

KERRY

EXPRESS

KEX

BREAKTHROUGH



ANNUAL REPORT 2022

(FORM 56-1 ONE REPORT)

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MESSAGE FROM THE CHAIRMAN

Kerry Express has faced many extraordinary challenges in the past year brought about by recurring recessionary trends and the aftermath of the pandemic. We are, however, confident that these issues are about to recede in 2023, with Thailand's economic recovery backed by the revival of the tourism industry and domestic demand rebounding trajectory.

Being able to maintain our position as Thailand's No. 1 brand for five consecutive years is the manifestation of the strong commitment and robust drive among all of us to serve our customers' best interests. Moving the Company to a higher calibre in the midst of changing circumstances is key to our efforts in the past year, and will surely result in improved values and services to our customers in the short and medium terms. Such efforts include the introduction of a new pricing strategy, followed by a cost optimisation initiative with the key objective of lowering running costs while reducing wastage to ensure Kerry Express' excellence is delivered with affordability and profitability for all.

We look forward to reaping our efforts in improving our work. In this regard, we have continued with innovations by introducing new operational concepts, innovating into higher technology such as automation upgrades, investing in border products delivery and upskill enhancement plan for our staff. Kerry Express, in cooperation with our overseas partners, is also developing an extension into international express services, thus taking the advantages of establishing Thailand as a regional logistics hub.

In an effort to gear up towards the 2050 Net Zero vision, we have published Kerry Express Sustainability Report for three consecutive years, highlighting our current and future ESG initiatives. Such a milestone marks our company's inaugural steps in its sustainability roadmap towards better service quality and greater responsibility to all stakeholders.

As we drive our company to a higher level of success, it is our fervent desire to serve our customers with the best quality services and be the delivery pride of Thailand as we strive to continuously return values to all of our customers, staff and stakeholders in the coming years.

Thank you.



Chairman of the Board of Directors
Kledchai Benjaathonsirikul



MESSAGE FROM THE CEO

2022 was another challenging yet transformative year for Kerry Express as we celebrated our 16th year. Now that the global pandemic is coming to an end, we are optimistic with our long term future as consumer spending will slowly resume its upward trajectory trend. Having said that, we are now dealing with short term post-pandemic ripple effects like fluctuating fuel prices, inflation, and labour market distortions that have brought us major setbacks in 2022.

A responsible market leader like us must stay agile, prudent, and adaptive in response to this short-term turbulence. Hence, at the juncture of embracing 2023, we took a drastic step in looking inwards and discovering measures to improve efficiency, productivity, and creativity with the launch of the LEAN programme.

This LEAN programme is thoroughly designed based on the commitment to internal improvements and the objective to return Kerry Express to a profitable state. What this means is that we will reprioritise and focus on our core business so that our people will be more focused on delivering what is best for the Company. At the same time, we are expediting investments to drive operational efficiency, which include speeding up our procurement on machines, systems, and equipment to bring our running costs down immediately, backed by automated solutions to drive efficiency, reduce wastage and manual errors.

There is no golden winning formula in our business. Instead, I believe in 'non-stop improvement' to ensure such efforts are implemented in the spirit of embracing change. One thing is for sure, our promise to deliver Kerry Express excellence to every corner of Thailand remains uncompromised.

I am confident about what lies ahead in 2023. With our transformational move in adapting to change, we are ready to prepare ourselves for bigger market growth as the economy recovers and continue our pursuit for the next breakthrough of success.



Chief Executive Officer

Alex Ng

“
We are LEANing
towards the next
breakthrough
of success
”



VISION, MISSION AND CORE VALUES



VISION

“Thailand’s forefront express delivery company focusing on delivering utmost quality products and services that exceed customer expectations”



MISSION

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



5-YEAR PRIORITIES

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



CORE VALUES HI STEP



H (Honesty)

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



S (Service-minded)

We strive to deliver the utmost service excellence which exceeds our customers' expectations.



I (Innovation)

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



T (Teamwork)

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



E (Execution)

We are result-oriented and put our vision and mission into our everyday actions.



P (Positivity)

We believe possibilities can be realised and challenges overcome through determination and positive mindsets.



OPERATIONAL HIGHLIGHTS AND FINANCIAL SUMMARY

OPERATIONAL HIGHLIGHTS*

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

Strong Network with Nationwide Coverage



2.7MM+

Sorting Capacity per Day



18,000+

Vehicles in the Fleet under our Management



36,000+

Service Locations



13

Key Sorting Hubs



1,000+

Distribution Centres

Industry-Leading Service Quality



99.99%

Next-Day Delivery Service Coverage within Thailand



96.10%

of Parcels Delivered on Time

Excellent Customer Satisfaction from 1,100 Surveys

IPSOS Survey, Nov 2022



73

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



> 90%

in all 6-customer agreement claims for customer satisfaction

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

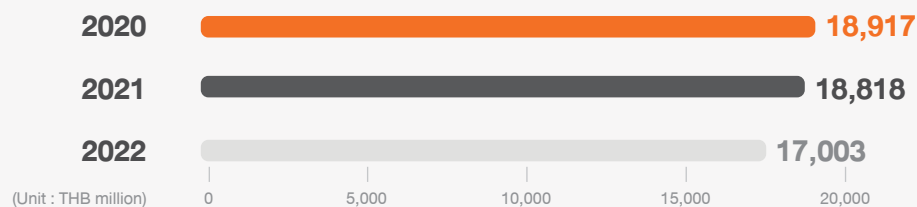


7.4BN (THB)

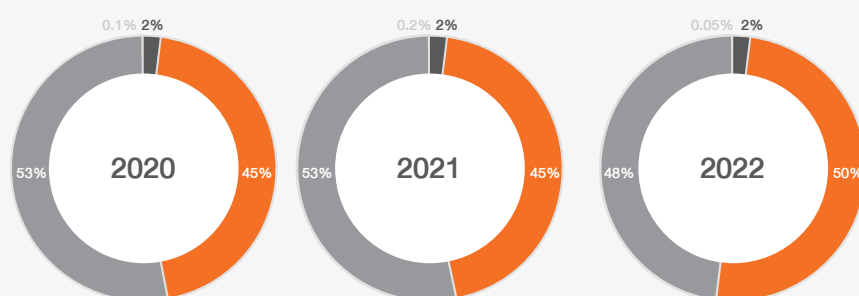
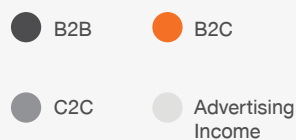
Average Monthly Transaction Value

FINANCIAL SUMMARY

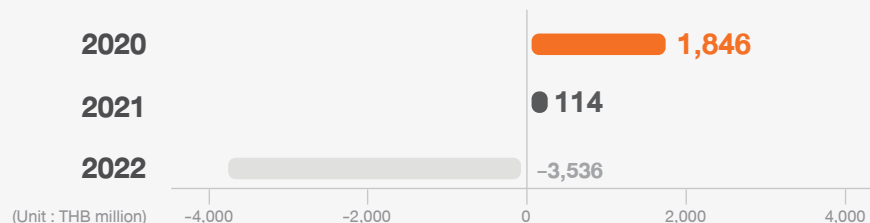
Sales and Service Income



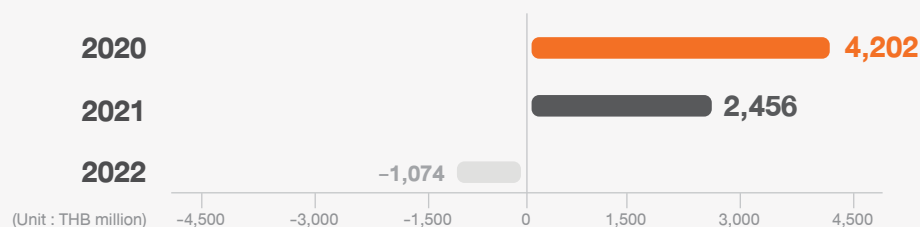
Revenue by Segment



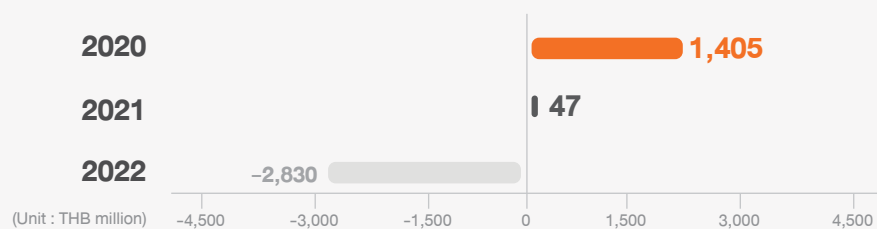
EBIT



EBITDA



NET PROFIT



FINANCIAL POSITION

(Unit : THB million)	2020	2021	2022
Cash and investment in liquid financial assets	9,697	7,295	2,963
Trade and other receivables	1,467	1,613	1,852
Plant and equipment	2,259	2,244	2,490
Right-of-use assets	5,321	4,897	2,903
Other assets	576	997	1,884
Total Assets	19,318	17,046	12,093
Current portion of long-term borrowings	800	-	9
Trade and other payables	1,347	1,977	1,942
Cash on delivery payable	615	724	568
Current portion of lease liabilities	1,761	2,502	1,812
Long-term borrowings from financial institutions	-	-	29
Lease liabilities	3,593	2,256	946
Other liabilities	355	270	290
Total Liabilities	8,471	7,729	5,596
Total Shareholders' Equity	10,847	9,317	6,498

FINANCIAL RATIOS

		2020	2021	2022
Liquidity ratios				
Current ratio	(times)	2.40	1.35	1.00
Quick ratio	(times)	2.38	1.30	0.95
Cash flow liquidity ratio	(times)	0.91	0.47	-0.26
Account receivable turnover	(times)	16.75	17.40	13.86
Average collection period	(days)	21.79	20.98	26.34
Account payable turnover	(times)	28.69	23.97	18.29
Average payment period	(days)	12.72	15.23	19.96
Cash cycle	(days)	9.07	5.75	6.38
Profitability ratios				
Gross profit margin	(%)	16.21	7.12	-9.89
Net profit margin	(%)	7.43	0.25	-16.64
Return on equity	(%)	21.48	0.47	-35.79
Efficiency ratios				
Return on total assets	(%)	11.09	0.26	-19.42
Total asset turnover	(times)	1.49	1.03	1.17
Financial policy ratios				
Total liabilities to equity ratio	(times)	0.78	0.83	0.86
Interest coverage ratio	(times)	37.53	25.36	N/A
Interest-bearing debt to EBITDA	(times)	1.46	1.94	N/A
Debt service coverage ratio	(times)	1.64	0.98	N/A

CORPORATE STRATEGIES AND COMPETITIVE STRENGTHS



CORPORATE STRATEGIES

X – *Express*

Express-Focus, Market Leadership, and Sustainable Growth

The growth potential of parcel express is driven by e-commerce and social commerce, as well as proactive sales strategies. Market leadership is asserted through consistent quality service at affordable prices.

P – *Partnership*

Robust Business Synergies through Neutral and Professional Partnerships

Strategic partnerships are proactively developed through collaboration synergies, leveraging each partner's unique strengths.

R – *Retail*

2C-Focus Based on the Customer-Centric Approach

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

E – *Expansion*

Express-Centric with Horizontal and Vertical Integration as New Growth Engines

Both vertically and horizontally, many businesses expansion paths stem from the core express business and foster a diversified business portfolio.

S – *System*

Operational Excellence through Cutting-edge Technologies and Seamless User Experience

There will be continuous improvement and development of our core systems, work process, and user applications, with a strong emphasis on process simplification, standardisation, and seamless user experience.

S – *Sustainability*

Economic Contribution along with Social Responsibilities under ESG Approach

Sustainability is a prerequisite and priority, with the progressive integration of sustainability into our daily business operations as our long-term commitment.

COMPETITIVE STRENGTHS



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



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



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



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



Track record of rapid growth and operational efficiency.



Entrepreneurial and experienced management team with exceptional corporate culture.



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

AWARDS AND RECOGNITIONS



BRANDING

1

No.1 Brand Thailand 2021-2022 in the delivery /logistics category by Marketeer magazine for 5 consecutive years

2

2022 Thailand's Most Admired Brand by BrandAge magazine for 3 consecutive years

3

Thailand Top Company Awards 2022 by Business+ magazine

4

The Most Powerful Brands of Thailand 2022 by Chulalongkorn Business School

PRODUCTS AND SERVICES

5

Winner of the Product of the Year Awards 2022 by Business+ magazine in the logistics category, reflecting KEX's excellent performance in delivering the best products and services and its position as a leading brand in express delivery industry.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

6

The 2022 ASEAN Corporate Governance Scorecard (ACGS) Award in the category of ASEAN Asset Class PLCs (Thailand)

7

5-star "Excellent" rating in the 2022 Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors

8

Member of the Thailand Sustainability Investment (THSI) for 2 consecutive years

COMPANY JOURNEY

2006

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

2018

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



2014

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

2019

Mr. Keeree Kanjanapas was appointed as the Honourary Chairman. The Company continued to have wide scope of collaborations with BTS Group Holdings Public Company Limited (BTS : SET).*



2020

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

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

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

KEY MILESTONES



2022



January



Made a debut as Thailand's 1st instant parcel pickup service in collaboration with GrabTaxi (Thailand) Co., Ltd. to offer seamless Door-to-Door services.



2022



March



Collaborated with The Mall Group to expand customer service touch points at participating Gourmet Market outlets.



2022



May



Launched Kerry Express Wallet, a digital payment solutions platform in collaboration with Sabuy Technology Plc. (SABUY:SET) with expectation to fully deploy and expand Kerry Express Wallet in 2023.



2022



August



Joined hands with C.J. Express Group Co., Ltd. to expand customer service touch points at participating CJ Supermarket outlets.



Launched Kerry Express Club (formerly known as Kerry Express Loyalty Club), a customer loyalty programme with over 200 renowned partners to offer highly curated lifestyle and parcel delivery benefits to valuable Kerry Express Club members.

KEY MILESTONES



2022



September



Announced the corporate mission towards Net Zero Target by 2050.



2022



October



Launched international shipping service to over 50 destinations in 45 countries across Asia Pacific and Europe in partnership with S.F. International.



2022



October



Retained its position as part of Thailand Sustainability Investment (THSI) list for the second consecutive year. The Company was committed to adopt environmental impact management, social responsibility, and a good corporate governance practice to strengthen its business operations and provide long-term value to our shareholders and stakeholders.



2022



December



Launched Eco Box that focuses on offering new packaging solutions with environmentally friendly packaging made from 100 per cent recycled materials, and 70 per cent ink reduction at the lowest affordable prices for our customers.

BUSINESS OVERVIEW



BUSINESS OVERVIEW

Kerry Express at a Glance

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

In 2022, Kerry Express had a total sorting capacity of over 2.7 million parcels per day. As the pioneer of convenient and express delivery solutions in Thailand, we offer a comprehensive range of integrated parcel delivery services to customers in the Consumer-to-Consumer (C2C), Business-to-Consumer (B2C), and Business-to-Business (B2B) segments with high growth of approximately 18-20 million monthly active users (MAUs). We are also the pioneer in offering payment-on-delivery services, with an average monthly transaction value of over THB 7.4 billion for the year ended 31st December 2022. The delivery volume grew by 18 per cent and 2022 total revenue of THB 17 billion, reaffirming Kerry Express' leading position in the industry.

(Unit : THB million)	2020	%	2021	%	2022	%
Sales and Service Income	18,891	100%	18,776	100%	16,995	100%
C2C	10,011	53%	9,892	53%	8,241	48%
B2C	8,528	45%	8,523	45%	8,456	50%
B2B	352	2%	360	2%	298	2%
Advertising Income	26	0%	42	0%	8	0%
Total Revenue	18,917		18,818		17,003	

Business Segments

Consumer-to-Consumer (C2C) : Kerry Express offers retailers and individuals best-in-class express delivery and payment-on-delivery solutions through our extensive network of over 36,000 service points (including parcel shops, parcel lockers, and service points in our retail and individual partners' areas) and other service points (including BTS station service points and Offline-to-Online (O2O) service points). We also offer the Door-to-Door (D2D) service, where parcels are conveniently collected from customers right at their doorsteps.

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

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

Service Offerings

Same-Day Delivery (SD) : Parcels are collected within 2 hours of booking and delivered in the evening of the same day within the same province.

Delivery-before-Noon (AM) : The collected parcels will be delivered before noon of the next day. Our AM service covers all major cities in Thailand.

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

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

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

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

Advanced Digital Capabilities and Portal Platforms

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

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

EasyShip : An online platform that allows senders to enter customer information, print shipping labels, track parcels, retrieve shipment reports, and access the Kerry Express Club for rewards and privileges.

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

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

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

Kerry Cool : Thailand's first cold delivery platform emphasising world-class quality, real-time tracking technology and equipment, wide range of value-added services as well as being affordable in price for customers.

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

Kerry Express International Shipping : Powered by SF International, Kerry Express offers international shipping service to over 50 destinations in 45 countries across Asia Pacific and Europe.

Customer Experience – Net Promoter Score and Brand Health Check

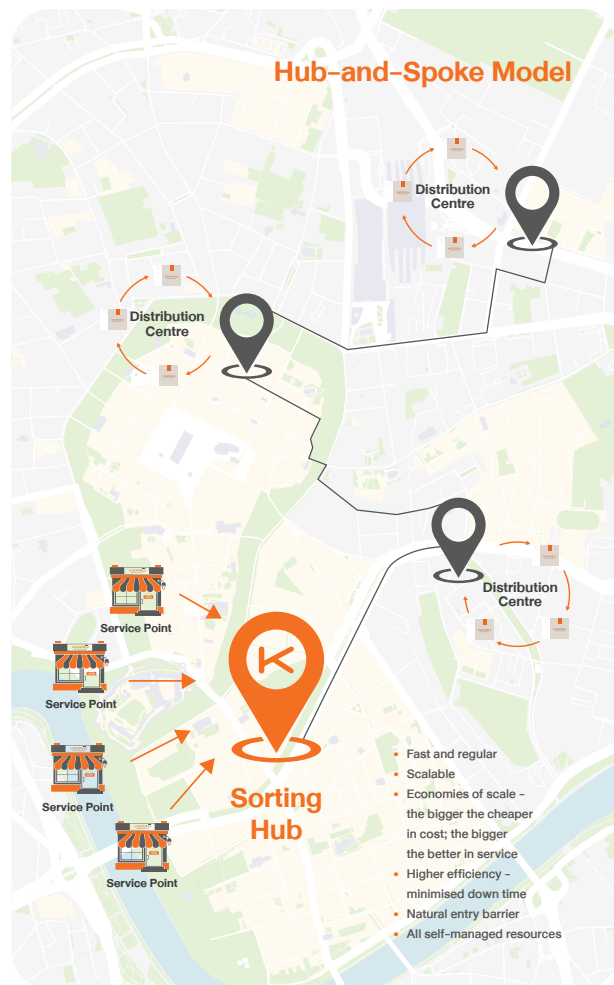
Kerry Express conducted a nationwide quantitative customer survey by reputable research company IPSOS, where 1,100 online respondents participated across Thailand in November 2022. The key objective of this survey is to measure and evaluate key performance of Kerry Express in all touchpoints, in particular the Net Promoter Score (NPS) pertaining to customer satisfaction and service recommendation rate from Kerry Express customers. The results were encouraging where Kerry Express achieved NPS at 73, a much higher score against key competitors in the market. Additionally, Kerry Express is honoured to receive above 90 per cent in all 6-customer agreement claims below:

- 96 per cent of respondents agree that they intend to continuously use Kerry Express in the future.
- 93 per cent of respondents agree that they are most satisfied with Kerry Express' delivery service.
- 92 per cent of respondents agree that Kerry Express is the most on time parcel delivery service in Thailand.
- 92 per cent of respondents agree that Kerry Express delivers best value in terms of speed pricing and quality in Thailand.
- 92 per cent of respondents agree that Kerry Express is the number one parcel delivery service in Thailand.
- 91 per cent of respondents agree that Kerry Express provides the most trustworthy parcel delivery service in Thailand.

Networks

Since our inception, we have been operating under the hub-and-spoke model. We have leveraged these scalable and flexible business models to deliver highly reliable and efficient services. As of 31st December 2022, our expansive network covered 13 sorting hubs, over 1,000 distribution centres, over 36,000 service points across all 77 provinces in Thailand, and over 18,000 vehicles under our management.

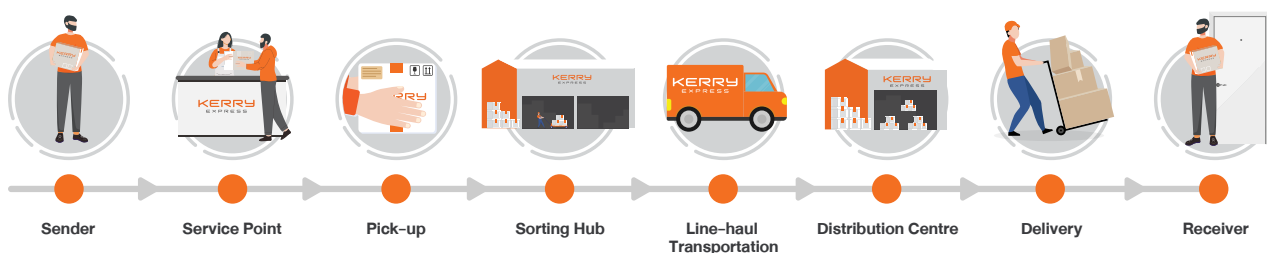
The sorting hubs, distribution centres, service points, and fleet vehicles are mostly leased. The 13 sorting hubs comprise 8 master and 5 regional sorting hubs. Each hub is connected to our distribution centres by line-haul transportation, enabling us to dispatch parcels directly to other regions across Thailand. All distribution centres can collect, sort, and dispatch parcels for Last Mile delivery within the region. In addition, our network includes all service points nationwide, comprising Parcel Shops, Distribution Centre Service Points (DCSP), Retail Service Points (RTSP), Independent Retail Service Points (PSP), BTS Skytrain Station Service Points, and Parcel Lockers.



Procuring for Value

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

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



Kerry Express' Parcel Journey

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

- Customers/senders can drop their parcels at our service points or request a parcel pickup at a designated address via Kerry Express application, website, or call centre. In addition, B2C and B2B customers can directly request support from our on-site staff at their facilities or warehouses.
- Our couriers collect parcels from our service points and transfer them to the nearest sorting hub via 4-wheel pick-up trucks. In some areas with high parcel volumes, processing centres handle extra volumes to reduce congestion before transferring them to the sorting hubs. The sorting hubs then primarily sort and dispatch the parcels by region and transfer them to the destination distribution centres.
- Line - haul transportation (between sorting hubs as well as between sorting hubs and destination distribution centres) is primarily carried out using 6-wheel haul trucks. However, in some instances, such as in short distances or during peak seasons, 4-wheel trucks may also be utilised for line haulage.

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

Keys to Operational Excellence

As Thailand's leading go-to express company, we utilise our scalable and cost-efficient hub-and-spoke model to secure our position and accommodate the strong demand for parcel deliveries, primarily through our unique strategic partnerships and proprietary technologies.

