



56 – 1 One Report 2023

Knight Club Capital Asset Management
Public Company Limited

KCC

A Nation Asset

Management Company
with Good Governance



Vision and Mission

—— Vision ——

A Nation Asset Management Company
with Good Governance

—— Mission ——

The Company is committed
to being a part in resolving

the non-performing loans of financial institutions through excellent asset management, able to be approachable, attentive and provide debtors a chance to solve problems together. Therefore, debtors are the ongoing ability to operate efficiently in society and be a part of driving the country's economy further.



Business Goals



1 Management of non-performing loans with speed, efficiency and continuous growth.

2 Management of non-performing loans with transparency and fairness to all related parties.

3 Encourage personnel to develop value and potential to increase operational capability and provide better services.

4 Encourage and support the organization to contribute to social development for long-term sustainability.





Mr. Manit Nitiprateep
(Chairman of the Board)



Mr. Tawee Kullertprasert
(Chief Executive Officer)

Message from the Chairman and Chief Executive Officer

Dear shareholders and stakeholders

In 2023, the Thai economy has displayed signs of recovery and sustained growth following the resolution of the COVID-19 crisis. This positive trajectory is attributed to government-implemented economic stimulus measures aimed at mitigating the impact of the pandemic. These efforts have instilled consumer confidence, resulting in increased spending. The agricultural sector has witnessed a rise in product prices, and the tourism industry has experienced a continual influx of foreign visitors. Consequently, there has been a positive impact on employment rates and labor income, contributing to the overall expansion of the Thai economy. Nevertheless, the economic landscape continues to confront challenges, including issues such as inflation, household debt, energy costs, and the implications of climate change

In 2023, the Company achieved an operating income of 191 million Baht, marking a 12% growth from the preceding year. The net profit reached 89 million Baht, surpassing the set target. The overall debtor portfolio saw a significant increase, reaching 1,844 million Baht, a growth of over 38%, with an increment of more than 512 million Baht. The Company takes pride in contributing to economic advancement, assisting debtors in attaining financial freedom, propelling assets into the market, fostering development, and creating additional value. Recognizing the importance of business adaptation, the Company has modified its work style using information technology to enhance efficiency. Moreover, it aims to augment flexibility in business expansion and mitigate investment constraints. The recent shareholder resolution has endorsed the shareholding and management restructuring plan, enhancing competitiveness and fortifying the group of companies, currently undergoing implementation.

In 2024, an expansion in the economic landscape is anticipated, encompassing growth in exports of goods and services, increased consumption, and a flourishing tourism sector. The Company maintains a stringent commitment to fostering equal access to financial services, while considering the interests of all stakeholders. Upholding principles of good corporate governance, risk management, effective internal control, anti-corruption measures, and the development of personnel with potential. Additionally, the Company is dedicated to conducting business responsibly, contributing positively to the economy, society, and the environment.

“

In conclusion, the Company expresses its sincere gratitude to all stakeholders and shareholders for their unwavering confidence and trust in our business operations. We extend heartfelt thanks to our committed and dedicated employees who contribute their best efforts to drive the Company towards success, fostering steady and sustainable growth.

”

Board of Directors



Mr. Manit Nitiprateep

Chairman of the Board/ Independent Director/ Member of Audit Committee



Mr. Prin Bholnivas

Independent Director/
Chairman of the Audit Committee



Mr. Boonyong Tansakul

Independent Director/ Member of Audit Committee/
Chairman of the Risk Management Committee/ Chairman
of the Nomination, Remuneration and Corporate
Governance Committee



Mrs. Sauwanee Thairungroj

Independent Director/ Member of
the Nomination, Remuneration and
Corporate Governance Committee



Mr. Suchat Boonbanjersri

Director/ Chairman of Executive
Committee/ Member of the Nomination,
Remuneration and Corporate
Governance Committee



Mr. Kanockit Navasiri

Director/Executive Committee/
Risk Management Committee



Mr. Tawee Kullertprasert

Director/ Executive Committee/ Risk
Management Committee/ Chief
Executive Officer



Ms. Pranittra Akkarawinek

Director/ Executive Committee/
Risk Management Committee/
Chief Financial Officer

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Part 1

Business Operations and Business Performance



1 Structure and Operations of the Company

1.1 Policy and Business Overview

Knight Club Capital Asset Management Public Company Limited (“the Company” or “KCC”) operates NPLs management business and NPA management business with the determination as part of solving problem of non-performing loans of financial institutions. Purchasing or transferring NPLs from financial institutions and financial business entrepreneurs to manage and provide receivable to consult, negotiate and solve debt problems in order to find out solutions. These include developing the potential NPA to more marketable standardized products and continuously develop the Company toward a nation asset management company with good governance.

KCC was licensed by the Bank of Thailand to operate as an asset management company in 2013 and initially procured NPLs from financial institutions and financial business entrepreneurs. Initially, KCC start with managing NPLs in the category of corporate loan receivables and expanding to the category of retail loan receivables, and mortgage loans receivables respectively.

1.1.1 Vision, Mission, and Goals

Vision

“ A Nation Asset Management Company with Good Governance ”

Mission

The Company aims to encourage the organization as part of solving problem of non-performing loans of financial institutions, with excellent NPLs management that can be approached, attentive and provides opportunities for receivable to solve problems together, enabling the receivable to continue their business effectively in society toward the contribution of nationwide economic growth.

Business Goals

1. Management of NPLs with speed, efficiency and continuous growth.
2. Managing NPLs with transparency and fairness to all parties involved.
3. Encourage personnel to be developed, add value and potential to increase operational capability and provide better services.
4. Promote and support the organization in contributing to social development for long-term sustainability.

1.1.2 Key Change and Development

Knight Club Capital Asset Management Public Company Limited (“the Company” or “KCC”) was registered on August 22, 2000 with initial registered capital of 0.10 million Baht, which at the date of establishment, used the name as Richy Capital Alliance Company Limited. Initially, the Company did not operate any business until in 2004, changed its name to Knight Club Capital Company Limited to provide financial advisory services on debt restructuring. In 2013, KCC was licensed by the Bank of Thailand to operate as an asset management company, and changed its name to Knight Club Capital Asset Management Company Limited to expand the scope of services to cover the acquisition and management of non-performing loans as well as the management of NPA.

Important Events and Developments of the Company

Year 2000

Company Registration: On August 22, 2000, the Company was established under the name of Richy Capital Alliance Company Limited with an initial registered capital of 0.10 million Baht divided into 10,000 ordinary shares with a par value of 10.00 Baht per share. Initially, the Company had not operated any business.

Year 2003

Increased the Company’s registered capital to 10.00 million Baht: The Company increased its registered capital by 9.90 million Baht from the original registered capital of 0.10 million Baht to a new registered capital of 10.00 million Baht by issuing 990,000 additional ordinary shares with a par value of 10.00 Baht per share offered to Mr. Suchat Boonbanjerd Sri at 10.00 Baht per shares. As a result, Mr. Suchat Boonbanjerd Sri is a major shareholder of the Company holding 99.00% of the issued and paid-up capital to provide financial advisory services in debt restructuring.

Year 2004

Changed the name to Knight Club Capital Company Limited: On September 11, 2004, the Extraordinary General Meeting of Shareholders No. 1/2004 resolved to approve the change of the Company’s name from Richy Capital Alliance Company Limited to Knight Club Capital Company Limited.

Year 2013

Increasing the registered capital of the Company to 25.00 million Baht: The Company increased the registered capital of 15.00 million Baht from the original registered capital of 10.00 million Baht to a new registered capital of 25.00 million Baht by issuing 1,500,000 additional ordinary shares with a par value of 10.00 Baht per share offered to Mr. Suchat Boonbanjerd Sri and Mr. Tawee Kullertprasert at 10.00 baht per share, with the objective is for the Company to have all the qualifications required to apply for an asset management company license. As a results, Mr. Suchat Boonbanjerd Sri holding 76.00% and Mr. Tawee Kullertprasert holding 24.00% of the issued and paid-up capital. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on July 5, 2013.

Changed its name to Knight Club Capital Asset Management Company Limited and was approved as an asset management company: The Company

changed its name from Knight Club Capital Company Limited to Knight Club Capital Asset Management Company Limited by submitting an application for a license to operate an asset management business and was approved from the Bank of Thailand on the August 8, 2013 according to the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments.

Year 2015

Increasing the registered capital of the Company to 100.00 million Baht: On July 28, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 resolved to approve the increase of the registered capital of 75.00 million Baht from the original registered capital of 25.00 million Baht to a new registered capital of 100.00 million Baht by issuing additional ordinary shares of 7,500,000 share with a par value of 10.00 Baht per share offered to Mr. Suchat Boonbanjersri and Mr. Tawee Kullertprasert at 10.00 Baht per shares, with the objective is to be used as an investment in acquiring NPLs. As a results, Mr. Suchat Boonbanjersri holding 70.00% and Mr. Tawee Kullertprasert holding 30.00% of the issued and paid-up capital. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on August 10, 2015.

Year 2016

Increasing the registered capital of the Company to 130.00 million Baht: On May 16, 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 resolved to approve the increase of the registered capital of 30.00 million Baht from the original registered capital of 100.00 million Baht to a new registered capital of 130.00 million Baht by issuing 3,000,000 additional ordinary shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 30.00 baht per share, totaling 90.00 million Baht, divided into an additional registered capital of 30.00 million Baht and a premium on ordinary shares of 20.00 Baht per share, or representing a total share premium of 60.00 million Baht. The objective is to be used as an investment in acquiring NPLs, but due to this capital increase, all existing shareholders waived their rights to subscribe for new ordinary shares, Mr. Sueksit Petchampai is the only person who has exercised the right to purchase new ordinary shares and excess of the number of shares that all existing shareholders had waived their rights. As a result, Mr. Suksit Petchaampai increased his shareholding to 23.08% of the issued and paid-up capital. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on May 26, 2016.

Change in shareholding structure: In October 2016, Mr. Suchat Boonbanjersri and Mr. Tawee Kullertprasert changed the shareholding structure from holding in the name of an individual to in the name of Knight Club Capital Holding Company Limited (“KCCH”), holding a combined proportion of 76.92% of the issued and paid-up capital, whereby Mr. Suchat Boonbanjersri and Mr. Tawee Kullertprasert, a major shareholder in KCCH, holding 70.00% and 30.00% of the issued and paid-up capital, respectively.

Subsequently, in December 2016, Mr. Sueksit Petchampai sold all of the Company's shares in the proportion of 23.08% of the issued and paid-up capital to Mr. Suchat Boonbanjerd Sri in the proportion of 16.15% and Mr. Tawee Kullertprasert in the proportion of 6.92% of the issued and paid-up capital at a price of 30.00 Baht per share, which is the same price that Mr. Sueksit Petchampai bought in May 2016.

Year 2017

Increasing the registered capital of the Company to 180.00 million Baht: On December 15, 2017, the Extraordinary General Meeting of Shareholders No. 2/2017 resolved to approve the increase of the registered capital of 50.00 million Baht from the original registered capital of 130.00 million Baht to a new registered capital of 180.00 million Baht by issuing additional ordinary shares in the amount of 5,000,000 shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 10.00 Baht per share, with the objective is to be used as an investment in acquiring NPLs. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on December 25, 2017.

Change in shareholding: On December 26, 2017, Mr. Suchat Boonbanjerd Sri sold 1,500,000 shares of the Company at a price of 10.00 Baht per share, representing 8.33% of the registered and paid-up capital to Mr. Kobi Boonbanjerd Sri, a son. As a results, Mr. Suchat Boonbanjerd Sri remain shareholding at 7.82% of the registered and paid-up capital (excluding shares held through KCCH)

Year 2018

Change in shareholding structure: In March 2018, KCCH sold all shares held in the Company, representing 76.92% of the issued and paid-up capital to Mr. Suchat Boonbanjerd Sri and Mr. Tawee Kullertprasert in the proportion of 70.00% and 30.00% of the shareholding proportion that KCCH holds in the Company, respectively, at a price of 10.00 Baht per share. As a result, Mr. Suchat Boonbanjerd Sri and Mr. Tawee Kullertprasert holding shares in the Company increased to 61.67% and 30.00% of the issued and paid-up capital, respectively.

Increasing the registered capital of the Company to 230.00 million Baht: On October 19, 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 resolved to approve the increase of the registered capital of 50.00 million Baht from the original registered capital of 180.00 million Baht to a new registered capital of 230.00 million Baht by issuing additional ordinary shares in the amount of 5,000,000 shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 10.00 Baht per share, with the objective is to be used as an investment in acquiring NPLs. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on October 30, 2018.

Year 2019

Issuance of debentures: The Company issued debentures in the amount of 120,000 units with a par value of 1,000.00 Baht per unit, totaling 120.00 million Baht, which is due and has already been redeemed. The details are as follows:

Issuance Date	September 13, 2019
Term of debentures	1 year
Maturity Date	September 13, 2020
Type of debentures	Debentures with name registered, without subordinated, unsecured, and holder representative.
Offering	Offered to a limited number of not more than 10 private investors in any 4-month period.
Number of debentures and amount	Amount 120,000 units with a par value of 1,000.00 Baht per unit, totaling 120.00 million Baht.
Interest rate	5.00% per year with interest payment every 3 months.

Year 2020

Issuance of debentures: The Company issued debentures in the amount of 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht, to repay debentures due on September 13, 2020 and to use as investments in acquiring NPLs. The details are as follows:

Issuance Date	October 2, 2020
Term of debentures	2 years
Maturity Date	October 2, 2022
Type of debentures	Debentures with name registered, without subordinated, unsecured, and holder representative.
Offering	Offered to a limited number of not more than 10 private investors in any 4-month period.
Number of debentures and amount	Amount 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht.
Interest rate	6.00% per year with interest payment every 3 months.

Year 2021

The Extraordinary General Meeting of Shareholders No. 1/2021 held on September 23, 2021 resolved the following important matters:

- Approved the conversion from a limited company to a public limited company under the name “Knight Club Capital Asset Management Public Company Limited”
- Approved the change of par value from 10.00 Baht per share to 0.50 Baht per share, increasing the number of shares from 23 million shares to 460 million shares.
- Approved an increase in the registered capital of the Company in the amount of 80.00 million Baht from the original registered capital of 230.00 million Baht to a new registered capital of 310.00 million Baht by issuing 160 million additional ordinary shares with a par value of 0.50 Baht per share offered to the public as well as listing the Company’s ordinary shares on the Stock Exchange of Thailand.

In this regard, the Company has registered to conversion into a public limited company, change the par value and new registered capital with the Department of Business Development, Ministry of Commerce on September 27, 2021.

Year 2022

Issuance of debentures: The Company issued debentures in the amount of 350,000 units with a par value of 1,000.00 Baht per unit, totaling 350.00 million Baht, to fund the acquisition of NPLs and foreclosed properties. The details are as follows:

Issuance Date	April 12, 2022
Term of debentures	1.5 years
Maturity Date	October 12, 2023
Type of debentures	Debentures with name registered, without subordinated, unsecured, and with debenture holder representatives.
Offering	Institutional investors and/or High Net Worth
Number of debentures and amount	Amount 350,000 units with a par value of 1,000.00 Baht per unit, totaling 350.00 million Baht.
Interest rate	6.50% per year with interest payment every 3 months.

On May 5, 2022, the Company was listed on the MAI and traded on the market for the first time.

Year 2023

Issuance of debentures: The Company issued debentures in the amount of 500,000 units with a par value of 1,000.00 Baht per unit, totaling 500.00 million Baht, to fund the acquisition of NPLs and foreclosed properties. The details are as follows:

Issuance Date	March 30, 2023
Term of debentures	1 year 11 months 28 days
Maturity Date	March 28, 2025
Type of debentures	Debentures with name registered, without subordinated, unsecured, and with debenture holder representatives.
Offering	Institutional investors, Ultra High Net Worth and / or High Net Worth
Number of debentures and amount	Amount 500,000 units with a par value of 1,000.00 Baht per unit, totaling 500.00 million Baht.
Interest rate	6.25% per year with interest payment every 3 months.

The Extraordinary General Meeting of Shareholders No. 1/2023 on September 9, 2023, passed crucial resolutions on the following matters:

- Approval of the restructuring plan and other related initiatives of the Company
 1. Approval of the Company's shareholding and management restructuring plan.
 2. Approval of the Company's request to withdraw its shares from being registered securities on the Stock Exchange to align with the shareholding and management restructuring plan.
 3. Approval of additional amendments to the Company's regulations to align with the shareholding and management restructuring plan, which involves having holding company become a shareholder of the Company.
 4. Approve the delegation of authority related to the shareholding and management restructuring plan.

Issuance of debentures: The Company issued debentures in the amount of 400,000 units with a par value of 1,000.00 Baht per unit, totaling 400.00 million Baht, to utilize for debt repayment from the debenture issuance and the acquisition of distressed assets and foreclosed properties. The details are as follows:

Issuance Date	October 10, 2023
Term of debentures	2 years
Maturity Date	October 10, 2025
Type of debentures	Debentures with name registered, without subordinated, unsecured, and with debenture holder representatives.
Offering	Institutional investors, Ultra High Net Worth and /or High Net Worth
Number of debentures and amount	Amount 400,000 units with a par value of 1,000.00 Baht per unit, totaling 400.00 million Baht.
Interest rate	6.25% per year with interest payment every 3 months.

History of acquiring and distributing NPLs from 2020-2023

Procurement and investment of NPLs

The Company has procured and invested NPLs in the category of mortgage loan and retail loans from 2020 - 2023, total amount of 1,693.81 million Baht, total cash collection from receivable of 334.08 million Baht, a balance of credit from the purchase of receivables as of December 31, 2023 was 1,844.44 million Baht, with the following details:

Year of purchase of NPLs	Loan type	Rights debt ^{1/}	Loan for purchase of accounts receivable ^{2/}	Collateral value ^{3/}	Loans from purchase of accounts receivable balance ^{4/}	Amount of money collected ^{5/}
		(Mil. Baht)	(Mil. Baht)	(Mil. Baht)	(Mil. Baht)	(Mil. Baht)
2020 - 2022	Business Loans	43,484.14	804.56	2,115.08	809.78	203.60
	Mortgage loans	453.97	282.43	488.93	184.02	93.78
	Total	43,938.11	1,086.99	2,604.01	993.80	297.38
2023	Business Loans	623.23	422.95	1,239.92	403.41	24.23
	Mortgage loans	281.35	183.88	295.38	169.20	12.48
	Total	904.59	606.82	1,535.30	572.62	36.70
Total		44,842.70	1,693.81	4,139.31	1,566.42	334.08

Remark: ^{1/} Principal debt, accrued interest and various expenses that the company is entitled to.
^{2/} Investments that the Company paid for the purchase of NPLs.
^{3/} Based on the seller's appraisal price on the date the company acquired.
^{4/} Loans for the purchase of receivables exclude accrued interest receivables, allowances for expected credit.
^{5/} Amount received by the asset management company from the purchased receivables portfolio each year until December 31, 2023.

Disposal of NPLs in 2019-2023

The Company has gradually sold all non-performing assets in the category of retail loans in 2019 and 2020. As a result, from 2021 onwards, the Company no longer has retail loan receivables; due to the Company aims to focus on managing NPLs, such as corporate loan and mortgage loans with expertise to be more efficient. In addition, the Company has sold some business credit receivables. The details are as follows:

Year	Type of receivable	Details
2019	Retail loan and corporate loan receivables	In November 2019, the Company sold NPLs to 2 asset management companies, which were auto loan receivables and unsecured business loans. The court has judged the total value of 14.99 million Baht.
2020	Retail loan receivables	In August 2022, the Company sold NPLs to an asset management company, which was a retail loan receivable that the court had judged, with a total value of 13.85 million Baht. As a result, the Company no longer has a portfolio for managing NPLs in the category of retail loan receivables.
2021	Corporate loan receivables	In February - March 2021, the Company sold NPLs to 1 other asset management company and 1 financial business company, which were a type of secured business loans judged by the court and were without collateral, total value of 13.77 million Baht
2022	Corporate loan receivables	In June 2022, the Company sold non-performing assets to another limited company as a debt restructuring of secured business loan receivables with a total value of 129 million baht.
2023	- None -	

1.2 Business Description

Due to the economic and financial crisis in Thailand in 1997, the receivable of financial institutions were unable to repay their credit liabilities with financial institutions. This caused a large increase in non-performing assets to the point of obstructing the business operations of financial institutions, especially in providing credit and quality asset management to support the business sector to drive the economy further. Therefore, an asset management company has been established to solve the receivable's overdue problem by purchasing and receiving transfers of NPLs from financial institutions, enable financial institutions to have flexibility to conduct core business of financial institutions continually.

Knight Club Capital Asset Management Public Company Limited ("the Company" or "KCC") is an asset management company pursuant to the Emergency Decree on Asset Management Companies B.E. 2541 and the Amendment Act, under the supervision of the Bank of Thailand ("BOT"). KCC operates the NPLs management business from the purchase or transfer of NPLs from financial institutions and financial business entrepreneurs in order to manage and improve debt restructuring. The aim is to solve the bad debt together with the receivable to repayment the outstanding debt and be able to continue their business efficiently, including the management of NPA for further adjustment and distribution.

1.2.1 Revenue Structure

The Company's revenue structure

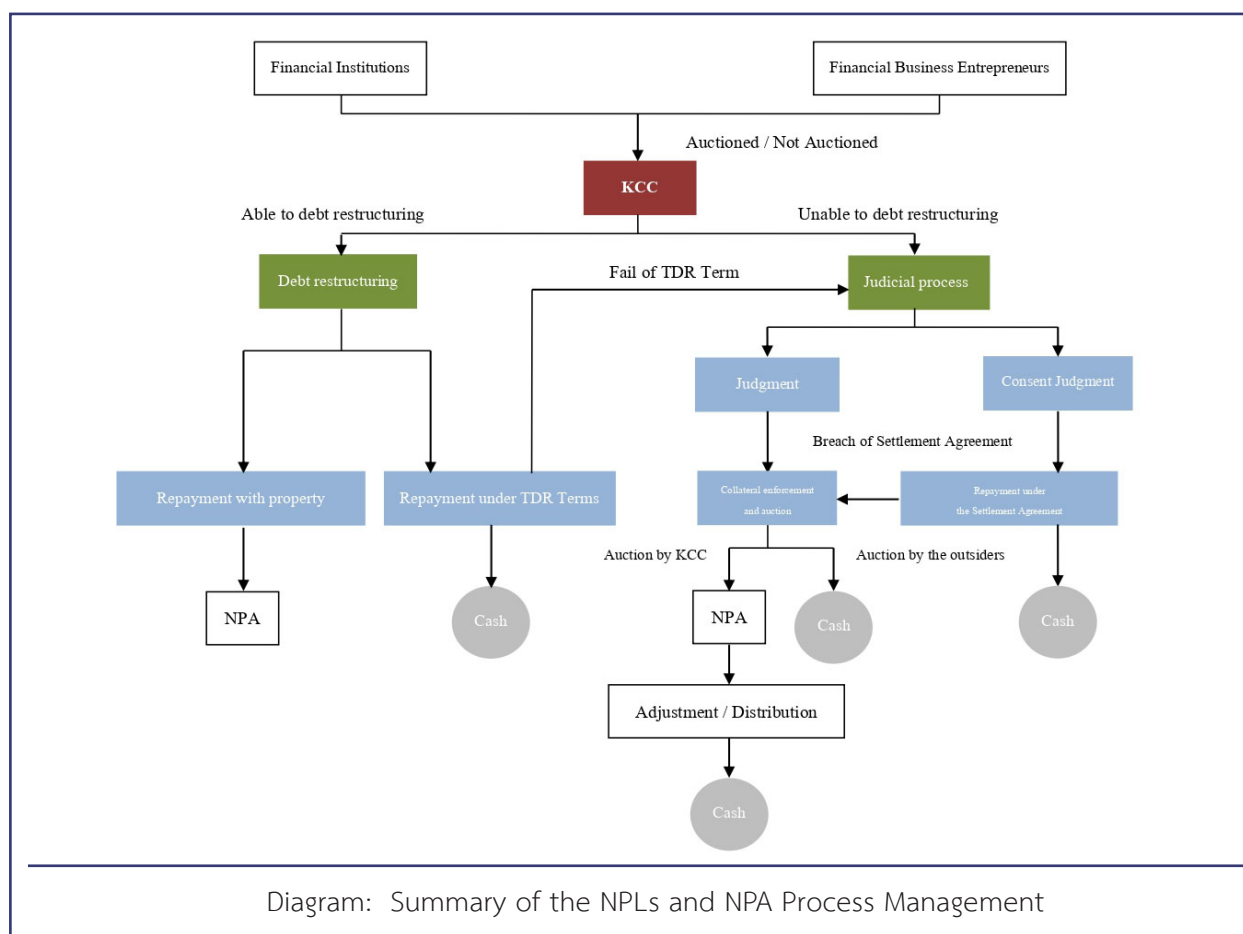
	2022		2023		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
1) Non-performing loans management business income						
1.1) Interest income from loans for purchase of receivables						
Corporate loan receivables	111.53	65.42	187.86	98.25	76.33	68.44
Mortgage loans receivables	10.45	6.13	15.05	7.87	4.60	44.02
Less Interest expenses	(33.90)	(19.88)	(66.61)	(34.84)	(32.71)	(96.49)
Net interest income from loans for purchase of receivables	88.08	51.67	136.30	71.28	48.22	54.75
1.2) Net profit from debt repayment						
Corporate loan receivables	4.90	2.87	11.13	5.82	6.23	127.14
Mortgage loans receivables	13.63	8.00	15.22	7.96	1.59	11.67
Net profit from debt repayment	18.53	10.87	26.35	13.78	7.82	42.20
1.3) Profit from sale of credit from purchase of accounts receivable	57.61	33.79	-	-	(57.61)	(100.00)
Non-performing loans management business income 1) = 1.1) + 1.2) + 1.3)	164.22	96.33	162.65	85.06	(1.57)	(0.96)
2) Profit from the sale of foreclosed properties	5.95	3.49	14.11	7.38	8.16	137.14
3) Other operating income ^{1/}	0.31	0.18	14.45	7.56	14.13	4,415.63
Operating income	170.48	100.00	191.21	100.00	20.72	12.15

Remark: ^{1/} Other operating income encompasses revenue from asset management services, interest income received from banks, court fees refunded, net gains from financial instruments measured at fair value through profit or loss, and other sources.

1.2.2 Product Data

(1) Nature of products or services and business innovation development

KCC operates the NPLs management business from the purchase or transfer of non-performing loans from financial institutions and financial business entrepreneurs in order to manage and improve debt restructuring. The aim is to solve the bad debt together with the receivable to repay the outstanding debt and be able to continue their business efficiently; including the management of NPA acquired from the auction of the receivable's collateral in the Legal Execution Department and from the settlement of debts for further adjustment and distribution. Therefore, the Company's business operations can be divided into 2 main groups, namely (1.1) NPLs Management Business and (1.2) NPA Management Business. The details are as follows: Diagram: Summary of the NPLs and NPA Process Management



(1.1) Non-Performing Loans Management Business (“NPLs receivable”)

KCC aims to improve NPLs by purchasing or transferring from financial institutions and financial business entrepreneurs to manage and increase the quality of non-performing loans toward the creation of quality and economy circulation as well as value creation. When the problem of non-performing loans of financial institutions is alleviated, the burden of managing NPLs will be reduced. As a result, financial institutions' credit portfolios will gain positive results, enabling core operations with better turnover as well as being able to expand their portfolios of good quality credit. In addition, more resources can be used to manage the main tasks of financial institutions.

1.1.1) Procurement and management of NPLs

KCC's NPLs management starts with procuring non-performing loans from financial institutions and financial business entrepreneurs. After received the right to claim on NPLs receivable, the Company will accelerate negotiations with NPLs receivable to improve debt restructuring to reach an agreement that satisfies all parties (Win-Win). However, since most of the NPLs that the Company auctioned were already problematic debts, there were some that could not be restructured; some are in court proceedings, or the process for forcing the collateral to be sold by auction. Hence, the Company shall proceed with court proceedings or compulsory auction collateral proceedings as the case may be. The procurement and management of NPLs consists of 3 main steps as follows:

- a) NPLs procurement process;
- b) NPLs management process; and
- c) Collateral enforcement and auction process

However, after the Company has completed the purchase of NPLs, it takes approximately 5-7 years to manage, depending on the type of credit of the NPLs receivable. The details of each step are as follows.

a) NPLs procurement process

KCC procures NPLs from financial institutions and financial business entrepreneurs collectively referred to as ("Sellers"), mainly through the auction process.

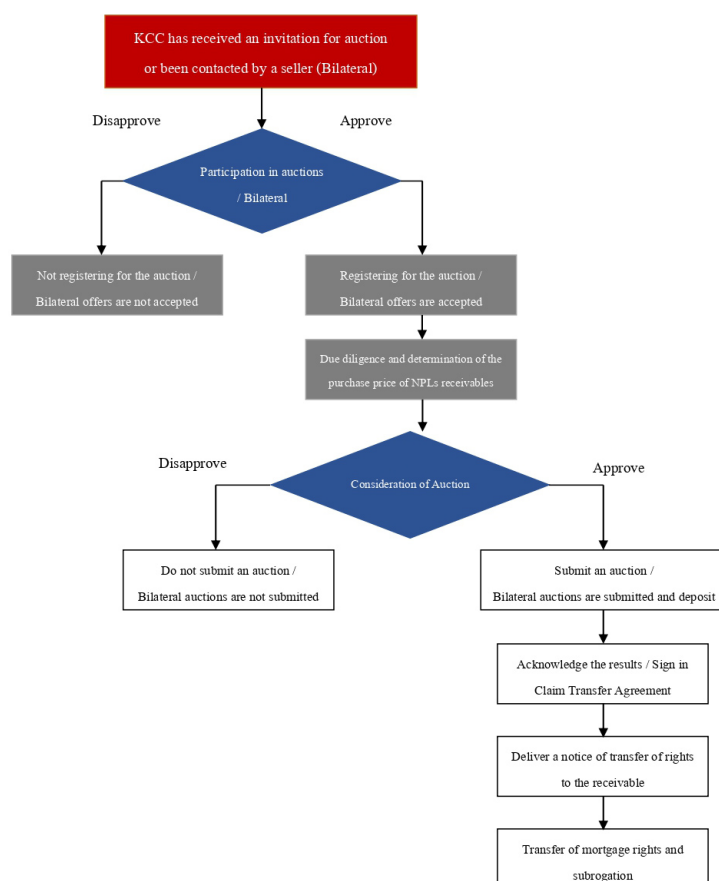
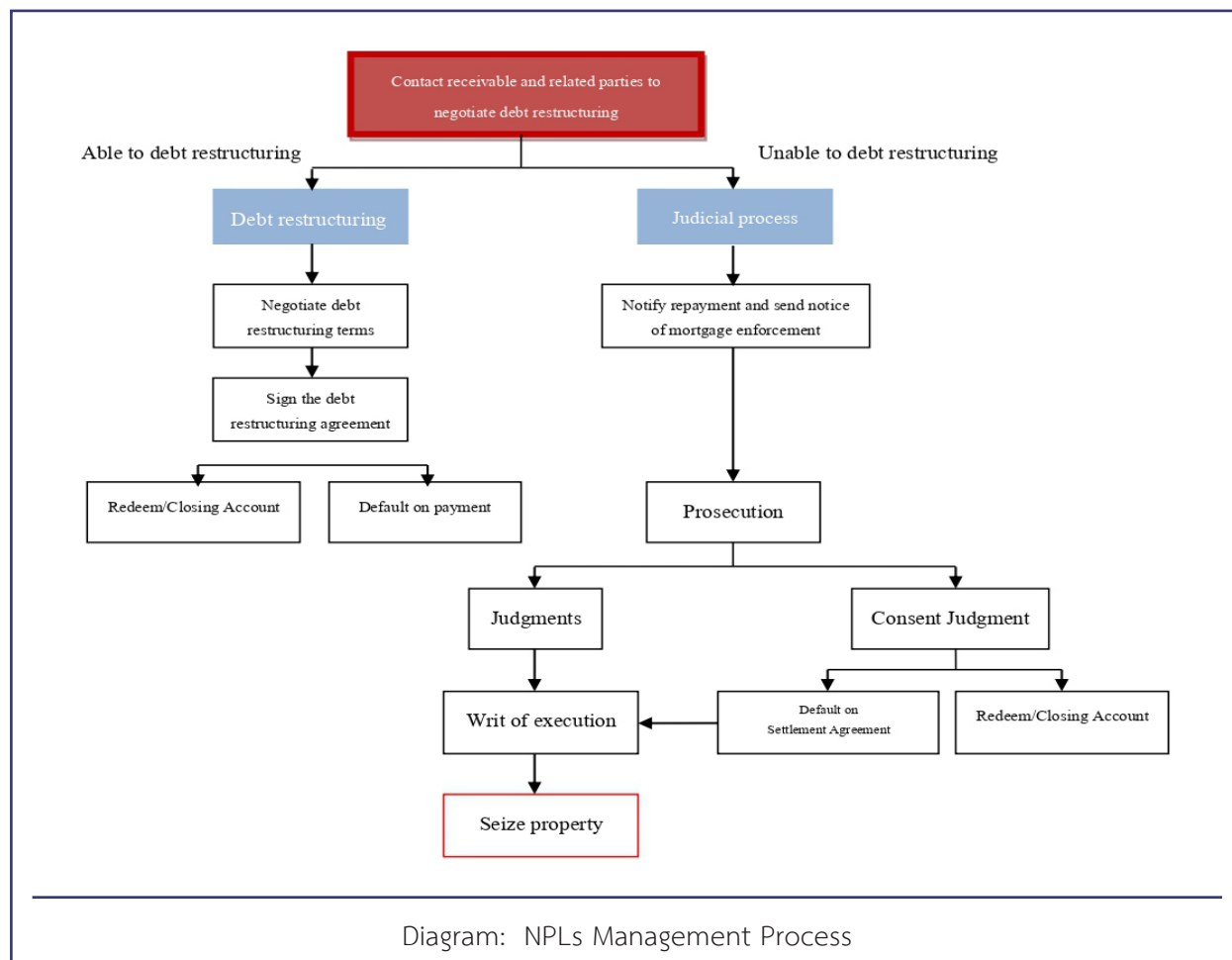


Diagram: of the NPLs procurement process

b) NPLs Management Process

NPLs Management Process is the process that takes place after the Company has received the transfer of the claim on the NPLs receivable or has taken over the legal rights of the NPLs receivable. It is divided into 2 cases: 1. proceeding through the debt restructuring process and 2. proceeding through the court process. There are details of important steps as follows:



Case 1 Proceeding through the debt restructuring process

After the Company has received the transfer of claims on NPLs receivable from the seller, the Company will contact NPLs receivable to negotiate debt restructuring to obtain satisfied agreement all parties as much as possible (Win-Win), enabling NPLs receivable solving their own debt problems. At the same time, the Company, as a creditor, will receive repayment in a fair amount within the time frame mutually agreed upon with the receivable, whereby receivable who are expected to have the potential to negotiate debt restructuring are mostly receivable who have not been entered the court process, or even though the receivable has been prosecuted but the court has not yet given a verdict, the NPLs receivable may seek compromise in the court. However, any NPLs receivable are unable to negotiate debt restructuring; the Company will prosecute in the court process. Negotiations for debt restructuring between the Company and the receivable can always be done even if the receivable is in the process of legal execution or until the Company has written off all debts.

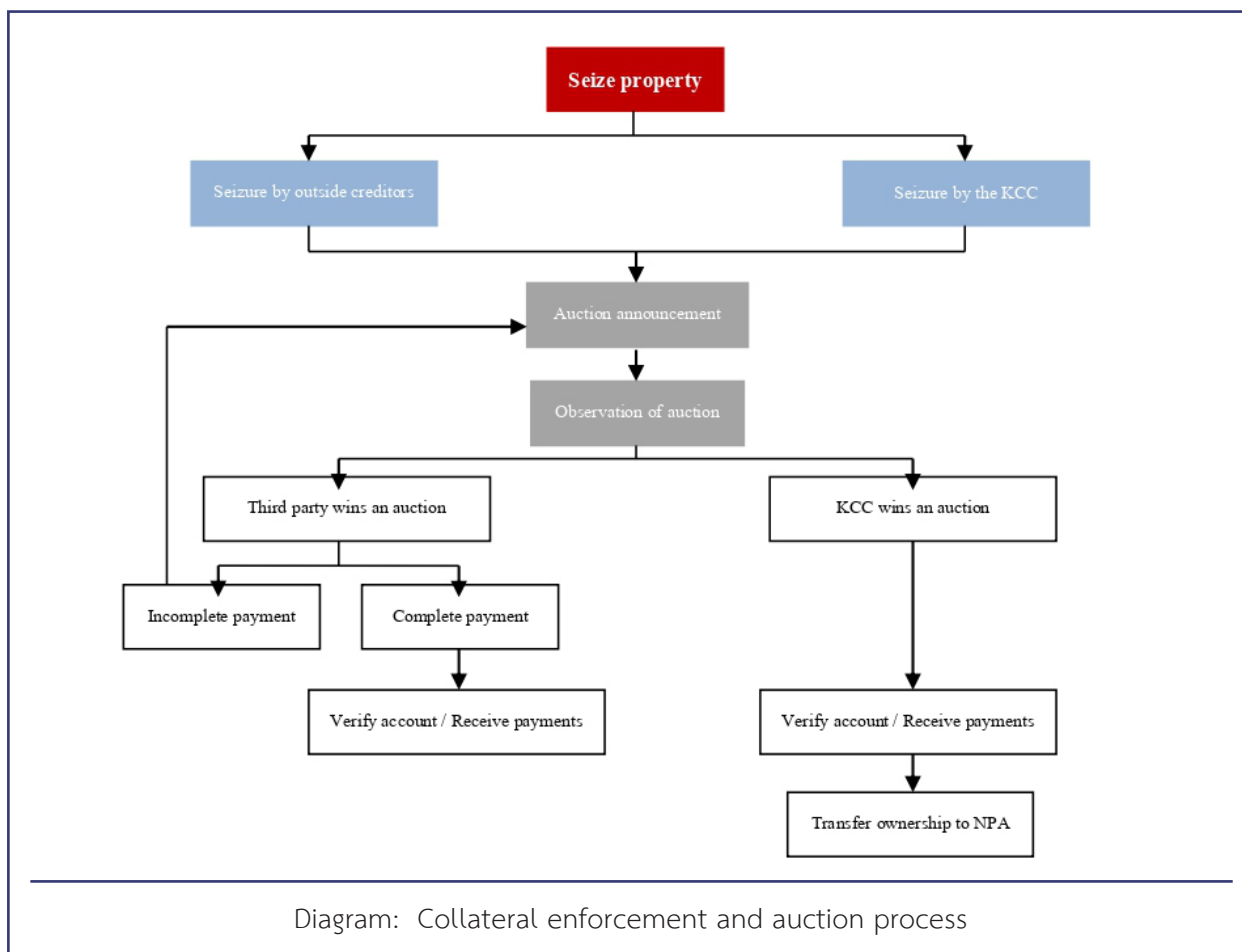
The Company has set a time frame of debt restructuring negotiations for each type of receivable, if the Company is able to restructure within the time frame, the Company will recognize interest income from CEIR since the date of the debt restructuring agreement. If during the said period, the Company is unable to restructure with the receivable, it will not recognize interest income from CEIR, and ECL will not be established. After the stipulated negotiation period, the Company will calculate CEIR from the cash flow from the sale of collateral. However, in the case of receivable that have debt restructuring agreements and still have regular installment from former creditors, the Company will recognize interest income from CEIR according to the original installment plan that the receivable has made with the former creditors.

Case 2 Proceeding through the court process

Once the Company has entered into the claim transfer agreement with the seller, the Company will contact NPLs receivable to negotiate debt restructuring as mentioned in Case 1 above. However, in some cases, the Company and NPLs receivable are unable to find a solution by negotiating debt restructuring due to various reasons, for example: no cooperation from NPLs receivable, NPLs receivable delay the signing of the debt restructuring agreement, and after debt restructuring, NPLs receivable are unable to comply with the conditions of the agreement. The Company will proceed with the court process by filing lawsuits against the receivables as well as continuing legal proceedings for the NPLs receivables acquired by the Company in the court proceedings. with following steps:

c) Collateral enforcement and auction

Procedures for execution in order to seize the collateral by which the proceeds will be used to pay the debt according to the judgment of the court, it is conducted by the Legal Execution Department through an auction method and allows third parties to bid for collateral. The Legal Execution Department will send a notice of the collateral auction specifying the date and the starting price to stakeholders, including receivable, creditors and related parties to acknowledge the auction according to the said schedule. The details are as follows.



(1.2) Non-Performing Asset Management Business (“NPA”)

Most of the Company’s NPA is residential real estate in the category of single-detached houses and townhouses. In the past, the Company did not directly procure NPA from auctions from financial institutions as the Company’s policy mainly focused on the management of NPLs receivable collateral assets, and the Company procures non-performing asset from the purchase of collateral for NPLs receivable from the public auction in the Legal Execution Department only, or the Company may obtain non-performing asset from the repayment of NPLs receivable, which is a settlement agreement with NPLs receivable who fail of repayment, enabling settlement of existing debts with the Company without court process, which will reduce the time and expenses in acquiring the ownership of non-performing asset.

The Company manages non-performing asset by adding value creation, improving to be more useful and marketable in order to sell to third parties and generate income return to the Company with the details as follows:

(1.2.1) Types of non-performing asset

In the past, the Company had non-performing asset from mortgage loans receivables, such as single-detached houses, townhomes, and condominiums, etc. Non-performing asset from corporate loan receivables, such as land, factory buildings, commercial buildings, and movable properties, etc. Since the Company has sold all non-performing asset from business loan receivables within the year 2018, therefore, non-performing asset at the end of 2022-2023 are completely from mortgage loans receivables. However, the Company's non-performing asset originate solely from the purchase of collateral for the company's NPLs receivables through auctions conducted by the Department of Legal Execution and debt settlement. The details are as follows:

Table: Non-performing asset categorized by type of residence at the end of 2022-2023

	Non-performing asset					
	As at December 2022		As at December 2023		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Single-detached houses	59.60	70.63	69.74	62.93	10.14	17.02
Townhomes	12.79	15.16	29.17	26.32	16.38	128.05
Condominiums	7.17	8.50	11.91	10.75	4.74	66.08
Commercial buildings	4.82	5.71	-	-	(4.82)	(100.00)
Total	84.38	100.00	110.82	100.00	26.44	31.34

Most of the Company's non-performing assets at the end of 2022-2023 are located in Bangkok and its vicinity and a few are located in upcountry areas. The details are as follows:

Table: Non-performing asset categorized by location at the end of 2022-2023

	Non-performing asset					
	As at December 2022		As at December 2023		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Bangkok	34.22	40.56	43.05	38.85	8.83	25.82
Vicinity	44.31	52.51	61.49	55.49	17.18	38.77
Province	5.85	6.93	6.28	5.66	0.43	7.29
Total	84.38	100.00	110.82	100.00	26.44	31.34

(1.2.2) Procurement and management of non-performing asset

The procurement and management of non-performing asset consists of 2 processes as follows:

a) Procurement process of non-performing asset

The Company focuses on investing in NPLs, not focused on NPA. In the past, the Company's non-performing asset came from the purchase of collateral of the Company's NPLs receivable from the auction of the Legal Execution Department and repayment with property only. Therefore, the process of procuring the Company's non-performing asset is similar to the process of legal execution to seize the collateral by auction.

(1.3) Cash Collection

The Company has cash collection from business operations consisting of proceeds from repayment of receivable, proceeds from the auction of the receivable's collateral in the Legal Execution Department, proceeds from the sale of loans from the purchase of accounts receivable, and proceeds from sale of non-performing asset. Such cash collection has not been deducted interest expenses, cost and accrued interest of NPLs receivable, and cost of non-performing asset.

b) Management process of non-performing asset

1) Monitoring improvements, maintenance and value creation to non-performing asset

After the Company has received the transfer of foreclosed properties, the Asset Management Department will be responsible for inspecting the condition of the foreclosed properties according to the Company's checklist, for example: inspection of floors, ceilings, stairs, take photos of foreclosed properties as in condition before renovation, including coordinating with the juristic person of the foreclosed properties (if any) in order to inquire about the outstanding common expenses to assess the initial cost of improving the foreclosed properties to be ready for sale and prepare a request for approval of expenses in managing foreclosed properties. However, if the Asset Management Department finds that there is an intruder, the Company will initially proceed with the process of evicting the intruder, and then continue to investigate and repair.

2) Sale of non-performing asset

When the non-performing asset are ready for sale, the Asset Management Department will collect relevant documents to fix the selling price, for example: application for approval of price announcements for sale, property appraisal manual, market price comparison data, and the cost of repairing, etc., those will be delivered to the authorized person for approval. Upon having an announced price, the Company will sell the foreclosed properties through various channel, such as consignment through the juristic person where the property is located, sales agents, the display of the foreclosed properties sign, brochures, and the sales channels through digital advertising media includes; real estate website, website and Facebook of the Company, etc.

3) Sign on sale agreement contract and ownership transfer

When someone is interested in purchasing non-performing asset, the Asset Management Department will consider the price and conditions proposed by those interested, to review the conditions and the selling prices, as well as assessing the possibility of purchasing power of interested purchaser, the Company may be involved in providing advice on applying for a loan with a financial institution as a source of funds for purchasing assets. However, if the purchaser's offer has conditions and prices within the specified range, the Asset Management Department will request approval of the selling price.

After that, the Company and the purchaser will sign a sale agreement contract where the purchaser deposits some of the security deposit and pays the rest and transfers ownership of the property on the same day. The Company has never had a policy to grant credit to purchaser of foreclosed properties or to installments for foreclosed properties.

(2) Marketing and Competition

(2.1) Competitive strategy

The Company has established competitive strategies and policies aimed at promoting long-term competitiveness and managing NPL and NPA more efficiency. The details are as follows:

1) Procurement of non-performing asset with appropriate rate of return

The Company places great importance on procuring NPA as it is considered first line of success factor, if the Company is able to bid for NPA with reasonable cost, it will generate expected returns from cash flow, both receiving and selling collateral, enabling the Company being able to compete in the business. Therefore, for each NPA purchase auction, the Company will appoint a Debt Purchasing Team consisting of people with expertise from various departments, namely: Asset Management Department, Accounting and Finance Department, and Legal Department. They will study and verify the receivable's information, survey the collateral to assess the condition and market price, including the expected cash flow projection, which is partly considered based on statistics on the management of NPA of the Company, this is to summarize the purchase price of debt and the rate of return expected from the debt auction investment. Then, the Debt Purchasing Team will summarize the information submit to the authority to consider and approve the auction price once again, step by step. This ensures that the Company has carefully considered every time before bidding for the utmost benefit of the shareholders.

