and the short-term leases and service agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Within 1 year	239,531	305,572	238,224	305,481
Later than 1 year but not later than 5 years	41,293	38,779	41,293	38,779
Total	280,824	344,351	279,517	344,260

30.3 Letters of bank guarantee

As at 31 December 2023, the Group has letters of guarantee issued by a financial institution for the purpose of ordinary course of business amounting to Baht 103.58 million (31 December 2022: Baht 209.76 million).

30.4 Guarantee

As at 31 December 2023, the Company guaranteed to Kerry Express Service Limited (subsidiary) under the lease contracts of trucks and pick-up trucks which are leased by a subsidiary. The guarantees are full amount of lease payments amounting to Baht 1,240.50 million (31 December 2022: Baht 1,811.62 million).

31 The potential change of major shareholders and tender offer for securities of the Company

On 29 December 2023, Kerry Logistics Network Limited ("KLN"), the Company's indirect major shareholder indirectly holding 49.0% of shares and the majority voting rights in KLN Logistics (Thailand) Limited ("KLNTH"), has made a public announcement on The Stock Exchange of Hong Kong Limited in relation to its conditional declaration of a special interim dividend to be effected by way of a distribution in specie of 907,200,000 Company's shares (representing approximately 52.1% of all issued Company's shares) indirectly held by KLN (through KLNTH) to its entitled shareholders in proportion to their then respective shareholdings in KLN on a record date to be announced by KLN, based on the distribution ratio of 0.5019 of a share of the Company for every one KLN share held ("DIS Transaction"). Currently, KLNTH owns approximately 52.1% of the total voting shares of the Company and is a major shareholder of the Company.

The DIS Transaction is subject to satisfaction of the condition of KLN obtaining a waiver from the Securities and Exchange Commission, Thailand ("SEC") in respect of its tender offer obligations arising out of the DIS Transaction under the law.

Resulting of DIS transaction, SF International Holding (Thailand) Co., Ltd. ("SFTH"), which currently holds 1,000 Company's shares, and will come to hold another 467,373,855 Company's shares (through acquiring such shares from Flourish Harmony Holdings Company Limited ("FHHL"), one of the KLN shareholders, on the same day as the completion of the DIS Transaction). As a result, SFTH will hold approximately 26.8% of all issued shares of the Company, this will also be required to make a mandatory tender offer to acquire all issued shares of the Company. As per KLN's Public Announcement, SFTH, FHHL and SF Holding (HK) Limited (subsidiaries of S.F. Holding Co., Ltd. which is a listed company on the Shenzhen Stock Exchange) have undertaken that if the DIS Transaction becomes unconditional, SFTH will submit the tender documents to the SEC within three business days from the date on which the condition is satisfied, and will launch the tender offer at the offer price of Baht 5.50 per share no later than three business days after submission date as required under the law. It was also stated that SFTH has no current intention to make any material change to the business objectives, core business operation or assets, business management plan, investment plan, management, financial structure or dividend policy of the Company during the period of 12 months after its tender offer closes, nor does it intend to (unless required by legal and/or regulatory requirements) delist the Company's shares from the Stock Exchange of Thailand during the period. SFTH may however during the said period consider making necessary changes, as it deems appropriate, depending on the results of the tender offer (and therefore, the level of control held by SFTH in the Company after the close of the tender offer) while also factoring in the prevailing market environment as well as development plans and business operations of the Company.

Upon completion of the DIS Transaction, KLN would no longer hold any of the Company's shares and the Company would cease to be an indirect subsidiary of KLN. The potential change in shareholding structure of the Company was also outlined in the KLN's Public Announcement could be summarised as follows:

	Prior to the DIS Transaction (as at date of KLN's Public Announcement)		**After the DIS Transaction (regardless of the tender offer results)**	
Shareholders of the Company	**No. of shares**	**Percentage of shares with voting rights of the Company**	**No. of shares**	**Percentage of shares with voting rights of the Company**
KLNTH	907,200,000	52.1	-	-
SFTH	1,000	0.0	467,374,855	26.8
Minority KLN shareholders	-	-	439,826,145	25.3
Other shareholders (On the Stock Exchange of Thailand)	835,376,000	47.9	835,376,000	47.9
Total	1,742,577,000	100.0	1,742,577,000	100

32 Subsequent events

On 5 February 2024, the Company has been notified by KLN that KLN obtained a waiver from the SEC in respect of its tender offer obligations arising out of the DIS Transaction, subject to the conditions that (i) KLN must procure the SF International Holding (Thailand) Co., Ltd. ("SFTH") to perform a tender offer for all securities of the Company until completion, on conditions and price not less favourable than those that would have been extended by KLN had it proceeded with the tender offers, to provide the opportunity for the Company's shareholders to decide on the matter regarding their holding of the Company's securities and (ii) KLN must procure the Company to publish an announcement informing investors of (i). With the publication of this announcement, all the conditions to the waiver from the SEC have been satisfied. Accordingly, the DIS Condition has been satisfied and the DIS Transaction has become unconditional. Upon such completion of the DIS Transaction, KLN and its subsidiaries will cease to control in any way or cease to hold, directly or indirectly, 50% or more of the voting rights in the Company.

Moreover, FHHL and SFTH have entered into the share purchase agreement which both parties agree that FHHL will sell 467,373,855 the Company's shares, representing 26.82% of total voting rights of the Company, which it will receive from the DIS Transaction to SFTH on the same day of the completion of the DIS Transaction. Consequently, as previously disclosed, SFTH, which will be required to make a mandatory tender offer to acquire all issued shares of the Company.

The Company announced on 7 February 2024 that SFTH purchased securities of the Company on 5 February 2024, resulting in SFTH holding 26.82% of the total voting rights of the Company.

AUDITORS INFORMATION AND FEE

AUDITORS INFORMATION

- **Ms. Nopanuch Apichatsatien**
  C.P.A. No. 5266
- **Mr. Paiboon Tunkoon**
  C.P.A. No. 4298
- **Ms. Sanicha Akarakittilap**
  C.P.A. No. 8470

Firm : PricewaterhouseCoopers ABAS Limited
15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand
Tel + 66 (0) 2344 1000, +66 (0) 2286 9999

Audit fee and Non-audit fee

KEX	FY2023 (THB)
Audit the financial statements	2,230,000
Review the quarterly financial information	1,170,000
Total	3,400,000
Non-audit fee	None
Grand total	**3,400,000**

Subsidiaries	FY2023 (THB)
Kerry Express Service	700,000
Kerry Express Betagro	475,000
Kerry Express - Central	50,000

Note : non of above companies have non-audit fee

COMPANY INFORMATION AND OTHER INFORMATION

Company Information

Name	Kerry Express (Thailand) Public Company Limited
Headquarters	Room 906, 9th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Registration Number	0107563000037
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752
Website	https://th.kerryexpress.com
Call Centre	1217
Investor Relations	Ms. Tatcha Tanprasertrit Website: https://investor.th.kerryexpress.com E-mail: ir@kerryexpress.com
Company Secretary	Company.Secretary@kerryexpress.com

Subsidiaries

Kerry Express Service Limited

Nature of Business	Providing transportation services
Registered Capital	THB 1,000,000 (10,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	48.97 per cent
Headquarters	Room 906, 9th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

Kerry Express – Central Company Limited

Nature of Business	Operating a bulky delivery platform
Registered Capital	THB 1,000,000 (10,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	99.97 per cent
Headquarters	Room 906, 9th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

Kerry Express Betagro Company Limited

Nature of Business	Operating a forefront cold delivery platform
Registered Capital	THB 80,000,000 (800,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	60 per cent
Headquarters	Room 906, 9th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

KETH Corporate Services Limited

Nature of Business	Providing administrative and corporate support services
Registered Capital	HKD 10,000 (10,000 shares)
Par Value	HKD 1 per share
Proportion of Shares Held by the Company	100 per cent
Headquarters	16/F., Kerry Cargo Centre, 55 Wing Kei Road, Kwai Chung, New Territories, Hong Kong

Other Information

Registrar	Thailand Securities Depository Company Limited
Address	93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Telephone Number	+ 66 (0) 2009 9000
Facsimile Number	+ 66 (0) 2009 9991
Website	http://www.set.or.th/tsd
E-mail Address	setcontactcenter@set.or.th