Distinctive Strategic Partnerships

Kerry Express focuses on sustaining our competitiveness and long-term sustainable growth. To maintain the competitiveness of our operations in the face of increasing challenges and equip our business for future growth, we actively seek investment opportunities to strengthen our backbone operations and expand opportunities to enter new business areas. In addition, we continue to seek synergistic alliances with partners who can enhance and sharpen our competencies. As of 2022, we have engaged in strong partnerships and collaborations with various business partners and industry leaders as per details indicated below:



An online payment service provider with over 9.7 mn users and embedded in LINE application, which has more than 50mn users



Leading FinTech service provider with over 70 mn subscribers in SABUY ecosystem. Also hold expertise in merchandising & platform solutions



6th largest bank in Southeast Asia with largest retail customer base of more than 17 mn accounts



Thailand's leading mobile wallet with global-standard security, designed for cashless lifestyle especially e-commerce



A privately owned, multi-industry conglomerate that operates across 3 business platforms; MOVE, MIX and MATCH



Market leader with exclusive access to behavioural data from its advertising, payment and distribution platforms. VGI turns data to meaningful consumer insight, enabling them to offer Offline-to-Online (O2O) Solutions



Strategic Alliance Ecosystem

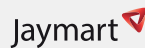


Leading integrated food company with over 50 years of extensive experience in food safety and high quality cold chain management



Thailand's leading and customer-centric multi-format, multi-category and omnichannel retailing platform with over 70 years of expertise in Thailand

Leading brands as our Retail Partners for extended sales channel and enhanced coverage



New Sales Channels and Retail Partners

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

To increase coverage, Kerry Express shares its service as a delivery business option to well-known businesses and operates together to enhance coverage and convenience to customers. Kerry Express also penetrates on social media commerce channels with TikTok Shop to access the online influencer market.



Proprietary Technologies

Kerry Express' proprietary technologies and IT systems are the backbones of our superior services. Our technologies are developed and provided by our in-house IT team to ensure the highest security of data and information. Having in-house proprietary technology systems allows us to securely and timely streamline and automate our operations, thereby optimising our operations' efficiency, visibility, and accountability. With technologies and IT systems taking a significant role in all aspects of our business operations, from customer engagement and parcel delivery to payment solutions, we can leverage big pool of data from our operations and adjust our strategies and solutions to better fulfil customer requirements. This extra benefit would not be possible if such activities were outsourced to a third party. As such, we have made great efforts and invested significant resources to enhance and develop our in-house proprietary technologies, IT systems, and R&D capabilities.

Kerry Express' proprietary technologies include the **Point of Sale System (POS)**, installed at our parcel shop service counters to record pertinent details of both senders and receivers, including parcel information (i.e. size, weight, and product type) and service type. This POS system generates receipts with QR codes, enabling shipment tracking and updates. The information in the POS system is sent to **Kerry Express Distribution Management System (KES)**, which is the core operating system that allows the operations team to conduct our logistics operations with greater efficiency in terms of shipment bookings, status updates, pending shipment management, shipment claims, accounting records and performance analysis of distribution centres and customers, via our **Application Programme Interface (API)**. This system facilitates data interchange among various internal and external systems or applications. It enables us to focus on analysing results and enhancing business performance.

The parcel information is sent to our couriers via **Mobile Proof of Delivery (mPOD)**, our proprietary mobile application for our couriers. This information is then used to optimise the efficiency of pickup, delivery, and payment collection. Our corporate retail partners use **Mobile Point of Sale (mPOS)**, and Kerry Buddy partners use **Kerry Buddy POS Serverless**; both are portable POS systems. At the same time, our independent retail partners use **Mobile Parcel Service Point (mPSP)**. Our self-developed KES Portal also provides key corporate customers with end-to-end information.

In 2022, Kerry Express made three significant improvements : 1) System stability and scalability, 2) Cybersecurity, and 3) New applications and features. To improve system stability and scalability, the Company upgraded its core systems, including the Kerry Express Distribution Management System (KES), Application Programme Interface (API), and Mobile Proof of Delivery (mPOD), to handle up to 80% more traffic and transactions.



Cybersecurity was a top priority for Kerry Express, and Kerry Express implemented a Cybersecurity Framework to meet international standards and enhance its overall cybersecurity resiliency level. To ensure customer data privacy, Kerry Express also complied with the Personal Data Protection Act (PDPA) and established a process for continuously monitoring and improving its security posture. Access to Kerry Express' systems was also made more secure with the rollout of a Privilege Access Management programme.

Finally, Kerry Express continued to innovate by introducing new services, such as the Kerry Express Friends platform application. This application will expand the Company's network coverage and allow it to receive consignments from individual partners and the launch of Kerry Express Friends platform is scheduled to go public in 2023.

Industry and Business Outlook

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

As the leading express delivery company in Thailand, our early entry in the market and extensive operations in all parts of Thailand provide us with a competitive advantage which includes the knowledge that Thai customers typically consider factors such as price, reputation, and geographical coverage when choosing an express delivery service provider. Therefore, customers can choose our services ranging from many prices and positioning.



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

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

Growth in the express delivery industry is driven by changing customer behaviour towards a digital lifestyle, including a preference for online shopping on platforms like Lazada, Shopee, and social commerce sites like LINE Shopping and TikTok Shop. The growth of the delivery express market is driven mainly by the e-Commerce market. This shift is due to factors such as the increasing mobile phone and internet penetration, urbanisation, higher middle-class income, and a tech-savvy population in Thailand, and has been further intensified by the COVID-19 pandemic.

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

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

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

Service Excellence at Affordable Price is the Answer to Business Sustainability

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

Kerry Express is aware of the challenges and intends to optimise resources to achieve utmost efficacy while offering value-added services to respond to the new normal customer lifestyle. Since 2021, we have widened the leading position by increasing our sorting capacity and services across Thailand to pursue “Kerry Express Everywhere” strategy. We have also expanded our coverage through our distinctive network to facilitate at least 2.7 million parcels per day.



Technology Advancement is a Significant Enabler of Business Success

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

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

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

Another area of diversification is through the launch of Hibox, a smart locker service in partnership with Hive Box, a leading provider in China. With the shift towards online shopping, customers are seeking greater flexibility and control over their delivery times. Hibox aims to meet this demand by offering 24/7 parcel pickup and delivery services. Senders can drop off their parcels at the lockers, and recipients can pick them up at their convenience. Kerry Express plans to further enhance the customer experience by integrating payment options through QR code, Kerry Express Wallet, and credit card. The round-the-clock availability and ease of use of Hibox is expected to transform customer behaviour and provide greater control over their delivery times.

Assets Used in Operations

Kerry Express utilised leasing as a means of optimising our balance sheet. Other than the property, plant, and equipment, intangible assets, and financial leases, booked as Right-of-Use assets represent a significant component of Kerry Express' fixed assets. As of 31st December 2022, fixed assets contributed 46.4 per cent of Kerry Express' total assets. Furthermore, the Group operates express delivery services under a transportation licence granted by the Department of Land Transport, which is the official licence required to operate non-fixed route transportation services. This licence was granted to Kerry Express Service Limited, a subsidiary of Kerry Express, on 21st July 2020 and is valid until 20th July 2025. Please refer to our financial statements for further information on the assets that utilises in our operations.

The table below shows the significant assets' details as of 31st December 2022.

	Net Book Value (THB million)	Ownership Type	Obligation
1. Buildings and building improvements	213.94	Ownership	No Obligation
2. Operating equipment	656.85	Ownership	No Obligation
3. Furniture, fixtures and office equipment	208.41	Ownership	No Obligation
4. Computers	515.26	Ownership	No Obligation
5. Vehicles	880.72	Ownership	No Obligation
6. Assets under installation	14.97	Ownership	No Obligation
7. Intangible assets ¹	212.35	Ownership	No Obligation
8. Right-of-Use assets	2,903.44	Right-of-Use	Obligation as per related lease agreement
Total Net Book Value	5,605.93		

¹ Intangible assets include computer software and software under installation.

Governance of Subsidiaries and Associates

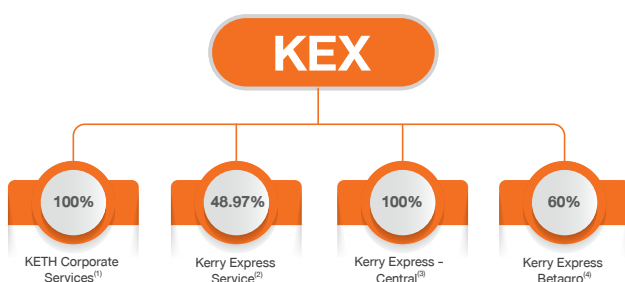
The BOARD has approved a policy for the investment and management of subsidiaries and associates based on the rules for the governance of subsidiaries and associates under the Notification of the Capital Market Supervisory Board No. Tor Chor 28/2551 and the Corporate Governance Code for Listed Companies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

- An investment in a subsidiary or an associate shall support or expand its business operations, whether by adding income streams or increasing profitability or corporate value. Such investment shall consider the return on equity, potential risks, and Kerry Express' financial standing.
- For any joint investment that Kerry Express holds at least 20 per cent but not exceeding 50 per cent of the voting rights and may require additional

capital in the future, Kerry Express shall consider formulating a shareholder's agreement or other agreements to define the management and decision-making authority.

- Kerry Express shall manage a subsidiary or an associate following the CG Code and establish guidelines for exercising voting rights through Kerry Express' directors or executives based on their respective shareholding percentage.
- In the governance of a subsidiary or an associate, Kerry Express shall ensure financial control, disclosure of important information, and regular performance reporting. Any transaction with connected persons, acquisition or disposition of assets, and other significant transactions shall be disclosed, as stipulated by the CG Code.

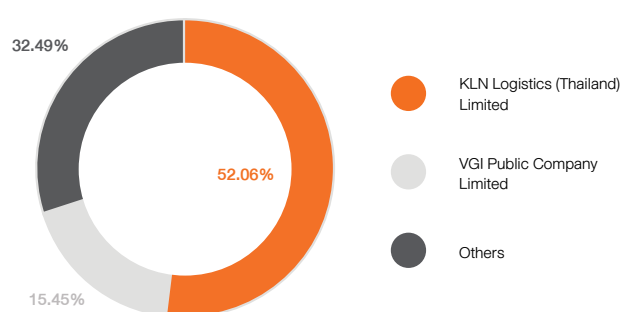
INVESTMENT STRUCTURE



Notes

- (1) KETH Corporate Services is our wholly-owned subsidiary, incorporated in Hong Kong with registered capital of HKD 10,000. Currently, it has not commenced any commercial operations.
- (2) Kerry Express Service was incorporated to hold the Land Transport Licence and conduct land transport activities under the Land Transport Act. KEX holds 48.97 per cent of Kerry Express Service's total issued shares and 90.52 per cent of its voting rights.
- (3) Kerry Express - Central (formerly known as Kerry Express Cargo) is our wholly-owned subsidiary, incorporated on 29th July 2021, with the initial registered capital of THB 1,000,000.
- (4) Kerry Express Betagro (formerly known as Kerry Express Cold Chain Company Limited) is a partnership between KEX and BTG with a registered capital of THB 50,000,000 with the investment portions of 60 per cent by KEX and 40 per cent by BTG.

MAJOR SHAREHOLDERS



- Kerry Logistics Network Limited (“KLN”), a Hong Kong listed company and one of Asia’s leading logistics companies, indirectly holds 49.0 per cent of shares and the majority voting rights in KLN Logistics (Thailand) Limited (“KLNTH”), a limited liability holding company incorporated in Thailand.
- VGI is a SET listed company operating advertising, electronic payment, and logistics businesses. Its majority shareholders are Bangkok Mass Transit Public Company Limited and BTS Group Holdings Public Company Limited, who hold 29.66 per cent and 22.98 per cent respectively.

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

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

To prevent a potential conflict of interest, KLN provided a non-compete undertaking letter dated 16th November 2020, which provides that KLN and its subsidiaries will not operate any express delivery service, courier service, or any other service similar to those of our Company or may compete with our core business for as long as KLN holds more than 10 per cent of the shares in our Company, whether directly or indirectly. This restriction only applies to KLN’s business operations in Thailand.

Top 10 Shareholders

List of top 10 shareholders as per the record date on 28th February 2023

No.	Name of Shareholders	No. of Shares	% of Total Shares
1	KLN Logistics (Thailand) Limited	907,200,000	52.06
2	VGI Public Company Limited	269,230,900	15.45
3	BTS Group Holdings (Thailand) Public Company Limited	88,100,000	5.06
4	Thai NVDR Company Limited	24,344,019	1.40
5	Mr. Ng Kin Hang Alex	20,982,400	1.20
6	Bangkok Bank Public Company Limited	17,000,000	0.98
7	Mr. Taweechat Jurangkool	16,850,300	0.97
8	Citi (Nominees) Limited–Citic Securities Brokerage (HK)	14,875,500	0.85
9	Citi Nominees Singapore Pte Ltd	13,040,240	0.75
10	Credit Suisse AG, Singapore Branch	12,120,900	0.70
			79.41

Source : TSD

Shareholders' Agreement

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

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

CAPITAL INFORMATION AND OTHER SECURITIES

Registered capital	THB 890,000,000 (1,780,000,000 shares)
Paid-up capital	THB 871,288,500 (1,742,577,000 shares)
Par value	THB 0.50 per share

Other Securities

KEX issued ESOP Warrants Scheme 2020 to offer the ESOP warrants to purchase KEX's shares at the IPO price of THB 28 per share for its directors, executives, and employees, including those of its subsidiaries. KEX offered 40,000,000 units under the conditions that the rights are non-transferable. If the warrant holders no longer hold the positions of directors, management, or staff at KEX for

any reason, the unexercised warrants will be automatically cancelled. The ESOP warrants will be expired after 5 years from the issue date. 50 per cent of the ESOP warrants may be exercised in one year after the issue date. The rest can be exercised after the second year, with vesting dates and amounts under the specific conditions attached to the granted warrants.

ESOP Warrants Scheme 2020		
No.	Date of Exercise	Total amount of Exercised Units
First exercise	27 th December 2021	2,577,000
Second exercise	24 th June 2022	No warrant units were exercised
Third exercise	26 th December 2022	No warrant units were exercised

Therefore, as of 31st December 2022, remaining unexercised warrants to totaled 37,423,000 units.

DIVIDEND POLICY AND PAYMENT

Policy

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

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

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

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

Historical dividend payment

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

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

On 22nd April 2022, the shareholders approved no further dividend payment from the 2021 performance. Therefore, total cash dividend per share for the year was THB 0.743 per share, equivalent to dividend pay-out ratio of 203 per cent.

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



GOVERNANCE
STRUCTURE
AND PRACTICES

2

GOVERNANCE STRUCTURE AND PRACTICES



1 Chalush Chinthammit
Director

2 Kamthorn Tatiyakavee
Independent Director

3 Kavin Kanjanapas
Director

4 Prasan Chuaphanich
Independent Director and
Chairman of the Audit Committee

BOARD OF DIRECTORS



5 Kledchai Benjaathonsirikul
Chairman of the Board of Directors

6 Ng Kin Hang Alex
Director and Chief Executive Officer

7 Choi Chun Sang Michael
Director and
Deputy Chief Executive Officer

8 Warawut Natpradith
Director and Chief Operations Officer

9 Yeo Hwee Leng Eileen
Independent Director

PROFILE OF DIRECTORS AND EXECUTIVES



PROFILE OF DIRECTORS

Mr. Kledchai Benjaathonsirikul

Aged 67 and has been the Chairman of the Board of Directors since 2019.

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

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

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



For the full profile, please scan the QR code



Mr. Prasan Chuaphanich

Aged 71 and has been an independent director and the Chairman of the Audit Committee since 2019. He has also been appointed as the Chairman of the Nomination and Remuneration Committee since 2020.

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

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

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



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Mr. Kamthorn Tatiyakavee

Aged 68 and has been an independent director and a member of the Audit Committee since 2019.

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

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



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Ms. Yeo Hwee Leng Eileen

Aged 48 and has been the independent director and the member of the Audit Committee since 2019. She was also appointed as the member of the Nomination and Remuneration Committee in the following year.

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

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



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Mr. Kavin Kanjanapas

Aged 48 and has been the non-executive director since 2018.

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

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

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



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Mr. Chalush Chinthammit

Aged 53 and has been the non-executive director since 2019 and the member of the Risk Management Committee since 2020.

Mr. Chalush Chinthammit is also the director and the president of Khon Kaen Sugar Industry Plc. (KSL : SET), a Chairman of the Thai Sugar and Bio-energy Producers Association, and holds directorship in several listed companies, varying from advertisement industry to biofuel business. He also holds other positions in various private companies and public sectors.

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



Mr. Ng Kin Hang Alex

Aged 43 and has been the executive director since 2014 and the Chief Executive Officer since 2019.

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

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



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Mr. Choi Chun Sang Michael

Aged 40 and is the executive director of KEX since 2016.

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

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



Mr. Warawut Natpradith

Aged 44 and is the executive director and member of the Executive Committee and has held the Chief Operations Officer position since 2019.

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

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



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EXECUTIVE PROFILE

Mr. Issarin Patramai

Aged 48 and is a member of the Executive Committee and Risk Management Committee. He has also been the Chief Investment Officer since 2019.

Mr. Issarin Patramai is concurrently a director of Kerry Express – Central Co.,Ltd., Kerry Express Betagro Co.,Ltd., and Kerry Express Service Ltd. Previously, he was a director and a member of the Nomination and Remuneration Committee of TEAM Consulting Engineering and Management Plc. (TEAMG : SET).

He graduated from the University of Wisconsin – Madison with a master's degree in Business Administration in Finance, investment, banking and international business. He is qualified as the Chartered Financial Analyst (CFA) from the CFA Institute.



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Ms. Wanvisah Tasanaprechachai

Aged 48 and is a member of the Executive Committee and Risk Management Committee. She has also been the Chief Financial Officer since 2019.

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

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



Ms. Kultaree Samakkeenitch

Aged 45 and has been the Chief Accountant since 2019.

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

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



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COMPANY SECRETARY

Ms. Rasamee Yongrasameewong

Aged 39 and has been the Company Secretary since 2019.

Ms. Rasamee Yongrasameewong has experiences in company secretary and compliance field as she was the former compliance specialist of Advanced Info Service Plc., the biggest telecommunication service provider in Thailand. She was also the sustainability expert of Advanced Info Service Plc.

She graduated from Kasetsart University with a bachelor's degree in International Economics. She attended the Director Certification Program (DCP), the Company secretary program, the anti-corruption program and the corruption risk and control workshop by Thai Institute of Directors during 2022 and 2021. And she attended the basic - COSO ERM 2017 arranged by the Thailand Federation of Accounting Professions Under the Royal Patronage of His Majesty the King.

HEAD OF INTERNAL AUDIT

Ms. Wirangrong Krobsanit

Aged 32 and has been the Head of Internal Audit since July 2022.

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

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

DIRECTORS AND MEMBERS OF THE MANAGEMENT IN KEX AND ITS SUBSIDIARIES

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

● Chairman

■ Director

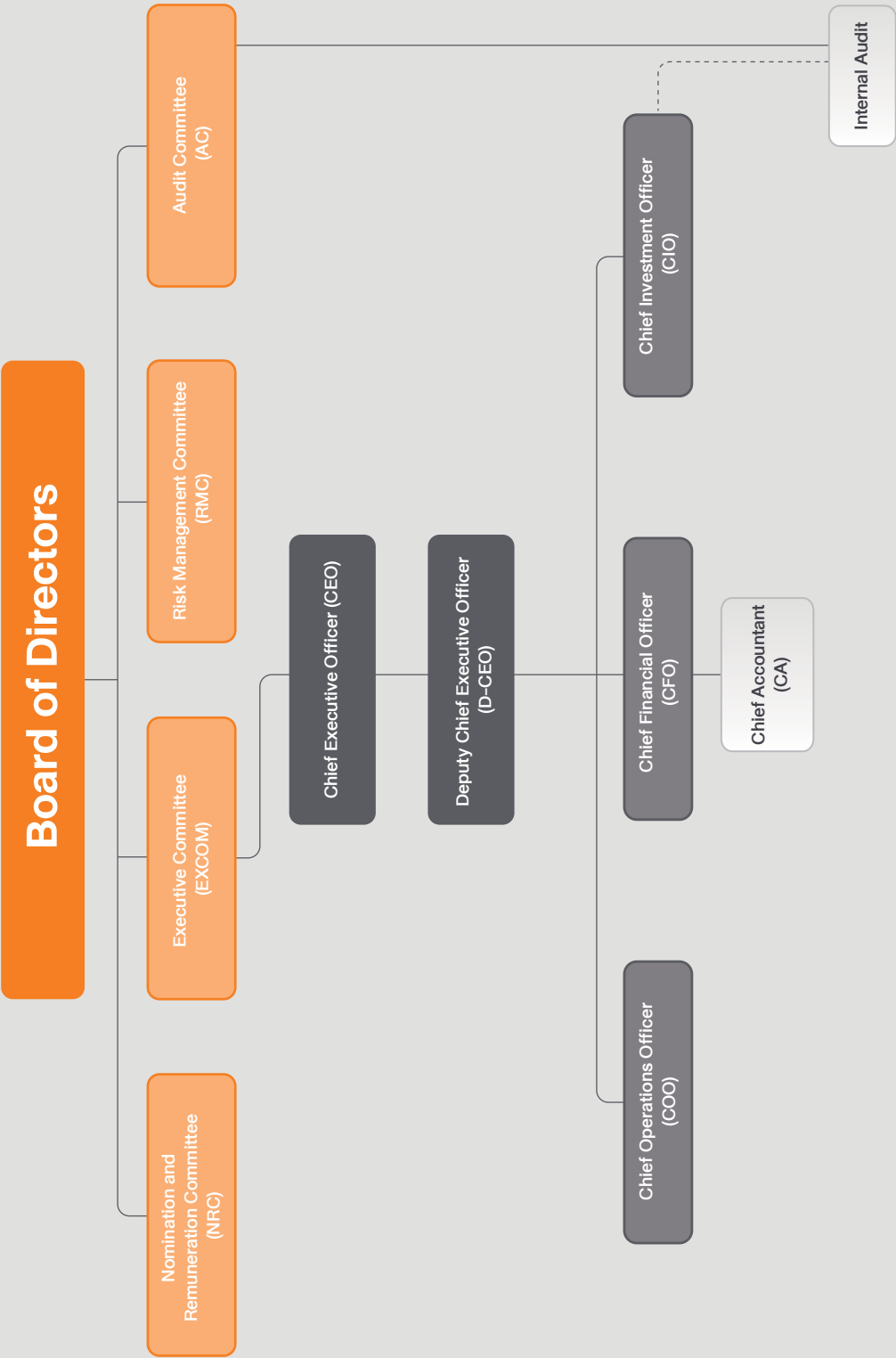
△ Executive Director

◎ Management

SECURITIES HOLDING OF DIRECTORS AND MEMBERS OF THE MANAGEMENT

No.	Name	Number of Shares		
		As of 1 st January 2022	As of 31 st December 2022	Increase/ (Decrease) of shares during the year (shares)
1.	Mr. Kledchai Benjaathonsirikul	9,845,700	9,845,700	-Unchanged-
	Spouse and minor child	2,000	-None-	(2,000)
2.	Mr. Prasan Chuaphanich	150,000	150,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
3.	Mr. Kamthorn Tatiyakavee	100,000	100,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
4.	Ms. Yeo Hwee Leng Eileen	100,000	100,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
5.	Mr. Kavin Kanjanapas	-None-	-None-	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
6.	Mr. Chalush Chinthammit	150,000	150,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
7.	Mr. Ng Kin Hang Alex	20,982,400	20,982,400	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
8.	Mr. Choi Chun Sang Michael	8,220,000	8,220,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
9.	Mr. Warawut Natpradith	7,374,400	6,874,400	(500,000)
	Spouse and minor child	-None-	-None-	-Unchanged-
10.	Mr. Issarin Patramai	-None-	-None-	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
11.	Ms. Wanvisah Tasanaprechachai	4,562,000	4,562,000	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-
12.	Ms. Kultaree Samakkeenitch	-None-	-None-	-Unchanged-
	Spouse and minor child	-None-	-None-	-Unchanged-

GOVERNANCE STRUCTURE AND MANAGEMENT



Meeting Attendance

Name	Attendance/Total Meetings					
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee ⁽¹⁾	Executive Committee ⁽²⁾	Non-Executive Directors
Mr. Kledchai Benjaathonsirikul	6/6		4/4			2/2
Mr. Prasan Chuaphanich	6/6	7/7	4/4			2/2
Mr. Kamthorn Tatiyakavee	6/6	7/7				2/2
Ms. Yeo Hwee Leng Eileen	6/6	7/7	4/4			2/2
Mr. Kavin Kanjanapas	6/6					2/2
Mr. Chalush Chinthammit	6/6			4/4		2/2
Mr. Ng Kin Hang Alex	6/6			4/4	4/4	
Mr. Choi Chun Sang Michael	6/6				4/4	
Mr. Warawut Natpradith	6/6				4/4	

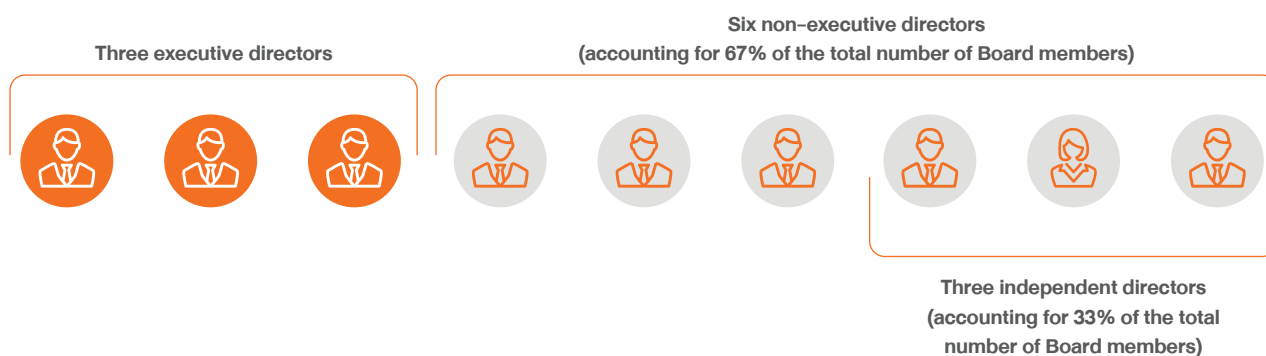
Notes: (1) The other 2 members of the Risk Management Committee are executive officers.