In addition, the Company's procurement of NPA that are expected to generate appropriate returns, in addition to the skilled and skilled workforce, the Company's good relationship with financial institutions and other asset management companies will increase business opportunities NPA procurement aligned with the Company's policies, expertise and capital.

2) Shorten the period management of receivable

The Company aims to manage NPA to receive repayment on time and close accounts with receivable as soon as possible to use the cash flow received from debt repayment to invest in acquiring NPA to manage and generate returns for the Company in the future.

Negotiating debt restructuring, the Company analyzes the debt repayment ability of each receivable, including cash flow from other sources that can be used for debt repayment in order to determine the repayment terms suitable for each receivable. After the debt restructuring has been completed, once the installments have begun, the Company will notify in advance of the due date, enabling receivable to pay on time and return to normal financial transactions, such as applying for refinancing with financial institutions and collateral with the company.

In addition to the cash flow received from receivable, the Company focuses on the turnover of foreclosed properties to return to cash flow as soon as possible. The Company prioritizes the process of participating in the auction process for the purchase of collateral, the collateral that the Company participates in the auction, if it is a residential type; the Company will consider location, potential market

demand, and good condition in order to reduce the cost of improving the property condition to be ready for sale, at the same time, it is considered to increase the value of the assets, enabling the Company distributes the properties easily. In addition, advertisements for foreclosed properties are advertised through various digital media, such as advertising through websites related to the sale of real estate, website and Facebook of the Company, and real estate brokers, etc. The Company believes that such action will enable the Company to receive cash flow faster and reduce the cost of holding foreclosed properties as well. In the past, the Company has an average sale period of foreclosed properties for about 2 years and has never sold foreclosed properties at a loss price.

In addition, the Company strives to increase the efficiency of its internal operations in order to reduce the amount of time required to perform all stages of operations or to reduce operational errors that will prolong the time to receive cash flow by recruiting personnel with knowledge and expertise in legal processes related to collateral enforcement to increase the efficiency and speed of internal processes for collateral enforcement of NPA, and preparing relevant documents for court proceedings, etc.

3) Effective management of non-performing debt collection

Non-performing debt collection management is important matter, after the Company has entered into the debt restructuring agreement, the payment must be monitored regularly in accordance with the terms of the debt restructuring agreement. If the receivable defaults on repayment and is unable to follow up and collect debt within the period specified in the contract, it may cause the Company to lose financial opportunities for other operations or waste time and additional expenses to negotiate debt restructuring, this include court proceedings, it may also result to set aside more allowance for expected credit losses. In the past, the Company would follow up and collect debts of mortgage loans receivable and corporate loan receivable by itself and outsource third party to collect debt repayment of retail loan receivable. Since the Company has sold off all retail loan receivables in 2020, the Company currently only follows up on debt repayment by itself.

The Company therefore places importance on debt collection management by adhering to the debt collection practices according to the Debt Collection Act and relevant notifications, such as following up on debt collection without disturbing the receivable, use polite words and do not extort the receivable, charging fees or expenses for debt collection at the rate specified by law (the Company does not charge fees or expenses for debt collection, including no fees or other expenses for debt restructuring), etc. In addition, the Company also places importance on developing specialized debt collection personnel with good human relations and communication skills communication, understanding the objectives of negotiations, due to each receivable will use different methods of communication with differences of age, education level, occupation, and other factors. Therefore, before the debt collection team starts work, to study of each receivable's information is important, including the Company has a notification service before the payment date through many channels, such as phone, SMS, and Line, and any other action under the Strict Debt Collection Act, etc.

From the above policies and guidelines, the Company has never received any complaints about debt collection. The Company has approved Whistleblower Policy to determine the complaints recipients, complaint methods, fact-checking process, and protection measures to protect those who report information or clues, as well as receivable with complaints.

4) Efficient information system

The management of NPA involves the management of a large amount of data, which is a complex and time-consuming process, as the Company growing continuously causing the amount of receivable's account information is continuously increasing. The information technology systems therefore play an important role to support the operations of the Company for utmost benefits.

The Company has developed the Debtor Portfolio Management System (DPMS) as a tool to increase efficiency in the Company's NPA management process. This system will be useful in the field of data storage, identification of the status of the receivable, systematically searching for receivable and collateral information, reduce errors in interest calculations, shorten working time, issuing various reports to aid analysis, and follow up on payments, etc. In addition, the Company also places importance on continuous improvement of the DPMS serve the company's usage, including developing knowledge about the use of such systems for employees for maximum efficiency.

In the third quarter of 2023, Kandit Advisory Co., Ltd. ("Internal Auditor" or "KAS") has audited the information system (Application Control); it was found that there were no issues of observation. Also, EY Office Company Limited ("Auditor" or "EY") has reviewed the general controls of the information technology system related to the processing of the Company's accounting data; it was found that there were no issues of observation

5) Regular personnel development

In the procurement and management of the Company's NPL by negotiating debt restructuring with receivable or related parties in order to obtain an satisfied agreement with all parties as much as possible, or any operations related to the court process require personnel with specialized knowledge, experience, and a variety of skills; both the analysis of various aspects, receivable's repayment ability, the ability to assess the value and liquidity of the collateral, including having good negotiation and communication skills in order to reach an agreement for all parties, etc.

The Company's personnel are important resources for the development of the organization to keep pace with the rapid changes and sustainable growth of the Company. Therefore, the Company recognizes the importance of continuous personnel development, enabling personnel more proficient in their work, reducing errors. Thus, the training program both In-House Training and Public Training are in place, to suitable for the skills development each employee, to enhance the knowledge and understanding of the roles, duties and responsibilities toward the value creation of the Company's personnel more efficient. It is also important to develop a good attitude and conscience in performing duties, promotion of teamwork skills, cultivating good consciousness for both inside and outside the organization, encourage the personnel to participate in reducing of non-performing debts, enabling the receivable go on operate business and the Company's return at an appropriate rate.

(2.2) Service and distribution channels

The service channels of the NPA management business and the distribution channels of the Company's foreclosed property management are as follows:

1) Service channels for non-performing loans management business (NPLs receivables) include:

- Channels for debt restructuring services: NPLs receivable able to negotiate for change debt restructuring conditions or request to change the conditions for new debt restructuring by contacting

for preliminary negotiations via telephone before making an appointment to formally negotiate at the Company's head office.

- Payment channels for NPLs receivable: After the debt restructuring has been completed, NPLs receivable able to pay through various channels, such as transfer or cashier's check, payment at any commercial bank branch nationwide, etc. However, if the receivable is unable to pay under the terms of the original debt restructuring agreement, the Company will consider whether to restructure the debt under the new conditions or will proceed with the court process.

2) Service channels for non-performing asset management business (NPA): The Company has a variety of sales channels for foreclosed properties, for example: consignment through the juristic person of the property located, sourcing sales agents, preparation of foreclosed property signs and brochures, creating sales channels through digital advertising media such as Website and Facebook etc. Upon the purchaser agrees to purchase foreclosed properties, the purchaser must make a cashier's check payment to the Company on the date of transfer of the foreclosed properties from the Company to the purchaser.

(2.3) Target customers

Target customers of the NPLs management business and foreclosed property management business are as follows:

1) The NPLs receivable that the Company auctions from financial institutions or other asset management companies, namely:

- (1) Corporate Loan Receivable; and
- (2) Mortgage Loans Receivable;

2) Investors who purchase property for resale for those who want to purchase for living, or those who want land, commercial building, industry and others.

(2.4) Pricing policy

Pricing policy for NPLs management business will be considered from the investment decision, that is, when financial institutions announce to participate in the NPLs auction; the Company will initially consider the suitability of the debt portfolio to be consistent with the business plan. The Company will consider the debt that has been managed in the past, including considering the number of accounts receivable, quality of collateral, legal status, , management expenses, estimated time to receive cash flow, weighted in each scenario, the expected return on investment to determine the purchase price of NPLs that can compete with competitors in the market and still maintain the profit margin to be sufficient for expenses and various operations. The Company has established criteria and guidelines for preparing cash flow projections to determine the purchase price of each type of NPL, such as mortgage loans receivables, secured corporate loan receivables, and unsecured corporate loan receivables in the purchasing policy and determining the purchase price of NPLs.

The policy for determining the selling price of NPA is based on the appraised value by an independent appraiser licensed by the SEC Office, the market price in the vicinity, and expenses related to the sale of NPA, compare with the book value of NPA. Thereby, the sale price of NPA will be reviewed annually.

(2.5) Industrial Condition and Competition

The overall economic situation of the country is one of the key factors affecting the growth of the NPLs

management business. During the period of economic growth, there will be investment in both the public and private sectors; entrepreneurs need more sources of capital. At the same time, when there is an investment that causes employment, the purchasing power of consumers in spending, including the demand for investment in residential real estate increases accordingly. Therefore, it is an opportunity for financial institutions to issue more credit because consumers and entrepreneurs have the ability to request loans from various financial institutions. Therefore, when issuing from financial institutions increases, NPLs will increase in accordance with the total amount of loans in the financial institution's system. On the other hand, if the economy is in a recession, NPLs will grow at a higher rate compared to normal because there is a high probability that receivable won't be able to pay the amount of loans from various financial institutions has increased. Therefore, during the recession period, the chances that financial institutions, as loan providers, will sell NPLs through auctions to interested bidders will increase as well.

Over the past several years, financial institutions have tended to manage their NPLs by selling more NPLs due to several advantages, for example: human resources are not wasted on managing non-performing assets and financial institutions will receive cash back immediately to manage cash for further lending to other good receivable, and free of legal proceedings and NPA management, which is not the core business of financial institutions. Therefore, when the overall of NPLs in the economic system of financial institutions tends to increase, it is a business opportunity for the Company to acquire more NPLs for management.

The Company has procured NPLs for management in 2 types, namely; corporate loans and mortgage loans in the proportion of approximately 70.00 : 30.00 percent of the total from the purchase of receivables. From the growth of NPLs mentioned above, it is found that align with the Company's policy to focus on investing and procuring NPLs, both corporate loans and mortgage loans. Thereby the NPLs in the category of mortgage loans are secured assets and have seen high growth over the past 7 years, as for the category of corporate loans, the Company does not focus on investing in any particular business, but focuses on investing in companies with collateral or considering the ability to generate cash flow of corporate loan receivables repayment. Therefore, the overview of credit lending and the continuous growth trend of NPLs in the past will result in a large supply in the system; it is an opportunity for the Company to continue to grow by expanding its portfolio in managing NPLs.

Securities Information and Dividend Policy

Number of registered capital and paid-up capital of the Company

As of December 31, 2023, the Company's total paid-up capital amounts to 310 million Baht, distributed among 620 million common shares, each with a par value of 0.50 Baht per share.

Shareholders

The Company's shareholder structure as of July 31, 2023, the latest book closing date, can be summarized as follows:

Name		Shareholding	Percent (%)
1.	Mr. Suchat Boonbanjerd Sri	284,066,620	45.82
2.	Mr. Tawee Kullertprasert	138,400,000	22.32
3.	Mr. Kobi Boonbanjerd Sri	38,733,340	6.25
4.	Mr. Soravis Srinawakoon	16,908,700	2.73
5.	Mr. Sompong Chonecadeedumrongkul	13,102,000	2.11
6.	Mr. Sataporn Ngarmruengpong	5,438,700	0.88
7.	Mr. Sompong Chonecadeedumrongkul	5,342,700	0.86
DAOL Securities (Thailand) Public Company Limited			
8.	Mr. Watchara Kaewsawang	4,900,000	0.79
Total major shareholders		512,128,760	82.61
Remaining shareholders		107,871,240	17.39
Total		620,000,000	100

Shareholders Agreement

- None -

Dividend Payment Policy

The Company has a dividend policy stipulating a minimum payout of 40.0% of the net profit derived from the separate financial statement, after deducting corporate income tax and all types of reserves as specified by law and the Company's regulations. However, the actual payment of dividends is subject to modification based on necessity and other considerations deemed appropriate by the Board of Directors.

Nevertheless, the approval of the annual dividend payment requires endorsement from the shareholder meeting, except in the case of interim dividends. The Board of Directors retains the authority to sanction interim dividends whenever it deems the Company has sufficient profits, reporting such interim dividend payments to the subsequent shareholder meeting.

2 Risk Management

2.1 Risk Management Policy

The Company is aware of risk management which is part of good corporate governance. The Board of Directors has assigned the Risk Management Committee to oversee the establishment of a risk management system or process, as well as providing opinions on risk management both externally and internally in order to reduce the impact on the Company's business appropriately. The Company therefore has a policy to support a culture of risk management within the organization whereby management and employees at all levels will participate in risk management. The risk management process must be included as part of the operational plan preparation process and the operational plans of various departments. All departments are responsible for risk management to ensure that the Company's various activities will be able to achieve the organization-wide risk management objectives and maximize the benefits to the Company.

2.2 Corporate Risk Factors

Investing in the Company's ordinary shares carries risks, investors should carefully consider all information contained in these document and should exercise discretion in considering risk factors that may occur to the Company before making an investment decision.

The risk factors listed below are some of the most significant risks that could have an adverse effect on the Company and the value of its ordinary shares. In addition to the risk factors listed in this document, there may be other risks that the Company cannot currently foresee and which may be considered to have no significant impact on the Company's business operations; it may be a risk factor that is important in the future which such risks may have a significant impact on the business, revenue, profit, assets, liquidity, funding sources, operating results, financial status or business opportunities of the Company

In addition, forward-looking statements appearing in this document are subject to risks and uncertainties, such as the use of words; "believes", "expects", "plans", "wish" "approximately", or financial projections, future projects performance, estimates business, performance forecasts business, expansion plan, changes in laws related to the Company's business operations, government policies and others, these are based on the Company's current opinion and are not guarantees of future results or events. Therefore, actual results may differ materially from expectations or projections. For the risk factor information that is referred to or related to the overall economic or industrial situation of Thailand, such information is derived from information disclosed or excerpted from publications and other sources, which is a projection of future events based on the Company's current opinion; the Company does not review or certify the accuracy of such information in any way. Therefore, investment decisions should be carefully considered by investors.

Corporate risk factors can be divided into (1) Business risks of the Company (2) Management risks (3) Financial risks with the following details:



2.2.1 Business risks of the Company

2.2.1.1 Risk from acquiring non-performing loans at inappropriate prices

The Company procures non-performing loans (“NPLs receivable”), both secured and unsecured, from the purchase or transfer from financial institutions and financial business entrepreneurs to manage the debt restructuring process or the court process depending on the status of the receivable that the Company has transferred the claim from the former creditor. The aim is to solve bad debt problems with receivable for the repayment ability and continue their business efficiently. At the same time, the Company was able to generate return on investment in non-performing loans as set target. In this regards, one of the important factors for the Company to be able to generate return on investment as planned is to determine the appropriate auction price of non-performing loans; since the non-performing loans does not have a fixed median price. Therefore, before bidding to purchase non-performing loans, the Company must conduct due diligence by considering information from financial institutions and financial business entrepreneurs who wish to sell such non-performing loans. The information received in terms of legal contract documents is limited; the Company will not be able to enter the area of the collateral property, which may result the Company being unable to know the exact internal condition of the property, including having to take into account the bidding price of competitors. Therefore, in the event that the Company is unable to review information and/or select non-performing loans effectively, it may result in the Company having a risk of evaluating the auction price at a higher than reasonable price. These factors may have a negative impact on the expectation returns of the Company from non-performing loans, its competitiveness, financial status, and the performance.

The Company therefore places importance on fix auction prices for non-performing loans. The Debt Purchasing Team will set up a Due Diligence Team consisting of experts from various departments, such as the Asset Management Department, Accounting and Finance Department, and the Legal Department, etc. In order to examine and analyze receivable information covering all important aspects according to the guidelines set within a limited time, such as examination of the completeness and accuracy of receivable summaries received from financial institutions and financial business entrepreneurs, receivable history, business type, contract and other documents related to the receivable, receivable's case status, receivable's legal age, the existence and condition of collateral, the market price of neighboring collateral, etc. These include requesting additional information from the seller, analysis of competitive conditions, and the preparation of projections of net cash flows expected to be received from receivable in the future by considering to cover the expected expenses incurred based on the Company's historical statistics. The Company will use this information to determine the appropriate bidding price at a satisfactory return on investment. Any participation in the auction or purchase of non-performing loans must be screened by the Debt Purchasing Team and approved by the authorized person according to the level of approval authority, depending on the size of the investment value, taking into account the suitability of the rate of return of the investment and the investment risk. The Company is confident that it will set a commercially reasonable and competitive bid price for the acquisition of non-performing loans. In the past, the Company has been able to manage satisfactory non-performing loans, able to generate return on investment higher than the minimum rate of return set by the company all along.

2.2.1.2 Risk from the Company's management ability to non-performing loans and the receivable's repayment ability

Upon the Company has successfully transferred the right of claim in the receivable from the former creditor, the Company will manage the auctioned receivable by contacting the receivable to negotiate a new debt restructuring; or the receivable whose former creditor has filed a lawsuit in court, the Company will prepare a request for subrogation of the right to act on behalf of the former creditor, or in the event that the court has issued a judgment, the Company will assume the right to be the creditor according to the judgment, the Company can therefore proceed.

However, if the Company is unable to negotiate debt restructuring due to any reason or the receivable is fail of repayment according to the agreed terms; the Company may lose the opportunity to use the money received of repayment with other operations or waste time and additional expenses in negotiating a new debt restructuring. Once final tracking is reached, the Company may go through processes, such as court proceedings, forcing collateral assets, these processes are time-consuming, costly and must comply with the requirements of applicable laws, regulations or government policies, which the expected cash flow may not meet the target set by the Company. In some cases, the Company may not have the right to enforce the collateral property in the first place, or other creditors may have preferential rights over the said collateral, or the Company is unable to collect money from forcing collateral covering investment costs, or the Company has to investigate the property to sue for the difference, all of these incurs additional costs for the Company and reduces the expected returns. Therefore, the ability to inefficiently manage non-performing loans within an appropriate timeframe and receivable's repayment ability did not meet the expectations

of the Company is an important factor that has a negative impact on the Company's operating results and expected returns. Thus, in order to effectively manage non-performing loans, the Company not only focuses on managing after acquiring, but also prioritizes the investment selection process in non-performing loans with expertise and potential to improve debt restructuring. In considering auction for the purchase of non-performing loans each time, the Company must perform a due diligence, review of the non-performing loans carefully by analyzing; the type of debt, receivable's age, collateral value, financial status, business type, and payment history as mentioned in item 2.2.1.1, which will increase the opportunity to receive payment within the time frame assessed appropriately and more precisely.

For management after receiving the transfer of claims on non-performing loans, the Company will jointly negotiate a new debt restructuring with receivable by allocating payment periods align with the receivables ability repayment, it also emphasizes debt collection continuously and consistently with guidelines for debt collection practices according to the Debt Collection Act, and related announcements, such as debt collection in a manner that does not disturb the receivable, use polite words, and not extortion, etc. In addition, the Company also places importance on developing specialized debt collection personnel with good communication skills and understanding the objectives of negotiations. Therefore, the debt collection team must study the receivable's information before negotiating debt collection, including giving advance notice to the receivable before the payment due date. Furthermore, the Company has prepared a report as well as specifying causes and solutions in case of unable to collect debt as specified. A meeting of the Executive Committee is also held to closely monitor the collection results on a monthly basis for the improvement continuously.

In the event that the Company receives the right to claim from the former creditor who is in the court process, and the subrogation process is complete, or in the event that the court has ruled and there is an execution to sell the collateral by auction and use the proceeds from the auction as repayment; the Company must closely monitor the auction of such collateral in order to achieve the target price set by the Company. In the event that the auction price is lower than expected and the Company considers that there is an opportunity to create additional value from such collateral, the Company may auction the collateral by itself for further develop to foreclosed assets.

With experience in non-performing loans management business for more than 20 years, the Company was able to efficiently manage non-performing loans and collect debt according to the target or at a level close to the target all along.

2.2.1.3 Risk from failure of debt collection

The Company's performance depends on the ability of debt collection under the debt restructuring agreement between the Company and each receivable. Since the receivable are classified as problematic debts from financial institutions and financial business entrepreneurs, such receivable often have problems with their financial status, liquidity, and their ability of repayment. Therefore, there is a risk from failure of debt collection according to the debt restructuring agreement.

The Company is aware of such risks and has arranged for the Asset Management Department to monitor debts closely by notifying receivable via phone or text message in advance of payment

due date to encourage repayment as scheduled. In the event that the receivable defaults on the accumulated debt payment beyond the time frame specified by the Company, the legal process will begin as soon as possible by sending a Legal Notice, terminating the Debt Restructuring Agreement and notice of mortgage enforcement (if any) to the receivable immediately. As a result, the Company received the debt payment according to the legal process as soon as possible, including adjusting the interest rate to the default rate in order to maintain the rights that the Company should be legally entitled to. In addition, the Company has established a report on debt collection and receivable status submit to the Executive Committee on a monthly basis.

2.2.1.4 Risk from purchasing unsecured business credit receivables

Since in 2019, the Company purchased 2 large unsecured corporate loan receivables with a total investment value of 191.35 million Baht, representing 32.48% of total assets as of December 31, 2019. Investments in unsecured corporate loan receivables, if the receivable default of repayment, the Company will have to file a lawsuit against the receivable's other assets. The Company therefore emphasizes on determining the purchase price of receivable every time, especially the purchase of unsecured corporate loan receivable, and has established guidelines for examining relevant receivable information for consideration in determining the purchase price that is more stringent than the purchase of other types receivable. Criteria used by the Company in determining the purchase price of unsecured corporate loan receivables include the consideration of outstanding debt obligations, receivable's ability repayment, the amount of repayment is expected to be compared with the history of receivable made with the former creditor, business plan, future debt repayment plan according to the business rehabilitation plan and/or existing debt restructuring agreements, and the value of forced sale of unencumbered assets with other creditors in the similar status, etc. This includes analysis of financial statements and industry conditions by taking into account the impact on future cash flows and assessing risks in a comprehensive manner align with the expected returns.

In addition, if the purchase of such unsecured corporate loan receivables meets the concentration criteria according to the receivable concentration policy, that is, the size is greater than 10.00% of the loan from purchase of receivables and net accrued interest receivables, or more than 10.00% of the shareholders' equity, the Company must assess the risk of concentration before presenting to the authorized person for approval of the acquisition. As of the end of 2023, the Company has 2 unsecured corporate loan receivables, both of which are not more than 10.00% of the net loans from the purchase of receivables and accrued interest receivables of the Company.

Even though the Company has a good analysis and evaluation process for unsecured corporate loan receivables, there may be unsecured incidents of repayment according to the plan under the rehabilitation plan (if any) and/or existing debt restructuring agreement (if any). Therefore, in order for the Company's financial statements to be prepared on the basis of caution and reflects such potential risks, the Company has established a policy to set an allowance for expected credit losses ("ECL"); by taking into account factors and situations that may affect the expected future cash flows of receivable. Scenarios must be considered on a per-receivable basis, taking into account the principle of caution, various risks cover possible situations, and there must be sufficient and reliable supporting information, the Company requires that the suitability of the model and assumptions be reviewed at least once a year and such assumptions must be approved by the audit committee before being

used; whereby such policies have been used in the preparation of financial statements for the year 2021 onwards. However, after setting ECL based on cash flow projections, the Company will consider ECL management overlay to cover accrued interest receivable of loans from purchase of receivables, except in the case of receivable entered into debt restructuring agreements and are still able to pay debts, and receivable waiting to receive money from the Legal Execution Department (In case of a third party has auctioned the property and paid the full amount).

According to the policies and guidelines for the purchase and management of unsecured corporate loan receivables and the policy on provision for expected credit losses (“ECL”) mentioned above by taking into account various factors and circumstances that may affect the projected future cash flows of receivable. In preparing scenarios, each receivable must be considered, taking into account the principle of conservativeness, together with the current large unsecured corporate loan receivables have ability of repayment according to the business rehabilitation plan and/or debt restructuring agreement. Therefore, the Company is confident that such risk is reflected in the setting up of ECL in accordance with the policy of setting a reasonable allowance for expected credit losses in the Company’s financial statements.

2.2.1.5 Risk from the increase in non-performing loans

The amount of non-performing loans tends to increase according to the amount of credit granted by financial institutions that increases according to the country’s economic expansion and tends to increase further in the event of an economic crisis. Non-performing loans in the commercial banking system (Gross NPLs) increased from 465.03 billion Baht in 2019 to 523.26 billion Baht in 2020, and 530.74 billion Baht in 2021 before dropping to 499.19 billion Baht in 2022 and 494.60 billion Baht in the third quarter of 2023, partly affected by the spread of the COVID-19 virus; the increase in the amount of non-performing loans is considered a business opportunity for the Company. However, if the Company purchases non-performing loans into the portfolio much higher and/or inconsistent and/or unsuitable for expertise organization size, and the size of the Company’s capital could also have a negative impact on the operating results (The Company states its policy to maintain the debt to equity ratio in accordance with the loan agreements with financial institutions and debentures, which currently require the debt to equity ratio not exceeding 2.0 times.)

The Company is aware of such risks and therefore requires an annual business plan to be presented, comprising the framework of investment funds and the types of non-performing loans, including the annual manpower plan for the Board of Directors to consider the appropriateness.

In addition, the Company has developed a debt collection management system (DPMS) to enhance data management and support future business expansion by providing employees with a database of each receivable; it can be managed correctly according to the procedures and has up-to-date information. DPMS will support from the process of transferring rights, calculation of debt, debt restructuring, receiving payment, revenue recognition according to accounting standards, and collateral information management. The company continues to develop the DPMS system in various functions to be used in business operations with full functionality in all functions.

Therefore, the Company believes that the purchase of non-performing loans of the Company will be appropriate and consistent with expertise, organization size, and the size of the company’s capital, which enabling the Company to grow with efficiency, stability, and sustainability in the future

2.2.1.6 Risk from competition among operators in the industry

The business of asset management companies is under the scope, rules and conditions stipulated in the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments and under the supervision of the Bank of Thailand. There are a total of 82 companies permitted to establish as asset management companies (information from the Bank of Thailand as of December 31, 2023). The companies interested in doing this business partly from having existing businesses that are conducive to business operations, such as used to run a debt collection business or a law firm and expanded the scope of business to additional non-performing loans management or a foreign juristic person establishing an asset management company in Thailand, another part may cause by private companies that see business opportunities, especially during the COVID-19 crisis or economic crisis, etc. The non-performing loans management business has a tendency to grow continuously, the risk of competition among new operators is increasing both in the form of asset management companies and financial entrepreneurs who are not financial institutions. This may cause the likelihood of winning an auction to purchase non-performing loans as the number of bidders may increase, competition in terms of price and investment availability may intensify. In addition, the Company is unable to procure additional non-performing loans as planned, which will affect profitability, financial position and long-term growth of the Company.

However, to operate the non-performing loans management business, the entrepreneurs must have a license to operate the business, be ready in terms of investment capital, and have experience and specific expertise, such as consideration of the purchase price of non-performing loans and value and liquidity of collateral, potential for debt restructuring negotiations, legal proceedings, and auction of collateral, including the supervision of foreclosed properties and the sale of foreclosed properties, etc. These processes will require personnel skills, as well as estimating the period and cost of debt management align with actual operations. Therefore, if the new entrepreneur is incomplete without the aforementioned qualifications may affect the cost of management higher than other competitors or the competitiveness is not ready to compete with existing entrepreneur; as can be seen from many private asset management companies that have been established but are unable to make a profit and are not managed continuously. Therefore, the Company estimates that there are not many opportunities for new entrepreneurs to enter the market and compete fiercely; as in the past, the Company has created good relationships with financial institutions and financial business entrepreneur to increase the opportunity to procure non-performing loans, with the executives having more than 20 years of experience in the financial business and team having more than 8 years of experience in the non-performing loans management business, as well as having a standardized database and working system. The Company therefore believes that it can compete in the industry effectively.

In addition, the Company has considered that there may be more new entrepreneurs in the future, the value of non-performing loans from financial institutions in the economic system has grown steadily. According to data over the past 10 years, Gross NPLs of financial institutions have increased from 266.12 billion Baht in 2011 to 494.60 billion Baht in the third quarter of 2023, representing a CAGR of 7.15% per year. Therefore, when the overall picture of non-performing loans of financial institutions in the economic system tends to increase, it becomes a business opportunity to acquire more non-performing loans for management as well. The Company is confident that there will be many financial institutions to manage their own non-performing loans by continuously selling to the market

in the future and sufficient for the entrepreneurs in the non-performing loans management business. Therefore, the risk of having no additional non-performing loans to manage or having insufficient assets against the market is low.

2.2.1.7 Risk from concentration of non-performing loans of the Company

- **Loans from purchase of receivables and accrued interest receivables net of large corporate loan receivables**

The Company has two receivable with a proportion of more than 10.00% of the credit from the purchase of receivables and net accrued interest, of which two is a secured corporate loan receivable with the proportion of net purchase credit and accrued interest receivables was 56% of the net purchase credit and accrued interest receivables at the end of 2023. For the reasons mentioned above, the Company has a concentration of non-performing loans in corporate loan receivables, especially large corporate loan receivables. If the economy slows down and affects the receivable's industry, it may also affect the performance and ability of repayment, which will impact on the Company's performance

The Company has established a receivable concentration policy to determine the investment framework for the purchase of new receivable and monitored criteria for receivable purchased in order to provide a framework for managing the risk of receivable concentration. A secured receivable is considered a Large Borrower Concentration if the total amount from purchase of receivables and net accrued interest receivable is more than 30.00% from purchase of receivable and net accrued interest of the Company. An Unsecured receivable is considered a Large Borrower Concentration if the total amount from purchase of receivables and net accrued interest receivable is more than 10.00% from purchase of receivables and net accrued interest of the Company or more than 10.00% of the Company's shareholders' equity. The Risk Management Committee will take part in providing opinions for the decision making of the Executive Committee or the Board of Directors (Depending on the case) in approving the purchase of new receivable and monitoring to be large borrower according to the aforementioned criteria. It also establishes criteria for considering quantitative indicators, such as payment history, performance, and financial status of the receivable, etc; and qualitative indicators such as receivable's industry situation, and the legal status of the receivable, etc; as a guideline to track large borrower and reports to the Executive Committee on a monthly basis and to the Risk Management Committee and the Board of Directors on a quarterly basis. In this regard, the Company has four large debtors, categorized according to the policy, necessitating follow-up. This includes 2 unsecured business loans and 2 business loan debtors with collateral.

Unsecured corporate loan receivables are receivable that the Company prioritizes since the purchase, with more stringent criteria for consideration. In the case of secured corporate loan receivables, it is considered that there is a potential for debt restructuring and repayment to the Company. The Company may consider several factors in combination, such as business plan, estimated cash flow is expected to be sufficient to gradually pay debts to the Company, industry conditions related to the receivable's business, payment history, in the event of bankruptcy, the receivable must share unencumbered assets with other creditors in the same status, etc. For the Company's investments

in secured corporate loan receivables, it was found that the collateral covers loans from purchase of receivables and accrued interest receivables, in the event that the receivable is unable to pay debt according to the debt restructuring conditions and/or forcing the collateral to be auctioned, the Company has an opportunity to receive repayment from the sale of such collateral. In addition, upon the Company has purchased corporate loans receivables, the Company reviews the risk of each receivable on a quarterly basis and setting up an allowance for expected credit losses (“ECL”) covering the potential increase in risk of each receivable, when the situation has changed from the Company’s estimates.

From the above details, it can be found that the Company has 2 large unsecured corporate loan receivables, it is an ongoing business. The aforementioned large business loan receivables are in the construction materials industry and information and communication technology industry. In the past, both receivables have been affected by the covid-19 situation, so they have requested to negotiate to adjust the debt repayment plan to reduce the amount of payment in each installment and would like to extend the repayment period in the year 2020. The Federation of Accounting Professions has announced accounting guidelines on temporary relief measures for businesses providing assistance to receivable affected by Thai economy; as a result, the original effective interest rate does not reflect the expected cash flow to be received from that loan. The Company can use the effective interest rate (CEIR) to calculate the present value of debt restructuring loans, effective from January 1, 2020 to December 31, 2021. Subsequently, the Federation of Accounting Professions issued accounting guidelines on for assistance to receivable affected by the COVID-2019 situation, effective form January 1, 2022 to December 31, 2023, with requirements for debt restructuring that were more stringent than the previous version, requiring that a debt restructuring with conditions to reduce the receivable’s repayment burden rather than extending the repayment period, such as reduce accrued interest, reduce the contractual interest rate, which lowers the real interest rate, so that relief can be exercised when the debt restructuring is completed and the original effective interest rate does not reflect the use of the new effective interest rate.

For the two large corporate loan receivable, the Company provides assistance by using the effective interest rate recalculated in accordance with the temporary relief measures issued by the professional condition. If the assistance period has expired, the Company will use the newly calculated effective interest rate as used to calculate the recognition of income of the two large corporate loan receivables. If in the future, the two large corporate loan receivables restructure their debts with more relaxed terms, resulting in changes in the expected cash flow forecasts, the Company will consider whether it is necessary for the Company to set up additional ECLs in order to have a more appropriate ECL and cover potential risks.

In 2023, the Company has considered establishing the ECL of the two large unsecured corporate loan receivables when there is a change in the projected cash flow expected to be received from the loan from the purchase of those receivables, it discounted the forecast of the amount to be received in the future based on historical data and adjusted with current information and projections of future economic conditions, this includes using reasonable judgment in estimating expected credit losses. The Company has applied a Scenario-Based model to calculate ECL in order to cover various factors and situations that may affect the expected future cash flow of the receivable.

However, there may be factors, such as changes in economic conditions that may affect the receivable's industry, change on government policies, and the situation of the COVID-19 that affects the assumptions and may affect the calculation of ECL to increase or decrease.

In addition, the Company requires a close monitoring of concentrated the large loan receivables, regularly assessing and monitoring the value of collateral as well as closely monitoring real estate market conditions by adjusting strategies to suit situations that may change in each period.

- **Loans from purchases of receivables and accrued interest receivables, net of housing loan receivables**

The Company does not have loans for purchase of receivables and net accrued interest receivables in the category of housing loan receivables that are concentrated in only 1 of the top 10 major receivable. In addition, all housing loan receivables are all secured loan receivables, in which case the receivable fails to pay debt according to the debt restructuring conditions and/or forced auction of the receivable's collateral, the Company has an opportunity to receive debt repayment from the sale of such collateral.

2.2.1.8 Risk from inappropriate collateral auction price assessment

When the legal process reaches the stage of selling the receivables collateral by auction, the Legal Execution Department will sell property by auction in order to pay the Company the proceeds from the sale of such property. The Legal Execution Department will determine the minimum price used in the auction, if a third party auctions such assets at a low price, it will cause the Company as a creditor to lose benefits. Therefore, the Company sends representatives to participate in the auction every time to maintain the rights of the Company by fixing a minimum acceptable price as a basis for participation in the auction. If the price bid by a third party is lower than the minimum price set by the Company, the Company will auction the property as foreclosed property for later management and sale.

However, if the Company mistakenly assesses the minimum value of the collateral assets sold by public auction and bids them at a price that is too high, the Company may face problems in selling such assets. This may affect the operating results and liquidity of the Company.

However, the Company requires a thorough minimum appraisal of the collateral asset by considering the current asset price appraised by an independent asset appraiser licensed by the SEC, the market price of collateral assets in the vicinity that the Company surveyed by itself, and expected returns from the auction of collateral. However, the auction price of the collateral will be approved in accordance with the scope of authority according to the debt and collateral value of the receivable, taking into account the appropriateness of the rate of return. The Company is therefore confident that it can assess the collateral auction price that is commercially reasonable and competitive. In addition, if the auction price of collateral in the Legal Execution Department is lower than the target, the Company will bid for such collateral by managing it as the Company's foreclosed assets, with

¹ Scenario Based is the consideration of factors and situations that may affect the expected future cash flow of the receivable, such as past information and industry trends, which will be considered separately because information, risks, events, factors that may affect both historical information and forward-looking information differ for each receivable.

value creation by improving the foreclosed properties to be in good condition, marketable to sell and generate income back to the Company

2.2.1.9 Risk from the quality of non-performing asset

The Company's auction of collateral assets sold by public auction as foreclosed assets may cause risks related to the quality of foreclosed assets such as such foreclosed properties may not marketable, it may cause the sale of such foreclosed properties to take longer than expected, or may incur more renovation costs than expected, etc.

However, the Company consider the purchase of non-performing loans that it will auction secured housing loans worth approximately 2.00 – 10.00 million Baht, which is a range of high liquidity, including requiring the Asset Management Department to inspect the collateral by itself before requesting approval to purchase non-performing loans, to ensure that the nature and condition of the collateral are not different from the information received from financial institutions. Therefore, when such collateral assets are sold by public auction and such assets are purchased as foreclosed properties of the Company, the Company believes that has information and knows such assets well to be able to appraise the assets, including the cost required to improve and maintenance costs appropriately. The Company also arranges for an annual appraisal of foreclosed properties by an independent appraiser licensed by the SEC Office in accordance with the Bank of Thailand's regulations to review the value of foreclosed properties which will lead to the determination of appropriate strategies for managing and determining the selling price of the Company's foreclosed properties. It also requires the Asset Management Department to inspect the foreclosed properties regularly to ensure that are in good condition at all times. In the past, the Company took an average of 2 years to sell foreclosed properties.

2.2.1.10 Risk from decreasing the value of real estate collateral

Most of the collateral is immovable property, i.e., vacant land, land with buildings, and detached houses, etc. The collateral value is one of the assumptions used to calculate the rate of return that the Company expects to receive from the receivable. Therefore, if the real estate market is decline and the prices are falling, the Company may incur a risk of return, operating results, and financial position not as expected.

To mitigate such risks, the Company regularly reviews collateral prices in order to know changes in collateral increases or decreases, and as information for management plans for receivable affected by changes in collateral values in the future. The Company assesses non-performing loans every 3 years and non-performing assets every 1 year by using independent property appraisers licensed by the SEC. In addition, changes in the increase or decrease in the value of collateral are the assumptions used to review the projected cash flows expected to be received from receivable, so that the Company can set up an adequate allowance for expected credit losses according to the condition of the collateral, current market price, and the amount of the expected change in credit losses is recognized as an impairment gain or loss in the statement of income, which reflects the actual performance and financial position of the Company at that time.

However, most of the collateral is real estate located in Bangkok and its vicinity, with most values being around 2.00 – 10.00 million Baht, which is a price level that is easily transferable and has relatively high trading liquidity. In addition, if considering the ratio of loans from the purchase of receivables and accrued interest receivables to the value of collateral for secured receivable, it is found that the average is about 30-45 percent, this shows that the value is higher than the high proportion of loans from purchase of receivables and accrued interest receivables. Most of the collateral is assets located in potential locations, such as Bangkok and its vicinity, etc. It is expected that if there is a decrease in the value of real estate, there will be no significant burden in setting up an allowance for expected credit losses in the future. In the past, the Company took an average of 2 years to sell foreclosed properties

2.2.1.11 Risk from intruders in the non-performing assets

Most of the Company's foreclosed properties are real estate, i.e., vacant land, single-detached houses, townhomes, and condominiums. The average of selling foreclosed properties is approximately 2 years. Therefore, the management of foreclosed properties after the assets have been transferred to the Company's ownership, may suffer from the former property owner refusing to leave the area despite the judgment and seizing the property for sale by auction, or there may be an international invasion to invade the property, causing damage to assets, additional expenses for repair, the delay in selling the said property is more than the specified period. As a result, the return rate is expected from the sale of foreclosed properties decreased and negatively affecting the financial status and the Company's operations.

To reduce the risk of intruders taking advantage or damaging the foreclosed properties, the Company has set up a budget for the maintenance of the foreclosed properties strictly. Upon receiving the transfer of ownership of the foreclosed properties, the Company will survey and inspect the condition of the foreclosed properties and if it is found that the former owner or a third party who invades does not agree to leave the area; the Company will sue against trespassers to maintain its right to claim damages in the event of damage to its foreclosed properties, posting a notice to move out of the area within 30 days. On the other hand, the Company has negotiated for residents to move out of the area as soon as possible, or if unsuccessful, the Company may have to rely on legal measures to resolve the problem. For the case where the Company considers that the foreclosed properties are located in a risky area that may be intruded, such as vacant land; the Company may build a temporary fence to prevent intruders, or in some cases where the Company deems it necessary to hire a security guard to take care of foreclosed properties, etc.

In addition, during the waiting period for those who are interested in purchasing foreclosed properties, an Asset Management Department staff must inspect the foreclosed properties at least twice a month. Prepare inspection reports and take pictures of foreclosed properties to report to executives as well as coordinating with government agencies if witnessing invasion by third parties to protect the interests of the Company.

2.2.1.12 Risk from information technology (IT) systems malfunctioning

Information technology system (IT) is one of the important factors in the operation as the Company uses IT systems in every process of business operations, from bidding to purchase non-performing loans, contract preparation, checking and generating receivable information, repayment, debt collection, preparation of accounting and financial systems as well as storing various data, especially the database of receivable and collateral to the issuance of various reports, such as daily, monthly and annual debt collection reports, etc. The Company uses the Debt Collection Management System (DPMS) which was developed by the Company in 2018 by hiring third parties to write programs to manage data and support future business expansion, so that the employees have a database system of each receivable to be able to manage properly according to the procedures and have up-to-date information. The DPMS system will support from the transfer of rights, debt calculation, debt restructuring, debt repayment, income recognition according to accounting standards, collateral information management and legal information management. However, the Company continues to develop the DPMS system in various functions to be able to operate the business fully in all functions and to manage the receivable information that tends to increase according to the expansion of the investment portfolio in non-performing loans effectively.

In addition, the Company has purchased an instant IT system for the operations, namely payroll system, accounting system, electronic document system, email system, and cloud system to increase the efficiency of management systematically, reduce operational time, and develop competitiveness in various fields. At the same time, the IT system has risks that may arise in many forms, such as the system may be damaged by cyber threats, computer virus, personnel, electrical problems, fire, various internal and external factors; as well as system crashes, lost data, destroyed, or illegally modifying information by unauthorized persons that may cause damage to the IT system, etc. This will affect the efficiency of the Company's operations, causing disruption and lack of continuity, resulting in errors, leakage of confidential information, and may incur loss of correction costs and responsibility.

However, the Company realizes the importance of IT system by arranging for an audit of the efficiency of the system's operation as well as setting up an internal control policy and data security to prevent data loss or leakage, such as prevents data from being modified in the system by unauthorized persons, controlling the accuracy of importing information into the system, checking user access, license review, authentication of access to information, including risk assessment and auditing of the system both at the general control level and at the system level by external auditors, etc. The Company also has an annual IT emergency backup plan as well as a standard backup system to back up various data regularly in case of unexpected events. In addition, the Company has an Information Technology Department and employs external experts who understand the system in management; when the system crashes, the team will be able to investigate and fix it in a timely manner. The company has continuously developed various IT systems to support the Company expansion, including improvements and modifications to the system serve changing needs.

2.2.1.13 Risk from contract or collateral being lost or damaged by fire or natural disasters

The Company operates the business of managing non-performing loans, therefore, there is a contract to transfer the right to claim, debt restructuring agreement, title deed, and legal documents, such as settlement agreement, mortgage contract, and judgment, etc. which is considered the main asset in non-performing loans management business in the event that such document is lost or damaged by fire or natural disasters, such as floods may have a negative impact on the business and performance of the Company.

However, the Company has a policy to maintain significant information and documents, that is, documents are systematically stored in a strong room, including the use of the debt collection management system (DPMS) and the cloud system (Google Cloud) to store various data, where the database is stored both on-site and off-site backup centre, including significant information that can be retrieved even if the original document is lost, fire, or theft. The debt collection management system (DPMS) and the cloud system (Google Cloud) are continuously and consistently tested and backed up by establishing system access and security policies, which can be assured that important information of the company will be kept properly.

2.2.1.14 Risks from changes in laws, rules and regulations related to business operations and changes in financial reporting standards

The Company is an asset management company whose operations are under the scope, rules and conditions stipulated in the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments, Bank of Thailand announcement, Ministerial Regulations, Civil and Commercial Code and Civil Procedure Code, including compliance with relevant accounting standards and others related to the Company's business operations (collectively referred to as the rules and laws related to the Company's business operations). The Company may be affected directly and indirectly by changes in rules and regulations related to business operations. Especially if it's sudden or in a short period of time and/or not in accordance with the assumptions in the normal case as expected by the Company or known from the government sector or government agencies in advance, such as regulations on the management of non-performing loans and foreclosed assets, protection of personal information, applicable tax regulations, debt restructuring, valuation of collateral assets, collection of accounts receivable, bad debt write-off, and tax regulations and accounting systems, etc. In addition, the Federation of Accounting Professions of Thailand may revise the accounting standards and reporting requirements to prepare additional financial statements in the future which the Company may have to adopt, or if it deems appropriate, the Company may adopt it before such amendment is enforced. Such changes could materially and negatively affect the Company's business, financial position, and operating results, both in the short and long terms; if the Company lacks follow-up and is not prepared to deal with such changes.

However, the Company has reduced such risks by continuously monitoring information on changes in regulations and laws related to the Company's business operations; supporting training and educating employees about regulations and laws related to each job position. If employees have comprehensive such knowledge, they will be able to perform their duties properly as an important force to keep up with changes in rules and laws related to the Company's business operations in a timely manner. Such changes are compiled and reported to the Risk Management Committee, which is responsible for advising, monitoring and studying the impacts of changes in laws and regulations

closely by analyzing preventive approach to ensure that the Company's operations comply with the laws and regulations of government agencies, whereby such information will be used to prepare plans to support changes and business plans in the future.

2.2.1.15 Risk from of complaints or prosecution arising from debt collection that does not comply with the Debt Collection Act B.E. 2558

Although the follow-up of debt repayment as specified in the debt restructuring agreement is an important factor affecting the Company's performance, the receivable is protected under the Debt Collection Act. 2015, under the supervision of the Debt Collection Supervisory Committee, such as notification of indebtedness to a person other than the receivable, sending documents or any other media containing messages, signs, symbols or the Company's name that can be understood as debt collection from the receivable, negotiating by misleading receivable as being insulting, threatening or using harsh words, debt collection outside the period, i.e., Monday to Friday from 8:00 a.m. to 8:00 p.m. and public holidays from 8:00 a.m. to 6:00 p.m. etc. If the Company's employees fail to comply with such laws, the Company may be sued for debt collection actions that do not comply with the law and negatively affect its reputation, business financial status, performance, and business opportunities.

The Company is aware of operating business in accordance with relevant laws. Therefore, organized training on the Debt Collection Act, B.E. 2558 and regularly review knowledge and understanding of the aforementioned laws. In addition, the Company also places importance on developing specialized debt collection personnel with good interpersonal and communication skills in communicating and understanding the objectives of negotiations. Therefore, before debt collection, the debt collection team must study the receivable's information every time. In the past, the Company has always complied with the Debt Collection Act B.E. 2558 and has never been complained or prosecuted arising from debt collection.