GLOSSARY AND ACRONYMS

Company name	
Kerry Express or KEX or the Company	Kerry Express (Thailand) Public Company Limited
Subsidiaries	Kerry Express Service Limited, Kerry Express Betagro Company Limited, Kerry Express – Central Company Limited and KETH Corporate Services Limited
Group of companies	Kerry Express (Thailand) Public Company Limited and its subsidiaries
KESL	Kerry Express Service Limited
Kerry Cool	Kerry Express Betagro Company Limited
Kerry XL	Kerry Express – Central Company Limited
KETH	KETH Corporate Services Limited
VGI	VGI Public Company Limited, a major shareholder of KEX
BTSG	BTS Group Holdings Public Company Limited
KLNTH	KLN Logistics (Thailand) Limited, a major shareholder of KEX
KLN	Kerry Logistics Network Limited, a Hong Kong-listed company that holds 100 per cent stake in KLNTH
KRL	Kuok Registrations Limited
SF	S.F. Holding Company Limited
SFTH	S.F. Express Co.,Ltd., a wholly owned subsidiary of SF
Flourish	Flourish Harmony Holdings Company Limited
BTG	Betagro Public Company Limited
Services	
2D	Delivery within 2 days
3D	Delivery within 3 days
AM	Delivery-before-Noon
B2C	Business-to-Consumer
B2B	Business-to-Business
C2C	Consumer-to-Consumer
COD	Cash on Delivery
CON	Consignment
Cold delivery	Cold Delivery Platform
CPC	Cost per Consignment
D2D	Door-to-Door service
ESG	Environment, Social, and Corporate Governance
First Mile	Parcel receiving process between sender to sorting centres
Hibox	KEX smart locker service in partnership with Hivebox from China
Kerry Express Club	The loyalty programme of Kerry Express
KBLC	Kerry Bangna Logistics Centre
KMLC	Kerry Minburi Logistics Centre
KNLC	Kerry Nonthaburi Logistics Centre

Services	
KPLC	Kerry Pathum Thani Logistics Centre
KSLC	Kerry Samut Sakhon Logistics Centre
Line – haul	Transportation between sorting centres and distribution centres
Last Mile	Parcel delivering process from distribution centres to the recipients
ND	Next-Day Delivery
NPS	Net Promoter Score, a customer experience satisfaction survey score
PDPA	Personal Data Protection Act B.E. 2562 (2019)
POS	Point of Sale
PUP	Pick up
Same – Day Delivery	SameDay Parcel Delivery Service
SD / BSD	Bangkok Same Day
SCL	Self collection
Transit	Parcel sorting and transportation process between sorting centres and distribution centres
Committees	
BOARD	The Board of Directors
AC	The Audit Committee
NRC	The Nomination and Remuneration Committee
EXCOM	The Executive Committee
RMC	The Risk Management Committee
Position	
CEO	The Chief Executive Officer
D – CEO	The Deputy Chief Executive Officer
CFO	The Chief Financial Officer
COO	The Chief Operations Officer
CIO	The Chief Investment Officer
CA	The Chief Accountant
Others	
AGM	The Annual General Meeting of Shareholders
EGM	The Extraordinary General Meeting of Shareholders
ESOP	Employee Stock Option Program
IPO	Initial Public Offering
LEAN programme	A strategic programme to enhance cost efficiency within KEX's operation
O2O	Offline to Online
ESOP	Employee Stock Option Programme
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
TSD	Thailand Securities Depository Company Limited

KERRY
EXPRESS

SUSTAINABILITY REPORT 2023

SUSTAINABLE DEVELOPMENT

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SUSTAINABILITY AT KERRY EXPRESS

About this Sustainability Report

(GRI 2-2)

The 2023 sustainability report has been prepared in accordance with the GRI Standard: Core option, which presents KEX's commitment to conducting business with sustainability in mind. This includes engaging with key stakeholders, offering products and services that meet customer needs, preparing staff to be agile for business competition, and driving the green economy in Thailand by utilising our key strengths. The material issues and management approaches reflected in this report align with KEX's business practices and strategic focus for the next 3-5 years. Additionally, the report on business and human rights outlines KEX's adoption of the United Nations Global Compact's 10 Principles (UNGC) and highlights the progress made towards their implementation The scope of the 2023 sustainability report covers the operational performance of KEX and its subsidiaries, which include Kerry Express Service Company Limited and Kerry Express Betagro Company Limited. This reporting scope encompasses 100% of KEX's sales revenue. The period of reporting covered 1st January 2023 to 31st December 2023.

For more sustainability information

(GRI 2-3)

Company Secretary and sustainability Teams
Kerry Express (Thailand) Public Company Limited

Address: Room 906, 9th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok, 10500, Thailand

Contact via: Company.Secretary@kerryexpress.com

Sustainability Policy

KEX has identified key ESG topics that create significant value throughout our operations, the environment, and our stakeholder's expectations. We focus on the three primary pillars of Environmental, Social and Governance (ESG) aspects of sustainability and have identified the purpose and vision of KEX's directions in what we believe can create a positive impact on the future of sustainability in the industry. The vision provides a general overview of the ESG topics that will be emphasised later using the strategy framework. KEX truly believes that focusing on these ESG topics will help guide the Company to develop in a more sustainable manner.

STAKEHOLDER IN KEX BUSINESS VALUE CHAIN

License permission	Partnership engagement	First mile delivery and service	Sorting	Last-mile delivery
• **Government agencies** Capital market regulator Other regulators in relation to express delivery service • **Shareholders / Investor** • **Financial Institution**	• **Business partners, supplier and sub-contractors** who provide office equipment and operating equipment, energy partners, financial institutions, garbage disposal vendors, and IT equipment suppliers etc. • **Shareholders / Investor** • **Financial Institution**	• **Customers** • **Employees** • **Society & Communities** • **Shareholders / Investor** • **Financial Institution**	• **Employees** • **Society & Communities** • **Shareholders / Investor** • **Financial Institution**	• **Customers** • **Employees** • **Shareholders / Investor** • **Financial Institution**

Investors, shareholders and staff at all levels

Material Topics

1 Corporate Governance & Business Ethics

2 Risk & Crisis Management

3 Service Quality and Customer Relationship Management

4 Brand Management

5 Supply Chain Management

6 Innovation Management

7 Business Growth and Performance

8 Cyber security & Data Privacy

9 Energy & Climate Strategy

10 Circular Economy & Waste Management

11 Occupational Health & Safety

12 Community Engagement

13 Human Capital Development

14 Human Rights

15 Talent Attraction & Retention

16 Diversity and Inclusion

Stakeholder Engagement Approach

Stakeholders	Expectation and interests	Engagement channels	KEX Action
1 Customers	**Service Quality and Customer Relationship Management** • Good service quality with affordable price • On-time delivery service **Cybersecurity & Data Privacy** • Provide service with data privacy and security of customer information **Brand Management** • Provide good service quality with consistently	• Customer satisfaction survey • Customer engagement survey • Communication via Call Centre 1217 • Grievance mechanism such as company secretary or audit committee e-mail	• Revamp pricing scheme, while maintain a level of service quality • Promote Kerry Express's service level as corporate KPI • Setup the Audit Contre to sampling check customer's perception towards drivers and delivery quality • Set up control room to monitor operations • Debut Kerry Express Loyalty Club, the customers' loyalty program • Provide training on service quality to our driver and courier men and women • Communicate, disclose and advertise to customers with accuracy, transparency, accuracy and completeness • Invest in cybersecurity to protect customer's information

Stakeholders	Expectation and interests	Engagement channels	KEX Action
 2 Employees	**Human Capital Development** • Training and development • Attractive and competitive • Compensation and benefit • Two-way communication with senior management team **Human Rights** • Fair treatment; respect to human rights **Talent Attraction & Retention** • Reasonable wages and benefits. **Occupational Health & Safety** • Provide good environment and safety at workplace **Diversity and Inclusion** • Respect to individuality	• Employees engagement survey • CEO townhall • Human resources team • Welfare committee • Whistleblowing and grievance mechanism such as Kerry Nokweed and Kerry Police	• Debut Kerry University, a learning and development hub for KEX employees at all levels • Review and revise training and development policy • Set up compliance training on business code of conduct as one of the mandatory courses for all employees • Re-organise human resource team and set up dedicated headcount to look over employee's compensation and benefit • Promote CEO townhall as the main communication channels between the CEO and employees • Association program to provide more accessibility for internal staff and to attract young talents from outside with new set of development plan and compensation structure
 3 Shareholders / Investor	**Corporate Governance & Business Ethics** • Accurately and transparent disclosure • Good corporate governance **Risk & Crisis Management** • Operate business with appropriate risk **Business Growth and Performance** • Business growth and good performance • Sustainable business growth **Innovation Management** • Constantly invent new innovations to increase competitiveness.	• Form 56-1 One Report • Annual General Meeting of Shareholder (AGM) • Quarterly MD&A • Investor Relations Website • SET Company Snapshot • The Stock Exchange of Thailand activities such as Opportunity Day, Thailand Focus • Company activities such as Analyst Meeting, Company Roadshow • Management of risks to drive sustainable growth in the future	• Provide accurately and transparent disclosure of information • Operate business under appropriate risk management and good governance • Update investor relations website with accurately information in timely manner