(2) The other 2 members of the Executive Committee are executive officers.

The Board of Directors (BOARD)

Board Composition

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



Authorities, Duties, and Responsibilities

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



Scan to access the full charter of the BOARD

Sub-Committees

The Audit Committee (AC)

Composition

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

Authorities, Duties, and Responsibilities

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



Scan to access the full charter of the AC

The Executive Committee (EXCOM)

Composition

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

Authorities, Duties, and Responsibilities

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



Scan to access the full charter of the EXCOM

The Risk Management Committee (RMC)

Composition

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

Authorities, Duties, and Responsibilities

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



Scan to access the full charter of the RMC

The Nomination and Remuneration Committee (NRC)

Composition

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

Authorities, Duties, and Responsibilities

The main responsibilities of the NRC are to select and nominate candidates for directors and the CEO positions and seek the approval from the BOARD and/or the shareholders. The NRC also nominate a candidate to be appointed as the senior executives (N-1 and N-2 from the CEO) and define the criteria for the performance evaluation and remuneration of the directors, the CEO, and senior executives. The NRC also provides inputs in the formulation of the succession plan for the key executives and non-executive directors.



Scan to access the full charter of the NRC

Authorised Directors

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

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

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

Executives

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

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

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

NOMINATION AND REMUNERATION COMMITTEE'S REPORT

Dear Shareholders,

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

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

In 2022, The NRC carried out its duties as stipulated in the NRC's charter which has been approved by the BOARD as follows:

Considered the nomination of directors to replace those who retired by rotation in 2022

The NRC reviewed the criteria and candidates to be elected as directors replacing the directors who retired by rotation in 2022 based on the skill matrix and criteria stipulated in the Nomination Policy.

Considered the director's compensation structure and budget for the year 2022

The NRC considered the director's compensation structure and budget for the year 2022 for the BOARD, the sub-committees, and the CEO, i.e., monthly remuneration, meeting allowance, and annual bonus. The NRC then proposes the directors' compensation structure and budget for 2022 to be considered in the BOARD and the shareholders' meetings, respectively.

Considered the evaluation criteria for the performance and evaluation of the BOARD, the sub-committees, the Chairman of the BOARD, the CEO and the senior executives (N-1 and N-2 from the CEO), and also the appointment of the senior executives.

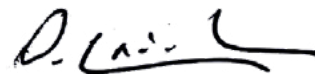
The NRC considered and approved the BOARD, the sub-committees, the Chairman of the BOARD, the CEO and the senior executives' evaluation criteria comprised of Strategic Visionary, Communication and Motivation, Integrity, Execution Power, Accountability, and Corporate KPI Achievement. These criteria are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

Considered the Company's succession plan

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

Considered the charter of NRC

The NRC reviewed its charter to ensure that it was up-to-date and in alignment with the Company's business operations and guidelines for good corporate governance of listed companies.



On behalf of
the Nomination and Remuneration Committee
Mr. Prasan Chuaphanich

Directors' Remuneration Scheme

Monthly Remuneration	Meeting Allowance	Annual Bonus
<ul style="list-style-type: none"> THB 80,000 for Chairman of the Board and Chairman of the AC THB 40,000 for directors 	<ul style="list-style-type: none"> THB 30,000 for Chairman of a sub-committee THB 20,000 for member of a sub-committee 	<ul style="list-style-type: none"> 0.5 per cent of the annual dividend payment

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

In 2022, the total remuneration paid to directors was THB 4.76 million (excluding bonus).

Directors' Remuneration in 2022

Name	Monthly Remuneration (THB)	Remuneration for sub-committees			Annual Bonus	Total (THB)
		Meeting Allowance (THB)				
		The AC	The NRC	The RMC		
Mr. Kledchai Benjaathonsirikul	960,000	-	80,000	-	550,000	1,590,000
Mr. Prasan Chuaphanich	960,000	240,000	120,000	-	550,000	1,870,000
Mr. Kamthorn Tatiyakavee	480,000	160,000	-	-	475,000	1,115,000
Ms. Yeo Hwee Leng Eileen	480,000	160,000	80,000	-	475,000	1,195,000
Mr. Kavin Kanjanapas	480,000	-	-	-	475,000	955,000
Mr. Chalush Chinthammit	480,000	-	-	80,000	475,000	1,035,000
Grand Total	3,840,000	560,000	280,000	80,000	3,000,000	7,760,000

Remuneration for the CEO and other Senior Executives

In 2022, the aggregate remuneration for the six executive officers, under the SEC's definition of the term 'executive', was THB 53.08 million, including monthly remuneration, bonus, and provident fund payments.

Other Benefits

ESOP Warrants

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

No.	Name	Position	ESOP Warrants 2020	
			Allocated amount (Unit)	Number of unexercised warrants (Unit)
1.	Mr. Kledchai Benjaathonsirikul	Chairman of the Board of Directors	1,200,000	1,200,000
2.	Mr. Prasan Chuaphanich	Chairman of the Audit Committee	200,000	200,000
3.	Mr. Kamthorn Tatiyakavee	Independent Director	200,000	200,000
4.	Ms. Yeo Hwee Leng Eileen	Independent Director	200,000	200,000
5.	Mr. Kavin Kanjanapas	Director	200,000	200,000
6.	Mr. Chalush Chinthammit	Director	200,000	150,000 ¹
7.	Mr. Ng Kin Hang Alex	Director and Chief Executive Officer	1,000,000	1,000,000
8.	Mr. Choi Chun Sang Michael	Director and Deputy Chief Executive Officer	1,500,000	1,500,000
9.	Mr. Warawut Natpradith	Director and Chief Operations Officer	1,500,000	1,500,000
10.	Mr. Issarin Patramai	Chief Investment Officer	2,000,000	2,000,000
11.	Ms. Wanvisah Tasanaprechachai	Chief Financial Officer	1,500,000	1,500,000
12.	Ms. Kultaree Samakkeenitch	Chief Accountant	600,000	600,000
			10,300,000	10,250,000

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

Employees

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

HI STEP encapsulates our core values that encourage the belief in creating a forward-thinking culture and modus operandi applied by both management and employees alike. It is expressed in our employees' thinking, behaviour, and decision-making. It is analogous to our company

culture and how KEX interacts and operates, further establishing our unique place and leading us forward as a sustainable company of excellence.

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

Number of Employees

As of 31st December 2022, KEX and its subsidiaries employed 19,114 full-time permanent employees in total. The numbers of employees by key function and their average age are as follows :

Department	Number of Employees (persons)				
	KEX	KETH	KESL	Kerry XL	Kerry Cool
Parcel and Business Operations	12,643	-	5,462	-	148
Accounting and Finance	99	-	-	-	-
Investment	16	-	-	-	-
Corporate Admin and Support	733	-	-	-	-
Internal Audit	4	-	-	-	-
Management	8	-	-	-	1
Total employees for each company	13,503	-	5,462	-	149
Total employees	19,114				

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

Average age	31 years
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In addition, the gender diversity ratio is calculated based on the number of KEX's full-time employees, excluding daily workers or employees under daily or monthly contracts.

Gender	Number of persons / percentages
Male	12,598 persons (65.91%)
Female	6,516 persons (34.09%)

Employee's remuneration

Type of Employee Remuneration	THB million
Salary, bonuses, and other benefits	5,786.91
Provident fund	48.35
Total	5,835.26

Human Resource Development Policy

Building an agile organisation and talents

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

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

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

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

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

Promoting digital learning corporate-wide

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

GOOD CORPORATE GOVERNANCE POLICY

AND PERFORMANCE REPORT

Good Corporate Governance Policy

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

Performance report

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

As the leader of KEX, the BOARD has assigned the management to prescribe the business strategies in conformity with the Company's vision and mission that has been annually reviewed and approved by the BOARD and allocate sufficient budget for the execution of such strategies. Every year, KEX conducts a half-year review of its business strategies to ensure that KEX can quickly respond to economic and social changes, customers' needs, competitive landscape, technology advancement, and other important factors. The last meeting was held on 15th December 2022.

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

monthly updates on KEX's performance and significant changes to the BOARD.

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

2. Defining objectives that promote sustainable value

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

To uphold the ethical standards across the organisation, KEX has placed a strong foundation on legal compliance and good corporate governance, enabling us to create value in the long term. If an employee or an external stakeholder is aware of any violation of the law or KEX's business ethics,

the person has a responsibility to speak up by sending an e-mail directly to the AC or through other whistleblower channels as per the details provided on KEX's corporate website. KEX will protect the whistleblower from retaliation by keeping the whistleblower's identity confidential and setting up a high standard of whistleblower protection under KEX's whistleblower policy.

3. Strengthening the Board's Efficiency

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

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

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

- Every year, KEX allows shareholders to nominate a qualified candidate to be elected as

the Company's director in the AGM. In doing this, KEX announces the applicable criteria, nomination period, and form via SET's official channel and the corporate website. KEX also considers proposals from other channels, such as proposals from the major shareholders and a list of directors provided by the Thai Institute of Directors.

- The NRC has the duty to review and propose qualified candidates according to the criteria outlined in the good corporate governance policy and other criteria as agreed upon by the BOARD before proposing them for the BOARD approval and/or the shareholders' approval.

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

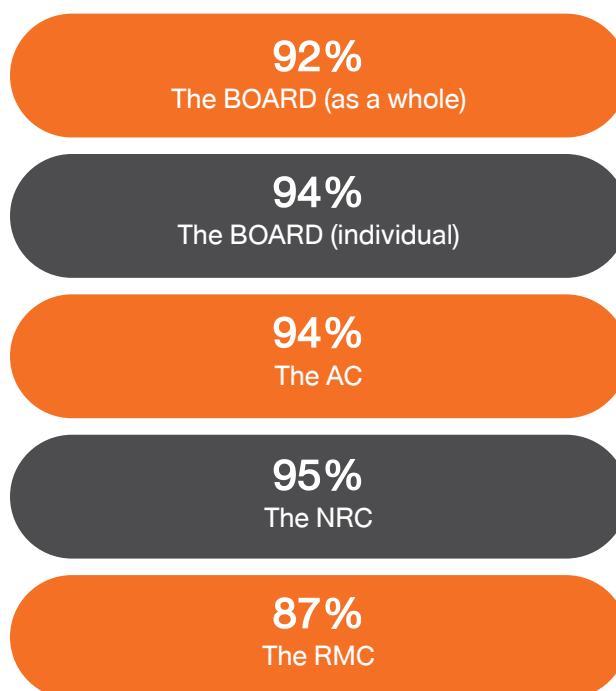
To strengthen the BOARD's effectiveness, KEX fully supports regular training and development of the BOARD. The Company Secretary is also responsible for updating the BOARD about new regulations and notifications of the capital market. KEX may invite internal/external experts or independent advisors to provide the training. In 2022, 100 per cent of directors and C-suite received training on ESG global trends by ERM-Siam Co., Ltd.

KEX encourages all directors to attend every meeting and invites senior executives such as the CFO, the CIO, and the CA to join the sessions. To facilitate the attendance of the meetings, any meeting schedule

and agenda of the BOARD and sub-committees will be set at least 3 months before the end of each fiscal year. KEX uses advanced technology to conduct virtual meetings, that is, through a high-security board portal application, thus eliminating the limitations of travelling. Through the BOARD portal application, the BOARD can access meeting materials anywhere and anytime using digital devices such as iPads, mobile phones, and laptops. The annotation, casting of the votes, and certification of documents or minutes are also easily executed via this online tool. The Meeting materials are provided to the BOARD at least 7 days before the meeting date or 14 days in cases of special events. If any director needs more information to support his or her decision-making, the director can contact the Company Secretary or the management at any time.

The performance evaluation of the BOARD and sub-committees is conducted collectively and individually from various angles, such as the BOARD structure and qualifications, the effectiveness of the BOARD's meetings, roles and responsibilities, relationship with the management, and training and development. The Company Secretary will propose the criteria and results to the NRC before gaining approval from the BOARD and communicate to all board members every year. In this regard, the results will be used to strengthen the effectiveness of the BOARD and the sub-committees.

In 2022, the result of annual performance evaluation are as follows;



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

Overall result of the Chairman of the BOARD was satisfied with score of 91 per cent.

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

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

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

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

The CEO and the senior executives regularly receive training. In 2022, they all were trained on ESG global trends, presented by ERM-Siam Co., Ltd.

For the performance evaluation of the CEO and the senior executives, the NRC, together with the CEO and the senior executives, defines and designs the criteria based on the business strategies, good corporate governance practices, the expectations of the shareholders and the key stakeholders, including financial and non-financial performances, such as volume growth, cost reduction and service level, the achievement of the six business strategies, employee engagement, and leadership roles during the COVID-19 pandemic. The performance evaluation will be jointly conducted before being proposed to the BOARD for final approval.

In previous years, the CEO performance evaluation was 76 per cent showed that the CEO has a strong commitment towards financial and non-financial targets.

The evaluation results are considered a part of the compensation structure per business directions. The NRC is responsible for considering and proposing the compensation structure of the CEO and senior executives to the BOARD.

5. Nurturing innovation and being a responsible business

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

KEX has announced a special project to encourage all staff to propose innovative ideas to help promote the Company's business efficiency and sustainability, including product and process innovations. The CEO took his leadership role in communicating concepts and criteria with the staff through CEO Town Hall. Finalist projects will receive investment capital for implementation. One of the important conditions in project pitching is sustainability. The innovation must minimise environmental impacts from KEX's operation or raise awareness of community well-being.

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

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

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

6. Strengthening effective risk management and internal control

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

The BOARD also enforces the Risk Management Policy at a corporate level to control and assess risk. Meanwhile, the Code of Business Ethics has been implemented to prevent conflict of interests and the use of insider information. The Anti-Corruption and Anti-Bribery Policy and the Securities Trading Policy, for which the directors and the executives must declare their intention to KEX at least 24 hours prior to the trading hour, have been implemented to strengthen KEX's ethical

culture. These policies have been communicated to staff and published on the website. KEX also requires its directors and staff to participate in annual ethics training and assessments. As a result, 100 per cent of the BOARD members and staff participated in the training programme, and 86 per cent participated in the assessment programme.

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



Compliance training on the code of business ethics, including insider training, conflict of interests, anti-corruption and fraud, whistleblowing, and sustainability. The training will be conducted 2 times a month on-site, with around 50 participants. Online training and communication will be conducted on a monthly basis to reach 100 per cent of our board members and staff.

Misconduct cases in 2022 and actions taken

The total number of misconduct case in 2022 was 229 cases. Most of the complaints were about supervisors' behaviour.

Below are some significant reported cases and actions taken;

Cases	Actions against the misconduct	Preventive actions
1. Taking advantage of one's position to gain personal benefits for one's own family	After the investigation, the executives and the offender were notified. Disciplinary actions were taken by suspending the employee without pay. However, the employee was still employed thanks to his past good performance.	Improving the conflicts of interest reporting system and consistently communicating it to all employees.
2. Committing fraud by faking an employee list to gain personal advantage from the hiring benefits.	After the investigation, the executives and the offender were notified. The offender was subsequently fired.	Emphasising with the supervisors that they must oversee and review the list of employees who actually work for the Company. Establishing an Audit Centre to spot-check any suspected violation or offense.
3. A supervisor's inappropriate behaviour towards the employees	After the investigation, the executives and the offender were notified. A warning was subsequently issued.	Regularly communicating with the employees at all levels regarding supervisors' code of conduct and human rights and conducting annual reviews on these matters.

7. Ensuring Disclosure and Financial Integrity

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

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

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

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

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

8. Ensuring Engagement and Communication with the Shareholders

Placing importance on shareholders' rights and equitable participation in KEX's activities, the BOARD has prescribed the guidelines on shareholders' engagement and communication in the Good Corporate Governance Policy. In 2022, KEX's practices were as follows;

- Providing an opportunity for its shareholders to propose AGM agendas and nominate qualified candidates for directorship. In doing this, KEX has announced the criteria, forms, submission channels, procedures, and period through its website and the official channels of the SET. However, no agenda item was proposed, and no director candidate was nominated.

- Providing an opportunity for its shareholders to submit questions about AGM agendas in advance and receive responses from the investor relations officers and the senior executives through electronic channels or in meetings.
- Matters to be presented in a meeting, a proxy form, and all supporting documents will be posted on KEX's website at least 30 days before the meeting date. Hard copies of these documents will be distributed to the shareholders at least 21 days before the meeting date.
- Encouraging funds and custodians to provide proxies in advance for pre-registration and document inspection.
- Providing sign language interpreters to facilitate shareholders who have a hearing impairment, ensuring equal access to information and participation.

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

Legal Disputes

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





RISK MANAGEMENT AND INTERNAL CONTROL

3

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT COMMITTEE REPORT

Dear Shareholders,

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

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

In 2022, the RMC carried out its duties as stipulated in the RMC Charter which had been approved by the BOARD with commitment, devotion and responsibility as summarised below:

The RMC has reviewed KEX's risk management framework, policy, appetite, indicators, and criteria to be in line with KEX's current business context.

Risk factors were closely monitored, covering strategic aspects including business operations, finance, regulatory measures, as well as social and environmental issues. The RMC intensively discussed emerging risks such as the pandemic during the first half of the year, as well as changes in macroeconomic environment, consumption trend and competitive landscape for the entire year. The committee advised stakeholders to prepare adequate action plans to manage the risks.

The RMC has evaluated the overall risk management process and decided to place more emphasis on strategic risks due to the increasingly challenging business environment. The committee therefore reviewed the adjustment of risk management plan during the Q4/2022 meeting to improve risk management plan to better align with current business circumstances. The committee also reported key performance to the BOARD on a quarterly basis.



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

RISK MANAGEMENT

Risk Management Framework and Policy

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

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

KEX's Governance and Risk Culture

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

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

1. At the Company's level. Risk appetite is defined from top management to be the Company's reference for making important business decisions. The Company has established oversight bodies with clearly defined roles and responsibilities to be closely in charge of risk management with official meetings arranged on

a periodic basis to discuss important matters, evaluate the effectiveness of current operations, and determine how existing risk management can adequately respond to risks and capture potential threats. Strategic moves are approved at both the top management and the BOARD to ensure all relevant risks are taken care of.

2. At departments' level. Heads of all departments as risk owners shall perform their function of risk assessment, risk reporting to risk management department, provision of advice from committees and oversight departments to improve their operations to ensure that directions are already aligned at both the Company's level and the departments' level. During a risk assessment process, the risk management department provides advice on risk management and raises awareness of risk to head of the department. The team also gives advice on risk angles for important projects to allow project leads to incorporate risks into their decisions.

ROLES AND RESPONSIBILITIES

The Board of Directors

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

The Audit Committee

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

The Department of Internal Audit

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

The Risk Management Committee

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

The Risk Management Team

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

Risk Owners

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

Strategy and Objective-setting

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

Risk Management Process

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

1. Risk Identification

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

2. Risk Assessment

All identified risks shall be evaluated by estimating likelihood and impact, including KRI results developed for both leading and lagging indicators to closely monitor significant risks.

3. Risk Response

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

4. Risk Monitoring

Risk management team shall monitor risks and report to the RMC, and the BOARD on a quarterly basis to ensure the Company is managing risks properly.

Review and Revision

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

Information, Communication, and Reporting

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

Risk Factors

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

Strategic Risk

Emerging Risk

KEX has constantly monitored emerging risks that can have potential impact on the express delivery industry and the Company's business operation. The most crucial factors during the past years have been the dismal global geopolitical landscape and macroeconomic conditions as well as post COVID-19 impact. Geopolitical conflicts, soaring inflation, skyrocketing commodity prices and interest rate trend, as well as volatile capital markets have put

challenges on global businesses and consumers. Recessions in certain developed and emerging markets have been widely expected in 2023. This, together with the prolonged COVID-19 pandemic during the past few years, have significantly eroded Thai consumer confidence and purchasing power and, thus, inevitably stalled e-commerce and express industry that have grown at astounding rates during the past several years. In addition, though the COVID-19 situations have resulted in a boom in online transactions and e-commerce industry during the period, after the situation alleviated, the country's reopening and outdoor activity resumption during the latter half of 2022 have led to temporary shifts in consumer's lifestyle. These factors have temporarily stalled the industry growth, intensified the competition among existing players, and put challenges on the Company's strategy execution and business operation. Given these rapidly changing environments, the Company may face challenges in forecasting market demands, acquired volume, and resources management that could significantly impact its operating and financial performance. In response to this, the Company has closely monitored the market movements to accurately forecast volume and plan appropriate strategies to ensure that resources are properly allocated and managed.