2.2.2 Management Risk

2.2.2.1 Risk form relying on executives and personnel with business expertise

The non-performing loans management business is a business that requires executives and personnel with knowledge and expertise, as well as the experience of executives and personnel in operations. In particular, analyzing and evaluating non-performing loans with skills in debt restructuring negotiations or knowledge of procedures and processes in litigation with receivable. Therefore, if the Company loses personnel in the aforementioned work or insufficient personnel or unable to recruit qualified and suitable personnel to replace such personnel, the Company may incur additional costs for hiring and training new personnel, which may affect the ability of operation.

However, the Company is aware of the risk of relying on executives and personnel with specific expertise of the Company. The Company therefore places importance on sustainable personnel development by regularly organizing various training courses which will be included in the annual training plan. In addition, other training courses are provided specifically for personnel of each position in order to encourage employees to develop their skills and knowledge to work more efficiently. This includes reducing reliance on any particular employee along with creating a good

working atmosphere, promote the quality of life and provide appropriate welfare for employees each level as well as the creation of various incentives, such as bonuses and allowances etc.

In addition, the Company has prepared a succession plan and recruitment process to determine the successor recruitment guidelines by specifying the necessary characteristics and capabilities that can operate and expand the business sustainably, using recruitment strategies from personnel within the Company for loyalty and morale of personnel. The Nomination, Remuneration and Corporate Governance Committee considers the remuneration and the Human Resources Department will determine the guidelines for creating successors in accordance with the Company's target, with evaluations for each position every year. From the aforementioned approaches that the Company has continuously implemented, it is confident that it can recruit sufficient personnel for the current and future operations.

2.2.2.2 Risk from major shareholders influencing management policy

Upon offering of ordinary shares in the Market for Alternative Investment (mai), the group of major shareholders of the Company, Boonbanjerd Sri, will hold 52.07% of the total number of shares sold. In addition, the Boonbanjerd Sri group is also an executive and authorized director of the Company. As a result, the aforementioned group of major shareholders has the power to manage and control almost all-important votes, whether in the matter of appointing directors or seeking resolutions on other matters that require majority votes of the Shareholders' Meeting, unless the law or regulations require not less than three-fourths of the shareholders attending the meeting and having the right to vote be obtained, such as capital increase, capital reduction, sale or partial or full business transfer. Therefore, the remaining shareholders who attend the meeting and have the right to vote are at risk of not being able to gather votes to check and balance the management of matters proposed by major shareholders to the meeting for consideration.

However, the Company is aware of such risks and to operate the business with transparency with checks and balances, the management structure has been established by competent personnel and the scope of operations has been defined. The delegation of authority to directors and executives is clear to ensure that the Company's business operations are transparent. The Company has directors who are not representatives from the Boonbanjerd Sri group, amounting to 7 people out of a total of 8 directors. In addition, the Company has appointed 4 independent outsiders to join the Board of Directors from a total of 8 members, with 3 independent directors serving as members of the Audit Committee to check and balance decisions and consider approving various items before presenting to the Shareholders' Meeting. The Company has clearly defined the scope of authority and duties of the Board of Directors, the Audit Committee, and the Executive Committee; if it is necessary to enter into a transaction with a person who may have a conflict of interest, the Company will strictly comply with the procedures for approval of related party transactions and the regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

Furthermore, the Company has hired an independent internal auditor who is an outside expert reports directly to the Audit Committee, whose primary duty is to supervise the internal control system to ensure that meets the specified system. In addition, the Company has consistently adhered to and complied with the Principles of Good Corporate Governance; this is to ensure the shareholders

of transparency and balance of power in the management of the company. Once the Company has been listed on the Market for Alternative Investment (mai), it has a duty to disclose information and comply with relevant rules and regulations of the Securities and Exchange Commission and the Market for Alternative Investment (mai), such as connected transaction and the acquisition and disposition of the Company's assets, etc., for the utmost benefit of the Company and all shareholders.



2.2.3 Financial Risks

2.2.3.1 Liquidity Risk

Good financial liquidity management is the ability of repayment and obligations upon maturity, which is important for the non-performing loans and foreclosed assets management business; because each investment from financial institutions and the auction from the Legal Execution Department requires a high investment amount. If the Company is unable to obtain sufficient funds at reasonable costs and in time for demand, it may cause damage and affect the Company's ability to acquire non-performing loans and foreclosed assets. In addition, the Company is obligated to be responsible for various operating expenses, such as employee expenses, debt collection expenses, expenses related to court proceedings, building, location, and equipment expenses, including repayment and interest to lenders, both individuals and financial institutions. While the cash flow of the Company comes from cash received from receivable and from the sale of foreclosed properties; if the Company's cash flow is not consistent with expenses, the Company may lack of liquidity and fail of repayment and obligations upon maturity. This may affect the confidence of loan sponsors and decrease the chances of obtaining loans for investment in the next auction of non-performing loans, including continuing to affect the growth, financial position, and performance of the Company in the long term.

The Company therefore always places importance on maintaining sufficient liquidity by formulating a plan to manage the Company's liquidity to be sufficient for business operations in the short, medium, and long terms, as well as sourcing sources of fund in accordance with the investment plan with financial costs within the acceptable level of the Company. The Company has prepared Cash Flow Projection, Liquidity Gap Analysis, and Scenarios by setting "What If" to analyze the impact on liquidity. If there is a change in cash flows depending on the behavior of the receivable under different assumptions according to economic conditions and unusual events that may occur; it is a assistance for executives and relevant departments for acknowledgement the status and existing risks, including preparing sources of funds to maintain the liquidity of the Company.

In addition to the liquidity management plan, the Company pays attention to debt collection each month in order to have cash inflows according to the projected estimates, to ensure that the Company has sufficient cash flow to operate the business without liquidity problems by following up and informing in advance before the due date on a monthly basis. There is a comparison of the actual collection with the set estimates, evaluate and analyze the causes of differences that occur, and regularly report the results of debt collection to the executives in order to formulate strategies of higher collections, such as special discounts for receivable with good installments or early installments, etc. The Company set aside sufficient cash reserves to pay its obligations within 3-6

months and held a quarterly meeting of the Risk Management Committee to monitor the status and manage the Company's liquidity risk.

In addition, the Company has always had a good relationship with financial institutions as can be seen from the past that the Company was able to comply with the loan conditions and repay debts beyond the conditions specified by the financial institutions and was able to extend the loan agreement continuously. Therefore, the Company is confident that it will receive continuous financial support from financial institutions, which is one of the important sources of funds for the Company to have sufficient liquidity.

2.2.3.2 Risk from being unable to comply with the conditions in the loan agreement with financial institutions and debentures

The Company has to spend a lot of money in acquiring non-performing loans and non-performing assets, therefore sufficient funding sources for acquiring non-performing loans and non-performing assets are necessary for the Company is growing steadily.

However, in the past, the Company was able to comply with the conditions in the loan agreement from financial institutions, including maintaining financial ratios as specified by financial institutions. In addition, the Company has assigned financial officers to be responsible for coordinating with financial institutions and regularly review to ensure that there will be no violations of the conditions specified in the loan agreement. As in the past, the Company complied with the conditions of the debentures and was able to maintain the financial ratios according to the terms and conditions of the debentures, with the interest-bearing debt to equity ratio is lower than the stipulated bond rights ratio of 2.0 times.

2.2.3.3 Risk from Interest Rate Volatility

Interest rate risk is the risk arising from changes in market interest rates that may be affected by various economic conditions, inflation, and the monetary policy actions of the Bank of Thailand and central banks of major countries around the world. This may directly affect the direction and level of interest rates if changes in market interest rates increase, affecting the Company's paid interest rates on a floating rate basis, without adjusting the receiving interest rates accordingly. As a result, the Company has to bear the cost of higher interest expenses. On the other hand, if the market interest rate decreases but the interest rate does not change, there may be a decrease in the interest burden, which will benefit the Company's operating results as well.

The Company manages to mitigate the risk from interest rate volatility by maintaining the relationship between the structure of financial assets and financial liabilities sensitive to interest rates over different periods at an acceptable level.

In addition, the Company closely monitors the direction of interest rate changes and plans for financial cost management as well as conducts risk analysis on a quarterly basis through the Risk Management Committee in order to keep operations at an acceptable level.

2.2.3.4 Risk from improperly estimating the allowance for expected credit losses (“ECL”)

According to Thai Financial Reporting Standards No. 9 (TFRS 9), once the Company purchases a new credit portfolio, it must prepare a cash flow forecast that is expected to be received from receivables in the future to calculate the effective credit risk-adjusted initial interest rate (CEIR) for recording revenue recognition and to use as a discount rate in calculating the present value of expected cash flows (PV) to set aside an allowance for expected credit losses each receivable (ECL). The Company is required to record an allowance for expected credit losses in case of changes in expected cash flows from receivables. However, the appropriate CEIR and ECL calculations require the preparation of reasonable cash flow projections based on historical data and adjusted with current facts and projections of future economic conditions, which requires the discretion of the estimation officer. Therefore, if the Company has insufficient historical data, for example, the Company may have too little information about certain industries, available information may not complete the business cycle, publicly available information may be limited, etc. The fact that the estimating officer has a bias in the discretion in preparing the cash flow projection may result in an inaccuracy in the assessment of the debt service ability of some receivable, and this may cause the allowance for expected credit losses to be underestimated.

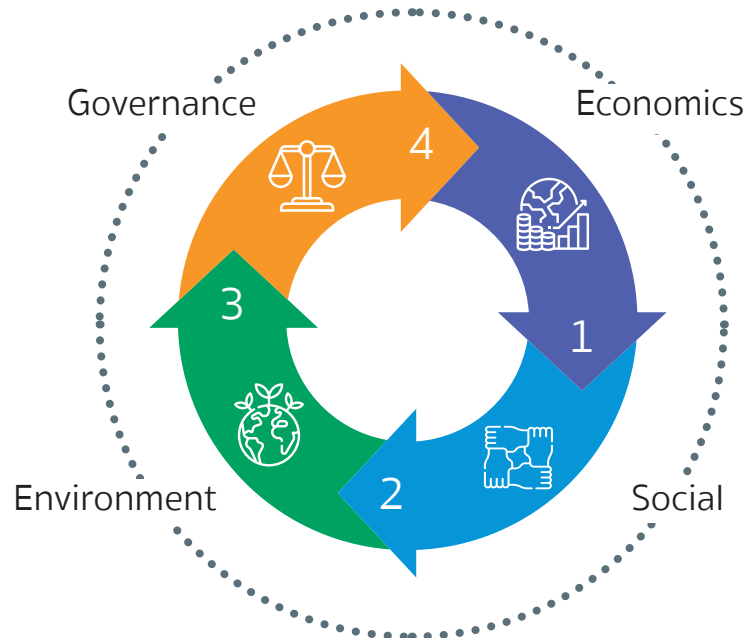
In order to determine the appropriate assumptions for the preparation of expected cash flows for the calculation of the initial CEIR and ECL. The Company has established guidelines for calculating CEIR and ECL in the Asset Management Department’s operating manual and the Expected Credit Loss Policy; stating practical guidelines for each type of receivable, namely housing loan receivables and corporate loans receivables, each type of receivable is further divided into unable to improve debt restructuring, able to improve debt restructuring, secured receivable, and unsecured receivable. There is also a guideline for making assumptions about the timing and related expenses according to the type and status of the receivable, where the determination of such criteria is to reduce the use of discretion in the preparation of the receivable’s cash flow projections.

However, in the case of secured and unsecured large corporate loan receivables, although there are rules for complying with policies and operational manuals, they may still require more discretion than other types of receivables because corporate loan receivables are different and more complicated than housing loan receivables. Therefore, in estimating expected cash flows, a Scenario Based approach is used, in which several scenarios are modeled and weighted for each scenario is different. In addition, to ensure that the assumptions used in the preparation of such cash flow projections are not influenced by the estimation officer or any person, the Company therefore requires that various hypothesis models and weights be presented for approval to the Audit Committee before actual use. The models and assumptions must be reviewed by the Audit Committee for suitability with that receivable or must be adjusted to suit changing circumstances at least once a year.

In addition, each quarter, the Company will present the ECL setting information to the Executive Committee for approval on a quarterly basis before using such information in preparing the quarterly financial statements. The Audit Committee will review the ECL establishment once again before approving the Company’s financial statements at the Audit Committee meeting quarterly.

3 Driving Business for Sustainability

Sustainability Policy and Targets



The Company realizes the importance of conducting business in accordance with the Sustainable Development Goals (SDGs) of the United Nations and intends to conduct business with environmental, social, and governance responsibility (ESG). It focuses on conducting business with care for stakeholders, economy, society and the environment with morality and ethics and adhering to the principles of corporate governance in accordance with relevant laws and practices.

The Company has formulated an Environmental, Social, and Governance Policy, encompassing six key areas. This policy serves as a comprehensive guideline, directing the Company's business operations with a focus on responsibility towards the environment, society, and corporate governance.



(1) Fair Operating Practices

The Company focuses on conducting business with honesty, integrity, fairness, ethics and determination to compete in accordance with the principles of business ethics, laws and principles of equal trade competition, including refusing any behavior that interferes with fair competition, such as seeking confidential information of competitors, requesting, receiving, and not giving any benefit in a dishonest manner, etc. In addition, the Company also respects the intellectual property rights of others by requiring personnel to comply with laws or regulations on intellectual property rights, for example: using copyrighted computer programs legally, etc. The Company has the campaign to promote and create a subconscious mind for the Company's personnel at all levels toward social responsibility.

(2) Respect for Human Rights

The Company has a policy to support and respect the protection of human rights by treating related parties, whether employees, communities and society with respect for human values, considering the equality and freedom, without violating fundamental rights and discrimination, whether in matters of race, nationality, religion, language, skin color, sex, age, education, physical condition or social status. It also ensures that its business is not involved in human rights violations, such as child labor and sexual harassment. In addition, the Company has promoted compliance with human rights regulations by providing an expressing opinion and complaint channel for those who have been damaged from rights violations arising from the Company's business operations and conducting appropriate remedy.

In order to effectively respect human rights, the Company has created a body of knowledge on human rights and instilled awareness in its personnel to strictly comply with human rights practices or principles.

(3) Fair Treatment of Employees

The Company realizes the human resources development and fair treatment of labor which are factors that increase business value and enhance the competitiveness and sustainable growth of the Company in the future. The Company has established policies and guidelines as follows.

- (3.1) Respect employees' rights according to human rights principles and comply with labor laws.
- (3.2) Provide employment processes and fair employment conditions, including remuneration and merit evaluation under a fair performance evaluation process.
- (3.3) Promote personnel development by organizing training, and seminars, including supporting academic training in various related fields to develop knowledge, competence, and potential of personnel, as well as instill moral, ethical, and teamwork attitudes in personnel.
- (3.4) Provide various welfare benefits for employees as required by law, such as social security, etc., and other than required by law, such as health insurance and personal accident insurance, etc., including providing various types of assistance to employees.
- (3.5) Provide annual health check-up services for personnel at all levels, considering risk factors based on position, age, and gender and working environment of each individual.
- (3.6) Ensuring that employees work safely and hygienically in the workplace by providing measures to prevent accidents and strengthening employees' safety awareness, including providing training and promoting good hygiene and maintaining a hygienic workplace at all times.

- (3.7) Provide employees an opportunity to express their opinions or make complaints about unfair treatment or inappropriate actions within the Company, including protecting employees who report such matters.

(4) Customer Responsibility

The Company aims to develop the services of the Company and its affiliates for the highest satisfaction and benefit of customers, adhere to treat customers with responsibility, honesty and care as if they were family members. The Company has established policies and guidelines as follows:

- (4.1) The Company realizes the quality and efficiency of the Company's services in order to provide customers with the most quality and efficient services.
- (4.2) The Company adheres to fair marketing by stating its policy for customers to receive accurate information about the Company's services without distortion and ambiguity, limiting the customer's information rights for accurate and sufficient information for decision-making.
- (4.3) The Company respects the right of customers to express their opinions and to receive complaints about the quality of services efficiently in order to serve customer needs promptly.
- (4.4) The customer information will be kept confidential by the Company, the use of such information is forbidden.

(5) Environmental Management

The Company aims to reduce negative impacts on the environment, thus emphasizing on environmental management covering 4 important aspects, namely; energy management, water management, waste and pollution management, and GHG management. The Company has strictly controlled the operation of the Company and its subsidiaries in compliance with the laws related to environmental preservation with the objective of preserving and avoiding environmental damage by providing an environmental protection system, as a guideline and as a tool for the operations.

In this regard, the Company has guidelines for the Company and its subsidiaries as follows:

- (5.1) Establish energy conservation and management as part of the Company's operations.
- (5.2) The personal at all level of the Company are requested to realize the controlling the amount of indirect GHG emissions from energy consumption within the organization by reducing the energy consumption that generate heat and steam, such as air conditioners, vehicle, etc.
- (5.3) Establish a policy to reduce waste and cooperate in the proper disposal of waste.
- (5.4) Risks and impacts in relation to the environment, health and safety are assessed prior to any investment or joint venture. The Company operates under the concept of caring and preserving the environment.
- (5.5) Establish a guideline for efficient and effective use of natural resources, materials or equipment.
- (5.6) Establish a natural resource conservation measure, such as reducing energy consumption, complying with the 3R policy (Reduce, Reuse/Recycle, Replenish), etc.

(6) Social or Community Development

The Company is aware of its responsibility towards the community and society and therefore has a policy to provide assistance and social development as follows:

- (6.1) The Company states its policy to support and provide appropriate assistance to society and the community.
- (6.2) The Company provides an opportunity for communities and stakeholders to participate in expressing their opinions on various projects that may affect the community, including offering opinions or complaints as a result of the Company's operations.
- (6.3) The Company cooperates in the implementation of international standards or agreements in various matters with the aim of preventing or reducing environmental impacts.
- (6.4) The Company states its policy to provide educational support to youth by supporting scholarships and various learning skills equipment to schools.
- (6.5) The Company places great importance on responding to events that affect communities, society, and the environment resulting from its operations with speed and efficiency.
- (6.6) The Company encourages employees to be conscious and responsible for the environment and society.

The Company has integrated the United Nations Sustainable Development Goals (UN SDGs) into its business strategy and has formulated policies in accordance with the internal and external context in economic, social and environmental dimensions in order to formulate strategies to drive the economy sustainably based on good corporate governance as follows:

Economics



- Create added value based on operational excellence for responsible asset management and development
- Grow the business and increase the return on investment
- Develop and create long-term business competitiveness
- Protect the interests of stakeholders throughout the business value chain

Social



- Protect human rights by considering equality and freedom without discrimination throughout the value chain
- Comply with labor laws and provide welfare exceeding the legal requirements
- Create valuable jobs while promoting human resource development
- Improve the quality of life of people in society for good well-being

Environment



Maintain the balance of the environment

- Systematically manage the impacts of climate change
- Supporting sustainable energy reduction
- Preserve and protect natural resources according to the 3R (Reduce, Reuse, Recycle)
- Reduce negative impacts on the environment throughout the business value chain

Governance



Management with excellence and transparency

- Operate business with honesty and business ethics
- Anti-corruption
- Risk Management and Business Opportunity

Sustainable Development Goals

2025 Goal



Reduce GHG Emissions

40%

in Scope 1 and 2



Reduce Energy Consumption

50%



Reduce Water Consumption

50%



Reduce Paper Consumption

5%



Employee Training Hours Not less than

12 hours/person/year



Increase the proportion of successful debt settlement negotiations

20%



Zero Complaints on social and environmental issues

0 Complaints



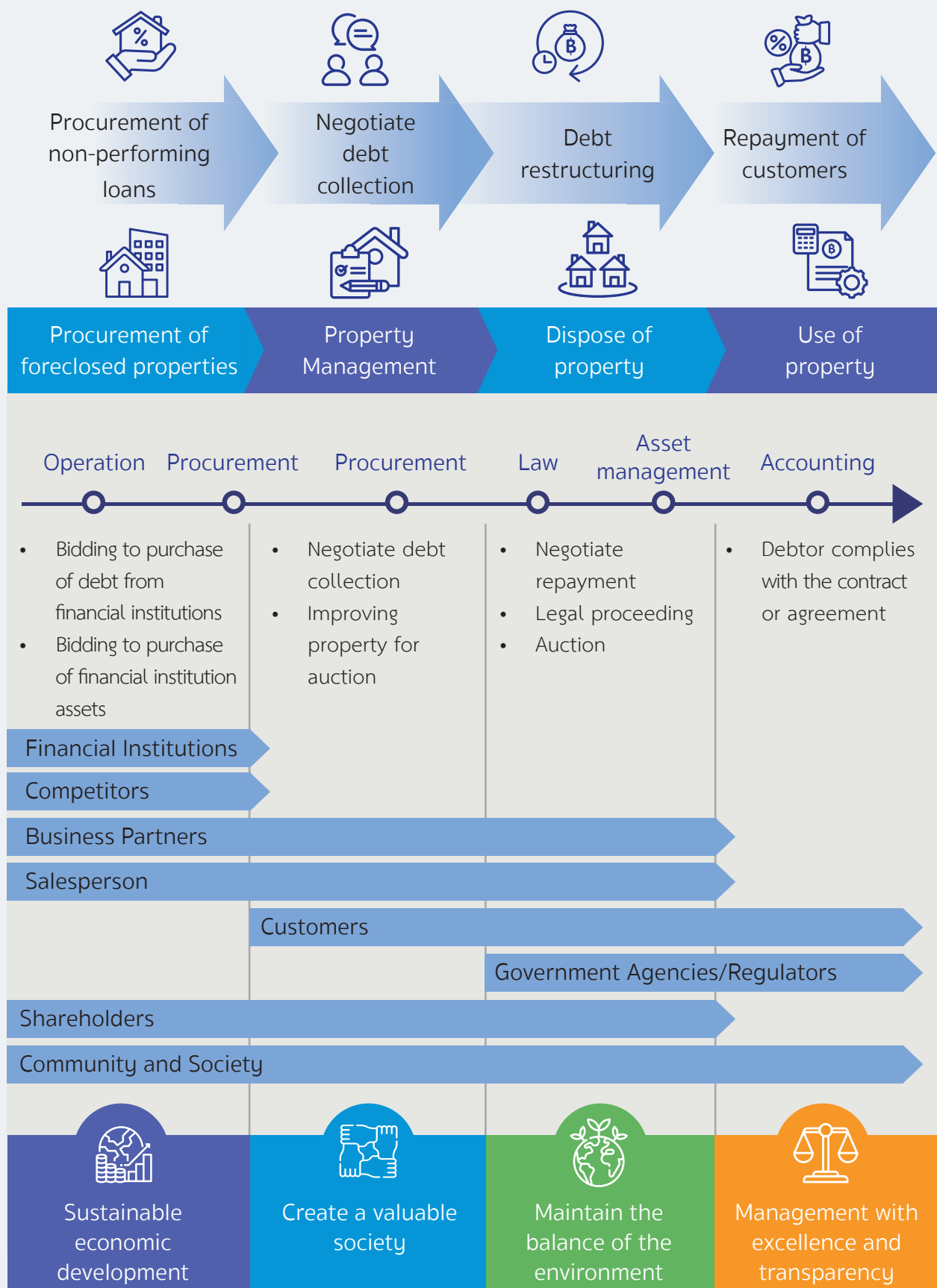
3.2 Stakeholder Impact Management Throughout the Value Chain

3.2.1 Business Value Chain

The Company emphasizes the participation of stakeholders in the value chain, which communicates through various channels with stakeholders on a regular basis. To create an understanding of various issues that are of interest to the business and receive opinions, needs or expectations of stakeholders to integrate with the decision-making process toward the development of important issues according to Sustainability Commitment. It consists of sustainable economic development, create a valuable society, and maintain the balance of the environment under management with excellence and transparency, conducting business towards sustainability in accordance with the Sustainable Development Goals through the activities related to the main process and supporting activities.

Sustainability Covenant





3.2.2 Stakeholder analysis in the business value chain

The Company prepares and analyzes stakeholders in the business value chain to determine stakeholder expectations and guidelines for responding such expectations and established sustainability issues in accordance with the Sustainable Development Goals (SDGs) of the United Nations. Therefore, stakeholders in the business value chain are divided into 8 groups, namely; (1) Financial Institutions (2) Competitors (3) Government Agencies/Regulators (4) Business Partners (5) Employees (6) Customer (7) Shareholders and (8) Community and Society.



Engagement Creation	Stakeholder Expectations	Response Approach
(1) Financial Institutions: Commercial Banks		
- Regular communication through electronic media and telephone - Meet-up activities	- Operate business in accordance with corporate governance principles and law under appropriate risk management - Fair and reasonable price - Compete with fairness and transparency - Payment of interest and repayment of principal correctly on time - Trade secret protection - Potential for business growth	- Operate business with transparency and governance under the principles of good corporate governance - Achieve good performance and develop business growth potential to revitalize and drive the economy sustainably - Payment of interest and repayment of principal correctly on time - Systematic, concise and prudent risk management - Disclose accurate, complete, transparent and verifiable information

Engagement Creation	Stakeholder Expectations	Response Approach
(2) Competitors: Asset management companies, both state-owned enterprises, belong to various commercial banks, and private companies		
• Meet-up activities • Group meeting • Marketing activities • General information	• Compete in business fairly and transparently	• Operate business with transparency and governance under the principles of good corporate governance
(3) Business Partners: Product manufacturers and distributors		
• Organizing meetings, seminars or activities to build relationships • Listening to opinions, suggestions and complaints • Regular communication through electronic media and telephone	• Fair, transparent procurement process and business ethics • Fair and timely compensation • Collaboration and coordination to achieve common targets	• Prepare a handbook of criteria for recruiting business partners under selection criteria in social, environmental and governance issues with a clear audit process as specified in the code of conduct • Carry out fair, transparent, verifiable procurement and green procurement • Comply with trade terms and contracts
(4) Employees: Employees of Knight Club Capital Asset Management Public Company Limited		
• Listening to opinions, suggestions and problems • Receiving employee complaints through complaint channels • Annual performance appraisal • Engagement Survey • Personnel training and development • Meetings or seminars within the organization	• Fair compensation, welfare and benefits • Stability and career advancement • Knowledge development • Working environment and safety	• Appropriate compensation and other benefits • Treat all employees fairly • Improve the welfare structure to suit and meet the needs of employees • Prepare employee training and development plans to create opportunities for career growth • Create a good, safe and conducive working environment

Engagement Creation	Stakeholder Expectations	Response Approach
(5) Customers: Business Loans, Housing Loans and Retail Credit		
- Meeting, listening to opinions, suggestions and problems - Documentation of property or service - Providing financial advice and literacy to customers through online and electronic channels - Customer satisfaction survey - Receiving complaints through complaint channels	- Responsible, equal and fair customer service - Quality of property and services - Protecting and preserving customer confidentiality and privacy - Financial advice and literacy - Listening to customer problems and solving problems	- Define standard and operating guidelines to serve customers responsibly - Improve and develop assets responsibly and environmentally friendly - Announcement of the policy on confidentiality, privacy, as well as the security of personal information for all employees to strictly comply - Promote good corporate governance and code of conduct for employees to deliver quality, honest, and transparent assets and services to customers
(6) Government Agencies/Regulators: Bank of Thailand, SEC, SET and regulatory agencies and/or related to the business operations of the Company		
- Meeting to clarify policies and guidelines for supervision - Accepting inspections from various regulatory agencies - Preparation of report data for submission to supervisory agencies and accepting feedback	- Conducting business in accordance with the principles of corporate governance and compliance with the law under appropriate risk management - Efficient management - Stability of the economy	- Prepare business policies and guidelines in accordance with the laws, rules and regulations related to business operations - Comply with laws, rules and regulations related to business operations properly and appropriately - Conducting business with transparency and good governance under the principles of good corporate governance, taking into account social and environmental impacts - Develop work processes and provide resources and information to be readily available for regular review

Engagement Creation	Stakeholder Expectations	Response Approach
(7) Shareholders: Shareholders, Investors, Analyst		
• AGM Meeting • Annual Report • Quarterly performance announcement • Receiving complaints from shareholders, investors, analysts through complaint channels • Regular communication through electronic media and telephone • Public disclosure	• High and sustainable return on investment • Business growth • Good corporate governance • Risk Management	• Appropriate return on investment and dividend payment • Develop business growth potential to create long-term investment value • Operate business with transparency, good governance under the principles of good corporate governance, and comply with business ethics • Systematic, concise and careful risk management • Disclose accurate, complete, transparent and verifiable information
(8) Community and Society: Community and society around the Company, Community and society around the property, Community and general society		
• Organizing activities with communities and society • Participation in community and social development • General information	• Operating business with good corporate governance coupled with social and environmental responsibility • Support the well-being and create a good quality of life for the people in the community • Social responsibility • Revitalize and drive the country's economy	• Responsible Asset Management • Responsible property management and environmentally friendly development • Providing financial literacy to people in the community • Conserve energy, promote valuable use of resources, and systematically manage waste and pollution to reduce environmental impact • Create a valuable career • Disclose accurate, complete, transparent and verifiable information

The Company collects key issues from representatives of corporate stakeholders based on their recommendations, interests and expectations by considering information from the contexts that impact sustainable business operations in economic, social, and environmental dimensions, the internal context consists of; business goals and plans, also the internal context consists of; directions and goals of sustainable development of the country, Sustainable Development Goals (SDGs), business

risks in sustainability issues (ESG Risk), emerging risks that may have a significant impact on the business in the short, medium, and long terms with the importance of the organization to its stakeholders. In order to determine guidelines for implementing strategies to respond the sustainability issues, including considering the importance of issues and the scope of impact on stakeholder groups in accordance with the SDGs Sustainable Development Goals as follows:

Key sustainability issues	Importance of issues	Scope of Impact								SDGs
		Internal			External					
		Employees	Financial Institutions	Competitors	Business Partners	Customers	Government Agencies/Regulators	Shareholders	Community and Society	
Governance Dimension										
1. Corporate Governance	Manage the organization with good corporate governance, ethics in accordance with correct and transparent ethical principles	✓	✓	✓	✓	✓	✓	✓	✓	
2. Risk Management	Manage operational risks, sustainability risks and emerging risks	✓	✓		✓	✓	✓	✓	✓	
3. Responsible Business Value Chain Management	Responsible business value chain management by considering economic, social, environmental and governance impacts	✓	✓		✓	✓				  
Economic Dimension										
4. Innovation Development	Applying technology to develop properties and services in a responsible and environmentally friendly manner	✓				✓	✓			
5. Economic Development	Responsible development of non-performing assets to revitalize and drive the economy	✓	✓		✓	✓	✓	✓	✓	 

Key sustainability issues	Importance of issues	Scope of Impact								SDGs
		Internal			External					
		Employees	Financial Institutions	Competitors	Business Partners	Customers	Government Agencies/Regulators	Shareholders	Community and Society	
Social Dimension										
6. Human Rights	Respecting and addressing human rights issues related to stakeholders	✓			✓	✓				 
7. Personnel Development	Educate and develop employees' potential to grow in their careers and create valuable jobs	✓								 
8. Improving the quality of life of people in society	Participation in community and social development by improving the quality of life	✓							✓	 
Environmental Dimension										
9. Responding to Climate Change	The analysis assesses opportunities and risks of climate change to reduce GHG emissions	✓					✓		✓	
10. Efficient use of resources and reduction of waste	Supporting sustainable production and consumption by using resources efficiently and reducing waste in accordance with the 3Rs	✓					✓		✓	
11. Energy Management	Conserve energy and support renewable energy	✓					✓		✓	
12. Water Management	Promote efficient use of water to reduce the risk of water shortage crises	✓					✓		✓	

3.3 Sustainability Management – Environmental Dimensions

3.3.1 Environmental Guideline and Policy

In an era marked by escalating environmental challenges, the Company is steadfast in its commitment to mitigating negative environmental impacts and championing sustainable operations. This dedication is evident in the establishment and enforcement of rigorous environmental policies and practices. These initiatives form a crucial aspect of the Company's risk management and sustainability efforts, encompassing internal resource management as well as investment and lending decisions. Clear policies and unwavering adherence are imperative to ensure that our operations maintain a minimal impact on the environment.

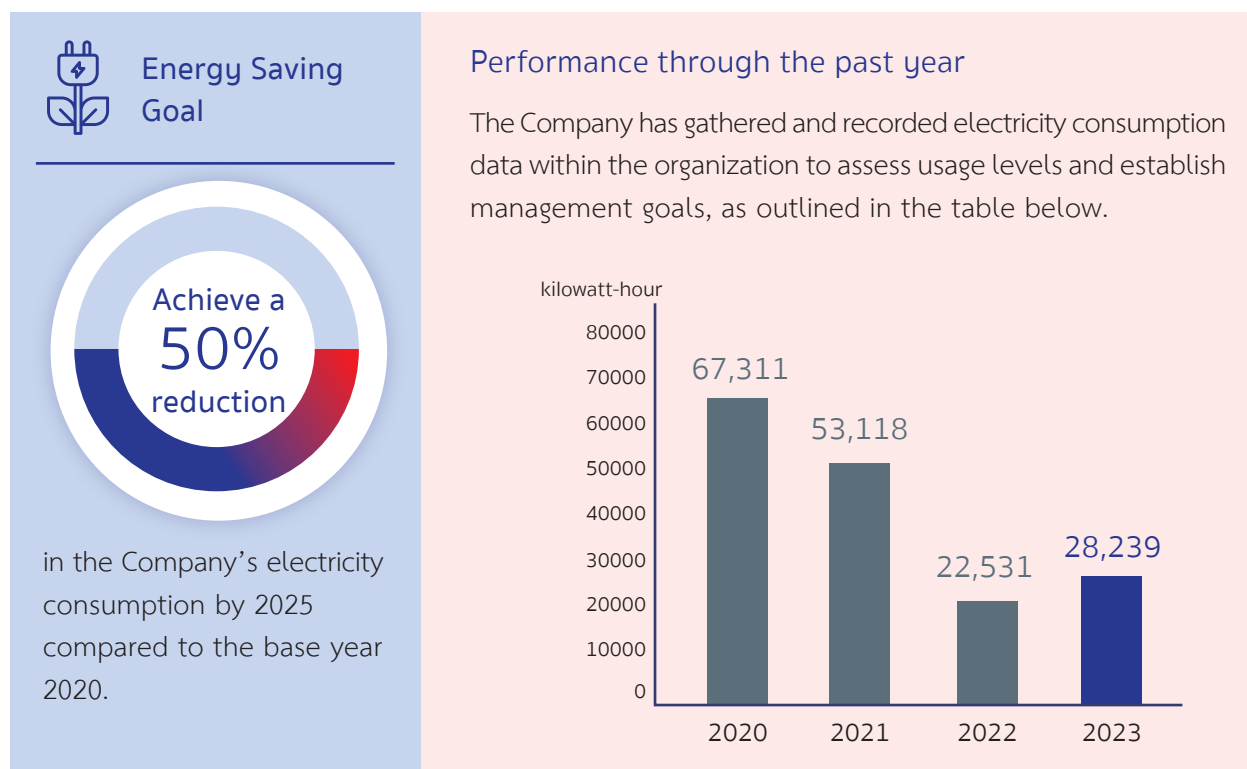
The Company is dedicated to showcasing its commitment to environmental stewardship and the operational methods employed to realize its goals. Emphasizing efficient resource management and advocating for sustainable investment and lending, the company aims to play a role in fostering positive change in both the industry and society. This commitment aligns closely with several Sustainable Development Goals (SDGs), including 3, 6, 7, 8, 9, 12, and 13.

Environmental Sustainability Goals



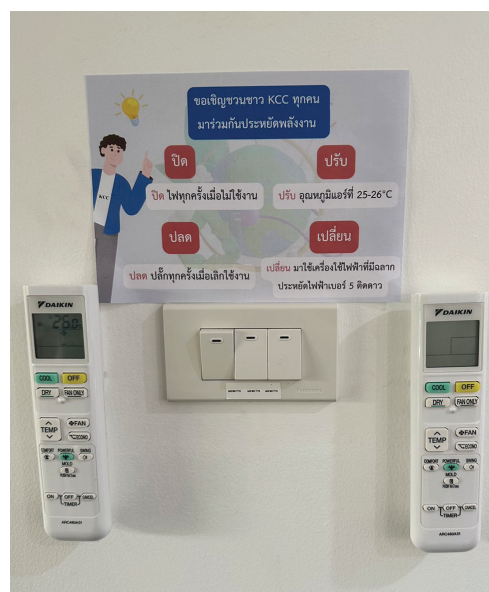
3.3.2 Environmental Dimension Performance

(1) Energy Management



- **Energy Saving Measures**

The Company recognizes that employees at all levels able to participate in energy management immediately by reducing the electricity consumption, starting from raising awareness and cooperation among stakeholders within the organization and extending to external stakeholders. Raising awareness and cooperation of employees by announcing policies that state its intention and commitment to reduce negative impacts on the environment through effective energy management, including establishing guidelines for employees as a part of energy conservation, campaigning to create attitudes and ideas for energy conservation by turning off electrical appliances in the office when not in use.



In addition, the Company realizes that the design and arrangement of the office has a significant effect on energy conservation, also the office building is designed with good ventilation and the use of suitable materials able to reduce energy loss as well. Therefore, the Company has designed the office to receive natural light, plant trees to provide shade around the office and prevent heat from entering the building, resulting in effective reduction of energy consumption from lighting and air conditioning systems. In addition, the Company also selects energy-saving electrical appliances with a high-efficiency label, Green Label, Energy-Saving Label No. 5, and ongoing monitors electrical equipment or replaces it in case of inefficiency.



(2) Water Management

Water resource management is a pivotal focus for the Company, recognizing the limited and invaluable nature of water. The Company aims to achieve a 50% reduction in water consumption by 2025, measured against the 2020 base year. This goal not only showcases our commitment to natural resource conservation but also underscores our dedication to operating a sustainable business.

The Company has demonstrated success in reducing water usage, decreasing from 1,949.9 cubic meters in 2020 to 450 cubic meters in 2022 and further to 385 cubic meters in 2023, surpassing the set target. To attain this, the Company implemented measures like installing water-saving devices, conducting regular inspections and repairs for water leaks, and fostering responsible water use among employees. These outcomes not only cut water costs but also contribute to minimizing environmental impacts, particularly in reducing the use of natural resources.



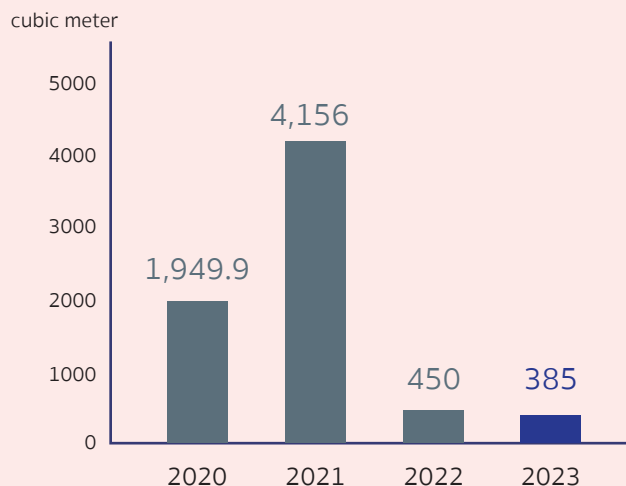
Water Resource Management Goals



in the Company's water consumption by 2025 compared to the base year 2020.

Performance through the past year

The Company has gathered and documented water consumption data within the organization to assess usage levels and establish management goals, as outlined in the table below.



Building on last year's performance data, the Company surpassed its goals. The Company is resolute in maintaining these objectives, emphasizing its commitment and success. It serves as a commendable example of conducting business with environmental responsibility at the forefront.

• Water Saving Measures

The Company recognizes that every employee at all levels can contribute to immediate water conservation. This involves raising awareness and fostering cooperation among employees, starting with the announcement of a policy that articulates intent. The Company plans to monitor and maintain the water meter or replace it if continuously ineffective, while also disseminating water-saving methods within the organization.

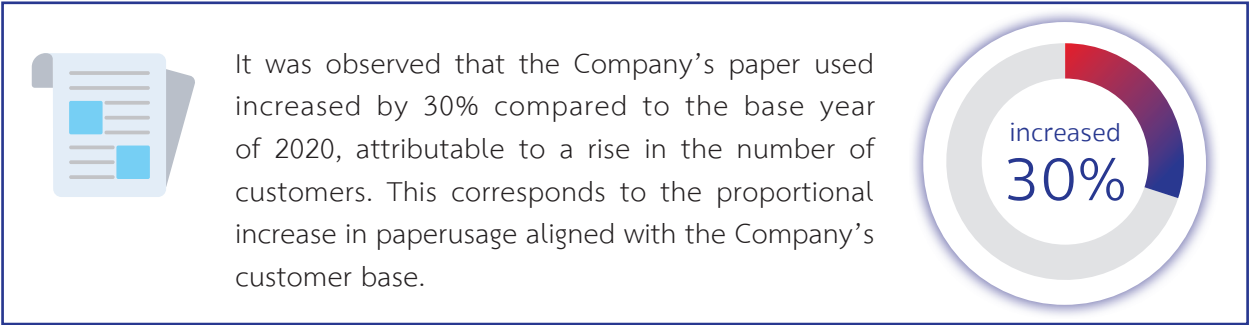
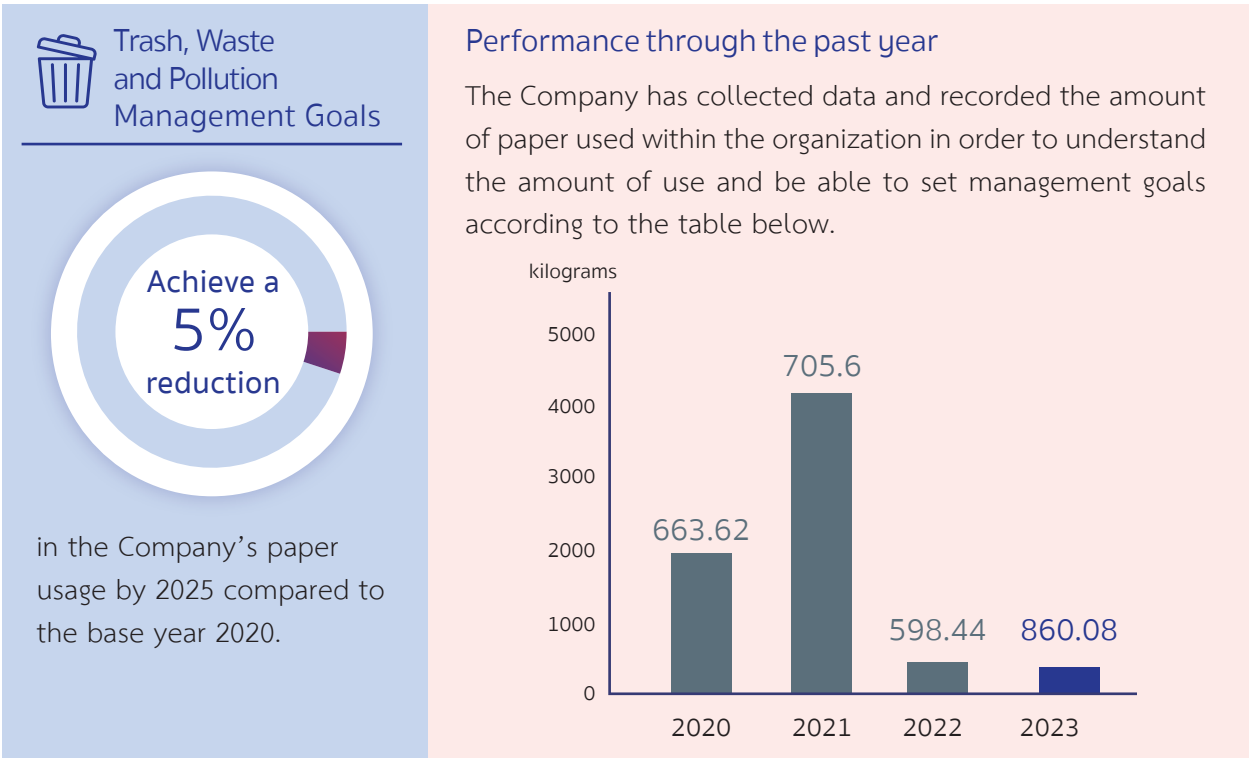


(3) Trash, Waste and Pollution Management

Effectively managing trash, waste, and pollution is integral to operating a sustainable business, and one key measure is the reduction of paper use within the Company. The Company has set a target to decrease paper use by 5% by 2025 compared to the 2020 base year. This commitment not only showcases the Company's dedication to minimizing natural resource consumption and waste production but also contributes to lowering GHG emissions and pollution associated with the paper production process.

Analyzing data from the past year reveals an increase in paper use in 2021, followed by a decrease in 2022; however, there was a significant rise in 2023. This data distribution enables the Company to identify paper usage trends and formulate effective strategies for reduction. In response, the Company has implemented measures such as promoting digital document usage to minimize printing, incorporating recycled paper, and advocating responsible paper use. Examples include double-sided printing and utilizing paper that has already been used for note-taking within the organization.

Reducing paper usage not only minimizes waste production and pollution but also aligns with actions centered on resource conservation and sustainable business practices. When every employee collaborates to adhere to and support these goals, it not only positively impacts the environment but also enhances the Company’s image and contributes to its long-term sustainability.



Trash, Waste and Pollution Measures

Most of the wastes generated from the Company’s business operations are office equipment, such as paper, printing ink, stationary equipment, and food waste, where the paper is the largest amount of waste.

The Company has established guidelines to support the use of paper and other resources worthily for maximum benefit with the 3Rs strategy as follows: Reduce is to reduce consumption, use sparingly, or reduce waste generation, Reuse is to extend lifespan, Recycle is processing for reuse.

The Company focuses on responsible production and consumption for the benefit of the public with the target of reducing waste to landfills due to the generation of methane, one of the global warming gases. The Company has therefore introduced a “food waste disposal machine to produce fertilizer” in the organization. The innovation uses biotechnology to decompose food waste, reducing the amount of food waste by up to 80-90% within 24 hours. Therefore, the food waste to fertilizer

machine is an important helper that reduces the amount of waste, methane gas, and provides the Company with good quality organic fertilizers for nourishing trees around the office building. In addition, the Company has guidelines for employees to jointly reduce general waste, especially plastic waste, which is a global issue through campaigns to raise awareness of the value of existing resources among employees by starting the concept of waste management from oneself. Employees are encouraged by the Company to carry cloth bags for their belonging, carry their own water bottle, use a personal lunch box, reduce the use of plastic spoons, forks or straws, and refuse plastic bags from stores, including encouraging employees to be aware of waste separation and adding value from recyclable waste.



“Food Waste Composter Machine”

(4) Climate change management

Addressing climate change stands as a primary challenge for companies, with a crucial focus on curtailing greenhouse gas emissions. The Company is committed to reducing Scope 1 and 2 emissions by 40% by 2025, exemplifying its strong dedication to environmental concerns. This goal not only underscores the Company’s commitment to minimizing its climate impact but also aligns with efforts towards achieving the United Nations Sustainable Development Goals.