Stakeholders	Expectation and interests	Engagement channels	KEX Action
4 Society & Communities	**Community Engagement** • Job opportunity • Corporate social responsibility **Energy & Climate Strategy** • Reduce fuel consumption • Reduce carbon emission **Circular Economy & Waste Management** • Proper waste management	• Community engagement survey • Safety, Health and Environmental management team • Government network and programmes • Whistleblowing and grievance mechanism such as company secretary or Audit Committee email • Optimisation new route • Use recycle material	• Promote equal job opportunity to join KEX • Roll out university engagement programme to engage with university's students on job offering and education for future career planning • Set up Safety, Health and Environmental management teams and regional team as dedicated business functions to engage with community surrounding distribution centres and sorting hubs • Continuously support charitable programmes of Thai government and private sector to uplift community's well-being and environmental management • Operating business with due care and fully complies with laws & regulations
5 Financial Institution	**Corporate Governance & Business Ethics** • Operate business with good corporate governance • Punctual payment • Sustainable business growth **Risk & Crisis Management** • Operate business with appropriate risk **Business Growth and Performance** • Business growth and good performance • Sustainable business growth	• Form 56-1 One Report • Quarterly MD&A • Investor Relations Website	• Operating business under good governance • Provide accurately and transparent disclosure of information

Stakeholders	Expectation and interests	Engagement channels	KEX Action
 6 **Business Partners, Supplier and Sub-Contractors**	**Supply Chain Management** • Co-partnership on environmental solution for express delivery service **Corporate Governance & Business Ethics** • Fair treatment and compensation • Win-win partnership **Occupational Health & Safety** • Provide good environment and safety to Business Partners, Supplier and Sub-Contractors **Human Rights** • Fair treatment; respect to human rights	• Suppliers' survey • Business partners' meeting • Company's representative • Whistleblowing and grievance mechanism such as company secretary or Audit Committee e-mail	• Set up local point for business partners and suppliers based on type of partners • Review and revise the procurement policy and partnership scheme to promote fair practice and compensation as well as to support the engagement with social enterprises and eco-friendly products and solutions • Formulate communication channels and training on supplier code of conduct • Set up sustainability strategy and roadmap with due consideration on partnership for the sustainable future • Assign key account team and procurement team to continuously discussion for partnership engagement for electric vehicles and other environmental solution
 7 **Government agencies**	**Corporate Governance & Business Ethics** • Regulatory compliance	• Legal and compliance business units • Meeting with company's representative • Form 56-1 One Report • Whistleblowing and grievance mechanism such as company secretary or Audit Committee e-mail	• Set up dedicated team and business units to monitor regulatory compliance, anti-corruption and license renewal • Government relationship management • Publicly communicate and disclose the information with accuracy, transparency, honesty, and completeness

Materiality Assessment

STEP 1 – Identification

Identifying issues from both internal and external factors that are potentially impact to the long-term growth of KEX by analysing business direction, the risks and opportunities under the economic and market condition, social movement and employees' expectation as well as an impact from climate change toward KEX operation in short-term, medium-term and long-term. After getting a longlist, the management was involved in decision making on the most material issues that should be focused (shortlist)

STEP 2 – Prioritisation

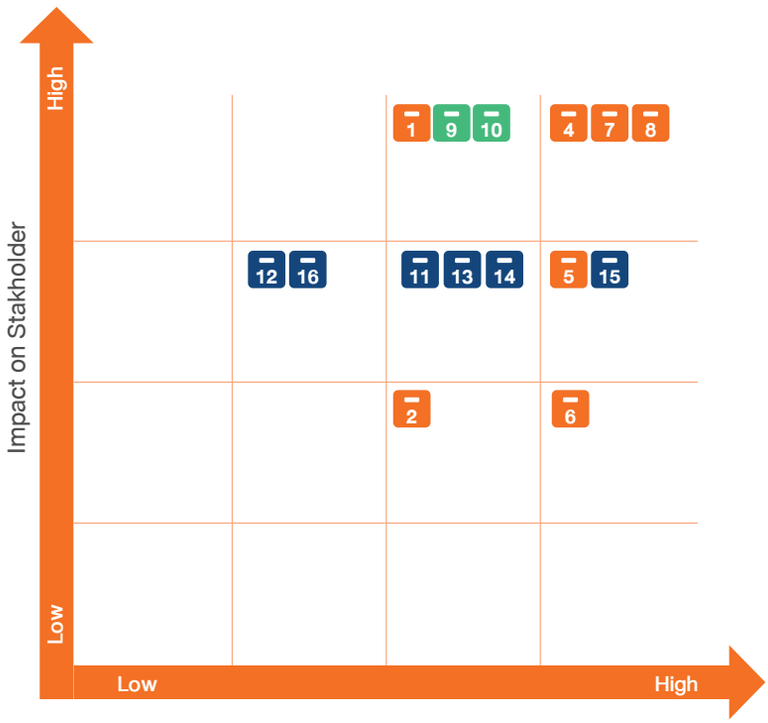
Prioritising the material issues in the shortlist proposed by the management team The Executive Committee was involved in decision making in this stage to review the material issues and priortise them. Through reviewing the shortlist, the Executive Committee considered the results from the stakeholder's engagement survey and other factors provided by the management team. Through evaluation, the Executive Committee ranked the material issues in high, medium, and low based on two dimensions: Stakeholders' perspective (significant issues that stakeholders are interested in and stakeholder's expectation toward KEX) KEX's perspective (impact to business)

STEP 3 – Validation

Validating the most material issues

The sustainability taskforce together with the Finance Director who is the team leader were the first row to review the results from step 2 to ensure the alignment with the view of the Executive Committee, management team and stakeholders' engagement results. Then, the independent third-party verifier was invited to review again in order to ensure the accuracy of process and results as well as the completeness of information and materiality matrix. Then, the Executive Committee proposed the material issues and materiality matrix for the Board of Directors' approval with the commitment to submit goals and roadmaps for short-, medium-, and long-term execution for the Board of Directors' approval.

Materiality Matrix



Economic

1. Corporate Governance & Business Ethics
2. Risk & Crisis Management
3. Service Quality and Customer Relationship Management
4. Brand Management
5. Supply Chain Management
6. Innovation Management
7. Business Growth and Performance
8. Cyber security & Data Privacy

Environment

9. Energy & Climate Strategy
10. Circular Economy & Waste Management

Social

11. Occupational Health & Safety
12. Community Engagement
13. Human Capital Development
14. Human Rights
15. Talent Attraction & Retention
16. Diversity and Inclusion

SDGs

SDGs	KEX Responding to SDGs	Topic in this report
4 QUALITY EDUCATION	We implement human resource management plans carried out by our People Development team by establish Kerry University consist of leadership development, core training, functional skill development, and management skill development.	• **Human Capital Development** • **Talent Attraction and Retention**
8 DECENT WORK AND ECONOMIC GROWTH	We operate business with good corporate governance and business ethics	• **Service Quality and Customer Relationship Management** • **Talent Attraction and Retention**
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Continue investing in in-house developed proprietary technologies, information technology systems, research and development capabilities Moreover, KEX continue to invest in Cybersecurity to protect privacy data of customer, business partner, employees.	• **Innovation Management** • **Cybersecurity and Data Privacy**
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We use 70% recycled materials for our boxes, satchel bags and 100% recycled materials for envelopes	• **Green Economy**
13 CLIMATE ACTION	Reduce carbon emission through route optimization and efficient use of natural resources.	• **Green Economy**

KEX Responding to SDGs through 6 Sustainability Strategies focuses.