Industry Risks

KEX operates in the highly dynamic parcel express delivery service industry, consisting of many industry players. Since its inception, KEX has continuously faced competition from international, regional, and domestic logistics actors in terms of business models, operating capabilities, pricing, cost control, and service quality. The industry has also seen the arrival of new entrepreneurs and e-commerce platform clients who establish express delivery businesses to compete with KEX. Some of these competitors may have broader service or network coverage, greater financial and marketing resources, more advanced technology infrastructure, stronger brand recognition, or greater capital resources. They may be able to devote additional resources following new capital injections, strategic alliances, or other similar events or implement aggressive marketing strategies to compete with KEX. In addition

to the competitive nature of this industry landscape, the influence of rapid technological developments, demographic and socioeconomic trends, and global consumer behaviours on the e-commerce and social commerce industry have continually present emerging new risks to our businesses. Although KEX has successfully implemented various strategies to continuously grow the business in the face of this competitive and dynamic landscape, especially the aggressive pricing strategy to compete in the express delivery service market, there is a possibility that these strategies may adversely affect our market share, revenue, and profitability.

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

Reputational Risk

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

complaints is also established to ensure maximum customers satisfaction and maintain KEX's reputation.

Operational Risks

Failure of On-Time Parcel Delivery

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

Human Resources Risk

The success of KEX's business operations depends mainly on the continuing efforts of our management and employees. Given the industry's high turnover rate and the limited supply of skilled personnel and experienced high-level professionals, if KEX is unable to develop, motivate, recruit and retain qualified, skilled and/or experienced managers and employees, or if we fail to timely respond to changes in the business environment, our business may be adversely affected. Responding to this risk, KEX places great importance on attracting, developing, and retaining qualified employees through the department of people development. KEX is committed to continuously investing in employees' training and development through various specialised

programmes. In addition, a merit-based work environment, an open culture, competitive compensation schemes, career path development, and succession planning are among KEX's key strategies for strengthening this critical foundation of human resources for our long-term sustainable growth.

IT System Failure Risk

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

Information Security and Cyber Attack Risk

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

Business Continuity Risk

Natural disasters, epidemics, political violence, insurgency, terrorism, strikes, and other uncontrollable events may affect the operations

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

Financial Risk

Operating Expense Risk

KEX has adopted various cost reduction measures to reduce our operating costs by expanding our network, which drives economies of scale and improves our operating efficiency through routing, asset optimisation, and the adoption of advanced technology. However, these measures may not be as effective as expected in improving KEX's operating efficiency and profitability, including investment strategy for business expansion and resilience, which could negatively affect the results of our operations and financial conditions.

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

Legal and Compliance Risk

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

The latest regulatory change was the Personal Data Protection Act B.E. 2562 (2019) (PDPA) which was effective on 1st June 2022. While the direction from the regulatory body was still unclear, the Company adapted its operations to align with the act, including raising awareness and arranging organisation-wide training. KEX puts great emphasis on this act due to the nature of its business that uses customers' personal data including names and addresses. Overall, the Company has continuously monitored legal and regulatory requirements related to the business and the industry. The relevant changes are reported to the management to align their functions with the new requirements. In addition, KEX also undergoes an annual internal audit of relevant departments to ensure that all departments in our organisation are always in full compliance with applicable laws and regulations.

Occupational Health and Safety Risk

As human resource is essential to the success of our business, KEX places significant emphasis on the health and safety of our employees. In this respect, KEX provides safety and occupational health measures in the working environment following the relevant standards, laws, and regulations, especially concerning operational safety within the sorting hubs, the distribution centres, and transportation processes. KEX provides suitable working equipment to protect employees from any risks they might face during sorting, moving, and transporting parcels. Meanwhile, the conditions

of the transport vehicles and the readiness of the carriers are also checked before working. In addition, KEX regularly promotes knowledge and awareness of workplace safety and safe driving through training and various communication channels to prevent physical and property damages to employees and third parties.

Corruption and Misconduct Risk

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

Risks Related to the Use of Kerry Express Brand

KEX has entered into a licensing agreement with Kuok Registrations Limited ("KRL"), whereby KRL has granted KEX a limited and non-assignable right to use the "Kerry Express" brand and related trademarks and service marks in connection with our operations in Thailand (the "Master Licence Agreement"). The Master Licence Agreement does not extend to the use of the "Kerry Express" brand and related trademarks and service marks outside of

Thailand. KEX will need to negotiate with and obtain approval from KRL for such use overseas. KEX may face limitations in overseas business expansion and establish another brand for such activities.

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

Following the acquisition of majority stake of KLN by Flourish Harmony Holdings Company Limited (“Flourish”), an indirectly wholly-owned subsidiary of S.F. Holding Company Limited (“SF”), KEX has entered into the new brand licensing agreement dated 25th March 2021 to reflect the change in the shareholding structure of KLN and the related changes in the termination clauses.

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

If KEX loses the right to use the “Kerry Express” brand due to any reason, KEX will need to recreate a new brand and register new trademarks. This may have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects.

Environmental Impact Risk

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



AUDIT COMMITTEE REPORT

Dear Shareholders,

The AC consists of three independent directors who possess qualifications in finance and accounting. The committee has performed its duties independently and with objectives in accordance with the AC Charter which is approved by the BOARD. The Head of Internal Audit is the Secretary of the committee.

The AC convened a total of seven meetings during the year and attendance at these meetings is as follows.

Member of the AC	Position	Attendance/Total meetings
1. Mr. Prasan Chuaphanich	Chairman	7/7
2. Mr. Kamthorn Tatiyakavee	Member	7/7
3. Ms. Yeo Hwee Leng Eileen	Member	7/7

Typically, the CIO, the CFO, and the Head of Internal Audit, as well as representatives of the external auditor are invited to attend meetings of the committee. When required, other key executives and senior management are invited to attend to present and provide insights on topics as required by the committee to discharge its duties. The external auditor and the Head of Internal Audit have exclusive right to meet with the committee, without other executive management being present. After each Committee meeting, the Chairman of the AC reports to the BOARD on the key issues which have been discussed.

In 2022, the AC performed its responsibilities in auditing and reviewing KEX's activities as follows:

Review of Financial Reports

The AC reviewed the accuracy, completeness, and reliability of the interim and annual separate and consolidated financial statements of KEX and its subsidiaries for the year 2022. The AC focused on reviewing significant matters arising from the auditing, the appropriateness and consistency of accounting policies, and management judgement and estimation applied in the preparation of these financial statements. The AC also reviewed the disclosure in the notes to the financial statements, including providing opinions concerning any related parties' transactions that might have conflicts with KEX's interests to ensure that the preparation of these financial statements and the disclosure in the notes to the financial statements are reliable, transparent, and in accordance with the Thai Accounting Standards and the Thai Financial Reporting Standards.

In the fiscal year 2022, the AC, without the presence of KEX's management, held a meeting with an external auditor to discuss any issues that may have arisen during the audit of KEX. The external auditor unconditionally expressed their opinions and no significant observation pertaining to accounting and finance was made. The external auditor confirmed their independence and confirmed that good cooperation was provided while they were carrying out their duties.

Thus, the preparation of the separate and consolidated financial statements was conducted with reliability, transparency, and in compliance with the Thai Accounting Standards and the Thai Financial Reporting Standards, and the external auditors performed their duties independently and with verifiability.

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

Based on the document provided and the information made available by S.F. Express to KEX's management and the AC, nothing has come to our attention to believe that S.F. Express has not complied with the conditions 2 and 3 of the Waiver Letter for the year ended 31st December 2022.

Appointment of the External Auditor and Review of Audit Fee

The AC reviewed the quality of the services provided by PricewaterhouseCoopers ABAS Limited, and their remuneration by considering their professional expertise, efficiency, and independence. The AC believes that PricewaterhouseCoopers ABAS Limited had given satisfactory services, providing KEX with helpful advice and recommendations for KEX's financial reporting and improving KEX's internal control.

The AC endorsed PricewaterhouseCoopers ABAS Limited to be the external auditor for the fiscal year 2023 for the BOARD's concurrence and the shareholders' approval at the 2023 AGM, together with the audit fees.

Review of KEX's Operations


The AC monitored KEX's operations through the internal audit performance. The internal auditor is responsible for reporting the audit finding against relevant laws, regulations, KEX's policies, and local and international accepted standards to the AC every quarter. The AC consistently follows KEX's good corporate governance guidelines.

Review of Internal Control System and Internal Auditing Activity

The AC supports the BOARD in carrying out its duties to review and monitor the effectiveness of KEX's risk management and internal control systems. The AC is also responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, plans, activities and resources.

In the year 2022, the AC reviewed and approved recruitment, the annual internal audit plans, conformance to the plans, and quarterly internal audit result reports. The AC conducted quarterly reviews of the adequacy and efficiency of KEX's internal control system and activities, including those addressing fraud or error risks. The findings were consistently monitored to ensure that the corrective and proactive actions were taken on a timely basis by KEX's management as advised by the internal auditors, and improvements were carried out for significant aspects of good governance and adequate internal control. The AC reviewed suitability of resources, KPIs, and also supervised continuing quality improvement of the Internal Audit function. The AC opined that the internal control system of KEX was efficient, appropriate, and adequate for the business.

In conclusion, the AC deems that KEX has complied with applicable laws related to its business operations with good governance, adequate risk management, and effective internal audit activities. The BOARD has approved the report of the AC opinion in meeting No.1/2023, dated 14th February 2023.



On behalf of
The Audit Committee
Mr. Prasan Chuaphanich

INTERNAL CONTROL

The AC has been assigned by the BOARD to ensure the internal control system sufficiency, including the accuracy and reliability of financial reports, in compliance with relevant laws and regulations. The effectiveness of the internal control system is evaluated following COSO internal control - integrated framework 2013 (COSO 2013) of the Committee Of Sponsoring Organisations of the Treadway Commission, as summarised below :

Control Environment

- **Commitment to integrity and ethical values**
KEX control environment is appropriate and suitable for business efficiency and effectiveness. KEX has established policies and protocols in writing, along with corporate governance practices and its code of business ethics, covering various angles, including the responsibility to key stakeholders. KEX's personnel must also disclose conflicts of interest to prevent activities that may lead to conflicts of interest. All executives and employees at all levels must sign their names to acknowledge the code of business ethics. KEX has set and communicated the penalties regarding violation of the code of business ethics and procedure to all employees.
- **Independent oversight of internal control performance**
The BOARD and sub-committees perform their duties separately from the management. The segregation of responsibilities provides checks and balances, leading to efficient internal control. The internal audit team is independent and reports directly to the AC.

The BOARD supervises the development and implementation of internal control as proposed by the AC and holds regular meetings to consider various aspects of internal control and risk management.

- **Appropriate management structure, reporting line, and authorities**
As mentioned in the good corporate governance policy and performance report, KEX has segregated the roles and responsibilities of its key persons and business units. KEX also applies a clear segregation of duties and cross-functional examinations and sets reporting lines in accordance with the authority and duties.
- **Commitment to attract, develop and retain competent employees**
KEX has established rules and stipulated the recruitment, development, and training procedures for all personnel and annually reviews these procedures. KEX recruits employees based on their qualifications without any discrimination. In addition, KEX prepares an annual training plan, which includes both internal and external programmes pursuant to the personnel development policy. Lastly, KEX also solicits the employees' feedback to improve working environment according to retention policy.
- **Accountability for internal control responsibilities**
KEX continuously conducts assessments to ensure that employees at all levels understand the importance of a sound internal control system and optimistically implement these principles.

Risk Assessment

- **Clear risk objective specifications**

KEX has established the RMC to manage KEX's risks and report to the AC and the BOARD. The corporate risk management policy, strategies, and activities are thoroughly communicated to employees through the corporate website and internal channels.

Once a risk is specified, a solution will be developed. A responsible party will be assigned to manage that risk. Afterwards, a follow-up process will be conducted, including evaluating and examining the issues that need to be resolved.

- **Risk identification and analysis**

KEX has established its corporate risk profile to identify and analyse the risks relevant to each department and identified existing and additional controls to reduce the severity or likelihood of the risks and keep them within KEX's risk appetite. KEX's enterprise risks cover areas of strategic risk, financial risk, operational risk, legal and compliance risk, occupational and safety risk, corruption and misconduct risk, risk related to the use of Kerry Express brand, and environmental impact risk. Monitoring and action plans are employed to consistently manage risks. KEX sets Key Risk Indicators (KRI) for each risk type as benchmarks for measurement and monitoring as well as prompt and effective management to ensure that they are within the acceptable level. In addition, the RMC considered fraud risk assessment as preventive controls to identify potential fraud that might occur. The causes were discussed during fraud risk assessments involving several participants such as accounting, legal, business unit and operations. Existing

controls are identified to mitigate the risk that might occur from each fraud scheme. Additionally, remediation plans were also developed to address control gaps. The Company has established the Business Continuity Plan (BCP) to prepare for critical risks that may have significant impact on the Company's operations. The risk assessment performed by the RMC is refreshed annually and discussed with the AC. The department of internal audit also monitored whether risk management has been properly monitored to ensure that the Company's risks are at acceptable levels.

- **Change identification and assessments**

Following the corporate risk management policy, the RMC is required to review the risk management policy at least once a year or whenever there is any change to the corporate context or in situations that have a significant impact on KEX's business operations. Any amendment to the policy must be approved by the RMC and reported to the BOARD before a formal announcement.

Control Activities

- **Control activity selection and development**

KEX has extended its control activities in various items in writing, such as policies, operational procedures, and registrations to prevent risks from unexpected circumstances. The policies, procedures, and control activities are reviewed periodically to ensure that the authorisation and review are consistent with changing circumstances or risks under a controlled environment. These activities are a mixture of manual control and automated control. Recordkeeping, resource management, and segregated functional responsibilities are set for check and balance.

- **General controls over technology development**

KEX has established specific policies of information technology safeguarding. These policies specify the acceptable practices of computer users, the guidelines for system administrators, and the limitations on access to the system. The level of access is assigned based on each person's authority and responsibilities. KEX underlines the importance of using only legitimate copyrighted computer programmes in work processes, including the information technology used in the operational processes and the general control of the information system. KEX also utilises a wide variety of information technology systems to track any sign of irregularities in its operation promptly.

- **Control activity deployment through policies and procedures**

KEX has defined policies, rules, regulations, directives, and work plans and procedures. Policies are reviewed annually and communicated to all employees to ensure compliance. KEX arranges monthly executive meetings, where the operating results are reported.

The AC has been assigned by the BOARD to review the effectiveness of the internal control system. The audit of the internal control effectiveness is conducted by the department of internal audit to ensure that controls are in place and have been properly implemented in their actual operations. If a policy or operational procedures are inappropriate, the management will be notified and requested to find a solution for the situation. The corrective action is consistently followed up until the issue is resolved. Audit and follow-up results performed by the department of internal audit is reported directly to the AC.

Information and Communications

- **Internal control information generation and utilisation**

KEX has set a policy on the use of internal information and implemented methods to prevent employees from using confidential information and/or inside information that has not been disclosed to the public for the benefit of themselves or others. Any improper use of undisclosed information is prohibited, whether it is done directly or indirectly and whether benefits are received or not, including the use of such undisclosed information for trading securities.

When collecting and utilising important information, KEX considers the accuracy, adequacy, necessity, and benefits expected from such information, including giving due consideration to the cost of providing such information.

- **Internal communications**

KEX provides several essential communication channels for employees and executives to effectively access information, including direct communications through physical and online meetings, two-way communications through Town Hall, e-mails, documents, and publications available through the official shared drive and other communication platforms.

Additionally, guidelines for whistleblowing or complaints about business ethics are published and announced to employees. Employees and stakeholders can report the matter to the AC, or the department of internal audit, and the information of the whistleblower will be kept confidential to build confidence for whistleblowers.

- **External communications**

Communication to external parties is conducted through various channels as per the details provided in the good corporate governance policy and performance report.

Monitoring Activities

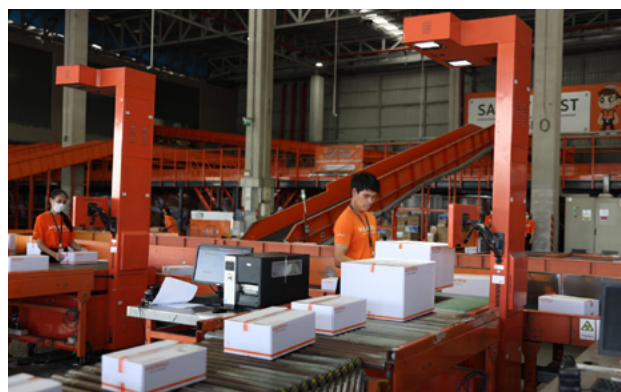
- **Internal control monitoring and evaluation**

KEX regularly reports performance results against KEX's goals to the management and the BOARD to ensure that the goals and objectives are achieved and that actions can be taken promptly.

Meanwhile, an internal control self-assessment is conducted annually. The assessment results are reported to the stakeholders in the annual report. To this end, KEX prescribes that internal control implementation is a duty of all employees.

- **Timely internal control deficiency evaluation and communications**

KEX evaluates and communicates internal control deficiencies identified in an internal audit report to the executives and responsible persons for their acknowledgement and prompt actions. All of such corrective actions have been wholly executed within the specified timeline.



RELATED PARTY TRANSACTIONS

4

RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTION (RPT) 2022

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Kerry Logistics (Thailand) Company Limited (KLTH) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Sales of goods and services			<ul style="list-style-type: none"> KEX provides Last Mile delivery service and collects COD for KLTH. The Last Mile delivery and COD surcharge rates and conditions are comparable to those given to third party.
	Sales and service income	1.37	1.79	
	Trade and other receivables	0.20	0.38	
	Cash on delivery payable	0.18	0.68	<ul style="list-style-type: none"> KEX pays KLTH for damage and loss at the rates comparable to those of third party.
	Purchases of goods and services			
	Cost of sales and services	0.19	0.02	
KMMT Company Limited (KMMT) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Trade and other payables	0.19	-	
	Sales of goods and services			<ul style="list-style-type: none"> KEX provides Last Mile delivery services for KMMT. The Last Mile delivery rates charged to KMMT are comparable to those charged to third party.
	Sales and service income	0.10	0.09	
KART (Thailand) Co., Ltd. (KART) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Trade and other receivables	0.03	0.02	
	Sales of goods and services			<ul style="list-style-type: none"> KEX provides Last Mile delivery services for KART. The Last Mile delivery rates charged to KART are comparable to those charged to third party.
	Sales and service income	0.003	0.0003	
	Trade and other receivables	0.0007	-	

Note : For the details of previous year's transactions, please refer to the information disclosed in the 2021 56-1 One report on our website.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Kerry-APEX (Thailand) Company Limited (K-APEX) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Sales of goods and services Sales and service income Trade and other receivables Purchases of goods and services Purchase of services Trade and other payables	1.66 0.25 0.20 -	0.01 - 1.35 -	<ul style="list-style-type: none"> KEX provides Last Mile delivery services for K-APEX. The Last Mile delivery rates charged to K-APEX are comparable to those charged to third party. KEX uses K-APEX's domestic air transportation services for urgent delivery of high-value parcels. The fee charged is comparable to third party that offers the same service.
KLN (THAILAND) Company Limited (KLN(TH)) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Other income Rental income Trade and other receivables Deposit	5.64 - 1.00	5.78 - 1.00	<ul style="list-style-type: none"> KLN(TH) has sub-leased office space at Sathon Square Building from KEX. The rate charged is based on cost-plus-margin, which includes other expenses and service fees.
Kerry Siam Seaport Co., Ltd. (KSSP) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Purchases of goods and services Other Expenses Trade and other payables	0.003 -	0.023 0.005	<ul style="list-style-type: none"> KEX pays for messenger outsource at cost of service to KSSP.
Kerry Logistics (Bangna) Company Limited (KLBN) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Kledchai Benjaathonsirikul	Purchases of goods and services Rental Expense Payment on Lease Liability Interest Expense Lease liabilities Trade and other payables Deposit	27.99 97.69 4.86 267.18 1.73 22.20	31.64 102.54 3.68 164.64 4.30 22.20	<ul style="list-style-type: none"> KEX has rented warehouse from KLBN for its sorting hub and office spaces at market rates, under terms and conditions which are comparable to those from third party. KEX pays utility bills to KLBN at cost incurred plus margin basis.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Shangri-La Hotel Public Company Limited (SHANG) - A subsidiary of Shangri-La Asia Limited ("SA"), a member under Kerry Group Limited ("KGL"), which is the major shareholder of KLN - Common director : Mr. Kledchai Benjaathonsirikul	Purchases of goods and services Rental Expenses Other Expenses Payment on Lease Liability Interest Expense Lease liabilities Trade and other payables Deposit	24.72 1.61 15.68 0.42 11.94 1.24 8.14	29.23 2.52 15.88 0.91 74.12 1.59 9.07	<ul style="list-style-type: none"> • KEX has entered into lease and service agreements with SHANG for its office and parcel shop at the Chao Phya Tower. The rental and service costs as well as terms and conditions are comparable to the market rental rates of office spaces in the area. • KEX also pays utility bills to SHANG at the actual cost. • KEX has rented spaces to install the Company's sign and advertisement materials at Chao Phya Tower, The installation included stainless steel and LED light box from SHANG. the rental rates as well as terms and conditions are at arm's length basis. • KEX has other expenses with SHANG such as rental of meeting rooms, food and beverage expenses and accommodation expenses at the Shangri-La Hotel Bangkok which are calculated at discounted rates, as a member of Kerry Group Limited.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
S.F. Express Co., Ltd. (SFTH) - A subsidiary of S. F. Holding Company Limited, KEX's ultimate major shareholder	Sales of goods and services Sales and service income Other income Trade and other receivables Cash on delivery payable Advance to customer Purchases of goods and services Cost of sales and services Trade and other payables	0.65 - 0.64 0.19 - - 0.01	23.87 18.25 127.39 0.89 22.39 0.15 48.87	<ul style="list-style-type: none"> KEX provides custom clearance, Last Mile delivery services and collects COD for SFTH. The Last Mile delivery and COD surcharge rates and conditions are comparable to those given to third party. KEX charges service fee during business integration period at the cost-plus margin basis. KEX pays for damage and loss to SFTH at the comparable rates to those of third party.
KEC (Bangkok) Limited (KECB) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Ng Kin Hang Alex	Sales of goods and services Sales and service income Other income Trade and other receivables Advance for KEC	- - - -	0.20 2.88 3.11 0.47	<ul style="list-style-type: none"> KEX has sub-leased electric forklift to KECB at the cost-plus margin basis. KEX has sold the renovated 2nd floor office to KECB at the cost-plus margin basis.
Kerry Logistics (Hong Kong) Limited (KLHK) - A subsidiary of KLN, KEX's major shareholder	Purchases of goods and services Corporate administration service expense Other expenses Trade and other payables	16.71 0.07 3.51	26.80 0.18 5.25	<ul style="list-style-type: none"> KEX engages KLHK to provide corporate administration services and IT services at market and cost-based rates. KEX reimburses other expenses to KLHK such as travelling and subscription expenses at actual cost .