The GHG emissions data spanning from 2020 to 2023 reveals a consistent decline, marked by significant reductions in both Scope 1 and 2 emissions (direct and indirect). These reductions underscore the success of measures undertaken by the Company, including operational enhancements to curtail energy consumption and the promotion of more efficient technologies. While the Company actively assesses and analyzes Scope 3 emissions data associated with the value chain, reducing emissions in this scope proves to be challenging due to factors beyond the Company’s control. Addressing this challenge necessitates measures such as raising awareness among employees and stakeholders, collaborating with external agencies, and investing in clean, sustainable technologies. Developing flexible operational plans adaptable to changing conditions is crucial in advancing the Company’s efforts to further reduce GHG emissions.



Climate Change Management Goals



in Scope 1 and 2 greenhouse gas emissions by 2025, compared to the base year 2020.

Performance through the past year

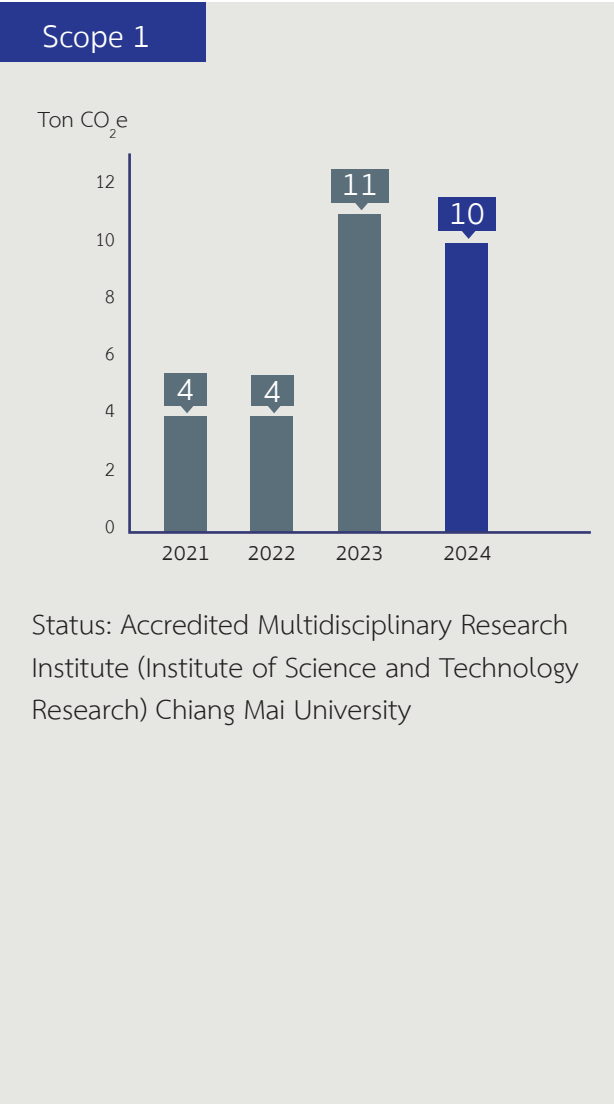
The Company has gathered and documented GHG emissions data within the organization to assess usage levels and establish management goals, as outlined in the table below.

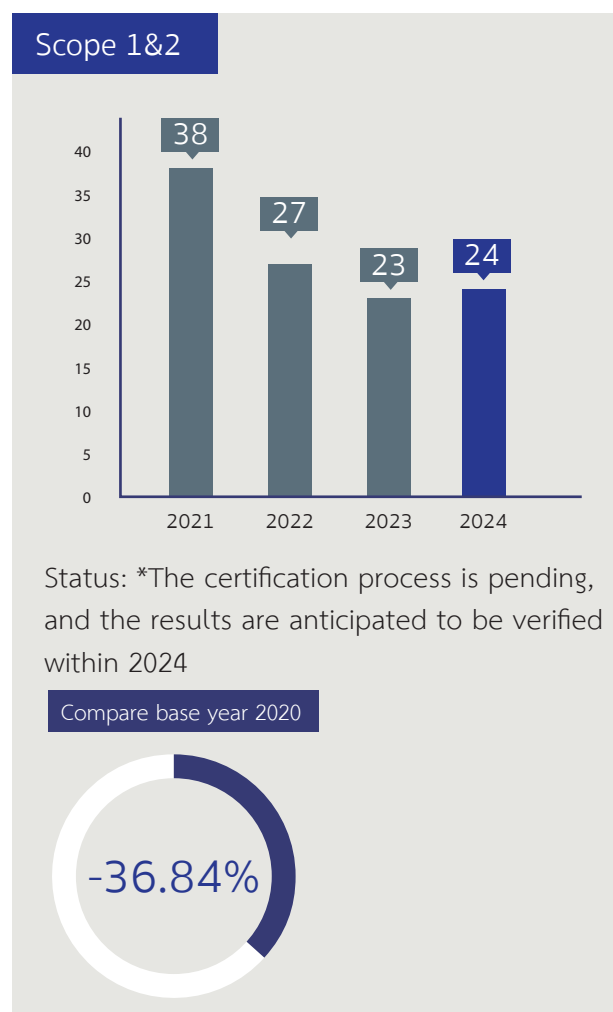
Ultimately, addressing climate change is not just a responsibility to the planet; it is also a strategic approach to build a stable and sustainable business foundation for the future. The Company’s commitment to reduce GHG emissions and mitigate the impacts of climate change reflects its dedication to conducting business in an ethical and socially responsible manner.

On December 13, 2023, the Company conducted an assessment and compiled the organization’s carbon footprint for the year 2022 (January 1 - December 31, 2022). This evaluation encompasses direct GHG emissions (Scope 1), indirect GHG emissions from energy use (Scope 2), and other indirect GHG emissions (Scope 3). The assessment has been verified by ECEE Company Limited in accordance with the requirements for calculating and reporting the organization’s carbon footprint outlined by the Thailand Greenhouse Gas Management Organization (Public Organization), 6th revised edition (July, 2022).



GHG Emission





3.4 Sustainability Management - Social Dimensions

3.4.1 Social Guideline and Policy

The Company emphasizes compliance with laws, rules and regulations related to social management including respect for human rights, fair treatment of labor/employees, customer responsibility, and social or community development. The aforementioned issue has been identified as one of the key issues in the environmental, social and governance policy.

3.4.2 Social Dimension Performance

(1) Employees and Labor

The Company realizes that sustainable business growth requires an important driving force to increase the competitiveness of the organization, where “Human Resource” is the key to driving such an organization. The Company aims to enhance the potential of employees at all levels without discrimination such as race, color, gender, language, religion through various training programs and continually creating a good working environment within the organization, taking into account the fair treatment of employees. In addition, the Company has formulated an effective personnel development plan through a performance appraisal system to manage the performance of employees at all levels, aiming to develop their operational capabilities, providing career advancement and employee welfare as required by law, and create an environment and work safety with guidelines for developing and enhancing the potential of employees as follows:

- Provide fair compensation
- Develop personnel skills
- Develop high potential employees
- Provide career advancement
- Create organizational engagement
- Promote quality of life and well-being

The Company has developed a human resource development plan through basic training courses in performing their duties and real estate business management strategies courses to enhance their capabilities and create future leaders. In this regard, all employees are provided equal opportunities to develop their potential. In 2023, the number of training hours of employees divided into operations and managers are 8 hours/person/year, and executive employees are 16.5 hours/person/year. The Company has established targets to provide training for employees at all levels not less than 12 hours/person/year.

In addition, the Company is committed to solving the problem of non-performing loans of financial institutions to improve the quality of life of people in society with responsibility and respect for human rights. In 2023, the Company has completed in debt reconciliation and there were no complaints on social, environmental and human rights issues. The Company has established a target to increase the proportion of successful debt settlement negotiations by 20% in 2025 without complaints on social, environmental and human rights issues.



“Employee training for the year 2023”

(2) Community and Society

The Company’s non-performing loans management business is considered one of the key elements in the economy that will solve problems at the micro level, i.e. resolving debtors’ financial problem of financial institutions to restart once again, and at the macro level, i.e. resolving problems for financial institutions experiencing non-performing debts can reissue loans to the economy. The debtor’s debt restructuring is an opportunity for the debtor to be released from debt and be able to restart a new life or new business once again. It is considered to assist the debtor and those around them have a good quality of life which will result in a better quality of society. Therefore, it can be said that the Company’s non-performing loans management business is beneficial to society in the form of CSR in process.

In addition, the Company also places importance on giving back to society, communities and the environment in the form of CSR after process continuously, for example:



In January 2018

the Company undertook a trip to deliver educational equipment, sports gear, and office supplies to Ban Sok Noi School. This school, situated in Phaya Yen Subdistrict, Pak Chong District, Nakhon Ratchasima Province, serves as a kindergarten to primary school.



In July 2021

the Company collaborated with the Siriraj Foundation to contribute 200,000 Baht towards providing High Flow support to frontline workers. This contribution aimed to assist medical personnel in their efforts to combat and manage the impact of the coronavirus disease 2019 (COVID-19).



In November 2022

the Company has donated 200,000 Baht to the Police Hospital Foundation to support the construction of an Operating Room.



In December 2023

the Company actively participated in organizing a free debt clinic booth for the public.

4 Management Discussion and Analysis : MD&A

The management's overview of the Company's financial position and operational results relies on the audited financial statements for the years ending December 31, 2022, and 2023, conducted by a certified public accountant and approved by the SEC Office. It's important to note that the historical performance outlined in this document does not guarantee future operational outcomes.

Investors are encouraged to thoroughly review management discussion and analysis of the Company's operational and financial aspects, along with the financial statements and notes to financial statements. Additionally, pertinent information about the Company's business operations can be found in other sections of this Registration Statement for Securities Offering.

Analysis of the Company's performance for the year ended December 31, 2023

Income

Details	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Management Business - NPL	238.67	78.02	247.69	87.88	(9.02)	(3.64)
Management Business - NPA	67.24	21.98	34.17	12.12	33.07	96.78
Total	305.91	100.00	281.86	100.00	24.05	8.53

In 2023, the company received a total of 305.91 million Baht, reflecting an 8.53% increase attributed to the closure of the mortgage loan receivable account. Additionally, a higher volume of foreclosed properties was sold compared to the previous year. The majority of the funds originated from the management business, with NPL contributing 78.02% of the total. Notably, a significant portion of the receipts pertained to business loan receivables, representing the principal proportion of the company's debtors.

Performance	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Interest income ^{1/}	203.42	106.39	122.18	71.67	81.24	66.49
Interest expenses	(66.61)	(34.84)	(33.90)	(19.89)	(32.71)	96.49
Net interest income	136.81	71.55	88.28	51.78	48.53	54.97
Net profit from debt repayment	26.35	13.78	18.53	10.87	7.82	42.20
Profit from selling foreclosed assets	14.11	7.38	5.95	3.49	8.16	137.14
Profit from sale of credit from purchase of accounts receivable	-	-	57.61	33.79	(57.61)	(100.00)
Net profits from financial instruments ^{2/}	0.68	0.36	-	-	0.68	100.00
Other operating income	13.26	6.93	0.12	0.07	13.14	10,950.00
Total operating income	191.21	100.00	170.49	100.00	20.72	12.15
Total expenses from other operations	56.97	29.79	41.57	24.38	15.40	37.05
Expected credit losses (reversal) ^{3/}	23.42	12.25	32.52	19.08	(9.10)	(27.98)
Operating profit before income tax	110.82	57.96	96.40	56.54	14.42	14.96
Income tax	(22.17)	(11.59)	(19.16)	(11.24)	(3.01)	15.71
Net profit for the period	88.65	46.36	77.24	45.30	11.41	14.77
Other comprehensive income (loss)	(0.06)	(0.03)	1.08	0.63	(1.14)	(105.56)
Total comprehensive income	88.59	46.33	78.32	45.94	10.27	13.11
Basic earnings per share (Baht/share)	0.14		0.14			

Remark: 1. Interest income comprises interest from loans related to purchasing receivables and interest income received from banks.
2. Net profits from financial instruments measured at fair value through profit or loss.
3. Credit losses represent expected credit losses.

Operating Income

Performance	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
1) Income from NPL ^{1/} management business						
1.1) Interest income from NPL ^{2/}						
• Business loan receivables	187.86	98.25	111.53	65.42	76.33	68.44
• Mortgage loan receivables	15.05	7.87	10.45	6.13	4.60	44.02
Less Interest expenses	(66.61)	(34.84)	(33.90)	(19.88)	(32.71)	96.49
Net interest income from NPL	136.30	71.28	88.08	51.67	48.22	54.75
1.2) Net profit from debt repayment						
• Business loan receivables	11.13	5.82	4.90	2.87	6.23	127.14
• Mortgage loan receivables	15.22	7.96	13.63	8.00	1.59	11.67
Net profit from debt repayment	26.35	13.78	18.53	10.87	7.82	42.20
1.3) Profit from sale of credit from purchase of accounts receivable	-	-	57.61	33.79	(57.61)	(100.00)
Income from NPL management business	162.65	85.06	164.22	96.33	(1.57)	(0.96)
1) = 1.1) + 1.2) + 1.3)						
2) Profit from the sale of foreclosed properties	14.11	7.38	5.95	3.49	8.16	137.14
3) Other operating income ^{1/}	14.45	7.56	0.31	0.18	14.13	4,415.63
Operating income	191.21	100.00	170.48	100.00	20.72	12.15

Remark: 1. Income from the NPL management business refers to revenue generated from the non-performing asset management business.
2. Interest income from NPL pertains to the interest earned from loans associated with the acquisition of receivables.
3. Other operating income includes revenue from asset management services, interest income received from banks, court fees refunded, net gains from financial instruments measured at fair value through profit or loss, among other sources.

The Company's operating income for 2023 reached 191.21 million Baht, marking a 12.15% increase. This growth stems from various sources, including interest income from debtors, profit from debt repayment, revenue from NPA sales, and income generated by offering expanded non-performing asset management services. However, it is noteworthy that interest expenses in 2023 rose due to the issuance of additional bonds for NPL acquisition.

- **NPLs Management Business**

Income from NPLs Management Business comes from 3 parts, namely net interest income from loans for purchase of receivables, net profit from debt repayment, and profit from sale of credit from purchase of accounts receivable, with the following details:

1. **Net interest income from loans for purchase of receivables** is from loans for purchase of receivables net of interest expenses. The details are as follows:

Interest income from loans for purchase of receivables (Before deducting interest expenses)

In the 2023, interest income from loans for purchase of receivables was 202.91 million Baht, of which interest income from business loan receivables and mortgage loan receivables, an increase of 80.93 million Baht, or 66.35% YoY.

- Interest income from NPL-business loan receivables amounted to 187.86 million Baht, representing a 76.33 million Baht increase compared to the corresponding period in 2023
- Interest income from NPL-mortgage loan receivables reached 15.05 million Baht, indicating a 4.60 million Baht increase compared to the corresponding period last year. This surge can be attributed to the Company's acquisition of non-performing loans, specifically business loan receivables, leading to an overall increase in business and mortgage loans by 422.95 million Baht and 183.88 million Baht, respectively. However, throughout 2023, numerous debtors settled their accounts through debt repayments, as well as funds obtained from the auction of debtor's collateral at the Legal Execution Department. Additionally, certain companies bid to acquire the Company's NPA, resulting in a decline in interest income in specific cases.

Interest expenses

Table: Details of interest expenses

Performance	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Interbank and money market items	12.63	18.96	6.55	19.32	6.08	92.82
Debt instruments issued	53.60	80.47	25.93	76.49	27.67	106.71
Lease liabilities	0.38	0.57	0.44	1.30	(0.06)	(13.64)
Others	-	-	0.98	2.89	(0.98)	(100.00)
Total interest expenses	66.61	100.00	33.90	100.00	32.71	96.49
Interbank and money market items at the end of the period	185.55		109.68			
Debt instrument issued at the end of the period	891.59		347.32			

In 2023, interest expenses were 66.61 million Baht, an increase of 32.71 million Baht, or 96.49% YoY, mainly due to an increase in interest expenses on issued debt instrument and interbank and money market items (loans from financial institutions). Since In 2023, the Company issued an additional debt instrument totaling 900.00 million Baht and borrowed an additional 145.80 million Baht. These funds were allocated for investments in acquiring distressed assets and repaying maturing bonds.

2. **Net profit from debt repayment** The Company recognizes net profit on debt settlement for business loan receivables and mortgage loan receivables when the proceeds exceed the cost paid and accrued interest.

In 2023, the Company recorded a net profit of 26.35 million Baht from debt repayment, with 57.76% originating from mortgage loan receivables. The net profit from debt repayment experienced a notable increase of 42.20 %, driven by the closure of more accounts receivable, both in the business and mortgage sectors.

3. **Profit from sale of credit from purchase of accounts receivable** In 2023, the Company did not engage in the sale of loans acquired from receivables, leading to a 100.00% decrease in profit from such sales. This contrasts with the second quarter of 2022 when the Company negotiated debt reconciliation with the debtor and sold the loans acquired from the said debtors.
4. **Profit from the sale of foreclosed properties** In 2023, the Company had a profit from the sale of foreclosed properties were 14.11 million Baht, an increase of 137.14%, due to the sale of foreclosed properties increased.
5. **Other operating income** In 2023, the company reported other operations income of 14.45 million Baht, a surge of 14.13 million Baht or 4,415.63% compared to the previous year. This increase was primarily driven by a 4,415.63% rise in the 4th quarter of 2023. The heightened operating income for both the 4th quarter and the entire year resulted from increased revenue in debtor management services, representing another facet of the Company's business operations.

Other operating expenses

Performance	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Employee expenses	24.90	43.71	21.46	51.62	3.44	16.03
Directors' remuneration	1.38	2.42	1.28	3.08	0.10	7.81
Expenses related to buildings, premises, and equipment	4.29	7.53	3.79	9.12	0.50	13.19
Tax expense	4.28	7.51	1.97	4.74	2.31	117.26
Other expenses	22.12	38.83	13.07	31.44	9.05	69.24
Total other operating expenses	56.97	100.00	41.57	100.00	15.40	37.05

Other operating expenses consist of employee expenses, directors' remuneration, expenses related to buildings, premises, and equipment, tax expense, and other expenses were 56.97 million Baht, an increase of 15.40 million Baht, or 37.05% YoY. The expenses from other operations in 2023 equivalent to 29.79% of total operating income, with the following details:

Employee expenses

Employee expenses of the Company include salaries, bonuses, employee benefits, and expenses, liabilities, employee benefits, etc. In 2023, employee expenses were 24.90 million Baht, an increase of 3.44 million Baht, or 16.03% YoY, mainly due to annual salary increases, increases in employee benefit provisions, and a slight increase in the number of employees.

Directors' remuneration

Directors' remuneration in 2023 was 1.38 million Baht, an increase 0.10 million Baht or 7.81%, where remuneration came from meeting allowances only.

Expenses related to buildings, premises, and equipment

Expenses related to buildings, premises, and equipment encompass diverse costs such as depreciation, utility expenses, security guard fees, local maintenance tax, and property tax. In 2023, these expenses amounted to 4.29 million Baht, reflecting a marginal increase of 0.50 million Baht compared to the corresponding period in the previous year.

Tax expense

Tax expense includes specific business tax and stamp duty were 4.28 million Baht, an increase of 2.31 million Baht YoY, due to a decrease in specific business tax payments. This increase is attributed to higher payments of specific business taxes resulting from increased debt repayments by debtors.

Other expenses

Other expenses encompass the costs of acquiring information on distressed assets, audit fees, internal audit fees, various consulting fees, and expenses related to Company restructuring, among others. In 2023, other expenses amounted to 22.12 million Baht, reflecting a rise of 9.05 million Baht or 69.24% YoY. This increase is primarily attributed to higher expenses related to company restructuring, which is a one-time transaction amounted to 6.7 million Baht. Additionally, there is an uptick in costs associated with managing new debtors, including property appraisal fees.

Expected credit losses ("credit loss")

In 2023, expected credit losses were 23.42 million Baht, an increase of 9.10 million Baht, or 27.98% YoY, mainly due to the rise in credit losses for certain debtors. However, the Company successfully managed its receivables in accordance with established estimates, including the reversal of closed accounts receivable during the year.

Net profit

The net profit for 2023 reached 88.65 million Baht, marking a 14.77% increase. This growth can be attributed to the rise in interest income resulting from the expansion of the Company's NPL receivable portfolio, despite increased interest costs. Additionally, income from debt repayment and the sale of foreclosed properties experienced an uptick. Furthermore, the Company saw increased revenue from providing asset management services. However, there was also an increase in expenses stemming from the Company's restructuring efforts.

Financial position analysis for the year ended December 31, 2023

Performance	2023		2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Assets	2,305.97	100.00	1,726.56	100.00	579.41	33.56
Liabilities	1,135.50	49.24	631.54	36.58	503.96	79.80
Shareholder's equity	1,170.47	50.76	1,095.02	63.42	75.45	6.89

Total assets

The Company has total assets of 2,305.97 million Baht, an increase from the end of 2022 in the amount of 579.41million Baht, or 33.56%, mainly due to:

- Loans from the purchase of receivables and net accrued interest increased by 38.41%, primarily driven by the acquisition and transfer of new non-performing assets totaling 606.82 million Baht, along with the closure of receivable accounts during the year.
- Foreclosed properties increased by 31.35%, notwithstanding the sale of numerous properties this year. This growth is attributed to the transfer of foreclosed assets acquired through auctions to purchase debtor's collateral in the Legal Execution Department.
- Debts from the Legal Execution Department increased by 244.71% due to the Company's initial payment for the acquisition of debtor collateral. The Company anticipates reimbursement upon the completion of the Legal Execution Department's accounting for income and expenses.

Total liabilities

The Company has total liabilities of 1,135.50 million Baht, an increase from the end of 2022 in the amount of 503.96 million Baht, or 79.80%, mainly due to:

- Interbank and money market items (Loans from financial institutions) increased by 75.87 million Baht, or 69.17% compared to the end of 2022, mainly due to additional borrowing during the year of 145.80 million Baht and repayment of the loan according to the loan agreement.
- Debt instruments issued increased by 544.27 million Baht, or 156.71% compared to the end of 2022, mainly due to during the year 2023, the Company issued new debt instruments increased by 900.00 million Baht, and there is a repayment of debt securities due in the year in the amount of 350 million Baht.

Equity

As of December 31, 2023, the Company's owner's equity amounted to 1,170.47 million Baht, reflecting an increase of 75.45 million Baht compared to the end of 2022. This rise was attributable to a net profit increase from operations during the period, amounting to 88.65 million Baht, partially offset by a decrease resulting from the 2022 dividend payment of 13.14 million Baht.

5

General Information and Other Key Information

5.1 General Information

1. Securities Issuing Company

 Company Name Knight Club Capital Asset Management Public Company Limited	 Head Office 285/1 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310
 Business Type Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales	 Phone 0-2957-5601-2
 Registration Number 0107564000367	 Facsimile 0-2957-5601-2
	 Website www.kccamc.com

5.1.2 Reference Persons

1. Securities Registrar

 Company Name Thailand Securities Depository Company Limited			
 Head Office 93 The Stock Exchange of Thailand Building, 14 th floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400			
 Phone 0-2009-9000 TSD Call Center: (66) 2009-9999	 Facsimile 0-2009-9991	 Website www.set.or.th/tsd	

2. Auditor



Company Name

EY Office Company Limited



Head Office

193/136-137 Lake Ratchada Office Complex, 33rd floor, Ratchadaphisek Road, Khlong Toei, Khlong Toei, Bangkok 10110



Phone

0-2264-0777



Facsimile

0-2264-0789-90

3. Investor Relations



Company Name

Mr. Tawee Kullertprasert and Ms. Pranittra Akkarawinek



Head Office

285/1 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310



Phone

0-2957-5601-2

5.2 Other Key Information

- None -

5.3 Legal Disputes

As of December 31, 2023, the Company does not have any legal disputes or litigation in any manner that has a negative impact on the assets are more than 5% of the shareholders' equity according to the financial statement as of December 31, 2022, as well as not have any legal disputes that may significantly affect the Company's business operations, including not arising from the Company's normal business operations.



Part 2

Corporate Governance



6 Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors realizes the importance of good corporate governance as important factor that promotes the Company's operations to be efficient, transparent and verifiable, creating confidence among all concerned parties. As a result, the business grows sustainably which will create utmost benefit to all stakeholders from employees, investors, shareholders and all stakeholders. At the Board of Directors' Meeting for the year 2023 has reviewed a Good Corporate Governance Policy for the Board of Directors, executives and employees to adhere as good practices, to elevate the existing operations with a clear standardized system and distribute the practices at all levels toward foster a true corporate governance culture. The policy covers important content from role structure, committees' responsibilities, and the management principles of all executives are transparent and verifiable as a guideline for managing the organization. This to create confidence in every operation of the Company with fairness and taking into account the best interests of the Company, shareholders and stakeholders, and sustainable value creation serve the expectations of the business sector and investors. The Company has adopted the Corporate Governance (CG Code) of 2017 (8 principles of practice) as a guideline for determining the Company's Corporate Governance Policy, with the following details:

Principle 1



Establish Clear Leadership Role and Responsibilities of the Board

1. Principle

1.1 The Board of Directors demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the Company, and strengthen good governance, covering (1) defining core objectives (2) determining of strategies, operational policies, as well as the allocation of key resources to achieve objectives and goals; and (3) monitoring, evaluating, and reporting on performance. In addition, to achieve sustainable value creation, the Board of Directors should exercise its leadership role and pursue the following governance outcomes:

- competitiveness and performance with long-term perspective;
- ethical and responsible business;
- good corporate citizenship; and
- corporate resilience

In addition, the Board of Directors should establish objectives for sustainability in accordance with the values creation for the Company, all stakeholders, society, and the environment as a whole.

- 1.2 The Board of Directors is responsible for ensuring that all directors and executives perform their responsibility with duty of care, duty of loyalty, and ensure that operations are in compliance with the laws, regulations, and resolutions of the Shareholders' Meeting.
- 1.3. The Board of Directors should demonstrate a thorough understanding of scopes, duties, and responsibilities to determine its structure that is appropriate and necessary to lead the organization towards the defined objectives and core goals. The Chairman of the Board of Directors and the Chief Executive Officer has different duties and responsibilities, whereby the Board of Directors clearly defines their authority and supervises the Chief Executive Officer and the management to perform their duties as assigned.
- 1.4. Principles for performing duties of the Board of Directors shall adhere to the following principles:
 - 1.4.1. Demonstrate and implement the governance and risk appetite of the company;
 - 1.4.2. Perform duties according to "Accountability", "Duty of Loyalty", and "Duty of Care" according to Thai laws and regulatory standards;
 - 1.4.3. Avoiding any conflict of interest that may cause such conflict of interest, as well as establishing and enforcing measures to control and avoid conflicts that may arise from personnel coordinating with third parties or other organizations;
 - 1.4.4. Dedicate enough time and energy to carry out their responsibilities;
 - 1.4.5. Avoid participating in the day-to-day management of the Company, except for executive directors;
 - 1.4.6. Obtain management information to allow the Board of Directors perform its duties to achieve its goals, and it is the responsibility of the Board of Directors to decide what type of information is required;
 - 1.4.7. Do not participate in decision-making in which the directors or related persons have interests, resulting in inability to fully perform their duties, including not complying with relevant laws or official requirements;
 - 1.4.8. Supervise the Company's executives by virtue of their authority and duty to inquire and obtain clear explanations from the executives, as well as requiring them to receive sufficient information to judge the executives' performance in sufficient time.
 - 1.4.9. Keep confidential business information of the Company and customer, not using such information to seek benefits either intentionally or unintentionally, unless consented by the Company or required by law.



1. Define objectives and main goals of the business

The Board of Directors ensures that the Company has clearly defined objectives and main goals, and ensures that the Company has wide communication of driving to the same direction, in the form of strengthen the objectives and main goals reflected in the work of employees and corporate culture outcome.

The Board of Directors plays an important role in formulating policies to supervise the work process with appropriate and sufficient resources to ensure that the operations comply with the specified policies, including monitoring, controlling and inspecting the implementation of such policies. The Board of Directors attaches importance to creating innovations with business value creation along with creating benefits for customers or related parties and being socially and environmentally responsible.

2. Preparation of annual strategies and plans

The Board of Directors ensures that annual strategies and plans are prepared that are consistent with the objectives or main goal with appropriate use of innovation and technology, to build competitiveness and serve the needs of stakeholders, based on social and environmental responsibility through annual review.

3. The Role of Stakeholders

The Company emphasizes the rights of stakeholders, either internal stakeholders, such as shareholders, executives and employees of the Company, or external stakeholders, such as creditors, customers, business partners, competitors, government sector, society, and communities, etc. The Company realizes that the feedback of stakeholders will be beneficial to the Company's operations. Thus, complying with relevant laws and regulations to protect the rights of such stakeholders as well. In addition, the Company's business operation takes into account the rights of all stakeholders in accordance with the following guidelines:

3.1 Shareholders

The Company aims to treat shareholders equally, protect their interests, and not take any action that violates or deprives the rights of shareholders.

3.2 Employees

Employees are considered as one of the key resources for the growth of an organization. The Company will treat employees equally and fairly in terms of opportunities, remuneration, welfare, and potential development by having a recruitment process and fair merit consideration.

3.3 Customer / Debtor

The Company treats customers/debtors honestly and fairly, strives to create satisfaction and confidence to customers/debtors, takes care and takes responsibility for services, including debt collection, whereby debtor shall be treated well in accordance with the standards set

by laws or regulations. On the part of customers, they must receive services that are suitable according to the standards as professional wise people in the same business group should be treated in terms of price and service quality must be reasonable and fair. In addition, the Company shall comply with the conditions and agreements made with customers/debtor strictly, maintain good and sustainable relationship with customers/debtor seriously. The use of customer/debtor information must be within the scope of the policy set by the company.

3.4 Business Partners and Creditors

The Company is aware of equality, fairness, not taking advantage and honesty in business operations, protecting benefits of business partners and creditors with business ethics, not request, receive or pay any benefits that are dishonest in trading with business partners. The Company has a power manual to consider and approve procurement according to the credit limit to achieve flexibility in doing business with business partners. The terms and conditions specified in the contracts or agreements that the Company has entered into with the counterparties and creditors have been properly followed.

3.5 Competitors

The Company is committed to fair competition with regard to ethics and laws relating to commercial competition practices and adheres to the rules of fair competition, not make any agreements with competitors or any person that has the nature to reduce or limit trade competition.

3.6 Government Sector

The Company emphasizes the transparency and straightforward conduct in dealing with government officials or entities to avoid actions that may induce government or government officials to act inappropriately, that may result in inappropriate actions and conflict with good management principles.

3.7 Community, Society, and Environment

The Company emphasizes the community, society and the surrounding environment, being part of the community development, society and the environment for sustainability. The Company continually creates wide awareness of social, community, and environmental responsibility with the personnel at all level by promoting awareness of social and environmental responsibility, participation in community and social development.

3.8 Preparation of social responsibility reports

The Company has disclosed activities and innovations that promote the Company's sustainable development along with social responsibility and has reported in the social responsibility section.

3.9 Whistleblowing Channels

The Company states its policy to protect and provide fairness to employees or stakeholders who report information about fraud or non-compliance with laws, rules, regulations, the Company's regulations and whistleblower policy. Under the policy, employees or third parties can file complaints through the complaints recipients in writing. Employees or third

parties who make complaints should identify themselves by sending through the following methods:

- **Via mail**

To: Corporate Governance Department, Knight Club Capital Asset Management Public Company Limited
285/1, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310

- **Via E-mail**

1. Chairman of the Audit Committee : auditcommittee@kccamc.com
2. Chief Executive Officer : tawee.k@kccamc.com
3. Compliance Department : compliance@kccamc.com

In addition, the Company has provided a complaint box within the office, supervised by the Human Resources Department and Compliance Department, which will be opened once a month to screen the issues and submit to the executives for further consideration. In the case of a letter to the Chief Executive Officer, it will be sent directly to the Chief Executive Officer without opening the seal.

Suggestions will be compiled, screened and reported to executives and the Board of Directors for further resolution.

Complaint details are treated as confidential and will only be disclosed as required. The company employs measures to safeguard the identities of complainants and related individuals who opt not to disclose themselves. Complainants may request the company to implement suitable protection measures, or the company may proactively apply such measures when potential harm or insecurity is anticipated, even without a specific request from the complainant.

Principle 3



Strengthen Board Effectiveness

1. Determine and review the Board of Directors' structure

The Board of Directors responsible for determining and reviewing the Board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

The Board of Directors states its structure with Board Diversity, an appropriate to size, complexity, nature of business, and risk. Consisting of leadership, professional skills, knowledge, competence, experience in business and related businesses, skill matrix, and in accordance with the Company's business strategy, whereby at least one director with knowledge or experience in accounting and finance. The Board of Directors has an appropriate number in accordance with the resolution of the Shareholders' Meeting, with a scope of duties and responsibilities with appropriate checks and balances, where any person or group cannot have unrestricted power.

2. Board of Directors

The Board of Directors selects an appropriate person as the Chairman of the Board and ensures that the compositions of the Board of Directors are conducive to independent decision-making. The Board of Directors plays an important role in corporate governance for the utmost benefit of the Company and also has responsibilities to all stakeholders and shall be independent from the management. The Chairman of the Board's roles and responsibilities are different from those of the Chief Executive, whereby the two positions shall be held by different individuals.

3. Overseeing the policies and operations of companies in the business group and other businesses in which the Company has significantly invested.

The Board of Directors ensures that there is a framework and mechanism to supervise the policies and operations of the companies in the business group and other businesses in which the Company invests significantly. The Company classifies relationships according to shareholding and controlling power as follows:

3.1 Subsidiaries

It shall have the same meaning as the definition under the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 Re: Determination of Definitions in Notifications Regarding the Issuance and Offer for Sale of Securities (including that will be amended or replaced) ("Announcement No. Kor Jor. 17/2551")

3.2 Associate

It shall have the same meaning as the definition under the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551, refers to an issuer company or its subsidiary has the power to participate in decision-making on the financial and operating policies of the Company, but does not have control over such policies, and is not considered a subsidiary or a joint venture.

4. Performance Evaluation

The Board of Directors has conducted a formal annual performance evaluation of the Board of Directors, Sub-committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the Board of Directors. In this regard, the performance appraisal shall be performed as follows:

- 4.1. The Board of Directors and Sub-committees will conduct self-evaluation at least once a year.
- 4.2. Methods for evaluating the performance of the Board of Directors and Sub-committees include: (1) Self-Assessment as a whole and individually (2) Cross-Assessment. The criteria, procedures, and assessment results are disclosed in the annual report.
- 4.3. The Board of Directors may consider inviting outside consultants to establish guidelines and make recommendations on the performance evaluation of the Board of Directors and Sub-committees and disclose such actions in the annual report.

5. Business Comprehension

The Board of Directors ensures that each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant law and standards, and other applicable obligations. The Board of Directors supports all directors in updating and refreshing their skills and knowledge necessary relating to the performance of duties as a director of the Company on a regular basis as follows:

- 5.1. The Board of Directors supports educating the Company's directors in performing their duties by training courses organized by the Thai Institute of Directors Association (IOD) related to directors at least 1 course, i.e., Director Accreditation Program (DAP) or Director Certification Program (DCP).
- 5.2. The Board of Directors ensures that the management organizes the internal training courses for Company's directors in order to enhance their knowledge in relation to the Company's business operations and their responsibilities as directors.
- 5.3. Every time a new director is appointed, the Board of Directors ensures that the Company provide beneficial documents and information to the performance of new directors, including an orientation introducing business characteristics, business guidelines, regulations related to new directors
- 5.4. The Board of Directors ensures that the Company discloses training and development information for directors in various reports in accordance with good corporate governance principles, such as annual reports.

6. Company Secretary

The Board of Directors is responsible for ensuring that the Board of Directors' operations run smoothly with access to necessary information and the Company Secretary having the necessary and appropriate knowledge and experience.

The Board of Directors has appointed a person with appropriate qualifications and experience as the Company Secretary by defining the roles, duties and responsibilities in accordance with the requirements of the law and best practices. The Company Secretary will supervise the operations of the Board of Directors, the management, and the Company in accordance with the requirements of the law, rules and regulations of the relevant departments, and Articles of Association. In addition, supporting the operations of the Board of Directors, Sub-Committee, and management in accordance with the guidelines of Good Corporate Governance. The Company Secretary's qualifications and experience will be disclosed in the Company's annual report and website.



1. Nomination and Development of the Executive

1.1 Nomination

Nomination and Appointment of the directors, sub-committee, and the Chief Executive Officer, the Nomination, Remuneration and Corporate Governance Committee will be responsible for recruiting persons serve the positions both internal and external according to the Succession Plan. Then, present to the Board of Directors or the Shareholders' Meeting (as the case may be) to consider and approve the appointment in accordance with the requirements and regulations of official agencies related to the Company's business

1.2 Succession Plan

The Board of Directors states its policy to establish a Succession Plan due to the implementation of such a plan is an important element of personnel strategic planning. The Board of Directors ensures that the Company has policies, plans and processes linked to the vision, mission, business goals, and organizational culture for the succession of executive positions without obstacles. In addition, replacement personnel have been prepared to ensure continuity of the Company's business operations by reporting the results of the Succession Plan to the Board of Directors at least once a year.

2. Executives holding positions in other companies

The Chief Executive Officer shall work full time. Any positions held by the Chief Executive Officer and the Company's executives in other companies shall be reported to the Board of Directors.

3. Determining appropriate compensation and evaluation structures

The Board of Directors ensures that an appropriate compensation and evaluation structures are in place, consideration of remuneration in the form of salary and remuneration based on performance is appropriate and comparable to other companies in the similar industry for fairness. In addition, in order to increase the ability to deal with various situations, aiming for a "Flat Organization", which will be more flexible in doing business because it reduces work processes and makes decisions faster.

4. Structure and relationship of shareholders that may affect the management

The Board of Directors understands the structure and relationship of shareholders that may affect the management and operation of the business as follows:

4.1. The Equitable Treatment of Shareholders

The Company gives importance to every shareholder of the Company by stating its policy to treat all shareholders equally, whether they are major or minor shareholders, executive or non-executive shareholders as well as foreign shareholders. The Company encourages the preparation of the meeting invitation letter in both Thai and English and published on the Company's website at least 28 days prior to the meeting date. It also provides

an opportunity for shareholders to participate by proposing significant matters included in the agenda of Annual General Meeting of Shareholders and nominating persons with appropriate knowledge, abilities and qualifications for election as a director in advance in order for the Board of Directors to arrange the agenda proposed by the shareholders to be included in the agenda of the Shareholders' Meeting.

4.2. Proposal of AGM Agenda

The qualifications of shareholders who wish to propose the above agenda are in accordance with Section 89/28 of the Securities and Exchange Act B.E. 2535 (as amended) ("Securities Act B.E."), stating that one or more shareholders holding shares and having voting rights in aggregate shall not be less than five percent of the total voting rights of the Company have the right to propose an agenda to be included in the agenda of the above-mentioned shareholders' meeting by specifying the objectives and details of the proposed matter, together with useful information for consideration. For the nomination of a person to be considered for selection as a director, the details of that person and other useful details including the consent of such person must be provided. The person who will be nominated shall be fully qualified according to the Public Company Limited Act B.E. 1992 (as amended), Securities and Exchange Act as well as the regulation of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand, and the Company's Article of Association. This includes other qualifications as specified by the Company, i.e., knowledge, competence, expertise and experiences that are beneficial and appropriate to the nature of the business, to perform duties as a director with honesty, morality, ethics, and being able to regularly attend the Board of Directors' meetings, etc.

The Company will disclose such matter to the shareholders through dissemination channels of the Stock Exchange of Thailand and the Company's website.

Proposals to be included in the agenda of the Annual General Meeting of Shareholders and/or the name of any person to be nominated as a director of the Company, the Nomination, Remuneration and Corporate Governance Committee will consider and present to the Board of Directors for consideration and summary of opinions for inclusion in the agenda of the meeting. It is assumed that the opinion of the Board of Directors is final.

At Annual General Meeting of Shareholders, the Company provides opportunities for all shareholders equally. Before commencing, the chairman of the meeting will clarify the exercise of voting rights and counting methods, it also allows meeting attendees to express their opinions, suggestions, and inquire question on each agenda in appropriate and sufficient time, whereby the meeting will be run sequentially by the chairman of the meeting. In addition, shareholders will not be deprived of the right to study the information disclosed in accordance with various requirements, including the right to attend the meetings, for example, no agenda was added to the meeting without informing the shareholders in advance, so that the shareholders had the opportunity to study the information pertaining to the meeting agenda before making a decision, etc.

4.3 Use of Inside Information Policy

The Company strictly supervises the use of inside information to prevent the exploitation of inside information for oneself or others in a wrongful way (Abusive self-dealing) in order to ensure fairness to all stakeholders. The Company has established guidelines for keeping inside information of the Company and for preventing the use of inside information for personal gain in the Use of inside Information Policy, including the Policy to Report on Securities Holdings.

4.4 Entering into a transaction with a related party

The Company has established a transparent and verifiable approach to management of interests, especially in considering transactions between the Company and major shareholders, directors, executives or related party. There is Connected Transaction Policy and Principles on trade agreements with general commercial conditions between the Company and directors, executives or related persons to control transactions with connected persons or may be connected to the Company in accordance with the Securities and Exchange Act and other relevant laws.

5. Human Resources Management

The Board of Directors ensures that human resources management have appropriate amounts of knowledge, skills, experience and motivation.

5.1 Executive Development

The company has continuously developed the potential of employees by organizing training regularly at all levels, either inside or outside the organization, covering several areas, such as leadership and collaboration. In addition, focusing on learning from experience and others, whereby the Company will provide necessary training courses for each executive position.

5.2 Employee Development

The Company states its policy to develop employees continually, focusing on learning from inside and outside the organization to enhance the knowledge, competency and necessary skills of employees. It is beneficial to companies that have quality personnel, capable of creating quality works for the Company.



1. Prioritize and Promote Innovation

The Board of Directors places importance on innovation that creates value for the business along with benefits for customers or related parties and is socially and environmentally responsible.

2. Social and Environmental Responsibility

The Board of Directors supervises that the management operates business with social and environmental responsibility and is reflected in the operational plan to ensure that all departments of the organization are in accordance with the objectives, main goals, and strategic plans of the business.

3. Resource allocation and management

The Board of Directors ensures that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

4. Governance of Information Technology

The Board of Directors establishes a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

5. Supporting the creation of innovations that create value for the company and to create business opportunities along with creating benefits for customers or related parties with social and environmental responsibility.

The Board of Directors supervises that the management operates business with ethical responsibility towards society and the environment, reflected in the action plan to ensure that management manages resources efficiently and effectively, taking into account the impact and development of resources along the value chain. In addition, information technology management and risk governance are consistent with the Company's objectives, main goals and strategic plans in a sustainable manner.

5.1. Treatment of Stakeholders

The Board of Directors emphasizes equitable treatment of stakeholders to ensure that stakeholders receive full, fair and appropriate rights. The Board of Directors has established guidelines for the treatment of each group of stakeholders as follows:

- 5.1.1. Shareholders – The Board of Directors supervises business operations with transparency, free from corruption, taking into account the long-term sustainable growth of the performance based on the potential and capability of the Company in order for the Company's value creation, either increased share value and attractive dividend payment.

- 5.1.2. Employees – The Board of Directors ensures that all employees are encouraged and developed their abilities to achieve their highest performance potential by providing suitable and fair employment conditions and career advancement opportunities with compensation suitable for one’s potential, open for comments, promote teamwork, treat employees with courtesy, and respect for the individual
- 5.1.3. Customers / Debtor – The Board of Directors will supervise customers/debtors systematically, quickly, accurately, fairly, and in accordance with the criteria set by the law and related agencies in order for good service that meets the needs of each individual as well as create utmost satisfaction for customers/debtors and maintain good relations by taking into account fairness, including ensuring that debt collection is polite and paying attention to the confidentiality of information.
- 5.1.4. Business partners and Creditors - The Board of Directors will ensure that the Company operates business with business partners and creditors in long term sustainable manner as a good business alliance, and ensures that the Company has regulations for dealing with business partners and creditors, such as procurement, employment, rental and hire-purchase of all types, strictly, cautiously and concisely complying with rules and conditions with business partners and creditors in order to achieve fairness to all parties. In addition, the operation is transparent, free from corruption, verifiable and mutually beneficial as well as ensuring that the Company repayment all types of loans and interests on time.
- 5.1.5. Competitors – The Board of Directors ensure that the Company conducts its business on the basis of free competition with fairness, straightforwardness, honesty, without corruption, not destroying, damaging, obstructing or limiting competitors’ business operations.
- 5.1.6. Investors – The Board of Directors ensure that the Company discloses correct, complete and sufficient information for investors’ decision making within the timeframe or as appropriate.
- 5.1.7. Official authority - The Board of Directors ensures that the Company operates its business by strictly adhering to the laws, rules, regulations and regulations of the relevant authorities and providing good cooperation with the authorities.
- 5.1.8. Community, Society and Environment - The Board of Directors ensures that the Company operates its business in parallel with corporate social responsibility by supporting various activities of society and the environment sustainably as well as create good relationships with the communities in which the Company is located. In addition, such activities of participation in social and environmental responsibilities are disclosed in the annual report.

5.2. Compliance with international human rights principles

The Board of Directors places importance on the equality of employees without any action that violates human rights, do not discriminate against people on the grounds of differences in origin, race, language, age, education, institution, gender, disability, physical condition or health, person's status, and economic or social status.

5.3. Non-infringement of intellectual property

The Board of Directors ensures that the Company does not violate the copy rights and intellectual property rights, unless the Company has been legally authorized by the copyright owner.

Principle 6



Strengthen Effective Risk Management and Internal Control

1. Corporate Risk Management

At present, the Company is expanding its business, resulting in changes both internally and externally, resulting in rapid growth. Those changes carry risks of uncertainty that may affect the performance of the Company's goals or objectives. Therefore, the Company has established an integrated enterprise risk management to reduce or prevent losses that may arise from various risks, it also gives reasonable assurance that the Company will be able to achieve its goals and objectives. The Risk Management Policy is established as part of the Company's overall policy to determine the allocation of resources and risk management activities in accordance with the main strategy to achieve its objectives. The Risk Management Policy has been approved by the Board of Directors' Meeting (Public Company) No. 1/2021 on October 15, 2021, whereby the Risk Management Committee was appointed, the roles, duties and responsibilities as specified in the Risk Management Committee Charter.