6 FOCUSES SUSTAINABILITY STRATEGIES

Environment

Green Economy
Striving towards the Global Challenge, a net zero emission within 2050

Social

Human Capital Development
Upskill employees at all levels to ensure the competencies abilities and agility that meet the future needs and business direction.

Talent Attraction and Retention
Create Talents that fit with the business goals and future and make agile organization

Economic

Service Quality and Customer Relationship Management
Focus on enhancing service quality & customer relationship management by orientating KEX services based on customer-centric approach

Innovation Management
Drive innovation forward through investments, research and development of new products and services to ensure good user experience, accessibility, convenience, and social inclusion for all.

Cybersecurity and Data Privacy
Ensure a secure information management system and handling of personal data to enhance a safe and secure internal system and avoid all information breaches

In order to drive the 6 strategic focuses, the Company has established the sustainability taskforce who report directly to the Finance Director, comprising of department heads of each core business function.

THE BOARD OF DIRECTORS

- Approve the sustainability strategy, policy, and target
- Oversight the implementation of those strategy and policy
- Approve the annual budget for sustainability programmes

THE EXECUTIVE COMMITTEE

- Approve the sustainability roadmap and initiative in order to achieve the target set by the Board of Directors
- Provide advice to the management team on implementation
- Monitor the implementation and result

THE CHIEF EXECUTIVE OFFICER

- Provide visionary leadership and coordinate with management team and sustainability taskforce to develop and incorporate the sustainability strategy into the corporate vision, mission and strategic direction
- Review and ensure that the day-to-day business operation is in line with sustainability strategy
- Monitor the implementation of roadmap and initiative to ensure the target achievement

THE FINANCE DIRECTOR

- Lead the sustainability taskforce in analysing and developing the sustainability strategy, policy, roadmap and relevant matters that are important to the sustainability of the Company
- Lead the sustainability taskforce in ensuring the Board of Directors and management team are kept up to date of any regulatory changes in relation to sustainability which impact the Company's business, competitive strength and its strategy
- Provide advice to the sustainability taskforce and ensure their capacity and capability are fit in to the Company's requirement in relation to sustainability programmes and scope of work
- Ensure the sufficiency of manpower and resources
- Regularly report the progress to the Executive Committee and the Board of Directors

THE SUSTAINABILITY TASKFORCE

- Develop the sustainability strategy and policy to propose for the management and the Board of Directors' approval
- Review the Company's policy and practise against the applicable laws and regulation to avoid the non-compliance
- Facilitate internal functions to develop the roadmap and initiatives
- Ensure that Board of Directors and management team are kept up to date of any regulatory changes in relation to sustainability which impact the Company's business, competitive strength and its strategy
- Communicate and ensure the understanding of employees in doing their job with sustainability mindset
- Prepare the annual report to declare and disclose the information relating to the sustainability of the Company
- Monitor the change of sustainability standard and provide the update to the Chief Investment Officer, management team as well as the Board of Directors
- Regularly report the result of implementation against roadmap and target to the Chief Investment Officer and the Chief Executive Officer

The sustainability Taskforce chairs by the Finance Director and consists of the head of key business units – corporate finance, investor relations, operation, company secretary and compliance as well as corporate admin and procurement team.

GREEN ECONOMY

COMMITMENT & GOAL

Align our business activities with Thailand's ambition of achieving Net Zero through waste segregation, route planning and deployment of renewable energy.

POLICY GRI 103

KEX's Environmental Management Policy covered the following aspects and actions:

1. KEX shall set up a dedicated function to monitor and follow up the compliance with environmental management laws and regulations and take other actions to achieve the Company's environmental management target.

2. KEX shall continuously give precedence to natural resources conservation and reduce waste generated from our business operation by promoting efficient resource utilisation, awareness of the safety of the society, community, and environment, business operation under standard operation and good control, promotion of sustainable and environmental management, and culture of social, community and environmental awareness. KEX also supports participative activities that take part in environmental conservation.

3. KEX is committed to the proper disposal of hazardous and non-hazardous waste, ensuring that all processes are executed in compliance with legal regulations and best practices for environmental impact management.

4. KEX shall support innovations that provide good support to environmental management.

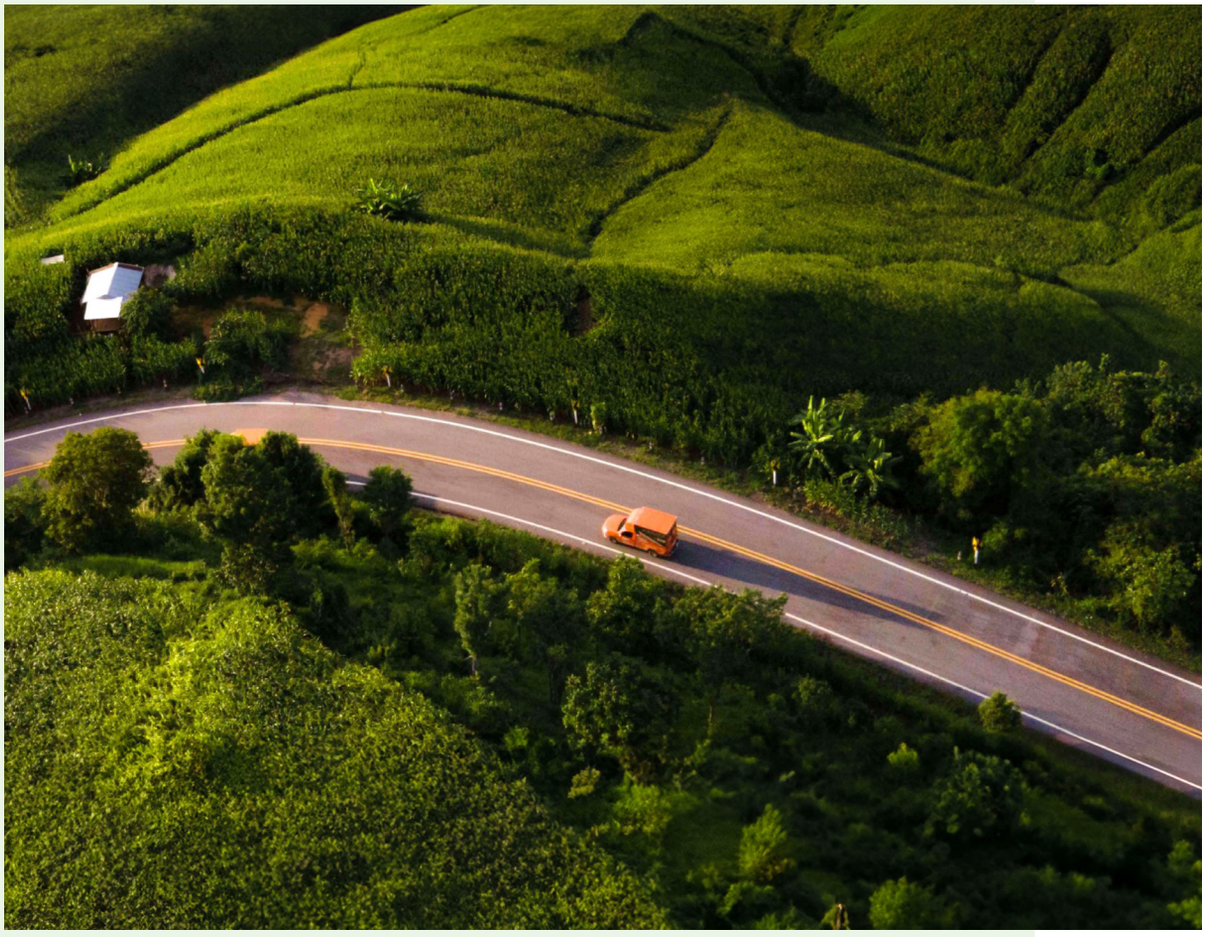
5. KEX shall provide its staff with sufficient training, instructions, and information to develop and encourage environmental awareness.

WHAT WE RESPOND TO GREEN ECONOMY

Route Optimisation and Route Planning GRI 302

In 2023 KEX continue to enhance route management and planning by adopting technologies to plan delivery routes and monitor vehicle routes, especially 6-wheel vehicles that travel cross-provinces. The volume of packages increases per vehicle and the right kinds of vehicles are

selected for each route. As a result, KEX managed to reduce the average distance per month, the transportation cost and the greenhouse gas emission rate is reduced. Moreover, KEX announces that all delivery staff must not violate the speed limit of 80 kilometers per hour and emphasises that the occupational health and safety division must train all drivers before they start working and conduct a test for narcotic abuse before driving each day. Any staff who violates these regulations will be subject to disciplinary actions.