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Times E-Commerce Company Limited (TEC) - A joint venture of KLN, KEX's major shareholder, and Times Global Logistics Limited - Common director : Mr. Ng Kin Hang Alex	Sales of goods and services Sales and service income Trade and other receivables Deposit Advance to customer Cash on delivery payable Other income Sales of equipment Trade and other receivables Purchases of goods and services Cost of sales and services Trade and other payables	189.97 35.88 10.00 - 14.53 0.06 0.42 0.82 0.17	94.46 8.94 10.00 0.29 4.90 - - 1.54 -	<ul style="list-style-type: none"> KEX provides custom clearance, Last Mile delivery, COD and warehouse-related services to TEC at the comparable rates and conditions to those charged to third party. KEX has sold computers, barcode printers, other equipment to TEC at cost-plus margin basis. KEX pays for damage and loss to TEC at the comparable rate to that of third party.
Kerry Express (Cambodia) Co., Ltd. (KEKH) - A subsidiary of KLN, KEX's major shareholder - Common directors : Mr. Kledchai Benjaathonsirikul and Mr. Ng Kin Hang Alex	Other income IT service income Trade and other receivables	1.00 4.30	3.08 6.76	<ul style="list-style-type: none"> KEX provides IT services to KEEKH at the cost-plus margin basis. KEX reimburses from KEX certain trade and other receivables with KEEKH for IT service income supply as well as miscellaneous expenses that KEX paid in advance for KEEKH.
ABX EXPRESS (M) SDN. BHD. (ABX) - A subsidiary of KLN, KEX's major shareholder	Other income IT service income Trade and other receivables	6.79 6.79	6.47 6.47	<ul style="list-style-type: none"> KEX provides IT services to ABX at the cost-plus margin basis.
PT. KERRY NEX EXPRESS (KNEX) - A subsidiary of KLN, KEX's major shareholder - Common director : Mr. Ng Kin Hang Alex	Other income IT service income Trade and other receivables	3.07 -	2.63 1.78	<ul style="list-style-type: none"> KEX provides IT services to KNEX at the cost-plus margin basis.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Kuok Registrations Limited (KRL) - 100% held by KGL, KLN's major shareholder	Purchases of goods and services Professional service expense Trade and other payables	0.145 -	0.458 0.060	<ul style="list-style-type: none"> KEX pays KRL for the legal costs of the lawsuit regarding the service mark infringement in Thailand. The costs are shared equally between KRL and KEX. KEX reimburses the professional service fee for review of Kerry Express Wallet licence agreement to KRL at actual costs.
Kerry Express (Hong Kong) Limited (KEHK) - A subsidiary of KLN, KEX's major shareholder	Other income IT service income Trade and other receivables Trade and other payables	3.30 1.34 0.11	2.43 2.43 -	<ul style="list-style-type: none"> KEX provides IT services to KEHK at the cost-plus margin basis.
Kerry EAS Logistics Limited (KEAS) - A subsidiary of KLN, KEX's major shareholder	Purchases of goods and services Administrative expenses	3.71	-	<ul style="list-style-type: none"> KEX pays KEAS for its HR Service at the market rate
KERRY EXPRESS (SINGAPORE) PTE. LTD (KESG) - A subsidiary of KLN, KEX's major shareholder	Other income IT service income Trade and other receivables	0.72 0.72	- -	<ul style="list-style-type: none"> KEX provides IT services to KESG at the cost-plus basis.
KLN Services Sdn. Bhd. (KLNS(MY)) - A subsidiary of KLN, KEX's major shareholder	Purchases of goods and services Administrative expenses	3.65	-	<ul style="list-style-type: none"> KEX engages KLNS(MY) to provide software development and maintenance services for KES Programme at the cost-plus margin basis.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Kerry Ecommerce Limited (KECOM) - A subsidiary of KLN, KEX's major shareholder	Sales of goods and services			
	Sales and service income	-	99.80	<ul style="list-style-type: none"> KEX provides Last Mile delivery service and collects COD for KECOM. The Last Mile delivery and COD surcharge rates and conditions are comparable to those given to third party. KEX pays for sorting out of packages and Chinese merchandise for customers' New Year presents at the rates based on arm's length basis. As KEX provides export services which include pick-up cargo, express export customs clearance, arrangement for air freight to the destination as well as import customs clearance and Last Mile delivery at the destination countries. KECOM provides services in part of import customs clearance and Last Mile delivery at the destination countries. The fee charged is comparable to third party companies that offers the same service. KEX pays for damage and loss to KECOM at the comparable rate to that of third parties.
	Trade and other receivables	-	99.80	
	Purchases of goods and services			
	Purchase of goods	-	4.75	
	Other Expense	-	0.25	
	Trade and other payables	-	1.56	

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Bangkok Smartcard System Company Limited (BSS) - A subsidiary of VGI, which has 15.5% stake in KEX	Other income Commission income Trade and other receivables Trade and other payables	0.00004 0.0005 0.003	– 0.0005 0.007	<ul style="list-style-type: none"> KEX receives commission from BSS customers who top up their Rabbit Cards at KEX parcel shops at the fixed-percentage rate which was agreed upon by both parties.
Rabbit-Line Pay Company Limited (RLP) - A jointly controlled entity of VGI, which has 15.5% stake in KEX - Common director : Mr. Ng Kin Hang Alex	Other income Commission income Trade and other receivables Trade and other payables Purchases of goods and services Cost of sales and services Trade and other receivables	0.005 0.0005 0.03 12.56 1.46	0.002 0.0004 0.04 12.44 0.19	<ul style="list-style-type: none"> KEX has entered into an agreement with RLP to allow RLP customers to top up their Rabbit LINE Pay E-Wallet at KEX's parcel shops and couriers at fixed percentage rate, which was agreed upon by both parties. KEX pays a transaction fee for transactions made via Rabbit LINE Pay E-Wallet to RLP at a fixed percentage rate which is comparable to that of third party service providers.
Rabbit Care Broker Company Limited (RCB) (fka. Rabbit Insurance Broker Company Limited) - A subsidiary of VGI, which has 15.5% stake in KEX	Sales of goods and services Sales and service income Trade and other receivables	2.37 0.34	2.91 0.17	<ul style="list-style-type: none"> KEX provides Last Mile delivery services for RCB The Last Mile delivery rates charged to RCB are comparable to those charged to third parties.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
888 Media Company Limited (888) - A subsidiary of VGI, which has 15.5% stake in KEX	Purchases of goods and services Advertising Expenses	5.49	0.19	<ul style="list-style-type: none"> KEX pays 888 for BTS sky train body sticker wraps and static media materials inside BTS sky trains. In addition, KEX commenced the advertising poster on BTS's foundation pillars in 2022. The rates are comparable to the market rate.
Rabbit Rewards Company Limited (RR) - A subsidiary of VGI, which has 15.5% stake in KEX.	Sales of goods and services Marketing Revenue Purchases of goods and services Cost of sales and services	- -	0.93 1.00	<ul style="list-style-type: none"> KEX and RR exchange cash coupons with each other. RR provides cash coupons when customers want to redeem their Kerry points. The coupons can be used at department stores, for movie and food and beverage. KEX provides cash coupons to be used at KEX's parcel shops.

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
VGI Public Company Limited (VGI) - Hold 15.5% of shares in KEX - Common director : Mr. Kavin Kanjanapas	Sales of goods and services			
	Marketing Revenue	4.60	3.29	<ul style="list-style-type: none"> KEX receives a portion of revenue from VGI for renting out advertising space on KEX delivery vehicles for its clients.
	Trade and other receivables	0.39	0.47	
	Purchases of goods and services			<ul style="list-style-type: none"> KEX receives revenue from delivering sampling products with the client's parcels at cost-plus margin basis. KEX has entered into lease and service agreements with VGI for the rental of retail space on BTS stations, and its parcel shops at the rental and service rates comparable to those that VGI offers to third parties. KEX also pays the utility bills to VGI at actual costs. As part of its marketing and promotional campaigns, KEX pays VGI to provide digital media advertising services as well as various advertising space on BTS trains and platforms at prevailing market rates. KEX paid for miscellaneous expenses relating to its parcel shops on BTS stations to VGI, such as registration/ entrance fee, smoke detector and stamp duty, with rates comparable to those VGI charges other parties.
	Rental and service expenses	1.40	1.71	
	Administrative expenses	13.68	0.77	
	Payment on lease liabilities	3.13	2.82	
	Interest Expense	0.21	0.12	
	Lease liabilities	8.02	4.13	
	Trade and other payables	0.03	0.48	
	Deposit	1.22	1.22	

Unit : THB million

Related Parties / Relationships	Nature of Transactions	2021	2022	Transaction Rationale
Rabbit Cash Company Limited (RC) - A subsidiary of VGI, which has a 15.5% stake in KEX	Sales of goods and services Commission income Trade and other receivables	- -	0.50 0.48	<ul style="list-style-type: none"> KEX receives referral fee for application in and loan booking via Kerry channel. The charging rates are agreed upon by both parties.
BSS Holding Company Limited (BSSH) - A subsidiary of VGI, which has a 15.5% stake in KEX	Sales of goods and services Marketing Revenue Trade and other receivables	- -	4.00 3.21	<ul style="list-style-type: none"> KEX promotes Rabbit products and services at shops, online media and mobile application of KEX. The charging rate are comparable to those given to third parties.
The Siam Commercial Bank Public Company Limited (SCB) - Common director : Mr. Prasan Chuaphanich	Other income Interest income Cash Deposit	0.004 8.82	0.014 5.129	<ul style="list-style-type: none"> KEX receives interest income from its savings account at SCB at the market rate.
Tamaka Sugar Industry Company Limited (TMK) - Common director : Mr. Chalush Chinthammit	Purchases of goods and services Rental and service expenses Trade and other payables Deposit	1.61 0.03 0.25	- - 0.005	<ul style="list-style-type: none"> KEX rents warehouse spaces from TMK for its sorting and distribution hubs at the market rates, and with prevailing terms and conditions. KEX pays utility bills to TMK at the rate agreed upon by both parties.

FINANCIAL
PERFORMANCE

5

MANAGEMENT DISCUSSION AND ANALYSIS

2022 HIGHLIGHTS

- FY2022 was marred with challenges, first with the onset of the unexpected Russian-Ukraine conflict, central banks globally raising interest rates to curb inflation and the unexpected slowdown of the Chinese economy led by the strict Covid-Zero policy. These events have brought significant increases in operating costs, particularly fuel expenses and funding cost. Consumer consumption also slowed globally.
- Such has also taken tolls on Thai e-commerce platforms and, thus, express delivery players alike especially as Covid recedes during mid-2022. Suppressed consumer demand and purchasing power, coupled with consumer's digression to physical shopping as a consequence of post-Covid country's reopening, led to the slowing of demand for the express industry. Market growth stalled, leading to fiercer price competition among existing industry players in exchange for volume.
- Following our core express strategies, KEX has grown its delivery volume by 18% YoY, however this was achieved at relatively high costs as we expand our operating capacity during Covid periods. As the market normalised following the re-opening, e-commerce growth has slowed down and we were not able to achieve unit cost efficiency as forecasted. Coupled with rapid fuel price increase and supply and wage increases, our operating expenses rose 9.7% from THB 18,858.1 million in 2021 to THB 20,681.5 million in 2022. As a result of the increase in operating expenses, the Company has incurred net loss attributable to owners of the Company of THB 2,829.8 million in 2022 compared with net profit of THB 46.9 million incurred during the previous year. This includes a one-time corporate expense of approximately THB 384.2 million incurred when the Company right-size the operation capacity in Q4 2022. Excluding such items, our normalised operating expenses grew by 7.6% YoY.
- In 2023, KEX will streamline our operations, execute strategic CAPEX investment, and re-emphasise on service quality to defend our market share in Thailand.
- Our 2023 initiatives are well supported by our major shareholders, SF and KLN who are transferring their operating know-how and experience to us, and our shareholders are committed to support us financially to deliver KEX's long term growth in Thailand

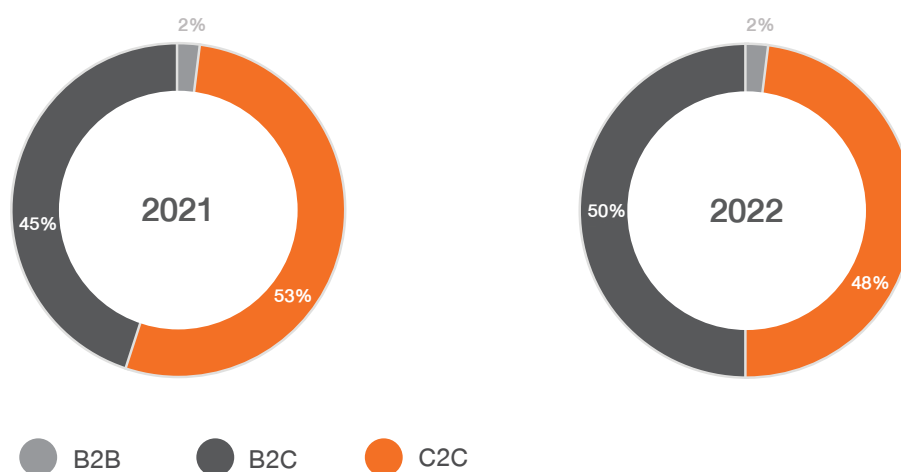
2022 FINANCIAL PERFORMANCE

Table 1 : Selected Indicators for Operational Results

(Unit : Million THB)	2021	2022	YoY % +/(-)
Parcel volume growth (%)	30%	18%	
Sales and services income	18,817.8	17,003.0	-9.6%
Cost of sales and services	(17,478.5)	(18,685.1)	6.9%
Gross profit	1,339.3	(1,682.1)	-225.6%
Selling and administrative expenses	(1,379.6)	(1,996.4)	44.7%
EBITDA	2,456.1	(1,073.7)	-143.7%
Normalised* EBITDA		(689.5)	
EBIT	114.0	(3,536.5)	-3,203.3%
Normalised* EBIT		(3,152.3)	
Net profit attributable to the owners of the Company	46.9	(2,829.8)	-6,131.5%
Normalised* Net profit attributable to the owners of the Company		(2,522.5)	
EPS (THB/Share)	0.027	(1.624)	-6,114.6%
Gross Profit Margin (%)	7.1%	-9.9%	
EBITDA Margin (%)	13.1%	-6.3%	
EBIT Margin (%)	0.6%	-20.8%	
Net Profit Margin (%)	0.2%	-16.6%	

Remark : As shown in financial statement, excluding minority interests

* Excluding one-off expenses

Table 2 : Revenue Contribution by Segment

- KEX has continued to execute its core express strategy during 2022, driving its delivery volume up 18% YoY on the backdrop of lackluster economic condition and fierce competition. Despite the volume increase, the Company reported sales and service income of THB 17,003.0 million, declining by 9.6% from THB 18,817.8 million in 2021. The drop in revenue per parcel came due to lower delivery prices and a cost efficiency plan was not enough to compensate for the loss of margin.
- The Company's cost of sales and services totaled THB 18,685.1 million, rising by 6.9% YoY. The rise in domestic retail diesel price (22.5% YoY) as well as tight labour markets in several regions across the country have put challenges and hindered our cost efficiency implementation during the year. Selling and administrative expenses (SG&A) also grew 44.7% YoY because of our core competency reinforcement, capacity ramp-up and business expansion since the beginning of the year. Unfortunately, compared with our initial plan, the speed of the reduction of our unit costs was not satisfactory due to both internal administration and external macro factors. During the year's final quarter, the Company conducted an extensive cost-cutting review which includes (i) an aggressive cost reduction and redundancy elimination exercise, (ii) headcount structure revamp, (iii) closures of non-performing sites and locations and (iv) operating process renewal. These partly contribute to certain one-off expenses totaling THB 384.2 million during 2022, which include severance payments and facility closure expenses among others.
- KEX will put a high priority on profitability improvement in 2023, with emphasis on service quality. We will continue to right-size our operation through improving our automation ratio to achieve the target cost efficiency and improve our revenue mix.

FINANCIAL POSITION AND LIQUIDITY

Table 3 : Assets Breakdown

(Unit : Million THB)	2021	2022	YoY % +/(-)
Cash and investment in liquid financial assets	7,294.9	2,963.1	-59.4%
Trade and other receivables	1,612.7	1,852.3	14.9%
Plant and equipment	2,244.2	2,490.1	11.0%
Right-of-use assets	4,897.1	2,903.4	-40.7%
Other Assets	996.7	1,884.3	89.0%
Total Assets	17,045.6	12,093.2	-29.1%

Table 4 : Liabilities and Shareholders' Equity

(Unit : Million THB)	2021	2022	YoY % +/(-)
Trade and other payables	1,977.1	1,941.5	-1.8%
Cash on delivery payable	723.7	568.3	-21.5%
Lease liabilities	4,758.1	2,757.7	-42.0%
Other Liabilities	269.8	328.0	21.6%
Total Liabilities	7,728.7	5,595.5	-27.6%
Total Shareholders' Equity	9,316.9	6,497.7	-30.3%
Total Liabilities and Equity	17,045.6	12,093.2	-29.1%

- Our cash and investment in liquid financial assets went down 59.4% to THB 2,963.1 million at the end of December 2022, mainly because of depleting operating cash flow and lease liability payments. Following our core business strategy under the current macroeconomic conditions and outlook, KEX will be strategic with our investment plans and cash flow management. Non-core projects that do not contribute to KEX's immediate benefit and improved earnings will be less prioritised now.
- Right of use assets and lease liabilities decreased 40.7% and 42.0% respectively because of declining contract lives per existing lease agreements and lease cancellation associated with our LEAN programme.

KEY FINANCIAL RATIOS

Table 5 : Key Financial Ratios

(Unit : Million THB)		2021	2022
Liquidity ratios			
Current ratio ⁽¹⁾	(times)	1.35	1.00
Quick ratio ⁽²⁾	(times)	1.30	0.95
Cash flow liquidity ratio ⁽³⁾	(times)	0.47	-0.26
Accounts receivable turnover ⁽⁴⁾	(times)	17.40	13.86
Average collection period ⁽⁵⁾	(days)	20.98	26.34
Accounts payable turnover ⁽⁶⁾	(times)	23.97	18.29
Average payment period ⁽⁷⁾	(days)	15.23	19.96
Cash cycle ⁽⁸⁾	(days)	5.75	6.38
Profitability ratios			
Gross profit margin ⁽⁹⁾	(%)	7.12	-9.89
Net profit margin ⁽¹⁰⁾	(%)	0.25	-16.64
Return on equity ⁽¹¹⁾	(%)	0.47	-35.79
Efficiency ratios			
Return to total assets ⁽¹²⁾	(%)	0.26	-19.42
Total assets turnover ⁽¹³⁾	(times)	1.03	1.17
Financial policy ratios			
Total liabilities to equity ratio ⁽¹⁴⁾	(times)	0.83	0.86
Interest-bearing debt to EBITDA ratio ⁽¹⁵⁾	(times)	1.94	N/A
Interest coverage ratio ⁽¹⁶⁾	(times)	25.36	N/A
Debt service coverage ratio ⁽¹⁷⁾	(times)	0.98	N/A

Remarks:

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

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

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

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

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

(6) Account payable turnover = cost of sales and service divided by average trade account payable

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

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

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

(10) Net profit margin = profit (loss) attributable to the owners of the Company divided by sales and service income

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

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

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

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

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

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

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

Progressing into 2023, KEX will continue to adhere to our core XPRESS strategy below, with heavier emphasis on operating efficiency, service quality and profitability improvements of our core express business.

1 | X – Express : Strengthen “Express” Market Leadership and Profitable Growth

Maintain market leadership and continue to grow profitable “Express” core business driven by e-commerce as well as create strong brand equity and loyalty with service quality at lower cost.

2 | P – Partnership : Engage More Synergistic Partnerships and Acquisitions

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

3 | R – Retail : Grow “Open and Neutral” Retail Networks

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

4 | E – Expansion : Diversify for Sustainable Growth

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

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

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

6 | S – Sustainability : Achieve Sustainable Development

Strive to integrate ESG approach and initiate sustainability program to our business operations, product and service development, employee welfares, talent attraction and retention and stakeholders’ engagement.

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

To Shareholders,

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

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

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



On behalf of
The Board of Directors
Mr. Kledchai Benjaathonsirikul

FINANCIAL STATEMENTS

Independent Auditor's Report



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

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Kerry Express (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>1) Recognition of revenue from parcel delivery service</p> <p>Refer to note 4.16 'Accounting policies - Revenue recognition' and note 23 'Sales and service income' to the financial statements.</p> <p>Revenue from the parcel delivery service is the major operating revenue of the Company and the Group, with the characteristics of small parcel delivery transactions and large volume. For the year ended 31 December 2022, the Group's and the Company's revenue from the parcel delivery service was Baht 16,763.32 million and 16,752.00 million respectively, accounting for 98.59% of total sales and service income in the consolidated and separate financial statements.</p> <p>The revenue from the parcel delivery service is recognised over time where the collectability of the consideration is highly probable. The Group tracks the rendering of the parcel delivery service to determine revenue recognition on a real-time basis, using the applications on its IT systems. The transaction price is based on a parcel's dimensions, weight and distance and calculated by the information and technology systems supporting the revenue cycle. So, revenue recognition largely relies on the effectiveness of the design and implementation of the internal controls over the relevant information and technology systems.</p> <p>I considered the recognition of revenue from the parcel delivery service as a key audit matter because the revenue from this service is material to the financial statements, and the Group has to deal with a large volume of transactions that rely on calculations and data collection in complex IT systems.</p>	<p>In response to the key audit matter, I performed the following procedures:</p> <ul style="list-style-type: none"> • Understand of the process of the Group's parcel delivery business, obtained contract terms relating to revenue, and evaluated the revenue recognition accounting policy adopted by the Group with the requirements for revenue recognition under TFRS 15 'Revenue from contracts with customers'. • Understand of, evaluated and tested the Group's key internal controls relating to the recognition of revenue from the parcel delivery service to consider the effectiveness of internal controls relating to the accuracy, occurrence and completeness of transactions. • Understand of, evaluated and tested the IT systems' general controls and application controls that relate to revenue from the parcel delivery service. This was executed with the assistance of an IT system audit specialist. • For the revenue from the parcel delivery service, I checked on a sample basis the relevant supporting evidence such as service contracts or service orders, invoices, receipt confirmation records, bank statements etc., as well as checking reconciliation records with data from the Company's IT system and collection report. • For the revenue from the parcel delivery service which hadn't been settled, I requested confirmations on a sample basis of the outstanding accounts receivable year-end balance. • Tested the revenue from the parcel delivery service that occurred near the end of the accounting period (cut-off testing) including the revenue recognised before and after the reporting date, in line with the risk determined by the terms of each type of service. On a sample basis, I checked the parcels' tracking status and relevant supporting documents to evaluate whether the revenue was recognised in the appropriate period. • Determined the criteria for selecting journal entries, including other adjusted entries related to revenue, to access whether there were any unusual revenue transactions. <p>Based on the above procedures, I found that the recognition of revenue from the parcel delivery service conformed to the Group's accounting policy for revenue recognition and was properly supported by the audit evidence we obtained.</p>