2. Internal Control

2.1 Anti-Corruption and Bribery

- 2.1.1 The Board of Directors attaches importance to the prevention and suppression of corruption, anti-Corruption, and bribery within the Company. Therefore, supervising the Company to establish policies, standards, and relevant operating procedures with measures to reduce damages caused by corruption.
- 2.1.2. The Board of Directors places importance on enhancing efficiency and effectiveness in the prevention and suppression of corruption, as well as establishing prevention measures from outsiders committing illegal acts with the Company, including having safety protection measures for the whistleblowers. At the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021 has considered and approved Whistleblower Policy and Anti-Corruption Policy.
- 2.1.3. The Board of Directors recognizes the importance of prohibiting giving or accepting bribes for business benefits or prohibiting bribery in any business dealings, either public and private sectors. At the Board of Directors' Meeting (Public Company)

No. 1/2021 on October 15, 2021 has considered and approved Anti-Corruption Policy, which contains provisions on gifts, entertainment and anti-bribery for employees as a guideline.

2.2. Whistleblowing

- 2.2.1 The Board of Directors oversees the preparation of a Whistleblowing Policy and announcements related to employee and third-party grievances for the Company's stakeholders to communicate, report clues or make complaints in case of wrongdoings are arising, for example: illegal practice, unethical conduct, embezzlement, and corruption. The Board of Directors provides the availability of convenient channels for stakeholders to report information or register complaints. This can be done through written notification sent by mail to the Company, or by notifying through email or over the phone.
- 2.2.2. The Board of Directors ensures that there are policies and procedures in place to forward information or complaints to relevant departments for investigation, and the Company's actions will be informed later. This includes establishing protection measures for the whistleblowers from harassment, malice, punishment, demotion or intimidation from notifying clues or making complaints.
- 2.2.3. The Board of Directors ensures that the Company has a process and channel for receiving and dealing with whistleblower by disclosing the process and channel on the Company's website or in the annual report.

In this regard, the Whistleblower Policy has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

3. Conflicts of Interest Management

The Board of Directors emphasizes transactions that may have conflicts of interest or connected transactions. In considering such transactions, the Board of Directors will ensure that the Company operates in accordance with the requirements and rules of relevant agencies by requiring that these transactions be considered as if they were transactions with third parties (Arm's Length Basis), any stakeholder in any transaction will not be involved in the approval process for such transaction. In addition, the Board of Directors will ensure that the Company has a policy for conducting transactions with persons who may have conflicts of interest in order to be treated fairly, transparently and in accordance with the regulations of relevant agencies, and ensure that information is disclosed accurately and completely.

In this regard, the Connected Transaction Policy and Conflict of Interest Prevention Policy has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

4. Preventing Inside Information

- 4.1. The Board of Directors ensures that the Company has written policies and guidelines for the preservation and prevention of the use of inside information, this includes information that has not been disclosed to the general public that is material to changes in the price or value of securities, and ensure that there is a serious practice to prevent directors, executives, and employees from using positions that have the opportunity to access inside

information of the Company, including a person involved, according to the definition set by the authorities, exploits such information for himself or others.

4.2. The Company's directors and executives are obligated to comply with the Company's Reporting of Securities Holding Policy

1. The Company Secretary is responsible for imparting knowledge and awareness to directors and executives about their obligation to report their securities holdings, as well as those of their spouses and minor children, to the SEC Office in compliance with Section 59. They must also inform about the associated penalties outlined in Section 275 of the Securities and Exchange Commission Act B.E. 2535 (with amendments). This includes the reporting requirements for personal acquisition or disposal of securities, and the corresponding penalties as specified in Section 246 and Section 298 of the Securities and Exchange Act B.E. 2535 (with amendments).
2. Directors, executives, as well as the spouses, minor children, and other pertinent individuals with responsibilities for preparing and disclosing reports on securities holdings and reporting changes in the Company's securities holdings to the SEC, must adhere to Section 59 and Section 246. This entails notifying the Company Secretary, designated with duties by the Board of Directors, at least one day prior to any trade. Additionally, a copy of the report on changes in securities holdings must be submitted to the Company on the same day it is filed with the SEC Office.
3. Directors, consultants, employees, and individuals affiliated with the Company, as well as those possessing inside information such as auditors and legal advisors, are prohibited from trading in the Company's securities one month before public disclosure of financial statements or internal information. This restriction also extends to the 24-hour period following the public release of internal information. Furthermore, individuals with access to inside information must refrain from disclosing such information to others until it has been reported to the Stock Exchange of Thailand.
4. Directors, consultants, employees, and individuals associated with the Company, as well as those with inside information such as auditors, financial advisors, and legal advisors, are expressly prohibited from leveraging internal information that could influence the Company's securities prices or pertain to the preparation of undisclosed financial statements. This prohibition extends to using such information for buying, selling, offering, or inviting others to trade stocks or other securities of the Company, whether directly or indirectly. Any such actions, whether for personal gain or the benefit of others, or the disclosure of such information to facilitate such actions, are strictly forbidden. This applies regardless of whether benefits are received in return.
5. Directors, consultants, employees, and individuals engaged in work for the Company, along with their related persons and individuals with inside information such as auditors, financial advisors, and legal advisors, are strictly prohibited from divulging the Company's confidential business information to external parties, particularly competitors. This prohibition extends to the period after one has served as a director, consultant, employee, or in any other capacity for the Company, and also prohibits the use of such information as a reference to outsiders for personal gain and/or the benefit of related persons.

5. Business Ethics and Code of Conduct

The Board of Directors is aware of good conduct to maintain and promote the honor and reputation of the Company. Therefore, Business Ethics and Code of Conduct have been prepared for the directors, executives, and employees, so that everyone understands the Company's ethical standards and use as a guideline for proper conduct, demonstrate morality and ethics in daily work that will lead to building credibility and trust among stakeholders.

In this regard, the Business Ethics and Code of Conduct has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

Principle 7



Ensure Disclosure and Financial Integrity

1. Disclosure and Transparency

The Board of Directors places importance on the disclosure of information that affects the decision-making of investors and stakeholders to provide accurate, complete, timely, reliable and transparent information, including financial and general reporting according to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other significant information that affects the stock price of the Company, all of which affect the decision-making process of investors and stakeholders of the Company. The Company has disclosed the information to shareholders, investors and the public through various channels of the Stock Exchange of Thailand and on the Company's website. www.kccamc.com, including the preparation of annual registration statements (Form 56-1) and annual reports.

The Board of Directors is responsible for the Company's financial statements and financial information as well as the management discussion and analysis (MD&A) disclosed in the annual report. Such financial statements have been prepared in accordance with financial reporting standards used in Thailand by consistently selecting appropriate accounting policies, including sufficient disclosure of information in the financial statements. In this regard, the Audit Committee will review the quality of financial reports and internal control systems, including sufficient disclosure of important information in the notes to the financial statements and report to the Board of Directors.

The Board of Directors ensures that the auditor's remuneration and other service fees are disclosed, including the remuneration of directors and executives to reflect the duties and responsibilities of each person.

As for investor relations, the Company's investor relations department is responsible for disclosing necessary and important information to shareholders, investors and securities analysts for accurate and efficient analysis. An Analyst Meeting is organized to answer questions about the Company's operating results at least once a year as well as join Opportunity Day regularly.

This year, investor relations work can be summarized as follows.

1. Welcoming Company Visits or Conference Calls, a total of 4 times.
2. Participation in Opportunity Day organized by SET, a total of 3 times.
3. Organized the Investor Meeting, a total of 4 times.

In order to be a communication channel between the Company and shareholders and investors, the Company's investor relations can be contacted through the following:

To: Ms. Panittra Akarawinek and Mr. Tawee Kullertprasert



Address: Knight Club Capital Asset Management Public
Company Limited
285/1, Pradit Manutham Road, Wang Thonglang,
Wang Thonglang, Bangkok 10310



Tel: 02-9575601 Cont. 12



E-mail : ir@kccamc.com

2. Disclosure Guidelines

- 2.1 The Board of Directors shall supervise the Company to disclose information, both financial and non-financial information relating to the business and operating results of the Company that is true, accurate, complete, sufficient, reliable, and timely. It demonstrates the actual business and financial status of the Company, so that the stakeholders can receive sufficient information through various channels and the Company's website both in Thai and English formats.
- 2.2. The Board of Directors ensures that the Company discloses important information to the public in accordance with the rules and regulations of disclosure of information of the Stock Exchange of Thailand, Securities and Exchange Commission, including the principles of good corporate governance in its entirety.
- 2.3. The Board of Directors places great importance on the relationship with both institutional and retail investors in the local and international. It takes into account the accuracy, completeness, quality and sufficiency of the Company's information disclosed to investors, analysts, etc., to be accurate, transparent, thorough and up-to-date. The Board of Directors ensure that the Company's management has regular meetings with investors and securities analysts by providing an explanation of the operating results at least once a year as well as regularly attending seminars with both local and international investors and securities analysts in order to create confidence in the Company's operations toward good long-term relationships.
- 2.4. The Board of Directors ensures that the Company prepares Management Discussion and Analysis (MD&A) to accompany the disclosure of quarterly financial statements in order for investors to be informed and more understand the changes that occur in the financial position and performance of the Company each quarter, in addition to the numbers in the financial statements alone.
- 2.5. The Board of Directors has established an Investor Relations Unit to communicate with investors, securities analysts, etc., to be informed of the Company's information, both financial and general information, with accuracy, completeness, and up-to-date compliance with laws or regulations for the investment decisions- making, toward a good image for the Company.
- 2.6. The Board of Directors ensures that the Company disclose the general information on the website or the annual report, either Thai and English formats, so that shareholders, investors, the public or interested parties can conveniently access the Company's information.



1. Ensure Engagement and Communication with Shareholders

The Board of Directors ensure that shareholders have the opportunity to participate effectively in decision-making involving significant matters as well as ensuring that the disclosure of meeting resolutions and the preparation of minutes of the shareholders' meeting are accurate and complete in accordance with basic rights.

- 1.1 The Board of Directors emphasizes the preservation of shareholders' rights and promote the exercise of rights, covering basic rights, includes trading or transferring of shares, having the profit sharing of the business, obtaining sufficient information, including the right to attend and vote at the Shareholders' meeting to appoint or remove directors and appoint an auditor. This includes other matters that affect the Company, such as dividend allocation, capital reduction or increase, approval of connected transactions, defining or amending the Articles of Association and Memorandum of Association, etc. The Company will not take any action that violates or diminishes the rights of shareholders.
- 1.2. The Board of Directors oversees and facilitates shareholders to receive complete information about the Company via the Company's website that shareholders or general investors can access easily, conveniently and quickly, for example: the Company's performance, explanation and analysis of financial statements, trust rating results, and minutes of the Shareholders' Meeting, etc.

2. Right to attend the shareholders' meeting and vote

- 2.1. The Board of Directors encourages all groups of shareholders, including retail and institutional investors, and foreign shareholders to attend the Annual General Meeting of Shareholders, which is scheduled to be held once a year within not more than four months from the end of the Company's fiscal year as required by law (or if there is an urgent need, the Board of Directors may hold an extraordinary meeting of shareholders on a case-by-case basis).
- 2.2. The Board of Directors ensures that the Company delivers the invitation letter both Thai and English formats, together with the Board of Directors' opinions in each agenda with information on the date, time, venue, it was provided with explanations or resolutions requested as specified in the notice of the meeting in advance, so that shareholders have sufficient information and time to consider. The notice of the Shareholders' Meeting and related papers should be fully translated into English and published on the Company's website at the same time as the Thai version in advance in a timely manner and sufficient for decision-making.
- 2.3. In the event that shareholders are unable to attend the meeting in person, the Board of Directors encourages shareholders to fully exercise their rights by providing proxy forms in which shareholders can cast their votes. At least one independent director shall be nominated as an alternative for proxy of shareholders.

- 2.4. In the Shareholders' Meeting, the Board of Directors ensures that the Company to set up proper procedures by promoting the use of technology for shareholder registration, vote counting, and results display, so that the meeting can be carried out easily, fast, and accurate.
- 2.5. The Chairman of the Board of Directors, Chairman of Sub-Committees, Directors and Sub-Committees are responsible for attending the Shareholders' Meeting to answer questions and provide information to shareholders.
- 2.6. In the Shareholders' Meeting, the Chairman of the Meeting shall inform the rules and regulations used in the meeting, including voting procedures and resolutions for each agenda by allocating appropriate time and encouraging shareholders to have the opportunity to fully express their opinions and ask questions at the meeting on matters related to the Company.
- 2.7. The Board of Directors ensures that an independent person/volunteer at the Shareholders' Meeting will be representative for counting vote by disclosing the voting results to the meeting, whereby the resolution of the meeting will be recorded in the minutes of the meeting
- 2.8. The Board of Directors ensures that a resolution is casted for each item in the event that there are several items on the agenda.
- 2.9. The Board of Directors ensures that the Company records the minutes of the Shareholders' Meeting accurately and completely with the name of attendance of directors and meeting attendees. The minutes shall include vote counting methods, displaying of results and voting results for each agenda of approval, disapproval and abstention as well as providing an opportunity for shareholders to be inquire, whereby questions asked and answers provided during the meeting shall be recorded in the minutes
- 2.10. The Board of Directors ensures that the Company discloses the resolutions of the Shareholders' Meeting on the Company's website on the next business day and publishes the minutes of the meeting in both Thai and English within 14 days from the date of the Shareholders' Meeting on the Company's website.

3. The Rights of Shareholders

The Company realizes the basic rights of shareholders as investors and as the owner of the Company, such as the right to buy, sell, transfer the securities, the right to receive profit sharing from the Company, the right to receive sufficient information, the right to attend Shareholders' Meetings, the right to express opinions, the right to participate in decision-making on important matters, such as the dividend allocation, appointment or removal directors, appointment of auditor, approval of important transactions that affect the direction of the Company's business, amendment to the Memorandum and Article of Association of the Company, etc.

6.2 Code of Conduct

The Board of Directors aims to conduct business correctly and fairly in accordance with the principles of good corporate governance. The Company has prepared the Code of Conduct and Business Ethics which is announced in writing ("Code of Conduct"), so that all directors, executives and employees are obligated to comply with, not neglect or ignore when

encountering non-compliance with the Code of Conduct to show the intention to conduct business with transparency, morality, responsibility to stakeholders, social and environmental considerations. The Code of Conduct has been specified in various areas, such as treat each other, giving or receiving property, conflict of interest, the Company's transactions, government transactions, environment, health and safety, procurement, marketing communications, competition, doing international business, treatment of information and property, political action, etc.

The Company has announced and notified all directors, executives and employees to acknowledge the Code of Conduct as a good practice, so that promote transparency of corporate governance and create confidence among investors and related parties. The Board of Directors shall review the Code of Conduct annually for appropriateness and consistency with the business environment.

Code of conduct for business operations of the Company are as follows:

1. Respect international human rights laws and principles;
2. Political neutral;
3. Avoid any matters that cause conflicts of interest;
4. Do not disclose the Company's confidential information and do not use for personal gain;
5. Avoid the risk of providing factually inaccurate, misleading or incomplete information that may lead to misunderstanding;
6. Respect intellectual property;
7. Use information technology correctly;
8. Anti-corruption; and
9. Anti-money laundering

(Additional details of the Code of Conduct is shown in the Attachment 5)

6.3 Major changes and developments in policies, practices and corporate governance systems in the past year

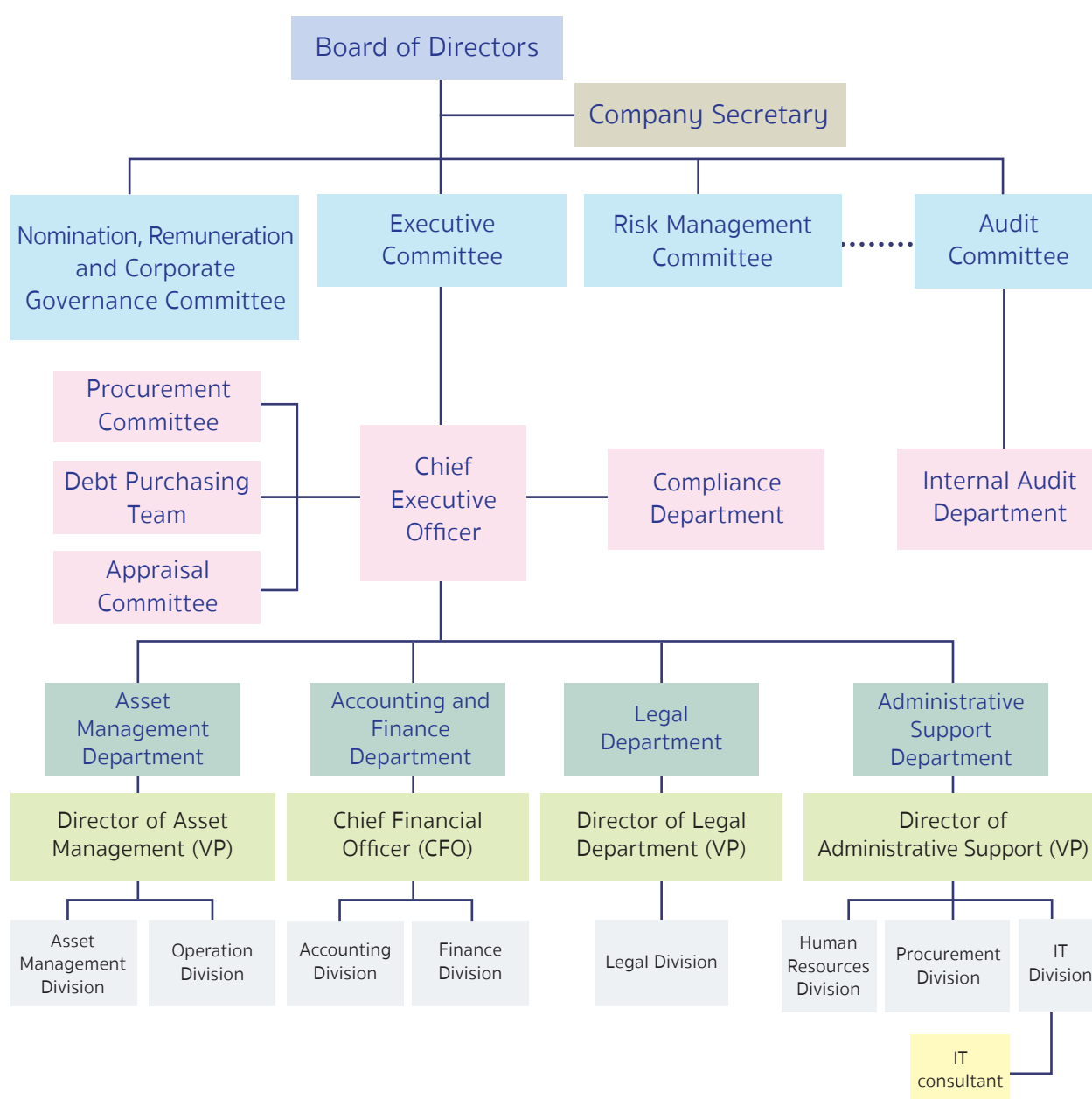
The Company consistently assesses and enhances its corporate governance policy to align with the Company's specific characteristics, including its nature of business, organizational size, financial status, and practical application. The Board of Directors conducts an annual review and approval of the corporate governance policy, as well as the charter of the Board of Directors and its sub-committees.

7

Governance Structure and Key Data on the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Governance Structure

As of December 31, 2023, the Company's corporate governance structure is as follows:



As of December 31, 2023, the Company's corporate governance structure consists of the Board of Directors and 4 sub-committees, namely (1) Audit Committee (2) Executive Committee (3) Risk Management Committee and (4) Nomination, Remuneration and Corporate Governance Committee as the aforementioned diagram.

The Company's corporate governance structure states that the Board of Directors shall balance and monitor the work of the management. The Board of Directors is determined to consist of independent directors according to the announcement of the Capital Market Supervisory Board, numbering 4 out of the total 8 members of the Board of Directors, which is not less than one-third of the total number of the Board of Directors and not less than 3 persons. There is an Audit Committee consisting of 3 members who are independent to perform duties as specified in the announcement of the Capital Market Supervisory Board and the regulations of the Stock Exchange of Thailand.

In this regard, all directors and executives are fully qualified and do not possess any prohibited characteristics or indicating inappropriateness to be entrusted with managing a publicly held business under the Public Limited Company Act. 2535 (as amended), Securities and Exchange Act B.E. 2535 (as amended) and related notifications of the Capital Market Supervisory Board including the Emergency Decree on Asset Management Company B.E. 2541 and related Bank of Thailand notifications.

7.2 The Board of Directors

7.2.1 The Board Composition

- The Board of Directors consists of 4 independent directors out of the total 8 members of the Board of Directors, representing 50% of the total number of the Board of Directors.
- The Board of Directors consists of 6 non-executive directors out of the total 8 members of the Board of Directors, accounting for 75% of the total number of the Board of Directors.
- The Chairman of the Board is an independent director, held by different individuals with the Chief Executive Officer. Therefore, he performs his duties independently and has a clear separation of duties and responsibilities.
- The Board of Directors consists of 2 female directors out of the total 8 members of the Board of Directors, representing 25% of the total number of the Board of Directors.

7.2.2 The Board Information and the Authorized Director

As of December 31, 2023, the Board of Directors consists of 8 members as follows:

Name	Position
1. Mr. Manit Nitiprateep	Chairman of the Board / Independent Director / Member of Audit Committee
2. Mr. Prin Bholnivas	Director / Independent Director / Chairman of the Audit Committee
3. Mr. Boonyong Tansakul	Director / Independent Director / Member of Audit Committee / Chairman of the Risk Management Committee / Chairman of the Nomination, Remuneration and Corporate Governance Committee
4. Mrs. Sauwanee Thairungroj ^{1/}	Director / Independent Director / Member of the Nomination, Remuneration and Corporate Governance Committee
5. Mr. Suchat Boonbanjersri	Director / Chairman of Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee
6. Mr. Kanockit Navasiri	Director / Member of Executive Committee / Member of Risk Management Committee
7. Mr. Tawee Kullertprasert	Director / Member of Executive Committee / Member of Risk Management Committee / Chief Executive Officer
8. Ms. Pranittra Akkarawinek	Director / Member of Executive Committee / Member of Risk Management Committee / Chief Financial Officer / Company Secretary

Remark: ^{1/} Such person was appointed as the Company's director by the Board of Directors' Meeting No. 4/2023 on July 12, 2023

Mrs. Thipwadee Jitrunpakorn is the Secretary of the Board of Directors.

Authorized Director

Mr. Suchat Boonbanjersri, Mr. Tawee Kullertprasert, and Ms. Pranittra Akkarawinek, two out of three directors are authorized to collectively sign with the Company's seal affixed.

7.2.3 Roles, Duties, and Responsibilities

Roles, Duties, and Responsibilities of Chairman of the Board

The Chairman of the Board is responsible for supervising and monitoring the performance of the Board of Directors to ensure efficiency and achievement of the organization's objectives and main goals. Promote corporate culture with ethics and good corporate governance, as well as encourage directors to exercise prudent judgment and express independent opinions. Meanwhile, the Chairman of the Board acts as the Chairman of the Board of Directors' Meeting and the Chairman of the Shareholders' Meeting.

Roles, Duties, and Responsibilities of the Board of Directors

- To consider and approve the vision, mission, policy and business strategy of the Company to ensure that the Company operates in the best interests of shareholders and stakeholders in the long run under expertise and ethics in operations.

- Monitoring, evaluating, and supervising the performance reports of the management in order to check, balance, and take responsibility for the Company's performance to shareholders.
- To establish objectives, core goal, short-term goals, visions, principles and business models that create value for the business in order to be sustainable, ethical, respecting rights and being responsible to shareholders and stakeholders for the benefit of society.
- To establish strategies, operational policies, and approve work plans and budgets, as well as allocate key resources to achieve objectives and goals to be able to compete with good operating results, taking into account medium- and long-term impacts, adaptable under changing factors
- Follow up, evaluate, and supervise the reporting of the business performance as well as the strategy of the business to be consistent with the objectives and core goals by creating value for the business, society and stakeholders as a whole.
- To supervise the directors and executives to perform their duties responsibly, cautiously and honestly to the organization and ensure that the operations are in accordance with the laws, regulations, resolutions of the Board of Directors' Meeting and resolutions of the Shareholders' Meeting.
- To create and drive an ethical corporate culture, behave as a role model as a leader in corporate governance.
- To demonstrate a thorough understanding of scopes, duties, and responsibilities of the Board of Directors. Clearly define the roles and responsibilities of Executive Committee, Chief Executive Officer, and management and monitor the proper performance of its duties.
- To consider and approve the defining of principles, policies and operational guidelines for directors, executives and employees, such as Corporate Governance Policy, Risk Management Policy, Investment Policy, Business Ethics, Data Usage Control Policy, Charter, Company Articles of Association, and Anti-Corruption Policy, etc.
- To supervise the business according to the principles of good corporate governance (CG Code) in order to create sustainable value for the business.
- To consider and approve the appointment of the Audit Committee, Board of Directors, other committees as appropriate. Also, the Chief Executive Officer presented by the Nomination, Remuneration and Corporate Governance Committee, including determining the scope of authority, duties, and considering and approving the remuneration of the Chief Executive Officer.
- In the event that the Board of Directors assigns the Executive Committee, Sub-Committees, Chief Executive Officer or any other person to act on behalf of the Board of Directors on any matter. Such assignment shall be made in writing or clearly recorded as a resolution of the Board of Directors in the minutes of the Board of Directors' Meeting. The scope of authority and duties of the attorney is clearly specified.
- However, such delegation shall not be in the manner that the Executive Committee, sub-committees, and the Chief Executive Officer can consider and approve transactions that may have conflicts of interest with any other interests made with the Company or its subsidiaries (if any). Unless the approval of the transaction is in accordance with the policies and criteria considered and approved by the Board of Directors.
- The Board of Directors may authorize one or more directors or any other persons to act on behalf of the Board of Directors under the control and supervision of the Board of Directors. Or may authorize such person to have power within the period that the Board of Directors deems

appropriate. The Board of Directors may cancel, revoke, change or amend such authorization as it deems appropriate.

- However, such delegation shall not be in the manner that the person can consider and approve the transaction in which he/she may have conflicts of interest, or there may be any other conflicts of interest made with the Company or its subsidiaries (if any). Unless it is an approval of an ordinary business transactions and in accordance with general commercial conditions or in accordance with policies and criteria considered and approved by the Board of Directors. This is subject to the rules, conditions and procedures prescribed in relation to connected transactions and acquisition or disposal of important assets of listed companies under the Notification of the Capital Market Supervisory Board and/or any other announcements of relevant agencies.
- The Shareholders' Meeting shall be held as an Annual General Meeting within 4 months from the end of the Company's fiscal year, including delivering documents to invite Shareholders' Meetings.
- Hold at least 6 Board of Directors per year and preferably a full meeting when considering resolutions on significant matters or transactions, the significant items should include; an acquisition or disposal of assets of the Company and its subsidiaries that impact on the Company significantly, property purchases or sales transactions, investment project expansion, consideration and approval of connected transactions according to the rules of the Stock Exchange of Thailand, and determining the level of operational authority and policies for financial management and risk management of the business, etc.
- To ensure that there is a clear and transparent process and management regarding the transactions between the Company and connected persons, and the acquisition or disposition of the Company's assets to prevent conflicts of interest. There must be a transaction approval process as well as information disclosure in accordance with the rules and procedures prescribed in the Securities and Exchange Act B.E. 2535 (as amended) ("Securities Act") as well as the rules and regulations of the Stock Exchange of Thailand.
- To establish reliable accounting, financial reporting and auditing systems, as well as maintain a document storage system that can verify the correctness of information later with effective and efficient internal control, internal audit and risk management.
- To arrange for financial statements at the end of the accounting period of the Company in order to present the financial position and operating results of the previous year accurately, completely, and correctly in accordance with the generally accepted financial reporting standards and audited by the Company's certified auditor and reviewed by the Audit Committee before proposing to the Shareholders' Meeting for consideration and approval.
- Directors and executives are requested to report the Company on their own interests or related persons, which are related to the management of the Company or its subsidiaries in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board.
- Directors and executives shall be jointly liable to persons trading the Company's securities for any damages arising from disclosure of information to shareholders or public with materially false statements or concealing material facts that should have been disclosed as required by the Securities and Exchange Act. Unless such directors and executives can prove that their positions are unable to know the information or the lack of information that should be disclosed.

7.3 Sub-Committees

7.3.1 Audit Committee

As of December 31, 2023, the Audit Committee consists of 3 Audit Committee members, all of whom are independent directors with complete qualifications as specified by the Company. (Additional detail on the qualification of Audit Committee are shown in the Section 2.3 (8) Corporate Governance Milestones) The details are as follows:

Name	Position
1. Mr. Prin Bholnivas	Chairman of the Audit Committee / Independent Director
2. Mr. Manit Nitiprateep	Member of Audit Committee / Independent Director
3. Mr. Boonyong Tansakul	Member of Audit Committee / Independent Director

Mrs. Thipwadee Jitrungpakorn is the Secretary of the Audit Committee.

In this regard, Mr. Prin Bholnivas, the Chairman of the Audit Committee, has knowledge and experience in reviewing the reliability of financial statements. He graduated with a Master's degree in Accounting (M.B.A.) from the University of Wisconsin - Madison (USA) and Bachelor's Degree in Accounting (B.B.A.) from Thammasat University with more than 30 years of experience in accounting and finance.

Roles, Duties, and Responsibilities of the Audit Committee

- To ensure the accurate and reliable financial reports, as well as adequate information disclosure by coordinating with auditors and executives who are responsible for preparing both quarterly and annual financial reports in order to comply with financial reporting standards.
- To consider and approve the quarterly and annual review of financial information by a certified public accountant prior submit to the Stock Exchange of Thailand.
- To ensure the Company has an appropriate and effective internal control system and internal audit system. Review and provide opinions on the internal audit plan and consider the independence of the internal audit department as well as approve the appointment, transfer, termination and annual performance evaluation of the head of the internal audit department or any other department responsible for internal auditing.
- To report the results of the internal audit to the Board of Directors on a quarterly basis, stating the opinions of the Audit Committee on various internal audit matters, adequacy of the internal control system and other reports.
- To review the efficiency and effectiveness of good corporate governance and risk management processes.
- To consider, select, nominate, appoint, and terminate the Company's auditors, recommend remuneration of the Company's auditor to the Board of Directors to consider before proposing for approval at the Shareholders' Meeting, and at least once a year, attend the private meeting with an auditor without management
- The Audit Committee shall attend a meeting with the Shareholders' Meeting to clarify matters concerning the Audit Committee or the appointment of the auditor.

- To review the Company's compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
- To review connected transactions or transactions that may have conflicts of interest to ensure compliance with the laws and regulations of the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company and to consider the disclosure of information in accordance with the laws and regulations of the Stock Exchange of Thailand.
- To review the appropriateness of the implementation of the self-assessment form regarding anti-corruption measures in entering Certification Process signed by the Chairman of the Audit Committee.
- To review and comment on policies related to good corporate governance of the Company; this includes but is not limited to the Conflict of Interest Policy, Connected Transactions Policy, Environmental, Social and Governance Responsibility Policy, Anti-Corruption Policy, Risk Management Policy, and Insider trading Policy
- To investigate facts and progress of complaints, which imply corruption received by the Audit Committee through the process of complaints and whistleblowing according to anti-corruption measures, protection and fairness policy to informers or whistleblowers about corruption or non-compliance with laws, rules and regulations of the Company. and code of conduct for business operations of the Company.
- To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee, such as reviewing financial management and Risk Management Policy, compliance with the business ethics of the executives, and reviewing with the Company's executives in the important reports that shall be presented to the public as required by law, such as Management discussion and analysis (MD&A), etc.
- To prepare a report of the Audit Committee to be disclosed in the Company's annual report signed by the Chairman of the Audit Committee and shall contain at least the following information:
 1. Opinions on the accuracy, completeness and credibility of the Company's financial reports.
 2. Opinions on the adequacy of the Company's internal control system.
 3. Opinions on compliance with the Securities and Exchange Act and requirements of the Stock Exchange of Thailand or laws related to the Company's business.
 4. Opinions on the suitability of an auditor.
 5. Opinions on transactions that may have conflicts of interest.
 6. The number of Audit Committee's Meetings and the attendance of such meetings by each member of the Audit Committee.
 7. Opinions or overall observations received by the Audit Committee from performing their duties according to the Audit Committee Charter.
 8. Any other reports that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

- When the Audit Committee is notified by the auditor in the case of suspicious circumstances that the Chief Executive Officer or any person responsible for the Company's operations has committed an offense under the Securities and Exchange Act. The Audit Committee shall report the results of the preliminary audit to the Board of Directors within 30 days from the date of notification from the auditor before reporting to the Securities and Exchange Commission.
- In performing the duty of the Audit Committee, if there is the following transaction or act which could extremely affect the Company's financial position and the Company's performance. The Audit Committee shall report to the Board of Directors for improvements within the period of time that the Audit Committee deems appropriate.
 1. Transaction which leads to conflict of interest
 2. Dishonest, extremely unusual or remiss internal control system
 3. Breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company

In the event that the Audit Committee has reported such transactions and has discussed with the Board of Directors and executives that improvements must be made within the specified period. If the Board of Directors or management fails to make a corrective action without reasonable grounds, one of the Audit Committee members may report the findings directly to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- To consider and approve the Audit Committee Charter before proposing to the Board of Directors for approval and reviewing the suitability at least once a year.
- To consider and review the qualifications of the person assigned to Chief Financial Officer (CFO) / Accountant in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- To summarize the duties of the Audit Committee to the Board of Directors.

7.3.2 Executive Committee

As of December 31, 2023, the Executive Committee consists of 4 members as follows:

Name	Position
1. Mr. Suchat Boonbanjerd Sri	Chairman of Executive Committee
2. Mr. Tawee Kullertprasert	Member of Executive Committee
3. Ms. Pranitra Akkarawinek	Member of Executive Committee
4. Mr. Kanokit Navasiri	Member of Executive Committee

Mrs. Thipwadee Jitrunpakorn is the Secretary of the Executive Committee.

Roles, Duties, and Responsibilities of the Executive Committee

- To propose goals, policies, business plans, including business strategies and annual budgets of the Company, business expansion, financial planning, as well as consideration of management proposals to the Board of Directors for further approval.
- To consider policies and business plans of the Company as proposed by the Chief Executive Officer to present to the Board of Directors. Whereby, supervising the business operations and monitor the Company's performance in accordance with the policies, work plans, targets and budget approved by the Board of Directors with efficiency and effectiveness.

- To consider and approve important investment expenditures specified in the annual expenditure budget as assigned by the Board of Directors or as approved by the Board of Directors in principle.
- Approve any actions according to the Authorities of Table approved by the Board of Directors.
- To consider the Company's performance, the proposed interim dividend or annual dividend payment, and the allocation of profit as a legal reserve to the Board of Directors for consideration before proposing to the Shareholders' Meeting for further approval.
- To consider and approve policies, rules and regulations for work and operations of the Company.
- To consider and approve the annual manpower plan, the increase of manpower during the year of executive personnel, the human resource management for executives, and approve the Company's annual bonus to present to the Board of Directors.
- Have the power to authorize one or more persons to perform any task under the supervision of the Executive Committee, or may authorize such person to have power for a certain period of time as the Committee deems appropriate, which may cancel, revoke, change or amend the person authorized or authorized as it deems appropriate.
- However, the delegation of authority and responsibilities of the Executive Committee shall not be the delegation or sub-delegation that allows the authorized person of the Executive Committee approve transactions that he/she may have conflicts of interest with the Company, subsidiaries and / or related companies. The aforementioned issues shall be presented to the Audit Committee and/or the Board of Directors (depending on the case) for consideration and approval. The Executive Committee and persons who may have conflicts will not have the right to vote in the Board of Directors' Meeting on such matter. Unless it is an approval of an ordinary business transactions and in accordance with general commercial conditions according to the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies
- To strengthen and drive employee motivation, as well as determine appropriate employee welfare benefits.
- To perform other duties as occasionally assigned by the Board of Directors.

7.3.3 Risk Management Committee

As of December 31, 2023, the Risk Management Committee consists of 5 members as follows:

Name	Position
1. Mr. Boonyong Tansakul	Chairman of Risk Management Committee
2. Mr. Kanockit Navasiri	Member of Risk Management Committee
3. Mr. Tawee Kullertprasert	Member of Risk Management Committee
4. Ms. Pranittra Akkarawinek	Member of Risk Management Committee
5. Mr. Kobi Boonbanjerd Sri	Member of Risk Management Committee

Mr. Warut Horsuwan is the Secretary of the Risk Management Committee

Roles, Duties, and Responsibilities of the Risk Management Committee

- To consider and propose a Risk Management Policy and define a risk management framework to cover 4 areas, namely Financial Risk, Operational Risk, Strategic Risk, and Compliance Risk and propose to the Board of Directors for consideration and approval.
- To consider, review, and approve the Risk Appetite or Risk Tolerance from the acceptable risk level and present to the Board of Directors for approval.
- Corporate governance, development and implementation of risk management frameworks and policies on an ongoing basis, enabling the Company have an efficient risk management system throughout the organization and continually comply with the specified measures.
- To review the risk management report to monitor material risks to ensure that the organization has adequate and appropriate risk management.
- To coordinate with the Audit Committee on significant risks together with the Internal Audit Office as an auditor to ensure that the Company has an appropriate internal control system to the risk management, including the risk management system has been appropriately applied and implemented throughout the organization.
- To prepare, revise and update the Enterprise Risk Management Manual to be proposed to the Board of Directors' Meeting for consideration and approval.
- To report to the Board of Directors on the key risks and risk management regularly, at least once a quarter.
- To provide advice and consultation to the Sub Risk-Management Committee (SRAM) (if any) and/or working groups related to risk management as well as considering appropriate guidelines to correct various information relating to the development of the Company's risk management system.
- To consider and approve sub-committee and/or additional personnel, or substitute in the Risk Management Sub-Committee (if any) and/or working groups related to risk management as appropriate, including determining the roles, duties and responsibilities of the working group for the benefit of its objectives.
- Any other operations related to risk management assigned by the Board of Directors.

7.3.4 Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2023, the Nomination, Remuneration and Corporate Governance Committee consist of 3 members as follows:

Name	Position
1. Mr. Boonyong Tansakul	Chairman of the Nomination, Remuneration and Corporate Governance Committee
2. Mr. Suchat Boonbanjerd Sri	Member of the Nomination, Remuneration and Corporate Governance Committee
3. Mrs. Sauwanee Thairungroj ^{1/}	Member of the Nomination, Remuneration and Corporate Governance Committee

Remark: ^{1/} Such person was appointed as the Member of the Nomination, Remuneration and Corporate Governance Committee by the Board of Directors' Meeting No. 4/2023 on July 12, 2023

Mrs. Duanghathai Jittaworn is the Secretary of Nomination, Remuneration and Corporate Governance Committee

Roles, Duties, and Responsibilities of the Nomination, Remuneration and Corporate Governance Committee

- To promote the Company's good corporate governance by establishing criteria and policies for recruiting and determining remuneration for Company directors, sub-committees and the Chief Executive Officer.
- To consider, recruit, and propose the suitable persons to serve as directors, sub-committees and Chief Executive Officer.
- To review and determine the remuneration for Company directors, sub-committees, and the Chief Executive Officer in an appropriate, transparency, and fairness manner to create confidence among shareholders and stakeholders.
- To formulate a criterion for strengthening the Company's internal operations with efficiency, transparency, credibility and accountability.
- To create knowledge and understanding of good corporate governance principles, and supervise directors, executives, and employees in the organization to properly comply and create awareness in realizing the importance to practice.
- To consider the policy, criteria, and guidelines for the recruiting qualified person to serve as the Company's director, sub-committee and Chief Executive Officer, including nominating qualified persons to present to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and appointment.
- To consider review the policy and criteria on remuneration and benefits for Company's directors, sub-committees and Chief Executive Officer.
- To consider the remuneration of directors, sub-committees, and the Chief Executive Officer by comparing with the similar industry, experiences, duties, scope of roles and responsibilities, business expansion, financial position, performance, and in accordance with the strategy and long-term goals of the Company in order to motivate management and to retain qualified persons.
- To propose the Board of Directors' Meeting to consider and propose the determination of remuneration and benefits for directors and sub-committees to the Shareholders' Meeting for

further approval, on an annual basis.

- To propose the Board of Directors' Meeting to consider and approve the remuneration and benefits of the Chief Executive Officer.
- To propose the Board of Directors the criteria, methods, and procedures for evaluating the performance of Company directors, sub-committee, and Chief Executive Officer.
- To provide a development project for the Company's directors, sub-committee, and Chief Executive Officer as well as the succession plan of executives and review such projects and plans annually.
- To supervise the orientation of new directors to understand roles, duties and responsibilities, as well as to provide information about the Company's policies and business practices.
- To consider and establish the Corporate Governance Policy, which includes but is not limited to Anti-Corruption Policy, including business ethics requirements as well as to consider, review, and revise such policies on a regular basis, then presented to the of the Audit Committee's Meeting and/or at the Board of Directors' Meeting.
- To provide advice to the Board of Directors and the management to ensure that their operations are in accordance with good corporate governance and anti-corruption principles.
- To support the dissemination of culture and good governance activities.
- To appoint working groups to perform relevant duties as necessary and appropriate.
- To perform any other tasks as assigned by the Board of Directors.

7.4 Executive Management

7.4.1 Names of Executives

As of December 31, 2023, the executives consist of 4 members as follows:

Name	Position
1. Mr. Tawee Kullertprasert	Chief Executive Officer
2. Ms. Pranittra Akkarawinek	Chief Financial Officer
3. Mr. Kobi Boonbanjerd Sri	Director of Asset Management
4. Mr. Prakrit Prasertying	Director of Legal Department

Roles, Duties, and Responsibilities of the Chief Executive Officer

- To supervise operations of the Company as a whole in accordance with the objectives of business operations as assigned by the Board of Directors. It also carries out and performs missions as assigned by the Board of Directors and in accordance with the policies of the Board of Directors, issuing regulations, announcements, memorandums to ensure that the operations are in accordance with the policies of the Board of Directors.
- To formulate strategies and business plans present to the Board of Directors, to operate in order to achieve the goals according to the strategies and business plans approved by the Board of Directors and/or authorization for general commercial conditions, this include transactions in which the Chief Executive Officer is authorized by the Board of Directors to seek new business opportunities and investments related to the core business of the Company. To use of property rights, any other rights and assets of the Company to create any obligations with juristic persons or financial institutions present to the Board of Directors for approval. To approve the payment

of normal operating expenses in the amount approved by the Board of Directors, the significant investment expenditures that are specified in the annual expenditure budget or that are approved in principle by the Board of Directors, and approved connected transactions that are general commercial conditions under policies approved by the Board of Directors.

- To coordinate with executives and employees to comply with policies and business directions by the Board of Directors, supervise the work of employees in accordance with various policies and regulations including operating with good governance principles. To promote development of knowledge, competence and potential of employees to increase the potential of the organization as a whole. To approve the appointment, transfer and dismissal of employees and workers at all levels.
- To provide an appropriate internal control system in accordance with the guidelines, an appropriate risk management, and control systems in accordance with the guidelines assigned by the Audit Committee and /or Board of Directors.
- To consider and appoint consultants necessary for the operation, including having the power to sub-delegate and/or assign other people to perform specific tasks on their behalf, such sub-delegation and/or delegation is within the scope of delegation of power of attorney provided and/or in accordance with the rules, regulations or orders set by the Board of Directors.
- To perform any other tasks as assigned by the Board of Directors in accordance with the relevant announcements, regulations, and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

Roles, Duties, and Responsibilities of the Company Secretary

- To coordinate various actions to arrange Shareholders' Meetings and Board of Director's Meeting in accordance with the principles of good corporate governance, the law, the Company's regulations, and other relevant laws.
- To notify relevant executives of the resolutions and policies of the Board of Directors and shareholders and follow up on the implementation of such resolutions and policies.
- Record the minutes of the Shareholders' Meeting, the Board of Directors' Meeting.
- Prepare and maintain important documents including but not limited to:
 1. Director Registration;
 2. Report on conflicts of interest reported by directors and/or executives;
 3. Report on shareholding and changes of shareholding of directors and executives, including their spouses and minor children (Form 59-1);
 4. Notice of the Board of Directors' Meeting and minutes of the Board of Directors' Meeting;
 5. Notice of Shareholders Meeting and minutes of Shareholders Meeting;
 6. Annual Report, 56-1 One Report; and
 7. To perform any other tasks as required by the Capital Market Supervisory Board.
- To submit a copy of the report on interest under Section 89/14 of the Securities Act to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.
- To summarize reports on shareholding and changes of shareholding to the Board of Directors' Meeting for acknowledgment on a quarterly basis.
- Supervise the disclosure of information and information reports in the part responsible to regulatory agencies in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant regulatory agencies.

- To provide specific advice and preliminary recommendations to the directors on issues related to laws, rules and regulations of the Company and good corporate governance practices and ensure that they are properly and consistently followed, including reporting significant changes to the Board of Directors.
- To coordinate with the orientation and provide advice on serving the position of the newly appointed directors.
- To supervise the Corporate Secretary's Office to be Corporate Records, such as juristic person registration, memorandum, articles of association, shareholder register, etc.
- To supervise the activities of the Board of Directors and perform other matters as required by law or as assigned by the Board of Directors or as specified by the Capital Market Supervisory Board.
- The Company Secretary shall perform duties with responsibility, caution, and honesty and shall perform duties in accordance with the laws, objectives, regulations of the Company, as well as resolutions of the Board of Directors and resolutions of the Shareholders' Meeting.

7.4.2 Remuneration of the Directors and Executives

7.4.2.1 Remuneration Policy for Directors and Executives

The Company states its policy to determine remuneration for directors, sub-committees and the Chief Executive Officer by requiring appropriate remuneration by considering various factors, namely knowledge, skills, work experience, and responsibilities as well as industry practices for companies of similar size to the Company. The Nomination, Remuneration and Corporate Governance Committee will determine the remuneration and propose to the Board of Directors and the Shareholders' Meeting for approval (Depending on the case).

7.4.2.2 Remuneration of Directors

Monetary Remuneration

The 2023 Annual General Meeting of Shareholders held on March 20, 2023 resolved to determine the remuneration for the Board of Directors and Sub-Committees for the year 2023 as follows:

	Meeting Allowance (Baht/Person/Meeting)	
	Chairman	Director
Board of Directors	25,000	12,500
Audit Committee	12,000	10,000
Executive Committee	12,000	10,000
Risk Management Committee	12,000	10,000
Nomination, Remuneration and Corporate Governance Committee	12,000	10,000

Directors and Sub-Committees who receive basic salary as executives will not receive remuneration as directors and/or sub-committees; it is applicable only for the meeting allowance. In case there is more than 1 meeting per month, the Company will pay the meeting allowance only once.

