



***KING WAI INSURANCE PUBLIC  
COMPANY LIMITED***

***Interim Financial Statements***

***Three-month and nine month periods ended  
September 30, 2020***

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### TO THE BOARD OF DIRECTORS KING WAI INSURANCE PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of King Wai Insurance Public Company Limited as at September 30, 2020, and the statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020, and the related statements of changes in equity and cash flows for the nine-month period ended September 30, 2020, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2.6 to the interim financial statements that King Wai Insurance Public Company Limited have adopted group of Financial Instruments Standards and Thai Financial Reporting Standard 16 "Leases" which become effective for fiscal years beginning on or after January 1, 2020. The Company elected to recognize the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other components of shareholders' equity of the reporting period. Also, the Company elected to adopt the Accounting Treatment Guidance on the temporary relief measures for additional accounting alternatives to alleviate the Impact of the COVID-19 outbreak issued by the Federation of Accounting Professions.



Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356

BANGKOK  
November 12, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## KING WAI INSURANCE PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

UNIT : BAHT

		"UNAUDITED"	
	Notes	As at September 30, 2020	As at December 31, 2019
<b>ASSETS</b>			
Cash and cash equivalents	5	111,954,184	215,059,495
Premium receivables - net	6	70,837,142	120,467,407
Accrued investment income		1,730,410	337,156
Reinsurance assets	7	119,211,524	286,422,307
Due from reinsurers	8	18,440,998	25,603,564
Financial assets - debt securities	9	247,083,885	-
Financial assets - equity securities	10	23,266,310	-
Investment			
Investments in securities	11	-	368,548,025
Leasehold improvement and equipments	12	6,029,392	4,282,671
Intangible assets	13	149,017,992	124,579,491
Deferred acquisition costs		29,813,034	50,584,617
License costs	14	16,711,451	16,711,451
Other assets	15	104,975,151	112,067,277
<b>TOTAL ASSETS</b>		<b>899,071,473</b>	<b>1,324,663,461</b>



See condensed notes to the financial statements

**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2020**

UNIT : BAHT

	Notes	“UNAUDITED” As at September 30, 2020	As at December 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Insurance contract liabilities	16	352,440,338	512,572,927
Due to reinsurers	17	90,109,024	251,920,204
Lease liabilities	18	3,366,333	-
Unearned fee and commission income		22,963,282	58,369,536
Employee benefits obligations		22,601,826	20,424,391
Deferred tax liabilities	19	3,342,290	3,342,290
Provisions for cost of assets decommissioning	20	2,173,800	2,173,800
Other liabilities	21	69,768,625	78,708,862
<b>TOTAL LIABILITIES</b>		<u>566,765,518</u>	<u>927,512,010</u>
<b>EQUITY</b>			
<b>Share Capital</b>			
Authorized share capital			
135,800,000 ordinary shares of Baht 5.00 each		<u>679,000,000</u>	<u>679,000,000</u>
Issued and paid-up share capital			
135,800,000 ordinary shares of Baht 5.00 each		679,000,000	679,000,000
Premium on share capital		122,520,000	122,520,000
<b>Retained earnings (deficits)</b>			
Appropriated			
Legal reserve		15,438,000	15,438,000
Unappropriated		(505,557,433)	(419,862,985)
Other component of equity		20,905,388	56,436
<b>TOTAL EQUITY</b>		<u>332,305,955</u>	<u>397,151,451</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>899,071,473</u>	<u>1,324,663,461</u>



See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020  
“UNAUDITED”

UNIT : BAHT

	Notes	2020	2019
<b>REVENUES</b>			
Gross premium written	22	59,791,227	145,175,962
<u>Less</u> Premium ceded	22	(31,105,173)	(138,284,252)
Net premium written		28,686,054	6,891,710
<u>Add (less)</u> Unearned premium reserve			
(increased) decreased from previous period	22	(5,198,742)	1,035,474
Net premium earned		23,487,312	7,927,184
Fee and commission income	22	17,561,371	25,631,941
Investment income	23	1,528,112	2,269,849
Gain on investment in securities		-	1,719,645
Other income		439,215	987,559
Total Revenues		43,016,010	38,536,178
<b>EXPENSES</b>			
Claims incurred	22	45,111,971	(121,640,790)
<u>Add (Less)</u> Claims refundable from reinsurers	22	(2,890,393)	112,079,125
Commission and brokerage expenses	22	19,993,069	18,541,548
Other underwriting expenses	22	15,123,306	8,712,027
Operating expenses		17,267,261	22,675,950
Total Expenses		94,605,214	40,367,860
Loss before income tax		(51,589,204)	(1,831,682)
Income tax expense		-	-
Net loss		(51,589,204)	(1,831,682)