Key audit matter	How my audit addressed the key audit matter
<p>2) Right-of-use assets and lease liabilities</p> <p>Refer to note 4.9 'Accounting policies - Leases', note 15 'Right-of-use assets', and note 19 'Borrowings' to the financial statements.</p> <p>As at 31 December 2022, the Group recorded right-of-use assets of Baht 2,903.44 million and lease liabilities of Baht 2,757.71 million in the consolidated financial statements, which account for 24.01% and 49.28% of total assets and liabilities in the consolidated financial statements, respectively. The Company recorded right-of-use assets of Baht 1,161.62 million and lease liabilities of Baht 1,161.03 million in the separate financial statements, which account for 11.43% and 28.99% of total assets and liabilities in the separate financial statements, respectively.</p> <p>I considered right-of-use assets and lease liabilities as a key audit matter because</p> <ul style="list-style-type: none"> - these transactions are material to the financial statements because the Group has a large number of lease contracts - the assumptions and estimates used in the assessment of lease terms and the determination of appropriate discount rates require management judgements, and - the accounting treatment of subsequent measurement of right-of-use assets and lease liabilities, including lease modification are complex. The management of the Group and the Company need to consider the conditions specified in the lease agreements and recognise such transactions in accordance with the guidelines specified in the relevant financial reporting standards. 	<p>In response to the key audit matter, I performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the content of the lease contracts and evaluated the accounting treatment for leases adopted by the Group to determine whether it was consistent with the requirements of TFRS 16. • Gained an understanding of, evaluated and tested the Group's key internal controls relating to leases to consider the effectiveness of internal controls relating to the accuracy, occurrence and completeness of transactions. • On a sample basis, I: <ul style="list-style-type: none"> - Tested the completeness of the lease data used in the lease liability calculation prepared by management by selecting signed lease contracts and comparing them with the lease contract list, then reconciling total lease payments with rental expenses during the year - Tested the accuracy of the lease data, i.e. contract effective date, lease payments, lease terms and other terms specified in the lease contracts through the inspection, on a sample basis, of signed lease contracts - Challenged management to assess the appropriateness of the discount rates and lease terms by considering the renewal options and termination options - Recalculated right-of-use assets and lease liabilities, including depreciation of the right-of-use assets and interest expenses of lease liabilities recognised during the year. • Evaluate the appropriateness of the accounting treatment adopted by the Group and the Company in recognising the subsequent measurements of right-of-use assets and lease liabilities, for example the remeasure of lease liability (and related right-of-use assets) to reflect the changes to the lease payments, lease modification, whether they are consistent with the requirements of the relevant financial reporting standards. • Verify whether adjustments arising from re-measurement of lease liabilities (including the corresponding adjustment to the related right-of-use assets) were appropriately made, for any subsequent measurement of right-of-use assets and lease liabilities and lease modifications or lease termination. • Evaluated the appropriateness of the associated presentation and disclosures made by the Group in the financial statements under the requirements of TFRS 16. <p>Based on the above procedures, the Group's accounting treatments for leases were consistent with the requirements of TFRS 16. The recognition of right-of-use assets and lease liabilities including depreciation and interest expenses related to lease contracts was reasonable and supported by the available audit evidence.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Nopanuch Apichatsatien
 Certified Public Accountant (Thailand) No. 5266
 Bangkok
 14 February 2023

Kerry Express (Thailand) Public Company Limited**Statements of Financial Position****As at 31 December 2022**

		Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Notes					
Assets					
Current assets					
Cash and cash equivalents	9	2,163,030	1,288,867	2,103,136	1,153,445
Fixed deposit maturity within one year	11	-	500,000	-	500,000
Financial assets measured at fair value through profit or loss	6, 11	168,929	3,410,351	168,929	3,410,351
Financial assets measured at fair value through other comprehensive income maturity within one year	6, 11	-	73,173	-	73,173
Trade and other receivables, net	10	1,852,308	1,612,658	1,860,209	1,894,097
Short-term loans to related party	28.4	-	-	782,100	-
Inventories	12	123,457	176,038	123,457	176,038
Other current assets		100,307	64,345	97,064	64,049
Total current assets		4,408,031	7,125,432	5,134,895	7,271,153
Non-current assets					
Financial assets measured at fair value through other comprehensive income	6, 11	631,133	2,022,457	631,133	2,022,457
Investment in subsidiaries	13	-	-	31,529	31,529
Plant and equipment, net	14	2,490,144	2,244,213	1,574,502	2,206,468
Right-of-use assets, net	15	2,903,437	4,897,130	1,161,620	1,764,552
Intangible assets, net	16	212,350	194,113	211,933	194,083
Deferred tax assets	17	879,460	96,031	863,658	93,297
Other non-current assets	18	568,680	466,178	551,855	457,931
Total non-current assets		7,685,204	9,920,122	5,026,230	6,770,317
Total assets		12,093,235	17,045,554	10,161,125	14,041,470

Director _____

Director _____

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

Kerry Express (Thailand) Public Company Limited**Statements of Financial Position (Cont'd)****As at 31 December 2022**

		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Current portion of long-term borrowings					
from financial institution	19	9,300	-	-	-
Trade and other payables	20	1,941,548	1,977,143	2,014,036	2,082,230
Cash on delivery payable		568,278	723,692	568,278	723,692
Deferred revenue		48,541	27,668	48,541	27,668
Current portion of lease liabilities	19	1,812,187	2,501,981	644,280	787,896
Other current liabilities		37,398	47,375	37,302	42,978
Total current liabilities		4,417,252	5,277,859	3,312,437	3,664,464
Non-current liabilities					
Long-term borrowing					
from financial institution	19	29,000	-	-	-
Lease liabilities	19	945,523	2,256,096	516,748	993,641
Employee benefit obligations	21	125,818	122,723	99,103	98,729
Other non-current liabilities		77,955	71,984	77,250	71,470
Total non-current liabilities		1,178,296	2,450,803	693,101	1,163,840
Total liabilities		5,595,548	7,728,662	4,005,538	4,828,304

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

Kerry Express (Thailand) Public Company Limited**Statements of Financial Position (Cont'd)****As at 31 December 2022**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary share, 1,780,000,000 shares					
at par value of Baht 0.50 each					
		890,000	890,000	890,000	890,000
Issued and paid-up share capital					
Ordinary share, 1,742,577,000 shares					
paid-up at Baht 0.50 each					
		871,289	871,289	871,289	871,289
Premium on paid-up capital		8,139,148	8,139,148	8,139,148	8,139,148
Other reserves - share-based payments		87,981	81,001	87,981	81,001
Retained earnings (deficits)					
Appropriated - legal reserve	22	89,000	89,000	89,000	89,000
Unappropriated (deficits)		(2,680,398)	124,975	(3,024,659)	39,230
Other components of equity		(7,172)	(6,502)	(7,172)	(6,502)
Equity attributable to the parent		6,499,848	9,298,911	6,155,587	9,213,166
Non-controlling interests		(2,161)	17,981	-	-
Total equity		6,497,687	9,316,892	6,155,587	9,213,166
Total liabilities and equity		12,093,235	17,045,554	10,161,125	14,041,470

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

Kerry Express (Thailand) Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Sales and service income	23	17,003,046	18,817,770	16,991,665	18,817,675
Cost of sales and providing services		(18,685,139)	(17,478,514)	(19,001,357)	(17,869,468)
Gross profit (loss)		(1,682,093)	1,339,256	(2,009,692)	948,207
Other income	24	141,998	154,311	171,224	444,013
Selling expenses		(349,263)	(236,083)	(347,744)	(235,669)
Administrative expenses		(1,647,134)	(1,143,524)	(1,643,972)	(1,142,285)
Finance costs		(73,251)	(96,846)	(29,305)	(36,972)
Profit (loss) before income tax		(3,609,743)	17,114	(3,859,489)	(22,706)
Income tax	26	759,758	27,823	775,526	53,997
Net profit (loss) for the year		(2,849,985)	44,937	(3,083,963)	31,291
Other comprehensive income (expense) :					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of post-employment benefit obligations, net of tax		24,470	9,503	20,074	7,207
Total items that will not be reclassified to profit or loss		24,470	9,503	20,074	7,207
<i>Items that may be reclassified subsequently to profit or loss</i>					
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax		(670)	(6,502)	(670)	(6,502)
Total items that will be reclassified subsequently to profit or loss		(670)	(6,502)	(670)	(6,502)
Other comprehensive expense for the year, net of tax		23,800	3,001	19,404	705
Total comprehensive income (expense) for the year		(2,826,185)	47,938	(3,064,559)	31,996

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

Kerry Express (Thailand) Public Company Limited**Statements of Comprehensive Income (Cont'd)**

For the year ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Note					
Profit (loss) attributable to:					
	Owners of the Company	(2,829,843)	46,918	(3,083,963)	31,291
	Non-controlling interests	(20,142)	(1,981)	-	-
		(2,849,985)	44,937	(3,083,963)	31,291
Total comprehensive income (expense) attributable to:					
	Owners of the Company	(2,806,043)	49,919	(3,064,559)	31,996
	Non-controlling interests	(20,142)	(1,981)	-	-
		(2,826,185)	47,938	(3,064,559)	31,996
Earnings (loss) per share					
	Basic earnings (loss) per share (Baht)	27 (1.624)	0.027	(1.770)	0.018
	Diluted earnings (loss) per share (Baht)	27 (1.624)	0.027	(1.770)	0.018

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

Kerry Express (Thailand) Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2022

	Consolidated financial statements									
	Attributable to owners of the Company					Other components of equity				
	Capital contributed			Other reserves -		Retained earnings (deficits)		Measurement of debt instruments at fair value through other comprehensive income		Non-controlling interests
	Issued and paid-up share capital Thousand Baht	Premium on paid-up capital Thousand Baht	Share-based payments Thousand Baht	Appropriated - legal reserve Thousand Baht	Unappropriated (deficits) Thousand Baht	Value through other comprehensive income Thousand Baht	Total owners of the parent Thousand Baht	Controlling interests Thousand Baht	Total equity Thousand Baht	
Opening balance at 1 January 2021	870,000	8,111,061	33,364	89,000	1,744,047	-	10,847,472	-	10,847,472	-
Transactions with owners during the year										
Issue of shares of subsidiaries	-	-	-	-	-	-	-	-	-	-
Share issuance	1,289	70,868	-	-	-	-	72,157	-	20,000	20,000
Share premium on share issuance from warrants	-	5,025	(5,025)	-	-	-	-	-	-	72,157
Directly attributable costs of shares issue	-	(47,806)	-	-	-	-	(47,806)	-	-	-
Dividends	-	-	-	-	(1,675,493)	-	(1,675,493)	(38)	(1,675,531)	(47,806)
Share-based payments	-	-	52,662	-	-	-	52,662	-	52,662	(38)
Total comprehensive income (expense) for the year	-	-	-	-	56,421	(6,502)	49,919	(1,981)	47,938	(1,981)
Closing balance at 31 December 2021	871,289	8,139,148	81,001	89,000	124,975	(6,502)	9,298,911	17,981	9,316,892	17,981
Opening balance at 1 January 2022	871,289	8,139,148	81,001	89,000	124,975	(6,502)	9,298,911	17,981	9,316,892	17,981
Transactions with owners during the year										
Share-based payments	-	-	6,980	-	-	-	6,980	-	6,980	-
Total comprehensive expense for the year	-	-	-	-	(2,805,373)	(670)	(2,806,043)	(20,142)	(2,826,185)	(20,142)
Closing balance at 31 December 2022	871,289	8,139,148	87,981	89,000	(2,680,398)	(7,172)	6,499,848	(2,161)	6,497,687	(2,161)

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

Kerry Express (Thailand) Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2022

	Separate financial statements									
	Capital contributed			Other reserves	Retained earnings (deficits)		Other components of equity			Total equity
					Appropriated	Unappropriated	Measurement of debt instruments at fair value through other	comprehensive income		
	Issued and paid-up share capital	Premium on paid-up capital	- share-based payments	- legal reserve	(deficits)	value through other	comprehensive income	Thousand	Baht	Thousand
Opening balance at 1 January 2021	870,000	8,111,061	33,364	89,000	1,676,225	-	-	-	-	10,779,650
Transactions with owners during the year										
Share issuance	1,289	70,868	-	-	-	-	-	-	-	72,157
Share premium on share issuance from warrants	-	5,025	(5,025)	-	-	-	-	-	-	-
Directly attributable costs of shares issue	-	(47,806)	-	-	-	-	-	-	-	(47,806)
Dividends	-	-	-	-	(1,675,493)	-	-	-	-	(1,675,493)
Share-based payments	-	-	52,662	-	-	-	-	-	-	52,662
Total comprehensive income (expense) for the year	-	-	-	-	38,498	-	-	(6,502)	-	31,996
Closing balance at 31 December 2021	871,289	8,139,148	81,001	89,000	39,230	-	-	(6,502)	-	9,213,166
Opening balance at 1 January 2022										
Share-based payments	-	-	6,980	-	-	-	-	-	-	6,980
Total comprehensive expense for the year	-	-	-	-	(3,063,889)	-	-	(670)	-	(3,064,559)
Closing balance at 31 December 2022	871,289	8,139,148	87,981	89,000	(3,024,659)	-	-	(7,172)	-	6,155,587

Kerry Express (Thailand) Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Thousand	Thousand	Thousand	Thousand
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		(3,609,743)	17,114	(3,859,489)	(22,706)
Adjustments for:					
Depreciation and amortisation expense	14, 15, 16, 25	2,462,812	2,342,181	1,626,134	1,477,676
Allowance for expected credit loss		987	-	971	-
Share-based payment expense		6,980	52,662	6,980	52,662
Employee benefits expenses	21	34,599	30,807	26,105	23,075
Loss from disposal of equipment		87,895	43,413	87,623	43,413
(Gain) Loss from disposal of intangible assets		6	23	(14)	23
Reversal of provision for decommissioning		-	(523)	-	(523)
Gain from cancellation of lease contracts		(5,313)	(3,157)	(9,270)	(4,169)
Loss from written-off of deposits		6,139	17,934	6,139	17,934
Gain from disposal of financial assets					
measured at fair value through profit or loss	11	(14,213)	-	(14,213)	-
(Gain) Loss from changes in fair value					
of financial assets measured					
at fair value through profit or loss	11	7,690	(16,078)	7,690	(16,078)
Loss from disposal of financial assets					
measured at fair value through					
other comprehensive income	11	28,188	-	28,188	-
Interest income	24	(52,593)	(28,879)	(63,550)	(29,962)
Finance costs		73,251	96,845	29,305	36,972
		(973,315)	2,552,342	(2,127,401)	1,578,317
Changes in working capital:					
- Trade and other receivables, net		(250,332)	(145,396)	(245,098)	(430,494)
- Inventories		52,581	(96,363)	52,581	(96,363)
- Other current assets		(28,659)	(26,495)	(25,712)	(26,199)
- Trade and other payables		226,546	301,214	199,197	257,699
- Cash on delivery payable		(155,414)	108,633	(155,414)	108,633
- Deferred revenue		20,873	(16,868)	20,873	(16,868)
- Other current liabilities		(9,977)	2,436	(5,676)	2,885
- Other non-current liabilities		2,848	(6,689)	2,657	(6,693)
- Employee benefit obligations	21	(916)	(317)	(639)	(216)
Cash generated from (used in) operations		(1,115,765)	2,672,497	(2,284,632)	1,370,701
Interest received		62,288	28,403	62,265	29,811
Interest paid		(71,541)	(94,962)	(27,600)	(35,089)
Income tax paid		(157,481)	(283,476)	(118,967)	(248,157)
Net cash generated from (used in) operating activities		(1,282,499)	2,322,462	(2,368,934)	1,117,266

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

Kerry Express (Thailand) Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Thousand	Thousand	Thousand	Thousand
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Cash received (payment) of fixed deposit maturity within one year		500,000	(500,000)	500,000	(500,000)
Cash payment for financial assets measured at fair value through profit or loss	11	(1,042,000)	(9,107,410)	(1,042,000)	(9,107,410)
Cash payment for financial assets measured at fair value through other comprehensive income	11	(205,870)	(2,208,908)	(205,870)	(2,208,908)
Proceeds from disposals of financial assets measured at fair value through profit or loss	11	4,289,945	5,713,137	4,289,945	5,713,137
Proceeds from disposals of financial assets measured at fair value through other comprehensive income	11	1,641,656	104,835	1,641,656	104,835
Cash payment for purchases of plant and equipment		(556,346)	(462,267)	(521,826)	(452,917)
Cash payment for purchases of intangible assets		(114,795)	(26,270)	(114,795)	(26,270)
Cash received from disposal of equipment		3,034	3,334	7,352	3,334
Cash received from disposal of intangible assets		-	-	416	-
Cash received (payment) from short-term loan to subsidiary	28.4	-	-	(782,100)	60,000
Cash payment for investments in subsidiaries	13	-	-	-	(30,999)
Cash received (payment) for deposits		18,904	(93,368)	18,904	(93,368)
Dividends received from subsidiary		-	-	279,300	-
Net cash generated from (used in) investing activities		4,534,528	(6,576,917)	4,070,982	(6,538,566)
Cash flows from financing activities					
Cash received from long-term borrowings from financial institutions	19	38,300	-	-	-
Cash repayment to long-term borrowings from financial institutions	19	-	(800,000)	-	(800,000)
Cash payment for lease liabilities	19	(2,416,140)	(1,722,260)	(752,357)	(657,132)
Proceeds from issue of ordinary shares		-	72,157	-	72,157
Dividends paid to the Company's shareholders		-	(1,675,531)	-	(1,675,493)
Dividends paid to non-controlling interests		(26)	-	-	-
Cash payment for directly attributable costs of shares issue		-	(47,806)	-	(47,806)
Proceeds from issue of shares of subsidiaries		-	20,000	-	-
Net cash used in financing activities		(2,377,866)	(4,153,440)	(752,357)	(3,108,274)
Net increase (decrease) in cash and cash equivalents		874,163	(8,407,895)	949,691	(8,529,574)
Opening balance of cash and cash equivalents		1,288,867	9,696,762	1,153,445	9,683,019
Closing balance of cash and cash equivalents	9	2,163,030	1,288,867	2,103,136	1,153,445

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

Kerry Express (Thailand) Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Notes					
Significant non-cash transactions					
Purchases of plant and equipment by credit		66,246	308,367	60,974	308,367
Purchases of intangible assets by credit		832	30,150	832	30,150
Provision arising from decommissioning costs		3,123	3,322	3,123	3,322
Acquisition of right-of-use assets					
under lease contracts	15	854,793	1,477,404	394,615	1,355,442
Change in right-of-use assets					
from lease modifications and reassessments	15	(143,045)	22,896	29,684	22,896
Equipment transferred to non-current assets					
held for sale	14	7,304	3,147	7,304	3,147
Share-based payment expense		6,980	52,662	6,980	52,662
Transfer right-of-use assets to					
plant and equipment	15	894,536	30,633	-	-
Dividend receivable		-	-	-	279,300

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

1 General information

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

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

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

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

These consolidated and separate financial statements were authorised for issue by the Company’s authorised directors on 14 February 2023.

2 Basis of preparation

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

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and financial liabilities and employee benefit obligations as disclosed in note 4.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in note 7.

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

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

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023

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

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 9 - Financial instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

4 Accounting policies

4.1 Principles of consolidation

a) Subsidiaries

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

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

b) Intercompany transactions on consolidation

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

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

4.2 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

c) Group companies

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

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

4.3 Cash and cash equivalents

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

4.4 Trade accounts receivable

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

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

The impairment of trade receivables is disclosed in notes 4.6 e) and 5.1.2 b).

4.5 Inventories

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

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

4.6 Financial assets

a) Classification

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

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

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

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

b) Recognition and derecognition

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

c) Measurement

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

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

d) Debt instruments

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

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for 1) the recognition of impairment gains or losses 2) interest income using the effective interest method and 3) foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- Fair value through profit or loss (FVPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

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

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

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

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

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

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

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

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

Kerry Express (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

4.7 Plant and equipment

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

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

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

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

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

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

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

4.8 Intangible assets

Acquired computer software

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

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

Internally generated intangible asset

Research expenditure is recognised as an expense as incurred.

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

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

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

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

4.9 Leases

Leases - where the Group is the lessee

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

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

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

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

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

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

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

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

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

4.10 Financial liabilities

a) Classification

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

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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

b) Measurement

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

c) Derecognition and modification

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

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

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

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4.11 Current and deferred income taxes

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

Current tax

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

Deferred income tax

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

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

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

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

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

4.12 Employee benefits

4.12.1 Short-term employee benefits

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

4.12.2 Defined contribution plan

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

4.12.3 Defined benefit plans

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

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

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

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

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4.13 Share-based payment

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

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

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

The fair value of the warrants is determined by:

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

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

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

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

4.14 Provisions

4.14.1 General provisions

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

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

4.14.2 Provision for decommissioning costs

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

4.15 Share capital

Ordinary shares are classified as equity.

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

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4.16 Revenue recognition

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

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

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

Services

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

Advertising income

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

Contract assets and contract liabilities

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

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

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

Sale of goods

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

Customer loyalty programme

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

Other income and interest income

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

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

4.17 Dividend distribution

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

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5 Financial risk management

5.1 Financial risk

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

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

5.1.1 Market risk

a) Foreign exchange risk

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

b) Interest rate risk

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

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

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

	Consolidated financial statements			
	2022		2021	
	Thousand Baht	% of total loans	Thousand Baht	% of total loans
Variable rate borrowings	-	-	-	-
Fixed rate borrowings				
- repricing or maturity dates:				
Less than 1 year	9,300	24%	-	-
- Maturity dates within 1 - 5 years	29,000	76%	-	-
	38,300	100%	-	-

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

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Sensitivity analysis

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

	Consolidated and separate financial statements	
	Impact on other components of equity increase / (decrease)	
	2022	2021
	Thousand Baht	Thousand Baht
Interest rate - increase by 0.50%	(9,337)	(37,761)
Interest rate - decrease by 0.50%	9,507	38,654

* Holding all other variables constant

5.1.2 Credit risk

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

a) Risk management

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

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

b) Impairment of financial assets

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

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

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

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Trade receivables and contract assets

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

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

Consolidated financial statements					
	Within 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	Over 12 months Thousand Baht	Total Thousand Baht
As of 31 December 2022					
Gross carrying amount					
- trade receivables	1,266,406	37,573	576	9,189	1,313,744
- contract assets	439,504	-	-	-	439,504
Loss allowance	115	1,079	576	9,189	10,959
As of 31 December 2021					
Gross carrying amount					
- trade receivables	1,117,069	11,468	359	10,207	1,139,103
- contract assets	393,336	-	-	-	393,336
Loss allowance	-	-	-	9,972	9,972
Separate financial statements					
	Within 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	Over 12 months Thousand Baht	Total Thousand Baht
As of 31 December 2022					
Gross carrying amount					
- trade receivables	1,260,545	37,573	576	9,189	1,307,883
- contract assets	438,005	-	-	-	438,005
Loss allowance	99	1,079	576	9,189	10,943
As of 31 December 2021					
Gross carrying amount					
- trade receivables	1,112,804	11,468	359	10,207	1,134,838
- contract assets	393,242	-	-	-	393,242
Loss allowance	-	-	-	9,972	9,972

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

	Consolidated financial statements			
	Contract assets		Trade receivables	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Opening loss allowance at 1 January	-	-	9,972	9,972
Increase in loss allowance recognised in profit or loss during the year	3	-	2,048	-
Unused amount reversed	-	-	(1,064)	-
Closing loss allowance at 31 December	3	-	10,956	9,972

	Separate financial statements			
	Contract assets		Trade receivables	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Opening loss allowance at 1 January	-	-	9,972	9,972
Increase in loss allowance recognised in profit or loss during the year	-	-	2,035	-
Unused amount reversed	-	-	(1,064)	-
Closing loss allowance at 31 December	-	-	10,943	9,972

Short-term loan to a related party

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

Debt investments measured at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt investments and fixed income funds that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments of Baht 169 million (2021: 3,410 million).