Non-Monetary Remuneration

- None -

Details of Monetary Remuneration of Directors for the year ended December 31, 2023

Baht

Name of Directors	For the year ended December 31, 2023						
	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Risk Management Working Committee	Total
1. Mr. Manit Nitiprateep	200,000	60,000	-	-	-	-	260,000
2. Mr. Prin Bholnivas	100,000	75,000	-	-	-	-	175,000
3. Mr. Boonyong Tansakul	87,500	60,000	-	62,500	37,500	-	247,500
4. Mr. Prasopchoke Aranyakanon ^{1/}	25,000	-	-	-	10,000	-	35,000
5. Mrs. Sauwanee Thairungroj ^{2/}	50,000	-	-	-	10,000	-	60,000
6. Mr. Suchat Boonbanjerd Sri	100,000	-	200,000	-	30,000	-	330,000
7. Mr. Tawee Kullertprasert	-	-	-	-	-	-	-
8. Ms. Pranittra Akkarawinek	-	-	-	-	-	-	-
9. Mr. Kanockit Navasiri	100,000	-	160,000	50,000	-	28,000	338,000
10. Mr. Kobi Boonbanjerd Sri	-	-	-	-	-	-	-
รวม	662,500	195,000	360,000	112,500	87,500	112,500	1,445,500

7.4.2.3 Remuneration of Executives

Monetary Remuneration

Executives will receive monetary remuneration in the form of salary, bonus, social security fund, provident fund, and other compensation. In the event that an executive holds a director position in the Board of Directors and/or sub-committees, such executive will receive remuneration as an executive only without remuneration in the form of meeting allowances for the Board of Directors and/or sub-committees.

The Company paid monetary remuneration to executives in 2022-2023 as follows:

(Million Baht)	2022	2023
Basic Salary and Bonus	9.31	9.44
Social Security and others	0.60	0.30
Total Monetary Compensation	9.91	9.74
Number of Executives (Person)	5	4

Others Remuneration

Executives receive other benefits and welfare according to the Company's regulations as well as employees, such as health insurance, accident insurance, etc.

7.5 Personnel

As of December 31, 2021, December 31, 2022, and December 31, 2023, the Company has employees (excluding executives) totalling 14 people, 16 people, and 22 people, respectively, with following details:

	December 31, 2021	December 31, 2022	December 31, 2023
Asset Management Department	3	4	7
• Asset Management Division	2	3	4
• Operation Division	1	1	3
Accounting and Finance Department	3	3	4
• Accounting Division	2	2	2
• Finance Division	1	1	2
Legal Department	2	3	5
Administrative Support Department	5	4	4
Corporate Governance Department	1	1	-
Company Secretary	-	1	2
Total	14	16	22

- **Proportion of Employees**

	December 31, 2021	December 31, 2022	December 31, 2023
Females	9	9	11
Males	5	7	11

Remuneration of Personnel

Employees received compensation in the form of salaries, bonuses, social security funds, provident fund, and other benefits. The total compensation was 7.32 million Baht in 2021, 10.05 million Baht in 2022, and 13.03 million Baht in 2023.

7.6 Other Key Information

7.6.1 Responsible Executives

Accounting Supervisor

The Company appointed Ms. Areerat Sornnarin as the Accountant responsible for controlling the accounting of the Company from July 15, 2022. Ms. Areerat Sornnarin is a person who has complete qualifications according to the rules of the SEC office and the SET.

(Additional details of the Accounting Supervisor is shown in the Attachment 1)

Company Secretary

The Company appointed Mrs. Thipwadee Jitrungpakorn as the Company Secretary, effective November 14, 2022. Her latest set of duties and responsibilities in this role include the following details:

- 1) To coordinate various actions to arrange Shareholders' Meetings and Board of Director's Meeting in accordance with the principles of good corporate governance, the law, the Company's regulations, and other relevant laws.
- 2) To notify relevant executives of the resolutions and policies of the Board of Directors and shareholders and follow up on the implementation of such resolutions and policies.
- 3) Record the minutes of the Shareholders' Meeting, the Board of Directors' Meeting.
- 4) Prepare and maintain important documents including but not limited to:
 - 4.1) Director Registration;
 - 4.2) Report on conflicts of interest reported by directors and/or executives;
 - 4.3) Report on shareholding and changes of shareholding of directors and executives, including their spouses and minor children (Form 59-1);
 - 4.4) Notice of the Board of Directors' Meeting and minutes of the Board of Directors' Meeting;
 - 4.5) Notice of Shareholders Meeting and minutes of Shareholders Meeting;
 - 4.6) Annual Report, 56-1 One Report; and
 - 4.7) To perform any other tasks as required by the Capital Market Supervisory Board.
- 5) To submit a copy of the report on interest under Section 89/14 of the Securities Act to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.

- 6) To summarize reports on shareholding and changes of shareholding to the Board of Directors' Meeting for acknowledgment on a quarterly basis.
 - 7) Supervise the disclosure of information and information reports in the part responsible to regulatory agencies in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant regulatory agencies.
 - 8) To provide specific advice and preliminary recommendations to the directors on issues related to laws, rules and regulations of the Company and good corporate governance practices and ensure that they are properly and consistently followed, including reporting significant changes to the Board of Directors.
 - 9) To coordinate with the orientation and provide advice on serving the position of the newly appointed directors.
 - 10) To supervise the Corporate Secretary's Office to be Corporate Records, such as juristic person registration, memorandum, articles of association, shareholder register, etc.
 - 11) To supervise the activities of the Board of Directors and perform other matters as required by law or as assigned by the Board of Directors or as specified by the Capital Market Supervisory Board.
 - 12) The Company Secretary shall perform duties with responsibility, caution, and honesty and shall perform duties in accordance with the laws, objectives, regulations of the Company, as well as resolutions of the Board of Directors and resolutions of the Shareholders' Meeting.
- (Additional details of the Company Secretary is shown in the Attachment 1)

Internal Audit

The Company engaged Kandit Advisory Services Co.,Ltd., (KAS) as its internal auditor, with Mr. Kamnueng Sarisara appointed as the head of the audit within the Company.

(Additional details of the Internal Audit is shown in the Attachment 1)

7.6.2 Investor Relations

Name	: Mr. Tawee Kullertprasert and Ms. Pranittra Akkarawinek
Address	: 285/1, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310
Phone	: 02-957-5601 - 2
E-mail	: ir@kccamc.com
Website	: www.kccamc.com

7.6.3 Audit Fee

In 2023, the Company disbursed remuneration to EY Office Company Limited auditors, totaling 2,100,000 Baht. This amount represents a 5% increase from the previous year, with a rise of 100,000 Baht

The Company's auditor and the Company's audit firm are not shareholders, have no relationship or interest with the Company, directors, executives, major shareholders, controlling persons of the Company or persons related to such person in a manner that will affect the independent performance of duties.

8 Corporate Governance Milestones

8.1 Performance of the Board of Directors

In 2023, the Company conducted a comprehensive review of the Board of Directors' charter and all sub-committees, encompassing an examination of the Company's business ethics, corporate governance policy, anti-corruption policy, and the disclosure of the conflict of interest prevention policy.

8.1.1 Training of directors

The Company has directors who have participated in training courses pertaining to the roles and responsibilities of directors, including the Director Certification Program (DCP) course, attended by 6 individuals, and the Director Accreditation Program (DAP), attended by 5 individuals. Additionally, these directors have received other relevant training. The details are as follows:

Training Record of Company's Directors @ IOD													
Name of Directors	DCP	DAP	ACP	RCM	FN	RCC	RCL	AACP	CSP	MIA	ACEP	ACPG	ELP
1. Mr. Manit Nitiprateep	225/ 2559	126/ 2559	-	-	-	21/ 2559	8/ 2560	26/ 2560	-	-	-	-	-
2. Mr. Prin Bholnivas	71/ 2549	2/ 2546	20/ 2550	-	-	-	-	37/ 2563	22/ 2550	3/ 2551	6/ 2556	10/ 2557	3/ 2559
3. Mr. Boonyong Tansakul	96/ 2550	-	-	-	-	-	-	45/ 2565	-	-	2/ 2555	-	-
4. Mrs. Sauwanee Thairungroj	21/ 2545	-	18/ 2550	-	-	-	25/ 2564	26/ 2560	-	-	-	-	-
5. Mr. Suchat Boonbanjerd Sri	19/ 2545	-	13/ 2549	-	-	-	-	-	-	-	-	-	-
6. Mr. Kanockit Navasiri	-	199/ 2558	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Tawee Kullertprasert	79/ 2549	35/ 2549	12/ 2549	-	-	-	-	-	-	-	-	-	-
8. Ms. Pranittra Akkarawinek	-	35/ 2549	-	-	-	-	-	-	-	-	-	-	-

In 2023, Company directors attended the following training:

Name of Directors	Training Record of Company's Directors for the year 2023
1. Mr. Manit Nitiprateep	June 22, 2023 SEC: Seminar on the Strong Securities Issuer “Role and duties of directors and executives of listed companies” October 26, 2023 EY Office: Seminar for the Audit Committee “Decorating financial statements to commit corruption in the Thai capital market and sustainability under a declining economy and measures to reduce global warming” @ The Athenee Hotel Bangkok
2. Mr. Prin Bholnivas	June 22, 2023 SEC: Seminar on the Strong Securities Issuer “Role and duties of directors and executives of listed companies” June 27-28, 2023 IOD: Successful Formulation & Execution of Strategy (SFE On-Site) @ Capital Market Science Institute Building 2, North Park Project August 2, 2023 IOD: Detection of Accounting Irregularities in Fast Growing Business : The Role of Audit Committee @ Professor Sangwian Inthawichai Auditorium, Stock Exchange of Thailand
3. Mr. Tawee Kullertprasert	July 2023 – January 2024 Chief Executive Program (Class 33) @ Capital Market Academy
4. Ms. Pranittra Akkarawinek	Date: May 10, 2023 TLCA : IR Sharing 1/2023 Topic: “MD&A Best Practice – Learn from the Pros” Date: May 26, 2023 TLCA : CFO Professional Development Program (TLCA CFO CPD) 1/2023 Topic: “Economic Update for CFO” Date: June 7 - 8, 2023 SET : Special training for executives of listed companies Topic: “Company valuation techniques to suit the business in the present era” Date: September 20, 2023 EY : CFO & Tax Forum under the concept of “Leading through change” At the Intercontinental Hotel Date: November 1, 2023 TLCA CFO CPD No. 7/2023 Topic: Economic Update for CFO Date: November 28, 2023 TLCA : CFO CPD No. 8/2023 Topic: Guidelines for issuing and offering debt instruments for environmental conservation

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

The Nomination, Remuneration and Corporate Governance Committee determines the qualifications of those who will be elected as directors, sub-committee and Chief Executive Officer to ensure that such persons are able to perform their duties with care, responsibility and honesty, by screening qualified persons to the Board of Directors for consideration. Then, the Board of Directors will consider and propose to the shareholders' meeting to consider and approve the appointment of qualified persons to be the Company's directors.

The Board of Directors consists of 8 members, 4 of whom are Independent Directors, 6 are Non-Executive Directors and 3 are Executive Directors, with 1 Independent Director serving as the Chairman of the Board. The Board of Directors has performed its duties in accordance with policies, guidelines, and goals toward the utmost benefit of shareholders under the framework of good ethics by considering the interest of all stakeholders. In 2023, the Board of Directors held a total of 8 meetings.

Assessment of Directors' Performances

The Company has arranged for the assessment of various sub-committees, namely the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination, Remuneration and Corporate Governance Committee to comply with the corporate governance assessment criteria of Thai Institute of Directors Association (IOD), which has been assessed once a year. The assessment is an evaluation of individual committees (Self-assessment) and as a group committee (As a Whole) to assess the efficiency of the performance of every sub-committee with the following processes:

1. The sub-committee reviews the assessment form to ensure that it is accurate, complete and in accordance with the criteria established by the regulatory agency and the sub-committee's operational guidelines.
2. The secretary of the sub-committee summarizes and reports the assessment results of the sub-committees and improves the efficiency of operations.
3. The secretary of the Board of Directors reports the evaluation results of the sub-committees to the Board of Directors.

The results of the assessment in 2023 are as follows:

Committees	Self-assessment	Group-Assessment
Board of Directors	96	95
Audit Committee	98	97
Nomination, Remuneration and Corporate Governance Committee	96	97
Risk Management Committee	95	94
Executive Committee	95	93

The Company has summarized the assessment results of the Board of Directors and sub-committees for all directors to acknowledge and use as a framework for reviewing their duties, problems, and obstacles. Then, the assessment results will be used to analyze the performance of the directors as well as suggestions for further improvement and development.

8.1.3 Meeting Attendance and Board Remuneration

In 2023, the Company convened a total of 8 Board of Directors meetings, along with corresponding subcommittee meetings. This comprised 20 Executive Committee meetings, 8 Audit Committee meetings, 3 Nomination, Remuneration, and Corporate Governance Committee meetings, 5 Risk Management Committee meetings, and 1 non-executive director meeting. The specific details regarding meeting attendance and directors' remuneration in 2023 are as follows:

- **Meeting attendance**

The company conducted meetings of the Board of Directors and Sub-Committees throughout the year 2023 as outlined below:

Meeting Attendance for the year 2023					
Name of Directors	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee
1. Mr. Manit Nitiprateep	8/8	6/6	-	-	-
2. Mr. Prin Bholnivas	8/8	6/6	-	-	-
3. Mr. Boonyong Tansakul	7/8	6/6	-	5/5	-
4. Mrs. Sauwanee Thairungroj ^{1/}	2/8	-	-	-	1/3
5. Mr. Suchat Boonbanjersri	8/8	-	-	-	3/3
6. Mr. Kanockit Navasiri	8/8	-	20/20	-	3/3
7. Mr. Tawee Kullertprasert	8/8	-	20/20	5/5	-
8. Ms. Panittra Akarawinek	8/8	-	20/20	5/5	-
9. Mr. Kobi Boonbanjersri	8/8	-	20/20	5/5	-

Remark: ^{1/} Such person was appointed as the Company's director by the Board of Directors' Meeting No. 4/2023 on July 12, 2023

- **Remuneration**

The 2023 Annual General Meeting of Shareholders held on March 20, 2023 resolved to determine the remuneration for the Board of Directors and sub-committees for the year 2023 as follows:

Details of Monetary Remuneration of Directors for the year ended December 31, 2023

Name of Directors	For the year ended December 31, 2023						
	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Risk Management Working Committee	Total
1. Mr. Manit Nitiprateep	200,000	60,000	-	-	-	-	260,000
2. Mr. Prin Bholnivas	100,000	75,000	-	-	-	-	175,000
3. Mr. Boonyong Tansakul	87,500	60,000	-	62,500	37,500	-	247,500
4. Mr. Prasopchoke Aranyakanon ^{1/}	25,000	-	-	-	10,000	-	35,000
5. Mrs. Sauwanee Thairungroj ^{2/}	50,000	-	-	-	10,000	-	60,000
6. Mr. Suchat Boonbanjerd Sri	100,000	-	200,000	-	30,000	-	330,000
7. Mr. Tawee Kullertprasert	-	-	-	-	-	-	-
8. Ms. Pranittra Akkarawinek	-	-	-	-	-	-	-
9. Mr. Kanockit Navasiri	100,000	-	160,000	50,000	-	28,000	338,000
10. Mr. Kobi Boonbanjerd Sri	-	-	-	-	-	-	-
Total	662,500	195,000	360,000	112,500	87,500	112,500	1,445,500

Remark: ^{1/} Such person holds the position as the Company's director until 31 May 2023.

^{2/} Such person was appointed as the Company's director by the Board of Directors' Meeting No. 4/2023 on July 12, 2023.

Directors and sub-committees who receive basic salary as executives will not receive remuneration as directors and/or sub-committees; it is applicable only for the meeting allowance.

Non-monetary Remuneration

- None -

8.2 Report on the performance of the Board of Directors through the past year

• Board of Directors Meeting Attendance

Summary of Board of Directors meeting attendance for the year 2022 and 2023

	Meeting attendance / Total (times)	
	2022	2023
1. Mr. Manit Nitiprateep	9/9	8/8
2. Mr. Prin Bholnivas	9/9	8/8
3. Mr. Boonyong Tansakul	9/9	7/8
4. Mrs. Sauwanee Thairungroj ^{1/}	-	4/8 (4/4) ^{2/}
5. Mr. Suchat Boonbanjerd Sri	8/9	8/8
6. Mr. Kanockit Navasiri	7/9 (7/7)	8/8
7. Mr. Tawee Kullertprasert	9/9	8/8
8. Ms. Pranittra Akkarawinek	9/9	8/8

Remark: ^{1/} Such person was appointed as the Company's director by the Board of Directors' Meeting No. 4/2023 on July 12, 2023.

^{2/} Meeting attendance/Total meeting after being appointed as a director of the Company

8.1.4 Oversight of Subsidiaries, Associates Companies

The Board of Directors has approved the investment and governance policy in subsidiaries and associated companies to establish a framework and mechanism for direct and indirect governance over the policies and operations of subsidiaries and associated companies, as well as establishing measures to monitor performance in order to maintain the Company's investment benefits efficiently and sustainably.

As of December 31, 2023, the Company has no subsidiaries and/or associated companies.

8.1.5 Monitoring Compliance of Corporate Governance Policy and Guidelines

• Prevention of conflicts of interest

The Company adheres to the principles of good corporate governance and emphasizes considering transactions with transparency for the utmost interests of the Company and its shareholders. The Company, therefore, attaches importance to the prevention of transactions that may cause conflicts of interest, connected transaction, or related transactions. Thus, the Board of Directors has approved the policy to prevent conflicts of interest as a guideline for everyone adheres and practice within the Company.

In 2023, the Company did not encounter any instances of wrongdoing concerning conflict of interest prevention. No connected transactions necessitated approval from the shareholder meeting, and there were no violations or non-compliance with rules related to transactions involving parties with an interest or asset trading.

- **Misuse of Inside Information**

The Board of Directors has approved a policy on the use of inside information to prevent the misuse of information that has not been disclosed to the public for the benefit of oneself or others. This ensures that investors and stakeholders of the Company receive reliable, equitable and timely information.

The Company imparts knowledge to directors, executives, and employees regarding the utilization of inside information, which includes sending emails to inform relevant individuals about the Blackout Period prohibiting the trading of Company securities. Throughout the regular disclosure period of financial statements and information potentially impacting the price of Company securities, no instances of wrongdoing were recorded in the fiscal year 2023 concerning the use of inside information by the Company's directors, executives, and employees.

In 2023, there were changes in the securities holdings of directors and executives as follows:

Report on changes in securities holdings of directors and executives for the year 2023				
Name of Directors		Securities holdings as of December 31, 2023		
		Director/ Executive (shares)	Spouse / Minor Children	Increase (Decrease) Jan 1 – Dec 31, 2023
1.	Mr. Manit Nitiprateep	500,000	-	-
2.	Mr. Prin Bholnivas	380,000	-	(20,000)
3.	Mr. Boonyong Tansakul	400,000	-	-
4.	Mrs. Sauwanee Thairungroj 1/	-	860,000	-
5.	Mr. Suchat Boonbanjerd Sri	284,066,620	-	-
6.	Mr. Kanockit Navasiri	400,000	-	-
7.	Mr. Tawee Kullertprasert	138,400,000	-	-
8.	Ms. Pranittra Akkarawinek	300,000	-	(100,000)
Executives				
1.	Mr. Tawee Kullertprasert	138,400,000	-	-
2.	Mr. Kobi Boonbanjerd Sri	38,733,340	-	-
3.	Ms. Pranittra Akkarawinek	300,000	-	(100,000)
4.	Mr. Prakit Prasertying	-	-	-
Accounting Department				
1.	Miss Areerat Sornnarin	-	-	-

- **Anti-corruption**

The Board of Directors' meeting has approved and reviewed the anti-corruption policy with the objective of showing transparency and accountability of the Company as well as aware of the serious threat of corruption that damages the performance, reputation and confidence of stakeholders and society as a whole toward the Company. The Company has a policy against all forms of corruption (Zero Tolerance), whether it is an action of the Company's personnel or persons related to the Company's business. Thus, directors, executives, employees, and related persons are prohibited to solicit, proceed, or accept corruption for the benefit of one self, family, friends, and acquaintances in all forms both directly and indirectly, covering all businesses, departments, i.e., government, and private sectors involved with the Company.

The Company actively participated in a public relations campaign addressing the issue of anti-corruption. As part of this initiative, an open letter has been disseminated to extend invitations to business partners, trade associates, and other companies to join the Thai Private Sector Collective Action Coalition against Corruption (CAC) network. This communication has also been published on the Company's website.

As a consequence of the aforementioned initiatives, the company has been awarded an anti-corruption certificate by the Thai Private Sector Collective Action Coalition against Corruption (CAC). This certification underscores our commitment and resolve to combat all manifestations of corruption through transparent management in alignment with corporate governance principles and sustainable development. It reflects our dedication to societal and environmental concerns, fostering trust among all stakeholders.

- **Whistleblowing**

The Board of Director's meeting has considered and approved the whistleblower policy for the employees or stakeholders who report clues about corruption or non-compliance with the laws, rules, principle, Company's regulation, and code of conduct for the Company's business operations in order to determine the complaint recipient, complaining methods, fact-checking process, whistleblower measures.

Complaints are treated with utmost confidentiality, and individuals can submit complaints through multiple channels without disclosing their identity. However, voluntary disclosure enables the Company to provide updates on the outcomes or furnish additional details related to the reported matters. Notably, in the year 2023, the Company did not receive any complaints from its stakeholders.

- **Code of Conduct and Business Ethics**

In addition to featuring the complete code of conduct and business ethics on the Company's website for the convenience of shareholders, investors, and interested parties, the Company emphasizes the duty and responsibility of all executives and employees to acknowledge, comprehend, and adhere strictly to the Code of Conduct and Business Ethics Manual. In the year 2023, the Company mandated that all executives and employees undergo training on code of conduct and business ethics, culminating in a required test. Furthermore, the Company continually publishes policies pertaining to other aspects of good corporate governance on its website and internal public relations media, ensuring relevance and benefit to the work of executives and employees.

- **Communication with shareholders**

For the General Meeting of Shareholders, the Company has implemented measures to deliver ample, accurate, and timely information regarding its business to the shareholders.

- The Company has provided shareholders with the opportunity to propose agenda items and nominate individuals for director positions at the 2023 Annual General Meeting. This submission period extends from September 1, 2022, to November 1, 2022, allowing shareholders to submit various questions in advance from September 30, 2022, to November 30, 2023.
- The Company, in preparation for the 2023 Annual General Meeting of Shareholders, issued meeting invitation letters in both Thai and English. The invitations were sent to shareholders on March 22, 2023, and simultaneously published on the Company's website. By disseminating the invitation 32 days in advance of the meeting, starting from March 22, 2023, shareholders were provided sufficient time to receive meeting documents ahead of the scheduled date. This timeframe ensures shareholders have ample time to review information before the meeting.
- **Review of the Company's charter and policies for good corporate governance**

In 2023, the Company has reviewed its charter, assessment form, and company policies as follows.

1. Undertook a review of the charters for the Board of Directors and its sub-committees, updating them to align with current circumstances.
2. Undertook a review of the evaluation forms for directors and sub-committee members, making adjustments to tailor them to the specific of each group.
3. Undertook a review all company policies.

- **Results of the evaluation of listed companies for the year 2023**

As part of its commitment to upholding the principles of good corporate governance and business ethics in management and operations, the Company has consistently enhanced its corporate governance practices to ensure efficiency and alignment with the Company. In 2023, the Company underwent evaluations by various organizations, the details of which are as follows:

1. In the year 2023, the Company underwent evaluation through the Corporate Governance Report of Thai Listed Companies (CGR) survey project conducted by the Thai Institute of Directors Association. The Company achieved an overall average score of 105%, earning the designation of "Excellent" and a 5-star rating.
2. The Company obtained an evaluation score of 94 points based on the quality assessment of the 2023 Annual General Meeting of Shareholders (AGM Check-list) conducted by the Thai Investors Association.

8.3 Report on Performance of the Audit Committee during the Past Year

8.3.1 Audit Committee Meeting Attendance

Summary of Audit Committee meeting attendance for the year 2022 and 2023

	Meeting attendance / Total (times) ^{1/}	
	2022	2023
1. Mr. Prin Bholnivas	6/6	6/6
2. Mr. Manit Nitiprateep	6/6	6/6
3. Mr. Boonyong Tansakul	6/6	6/6

- **Performance of the Audit Committee**

The Board of Directors' Meeting has approved the Audit Committee Charter, which establishes the scope of duties and responsibilities of the Audit Committee.

In this regard, the Audit Committee has the authority to invite directors, employees, or staffs to attend the meetings to discuss, clarify or answer questions in relation to their duties and responsibilities, consultation with experts or consultants of the Company (if any), or hiring a consultant or third-party specialists from time to time, if necessary, at the expense of the Company, asking for documents and evidence relating to the Company's business for the purpose of auditing or investigating various matters, assigning one or more employees or staffs of the Company to perform any act within the scope of duties of the Audit Committee for the purpose of auditing. In addition, to perform various actions as mentioned above in relation to the subsidiary as assigned or requested by the subsidiary as much as the authority and duty to perform.

When there is a change in the scope of duties and responsibilities of the Audit Committee, the Company shall report to the Stock Exchange of Thailand within 3 business days from the date of the resolution of the Board of Directors regarding such change according to the regulations of the Stock Exchange of Thailand.

8.3.2 Executive Committee

- **Executive Committee Meeting Attendance**

Summary of Executive Committee meeting attendance for the year 2022 and 2023

	Meeting attendance / Total (times) ^{1/}	
	2022	2023
1. Mr. Suchat Boonbanjerd Sri	13/15	20/20
2. Mr. Tawee Kullertprasert	15/15	20/20
3. Ms. Pranittra Akkarawinek	15/15	20/20
4. Mr. Kanockit Navasiri ^{1/}	15/15	20/20

- **Performance of the Executive Committee**

The Board of Directors' meeting has approved the Executive Committee Charter, which defines the powers, duties and responsibilities of management in relation to the normal operations and management of the Company according to the objectives, regulations, policies, rules, requirements, orders, and resolutions of the Board of Directors Meeting and Shareholders Meeting. The duty of the Executive Committee is to screen and determine policies, business plans, budgets, management structures, and various administrative powers, as well as to establish criteria for conducting business to be consistent with economic conditions. Then proposed to the Board of Directors' meeting for approval as well as inspect and monitor the Company's performance according to the specified policy.

8.3.3 Risk Management Committee

- Risk Management Committee Meeting Attendance**

Summary of Risk Management Committee meeting attendance for the year 2022 and 2023

	Meeting attendance / Total (times) ^{1/}	
	2022	2023
1. Mr. Boonyong Tansakul	6/6	5/5
2. Mr. Kanockit Navasiri	6/6	5/5
3. Mr. Tawee Kullertprasert	6/6	5/5
4. Ms. Pranittra Akkarawinek	6/6	5/5
5. Mr. Kobi Boonbanjerd Sri	5/6	5/5

- Performance of the Risk Management Committee**

The Board of Directors' meeting has approved the Risk Management Committee Charter, which establishes the scope of duties and responsibilities of the Risk Management Committee.

In this regard, executives/or risk management sub-committees and/or units and/or working groups related to risk management and/or internal auditors and/or auditors shall report or present relevant information and documents to the Risk Management Committee to support the achievement of the assigned duties.

8.3.4 Nomination, Remuneration and Corporate Governance Committee

- Nomination, Remuneration and Corporate Governance Committee Meeting Attendance**

Summary of Nomination, Remuneration and Corporate Governance Committee meeting attendance for the year 2022 and 2023

	Meeting attendance / Total (times) ^{1/}	
	2022	2023
1. Mr. Boonyong Tansakul	3/3	3/3
2. Mr. Suchat Boonbanjerd Sri	3/3	3/3
3. Mrs. Sauwanee Thairungroj ^{1/}	-	1/3 (1/1) ^{2/}

Remarks: ^{1/} Such person was appointed as the Member of Risk Management Committee by the Board of Directors' Meeting No. 4/2023 on July 12, 2023.

^{2/} Meeting attendance/Total meeting after being appointed as a director of the Company

- **Performance of the Nomination, Remuneration and Corporate Governance Committee**

The Board of Directors' Meeting has approved the Nomination, Remuneration and Corporate Governance Committee Charter, which establishes the scope of duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee has the power to summon and/or order the management or relevant employees to provide opinions, attend the meetings, clarify information, or submit relevant and necessary documents for consideration. In addition, performing its duties within the scope of the its Charter, may seek advice from independent external consultants or other professional experts if it deems necessary and appropriate.

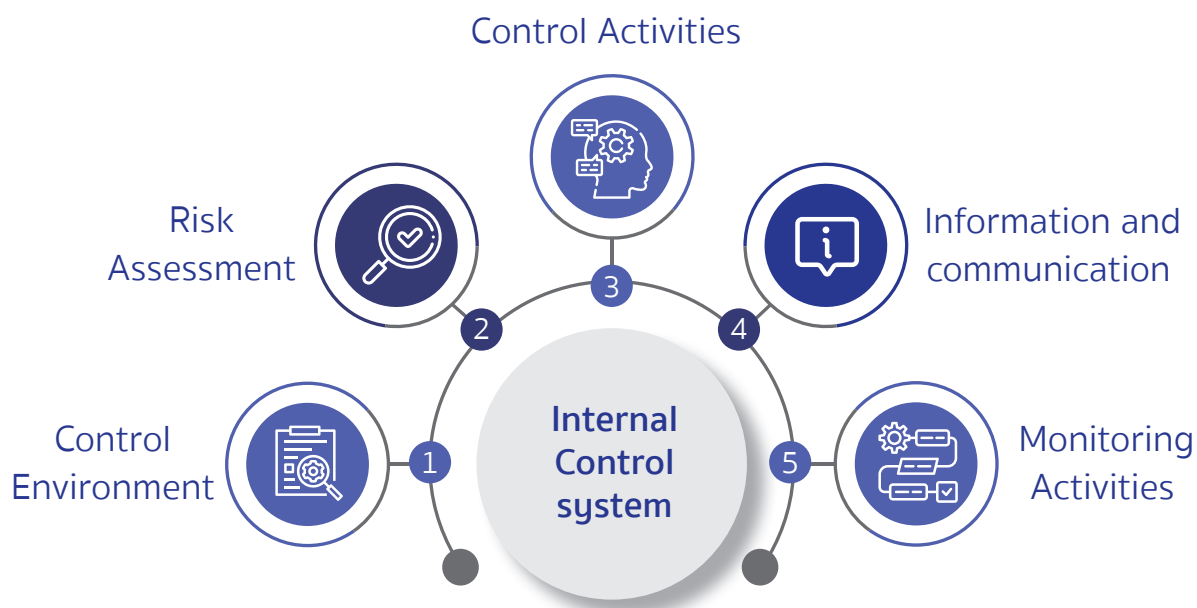
9 Internal Control and Connected Transaction

9.1. Internal Control

9.1.1. Opinions on the internal control system of the Board of Directors

The Company realizes the importance of a good internal control system, enabling efficient, transparent and verifiable operations with a check and balance mechanism. The Company has an Audit Committee to review the appropriateness and efficiency of the internal control and internal audit systems, as well as to review the Company's operations in compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand and laws related to the business of the Company.

The Board of Directors has evaluated the sufficiency of the company's internal control system using the Securities and Exchange Commission's internal control system adequacy assessment form. This process involves seeking information from management across five key areas.



The Board of Directors is of the opinion that the Company has an appropriate and sufficient internal control system with all parts being followed effectively, and has complied with generally accepted accounting standards, announcement of the Securities and Exchange Commission, and regulations of the Stock Exchange of Thailand in reporting quarterly financial statements, annual financial statements as appropriate regularly. There is also a process for preparation and disclosure of information in the financial statements that is accurate, complete, adequate and timely with an internal control system that is sufficient and appropriate, and has been effectively revised in accordance with the changing situation for the Company's operations to achieve the specified objectives and in accordance with relevant laws and regulations. There was no significant problem or defect that could cause damage to the Company's operations in any way, including the internal control system in transactions with

major shareholders, directors, executives or persons related to such persons sufficiently, which able to protect the Company's assets from being misused by executives or without their authority. However, independent directors and Member of Audit Committee do not have different opinions from the Board of Directors. In addition, the Audit Committee will supervise more on being an organization with Good Corporate Governance process.

The Company has provided adequate management and internal control systems, whereby the executives have supported the awareness of the necessity of internal control by providing good corporate governance, clearly define duties and responsibilities, including establishing rules, regulations, policies, levels of executive authority, and appropriate level of approval in writing. The Company monitors and evaluates the internal control results together with the independent internal auditors and reports directly to the Audit Committee in order to review the operating system of various activities to achieve the objectives and goals of the Company as a whole. From past audits, there was no material flaw in the internal control system whatsoever. As for the other internal controls, the Board of Directors considers that the Company also has adequate internal controls.

9.1.2. Internal Control Regulatory Agency

To ensure the internal control system, risk management, and corporate governance are effective and continually improved enabling the Company achieve its goals. The Company has therefore appointed a third-party internal auditor to verify the adequacy of the internal control system, Kandit Advisory Services Company Limited ("Independent Internal Auditor" or "KAS"), who are independent and report directly to the Audit Committee, therefore requiring the internal auditors to report audit results quarterly to the Audit Committee and the Company's executives for the benefit of good corporate governance.

In 2023, the independent internal auditor undertook an assessment of the components of internal control (COSO) and evaluated risks associated with internal process control systems. The Company experienced positive cooperation during this evaluation, and as of 2023, proactive steps have been taken to address and resolve any identified issues.

9.1.3. Auditor's observations

EY Office Company Limited ("Auditor"), a Certified Public Accountant has reviewed the internal control system related to the preparation and presentation of the Company's financial statements as appropriate. From the audit of the financial statements for the year ended December 31, 2023, there is no additional comment on the Company's internal control system.

9.1.4. Head of Internal Audit

The Audit Committee Meeting No. 3/2023 on July 12, 2023, made the decision to designate Kaladit Advisory Services Company Limited ("KAS") with Mr. Kamnueng Sarisara, who has the qualifications and competence required to fulfill the responsibilities of an independent internal auditor for the Company. The appointed auditor is tasked with scrutinizing and assessing the Company's internal control systems. Additionally, the role involves offering valuable recommendations aimed at enhancing the efficiency of the Company's internal control system.

In this regard, the Audit Committee will consider and select persons to perform internal audit duties of the Company; it is based on knowledge, competence, experience and internal audit performance. In addition, the transfer and removal of internal auditors shall be approved by the Audit Committee.

9.2. Connected Transactions

9.2.1. Details of individuals and juristic persons that may lead conflicts of interest.

The summary of connected transactions between Knight Club Capital Asset Management Public Company Limited and persons who may lead conflicts of interest for the year ended December 31, 2023

Persons may lead conflicts of interest	Relationship	Nature of Connected Transaction	Transaction Value (Unit: Thousand Baht)	Details
1. Renting office space and temporary offices of the Company in case of emergency				
Dark Horse Development Company Limited	Major shareholders of Dark Horse Development Company Limited are directors and executives of the Company, namely Mr. Suchat Boonbanjersri and Mr. Tawee Kullertprasert	Expenses	Dec 31, 2023	Office rental agreement The Company initially entered into a 10-year rental agreement with Dark Horse Development Company Limited, effective from June 1, 2018, involving monthly rental payments. The agreement included an annual rent increase of 3%. On December 1, 2023, the lease agreement was revised due to a reduction in the rental area compared to the previous arrangement.
		Rental fee	1,471	
		Utility bills	-	The company settles utility bills on a monthly basis, determined by the actual consumption measured in units, following the rates set by the Metropolitan Waterworks Authority for water and the Metropolitan Electricity Authority for electricity.
		Outstanding Balance	Dec 31, 2023	
		Finance lease liabilities	5,267	
		Utilities payable	-	
Ugo Company Limited	Major shareholder of Ugo Company Limited is wife of Mr. Tawee Kullertprasert, the Chief Executive Officer	Expenses	Dec 31, 2023	Temporary office in case of emergency Ugo Company Limited allows the Company to use the place as a temporary office in the case of an emergency and unable to perform duties in the Company.
		N/A	-	
2. Debentures issued by the Company				
Mr. Suchat Boonbanjersri	Being a Company’s shareholders, holding 45.82% as of December 31 Being a Director, Executive Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	Expenses	Dec 31, 2023	Debenture 400 MB As the resolution of the Board of Directors Meeting No. 14/2023, approval was granted to issue and offer debenture not exceeding 500MB with a maturity period not exceeding 2 years, in the form of PP-10. 2-year debenture, mature on October 10, 2025, amount 400MB, interest rate 6.25% per year, interest paid every 3 months.
		Debenture	497	
		Interest Expenses		
		Outstanding Balance	Dec 31, 2023	
		Debenture	35,000	
Mrs. Sauwanee Thairungroj	Being a Director, Independent Director, Member of the Nomination, Remuneration and Corporate Governance Committee	Interest on Debentures Payable	497	
		Expenses	Dec 31, 2023	
		Debenture	14	
		Interest Expenses		
		Outstanding Balance	Dec 31, 2023	
		Debenture	1,000	
		Interest on Debentures Payable	14	

9.2.2 Necessity and Reasonableness of Connected Transactions

In 2023, the Company has connected transactions with related persons, such as long-term lease of land and buildings, interest payment of debentures by directors and related persons. This transaction is necessary and reasonable because it is a normal business transaction and normal business support transactions of the Company. The terms and conditions of the related transactions were determined in accordance with general commercial conditions and at market value, and were conducted in the same way that would be treated with general customers.

The Audit Committee has considered the aforementioned related transactions and is of the opinion that they are necessary and reasonable as well as beneficial to the Company.

9.2.3. Measures or Procedures for Approval of Connected Transaction

The connected transactions with general commercial conditions and no general commercial conditions or other transactions shall have the following principles:

Transactions with General Commercial Conditions

The Company may enter into connected transactions with directors, executives or related persons in the future, whereby the scope of such transactions has been determined and approved by the Audit Committee and approved in principle by the Board of Directors. When doing such transactions, the management can approve such transactions if those transactions have trade agreements with general commercial conditions that a reasonable person should do with the counterparty in the same situation with bargaining power without any influence in their status as directors, executives or related persons. In this regard, the Company shall prepare a transaction summary report with directors, executives or related persons to report to the Audit Committee and the Board of Directors for acknowledgment quarterly.

Transactions with No General Commercial Conditions or other

Transactions between the Company and persons who may lead conflicts of interest, or may have conflicts of interest in the future. The Company shall propose to the Audit Committee to consider and comment on the necessity and suitability of entering into the transaction, as well as the suitability of the price and conditions of entering into that transaction and comparing with the price made with third party or market price before proposing to the Board of Directors and/or the Shareholders' Meeting, as the case may be, for approval. In the event that the Audit Committee does not have expertise in considering connected transactions that may occur, the Company will assign an independent expert or the Company's auditor to provide opinions on such transactions for the decision-making by the Audit Committee, the Board of Directors and/or the Shareholders' Meeting, as the case may be. The persons who may have conflicts of interest or have vested interests in the transaction will not be able to participate or have no right to vote in approving such transactions.

The Company will disclose connected transactions in the notes to financial statements audited by the Company's auditor, annual report, and the Company's annual registration statement (Form One Report 56-1) as required by the Securities and Exchange Act.

9.2.4 Trend of Connected Transactions in the Future

The Company expects that connected transactions arising from normal business transactions and normal business support transactions with general commercial conditions, such as space and office building rental, may continue to exist. Whereby, such transaction or new transaction may occur in the future, there will be a clear policy on pricing between each other according to the price and market conditions with appropriate, fair, and does not cause a transfer of benefits. This include taking into account the interests of the Company are important, the Audit Committee will review and comment on the connected transactions with normal business transactions or normal business support transaction on a quarterly basis.

The connected transactions with persons who may lead conflicts of interest apart from the first paragraph include normal business transactions and normal business support transaction without general trading conditions and other related transactions. The Company has established policies in accordance with measures and procedures for approval of connected transactions.

Any connected transactions that may occur in the future, the Board of Directors shall comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. This includes compliance with the requirements on the disclosure of connected transactions of the Company according to the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand.

Part 3

Financial Report



Independent Auditor's Report

To the Shareholders of Knight Club Capital Asset Management Public Company Limited

Opinion

I have audited the accompanying financial statements of Knight Club Capital Asset Management Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Knight Club Capital Asset Management Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of interest income from loans purchased of receivables

The Company's policy on recognition of interest income from loans purchased of receivables is discussed in Note 4.1 to the financial statements. Interest income from loans purchased of receivables recognised for the year 2023 amounted to Baht 203 million, accounting for 79 percent of the total income, and thus it is considered the Company's main source of income. I addressed the recognition of interest income from loans purchased of receivables as a key audit matter because the calculation of the credit-adjusted effective interest rate used in interest income recognition requires management to exercise judgement in determining the assumptions to be used in cashflow estimates and the expected life of debtors, as well as the development of the model for each group of debtors with similar characteristics. There is therefore a risk with respect to the amount of revenue recognition.

I have performed audit procedures on the revenue recognition by gaining an understanding of the basis that management used in recognition of interest income from loans purchased of receivables, evaluating the basis and gaining an understanding of the process by which cash inflows were estimated and the credit-adjusted effective interest rate, assessing and testing the IT systems and key internal controls relevant to the revenue cycle for interest income from loans purchased of receivables and selecting representative samples to test the operation of the designed controls. I have tested on a sampling basis the calculation of the credit-adjusted effective interest rate to assess whether the recognition of interest income from loans purchased of receivables is in compliance with the Company's revenue recognition policy, including tested on a sampling basis the accuracy of the data used in the model, and reviewed on a sampling basis whether the calculation of the cashflow estimates and the expected life of debtor was consistent with the model, as well as evaluated other factors that affect the cashflow estimates. In addition, I have performed analytical procedures on disaggregated data of interest income from loans purchased of receivables, taking into account the revenue recognition ratio, comparison between the actual cash flows and the projected cash flows, and I also tested, on a sampling basis, significant adjustments made through journal vouchers.

Allowance for expected credit loss of loans purchased of receivables

As discussed in Note 10.1 to the financial statements, the Company had net loans purchased of receivables and accrued interest receivables amounting to Baht 1,844 million (representing 80 percent of total assets) and allowance for expected credit losses amounting to Baht 120 million. The estimation of allowance for expected credit losses of loans purchased of receivables requires assumptions applied in the development of a model for complex data sets and those used for the projection of expected credit losses to be incurred in future. Therefore, the management is required to exercise judgment in performing data analysis, determining the basis, setting a policy, and establishing the methodology to be applied in calculating the allowance for expected credit losses, as well as estimating credit losses expected to be incurred based on expected future net cash inflows from debtors. As the amount of loans purchased of receivables is significant to the financial statements, I focused my audit on the adequacy of the allowance for expected credit losses of loans purchased of receivables.

I have gained an understanding of the assumptions applied in the development of the model, the procedures for estimating and recording the allowance for expected credit losses, and assessing the basis and policy for setting up the allowance for expected credit losses and the calculation method of allowance for expected credit losses. I have also assessed and tested on a sampling basis the internal controls relevant to the calculation, the approval and the recording of the allowance for expected credit losses. In addition, I have evaluated the significant assumptions used by the management to estimate the projected cash inflows used in setting up the allowance for expected credit losses, performed analytical procedures on assumptions applied by the Company against the historical data, reviewed the consistency of the application of such assumptions, reviewed the completeness of data used in the development of the model and the calculation of the allowance for expected credit losses, and correctness of accounting records.

Other information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

I am responsible for the audit resulting in this independent auditor's report.