Green packaging GRI 305

In 2023, we continue to use all packaging made from recycled materials and 100% of our packaging is recyclable. Due to the high delivery volume of more than 1 million parcels per day, our strategies to use eco-friendly packaging are the key to lowest possible impact on the environment.

Our variety of packaging, including white boxes, satchel bags, fruit boxes and tree boxes, is made from more than 70% recycled materials to reduce nature resources. Moreover, the package is highly durable, protecting the content within a package from damage during transportation. Both senders and recipients can rest assured that the parcels will be safe in eco-friendly packaging.

Resource Efficiency Campaign GRI 302, GRI 305

The company places great importance on the efficient use of resources, through resource efficiency campaign to encourage employees to use resources appropriately.

The campaign consists of saving resources in 4 ways:

1. Turn off air conditioner and lights every time it is not used.
2. Turn off computer during lunch break and after use.
3. Use recycled paper and avoid unnecessary color printing.
4. Use water economically.

Performance GRI 302, GRI 303, GRI 305, GRI 306

	Unit	2021	2022	2023
Total Electricity Consumption	kWh	38,510,497	36,329,891	21,566,323
Total Water Withdrawal	M3	284,230	396,359	290,769
Total Waste Generated	Tonnes	-	142	N.A
Total Hazardous Waste Generated	Tonnes	-	42	N.A
Total direct GHG emission (scope 1)	$kgCO_2eq$	678,280	394,049	238,544.57
Total indirect GHG emission (scope 2)	$kgCO_2eq$	19,251.4	18,161.31	13,941.29
Total indirect GHG emission (scope 3)	$kgCO_2eq$	-	324,707.24	259,133.64
Percentage of employees who received the training on ESG	%	100	100	100
Percentage of strategic suppliers who received the training on ESG	%	100	100	100
Percentage of strategic suppliers were screen on environmental policy and regulatory compliance	%	100	100	100

HUMAN CAPITAL DEVELOPMENT

COMMITMENT & GOAL

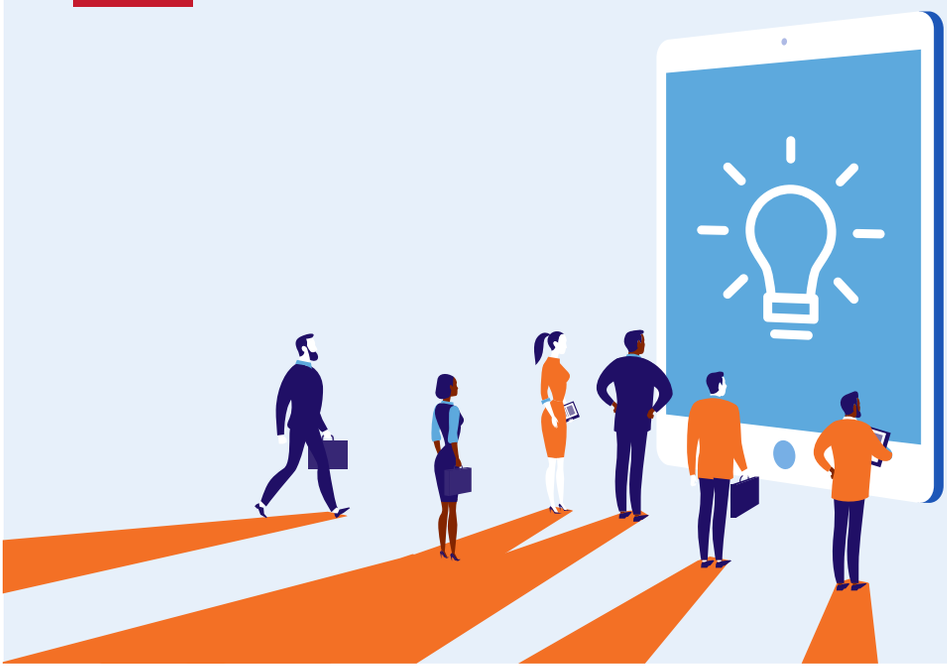
Upskill employees in all levels to ensure the competencies and abilities to rotate between departments without major disruption.

POLICY GRI404

The Company focuses on developing its personnel in order to help them optimise their capabilities rather than hiring many employees. In the past year, the Company was reorganised based on the current business conditions and future business direction. The human resource team plays a role in identifying each employee's talent and setting professional development goals.

WHAT WE RESPOND TO

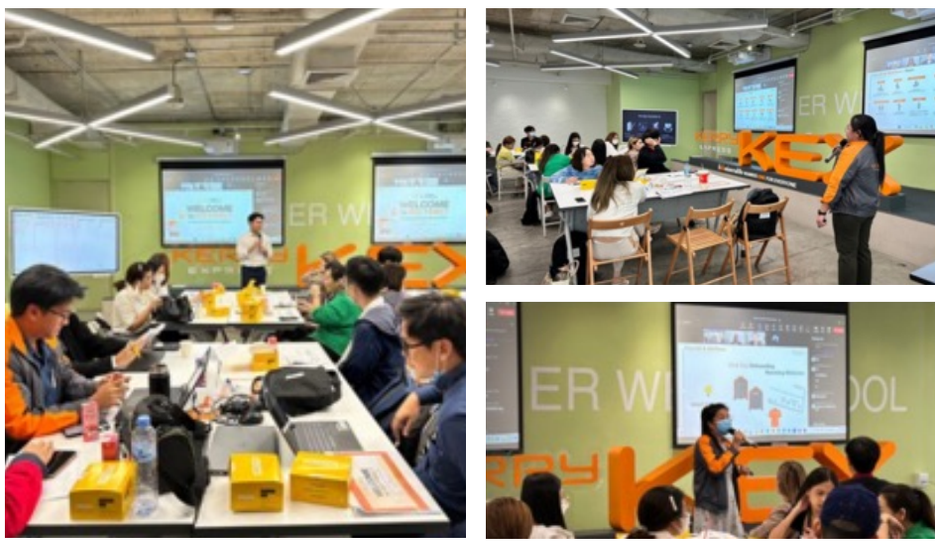
HUMAN CAPITAL DEVELOPMENT



Management Frontline Support GRI404

KEX's Managements give an opportunity to employee that work at sorting hub and distribution center to meet with our management to learn about leadership skill and best practice on express delivery operation.

New employee training GRI404



KEX Provide training to new employees before starting work, so that employees can work smoothly under the company's culture. It also increases knowledge and understanding in maintaining employee's own human rights.

Fire Drill and Evacuation Training

GRI 403

KEX conduct fire safety training in order to train our employee to escape safely from a fire in a building, this practice is to prevent fetal injury.

Dual Career Path

The purpose of this initiative is to motivate couriers by sharing the inspiring stories of two individuals who started their careers and have since progressed to become successful PM and RGM positions. Their remarkable journey serves as proof that hard work and dedication can help individuals achieve their career goals.

KEX Pro Courier Teaching Program

Experienced senior couriers who have demonstrated outstanding performance will receive training to become “teachers” for new couriers. These Pro Courier will be paired with new hires to guide them in quickly adapting to their role and achieving high performance, improving retention rates for new employees.

They will also emphasize the significance of their role in driving the company’s success. Their dedication and efforts will foster a community of couriers who motivate and uplift each other to reach new heights.

Performance GRI 302, GRI 303, GRI 305, GRI 306

	Unit	2021	2022	2023
Employee's hour of training	Hours / Person / Year	3	4	3
Average hour of male Employee's training	Hours / Person / Year	27	4	4
Average hour of female Employee's training	Hours / Person / Year	42	3	3
Management's hour of training	Hours / Person / Year	1.44	0.64	8.34
Average hour of Male Management's training	Hours / Person / Year	1.37	0.68	8.35
Average hour of female Management's training	Hours / Person / Year	1.54	0.58	8.34
Human Development Cost	THB	4,125,300	N/A	1,997,610
Percentage of total employees who received a regular performance appraisal/review	%	97	91	N.A
Percentage of total male employees who received a regular performance appraisal	%	97	90	N.A
Percentage of total female employees who received a regular performance appraisal	%	98	93	N.A

TALENT ATTRACTION AND RETENTION

COMMITMENT & GOAL

Create culture that suits the future of talent mobility within the company and enhance quality of life and work-life balance through our well-being programmes.