Other financial assets measured at amortised cost

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

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5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

a) Financing arrangements

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Floating rate				
Expiring within one year				
- Bank overdraft	30,000	20,000	20,000	20,000
- Bank loans	1,511,700	1,530,000	1,500,000	1,530,000
	1,541,700	1,550,000	1,520,000	1,550,000

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

b) Maturity of financial liabilities

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

	Consolidated financial statements					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Book value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2022						
Long-term borrowings from financial institution	-	9,300	29,000	-	38,300	38,300
Trade and other payables	735,408	1,206,140	-	-	1,941,548	1,941,548
Cash on delivery payable	23,216	545,062	-	-	568,278	568,278
Lease liabilities	-	1,929,818	890,431	6,949	2,827,198	2,757,710
Other financial liabilities	-	-	34,464	-	34,464	34,464
Total	758,624	3,690,320	953,895	6,949	5,409,788	5,340,300
As at 31 December 2021						
Trade and other payables	758,610	1,218,533	-	-	1,977,143	1,977,143
Cash on delivery payable	41,384	682,308	-	-	723,692	723,692
Lease liabilities	-	2,524,702	2,320,927	7,757	4,853,386	4,758,077
Other financial liabilities	-	-	31,808	-	31,808	31,808
Total	799,994	4,425,543	2,352,735	7,757	7,586,029	7,490,720

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	Separate financial statements					
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Book value Thousand Baht
As at 31 December 2022						
Trade and other payables	735,407	1,278,629	-	-	2,014,036	2,014,036
Cash on delivery payable	23,216	545,062	-	-	568,278	568,278
Lease liabilities	-	651,043	536,170	6,949	1,194,162	1,161,028
Other financial liabilities	-	-	34,464	-	34,464	34,464
Total	758,623	2,474,734	570,634	6,949	3,810,940	3,777,806
As at 31 December 2021						
Trade and other payables	758,610	1,323,620	-	-	2,082,230	2,082,230
Cash on delivery payable	41,384	682,308	-	-	723,692	723,692
Lease liabilities	-	795,295	1,022,063	7,757	1,825,115	1,781,537
Other financial liabilities	-	-	31,808	-	31,808	31,808
Total	799,994	2,801,223	1,053,871	7,757	4,662,845	4,619,267

5.2 Capital management

Risk management

The Group's objectives when managing capital are to:

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

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

6 Fair value

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

	Consolidated and separate financial statements									
	Level 1		Level 2		Level 3		Total		Carrying amount	
	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Assets										
Financial assets at fair value through profit or loss (FVPL)										
Fixed income funds	168,929	3,410,351	-	-	-	-	168,929	3,410,351	168,929	3,410,351
Financial assets at fair value through other comprehensive income (FVOCI)										
Debt instruments	-	-	631,133	2,095,630	-	-	631,133	2,095,630	631,133	2,095,630
Total financial assets	168,929	3,410,351	631,133	2,095,630	-	-	800,062	5,505,981	800,062	5,505,981

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

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

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

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

As at 31 December 2022, the Group has financial assets and financial liabilities carried at amortised cost which their fair values are approximately to the carrying amounts as follows:

- Cash and cash equivalents
- Fixed deposit maturity within one year
- Trade and other receivables
- Short-term loans to related party
- Deposits
- Trade and other payables
- Cash on delivery payable
- Deferred revenue
- Long-term borrowings from financial institution

7 Critical accounting estimates and judgements

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

a) Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 6.

b) Allocation of transaction price in contracts with customers

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

c) Determination of lease terms

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

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

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

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

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d) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

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

e) Share-based payment

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

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

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

f) Useful life of plant, equipment and intangible assets

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

g) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 21.

h) Deferred tax asset for carried forward tax losses

The Group has incurred losses from the current year operations following the temporary business strategy that the Group expects that such a situation will recover in the future. From the estimated future taxable income based on the approved business plans and budget, it is expected that the deferred tax assets will be utilised within 5 years.

i) Impairment of financial assets

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

8 Segment information

The Group has not presented segment information since the chief operating decision-maker considers the Company only operates in one segment which is the domestic parcel delivery business. The chief operating decision-maker primarily uses of segment profit before tax, which is derived on a basis consistent with the measurement of profit for the year in the financial statements. The revenues by service type and by customer type are disclosed in note 23.

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash on hand	14,234	44,893	14,194	44,893
Cash at bank	2,148,796	1,243,974	2,088,942	1,108,552
Total	2,163,030	1,288,867	2,103,136	1,153,445

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10 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade receivables - third parties	1,193,786	1,104,033	1,187,843	1,099,768
- related parties (note 28.3)	119,958	35,070	120,040	35,070
Contract assets - third parties	302,291	388,525	301,101	388,525
- related parties (note 28.3)	137,213	4,811	136,904	4,717
Less Allowance for expected credit loss	(10,959)	(9,972)	(10,943)	(9,972)
Trade receivables - net	1,742,289	1,522,467	1,734,945	1,518,108
Other receivables - third parties	30,662	-	30,662	-
- related parties (note 28.3)	6,752	13,132	13,859	300,521
Accrued interest income - third parties	4,033	13,728	4,033	13,728
- related parties (note 28.3)	-	-	10,980	-
Prepayments	68,572	63,331	65,730	61,740
Total	1,852,308	1,612,658	1,860,209	1,894,097

11 Financial assets and financial liabilities

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

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

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	Consolidated financial statements			Separate financial statements		
	31 December 2021			31 December 2021		
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht
Financial assets						
Cash and cash equivalents	-	-	1,288,867	-	-	1,153,445
Fixed deposit maturity within one year	-	-	500,000	-	-	500,000
Financial assets at fair value through profit or loss (FVPL)	3,410,351	-	-	3,410,351	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	-	2,095,630	-	-	2,095,630	-
Trade and other receivables*	-	-	1,549,327	-	-	1,832,357
Deposits	-	-	294,448	-	-	294,448
Financial liabilities						
Trade and other payables	-	-	1,977,143	-	-	2,082,230
Cash on delivery payable	-	-	723,692	-	-	723,692
Other current financial liabilities	-	-	8,788	-	-	8,788
Lease liabilities	-	-	4,758,077	-	-	1,781,537
Other non-current financial liabilities	-	-	23,020	-	-	23,020

* Not including items that are not financial assets/liabilities

Financial assets measured through FVPL and FVOCI

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

	Consolidated and separate financial statements	
	Financial assets measured at fair value through profit or loss Thousand Baht	Financial assets measured at fair value through other comprehensive income Thousand Baht
Opening net book value	3,410,351	2,095,630
Additions	1,042,000	205,870
Disposal	(4,289,945)	(1,641,656)
Transfer FVOCI reserve to profit or loss	-	(7,023)
Gain (loss) from disposal of financial assets	14,213	(21,165)
Change in fair value recognised in profit or loss and other comprehensive income	(7,690)	(523)
Closing net book value	168,929	631,133

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The following gains (losses) were recognised in profit or loss and other comprehensive income for the year ended 31 December 2022.

	Consolidated and separate financial statements	
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
	Thousand Baht	Thousand Baht
Gains from fair value measurement and disposal of investment in fixed income funds measured at FVPL recognised in profit or loss	6,523	-
Gains (losses) recognised in other comprehensive income		
- Related to investments in debt instruments		
- Gains (losses) recognised in other comprehensive income	-	(817)
- Income tax of gains (losses) recognised in other comprehensive income	-	147
Total gains (losses) recognised in other comprehensive income, net of tax	-	(670)
Realised gains (losses) from disposal of investments in debt instruments measured at FVOCI	-	(21,615)
Adjustment to profit or loss from disposal of investments in debt instruments measured at FVOCI	-	(7,023)
Recognition of interest income from debt investments measured at FVOCI in profit or loss - other income	-	53,556

Offsetting financial assets and financial liabilities

As at 31 December 2022, the Group does not have financial instruments that are offset and present as net amount in the statement of financial position since the Group does not have financial assets and financial liabilities that are subject to enforceable master netting arrangements.

12 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Boxes	45,721	43,020	45,721	43,020
Satchels	20,096	38,515	20,096	38,515
Labels and tapes	30,502	53,648	30,502	53,648
Others	27,138	40,855	27,138	40,855
Total	123,457	176,038	123,457	176,038

During the year ended 31 December 2022, inventories were recognised as cost of sales and services in profit or loss in the consolidated and separate financial statement amounting to Baht 352.31 million (2021: Baht 389.35 million).

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13 Investments in subsidiaries

13.1 Investment details

As at 31 December 2022, the subsidiaries included in consolidated financial statements are listed below.

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

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Ownership interest held by the Group		Ownership interests held by non-controlling interests		Voting rights held by non-controlling interests		Investment in cost method	
			2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 Thousand Baht	2021 Thousand Baht
KETH Corporate Services Limited	Hong Kong	Providing administrative and corporate support	100.00	100.00	100.00	100.00	-	-	-	-	39	39
Kerry Express Service Limited	Thailand	Providing transportation services	49.00	49.00	49.00	49.00	51.00	51.00	9.43	9.43	490	490
Kerry Express Betagro Company Limited	Thailand	Providing cold-chain delivery	60.00	60.00	60.00	60.00	40.00	40.00	40.00	40.00	30,000	30,000
Kerry Express - Central Company Limited	Thailand	Providing bulk item delivery	99.97	99.97	99.97	99.97	0.03	0.03	0.03	0.03	1,000	1,000
											31,529	31,529

As at 31 December 2022, the total non-controlling interest of Baht (2.16) million (2021: Baht 17.98 million) is of Kerry Express Betagro Co., Ltd. which is not material to the overall financial statements.

13.2 Movements of investments

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

	Separate financial statements	
	Investment at cost method	
	2022 Thousand Baht	2021 Thousand Baht
Opening net book amount	31,529	530
Increase in investment	-	30,999
Closing net book amount	31,529	31,529

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14 Plant and equipment, net

	Consolidated financial statements							
	Buildings and buildings improvements	Leasehold improvements	Operating equipment	Furniture, fixtures and office equipment	Computers	Vehicles	Assets under installation	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 1 January 2021								
Cost	215,143	542,211	1,173,280	882,320	1,075,091	84,756	22,825	3,995,626
Less Accumulated depreciation	(64,894)	(242,486)	(481,058)	(392,772)	(509,461)	(46,409)	-	(1,737,080)
Net book amount	150,249	299,725	692,222	489,548	565,630	38,347	22,825	2,258,546
For the year ended 31 December 2021								
Opening net book amount	150,249	299,725	692,222	489,548	565,630	38,347	22,825	2,258,546
Additions	7,655	9,783	227,561	57,875	310,706	4,969	138,515	757,064
Transfer in from right-of-use assets	-	-	-	-	-	30,633	-	30,633
Disposals - net	(2,718)	(35,506)	(2,574)	(5,390)	(548)	(11)	-	(46,747)
Transfer out to non-current assets held for sale	-	-	(2,009)	(1,081)	(57)	-	-	(3,147)
Transfer in (out)	21,222	21,007	81,742	-	-	-	(123,971)	-
Depreciation charge	(44,533)	(88,161)	(213,138)	(174,799)	(213,544)	(17,961)	-	(752,136)
Closing net book amount	131,875	206,848	783,804	366,153	662,187	55,977	37,369	2,244,213
At 31 December 2021								
Cost	232,575	495,775	1,469,585	926,551	1,381,209	119,248	37,369	4,662,312
Less Accumulated depreciation	(100,700)	(288,927)	(685,781)	(560,398)	(719,022)	(63,271)	-	(2,418,099)
Net book amount	131,875	206,848	783,804	366,153	662,187	55,977	37,369	2,244,213

Consolidated financial statements

For the year ended 31 December 2022

Opening net book amount

Additions

Transfer in from right-of-use assets

Disposals - net

Transfer out to non-current assets held for sale

Transfer in (out)

Depreciation charge

Depreciation charges

Closing net book amount

At 31 December 2022

Cost

Less Accumulated depreciation

[illegible]

Net book amount

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	Separate financial statements							
	Buildings and buildings improvements Thousand Baht	Leasehold improvements Thousand Baht	Operating equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Computers Thousand Baht	Vehicles Thousand Baht	Assets under installation Thousand Baht	Total Thousand Baht
At 1 January 2021								
Cost	215,143	542,211	1,173,280	882,320	1,075,091	84,756	22,825	3,995,626
Less Accumulated depreciation	(64,894)	(242,486)	(481,058)	(392,772)	(509,461)	(46,409)	-	(1,737,080)
Net book amount	150,249	299,725	692,222	489,548	565,630	38,347	22,825	2,258,546
For the year ended 31 December 2021								
Opening net book amount	150,249	299,725	692,222	489,548	565,630	38,347	22,825	2,258,546
Additions	7,655	9,783	223,180	57,875	310,706	-	138,515	747,714
Disposals - net	(2,718)	(35,506)	(2,574)	(5,390)	(548)	(11)	-	(46,747)
Transfer out to non-current assets held for sale	-	-	(2,009)	(1,081)	(57)	-	-	(3,147)
Transfer in (out)	21,222	21,007	81,742	-	-	-	(123,971)	-
Depreciation charge	(44,533)	(88,161)	(212,714)	(174,799)	(213,544)	(16,147)	-	(749,898)
Closing net book amount	131,875	206,848	779,847	366,153	662,187	22,189	37,369	2,206,468
At 31 December 2021								
Cost	232,575	495,775	1,465,204	926,551	1,381,209	83,646	37,369	4,622,329
Less Accumulated depreciation	(100,700)	(288,927)	(685,357)	(560,398)	(719,022)	(61,457)	-	(2,415,861)
Net book amount	131,875	206,848	779,847	366,153	662,187	22,189	37,369	2,206,468

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

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost of sales and services	743,914	644,726	683,438	642,488
Selling expenses	8,139	7,373	8,139	7,373
Administrative expenses	112,544	100,037	112,543	100,037
	864,597	752,136	804,120	749,898

15 Right-of-use assets, net

	Consolidated financial statements			
	Vehicles Thousand Baht	Buildings Thousand Baht	Operating equipment Thousand Baht	Total Thousand Baht
Balance as at 1 January 2021	3,914,759	1,393,857	11,973	5,320,589
Additions	124,547	1,344,665	8,192	1,477,404
Transfer to equipment	(30,633)	-	-	(30,633)
Lease cancellation, net	(3,075)	(360,915)	(123)	(364,113)
Lease modifications and reassessments	-	22,896	-	22,896
Depreciation	(865,459)	(654,567)	(8,987)	(1,529,013)
Balance as at 31 December 2021	3,140,139	1,745,936	11,055	4,897,130
Balance as at 1 January 2022	3,140,139	1,745,936	11,055	4,897,130
Additions	463,139	365,134	26,520	854,793
Transfer to equipment	(894,536)	-	-	(894,536)
Lease cancellation, net	(7,482)	(271,611)	(831)	(279,924)
Lease modifications and reassessments	(172,729)	29,684	-	(143,045)
Depreciation	(779,722)	(735,890)	(15,369)	(1,530,981)
Balance as at 31 December 2022	1,748,809	1,133,253	21,375	2,903,437
	Separate financial statements			
	Vehicles Thousand Baht	Buildings Thousand Baht	Operating equipment Thousand Baht	Total Thousand Baht
Balance as at 1 January 2021	8,176	1,393,857	11,973	1,414,006
Additions	2,585	1,344,665	8,192	1,355,442
Lease cancellation, net	-	(360,915)	(123)	(361,038)
Transfer lease contracts to subsidiary	-	22,896	-	22,896
Depreciation	(3,200)	(654,567)	(8,987)	(666,754)
Balance as at 31 December 2021	7,561	1,745,936	11,055	1,764,552

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

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Expense relating to short-term leases	586,943	573,967	558,886	573,967
Expense relating to leases of low-value assets	87,613	126,546	87,609	126,546

Total cash outflow for leases in 2022 is Baht 3,072.51 million in the consolidated financial statements and Baht 1,428.38 million in the separate financial statements (2021: 2,422.16 million in the consolidated financial statements and Baht 1,385.82 million in the separate financial statements).

16 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
For the year ended 31 December 2021			
Opening net book amount	198,616	534	199,150
Additions	47,526	8,492	56,018
Disposals - net	(23)	-	(23)
Transferred in (out)	3,829	(3,829)	-
Amortisation charge	(61,032)	-	(61,032)
Closing net book amount	188,916	5,197	194,113
At 31 December 2021			
Cost	399,628	5,197	404,825
<u>Less</u> Accumulated amortisation	(210,712)	-	(210,712)
Net book amount	188,916	5,197	194,113

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	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
For the year ended 31 December 2022			
Opening net book amount	188,916	5,197	194,113
Additions	21,951	63,526	85,477
Disposals - net	(6)	-	(6)
Transferred in (out)	34,265	(34,265)	-
Amortisation charge	(67,234)	-	(67,234)
Closing net book amount	177,892	34,458	212,350
At 31 December 2022			
Cost	455,709	34,458	490,167
<u>Less</u> Accumulated amortisation	(277,817)	-	(277,817)
Net book amount	177,892	34,458	212,350
	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
At 1 January 2021			
Cost	348,344	534	348,878
<u>Less</u> Accumulated amortisation	(149,766)	-	(149,766)
Net book amount	198,578	534	199,112
For the year ended 31 December 2021			
Opening net book amount	198,578	534	199,112
Additions	47,526	8,492	56,018
Disposal - net	(23)	-	(23)
Transferred in (out)	3,829	(3,829)	-
Amortisation charge	(61,024)	-	(61,024)
Closing net book amount	188,886	5,197	194,083
At 31 December 2021			
Cost	399,585	5,197	404,782
<u>Less</u> Accumulated amortisation	(210,699)	-	(210,699)
Net book amount	188,886	5,197	194,083
For the year ended 31 December 2022			
Opening net book amount	188,886	5,197	194,083
Additions	21,951	63,526	85,477
Disposal - net	(402)	-	(402)
Transferred in (out)	34,265	(34,265)	-
Amortisation charge	(67,225)	-	(67,225)
Closing net book amount	177,475	34,458	211,933
At 31 December 2022			
Cost	455,271	34,458	489,729
<u>Less</u> Accumulated amortisation	(277,796)	-	(277,796)
Net book amount	177,475	34,458	211,933

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Amortisation recognised in profit and loss is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cost of sales and providing services	40,961	36,498	40,953	36,498
Selling expenses	745	464	745	464
Administrative expenses	25,528	24,070	25,527	24,062
	67,234	61,032	67,225	61,024

17 Deferred income taxes

The analysis of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Deferred tax assets:	879,460	96,031	863,658	93,297
Deferred tax liabilities:	-	-	-	-
Deferred tax asset - net	879,460	96,031	863,658	93,297

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

	Consolidated financial statements							
	Provision for decommissioning Thousand Baht	Employee benefit obligations Thousand Baht	Depreciation charge Thousand Baht	Loyalty programme Thousand Baht	Change in fair value of financial assets Thousand Baht	Tax losses Thousand Baht	Others Thousand Baht	Total Thousand Baht
Deferred tax assets								
At 1 January 2021	796	20,823	17,085	4,305	-	-	-	43,009
Increase (decrease) in profit or loss	664	6,161	2,288	(862)	-	45,207	-	53,458
Increase (decrease) in other comprehensive income	-	(2,376)	-	-	1,940	-	-	(436)
At 31 December 2021	1,460	24,608	19,373	3,443	1,940	45,207	-	96,031
At 1 January 2022	1,460	24,608	19,373	3,443	1,940	45,207	-	96,031
Increase in profit or loss	3,377	6,737	9,425	3,814	-	733,413	32,928	789,694
Decrease in other comprehensive income	-	(6,118)	-	-	(147)	-	-	(6,265)
At 31 December 2022	4,837	25,227	28,798	7,257	1,793	778,620	32,928	879,460
	Separate financial statements							
	Provision for decommissioning Thousand Baht	Employee benefit obligations Thousand Baht	Depreciation charge Thousand Baht	Loyalty programme Thousand Baht	Change in fair value of financial assets Thousand Baht	Tax losses Thousand Baht	Others Thousand Baht	Total Thousand Baht
Deferred tax assets								
At 1 January 2021	796	16,976	17,085	4,305	-	-	-	39,162
Increase (decrease) in profit or loss	664	4,572	5,664	(862)	-	43,959	-	53,997
Increase (decrease) in other comprehensive income	-	(1,802)	-	-	1,940	-	-	138
At 31 December 2021	1,460	19,746	22,749	3,443	1,940	43,959	-	93,297
At 1 January 2022	1,460	19,746	22,749	3,443	1,940	43,959	-	93,297
Increase in profit or loss	3,377	5,093	6,049	3,814	-	724,265	32,928	775,526
Decrease in other comprehensive income	-	(5,018)	-	-	(147)	-	-	(5,165)
At 31 December 2022	4,837	19,821	28,798	7,257	1,793	768,224	32,928	863,658

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18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Deposits	269,617	294,448	269,406	294,448
Creditable withholding tax	299,063	171,730	282,449	163,483
Total	568,680	466,178	551,855	457,931

19 Borrowings

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current				
Current portion of long-term borrowings from financial institution	9,300	-	-	-
Current portion of lease liabilities	1,812,187	2,501,981	644,280	787,896
Total current borrowings	1,821,487	2,501,981	644,280	787,896
Non-current				
Long-term borrowings from financial institution	29,000	-	-	-
Lease liabilities	945,523	2,256,096	516,748	993,641
Total non-current liabilities	974,523	2,256,096	516,748	993,641
Total borrowings	2,796,010	4,758,077	1,161,028	1,781,537

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
At 1 January	-	800,000	-	800,000
Additions	38,300	-	-	-
Repayments	-	(800,000)	-	(800,000)
At 31 December	38,300	-	-	-

As at 31 December 2022, the fair values of long-term borrowings from financial institution are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.35% and are within the level 2 of the fair value hierarchy. Fair value is equivalent to the carrying value of long-term borrowings.