**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**"UNAUDITED"**

UNIT : BAHT

	Note	2020	2019
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Loss on investment in debt instruments at fair value through other comprehensive income		(1,332,078)	-
Gain from remeasuring to fair value of available-for-sale investment		-	535,322
Other net comprehensive income (loss) for the periods		(1,332,078)	535,322
<b>Total comprehensive loss for the periods</b>		<u>(52,921,282)</u>	<u>(1,296,360)</u>
 <b>Loss per share</b>			
<b>Basic loss per share</b>	25 Baht	(0.38)	(0.01)

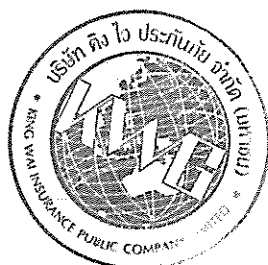


See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020  
“UNAUDITED”

UNIT : BAHT

	Notes	2020	2019
<b>REVENUES</b>			
Gross premium written	22	281,552,135	375,025,333
<u>Less</u> Premium ceded	22	(188,760,486)	(463,457,647)
Net premium written		92,791,649	(88,432,314)
<u>Add (less)</u> Unearned premium reserve			
(increased) decreased from previous period	22	(30,204,524)	7,822,533
Net premium earned		62,587,125	(80,609,781)
Fee and commission income	22	68,344,947	70,297,583
Investment income	23	5,556,947	7,088,118
Gain on financial instruments	24	988,840	-
Gain on investment in securities		-	1,354,983
Other income		499,441	2,451,908
Total Revenues		137,977,300	582,811
<b>EXPENSES</b>			
Claims incurred	22	56,508,024	(76,196,856)
<u>Add (Less)</u> Claims refundable from reinsurers	22	(17,626,578)	92,228,909
Commission and brokerage expenses	22	66,259,205	53,007,030
Other underwriting expenses	22	63,788,565	34,627,900
Operating expenses		54,679,735	69,884,196
Total Expenses		223,608,951	173,551,179
Loss before income tax		(85,631,651)	(172,968,368)
Income tax expense		-	-
Net loss		(85,631,651)	(172,968,368)





**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**“UNAUDITED”**

UNIT : BAHT

	Note	2020	2019
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Loss on investment in debt instruments at fair value through other comprehensive income		(1,076,530)	-
Gain from remeasuring to fair value of available-for-sale investment		-	1,292,684
Written off gain from reclassification of investment from sale of investment		(778,708)	(94,301)
Other net comprehensive income (loss) for the periods		(1,855,238)	1,198,383
<b>Total comprehensive loss for the periods</b>		<b>(87,486,889)</b>	<b>(171,769,985)</b>
 <b>Loss per share</b>			
<b>Basic loss per share</b>	25 Baht	(0.63)	(1.27)



See condensed notes to the financial statements

**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**“UNAUDITED”**

UNIT : BAHT

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings (deficits)		Other components of equity				Total other components of equity	Total Equity
				Appropriated Legal reserve	Unappropriated	Debt securities measured at fair value through other comprehensive income	Equity securities designated at fair value other comprehensive income	Written off gain from reclassification of financial assets from sale of financial assets	Actuarial gain on defined employee benefit plans		
Beginning balance as at January 1, 2019		679,000,000	122,520,000	15,438,000	(239,497,463)	(5,073,847)	-	1,620,113	4,107,500	653,766	578,114,303
Total comprehensive income (loss) for the period		-	-	-	(172,968,368)	1,292,684	-	(94,301)	-	1,198,383	(171,769,985)
Ending balance as at September 30, 2019		679,000,000	122,520,000	15,438,000	(412,465,831)	(3,781,163)	-	1,525,812	4,107,500	1,852,149	406,344,318
Beginning balance as at January 1, 2020											
- at presented		679,000,000	122,520,000	15,438,000	(419,862,985)	(3,798,472)	-	1,525,812	2,329,096	56,436	397,151,451
The impact of change in accounting policies	2.6	-	-	-	(62,797)	-	22,704,190	-	-	22,704,190	22,641,393
Beginning balance as at January 1, 2020											
- revised		679,000,000	122,520,000	15,438,000	(419,925,782)	(3,798,472)	22,704,190	1,525,812	2,329,096	22,760,626	419,792,844
Net loss		-	-	-	(85,631,651)	-	-	-	-	-	(85,631,651)
Total comprehensive loss for the period		-	-	-	-	(1,076,530)	-	(778,708)	-	(1,855,238)	(1,855,238)
Ending balance as at September 30, 2020		679,000,000	122,520,000	15,438,000	(505,557,433)	(4,875,002)	22,704,190	747,104	2,329,096	20,905,388	332,305,955