Bongkot Kriangphanamorn

Certified Public Accountant (Thailand) No. 6777

EY Office Limited

Bangkok: 29 February 2024

Knight Club Capital Asset Management Public Company Limited

Statement of financial position

As at 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Assets			
Cash		10,000	10,000
Interbank and money market items - deposits			
at financial institutions	8	164,271,507	276,138,681
Financial assets measured at fair value through profit or loss	9	100,676,600	-
Loans purchased of receivables and			
accrued interest receivables - net	10	1,844,441,842	1,332,618,711
Properties foreclosed - net	12	110,821,391	84,375,733
Building, leasehold improvement, equipment and			
right-of-use assets - net	13	8,327,967	10,797,649
Intangible assets - net	14	2,087,634	1,444,159
Other receivables - Legal execution department		46,952,978	13,622,040
Accrued income		12,886,598	-
Other assets	16	15,496,310	7,557,249
Total assets		2,305,972,827	1,726,564,222

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of financial position (continued)

As at 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Liabilities and shareholders' equity			
Interbank and money market items	17	185,545,107	109,677,174
Accrued interest payables		13,745,783	5,068,878
Corporate income tax payable		2,938,507	2,185,874
Other liabilities - acquisition of loans purchased of receivables		-	145,800,000
Debt issued	18	891,586,641	347,318,144
Accrued expenses		12,062,513	7,835,660
Provision for long-term employee benefits	20	1,431,787	1,884,300
Lease liabilities	19	5,267,170	7,408,989
Deferred tax liabilities	15	22,235,511	3,547,612
Other liabilities		691,114	813,697
Total liabilities		1,135,504,133	631,540,328
Shareholders' equity			
Share capital	21		
Registered, issued and fully paid up			
620,000,000 ordinary shares of Baht 0.5 each		310,000,000	310,000,000
Share premium	22	559,592,212	559,592,212
Retained earnings			
Appropriated - statutory reserve	23	11,030,000	6,530,000
Unappropriated		289,846,482	218,901,682
Total shareholders' equity		1,170,468,694	1,095,023,894
Total liabilities and shareholders' equity		2,305,972,827	1,726,564,222
		-	-

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	2023	2022
Profit or loss			
Interest income	26	203,424,614	122,180,828
Interest expenses	27	(66,615,473)	(33,901,306)
Net interest income		136,809,141	88,279,522
Gains from repayment		26,354,606	18,532,203
Gains on sale of properties foreclosed		14,114,379	5,951,321
Gains on disposal of loans purchased of receivables		-	57,613,136
Gains on financial instruments measured at fair value through profit or loss	28	676,598	-
Other operating income		13,256,310	114,082
Total operating income		191,211,034	170,490,264
Other operating expenses			
Employees' expenses		24,902,344	21,460,424
Directors' remuneration		1,378,000	1,278,000
Premises and equipment expenses		4,286,100	3,789,431
Taxes and duties		4,284,815	1,965,802
Consulting expenses		7,702,290	3,408,775
Other expenses		14,420,648	9,666,002
Total other operating expenses		56,974,197	41,568,434
Expected credit losses	29	23,424,813	32,522,881
Profit before income tax		110,812,024	96,398,949
Income tax	15.2	(22,165,249)	(19,158,446)
Profit for the year		88,646,775	77,240,503

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Other comprehensive income			
Transactions that will never be reclassified subsequently to profit or loss			
Gain (loss) on revaluation of investment in equity instrument designated to be measured at fair value through other comprehensive income		-	1,000,000
Actuarial gain (loss) on defined benefit plan		(73,783)	354,060
Income tax relating to components of other comprehensive income		14,756	(270,812)
Total other comprehensive income (loss)		(59,027)	1,083,248
Total comprehensive income for the year		88,587,748	78,323,751
Earnings per share			
Basic earnings per share	30	0.14	0.14
Weighted average number of ordinary shares (shares)		620,000,000	569,150,685

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of cash flows

For the year ended 31 December 2023

	(Unit: Baht)	
	2023	2022
Cash flows from operating activities		
Profit before income tax	110,812,024	96,398,949
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	3,196,568	2,811,480
Expected credit losses	23,424,813	32,522,881
Loss on disposal and write-off of equipment	14,422	17,738
Gain on lease modification	(152,892)	-
Unrealised gains on financial instruments measured at fair value through profit or loss	(676,598)	-
Increase in provision for long-term employee benefits	296,371	411,474
Net interest income	(136,809,141)	(88,279,522)
Cash received from interest income	82,030,797	80,459,102
Cash paid for income tax	(2,709,960)	(26,602,864)
Profit from operating activities before changes in operating assets and liabilities	79,426,404	97,739,238
(Increase) decrease in operating assets		
Financial assets measured at fair value through profit or loss	(100,000,002)	-
Investments	-	1,004,898
Loans purchased of receivables	(479,992,904)	(692,873,022)
Properties foreclosed	39,647,522	18,318,705
Accrued income	(12,886,598)	-
Other assets	(41,269,999)	(4,813,844)
Increase (decrease) in operating liabilities		
Other liabilities - acquisition of loans purchased of receivables	(145,800,000)	-
Provision for long-term employee benefits	(822,667)	(330,000)
Other liabilities	4,104,270	1,524,432
Net cash flows used in operating activities	(657,593,974)	(579,429,593)

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of cash flows (continued)

For the year ended 31 December 2023

	(Unit: Baht)	
	2023	2022
Cash flows from investing activities		
Decrease in restricted bank deposits	-	13,438,000
Cash paid for purchase of leasehold improvement and equipment and intangible assets	(2,285,136)	(2,851,875)
Net cash flows from (used in) investing activities	(2,285,136)	10,586,125
Cash flows from financing activities		
Cash paid for interest expenses	(50,946,887)	(27,743,464)
Cash received from borrowings	145,800,000	100,000,000
Cash paid for borrowings	(70,040,200)	(79,711,800)
Cash received from debt issued	900,000,000	350,000,000
Cash paid for debt issued	(350,000,000)	(150,000,000)
Proceeds from increase in share capital	-	579,592,212
Dividend paid	(13,142,948)	(23,498,000)
Cash paid for lease liabilities	(1,471,276)	(1,446,729)
Cash paid for borrowing fee and debenture issue expense	(12,232,350)	(5,365,425)
Net cash flows from financing activities	547,966,339	741,826,794
Net increase (decrease) in cash and cash equivalents	(111,912,771)	172,983,326
Cash and cash equivalents at beginning of the year	276,260,257	103,276,931
Cash and cash equivalents at end of the year (Note 7)	164,347,486	276,260,257

Supplemental cash flows information

Non-cash transactions

Debt settlement to properties foreclosed	66,093,180	80,932,773
Other liabilities from acquisition of loans purchased of receivables	-	145,800,000

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other comprehensive income - deficit on revaluation of investment	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2022	230,000,000	60,000,000	2,630,000	168,795,522	(819,591)	460,605,931
Profit for the year	-	-	-	77,240,503	-	77,240,503
Other comprehensive income for the year	-	-	-	283,248	800,000	1,083,248
Total comprehensive income for the year	-	-	-	77,523,751	800,000	78,323,751
Loss on disposal of investment in equity instruments which recognised in retained earnings	-	-	-	(19,591)	19,591	-
Increase share capital (Note 21)	80,000,000	499,592,212	-	-	-	579,592,212
Set aside a statutory reserve (Note 23)	-	-	3,900,000	(3,900,000)	-	-
Dividend paid (Note 24)	-	-	-	(23,498,000)	-	(23,498,000)
Balance as at 31 December 2022	<u>310,000,000</u>	<u>559,592,212</u>	<u>6,530,000</u>	<u>218,901,682</u>	<u>-</u>	<u>1,095,023,894</u>
Balance as at 1 January 2023	310,000,000	559,592,212	6,530,000	218,901,682	-	1,095,023,894
Profit for the year	-	-	-	88,646,775	-	88,646,775
Other comprehensive income for the year	-	-	-	(59,027)	-	(59,027)
Total comprehensive income for the year	-	-	-	88,587,748	-	88,587,748
Set aside a statutory reserve (Note 23)	-	-	4,500,000	(4,500,000)	-	-
Dividend paid (Note 24)	-	-	-	(13,142,948)	-	(13,142,948)
Balance as at 31 December 2023	<u>310,000,000</u>	<u>559,592,212</u>	<u>11,030,000</u>	<u>289,846,482</u>	<u>-</u>	<u>1,170,468,694</u>

The accompanying notes are an integral part of the financial statements.

Knight Club Capital Asset Management Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information

Knight Club Capital Asset Management Public Company Limited (“the Company”) is incorporated as a limited company under Thai laws and is licensed by the Bank of Thailand (“BOT”) to operate an asset management business in accordance with the Asset Management Companies Act B.E. 2541. On 27 September 2021, the Company registered as a Public Company Limited with the Ministry of Commerce and changed its name from “Knight Club Capital Asset Management Company Limited” to “Knight Club Capital Asset Management Public Company Limited”. The Company operates its business in Thailand and is principally engaged in the management of non-performing assets purchased or transferred from financial institutions, including the collateral for those assets, either for management or further disposal. The Company’s registered address is 285/1 Praditmanutham Road, Wang Thong Lang Sub-District, Wang Thong Lang District, Bangkok.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and the principles stipulated by the Bank of Thailand (“BOT”). The presentation of the financial statements has been made in compliance with the BOT’s Notification No. Sor Nor Sor 21/2561, dated 31 October 2018, regarding Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, which effective for fiscal years 2020 and the related BOT’s Notifications.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 New Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

3.3 Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the Bank of Thailand. The accounting guidance is applicable for assistance provided to such debtors during the period from 1 January 2022 to 31 December 2023 or until notification of changes is made by the Bank of Thailand.

Under this accounting guidance, the Company may elect to adopt accounting treatments consistent with the circular of the Bank of Thailand No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 categories based on debt restructuring methods as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Company may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1)

- Loans that are not yet non-performing (Non-NPL) are immediately classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is longer.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1.
 - Loans are classified as loans with a significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
2. For debt restructuring involving only a payment timeline extension, an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts. For this method debt restructuring, the Company is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards (Assistance type 2). However, the guidelines specified in the appendix of the circular of the BOT No. BOT.RPD2.C. 802/2564 relating to assessment of whether there has been a significant increase in credit risk are applicable to assess whether a debtor is to move to under-performing stage or Stage 2.

The Company provides both types of assistance to debtors. For assistance type 1, the Company has elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions. The management of the Company assesses and believes that when the Accounting Guidance expires on 31 December 2023 there will not be any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

(a) Interest income from loans purchased of receivables

The Company has recognised interest on loans purchased of receivables based on the amortised cost of the asset, net of allowance for expected credit loss, using the credit - adjusted effective interest rate and recognised on an accrual basis.

The credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of financial assets that are purchased or original credit-impaired financial assets. In estimating, the net expected cash inflows reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost of an acquired non-performing loans (NPL) have been fully amortised, the Company still has the right to claim the payment from debtor under the contract. When such payments are received from a debtor, the Company recognises the full amount as gains from repayment.

(b) Interest income from deposits at financial institutions

Interest income from deposits at financial institutions is recognised as income on an accrual basis based on the effective interest rate.

(c) Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

4.2 Expenses recognition - interest expenses

Interest expenses are charged to expenses on an accrual basis using the effective interest method which included expenses incurred directly in generating the interbank and money market items (liabilities) and debt issued.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at financial institutions with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Loans purchased of receivables and accrued interest receivables

Since the Company's operations involve the acquisition and transfer of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as financial assets that are purchased or originated credit-impaired financial assets, and presented at amortised cost. Costs of purchased or originated credit-impaired financial assets consist of cash paid for loans purchased of receivables (the fair value on the transaction date is equal to or close to the acquisition price), advances for legal expenses, collection expenses, advance for expenses on asset acquisition and other costs which the portion transferred to an obligation to the debtor (of which the Company collects from the debtor when payment of the debtor is received).

Loans purchased of receivables are presented at amortised cost and include accrued interest receivables and less allowance for expected credit losses (if any).

4.5 Allowance for expected credit losses

The Company applies the purchased or originated credit-impaired financial asset approach for loans purchased of receivables.

The Company records allowance for expected credit losses when there are changes in the estimated cash inflows expected from financial assets, discounting the projected cash flows with reference to historical data and adjusted to reflect current observable data as well as forward looking information that is reasonable and supportable. Making such estimate involves the appropriate exercise of judgement. However, the Company has established a process to review and monitor the condition on methodologies, assumptions and forward-looking macroeconomic scenarios on regularly basis. In addition, expected credit loss also include a management overlay.

The Company recognises changes in lifetime expected credit losses as impairment gains or losses in profit or loss. The Company is required to recognise positive changes in lifetime expected credit losses as impairment gains, to the extent that does not exceed the lifetime of expected credit losses recognised in the past.

4.6 Financial assets with modifications of terms/ Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified or debt is restructured or existing financial assets are replaced with new financial assets because the debtor is having financial difficulties, the Company assesses whether to derecognise the financial assets and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial assets, the Company calculates the gross book value of the new financial assets based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial assets, the fair value of the new financial assets is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and fair value of the financial asset is recognised in profit or loss.

In cases where loans purchased of receivables are restructured they continue to be treated as purchased or originated credit-impaired receivable from initial recognition.

4.7 Properties foreclosed

Properties foreclosed are stated at the lower of cost or net realisable value. Net realisable value is determined with reference to the latest appraisal value less estimated selling expenses. The Company records cost of properties foreclosed at fair value with reference to appraisal value or auction price of properties foreclosed including transfer costs. The excess of the auction price of properties foreclosed over the book value of investments in receivables or loans purchased of receivables is recorded as “Allowance for revaluation on properties foreclosed”.

Gains (losses) on the disposal of properties foreclosed are recognised in profit or loss in the statement of comprehensive income on disposal date and when the ownership rights are transferred to the purchasers. Impairment losses are recognised as expenses in part of profit or loss.

4.8 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Building and leasehold improvement 10 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of building, leasehold improvement, equipment and right-of-use assets - net in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Building, leasehold improvement and equipment and depreciation

Building, leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building, leasehold improvement and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building	6 - 10 years
Leasehold improvement	5 years
Furniture and office equipment	5 years
Computer and equipment	5 years
Vehicle	5 years

Depreciation is included in determining income. No depreciation is provided on assets under construction.

The Company derecognises building, leasehold improvement and equipment upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of these assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

4.10 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

The Company amortises intangible assets with finite lives on the straight-line basis over the economic useful life and test for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expenses and loss on impairment are recognised as expenses in part of profit or loss in statement of comprehensive income.

Intangible assets with finite useful lives is computer software, which has useful lives of approximate 1-5 years.

4.11 Related party transactions

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

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

4.12 Impairment of non-financial assets

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

The Company recognises impairment losses as expenses in part of profit or loss in the statement of comprehensive income.

In the assessment of assets impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined in case that no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

a) Short-term employee benefits

The Company recognises salary, wages, bonuses and contributions to the social security fund as expenses when incurred.

b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques using the Projected Unit Credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.14 Provisions

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

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events.

5.2 Allowance for expected credit losses

The management is required to use judgement in estimating allowance for expected credit losses of financial assets. The allowance for expected credit losses is calculated based on models, informations, assumption, developed model, and assessments related to the increase in credit risk. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

5.3 Credit-adjusted effective interest rate

The management is required to use judgement in estimating the credit-adjusted effective interest rate. The Company recognised interest income from loans purchased of receivables using rate of return, which is calculated based on the basis of the estimated future cash inflows over the expected life of loans purchased of receivables that have similar characteristics and can be estimated reliably. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

5.4 Leases

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.5 Allowance for impairment of properties foreclosed

The Company assesses allowance for impairment of properties foreclosed when net realisable value falls below the book value. The management uses judgement to estimate impairment losses, taking into consideration the latest appraisal values, the type and the nature of the assets.

5.6 Depreciation

In determining depreciation of building, leasehold improvement and equipment, the management is required to make estimates of the useful lives and residual values of the building, leasehold improvement and equipment and to review estimate useful lives and residual values when there are any changes.

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

5.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.9 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6. Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	31 December 2023		
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total
Financial assets			
Cash	-	10	10
Interbank and money market items - deposits at financial institutions	-	164,272	164,272
Financial assets measured at fair value through profit or loss	100,677	-	100,677
Loans purchased of receivables and accrued interest receivables – net	-	1,844,442	1,844,442
Other receivables – Legal execution department	-	46,953	46,953
Accrued income	-	12,887	12,887
Other assets – deposit purchase of asset from auction	-	5,401	5,401
Financial liabilities			
Interbank and money market items	-	185,545	185,545
Debt issued	-	891,587	891,587
Accrued interest payables	-	13,746	13,746
Lease liabilities	-	5,267	5,267

(Unit: Thousand Baht)

31 December 2022			
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total
Financial assets			
Cash	-	10	10
Interbank and money market items – deposits at financial institutions	-	276,139	276,139
Loans purchased of receivables and accrued interest receivables – net	-	1,332,619	1,332,619
Other receivables – Legal execution department	-	13,622	13,622
Other assets – deposit purchase of asset from auction	-	2,624	2,624
Financial liabilities			
Interbank and money market items	-	109,677	109,677
Other liabilities – acquisition of loans purchased of receivables	-	145,800	145,800
Debt issued	-	347,318	347,318
Accrued interest payables	-	5,069	5,069
Lease liabilities	-	7,409	7,409

7. Cash and cash equivalents

(Unit: Thousand Baht)

	31 December 2023	31 December 2022
Cash	10	10
Interbank and money market items - deposits at financial institutions	162,337	276,250
Deposit in transit	2,000	-
Total	164,347	276,260

As at 31 December 2023, bank deposits in saving accounts carried interests at 0.15 - 0.55 percent per annum (2022: 0.15 - 0.325 percent per annum).

8. Interbank and money market items - deposits at financial institutions

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Commercial banks - domestic	164,337	276,250
Less: Allowance for expected credit losses	(65)	(111)
Total	164,272	276,139

9. Financial assets measured at fair value through profit or loss

	(Unit: Thousand Baht)	
Investments	31 December 2023	31 December 2022
	(Fair value)	(Fair value)
Others		
- Unit trust	100,677	-
Total	100,677	-

10. Loans purchased of receivables and accrued interest receivables

10.1 Classified by loan type

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Loans purchased of receivables		
Corporate loan receivables	1,289,656	951,997
Housing loan receivables	403,097	326,856
Total loans purchased of receivables	1,692,753	1,278,853
Add: Accrued interest receivables	271,271	149,877
Total loans purchased of receivables and accrued interest receivables	1,964,024	1,428,730
Less: Allowance for expected credit losses	(119,582)	(96,111)
Total loans purchased of receivables and accrued interest receivables - net	1,844,442	1,332,619

The Company participated in the scheme to provide assistance to debtors affected by COVID-19 and elected to apply the Accounting Guidance. As at 31 December 2023, 2 loans purchased of receivables debtors with debts totaling Baht 181.7 million were participating in the scheme. (31 December 2022: 2 loans with debts totaling Baht 204.2 million).

As at 31 December 2023, the Company has Baht 203.1 million of loans purchased of receivables which have been registered as business security for credit facilities granted by financial institutions (31 December 2022: Baht 179.4 million).

Changes in loans purchased of receivables for the years ended 31 December 2023 and 2022 were as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Loans purchased of receivables beginning of the year	1,278,853	521,113
Add: Additional purchase/Additional cost	611,258	930,177
Less: Receipt of debt payment and adjustment - net	(197,358)	(103,437)
Disposal of loans purchased of receivables	-	(69,000)
Loans purchased of receivables end of the year	1,692,753	1,278,853

10.2 Classified by currency and residency of debtors

As at 31 December 2023 and 2022, all outstanding balances of loans purchased of receivables are in Baht-denominated loans to domestic receivables.

10.3 Classified by loan classification

As at 31 December 2023 and 2022, the loans purchased of receivables and accrued interest receivables classified by classification were as follows:

	31 December 2023		31 December 2022	
	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses
Purchased or originated credit-impaired financial asset	1,964,024	(119,582)	1,428,730	(96,111)
Total	1,964,024	(119,582)	1,428,730	(96,111)

11. Allowance for expected credit losses

(Unit: Thousand Baht)

For the year ended 31 December 2023			
	Financial assets where there has not been a significant increase in credit risk (Performing)	Purchased or originated credit- impaired financial asset	Total
Interbank and money market items - deposits at financial institutions			
Balance - beginning of the period	111	-	111
Changes from revaluation of allowance for expected credit losses	(46)	-	(46)
Balance - end of the period	65	-	65
Loans purchased of receivables			
Balance - beginning of the period	-	96,111	96,111
Changes from revaluation of allowance for expected credit losses	-	30,362	30,362
New financial assets purchased or acquired	-	1,667	1,667
Derecognition of financial instruments	-	(8,558)	(8,558)
Balance - end of the period	-	119,582	119,582

(Unit: Thousand Baht)

For the year ended 31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (Performing)	Purchased or originated credit- impaired financial asset	Total
Interbank and money market items - deposits at financial institutions			
Balance - beginning of the year	-	-	-
Changes from revaluation of allowance for expected credit losses	111	-	111
Balance - end of the year	111	-	111
Loans purchased of receivables			
Balance - beginning of the year	-	63,700	63,700
Changes from revaluation of allowance for expected credit losses	-	173	173
New financial assets purchased or acquired	-	39,009	39,009
Derecognition of financial instruments	-	(6,771)	(6,771)
Balance - end of the year	-	96,111	96,111

12. Properties foreclosed

Properties foreclosed are assets which the Company received for debt settlement from loans purchased of receivables and assets received by purchasing from auction.

(Unit: Thousand Baht)

For the year ended 31 December 2023				
	Balance - beginning of the year	Addition	Disposal	Balance - end of the year
Assets purchased from auction				
Immovable assets				
Appraised by external appraiser	93,873	90,220	(62,877)	121,216
Total properties foreclosed	93,873	90,220	(62,877)	121,216
Less: Allowance for revaluation on properties foreclosed	(9,497)	(14,651)	13,753	(10,395)
Less: Allowance for impairment on properties foreclosed	-	(17)	17	-
Properties foreclosed - net	84,376	75,552	(49,107)	110,821

(Unit: Thousand Baht)

For the year ended 31 December 2022				
	Balance - beginning of the year	Addition	Disposal	Balance - end of the year
Assets purchased from auction				
Immovable assets				
Appraised by external appraiser	25,199	99,719	(31,045)	93,873
Total properties foreclosed	25,199	99,719	(31,045)	93,873
Less: Allowance for revaluation on properties foreclosed	(3,437)	(10,840)	4,780	(9,497)
Properties foreclosed - net	21,762	88,879	(26,265)	84,376

As at 31 December 2023, the Company has no obligations with regards to properties foreclosed (31 December 2022: the Company had obligation with regards to sell properties foreclosed amounting to Baht 4.8 million).

As at 31 December 2023, the properties foreclosed amounting Baht 72.3 million have been registered as business security for credit facilities granted by financial institutions (31 December 2022: Baht 34.3 million).

13. Building, leasehold improvement, equipment and right-of-use assets

(Unit: Thousand Baht)

	31 December 2023	31 December 2022
Net book value:		
Building, leasehold improvement, equipment	3,933	4,308
Right-of-use assets (Note 19)	4,395	6,490
Total	8,328	10,798

Changes in building, leasehold improvement, and equipment for the years ended 31 December 2023 and 2022 were as follows:

(Unit: Thousand Baht)

	Building	Leasehold improvement	Furniture and office equipment	Computer and equipment	Vehicle	Assets under construction	Total
Cost							
1 January 2022	2,111	2,729	1,481	811	-	24	7,156
Additions	211	590	164	239	-	915	2,119
Transfers in (out)	493	446	-	-	-	(939)	-
Write-off	-	-	-	(116)	-	-	(116)
31 December 2022	2,815	3,765	1,645	934	-	-	9,159
Additions	-	106	240	116	544	-	1,006
Write-off	-	-	(24)	(33)	-	-	(57)
31 December 2023	2,815	3,871	1,861	1,017	544	-	10,108
Accumulated depreciation							
1 January 2022	651	1,683	1,114	385	-	-	3,833
Depreciation for the year	290	515	159	152	-	-	1,116
Write-off	-	-	-	(98)	-	-	(98)
31 December 2022	941	2,198	1,273	439	-	-	4,851
Depreciation for the year	327	593	179	164	106	-	1,369
Write-off	-	-	(15)	(30)	-	-	(45)
31 December 2023	1,268	2,791	1,437	573	106	-	6,175
Net book value							
31 December 2022	1,874	1,567	372	495	-	-	4,308
31 December 2023	1,547	1,080	424	444	438	-	3,933
Depreciation for the years							
2022							1,116
2023							1,369

As at 31 December 2023 and 2022, the Company has certain items of equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2.8 million and Baht 1.8 million, respectively.

14. Intangible assets

(Unit: Thousand Baht)

	Computer software
Cost	
1 January 2022	1,821
Additions	732
Write-off	(37)
31 December 2022	2,516
Additions	1,279
Write-off	(114)
31 December 2023	3,681
Accumulated amortization	
1 January 2022	628
Amortisation for the year	481
Write-off	(37)
31 December 2022	1,072
Amortisation for the year	632
Write-off	(111)
31 December 2023	1,593
Net book value	
31 December 2022	1,444
31 December 2023	2,088
Amortisation for the years	
2022	481
2023	632

As at 31 December 2023 and 2022, computer software have remaining useful live of 0 - 5 years.

As at 31 December 2023 and 2022, the Company has certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation and allowance for impairment loss of those assets amounted to approximately Baht 0.5 million and Baht 0.13 million, respectively.

15. Deferred tax assets/ liabilities and income tax

15.1 Deferred tax assets/ liabilities

As at 31 December 2023 and 2022, deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Deferred tax assets	25,155	19,982
Deferred tax liabilities	(47,391)	(23,530)
Net	(22,236)	(3,548)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	31 December		Changes in deferred tax for the years ended	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	23,930	19,245	4,685	6,505
Accumulated depreciation - building	134	97	37	32
Loss on revaluation of investment	-	-	-	(205)
Provisions for long-term employee benefits	300	377	(77)	(54)
Leases liabilities	174	184	(10)	42
Other liabilities	617	79	538	25
Deferred tax assets	25,155	19,982	5,173	6,345
Deferred tax liabilities				
Difference in recognised interest income	(45,556)	(22,860)	(22,696)	(3,598)
Deferred loan fees	(1,700)	(670)	(1,030)	(585)
Gain on revaluation of financial assets measured at FVTPL	(135)	-	(135)	-
Deferred tax liabilities	(47,391)	(23,530)	(23,861)	(4,183)
Net	(22,236)	(3,548)	(18,688)	2,162
Changes in deferred tax:				
Recognised in profit or loss			(18,703)	2,438
Recognised in other comprehensive income			15	(271)
Recognised in retained earnings*			-	(5)
Total			(18,688)	2,162

* Transactions arise from disposals of equity instruments designated at fair value through other comprehensive income during the year.

15.2 Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Current income tax:		
Current income tax charge for the year	3,462	21,596
Deferred tax:		
Deferred income tax from temporary differences and reversal of temporary differences	18,703	(2,438)
Income tax expenses reported in the statement of comprehensive income	22,165	19,158

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Deferred tax on gains (losses) from the change in value of investment in equity instruments designated at FVOCI	-	(200)
Deferred tax relating to actuarial (gains) losses on defined benefit plans	15	(71)
	15	(271)

The amounts of income tax recognised directly in shareholders' equity for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Current income tax:		
Corporate income tax on transaction costs for issue of ordinary shares (Note 21)	-	(3,102)

Reconciliation between income tax expenses and the product of accounting gain multiplied by the applicable tax rates for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Accounting profit before tax	110,812	96,399
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	22,162	19,280
Effects of non-taxable revenue and non-deductible expenses - net	3	(122)
Income tax expenses reported in the statement of comprehensive income	22,165	19,158

16. Other assets

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Deposit - purchase of asset from auction	5,401	2,624
Corporate income tax refundable	2,419	2,419
Suspense account for repayment of debentures	5,688	-
Others	1,988	2,514
Total other assets	15,496	7,557

17. Interbank and money market items (liabilities)

As at 31 December 2023 and 2022, interbank and money market items are as follows:

(Unit: Thousand Baht)				
Instrument	Type of borrowings	Interest rate	31 December 2023	31 December 2022
		(Percent per annum)		
1	Loans	Minimum Loan Rate (MLR) of a commercial bank - 1.00	115,631	21,121
2	Loans	Minimum Loan Rate (MLR) of a commercial bank - 0.18	70,000	88,750
Less: Deferred borrowing fee			(86)	(194)
Total			185,545	109,677

The loans are Baht-denominated loans from commercial banks that have terms of 1 - 3 years from the loan drawdown date and on which interest is to be paid on a monthly basis. In accordance with the loan agreements as security for the loans, the Company was required to transfer rights in rights of claim in receivables and collaterals that the Company purchased with financial support from the commercial bank and which are registered as business security, and the Company's directors are to guarantee the loans. In addition, the Company has to comply with certain terms and conditions specified in the loan agreements, relating to matters such as the maintenance of a debt to equity ratio and a interest bearing debt to equity ratio.

As at 31 December 2023, the Company has loans purchased of receivables and properties foreclosed amounting to Baht 203.1 million and Baht 72.3 million, respectively (31 December 2022: loans purchased of receivables and properties foreclosed amounting to Baht 179.4 million and Baht 34.4 million, respectively), which have been registered as business security for credit facilities granted by a financial institution.

18. Debt issued

On 19 January 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 of the Company approved the issuance and offer of debentures and debt securities in accordance with the Securities and Exchange Act B.E. 2535 (1992) available in different options, in a single and/or several tranches and/or as a program. This depends on the Company's discretion and necessity to use the funds. The debentures and debt securities will be issued for a total amount of not exceeding Baht 1,000 million. On 10 February 2022, the Executive Committee Meeting No. 2/2022 approved the detail of debentures. The debentures are name-registered, unsubordinated, unsecured with debenture holders' representative and redeemable by the debenture issuer before the maturity date in the amount not exceeding Baht 500 million, with a term of 1 year 6 months. The Company will issue and offer long-term debentures to institutional investors and/or high net worth investors, paying interest quarterly. The Company has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a interest bearing debt to equity ratio.

On 16 February 2023, the Executive Committee Meeting No. 4/2023 approved the details of debentures. The Company will issue name-registered, unsubordinated, unsecured and callable debentures with a debenture holders' representative, in the amount not exceeding Baht 500 million, with a term of 1 year 11 months 28 days, to offer to institutional investors, ultra-high net worth and/or high net worth investors, paying interest quarterly. The Company is obligated to comply with the terms and conditions, such as maintaining an interest-bearing debt-to-equity ratio.

On 20 April 2023, the 2023 Annual General Meeting of Shareholders of the Company approved the issuance and offer of debentures and debt securities in accordance with the Securities and Exchange Act B.E. 2535 available in different options, in a single and/or several tranches and/or as a program. This depends on the Company's discretion and necessity to use the funds. The debentures and debt securities will be issued for a total amount of not exceeding Baht 2,000 million. On 7 August 2023, the Executive Committee Meeting No. 14/2023 approved the detail of debentures. The Company will issue and offer long-term debentures to institutional investors, ultra-high net worth investors and/or high net worth investors. The debentures are name-registered, unsubordinated, unsecured with debenture holders' representative and cannot early redeemed by the debenture issuer in the amount not exceeding Baht 500 million, with a term of 2 years.

As at 31 December 2023 and 2022, the balance of domestic debt issued, stated in Baht, are as follows:

(Unit: Thousand Baht)									
Debentures	Date of issuance	Date of maturity	Option for redemption before maturity	Interest rate (Percent per annum)	Interest repayment	Face value per unit (Baht)	Issuance unit (Thousand unit)	31	31
								December 2023	December 2022
1. The debentures is name-registered, unsubordinated, and unsecured debentures with debenture holders' representative	12 April 2022	12 October 2023	Yes	6.50	Quarterly	1,000	350	-	350,000
2. The debentures is name-registered, unsubordinated, and unsecured debentures with debenture holders' representative	30 March 2023	28 March 2025	Yes	6.25	Quarterly	1,000	500	500,000	-
3. The debentures is name-registered, unsubordinated, and unsecured debentures with debenture holders' representative	10 October 2023	10 October 2025	Yes	6.25	Quarterly	1,000	400	400,000	-
Less: Deferred debenture issue expense								(8,413)	(2,682)
Total								<u>891,587</u>	<u>347,318</u>

Movements in debt issued for the year ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended	
	31 December	
	2023	2022
Balance at the beginning of the year	350,000	150,000
Increase during the year	900,000	350,000
Decrease during the year	(350,000)	(150,000)
Balance at the end of the year	900,000	350,000

19. Leases

The Company has lease contracts used in its operations. Leases generally have lease terms 10 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)
	Building and leasehold improvement
Cost	
1 January 2022	10,134
31 December 2022	10,134
Decrease from lease modification	(1,613)
31 December 2023	8,521
Accumulated depreciation	
1 January 2022	2,430
Depreciation for the year	1,214
31 December 2022	3,644
Decrease from lease modification	(713)
Depreciation for the year	1,195
31 December 2023	4,126
Net book value	
31 December 2022	6,490
31 December 2023	4,395
Depreciation for the years	
2022	1,214
2023	1,195

b) Lease liabilities

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Lease payments	6,059	8,619
Less: Deferred interest expenses	(792)	(1,210)
Lease liabilities	5,267	7,409

A maturity analysis of lease payments is disclosed in Note 35.3 to the financial statements, under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Depreciation expense of right-of-use assets	1,195	1,214
Interest expense on lease liabilities	383	443

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 1.5 million (2022: Baht 1.4 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Provision for long-term employee benefits at beginning of the year	1,884	2,157
Included in profit or loss:		
Current service cost	255	390
Interest cost	42	21
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumption changes	51	(320)
Experience adjustments	23	(34)
Benefits paid during the year	(823)	(330)
Provision for long-term employee benefits at end of the year	1,432	1,884

As at 31 December 2023, the Company expected to pay approximately Baht 0.4 million on employee benefits within the year. (2022: Baht 0.8 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 18.0 years (2022: 16.4 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	31 December 2023	31 December 2022
Discount rate	3.13	3.28
Salary increase rate (depending on age)	3 - 12	3 - 12
Average staff turnover rate (depending on age)	0 - 20	0 - 20

The result of sensitivity analysis for significant assumptions that affect the increasing in present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	31 December 2023			
	Liabilities increase		Liabilities decrease	
Discount rate	Decrease 1%	166	Increase 1%	(140)
Salary increase rate	Increase 1%	162	Decrease 1%	(140)
Average staff turnover rate	Decrease 20%	179	Increase 20%	(138)

	(Unit: Thousand Baht)			
	31 December 2022			
	Liabilities increase		Liabilities decrease	
Discount rate	Decrease 1%	131	Increase 1%	(113)
Salary increase rate	Increase 1%	129	Decrease 1%	(113)
Average staff turnover rate	Decrease 20%	129	Increase 20%	(101)

21. Share capital

In April 2022, the Company was offering of 160 million ordinary shares with a par value of 0.5 Baht per share, totaling Baht 80 million to be sold through the Initial Public Offering at an offering price of 3.7 Baht per share, totaling Baht 592 million with share premium of Baht 499.6 million (net of offering expenses and related income tax amounting to Baht 12.4 million). The Company registered its capital increase with the Department of Business Development on 28 April 2022. As at 31 December 2022, the Company has issued and fully paid up share capital at 620 million ordinary shares with a par value of Baht 0.5 each.

As at 31 December 2023 and 2022, the Company had issued and fully paid-up capital as follows:

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
Registered capital				
Register capital at the beginning of the year	620,000	310,000	620,000	310,000
Register capital at the end of the year	620,000	310,000	620,000	310,000
Issued and fully paid-up capital				
Issued and fully paid-up capital at the beginning of the year	620,000	310,000	460,000	230,000
Increase in share capital (160 million ordinary shares at par value of Baht 0.5 each)	-	-	160,000	80,000
Issued and fully paid-up capital at the end of the year	620,000	310,000	620,000	310,000

22. Share premium

Share premium is the excess of the amount received from shares issued by the Company over the registered value of the shares. Share premium cannot be used for dividend payment.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. Dividend

During the year ended 31 December 2023 and 2022, the Company declared the dividend as the following:

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht per share)
From its operating results for the year 2022	The Annual General Meeting held on 20 April 2023	13,143 ⁽¹⁾	0.0212 ⁽¹⁾
Total dividend paid during the year ended 31 December 2023		13,143	0.0212
From its operating results for the period 1 January 2022 to 30 June 2022	The Company's Board of Director held on 10 August 2022	23,498	0.0379
Total dividend paid during the year ended 31 December 2022		23,498	0.0379

⁽¹⁾ Net of interim dividend payment during the year 2022.

25. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure and to preserve the ability to continue its businesses as going concerns and to meets financial covenants attached to the loan agreements. The Company has complied with these covenants throughout the reporting periods.

26. Interest income

Interest income for the years ended 31 December 2023 and 2022 consists of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Interbank and money market items - deposits at financial institutions	516	201
Loans purchased of receivables	202,909	121,980
Total	203,425	122,181

27. Interest expense

Interest expense for the years ended 31 December 2023 and 2022 consists of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Interbank and money market items	12,629	6,549
Debt issued and borrowings	53,603	25,930
Lease liabilities	383	443
Others	-	979
Total	66,615	33,901

28. Gains on financial instruments measured at fair value through profit or loss

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Gains on financial instruments measured at fair value through profit or loss		
Change in net fair value		
- Unit trust	677	-
Total	677	-

29. Expected credit losses

Expected credit losses for financial assets for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Expected credit losses (reversal)		
- Loans purchased of receivables and accrued interest receivables	23,471	32,412
- Interbank and money market items - deposits at financial institutions	(46)	111
Total	23,425	32,523

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

31. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	For the years ended		Transfer pricing policies
	31 December		
	2023	2022	
<u>Related parties</u>			
Interest expenses - Debenture	522	4,973	At the rate agreed under the contract
Rental expenses	1,471	1,447	At the rate agreed under the rental contract
Utilities expenses	-	29	Market price

As at 31 December 2023 and 2022, the balance of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 December 2023	31 December 2022
<u>Related company - Dark Horse Development Co., Ltd.</u>		
Lease liabilities	5,267	7,409
<u>Related company - Knight Club Capital Holding Plc.</u>		
Other payable	67	-
<u>Management, directors, and related persons</u>		
Debt issued	36,000	-
Accrued interest payables	512	-

As at 31 December 2023 and 2022, the outstanding balances of loans and the movement between the Company and the related parties are as follow:

(Unit: Thousand Baht)

	For the year ended 31 December 2023			
	Balance			Balance
	beginning of			end of
	the year	Increase	Decrease	the year
<u>Management, directors, and related persons</u>				
Debt issued	-	36,000	-	36,000

(Unit: Thousand Baht)

	For the year ended 31 December 2022			Balance end of the year
	Balance beginning of the year	Increase	Decrease	
<u>Management, directors, and related persons</u>				
Debt issued	110,000	-	(110,000)	-

Directors and management's remuneration

During the years 2023 and 2022, the Company has employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	11,236	11,636
Post-employment benefits	391	402
Total	11,627	12,038

32. Segment information

The Company is principally engaged in the management of non-performing assets purchased or transferred from financial institutions and financial business operators. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statement. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

As at 31 December 2023, the Company had outstanding loans purchased of receivables and accrued interest receivables to a major customer amounting to Baht 763.0 million. During the years 2023, the Company had interest income from this major customer totaling of Baht 132.4 million (As at 31 December 2022, the Company had outstanding loans purchased of receivables and accrued interest receivables to 3 major customers amounting to Baht 722.5 million. During the year 2022, the Company had interest income and gains from repayment from those major customers of Baht 141.3 million).

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Eastspring Asset Management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to Baht 0.4 million were recognised as expenses (2022: Baht 0.4 million).

34. Commitments

34.1 Service commitments

The Company has entered into security service, advisory service and other service. The Company has future minimum lease payments as below.

(Unit: Thousand Baht)		
	31 December 2023	31 December 2022
Payable:		
Within 1 year	2,672	1,301
Over 1 and up to 5 years	1,472	85
Total	4,144	1,386

35. Risk Management

The Company's risk management activities cover the significant risks, which are classified into three categories, credit risk, market risk and liquidity risk, so that the Company can establish approaches or tools for efficient risk management, as follows:

35.1 Credit risk

Credit risk management is the management of the risk that a debtor or counterparty of the Company will be unable to comply with contracts and relates to non-performing debtors that were transferred to or acquired by the Company. Its main objective is to ensure the quality of the Company's asset management transactions, their compliance with relevant laws and regulations and appropriate consideration of risk.

For asset management companies (AMCs) whose revenues are not derived from the portion loan facilities to customers, but from the management and disposal of NPLs/NPAs, the principal risk is asset quality risk.

Tools for managing asset quality risk

- The appropriateness of the prices and quality of NPLs/NPAs is determined based on analysis of key data such as historical debtor information, current legal status, quality of collateral and assets, as well as relevant external factors such as the competitive environment and economic outlook. This allows the Company to acquire assets at appropriate prices.
- The Company manages its debtors in order to generate appropriate returns. The Company has a process for negotiating debt-restructuring agreements with debtors and consistently monitors debts to prevent defaults.
- Management of NPAs focuses on renovating assets to improve their status and to match market demand. In addition, the Company seeks out new distribution channels in order to increase asset sales.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for financial instruments. The maximum exposure is shown gross, before taking into account collateral arrangements and any actions taken to improve.

As at 31 December 2023 and 2022, the exposure to credit risk are as follow:

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
Interbank and money market items - deposits		
at financial institutions	164,272	276,139
Loans purchased of receivables and accrued interest		
receivables - net	1,844,442	1,332,619
Other receivables - Legal execution department	46,953	13,622
Accrued income	12,887	-
Other assets - deposit purchase of asset from auction	5,401	2,624
Total exposure to credit risk	2,073,955	1,625,004

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted policies to mitigate this risk, whereby there is monitoring and control of debtors to prevent default or monitoring of compliance with the terms of debt restructuring agreements and in the event of default or failure to comply with the conditions in the agreement urgent efforts are made to negotiate a timely solution. If the Company is unable to negotiate with the debtor legal proceedings are to be followed in order to enforce conditions on the debtors and enforce collateral.

The table below shows the credit quality of financial assets. The amounts presented in the table are the gross carrying amounts (before allowance for expected credit losses).

Explanations of 12-months expected credit loss, lifetime expected credit loss, credit impaired, and purchased or originated credit-impaired are provided in Note 4 to the financial statements.

(Unit: Thousand Baht)

	31 December 2023				
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit-impaired financial asset	Total
Interbank and money market items - deposits at financial institutions					
Investment grade	164,337	-	-	-	164,337
Total	164,337	-	-	-	164,337
Less: Allowance for expected credit losses	(65)	-	-	-	(65)
Net book value	164,272	-	-	-	164,272
Loans purchased of receivables and accrued interest receivables					
Purchased or originated credit-impaired	-	-	-	1,964,024	1,964,024
Total	-	-	-	1,964,024	1,964,024
Less: Allowance for expected credit losses	-	-	-	(119,582)	(119,582)
Net book value	-	-	-	1,844,442	1,844,442
Other receivables - Legal execution department					
Unspecified term	46,953	-	-	-	46,953
Total	46,953	-	-	-	46,953
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	46,953	-	-	-	46,953
Accrued income					
Not yet due	12,887	-	-	-	12,887
Total	12,887	-	-	-	12,887
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	12,887	-	-	-	12,887
Other assets - deposit purchase of asset from auction					
Unspecified term	5,401	-	-	-	5,401
Total	5,401	-	-	-	5,401
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	5,401	-	-	-	5,401

(Unit: Thousand Baht)

31 December 2022

	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Purchased or originated credit- impaired financial asset	Total
Interbank and money market items - deposits at financial institutions					
Investment grade	276,250	-	-	-	276,250
Total	276,250	-	-	-	276,250
Less: Allowance for expected credit losses	(111)	-	-	-	(111)
Net book value	276,139	-	-	-	276,139
Loans purchased of receivables and accrued interest receivables					
Purchased or originated credit-impaired	-	-	-	1,428,730	1,428,730
Total	-	-	-	1,428,730	1,428,730
Less: Allowance for expected credit losses	-	-	-	(96,111)	(96,111)
Net book value	-	-	-	1,332,619	1,332,619
Other receivables - Legal execution department					
Unspecified term	13,622	-	-	-	13,622
Total	13,622	-	-	-	13,622
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	13,622	-	-	-	13,622
Other assets - deposit purchase of asset from auction					
Unspecified term	2,624	-	-	-	2,624
Total	2,624	-	-	-	2,624
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	2,624	-	-	-	2,624

Collateral and any operations to increase creditability

The Company has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company for each type of financial assets are as follows:

(Unit: Thousand Baht)

	Exposure to risk with collateral		Type of collateral
	31 December 2023	31 December 2022	
Loans purchased of receivables and accrued interest receivables	1,782,337	1,224,497	Land and building, Condominium, and security

35.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. Since the Company has no financial assets and financial liabilities denominated in foreign currencies and no investments in equity securities, therefore market risk comprises only interest rate risk.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, loans purchased of receivables, debt issued and borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Company manages its interest rate risk by maintaining an appropriate level of correlation between the structure of interest-rate-sensitive assets and liabilities over various periods, such as actively balancing its portfolio between fixed and variable rate of borrowings and appropriately managing the interest-bearing assets and liabilities to minimize risks that may arise.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

31 December 2023

	Floating interest rate	Fixed interest rate			Non- interest bearing	Total	Effective interest rate (% per annum)
		Within 1 year	1 - 5 years	Over 5 years			
Financial assets							
Cash	-	-	-	-	10	10	-
Interbank and money market items	163,356	-	-	-	981	164,337	0.15 - 0.55
Financial assets measured at fair value through profit or loss	-	-	-	-	100,677	100,677	-
Loans purchased of receivables and accrued interest receivables ⁽¹⁾	91,983	338,628	59,774	89,704	1,383,935	1,964,024	0 - 23.02
Other receivables - Legal execution department	-	-	-	-	46,953	46,953	-
Accrued income	-	-	-	-	12,887	12,887	-
Other assets - deposit purchase of asset from auction	-	-	-	-	5,401	5,401	-
Financial liabilities							
Interbank and money market items	185,631	-	-	-	-	185,631	6.725 - 6.938
Debt issued	-	-	900,000	-	-	900,000	6.25
Lease liabilities	-	1,003	4,264	-	-	5,267	6.25

(1) Loans purchased of receivables which there is no interest have not yet been restructured and non-performing loans that have defaulted.

(Unit: Thousand Baht)

31 December 2022

	Floating interest rate	Fixed interest rate			Non- interest bearing	Total	Effective interest rate (% per annum)
		Within 1 year	1 - 5 years	Over 5 years			
Financial assets							
Cash	-	-	-	-	10	10	-
Interbank and money market items	276,231	-	-	-	19	276,250	0.15 - 0.325
Loans purchased of receivables and accrued interest receivables ⁽¹⁾	112,225	4,455	37,945	92,009	1,182,096	1,428,730	0 - 24.09
Other receivables - Legal execution department	-	-	-	-	13,622	13,622	-
Other assets - deposit purchase of asset from auction	-	-	-	-	2,624	2,624	-
Financial liabilities							
Interbank and money market items	109,871	-	-	-	-	109,871	5.625 - 5.650
Other liabilities - acquisition of loans purchased of receivables	-	-	-	-	145,800	145,800	-
Debt issued	-	350,000	-	-	-	350,000	6.50
Lease liabilities	-	1,106	5,603	700	-	7,409	5.65

(1) Loans purchased of receivables which there is no interest have not yet been restructured and non-performing loans that have defaulted.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and liabilities from affected as at 31 December 2023 and 2022, with all other variables held constant.

	(Unit: Thousand Baht)	
	Effect on profit or loss	
	31 December 2023	31 December 2022
Interest rates increase 1%	Increase 697	Increase 2,786
Interest rates decrease 1%	Increase 691	Decrease 438

35.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or produce sufficient funds to discharge its obligations in a timely manner, resulting in the Company incurring a financial loss.

The Company monitors its liquidity risk by forecasting its future expected cash outflow needs, taking into account the Company's commitments and the liquidity of assets. This includes continuously adjusting forecasts to ensure there are sufficient cash reserves to meet liabilities for the following 3-6 months and setting reserve plans in the event of a shortfall in liquidity, such as increasing capital or accessing loans. In addition, the Company consistently analyses its financial ratios to determine potential impacts and find preventative measures.

The table below summarises the maturity profile of the Company financial assets and liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)					
	31 December 2023					
	At call	Less than 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash	10	-	-	-	-	10
Interbank and money market items	164,337	-	-	-	-	164,337
Financial assets measured at fair value through profit or loss	100,677	-	-	-	-	100,677
Loans purchased of receivables and accrued interest receivables ⁽¹⁾	1,383,935	338,628	151,757	89,704	-	1,964,024
Other receivables - Legal execution department	-	-	-	-	46,953	46,953
Accrued income	-	12,887	-	-	-	12,887
Other assets - deposit purchase of asset from auction	-	-	-	-	5,401	5,401
<u>Financial liabilities</u>						
Interbank and money market items	-	51,088	134,543	-	-	185,631
Debt issued	-	-	900,000	-	-	900,000
Lease liabilities	-	1,003	4,264	-	-	5,267

(1) The balance of loans purchased of receivables due at call includes non-performing loans that have not yet been restructured and non-performing loans that have defaulted.

(Unit: Thousand Baht)

	31 December 2022					
	At call	Less than 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash	10	-	-	-	-	10
Interbank and money market items	276,250	-	-	-	-	276,250
Loans purchased of receivables and accrued interest receivables ⁽¹⁾	1,182,096	4,455	150,170	92,009	-	1,428,730
Other receivables - Legal execution department	-	-	-	-	13,622	13,622
Other assets - deposit purchase of asset from auction	-	-	-	-	2,624	2,624
<u>Financial liabilities</u>						
Interbank and money market items	-	39,871	70,000	-	-	109,871
Other liabilities - acquisition of loans purchased of receivables	-	145,800	-	-	-	145,800
Debt issued	-	350,000	-	-	-	350,000
Lease liabilities	-	1,106	5,603	700	-	7,409

(1) The balance of loans purchased of receivables due at call includes non-performing loans that have not yet been restructured and non-performing loans that have defaulted.