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The movement in lease liabilities is analysed as follows.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January	4,758,077	5,353,625	1,781,537	1,431,856
Additions	842,577	1,471,086	382,399	1,349,124
Lease liabilities payments	(2,416,140)	(1,722,260)	(752,357)	(657,132)
Lease modifications and reassessments	(141,568)	22,896	31,160	22,896
Lease cancellation	(285,236)	(367,270)	(281,711)	(365,207)
Balance as at 31 December	2,757,710	4,758,077	1,161,028	1,781,537

Maturity details of lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Minimum lease liabilities payments				
Not later than 1 year	1,829,639	2,524,702	651,043	795,295
Later than 1 year but not later than 5 years	990,610	2,320,927	536,170	1,022,063
Later than 5 years	6,949	7,757	6,949	7,757
	2,827,198	4,853,386	1,194,162	1,825,115
Less Future finance charges on leases	(69,488)	(95,309)	(33,134)	(43,578)
Present value of lease liabilities	2,757,710	4,758,077	1,161,028	1,781,537
Present value of lease liabilities				
Not later than 1 year	1,812,187	2,501,981	644,280	787,896
Later than 1 year but not later than 5 years	940,674	2,250,791	511,899	988,336
Later than 5 years	4,849	5,305	4,849	5,305
	2,757,710	4,758,077	1,161,028	1,781,537

20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payable - third parties	1,062,032	981,106	921,861	830,404
- related parties (note 28.3)	-	-	297,053	327,608
Other payables - third parties	225,165	425,706	220,085	418,266
- related parties (note 28.3)	5,147	2,407	5,231	2,491
Accrued staff costs - third parties	280,835	229,712	231,493	178,454
- related parties (note 28.3)	9,459	-	9,459	-
Accrued agent service fees	32,640	113,143	32,640	113,143
Accrued transportation expense				
- third parties	66,960	21,925	65,252	21,925
- related parties (note 28.3)	17,921	-	17,921	-
Accrued rental expense - third parties	21,346	21,552	14,241	17,588
- related parties (note 28.3)	4,363	-	4,363	-
Other accruals - third parties	176,528	166,891	157,110	157,702
- related parties (note 28.3)	24,977	4,529	24,977	4,477
Refundable deposits - third parties	14,175	10,172	12,350	10,172
Total	1,941,548	1,977,143	2,014,036	2,082,230

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21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Statement of financial position:				
Retirement benefits	125,818	122,723	99,103	98,729
Liability in the statement of financial position	125,818	122,723	99,103	98,729

Retirement benefits plan

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
At 1 January	122,723	104,112	98,729	84,879
Current service cost	31,551	28,941	23,652	21,552
Interest expense	3,048	1,866	2,453	1,523
	157,322	134,919	124,834	107,954
Remeasurements:				
Gain from change in financial assumptions	(10,935)	(11,460)	(8,928)	(9,497)
Experience gain (loss)	(19,653)	(419)	(16,164)	488
	(30,588)	(11,879)	(25,092)	(9,009)
Benefit payment	(916)	(317)	(639)	(216)
At 31 December	125,818	122,723	99,103	98,729

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Percentage	2021 Percentage	2022 Percentage	2021 Percentage
Discount rate	3.20%	2.50%	3.20%	2.50%
Salary growth rate	3.75%	3.75%	3.75%	3.75%
Turnover rate	23.22%	16.24%	23.22%	16.24%

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Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on retirement benefits			
			Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	0.50%	0.50%	Decrease by 5.87%	Decrease by 6.04%	Increase by 6.36%	Increase by 6.56%
Salary growth rate	0.50%	0.50%	Increase by 6.19%	Increase by 6.36%	Decrease by 5.75%	Decrease by 5.90%
Turnover rate	1.00%	1.00%	Decrease by 12.64%	Decrease by 22.81%	Increase by 14.84%	Increase by 31.08%

	Separate financial statements					
	Change in assumption		Impact on retirement benefits			
			Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	0.50%	0.50%	Decrease by 6.07%	Decrease by 6.21%	Increase by 6.58%	Increase by 6.75%
Salary growth rate	0.50%	0.50%	Increase by 6.35%	Increase by 6.52%	Decrease by 5.90%	Decrease by 6.04%
Turnover rate	1.00%	1.00%	Decrease by 13.05%	Decrease by 23.36%	Increase by 15.36%	Increase by 32.04%

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

The weighted average duration of the defined benefit obligation is 12.23 years (2021: 12.61 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Less than 1 year	1,125	798	906	586
Between 1 - 5 years	10,512	9,711	7,123	6,519
Over 5 years	178,986	160,263	144,080	131,542
Total	190,623	170,772	152,109	138,647

22 Legal reserve

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

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23 Sales and services income

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Parcel delivery services	16,763,315	18,474,794	16,751,999	18,474,699
Sales income	231,610	300,820	231,545	300,820
Advertising income	8,121	42,156	8,121	42,156
Total	17,003,046	18,817,770	16,991,665	18,817,675

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Business to Business (B2B)	297,862	360,474	295,343	360,474
Business to Customer (B2C)	8,456,052	8,523,486	8,447,854	8,523,391
Customer to Customer (C2C)	8,241,011	9,891,654	8,240,347	9,891,654
Total	16,994,925	18,775,614	16,983,544	18,775,519

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Timing of revenue recognition				
Overtime	15,212,085	16,828,185	15,200,769	16,828,090
Point in time	1,790,961	1,989,585	1,790,896	1,989,585
Total	17,003,046	18,817,770	16,991,665	18,817,675

24 Other income

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Commission income	67	504	67	504
Management services income	30,715	44,997	43,165	44,997
IT services income	14,618	14,977	14,618	14,977
Interest income calculated using the effective interest method				
- Financial assets measured at amortised cost	4,397	13,825	15,354	14,908
- Debt investments measured at FVOCI	48,196	15,054	48,196	15,054
Gain from financial assets measured at fair value through profit or loss	6,523	15,747	6,523	15,747
Dividend income	-	-	-	279,300
Others	37,482	49,207	43,301	58,526
Total	141,998	154,311	171,224	444,013

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25 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Staff expense	7,693,312	6,733,090	6,297,304	5,422,175
Subcontract cost	4,337,722	4,200,009	8,112,323	7,780,805
Fuel cost	2,450,148	1,835,100	1,292,495	848,432
Lease payment - short-term leases	586,943	573,967	558,886	573,967
Lease payment - low-value leases	87,613	126,546	87,609	126,546
Cost of inventories and consumable supplies	459,617	558,784	457,050	557,787
Depreciation and amortisation	2,462,812	2,342,181	1,626,134	1,477,676
IT service fee	13,297	16,142	13,297	16,099
Agent service fee	1,281,052	1,348,811	1,281,052	1,348,811
Repair and maintenance expense	83,382	43,404	65,581	42,892
Mobile phone expense	83,741	103,384	83,741	103,384
Advertising expense	69,815	69,176	68,835	68,762

The above staff expenses including expenses related to future business plan adjustments of Baht 165 million which included in administrative expenses in profit or loss.

26 Income tax

Income tax for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current tax:				
Current tax on profits for the year	29,936	25,635	-	-
Deferred income tax:				
Increase in deferred tax assets (note 17)	(789,694)	(53,458)	(775,526)	(53,997)
Income tax	(759,758)	(27,823)	(775,526)	(53,997)

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit (loss) before income tax	(3,609,743)	17,114	(3,859,489)	(22,706)
Tax calculated at a tax rate of 20%	(721,949)	3,423	(771,898)	(4,541)
Tax effect of:				
Expenses not deductible for tax purpose	12,533	22,252	10,961	24,778
Additional deductible expense and double deductible expense	(50,342)	(53,498)	(14,589)	(18,374)
Others	-	-	-	(55,860)
Tax charge	(759,758)	(27,823)	(775,526)	(53,997)

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The weighted average applicable tax rate was 21.05% in the consolidated financial statements and 20.09% in the separate financial statements (2021: (162.62%) in the consolidated financial statements and 237.81% in the separate financial statements).

In 2021, the weighted average applicable tax rate in the separate financial statements includes the effect from dividend income of subsidiaries which is income tax exemption and double tax-deductible expense. The weighted average applicable tax rate in the consolidated financial statements includes the effect from additional deductible expense in the subsidiaries' financial statements which are mainly from the impact of depreciation expense in accounting method and rental expense in tax method of the leases assets.

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

	Consolidated financial statements					
	2022			2021		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	30,588	(6,118)	24,470	11,879	(2,376)	9,503
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	(817)	147	(670)	(8,442)	1,940	(6,502)
Other comprehensive income	29,771	(5,971)	23,800	3,437	(436)	3,001

	Separate financial statements					
	2022			2021		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	25,092	(5,018)	20,074	9,009	(1,802)	7,207
Remeasurements of:						
- Financial assets measured at fair value through other comprehensive income	(817)	147	(670)	(8,442)	1,940	(6,502)
Other comprehensive income	25,909	(4,871)	19,404	567	138	705

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27 Earnings (loss) per share

Earnings (loss) per share are calculated by dividing the net profit (loss) attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings (loss) per share are calculated by dividing the net profit attributable to the ordinary shareholders by the number of ordinary shares for basic earnings per share calculation, plus the weighted average number of shares to be issued as if warrants were exercised.

The earnings per share for the year ended 31 December 2022 is as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Reconciliations of earnings used in calculating earnings per share				
Basic earnings per share				
Profit (loss) attributable to ordinary shareholders of the Company used in calculating basic earnings per share (Thousand Baht)	(2,829,843)	46,918	(3,083,963)	31,291
Weighted average number of shares used as the denominator (Thousand shares)				
Weighted average number of ordinary shares outstanding used as the dominator in calculating basic earnings per share	1,742,577	1,740,035	1,742,577	1,740,035
Adjustments for diluted earnings per share calculation:				
Warrants - KEX ESOP	-	12,263	-	12,263
Weighted average number of ordinary shares outstanding used as the dominator in calculating diluted earnings per share	1,742,577	1,752,298	1,742,577	1,752,298
Basic earnings (loss) per share (Baht per share)	(1.624)	0.027	(1.770)	0.018
Diluted earnings (loss) per share (Baht per share)	(1.624)	0.027	(1.770)	0.018

During the year ended 31 December 2022, the warrants - KEX ESOP did not affect the weighted average number of ordinary shares outstanding used as the dominator in calculating diluted earnings per share since KEX ESOP price was higher than the weighted average market price of ordinary shares during the period.

28 Related party transactions

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

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

The Group's parent is KLN Logistics (Thailand) Limited which is controlled by Kerry Logistics Network Limited owns 52.06% (2021: 52.14%) of the Company's shares. The Group's ultimate controlling party is Shenzhen Mingde Holding Development Co., Ltd., incorporated in People's Republic of China (note 1).

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Relationship between the Company and related parties, which has transactions are as follows:

Company	Nature of relationship
Kerry Logistics Network Limited	Ultimate parent company (to 27 September 2021)
Kerry Logistics (Hongkong) Limited	Entity under common control
Kerry Logistics (Thailand) Limited	Entity under common control
Kerry Logistics (Bangna) Limited	Entity under common control
Kerry Express (Hong Kong) Limited	Entity under common control
Kerry Express (Cambodia) Limited	Entity under common control
Kerry-Apex (Thailand) Co., Ltd.	Entity under common control
Kerry Siam Seaport Limited	Entity under common control
KART (THAILAND) Limited	Entity under common control
KMMT Company Limited	Entity under common control
Times E-Commerce Limited	Entity under common control
Shangri-la Hotel Public Company Limited	Entity under common control
Kuok Registrations Ltd.	Entity under common control
VGI Public Company Limited	Shareholder
Rabbit - Line Pay Company Limited	Joint venture of shareholder
Rabbit Rewards Company Limited	Joint venture of shareholder
888 Media Co., Ltd.	Subsidiary of shareholder
Kerry Express Service Limited	Subsidiary (since 3 July 2020)
Rabbit Care Broker Company Limited	Joint venture of shareholder
KLN (Thailand) Co., Ltd.	Entity under common control
Kerry Express Betagro Company Limited	Subsidiary (since 27 July 2021)
Kerry Express - Central Company Limited	Subsidiary (since 27 July 2021)
Betagro Agro Industry Company Limited	Non-controlling interest of subsidiary
Shenzhen Mingde Holding Development Co., Ltd.	Ultimate parent company (since 28 September 2021)
S.F. Express Co., Ltd.	Parent company
KETH Corporate Services Limited	Subsidiary
BSS Holding Company Limited	Subsidiary of shareholder
KEC (Bangkok) Limited	Entity under common control
Rabbit Cash Company Limited	Subsidiary of shareholder
ABX Express Sdn. Bhd.	Entity under common control
PT. Kerry Nex Express	Entity under common control
Bangkok Smartcard System Co., Ltd.	Subsidiary of shareholder
Kerry Ecommerce Limited	Entity under common control

Pricing policy regarding business transactions with related entities comprises the following:

Related transaction	Pricing policies
Sales and services income	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Management service income	Mutually-agreed price by referring to actual cost incurred plus margin
Commission income	Mutually-agreed price by referring to market price
Interest income	Fixed rate at 2.50% per annum
Rental income	Mutually-agreed price by referring to actual cost incurred plus margin
Cost of services and purchase of equipment and advertising	Mutually-agreed price by referring to market price or actual cost incurred plus margin
Transaction fee	Fixed percentage by referring to market price
Cost of rental and services	Mutually-agreed price by referring to market price
Management fee and IT service fee	Mutually-agreed price by referring to actual cost incurred

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Transactions with related parties are as follows:

28.1 Sales of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Revenues				
Sales of services to:				
Shareholder	3,289	4,597	3,289	4,597
Subsidiary	-	-	284	20
Non-controlling interest	2,351	114	116	-
Related parties	227,135	196,172	227,135	196,172
	232,775	200,883	230,824	200,789
Other income				
Interest income from:				
Subsidiary	-	-	10,980	1,085
Management service income from:				
Subsidiary	-	-	12,450	7,560
Commission income from:				
Joint venture of shareholder	504	5	504	5
IT service income from:				
Related parties	14,618	14,881	14,618	14,881
Sales of equipment:				
Subsidiary	-	-	5,450	-
Related parties	-	56	-	56
	-	56	5,450	56
Sales of supplies:				
Subsidiary	-	-	674	-
Rental income from:				
Subsidiary	-	-	991	-
Related parties	5,776	5,642	5,776	5,642
	5,776	5,642	6,767	5,642
Dividend income from:				
Subsidiary	-	-	-	279,300
Others from:				
Shareholder	-	1	-	1
Related parties	22,073	86	22,073	86
	22,073	87	22,073	87

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28.2 Purchases of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Purchases of service from:				
Shareholder	720	13,678	720	13,678
Subsidiary	-	-	3,776,598	3,580,796
Related parties	26,335	14,333	26,335	14,333
	27,055	28,011	3,803,653	3,608,807
Transaction fee:				
Joint venture of shareholder	12,442	12,558	12,442	12,558
Rental and service expense:				
Shareholder	1,579	1,369	1,579	1,369
Related parties	60,213	54,460	60,213	54,460
	61,792	55,829	61,792	55,829
Payment on lease liabilities:				
Shareholder	2,816	3,135	2,816	3,135
Related parties	118,419	113,369	118,419	113,369
	121,235	116,504	121,235	116,504
Interest expense on lease liabilities:				
Shareholder	121	209	121	209
Related parties	4,582	5,288	4,582	5,288
	4,703	5,497	4,703	5,497
IT service fee:				
Related parties	12,371	14,558	12,371	14,516
Purchases of equipment from:				
Related parties	-	3,645	-	3,645

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28.3 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the period in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade receivables from:				
Shareholder	472	392	472	392
Subsidiary	-	-	82	-
Related parties	119,486	34,678	119,486	34,678
	119,958	35,070	120,040	35,070
Other receivables from:				
Subsidiary	-	-	7,107	287,389
Related parties	6,752	13,132	6,752	13,132
	6,752	13,132	13,859	300,521
Contract assets:				
Subsidiary	-	-	1,020	20
Non-controlling interest	1,329	114	-	-
Related parties	135,884	4,697	135,884	4,697
	137,213	4,811	136,904	4,717
Accrued interest income from:				
Subsidiary	-	-	10,980	-
Deposit and advance to:				
Shareholder	1,219	1,219	1,219	1,219
Subsidiary	-	-	3	-
Related parties	54,428	30,590	54,428	30,590
	55,647	31,809	55,650	31,809
Trade payables to:				
Subsidiary	-	-	297,053	327,608
Other payables to:				
Subsidiary	-	-	84	84
Related parties	5,147	2,407	5,147	2,407
	5,147	2,407	5,231	2,491
Cash on delivery payable to:				
Related parties	8,229	14,900	8,229	14,900
Accruals to:				
Shareholder	175	30	175	30
Related parties	56,545	4,499	56,545	4,447
	56,720	4,529	56,720	4,477
Lease liabilities:				
Shareholder	4,129	8,024	4,129	8,024
Related parties	238,756	279,124	238,756	279,124
	242,885	287,148	242,885	287,148
Refundable deposits from:				
Related parties	11,000	11,000	11,000	11,000

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28.4 Short-term loan to related party

The movements of short-term loan to related party can be analysed as follows:

	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
At 1 January	-	60,000
Addition during the period	782,100	-
Repayment received	-	(60,000)
At 31 December	782,100	-

The short-term loan to related party is unsecured loan denominated in Thai Baht. The loan bears interest rate at 2.50% per annum.

Loan is current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant. The fair value of loan to related party is calculated from future cash flows that is discounted at market interest rates of 2.50%. This is within the level 2 of the fair value hierarchy.

28.5 Key management compensation

Key management includes directors (executive and non-executive), and members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Salaries and other short-term employee benefits	59,862	46,406	59,862	46,406
Post-employment benefits	1,489	1,128	1,489	1,128
Share-based payments	2,507	16,697	2,507	16,697
Total	63,858	64,231	63,858	64,231

29 Commitments and contingent liabilities

29.1 Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Purchases of equipment	101,424	142,415	93,732	142,415
Purchases of intangible assets	13,286	96	13,286	96
	114,710	142,511	107,018	142,511

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29.2 Leases - where the Company is the lessee

Commitments for minimum lease and service payments in relation to non-cancellable low-value assets and the short-term leases and service agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Within 1 year	305,572	397,989	305,481	397,989
Later than 1 year but not later than 5 years	38,779	49,495	38,779	49,495
Total	344,351	447,484	344,260	447,484

29.3 Letters of bank guarantee

As at 31 December 2022, the Group has letters of guarantee issued by a financial institution for the purpose of ordinary course of business amounting to Baht 209.76 million (31 December 2021: Baht 200.16 million).

29.4 Guarantee

As at 31 December 2022, the Company guaranteed to Kerry Express Service Limited (subsidiary) under the lease contracts of trucks and pick-up trucks which are leased by a subsidiary. The guarantees are full amount of lease payments amounting to Baht 1,811.62 million (31 December 2021: Baht 3,023.83 million).

AUDITORS INFORMATION AND FEE

Auditors Information

- **Ms. Nopanuch Apichatsatien**
C.P.A. No. 5266
- **Mr. Paiboon Tunkoon**
C.P.A. No. 4298
- **Ms. Sanicha Akarakittilap**
C.P.A. No. 8470

Firm : PricewaterhouseCoopers ABAS Limited

15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand

Tel + 66 (0) 2344 1000, +66 (0) 2286 9999

Audit fee and Non-audit fee

KEX	FY2022 (THB)
Audit the financial statements	2,470,000
Review the quarterly financial information	1,260,000
Total	3,730,000
Non-audit fee	None
Grand total	3,730,000

Subsidiaries	FY2022 (THB)
Kerry Express Service	700,000
Kerry Express Betagro	475,000
Kerry Express - Central	50,000

Note : non of above companies have non-audit fee

COMPANY INFORMATION AND OTHER INFORMATION

Company Information

Name	Kerry Express (Thailand) Public Company Limited
Headquarters	Room 906, 9 th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Registration Number	0107563000037
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752
Website	https://th.kerryexpress.com
Call Centre	1217
Investor Relations	Ms. Nakavaree Kovitcharoenkul Website : https://investor.th.kerryexpress.com/en E-mail : ir@kerryexpress.com Tel. +66 (0) 63 198 1217
Company Secretary	Company.Secretary@kerryexpress.com

Subsidiaries

Kerry Express Service Limited

Nature of Business	Providing transportation services
Registered Capital	THB 1,000,000 (10,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	48.97 per cent
Headquarters	Room 906, 9 th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

Kerry Express – Central Company Limited

Nature of Business	Operating a bulky delivery platform
Registered Capital	THB 1,000,000 (10,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	100 per cent
Headquarters	Room 906, 9 th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

Kerry Express Betagro Company Limited

Nature of Business	Operating a forefront cold delivery platform
Registered Capital	THB 50,000,000 (500,000 shares)
Par Value	THB 100 per share
Proportion of Shares Held by the Company	60 per cent
Headquarters	Room 906, 9 th Floor, Chao Phya Tower, 89 Soi Wat Suan Plu, Charoen Krung Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	+ 66 (0) 2238 5558
Facsimile Number	+ 66 (0) 2237 3752

KETH Corporate Services Limited

Nature of Business	Providing administrative and corporate support services
Registered Capital	HKD 10,000 (10,000 shares)
Par Value	HKD 1 per share
Proportion of Shares Held by the Company	100 per cent
Headquarters	16/F., Kerry Cargo Centre, 55 Wing Kei Road, Kwai Chung, New Territories, Hong Kong

Other Information

Registrar	Thailand Securities Depository Company Limited
Address	93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Telephone Number	+ 66 (0) 2009 9000
Facsimile Number	+ 66 (0) 2009 9991
Website	http://www.set.or.th/tsd
E-mail Address	setcontactcenter@set.or.th

GLOSSARY AND ACRONYMS

Company name	
Kerry Express or KEX or the Company	Kerry Express (Thailand) Public Company Limited
Subsidiaries	Kerry Express Service Limited, Kerry Express Betagro Company Limited, Kerry Express – Central Company Limited and KETH Corporate Services Limited
Group of companies	Kerry Express (Thailand) Public Company Limited and its subsidiaries
KESL	Kerry Express Service Limited
Kerry Cool	Kerry Express Betagro Company Limited
Kerry XL	Kerry Express – Central Company Limited
KETH	KETH Corporate Services Limited
VGI	VGI Public Company Limited, a major shareholder of KEX
BTSG	BTS Group Holdings Public Company Limited
KLNTH	KLN Logistics (Thailand) Limited, a major shareholder of KEX
KLN	Kerry Logistics Network Limited, a Hong Kong-listed company that holds 100 per cent stake in KLNTH
KRL	Kuok Registrations Limited
SF	S.F. Holding Company Limited
SFTH	S.F. Express Co.,Ltd., a wholly owned subsidiary of SF
Flourish	Flourish Harmony Holdings Company Limited
BTG	Betagro Public Company Limited
Services	
2D	Delivery within 2 days
3D	Delivery within 3 days
AM	Delivery-before-Noon
B2C	Business-to-Consumer
B2B	Business-to-Business
C2C	Consumer-to-Consumer
COD	Cash on Delivery
CON	Consignment
Cold delivery	Cold Delivery Platform
CPC	Cost per Consignment
D2D	Door-to-Door service
ESG	Environment, Social, and Corporate Governance
First Mile	Parcel receiving process between sender to sorting centres
Hibox	KEX smart locker service in partnership with Hivebox from China
Kerry Express Club	The loyalty programme of Kerry Express
KBLC	Kerry Bangna Logistics Centre
KMLC	Kerry Minburi Logistics Centre
KNLC	Kerry Nonthaburi Logistics Centre

Services	
KPLC	Kerry Pathum Thani Logistics Centre
KSLC	Kerry Samut Sakhon Logistics Centre
Line – haul	Transportation between sorting centres and distribution centres
Last Mile	Parcel delivering process from distribution centres to the recipients
ND	Next-Day Delivery
NPS	Net Promoter Score, a customer experience satisfaction survey score
PDPA	Personal Data Protection Act B.E. 2562 (2019)
POS	Point of Sale
PUP	Pick up
Same – Day Delivery	SameDay Parcel Delivery Service
SD / BSD	Bangkok Same Day
SCL	Self collection
Transit	Parcel sorting and transportation process between sorting centres and distribution centres
Committees	
BOARD	The Board of Directors
AC	The Audit Committee
NRC	The Nomination and Remuneration Committee
EXCOM	The Executive Committee
RMC	The Risk Management Committee
Position	
CEO	The Chief Executive Officer
D – CEO	The Deputy Chief Executive Officer
CFO	The Chief Financial Officer
COO	The Chief Operations Officer
CIO	The Chief Investment Officer
CA	The Chief Accountant
Others	
AGM	The Annual General Meeting of Shareholders
EGM	The Extraordinary General Meeting of Shareholders
ESOP	Employee Stock Option Program
IPO	Initial Public Offering
LEAN programme	A strategic programme to enhance cost efficiency within KEX's operation
O2O	Offline to Online
ESOP	Employee Stock Option Programme
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
TSD	Thailand Securities Depository Company Limited

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