POLICY GRI402

The Company is committed to places high important on talent attraction and retention rather than hiring many new employees. By provide appropriate remuneration and welfare both permanent employee and contract employee. And aim to build positive working environment for employees to live in a happy working place and have well-being.

WHAT WE RESPOND TO

TALENT ATTRACTION AND RETENTION

International Management Trainee Roadshow GRI404

"International Management Trainee" (IMT) program is one of the KEX talent attraction campaigns, to give an opportunity to newly graduated students to build their fast-pace career growth for being future leaders. The program is length for 9-12 months with the opportunity to train in China where applicants can learn the business and company culture.

In 2023 KEX have promoted IMT program to many universities in Thailand for example Chulalongkorn University, Thammasat University, Burapha University, Chiang Mai University (CMU), Chiang Mai Rajabhat University, Mae Fah Luang University.

University Campus Roadshow

KEX has visited many universities in Thailand for Engineering Career Fair. To give an opportunity to engineering student to train with our engineering department which has new edge technology among Thailand express delivery service.

Intern Site Visit

KEX took IT Interns to visit Kerry Bangna Logistic Center (KBLC), the biggest sorting hub of KEX in Thailand. We have applied many technologies to KBLC to enhance our operations processes. IT Interns visiting is set to let Interns learnt how Kerry Express applied technologies to our business and how impactful their works are.

At KEX, Technology is the heart of our operations excellence. We use various Technologies to uplift our business to be the most effective in terms of operations processes. As we have delivered parcels more than 1.0 million parcels a day, we are unable to achieve this without using Technology. With that Kerry Express is the company which puts Technology at the top of our priorities.

Meeting with Head of IT

KEX have 10 interns of batch 2023 from the Information Technology Department joined in the Cooperative Education program that Kerry Express has partnership with their universities. The special event “IT Interns first meet and greet with Head of IT” for giving interns a chance to learn and hear about the career journey with suggestion for their working life preparation after graduation.

The sharing session allows our interns to learn from our Leaders and share their feedback after working with Kerry Express for a while as well as to ask any questions that they have directly to Head of IT and others. to build engagement among them and make interns feel comfortable to discuss and share in any topics because their feedback about their internship experience at KEX is very important to us, so we know what we should do to improve our internship program further.

Internship program is the program that Kerry Express put as our priority and placed importance on it. We focus on the experience of our interns and do our best to ensure that every intern who joins us will learn something meaningful and be able to apply them into their study and daily life.

The Star Courier GRI 402

The main goal of the quarterly star courier publication is to cultivate and acknowledge the outstanding contributions made by Courier who serve as exemplary role models within their respective regions.

This publication aims to enhance courier morale and demonstrate recognition for their valuable contributions.

Welcome New Employee GRI 402

KEX always give a warm welcome to new employees, by create e-flipbook on monthly basis, to introduce new employees to the KEX Family.

New employee will be receiving a warm welcome. Moreover, they will be known by KEX Family which makes work and coordination go smoothly.

SERVICE QUALITY AND CUSTOMER RELATIONSHIP

COMMITMENT & GOAL

Focus on enhancing service quality & customer relationship management by orientating KEX services based on customer-centric approach.

WHAT WE RESPOND TO

SERVICE QUALITY AND CUSTOMER RELATIONSHIP

8 DECENT WORK AND ECONOMIC GROWTH

ULTIMATE FRUIT DELIVERY TO DOORSTEPS GRI 413

In 2023, KEX stands as the only player in the market to offer fruit shipping solutions covering every corner of Thailand. This tremendous success stems from Kerry Express's relentless dedication to delivery and its quality management strategies, which are anchored by three Key strengths: Next-Day Guarantee, Nationwide Coverage, and Committed Date of Delivery.

These strengths have made the services convenient, fast, safe, worry-free, and cost-efficient for both senders and receivers, while also allowing Kerry Express to offer farm-fresh experiences, meeting the needs of all customers. All of these are to assure that its customers can continue sending happiness non-stop while growing their businesses uninterrupted, no matter what business sizes they are, whether SMEs, e-commerce, or social commerce.

TOUCHPOINT EXTENSIONS

KEX is unwavering in our commitment to carrying forward the 'Kerry Express Everywhere' strategy to expand our extensive network by joining forces with esteemed partners such as Lotus's, 7-Eleven and more.

In 2023, KEX expanded our network through partners more than 2,000 locations, elevating convenience for customers. This expansion aligns with the preferences of newer generations, who prioritize easy and convenient access to services, particularly in the wake of the swiftly growing online shopping trend.

2023 Performance

Net Promoter Score **61**

98% of respondents intend to continue using Kerry Express in the future.

94% of respondents are satisfied with Kerry Express's delivery service.

73% of respondents associate Kerry Express as a trustworthy parcel delivery service.

73% of respondents associate Kerry Express with quick delivery service.

INNOVATION MANAGEMENT

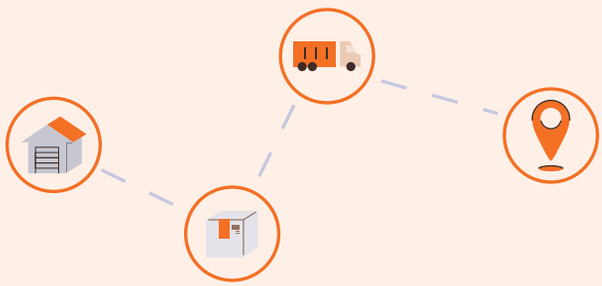
COMMITMENT & GOAL

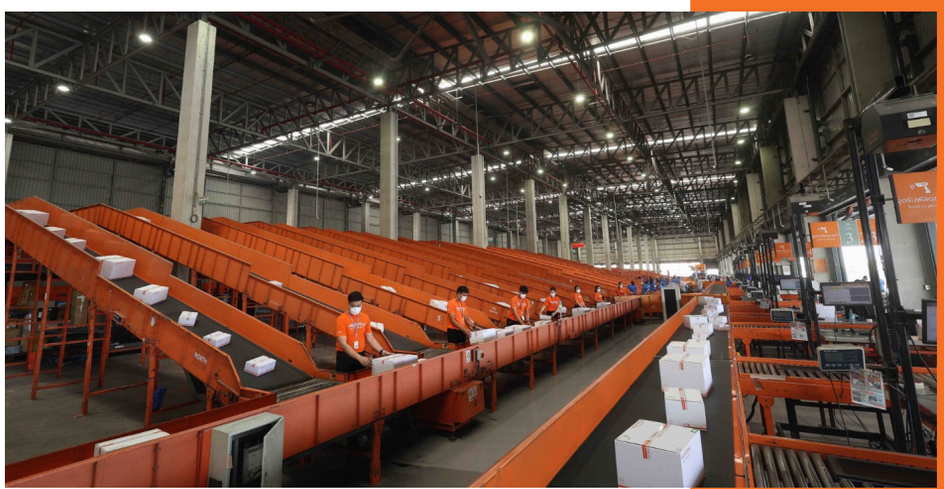
Drive innovation forward through investments and R&D of new products and services to ensure good user experience, accessibility, convenience and social inclusion for all.

WHAT WE RESPOND TO

INNOVATION MANAGEMENT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE





PILOT PROJECT FOR AUTOMATED SORTING MACHINE

The Company has started to rebuild sorting and transit facility to build strong and nationwide network. In June 2023, the Company first pilot project for automated sorting machine started in Khon Kaen which was the center point of northeast transit, and the project started to show a cost efficiency achieved in per parcel of delivery.