36. Fair value of financial instrument

36.1 Fair value hierarchy

As at 31 December 2023 and 2022, the Company has financial assets and financial liabilities that were measured at fair value or measured at amortised cost but which fair value was disclosed based on fair value hierarchy as follows:

(Unit: Thousand Baht)

	31 December 2023				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss	100,677	100,677	100,677	-	-
<u>Financial assets for which fair value are disclosed</u>					
Cash	10	10	10	-	-
Interbank and money market items - deposits at financial institutions	164,272	164,272	164,272	-	-
Loans purchased of receivables and accrued interest receivables	1,844,442	1,844,442	-	-	1,844,442
Other receivables - Legal execution department	46,953	46,953	-	-	46,953
Accrued income	12,887	12,887	-	-	12,887
Other assets - deposit purchase of asset from auction	5,401	5,401	-	-	5,401
<u>Financial liabilities for which fair value are disclosed</u>					
Interbank and money market items	185,545	185,545	-	-	185,545
Debt issued	891,587	898,310	-	898,310	-
Lease liabilities	5,267	5,267	-	-	5,267

(Unit: Thousand Baht)

31 December 2022					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash	10	10	10	-	-
Interbank and money market items - deposits at financial institutions	276,139	276,139	276,139	-	-
Loans purchased of receivables and accrued interest receivables	1,332,619	1,332,619	-	-	1,332,619
Other receivables - Legal execution department	13,622	13,622	-	-	13,622
Other assets - deposit purchase of asset from auction	2,624	2,624	-	-	2,624
<u>Financial liabilities for which fair value are disclosed</u>					
Interbank and money market items	109,677	109,677	-	-	109,677
Other liabilities - acquisition of loans purchased of receivables	145,800	145,800	-	-	145,800
Debt issued	347,318	348,760	-	348,760	-
Lease liabilities	7,409	7,409	-	-	7,409

Valuation techniques and inputs used for fair value measurement

Interbank and money market items - deposits at financial institutions	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Loans purchased of receivables	- The fair value of loans purchased of receivables is calculated based on the present value of future cash flows expected to be derived from repayment or the sale of collateral.
Other receivables - Legal execution department	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Accrued income	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Other assets - deposit purchase at asset from auction	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Interbank and money market items	- The fair value of interbank and money market items with floating interest rate, is assumed to approximate their book values.
Debt issued	- The fair value of debts issued is calculated based on the average latest bidding price posted on the Thai Bond Market Association.
Lease liabilities	- The fair value of lease liabilities is calculated based on the present value of future cash flows expected with a discount of the Company's incremental borrowing rate.
Other liabilities - Acquisition of loans purchase of receivables	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.

During the current year, the Company did not transfer any items among fair value hierarchy.

38. Event after the reporting period

On 29 February 2024, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders that a dividend of Baht 0.0543 per share be paid to the ordinary shareholders in respect of the operating results for the year 2023.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2024.

Part 4

Attachment

Attachment 1

Information of the Board of Directors, Executives, Controlling Persons, Head of Finance and Accounting, Accounting Supervisor, and Company Secretary

Attachment 2

Details of Directors of Subsidiaries

Attachment 3

Detail of Head of Internal Audit and Compliance

Attachment 4

Business Assets and Details on Asset Valuation

Attachment 5

Corporate Governance and Business Code of Conduct Policy and Guidelines

Attachment 6

Report of the Audit Committee

1. Board of Directors

The Authorized Directors of the Company according to the Company's Articles of Association and Certification as of March 25, 2022 are (1) Mr. Suchat Boonbanjerd Sri (2) Mr. Tawee Kullertprasert and (3) Ms. Pranitra Akkarawinek, two out of three directors are authorized to collectively sign with the Company's seal affixed.

**Mr. Manit Nitiprateep****Chairman of the Board/ Independent Director/ Member of Audit Committee****Age (Year):** 68**Appointment Date:**

Independent Director/ Chairman of the Board/ Member of Audit Committee
On September 2, 2020

Shareholding (%): 0.08**Family Relationship among Directors and Executives:** None**Education / Training****Educational Background**

- Master's Degree of Economics
Majoring in Industrial Economics/
Economic Development, National Institute
of Development Administration
- Bachelor's Degree of Economics Majoring
in Economic Theory,
Ramkhamhaeng University

Training Course

- Director Certification Program (DCP) 225/2016
Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 126/2016
Thai Institute of Directors (IOD)
- Role of the Compensation Committee (RCC)
21/2016 Thai Institute of Directors (IOD)
- Risk Management Program for Corporate
Leaders (RCL) 8/2017 Thai Institute of Directors
(IOD)
- Advanced Audit Committee Program (AACP)
26/2017 Thai Institute of Directors (IOD)
- Easy listening : Accounting knowledge

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	- Chairman of the Board - Independent Director - Member of Audit Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	- Chairman of the Board - Independent Director - Member of Audit Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2017 - Present	- Independent Director - Chairman of Audit Committee - Chairman of the Nomination and Remuneration Committee	AMA Marine Public Company Limited <i>Providing international transportation of liquid products</i>
2016 - Present	- Independent Director - Chairman of Audit Committee	Rich Sport Public Company Limited <i>Import and distribute fashion and lifestyle products under leading international brands</i>
2014 - 2020	- Independent Director - Chairman of Audit Committee - Chairman of the Nomination Committee	Airports of Thailand Public Company Limited <i>Thailand's airport business</i>
2015 - 2017	- Independent Director - Member of Audit Committee - Chairman of the Nomination and Remuneration Committee	Bangpakong Terminal Public Company Limited <i>Port business and other related services</i>
2015 - 2016	Director	PTG Energy Public Company Limited <i>Fuel distribution business and retail business</i>
2013 - 2015	Director	NEP Realty and Industry Public Company Limited <i>Manufacture and sale of plastic packaging including other types of packaging</i>
2014 - 2015	Tax Collection Strategy Consultant	The Revenue Department, Ministry of Finance <i>Government Agency</i>
2012 - 2015	Director	Marketing Organization for Farmers <i>State Enterprise</i>
2011 - 2013	Deputy Director General	The Revenue Department, Ministry of Finance <i>Government Agency</i>



Mr. Prin Bholnivas

Director/ Independent Director/ Chairman of the Audit Committee

Age (Year): 67

Appointment Date:

Director/ Independent Director/ Chairman of the Audit Committee
On September 2, 2020

Shareholding (%): 0.05

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Master's Degree of Business Administration (MBA) Majoring in Accounting, University of Wisconsin-Madison, Wisconsin, U.S.A.
- Bachelor's Degree of Business Administration (BBA) Majoring in Accounting, Thammasat University

Training Course

- Director Certification Program (DCP) 71/2006 Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 2/2003 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 20/2007 Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) 22/2007 Thai Institute of Directors (IOD)
- Monitoring the Internal Audit Function (MIA) 3/2008 Thai Institute of Directors (IOD)
- Anti - Corruption for Executive Program (ACEP) 6/2013 Thai Institute of Directors (IOD)
- Anti - Corruption Practical Guide (ACPG) 10/2014 Thai Institute of Directors (IOD)
- Ethical Leadership Program (ELP) 3/2016 Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AAP) 37/2020 Thai Institute of Directors (IOD)
- Developing Corporate Governance Policy Thai Institute of Directors (IOD)
- D&O Insurance: Mitigating Directors Liabilities Risk Thai Institute of Directors (IOD)
- ASEAN Corporate Governance Scorecard (ACGS) Thai Institute of Directors (IOD)
- Director Recruitment and Appointment Guidelines Thai Institute of Directors (IOD)
- Subsidiary Governance Program (SPG)) 1/2023
- Successful Formulation Executions of Strategy Program (SFE) 42/2023
- Driving Sustainable Change for Sustainable Organization (SET)

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Independent Director • Chairman of Audit Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Director • Independent Director • Chairman of Audit Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
May 12, 2023 - Present	• Member of Investment Committee/ Member of Nomination and Remuneration Committee	Demco Public Company Limited <i>Providing complete design, procurement, construction, and installation services in the electrical distribution system, high voltage transmission line system, construction of high voltage power stations, and substations and renewable energy power plants</i>
Feb 27, 2023 - Present	• Chairman of the Audit Committee	
Jan 2022 - May 12, 2023	• Member of the Corporate Governance Committee and sustainability	
Jan - Dec 2021	• Member of the Nomination, Compensation and Supervision Committee	
Apr 2018 - May 12, 2023	• Chairman of Investment Committee	
Apr 2018 - May 2023	• Member of Audit Committee	
Apr 2018 - Present	• Independent Director	

Period	Position	Organization/ Company/ Business type
2023 - Present	- Independent Auditor - Chairman of Audit Committee	K Pile Company Limited <i>Business of construction contracting for large bored piles, wet systems for government and private projects.</i>
2000 - 2018	- Director - Good Corporate Governance Committee - Chairman of the Risk Management Committee - Company Secretary - Deputy Managing Director for Finance and Administration - Supervisor of Operations - Director in the Srithai Superware Public Company Limited group Subsidiary - Korat Thai Tech Company Limited - Stithai Mold Company Limited - Srithai (Vietnam) Company Limited - Srithai (Hanoi) Company Limited - Srithai Superware Manufacturing Private Limited - Srithai Superware India Limited Associates - Srithai Sanko Company Limited - Thai MFC Company Limited - Srithai Packaging Company Limited - PT. Srithai Maspion Indonesia - Sanko Srithai (Malaysia) SDN. BHD. - Srithai-Otto (Thailand) Limited Joint Venture - Srithai-Otto (Thailand) Limited	Srithai Superware Public Company Limited <i>Manufacture and sale of industrial plastic products and household products made of melamine and mold business</i>

Period	Position	Organization/ Company/ Business type
1993 - 2000	Assistant Managing Director of Accounting and Finance, Marketing and Distribution Business Group	Charoen Pokphand Group Company Limited <i>Holding in affiliated companies (Holding Company) in Thailand and abroad, which operate a variety of businesses in both manufacturing and service industries</i>
1992 - 1993	Senior Manager, Accounting Information System Division, Accounting Department	Telecom Asia Public Company Limited <i>Telecommunication business</i>
1989 - 1992	Accounting and Finance Manager	Sunny Supermarket Company Limited <i>Retail business</i>
1982 - 1989	Head of Financial Analysis and Planning Division, Finance and Accounting Department	State Railway of Thailand <i>State Enterprise</i>



Mr. Boonyong Tansakul

Director/ Independent Director/ Member of Audit Committee/ Chairman of the Risk Management Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee

Age (Year) : 58

Appointment Date:

Director / Independent Director / Member of Audit Committee
On September 2, 2020

Chairman of the Risk Management Committee / Chairman of the
Nomination, Remuneration and Corporate Governance Committee
On November 12, 2020

Sustainable Shareholding (%): 0.06

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Bachelor's Degree Majoring in Electrical Engineering, King Mongkut's Institute of Technology Thonburi
- Executive Development Program, Kellogg Graduate School of Management, Northwestern University, U.S.A.
- Introductory Manufacturing Management, Thai-Japanese Technological Promotion Association, Sanno Institute of Management, Japan

- Anti - Corruption for Executive Program (ACEP) 2/2012 Thai Institute of Directors (IOD)
- Director Leadership Certification Program (DLCP) 1/2021 Thai Institute of Directors (IOD)
- TLCA Executive Development Program (EDP) 4/2009 Thai Institute of Directors (IOD)
- CMA Program 13/2011 Capital Market Academy
- Capital Market Leader Program 2014 Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Audit Committee Program (AACP) 45/2022 Thai Institute of Directors (IOD)

Training Course

- Director Certification Program (DCP) 96/2007 Thai Institute of Directors (IOD)
- Chartered Director Class (CDC) 3/2008 Thai Institute of Directors (IOD)

Work Experiences

Period	Position	Organization/ Company/ Business type
2023- Present	• Director • Independent Director • Member of Audit Committee • Chairman of Risk Management Committee • Chairman of the Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Director • Independent Director • Member of Audit Committee • Chairman of the Risk Management Committee • Chairman of the Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing</i>
2020 - Present	• Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Zen Corporation Group Public Company Limited <i>Holding in other companies</i>
2019 - Present	• Member of Risk Management Committee • Director of Marketing and Sustainable Development	<i>(Holding Company), operating restaurant business and other related businesses</i>
2018 - Present	• Chairman of the Executive Committee • Chief Executive Officer	
2016 - Present	• Director	
2020 - Present	• Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Zen Restaurant Holding Company Limited <i>Restaurant business</i>
2018 - Present	• Director • Chief Executive Officer	

Period	Position	Organization/ Company/ Business type
2020 - Present	Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Aka Interfoods Company Limited <i>Restaurant business</i>
2018 - Present	- Director - Chief Executive Officer	
2020 - Present	Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Gyu Grill Group Company Limited <i>Restaurant business</i>
2018 - Present	- Director - Chief Executive Officer	
2020 - Present	Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Spice Synergy Company Limited <i>Owner of a restaurant brand service mark</i>
2018 - Present	- Director - Chief Executive Officer	
2020 - Present	Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Tokyo Concept Company Limited <i>Restaurant business</i>
2018 - Present	- Director - Chief Executive Officer	
2020 - Present	Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Zen & Spicy Company Limited <i>Restaurant business</i>
2018 - Present	- Director - Chief Executive Officer	
2018 - Present	- Director - Chief Executive Officer	Zen Supply Chain Management Company Limited <i>Management, procurement, and delivery of raw materials</i>
2019 - 2023	- Director - Member of Nomination and Remuneration Committee	Thai Listed Companies Association <i>Thai Listed Companies Association</i>
2013 - 2016	Managing Director	Singer Thailand Public Company Limited <i>Retail and hire purchase business</i>
2013 - 2015	Executive Vice President	Singer Asia Company Limited <i>Retail and hire purchase business</i>



Mrs. Sauwanee Thairungroj

**Director/ Independent Director/ Member of Nomination,
Remuneration and Corporate Governance Committee**

Appointment Date:

Director/ Independent Director

On July 12, 2023

Member of Nomination, Remuneration

and Corporate Governance Committee On November 12, 2020

Age (Year): 65

Sustainable Shareholding (%): None

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Ph.D. Economics Washington State University, USA (Fulbright Scholarship)
- Master's Degree of Development Administration (Economic Development) National Institute of Development Administration
- Bachelor's Degree of Economics (International Economics) Thammasat University

Training Course

- Director Leadership Certification Program (DLCP) 2/2021 Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders (RCL) 25/2021 Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP) 26/2017 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 18/2007 Thai Institute of Directors (IOD)

- Directors Certification Program (DCP) 21/2002 Thai Institute of Directors (IOD)
- Directors Accreditation Program (DAP) 60/2006 Thai Institute of Directors (IOD)
- IIA International Conference in Dubai 2018 The Institute of Internal Auditor
- Advance Management Program (AMP) 178 Harvard Business School
- MIT Sloan School of Management Entrepreneur Development Program (EDP) 2015
- Design Thinking, d.School, Stanford University 2018
- CMA Program 13/2007 Capital Market Academy
- National Defense Course, Joint Public - Private Sector (NDC) 21/2008 National Defense College, National Defense Studies Institute

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Independent Director • Member of Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2023 - Present	• Director • Independent Director • Member of Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2020 – Present	• Permanent advisor to the University of the Thai Chamber of Commerce and Project Chairman Harbor. Space@UTCC	University of the Thai Chamber of Commerce
2012 - 2019	• Chancellor	
2019 - 2023	• Member of National Economic and Social Development Council	National Economic and Social Development Council
2020 - Present	• Member of Higher Education Commission	Office of the Higher Education Commission
2021 - Present	• Executive Director, Office of the Cyber Security Commission	Office of the National Cyber Security Commission <i>Government agency</i>
2021 - Present	• Director	Local Wisdom Promotion Office <i>Government agency</i>
2018 - Present	• Director	Thailand Anti-Corruption Organization <i>Private non-profit organization</i>
2017 - Present	• Advisor to the Board of the Thai Chamber of Commerce and Board of Trade of Thailand	Thai Chamber of Commerce <i>Private non-profit organization</i>
2020 - Present	• Independent Director and Chairman of the Audit Committee, Union Plastic Public Company Limited	Union Plastic Public Company Limited <i>Manufacturing</i>
2020 - Present	• Independent Director and Chairman of the Audit Committee, The One Enterprise Public Company Limited	The One Enterprise Public Company Limited <i>Media business</i>

Period	Position	Organization/ Company/ Business type
2014 - Present	- Independent Director and Chairman of the Audit Committee - Saha Auction Public Company Limited	Saha Auction Public Company Limited <i>Auction business</i>
2022 - Present	Director Bank for Agriculture and Agricultural Cooperatives	Bank for Agriculture and Agricultural Cooperatives <i>State enterprise business</i>
2021 - Present	Member of Thai Private Sector Coalition Against Corruption (CAC)	Thai Institute of Directors (IOD) <i>Private organization business</i>
2012 - 2019	President of the University of the Thai Chamber of Commerce	University of the Thai Chamber of Commerce <i>Educational business</i>
2016 - 2020	Expert member of Special Cases Committee	Department of Special Investigation <i>Government agency business</i>
2018 - 2021	- Independent Director / Chairman of the Audit Committee - Government Savings Bank	Government Savings Bank <i>Government agency</i>
2017 - 2018	Director, Tourism Authority of Thailand (TAT)	Tourism Authority of Thailand (TAT) <i>Government agency</i>



Mr. Suchat Boonbanjersri

Director/ Chairman of Executive Committee/ Member of Nomination, Remuneration and Corporate Governance Committee

Appointment Date:

Director

On December 13, 2012

Chairman of Executive Committee/ Member of Nomination, Remuneration and Corporate Governance Committee

On November 12, 2020

Age (Year) : 64

Sustainable Shareholding (%): 45.82

Family Relationship among Directors and Executives: Father of Mr. Kobi Boonbanjersri

Education / Training

Educational Background

- Master's Degree of Business Administration (MBA) Majoring in Finance and Marketing, Wharton School, University of Pennsylvania, U.S.A.
- Bachelor's Degree of Economics Majoring in Quantitative Analysis Chulalongkorn University

Training Course

- Director Certification Program (DCP) 19/2002 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 13/2006 Thai Institute of Directors (IOD)
- Successful Formulation and Execution of Strategy (SFE) 12/2011 Thai Institute of Directors (IOD)

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Chairman of Executive Committee • Member of Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2023 - Present	• Independent Director • Chairman of the Board	The Prodigy (Thailand) Public Company Limited <i>Software consulting business</i>

Period	Position	Organization/ Company/ Business type
2020 - Present	- Chairman of Executive Committee - Member of Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2012 - Present	Director	
2020 - Present	Chairman of the Board	The Connex Academia Company Limited <i>Training and seminar business</i>
2020 - Present	Chairman of the Board	High Q Pharma Company Limited <i>Retail business of pharmaceutical products and medical supplies</i>
2020 - Present	Chairman of the Board	Cosec Company Limited <i>Information technology startup business</i>
2019 - Present	Director	PSB 5 Company Limited <i>Land and factory rental business</i>
2019 - Present	Director	PSB 35 Company Limited <i>Land and factory rental business</i>
2015 - Present	Chairman of the Board	NTKS Holding Company Limited <i>Holding in other companies (Holding Company) investing in financial business</i>
2014 - Present	Chairman of the Board	Dark Horse Development Company Limited <i>Restaurant and food distribution business</i>
2014 - Present	- Independent Director - Chairman of Audit Committee	Salee Printing Public Company Limited <i>Printing business, publications</i>
2013 - Present	Director	T J Inter Service Company Limited <i>Tour service business and various exhibitions</i>
2011 - Present	Chairman of the Board	EDP Foundation <i>Foundation for Education under the Thai Listed Companies Association</i>
2008 - Present	Chairman of the Board	K J K Estate Company Limited <i>Real estate rental business</i>
2005 - Present	Chairman of the Board	Steeler Steel Works Company Limited <i>Land and factory rental business</i>
2005 - Present	Chairman of the Board	Steel Plus Fabrication Company Limited <i>Land and factory rental business</i>

Period	Position	Organization/ Company/ Business type
2002 - Present	- Independent Director - Member of Audit Committee - Chairman of the Good Corporate Governance Committee	Srithai Superware Public Company Limited <i>Production business for sales of plastic and melamine products</i>
2001 - Present	Chairman of the Board	Practicum Engineering Company Limited <i>Manufacture and sale of other products with metal structure</i>
2014 - Nov. 2021	- Independent Director - Chairman of Audit Committee	SNC Former Public Company Limited <i>Electric appliance parts and automotive parts manufacturing business</i>
2016 - Jul. 2021	Director	PYLON Public Company Limited <i>Foundation construction business</i>
1998 - 2002	Member of Executive Committee	ALM (Thailand) Company Limited <i>Financial advisor</i>
2003 - 2018	Director	Chiang Dao Orchard Company Limited <i>Agricultural business</i>
2014 - 2017	- Independent Director - Chairman of Audit Committee	General Engineering Public Company Limited <i>Production of prestressed concrete piles</i>
2011 - 2011	Chairman of the Board	TOT Public Company Limited <i>Telephone network service provider</i>
2011 - 2011	Director	Thailand Postal Credit Co., Ltd. <i>Personal loan service provider</i>
2010 - 2011	Vice Chairman	Thailand Post Company Limited <i>Postal service provider</i>



Mr. Kanockit Navasiri

Director/ Member of Executive Committee/ Member of Risk Management Committee

Appointment Date:

Director

On March 15, 2022

Member of Executive Committee/ Member of Risk Management Committee

On November 12, 2020

Age (Year): 64

Sustainable Shareholding (%): 0.06

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Master's Degree of Business Administration (MBA)
City University of Seattle, Washington, U.S.A.
- Bachelor's Degree of Business Administration (BBA) Majoring in Finance,
University of the Thai Chamber of Commerce

Training Course

- Director Certification Program (DCP)
199/2015 Thai Institute of Directors (IOD)
- TLCA Executive Director Program (EDP)
4/2009 Thai Institute of Directors (IOD)
- Senior Executive Program (SEP), Class 4
Thammasat University

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Member of Executive Committee • Member of Risk Management Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Director • Member of Executive Committee • Member of Risk Management Committee	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2015 - 2018	• President of the Thai Factoring Association	Thai Factors Association <i>Factoring business</i>

Period	Position	Organization/ Company/ Business type
2014 - 2018	• Managing Director	Aira Factoring Public Company Limited
2014 - 2015	• Managing Director • Acting Chief Executive Officer	<i>Factoring Business</i>
2005 - 2014	• Assistant Managing Director of Credit and Marketing	
2002 - 2004	• Credit and Marketing Director	
1999 - 2001	• Ad-hoc Manager	Thai Max Public Company Limited <i>Financial business</i>
1993 - 1998	• Credit Director	E Prime Finance & Securities Public Company Limited <i>Financial business</i>



Mr. Tawee Kullertprasert

Director/ Member of Executive Committee/ Member of Risk Management Committee/ Chief Executive Officer

Appointment Date:

Director

On December 13, 2012

Chief Executive Officer

On July 1, 2017

Member of Executive Committee/ Member of Risk Management Committee

On November 12, 2020

Age (Year): 50

Sustainable Shareholding (%): 22.32

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Master's Degree Majoring in Finance, Golden Gate University, U.S.A.
- Bachelor's Degree of Laws Chulalongkorn University
- Bachelor's Degree of Business Administration (BBA), Majoring in Finance, University of the Thai Chamber of Commerce

Training Course

- Director Certification Program (DCP) 79/2006 Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 35/2005 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 12/2006 Thai Institute of Directors (IOD)
- TLCA Executive Director Program (EDP) 4//2009 Thai Institute of Directors (IOD)
- Senior Executive Program (SEP), Class 20 Sasin Graduate Institute of Business Administration of Chulalongkorn University

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Member of Executive Committee • Member of Risk Management Committee • Chief Executive Officer	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Member of Executive Committee • Member of Risk Management Committee • Director • Chief Executive Officer	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2019 - Present	• Director	PSB 5 Company Limited <i>Land and factory rental business</i>
2019 - Present	• Director	PSB 35 Company Limited <i>Land and factory rental business</i>
2015 - Present	• Chairman of the Board	NTKS Holding Company Limited <i>Holding in other companies (Holding Company) investing in financial business</i>
2014 - Present	• Director	Dark Horse Development Company Limited <i>Restaurant and food distribution business</i>
2006 - Present	• Independent Director	Syntec Construction Public Company Limited <i>Construction business</i>
2005 - Present	• Director	Steeler Steel Works Company Limited <i>Land and factory rental business</i>
2005 - Present	• Director	Steel Plus Fabrication Company Limited <i>Land and factory rental business</i>
2001 - Present	• Director	Practicum Engineering Company Limited <i>Manufacture and sale of other products with metal structure</i>
2004 - 2001	• Director	Siam Syntech Planner Company Limited <i>Investment consulting</i>
2015 - 2019	• Director	Acme 1975 Company Limited <i>Furniture Factory</i>
1997 - 2009	• Project Manager	ALM (Thailand) Company Limited <i>Financial Advisor</i>
1994 - 1995	• Credit Analysts	Prime Finance & Securities Public Company Limited <i>Financial Business</i>



Ms. Pranittra Akkarawinek

Director/ Member of Executive Committee/ Member of Risk Management Committee/ Chief Financial Officer/ Company Secretary

Appointment Date:

Chief Financial Officer

On June 1, 2017

Director

On April 9, 2020

Member of Executive Committee/ Member of Risk Management Committee/ Company Secretary

On November 13, 2020

Age (Year): 33

Sustainable Shareholding (%): 0.06

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Bachelor's Degree Majoring in Accounting, Chulalongkorn University

Training Course

- Director Accreditation Program (DAP) 185/2021 Thai Institute of Directors (IOD)
- CFO Focus on Financial Reporting 1/2018 Federation of Accounting Professions

- Fundamentals for Corporate Secretaries 1/2018 Thai Listed Companies Association
- Strategic Financial Leadership Program (SFLP) 2019 Thai Listed Companies Association
- CFO's Orientation for New IPOs 5/2021 The Stock Exchange of Thailand

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Director • Member of Executive Committee • Member of Risk Management Committee • Chief Financial Officer	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Director • Member of Executive Committee • Member of Risk Management	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2017 - Present	• Company Secretary • Chief Financial Officer	
2015 - 2017	• Assistant Manager, Group Special Asset Management	Standard Chartered Bank (Thai) Public Company Limited <i>Commercial Bank</i>
2012 - 2015	• Assistance Auditor	KPMG Phoomchai Audit Company Limited

2. Information of the Executives and Head of Finance and Accounting



Mr. Tawee Kullertprasert

Director/ Member of Executive Committee/ Member of Risk Management Committee / Chief Executive Officer

Appointment Date:

Director

On December 13, 2012

Chief Executive Officer

On July 1, 2017

Member of Executive Committee/ Member of Risk Management Committee

On November 12, 2020

Age (Year): 50

Additional details of Mr. Tawee Kullertprasert are shown in Section 1.7 Information of the Board of Directors



Ms. Pranittra Akkarawinek

Director/ Member of Executive Committee/ Member of Risk Management Committee/ Chief Financial Officer/ Company Secretary

Appointment Date:

Chief Financial Officer

On June 1, 2017

Director

On April 9, 2020

Member of Executive Committee/ Member of Risk Management Committee/ Company Secretary

On November 13, 2020

Age (Year) : 33

Additional details of Ms. Panittra Akarawinek are shown in Section 1.8 Information of the Board of Directors



Mr. Kobi Boonbanjersri

Member of Risk Management Committee/ Director of Asset Management

Appointment Date:

Member of Risk Management Committee

On November 12, 2020

Director of Asset Management

On February 1, 2021

Age (Year): 31

Sustainable Shareholding (%): 6.25

Family Relationship among Directors and Executives: Son of Mr. Suchat Boonbanjersri

Education / Training

Educational Background

- Bachelor's Degree of Business Administration (BBA), Thammasat University

Training Course

- TLCA Executive Director Program (EDP) 2020 Thai Listed Companies Association (TLCA)

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Member of Risk Management Committee	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies</i>
Feb. 2021 - Present	• Director of Asset Management	Knight Club Capital Asset Management Public Company Limited
2020 - Present	• Member of Risk Management Committee	<i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2016 - Jan. 2021	• Senior Asset Management Manager	
2020 - Present	• Director	Practicum Engineering Company Limited <i>Manufacture and sale of other products with metal structure</i>
2016 - Present	• Director	Steeler Steel Works Company Limited <i>Land and factory rental business</i>



Mr. Prakrit Prasertying

Director of Legal Department

Appointment Date:

On February 1, 2021

Age (Year): 46

Sustainable Shareholding (%): None

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Bachelor's Degree of Laws, Ramkhamhaeng University

Training Course

- Lawyer Council Training Center Class 20 (License)
The 65th session of the Legal Education Institute of the Thai Bar Association

Work Experiences

Period	Position	Organization/ Company/ Business type
Feb. 2021 - Present	• Director of Legal Department	Knight Club Capital Asset Management Public Company Limited
2020 - Jan. 2021	• Legal Department Manager	<i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
May. - Dec. 2019	• Legal Advisor	
Jan. - Apr. 2019	• Lawyer	
2016 - 2018	• Assistant Legal Manager	Sukhumvit Asset Management Company Limited <i>Non-performing assets and foreclosed assets management business</i>
2014 - 2015	• Lawyer	Standard Chartered Bank (Thai) Public Company Limited <i>Commercial bank</i>
2011 - 2013	• Lawyer	Krung Thai Bank Public Company Limited <i>Commercial bank</i>
2004 - 2010	• Lawyer	Legal Execution Department <i>Government agency</i>

3. Information of the Accounting Supervisor



Ms. Areerat Sornnarin

Accountant

Appointment Date:

On July 15, 2022

Age (Year) : 33

Sustainable Shareholding (%): None

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Bachelor's Degree Majoring in Accounting, Burapha University

Training Course

- Course on Taxation for Small and Medium Businesses, SME and TAS 12 Income Taxes and TFRS No. 15 Revenue from Contracts with Customers
- Tax Update Course and Summary of TFRS for NPAEs
- Tax issue 2023

- The Federation of Accounting Professions
- TFRS9 financial instruments (Principles of use and examples for understanding) 2023 The Professional Council
- Preparation of financial statements, data preparation, and closing of accounts and presentation of financial statements in accordance with financial reporting standards before submitting financial statements 2023 Dharmniti Training and Seminar Company Limited.

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Accountant	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
Jul. 2022 - Present	• Accountant	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2013 - 2021	• Assistance Auditor	Bunchikij Company Limited <i>Audit business</i>

4. Information of the Company Secretary



Mrs. Thipwadee Jitrungpakorn

Company Secretary

Appointment Date:

On November 14, 2020

Age (Year) : 39

Sustainable Shareholding (%): None

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Master's Degree of Business Administration (MBA) Majoring in Accounting, Bangkok Suvarnabhumi University
- Bachelor's Degree of Business Administration (BBA) Majoring in Management, Phetchabun Rajabhat University

Training Course

- Company Secretary Program (CSP) 15/2021 Thai Institute of Directors (IOD)
- Company Reporting Program (CRP) 28/2021 Thai Institute of Directors (IOD)
- Board Reporting Program (BRP) 36/2021 Thai Institute of Directors (IOD)
- Effective Minute Taking (EMT) 49/2021 Thai Institute of Directors (IOD)
- Seminar and Workshop of Sustainability Report 2021 The Stock Exchange of Thailand
- Company Secretary Professional Development Project, Year 2023 Thai Listed Companies Association (TLCA)

Work Experiences

Period	Position	Organization/ Company/ Business type
2023 - Present	• Company Secretary	Knight Club Capital Holding Public Company Limited <i>Primarily generates revenue by holding shares in other companies.</i>
2020 - Present	• Company Secretary	Knight Club Capital Asset Management Public Company Limited <i>Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales</i>
2020 - 2022	• Senior Company Secretary and Secretary to the Chairman and Assistant Company Secretary	MC Group Public Company Limited
2018 - 2020	• Secretary to the President	Preecha Group Public Company Limited <i>Real estate development business for both horizontal and high-rise residential properties</i>
2012 - 2018	• Secretary to Managing Director	Texture Laboratory Company Limited <i>Interior design business</i>
2008 - 2012	• Executive Secretary	Buranavej Company Limited <i>Hospital business</i>

5. Duties and Responsibilities of the Company Secretary

The Board of Directors' Meeting No. 8/2022 held on November 14, 2022 resolved to appoint Mrs. Thipwadee Jitrunpakorn as Company Secretary to comply with the requirements under Section 89/15 of the Public Companies Act B.E. 2535 (as amended). The roles, duties and responsibilities of the Company Secretary are as follows: (Details are shown in the Section 2.2.3 Corporate Governance / 7. Governance Structure / 7.6.1 Responsible for overseeing various functions)

- None -

Detail of Head of Internal Audit and Compliance

The Company outsources services to Kandit Advisory Services Co.,Ltd. (“KAS”) as an internal audit service provider. KAS has assigned Mr. Kamnueng Sarisara is the head of the internal audit with the details as follows:

Mr. Kamnueng Sarisara

Age (Year) : 57

Sustainable Shareholding (%) : None

Family Relationship among Directors and Executives: None

Education / Training

Educational Background

- Bachelor’s Degree of Accounting, Business Administration, Ramkhamhaeng University

Training Course

- Internal Audit: Operation Audit
The Association of Internal Auditors of Thailand
- Internal Auditing: Risk Management
The Association of Internal Auditors of Thailand

- Internal Auditing: Internal Auditor Certificate Association of Internal Auditors of Thailand
- Director Accreditation Program Thai Institute of Directors (IOD)
- Advanced Audit Committee Program Thai Institute of Directors (IOD)
- HRP – How to Develop a Risk Management Plan Thai Institute of Directors (IOD)

Work Experiences

Period	Work experience within the past 5 years, Position / Organization or Company
2018 - 2019	Other previous positions • Senior Director, Administrative Department, S. Napa (Thailand) Co., Ltd. Current positions in other listed companies None
2020 - Present	Current position in other businesses • Chairman of the Executive Committee, Kandit Advisory Services Co., Ltd.

The Audit Committee has considered the qualifications of Kandit Advisory Services Co.,Ltd. (“KAS”) and is of the opinion that it is sufficient to perform the duties of the Company’s internal auditor due to its independence and experience in internal auditing.

(4.1) Fixed assets used in business operations

As of December 31, 20223, the Company has fixed assets used in business operations, net book values as shown in the financial statements, which can be summarized as follows:

Property type/ characteristics	Net book value As of December 31, 2023	Proprietary nature	Objective	Obligation
Office improvement building, rental equipment				
1. Building ^{1/}	1.55	Owner	Office location	None
2. Improvement of the rental office	1.08	Owner	Office location	None
3. Furnishings and office equipment	0.43	Owner	Used in operations	None
4. Computers and equipment	0.44	Owner	Used in operations	None
5. Work in progress	-	Owner	Office location	None
6. Vehicle	0.44	Owner	Used in operations	None
Total	3.50			
Right-of-use assets				
7. Office buildings and improvements for rent ^{2/}	4.39	Lessee	Office location	Under the lease agreement ^{3/}
Total	7.89			

Remarks : ^{1/} The Company's building are located on the land title deed No. 5860, Pradit Manutham Road, Wang Thonglang, Bangkok 10310, which can be divided into 2 parts:
1) The Company leases land and buildings owned by Dark Horse Development Company Limited in the amount of 168 square meters. (Additional details are shown in Section 2.2.1 Structure and Operations of the Business Group / 1.2.2 Product Information / (4.3) Key Contracts of the Company / (4.3.1) Land and Building Lease Agreement) and 2) Additional construction of the Company later owned by the Company, totaling 204 square meters.

^{2/} The Company has entered into an asset lease agreement for use in the Company's operations with a lease term of 10 years (June 1, 2018 - May 30, 2028).

(4.2) Intangible Assets

As of December 31, 2023, the Company has intangible assets, such as DPMS program, Express program, instant payroll program, and various software which can be summarized as follows.

Property type/ characteristics	Net book value As of December 31, 2023	Proprietary nature	Objective	Obligation
1. Computer software	2.09	Owner	Used in operations	None
2. Computer software under development	-	Owner	Used in operations	None
Total	2.09			

Land and Building Lease Agreement

Contract date ^{1/}	June 1, 2018
Counterparty	Knight Club Capital Asset Management Public Company Limited (“Lessee”) and Dark Horse Development Company Limited (“Lessor”) ^{2/}
Leased property	Land title deed No. 5860, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok, area 192.3 square wah, including 2 office buildings, 1-storey buildings with a total usable area of 168 square meters, located at No. 285/1, Pradit Manutham Road, Wang Thonglang Wang Thonglang, Bangkok
Purpose of the lease	Office location
Contract period	10 years (June 1, 2018 – May 30, 2028) The Company can notify its intention to renew the contract at least 30 days in advance before the expiration of the lease period according to the contract. And the counterparty agreed to extend the lease period for another 3 years by seizing the last month’s rent and not increasing the rental rate in any way.
Rental rate	Year 1 : 106,848 Baht per month, with the rental rate increasing by 3.00% per annum which throughout the 10-year lease period amounting to 11,745,551 Baht (Additional details are shown in Attachment 4: Business Assets and Details on Asset Valuation)
Payment terms	Every 5 th day of the month
Right to terminate the contract	The parties have the right to terminate the contract immediately if either party breaches the terms or conditions set forth in this contract. The non-defaulting party has notified them to rectify and perform according to the contract, but the breaching party has not rectified within the agreed time period from the date of notification.
Breach of contract	If the lessee breaches the contract, the lessor has the right to claim all outstanding rent payments and if the lessor breaches the contract, the lessee has the right to claim damages in all respects.

Remark: ^{1/} The Company entered into an additional memorandum under the long-term land and building lease agreement, dated June 1, 2018, for 3 times, on February 18, 2020 and September 1, 2021 and December 1, 2023.

^{2/} Mr. Suchat Boonbanjerd Sri and Mr. Tawee Kullertprasert, the major shareholder in Dark Horse Development Company Limited (“DHD”) in the proportion of 69.99% and 30.00% of the registered and paid-up capital respectively.

Insurance contract

The Company has a policy to enter into insurance contracts for risks and fire insurance for collateral assets of non-performing loans and non-performing assets as the beneficiary under the insurance contract.

In addition, the company has insured the office buildings as follows:

Insured	Insurer	Type of policy / sum insured	Insurance period
KCC	Allianz Ayudhya General Insurance Public Company Limited	Accidental Damage (Property) Insurance Place of insured: Office ^{1/} Insured property 1. Building (excluding foundation) sum insured 5,000,000 Baht 2. Property inside the building sum insured 2,000,000 Baht Total sum insured 7,000,000 Baht	1 Year (June 4, 2023 - June 4, 2024)

Remark: ^{1/} The Company’s office is located at 285/1 Praditmanutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310

Business registration

The Company was approved for registration as an asset management company from the Bank of Thailand on August 8, 2013, No. 008/2013, operating as an asset management company in accordance with the Emergency Decree on Asset Management Companies B.E. 2541.



Corporate Governance and Business Code of Conduct Policy and Guidelines entire version established by the Company as in the following matters:

The Company has published policies regarding corporate governance on the Company's website which can be accessed through the website URL:



<https://kccamc.com/cg-policy>

Report of the Audit Committee

The Audit Committee of Knight Club Capital Asset Management Public Company Limited (“the Company”) was appointed by the Board of Directors, consisting of 3 independent directors as follows:

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Prin Bholnivas | Chairman of the Audit Committee |
| 2. Mr. Manit Nitiprateep | Member of the Audit Committee |
| 3. Mr. Boonyong Tansakul | Member of the Audit Committee |

All members of the Audit Committee meet the qualifications mandated by the Securities and Exchange Commission. They carry out their duties in strict accordance with the responsibilities outlined in the Audit Committee Charter and those assigned by the Board of Directors. Adhering to the guidelines set by the Securities and Exchange Commission and the Stock Exchange of Thailand, the committee members demonstrate knowledge, ability, prudence, and independence in alignment with good corporate governance principles. The committee diligently reports the outcomes of each meeting to the Board of Directors.

In 2023, the Audit Committee convened a total of 6 meetings, and each committee member attended all meetings. The key highlights and focus areas of their duties can be summarized as follows:

1. Review of financial report

The Audit Committee, in collaboration with auditors and responsible executives, diligently reviewed the 2023 financial statements, encompassing both quarterly and annual reports. The scrutiny focused on crucial aspects, including accuracy and completeness of financial reports and statements, connected transactions, adjustments to significant accounting items impacting financial information, and the sufficiency and appropriateness of accounting policies and inspection scope. The objective was to establish reasonable confidence in the correct preparation of financial information, including notes to the financial statements, ensuring alignment with legal requirements and financial reporting standards. The Committee emphasized adequate disclosure of essential information for the benefit of investors and financial professionals. Following this rigorous review, the Audit Committee granted approval to the financial information and statements, having been subjected to scrutiny and audit by external auditors.

In 2023, the Audit Committee convened a meeting exclusively with non-executive directors and held a separate session with the auditor (excluding management) once. The purpose of these meetings was to discuss the audit scope, ensure independence in the audit process, and gather information pertinent to the audit. Additionally, discussions included obtaining material information for the preparation of financial information and statements, disclosure practices, and the presentation of key audit matters (Key Audit Matters: KAM) intended to be disclosed in the auditor’s report.

2. Internal control and assessment of the adequacy of the internal control system

The Audit Committee has reviewed the adequacy of the Company’s internal control system by considering the reports of independent internal auditors and auditors, including consideration from the annual internal control system plan, monitoring results, amendments to management reports, and

assessment of internal control systems. This is to ensure that the Company's internal control system is adequate and minimizes risks that may arise from non-compliance with rules, regulations and policies

3. Internal audit review

The Audit Committee has reviewed and approved the annual internal audit plan. Adjustments were made to align the audit plan with the Company's objectives in response to evolving circumstances. Regular reviews of operation and outcomes were conducted in accordance with the designated audit plan. The committee provided recommendations and actively tracked corrective actions related to significant issues outlined in the audit results report. These measures aim to foster good corporate governance and establish sufficient and suitable internal controls within the organization.

Since the internal auditors are independent external agencies, the Audit Committee has evaluated their performance and considered the appropriateness of the service fees to be consistent with the size of the business and the scope work annually.

4. Risk management review

The Audit Committee reviews the Company's risk management system on a quarterly basis, risk management guidelines, and risk management plans. To be consistent with the good practices of the Securities and Exchange Commission and the Stock Exchange of Thailand, including the internal control framework according to international standards (The Committee of Sponsoring Organization of the Treadway Commission : COSO 2013). To evaluate the risk management process that covers important risk factors with adequate risk management guidelines. and provide suggestions to benefit the development of the Company's risk management system

The Audit Committee diligently assessed the efficiency and effectiveness of the risk management process, including reviewing risk management plans and guidelines that could impact the Company's operations in accordance with the risk management policy. The committee actively collaborated with the Risk Management Committee in a meeting to foster integration and enhance the connections between internal control, risk management, and the internal audit plan. These synergies serve as valuable tools for the supervision, monitoring, and evaluation of the Company's operations, accompanied by insightful recommendations for continuous improvement.

5. Review of transactions with persons who may have conflicts of interest

The Audit Committee rigorously assessed and offered opinions on the Company's transactions involving individuals prone to conflicts of interest each quarter in 2023. The aim was to verify the transactions' reasonableness and advantages for the Company. This process involved outlining specific conditions for related transactions, ensuring they aligned with standard trading practices and had market prices that could be referenced, mirroring the procedures used with regular business partners. Such practices are in strict compliance with the Company's policy aimed at preventing conflicts of interest.

6. Supervision of compliance with rules, regulations, policies and good corporate governance

The Audit Committee has reviewed the operational audit report to ensure that internal control and supervision of operations are in accordance with relevant rules, regulations, and policies.

The Audit Committee actively advances the Company's ongoing commitment to developing robust corporate governance practices aligned with the principles for listed companies. It ensures adherence to policies and guidelines preventing corruption, evaluating compliance with anti-corruption and bribery

measures (“CAC”). The committee also oversees the process for receiving and reporting corruption-related complaints (Whistleblowing), emphasizing protection for complainants and whistleblowers to encourage transparency and fairness. Additionally, the Audit Committee engages in discussions with management on anti-corruption and bribery policy outcomes, reporting results to the Board of Directors for guidance in line with good corporate governance principles. In 2022, the Company achieved certification as a member of the Thai Private Sector Coalition Against Corruption (CAC) for the first time.

Furthermore, in 2023, the Company experienced no conflicts of interest and received no complaints or indications of corruption.

7. Maintaining the standards of the Audit Committee performance

The Audit Committee has assessed and revised the Audit Committee Charter to align with the Company’s operations, circumstances, and objectives. They evaluated the overall performance of the Audit Committee and conducted individual self-assessments following the guidelines of the Stock Exchange of Thailand and the best practices outlined by the Thai Institute of Directors Association (IOD). This ensures the effectiveness of the Audit Committee’s work in fulfilling its missions and plans. The results of the performance evaluation are reported to the Board of Directors and disclosed in the Annual Report 2023 (Form 56-1 One Report).

The Audit Committee promotes regular attendance of training courses by its members and related executives to enhance their performance, ensuring alignment with the Company’s business objectives.

8. Selection and appointment of auditors for the year 2023

The Audit Committee has considered and approved Ms. Somjai Khunapasut, CPA No. 4499, or Miss Saranya Phlatsri, CPA No. 6768, or Ms. Bongkot Kriangphanamorn CPA No. 6777 from EY Office Company Limited as the Company’s auditor for the year 2023 and proposed to the Board of Directors to propose to the 2023 Annual General Meeting of Shareholders for consideration. The shareholders’ meeting approved the appointment of the auditor and the audit fee for the year 2023 as proposed.

9. Reporting Regulators

According to the Securities and Exchange Act, B.E. 2535, Section 89/25 has stipulated that the Audit Committee must investigate suspicious behavior that the auditor has detected, which is done by a director, manager or person responsible for the operation. Throughout the past and in the year 2023, there was no such event.

The Audit Committee performed its duties and responsibilities as specified in the Audit Committee Charter approved by the Board of Directors by using knowledge, competency, caution, prudence, independently without interference in the operation. The Audit Committee is of the opinion that the Company’s management and operations have continually developed good corporate governance, there is a risk management system, the establishment of an appropriate, adequate and effective internal control system and audit system, the Company’s financial reports are materially accurate under the financial reporting standards with sufficient, complete and timely disclosure of information as well as the Company operates in accordance with the laws and regulations related to business operations.

(Mr. Prin Bholnivas)
(Chairman of the Audit Committee)

KCC

A Nation Asset
Management Company
with Good Governance



Knight Club Capital Asset Management Public Company Limited

285/1 Pradit Manutham Road, Wang Thonglang,
Wang Thonglang, Bangkok 10310