CYBERSECURITY AND DATA PRIVACY

COMMITMENT & GOAL

Ensure a secure information management system and handling of personal data to enhance a safe and secure internal system and avoid all information breaches

WHAT WE RESPOND TO

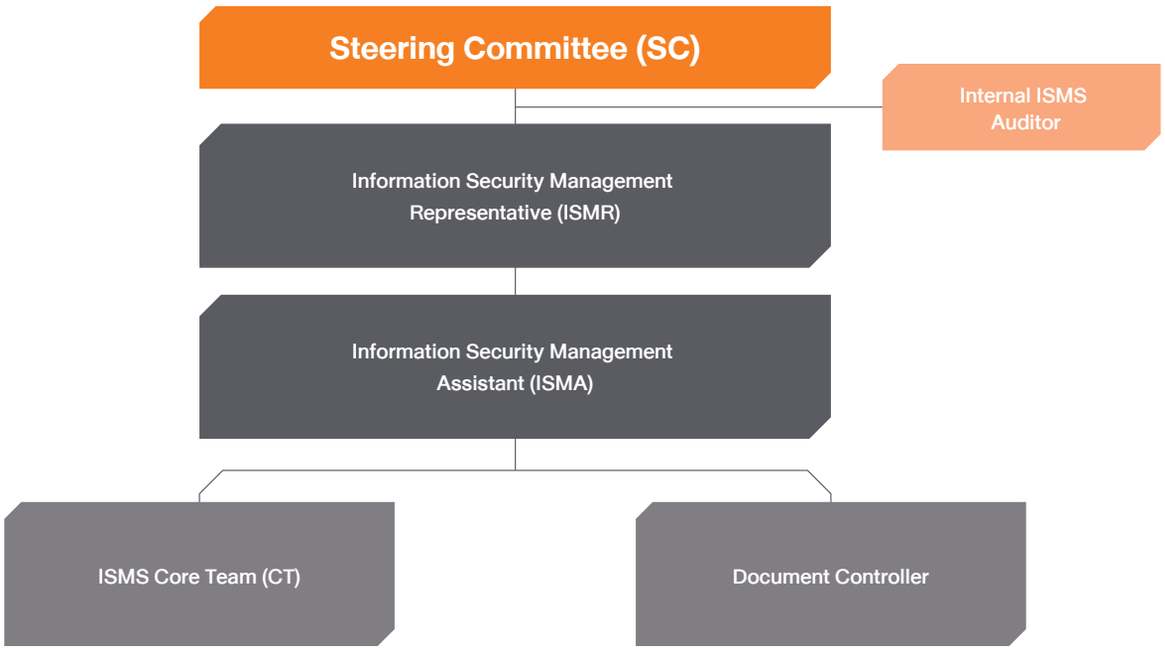
CYBERSECURITY AND DATA PRIVACY

Established a steering committee

KEX established a steering committee on technology security and cybersecurity chaired by the CEO. The committee regularly holds meetings to review the performance, evaluate risks, and devise a plan to handle attacks and shocks of all kinds. The steering committee consists of representatives from the information security division and the business division involved in data and document management and IT threat prevention. Moreover, an information technology security audit division independently audits the Company's internal control system once every quarter.

The Personal Data Protection Steering Committee has the Chief Financial Officer as its chairperson and the risk management and governance supervisor as its secretary. The steering committee consists of the executives in the areas involved with customer, employee, and stakeholder data. This steering committee, directly reporting to the CEO, regularly holds meetings to evaluate risks, acknowledge and monitor the progress of work plans, and consider any additional projects or plans for risk closure.

Structure of Strategic responses



Building an Effective Control Environment

Apart from the cybersecurity and personal data governance and allocation of adequate budget, the Board of Directors also stipulates the Information Technology Security Policy, covering data classification, acceptable use, cryptographic control, and Customer Data Privacy Protection Policy.

As KEX values prevention more than cure, KEX has adopted the cybersecurity framework of the National Institute of Standards and Technology (NIST) from the USA to use as the guideline to evaluate risks and implement proactive risk management measures for cybersecurity. Risks are evaluated once per quarter, more often than the ISO 27001 standard, which prescribes that evaluation must be conducted once a year. The top three risks are as follows.

1) Cyberattacks on applications

› Risk Prevention:

- To prepare the work steps documents on developing applications per the OWASP 10 standard to be a guideline on things to consider before developing an application. We should identify any loopholes in the system and any possible attacks for effective prevention.
- To work with Cloudflare, the world's No. 1 network provider, to improve the speed of every application by the Company and add features that can prevent attacks from cybercriminals.
- To use penetration testing by hiring third-party white hat hackers to regularly test and hack the applications to identify any loopholes and close them in time.
- To examine the source code right from the first stage of application or system development to ensure that the source code does not open any loopholes that allow cyberattacks.

2) Malware attacks in the Company's system

› Risk Prevention:

- To create attack scenarios (ransomware playbook) to test the preventive measures, event response, and allocation of responsibilities. The scenarios are reviewed at least once a year.

- To install the Security Operation Centre to monitor events 24 hours and identify the level of severity that may impact the Company's system by working with the Company's cybersecurity team to come up with timely solutions. To record and gather data about events and malware attacks for further analysis and establish a measure to monitor risks and any possible severe impacts.

3) Data theft

› Risk Prevention: To use multi-factor authentication to verify user identity.

- To set up data hierarchy and authorise persons with access to data at each level and person with authority to approve access (access matrix). The hierarchy must be reviewed at least once a year.

- To establish a cybersecurity culture that values personal data protection.

  - To conduct training for employees on cybersecurity and protection of customers' confidential data: such as ISO 27001 training for IT employees and training on how to write emails and malware threats awareness for general employees. Employee orientation must also include topics on personal data protection under the Personal Data Protection Act B.E. 2562 (2019).

  - To work with the major shareholders to provide annual revision courses on cybersecurity and personal data protection for all employees of the Company and its subsidiaries and affiliates. A mandatory test for all employees is scheduled in December of every year. In the past year, 100 percent of our employees completed the course and test.

  - To include cyberattack, malware, and personal data leak prevention as a part of the performance evaluation of the IT security team and IT team.

- To conduct the vulnerability assessment, using vulnerability scanner, to scan all servers in the organisation against the global risk control database to identify any loopholes and develop preventative measures.

- To determine a procurement policy for IT equipment and infrastructure. The service providers must be certified by ISO 27001 or other internationally accepted standards. The provider must also obtain insurance that covers damages from cyberthreats that may occur to the Company.

- To devise a business continuity plan following the ISO 27001 standard, covering possible events, preventative and data recovery measures, alternate measures, roles and responsibilities, and event response. The plan is tested once a year.

Enhanced Firewall System

In 2023, KEX Continue to enhance cybersecurity by implement of an enhanced firewall system to prevent cyberthreats, data leaks, and system disruption in all of our system.

Budget to prevent cyberthreats, data leaks, and system disruption and to build cybersecurity.

(Unit : THB million)

Performance

	2021	2022	2023
Total number of information security breaches or other cybersecurity incidents	0	0	0
Total number of proven data breaches	0	0	0
Total number of customers and employees affected by company's data breach	0	0	0
Total amount of fines/ penalties paid in relation to information security breaches or other cybersecurity incident	0	0	0
Total number of substantiated complaints received concerning breaches of customer privacy (include complaints received from regulatory body and government agency)	0	0	0

Sustainability Performance Statistics

Economic

Indicator	Unit	2020	2021	2022	2023
Total assets	Thousand Baht	19,318,235	17,045,554	12,093,235	9,055,705
Total liabilities	Thousand Baht	8,470,763	7,728,662	5,595,548	6,412,806
Total equity	Thousand Baht	10,847,472	9,316,892	6,497,687	2,642,899
Sale and service income	Thousand Baht	18,917,062	18,817,770	17,003,046	11,470,337
Cost of sales and providing services	Thousand Baht	-15,849,763	-17,478,514	-18,685,139	-14,337,817
Net profit	Thousand Baht	1,405,025	44,937	-2,849,985	-3,900,845
Dividend payment	Million Baht	382.8	1,292.80	-	-
Income tax	Thousand Baht	-329,037	27,823	759,758	684,951
Employee expenses	Million Baht	6,065.17	6,733.09	7,693.31	5,241.13
Community Investment	Baht	1,050,000	100,000	177,860	100,000

Corruption

Indicator	Unit	2020	2021	2022	2023
Total number of directors that have received communication concerning the Company's anti-corruption policies and procedures	%	100	100	100	100
Employees that have received a training and communication on anti-corruption policy and procedure					
• Senior executive	%	100	100	100	100
• Middle management	%	100	100	100	100
• Manager and above	%	100	100	100	100
• General staff	%	100	100	100	100
Percentage of directors who passed the annual ethics assessment	%	100	100	100	100
Percentage of employees who passed the annual ethics assessment	%	100	100	100	100
Business partners, sub-contractors and suppliers that have received a training and communication on anti-corruption policy and procedure	%	100	100	100	100
Business partners, sub-contractors and suppliers that have received a training and communication on no-gift policy and conflict of interest policy	%	100	100	100	100
Total number of cases of business partnership contracts that were terminated or not renewed due to violation of anti-corruption policy	Case	0	0	0	0
Total number of cases that the Company or employee was sued for corruption during the reporting period and disclosure of consideration result	Case	0	0	0	0
Percentage of strategic suppliers* were assessed on legal compliance and policy compliance (suppliers' due diligence)	%	100	100	100	100
Percentage of business operation were assessed for risks related to corruption	%	100	100	100	100

Anti-Monopoly

Indicator	Unit	2020	2021	2022	2023
Pending or completed legal actions during the reporting period regarding monopoly or violations of monopoly laws in which the Company was sued or identified as the instigator	Cases	0	0	0	0

Service Quality and Customer Relationship Management

Indicator	Unit	2020	2021	2022	2023
Service coverage in Thailand	%	99.99	99.99	99.99	99.99
Kerry Express Service Level (KSL)	%	99	97.38	96.14	96.14
Percentage of parcel returned	%	< 1.5	< 1.5	< 2.5	< 2.6
Net Promoter Score / Average rate of key compettiors*	Point	N/A	N/A	73/55.5	61/50
Customer satisfaction / Average rate of key compettiors*	%	N/A	N/A	96/93	94/91

Cybersecurity

Indicator	Unit	2020	2021	2022	2023
Total number of substantiated complaints received concerning breaches of customer privacy					
• Complaints received from external parties and substantiated by KEX	Number	0	0	0	0
• Complaints from regulatory bodies	Number	0	0	0	0
Total number of proven leaks. Thefts or losses of customer data	Number	0	0	0	0
Total investment expense for cybersecurity	THB	11.8	11.5	28.5	32.2

Environmental

Green Economy	Indicators	Unit	2020	2021	2022	2023
Energy	Total fuel consumption from non-renewable sources Categorised by type of fuel	GJ	9,144,553.03	9,015,204.60	9,551,800.40	6,857,770.49
	• Amount of diesel consumption	GJ	9,107,332.48	8,978,594.39	9,546,959.83	6,856,497.61
	• Amount of gasoline consumption	GJ	37,220.55	36,610.21	4,840.57	1,272.88
	Total electricity consumption	GJ	145,220.17	138,637.79	130,787.61	100,397.39
Water	Total water consumption	Million cubic metres	0.31	0.28	0.39	0.34
	Total water consumption	m3	310,005.00	284,230.00	396,359	347,171
Emissions	Total direct GHG emission (scope 1)	GJ	668,011.71	678,280.14	394,049.52	238,544.57
	Total indirect GHG emission (scope 2)	GJ	24,065.12	19,251.40	18,161.31	13,941.29
	Total indirect GHG emission (scope 3) - sub-contractors	GJ	N/A	N/A	324,707.24	259,133.64
Waste	Non-hazardous waste	Tonnes	N/A	N/A	142	N.A
	Hazardous waste	Tonnes	N/A	N/A	42	N.A
Material	Plastic wrapping material used for packaging	Tonnes	1,452.75	260	489	353
Compliance practise	Percentage of employees who received the training on ESG	%	100	100	100	100
	Percentage of strategic suppliers who received the training on ESG	%	100	100	100	100
	Percentage of strategic suppliers were screen on environmental policy and regulatory compliance	%	100	100	100	100

Human Resource

Indicator	Unit	2020	2021	2022	2023
Human resource					
Total number of employees	Persons				
By employment contract					
Full-time and permanent employees	Persons	18,016	21,906	19,114	12,840
By gende					
Male	Persons	10,662	14,665	12,598	8,515
Female	Persons	7,354	7,241	6,516	4,325
By region					
Bangkok metropolitan area	Persons	7,589	9,016	8,957	6,074
Central	Persons	1,402	1,820	1,331	874
East	Persons	1,354	1,656	1,173	680
North	Persons	2,591	3,047	2,518	1,677
Northeast	Persons	2,768	3,210	2,614	1,781
South	Persons	2,312	3,157	2,521	1,754
By age					
30 - 50 years	Persons	7,730	10,147	9,933	8,031
50 years above	Persons	53	76	100	191
Below 30 years	Persons	10,233	11,683	9,081	4,925
By ethnicity					
Thai	Persons	18,007	21,894	19,103	12,732
Foreign	Persons	9	12	11	108
Total number of staff with disabilities	Persons	271	225	134	124
Total number of new hires (full-time and permanent only)	Persons	1,104	6,704	7,273	3,523
Percentage of new hires employee (full-time and permanent only	%	5	31	38	22
Total number of employee turnover (full-time and permanent only)	Persons	4,920	4,930	12,491	11,371
Percentage of total employee turnover (full-time and permanent only)	%	21	23	48	71

Indicator	Unit	2020	2021	2022	2023
Target of turnover rate	Less than %	20	20	20	20
Significant labor dispute	Yes/No	No	No	No	No
Minimum notice period provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	Month	1	1	1	1
Number of work-related fatalities	Persons	0	0	0	0
Number of lost time injury	Persons		32	65	38
Lost Time Injury Frequency Rate: LTIFR	Case / 1,000,000 hours worked		0.090	0.268	0.249
Number of severity Work-Related Injury					
Permanent Employee	Persons		20	41	26
Contract Employee	Persons		12	24	12
Employee Remuneration					
Total employee remuneration	Million Baht	6,009	4,905	5,835	4,182
Total male employee remuneration	Million Baht			3,757	2,638
Percentage of remuneration in male employee	%			64	63
Total female employee remuneration	Million Baht			2,078	1,544
Percentage of remuneration in female employees	%			36	37
Average remuneration of employees	Baht/ Person/ Year			232,676	159,403
Average remuneration of male employees	Baht/ Person/ Year			228,133	159,643
Average remuneration of female employees	Baht/ Person/ Year			241,301	158,996

Indicator	Unit	2020	2021	2022	2023
Employee Provident Fund					
Total number of employees joining employee provident fund	Persons	6,218	4,396	3,671	3,750
Percentage of total number of employees joining	%	35	20	19	14
Human rights					
Total number of suspected cases concerning human rights	Cases	2	4	0	0
By type of violations					
Discrimination	Cases	-	-	-	-
Sexual harassment	Cases	1	3	-	-
Child labour	Cases	-	-	-	-
Forced labour	Cases	-	-	-	-
Unfair treatment from supervisor	Cases	1	1	-	-
Percentage of compliant cases proven to be true compared with the total number of complaints	%	50	50	0	0
Percentage of complaint cases resolved and compensated compared with the total number of complaints	%	100	100	0	0
Percentage of employees who received training in human rights policies or procedures	%	100	100	100	100
Percentage of business lines assessed for risk of human rights violations compared to total number of business lines	%	100	100	100	100
Percentage of employees who received the training on human rights	%	100	100	100	100
Percentage of strategic suppliers who received the training on human rights	%	100	100	100	100
Percentage of strategic suppliers were screen on human rights policy and regulatory compliance	%	100	100	100	100
Percentage of business contracts or agreements that include human rights clauses as one of the conditions of business partnerships	%	100	100	100	100

Indicator	Unit	2020	2021	2022	2023
Human capital development					
Average hours of training per year per employee	Hours / Person / Year		3	4	3
By gender					
Male	Hours / Person / Year	15	27	4	4
Female	Hours / Person / Year	19	42	3	3
Percentage of total employees who received a regular performance appraisal/review	%	100	97	91	N.A
By gender					
Male	%	100	97	90	N.A
Female	%	100	98	93	N.A
Employee engagement*					
Employee engagement score	Point	50	70	-	N.A
Percentage of employees participated in the employee engagement survey compared with total permanent employees	Point	97	92	-	N.A
Target of engagement score	Point	67	67	-	N.A
Percentage of employees who acknowledged the result of employee engagement	%	-	0	-	N.A

Community Engagement

Indicator	Unit	2020	2021	2022	2023
Monetary donation	THB	0	100,000	250,000	100,000
Employee volunteering during working hours	THB	0	0	0	0
In-kind giving	THB	1,050,000	100,000	177,860	N.A
Sponsorship	THB			30,000,000	0

ANNUAL REPORT 2023

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