See condensed notes to the financial statements



**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	2020	2019
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>OPERATING ACTIVITIES</b>			
Written premium received from direct insurance		325,064,876	322,036,015
Cash paid from reinsurance		(252,562,196)	(104,173,657)
Investment income		4,163,693	5,407,092
Loss incurred from direct insurance		(116,361,408)	(166,155,490)
Commission and brokerage paid to direct insurance		(54,818,352)	(53,581,540)
Other underwriting expenses		(63,809,678)	(34,687,673)
Operating expenses		(43,621,601)	(71,417,010)
Other income		234,495	4,308,676
Income tax expense		6,257,241	7,096,318
Investments in securities		-	15,191,378
Deposits at financial institutions		-	(6,039)
Cash received - financial assets		357,806,398	-
Cash paid - financial assets		(237,770,777)	-
Net cash used in operating activities		<u>(75,417,309)</u>	<u>(75,981,930)</u>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>INVESTING ACTIVITIES</b>			
Sale of equipment		264,953	804,207
Purchase of equipment		(256,495)	(161,502)
Purchase of intangible assets	4.2	<u>(24,777,961)</u>	<u>(54,469,698)</u>
Net cash used in investing activities		<u>(24,769,503)</u>	<u>(53,826,993)</u>



**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	2020	2019
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Lease payment	4.1	(2,918,499)	-
Net cash used in financing activities		(2,918,499)	-
Net decreased in cash and cash equivalents		(103,105,311)	(129,808,923)
Cash and cash equivalents as at January 1,		215,059,495	412,022,135
Cash and cash equivalents as at September 30,	5	111,954,184	282,213,212



See condensed notes to the financial statements

**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020**  
**“UNAUDITED”**

**1. GENERAL INFORMATION AND OPERATION OF THE COMPANY**

King Wai Insurance Public Company Limited (the “Company”) is a limited company incorporated in Thailand on January 2, 2013. The Company’s registered address is located at U Chuliang Building, 15<sup>th</sup> Floor, 968 Rama IV Road, Silom, Bangrak, Bangkok. The main objective of the Company is non-life insurance.

The Company’s major shareholder is King Wai Capital Limited, which was registered in Thailand, holding 98.24% of the Company’s authorized share capital and the ultimate parent company is King Wai Group (Thailand) Public Company Limited, which was incorporated in Thailand.

The Company has extensive transactions and relationships with the parent company and related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such related parties.

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business (No. 2) B.E. 2562 dated April 4, 2019. The Company presents the condensed notes to interim financial statements.
- 2.2 The statement of financial position as at December 31, 2019, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.

- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.
- 2.5 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period including the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Company's financial statements except the followings:

Thai Financial Reporting Standard No.4 "Insurance Contracts"

The Federation of Accounting Professions issued Thai Financial Reporting Standard No. 4 "Insurance Contracts", which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2023 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption and provide comparison information of the entity that applies temporary exemption with those that apply Thai Financial Reporting Standard No. 9 and Thai Financial Reporting Standard No. 7.

The Company's management has assessed eligibility to apply such temporary exemption and concluded that the Company is eligible to apply such temporary exemption. However, the Company's management elect to apply Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" which is effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

#### Group of Financial Instruments Standards

In the current year, the Company has initially applied Group of Financial Instruments Standards. The Company has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

The Company has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

#### 1) The classification and measurement of financial assets and financial liabilities

##### Financial assets - debt securities

The Company has classified its financial assets - debt securities as subsequently measured at either amortized cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows :

- Financial assets measured at Amortized Cost (AMC) only if both following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model described in Impairment of financial assets.

- A financial asset measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized as gains or losses in income statement. The measurement of credit impairment is based on the expected credit loss model.

- A financial asset measured at Fair Value Through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gain and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss

#### Financial assets - equity securities

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such equity instruments continue to be recognised in profit or loss (if any).

#### 2) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company are required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

	Note to financial statement	Former classification	Reclassification	Previous Carrying amount	Unit: Baht Current Carrying amount
<b>Financial asset</b>					
Investment in non-marketable securities	10	General investment	Financial asset - equity securities designated at FVTOCI	562,120	23,266,310



				Unit: Baht
	Carrying amount under TAS 105 as at December 31, 2019	Changing in book value		Revised book value under TFRS 9 as at January 1, 2020
		From reclassification	From remeasurement through other comprehensive income	
<b>Financial assets</b>				
Financial asset - debt securities measured at fair value through other comprehensive income	366,702,067	-	-	366,702,067
Financial asset - debt securities measured at amortized cost	1,283,838	-	-	1,283,838
Financial asset - equity securities equity designated at fair value through other comprehensive income	-	562,120	22,704,190	23,266,310
General investments	562,120	(562,120)	-	-
<b>Total</b>	<b>368,548,025</b>	<b>-</b>	<b>22,704,190</b>	<b>391,252,215</b>
<b>Equity</b>				
Other component of equity other comprehensive income from equity securities designated at fair value through other comprehensive income	56,436	-	22,704,190	22,760,626
<b>Total</b>	<b>56,436</b>	<b>-</b>	<b>22,704,190</b>	<b>22,760,626</b>

#### Impact of initial application of TFRS 9 on financial position

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9 for the current year.

				Unit: Baht
	As previously reported	TFRS 9 adjustments	As restated	
<b>Impact on assets, liabilities and equity as at 31 December 2019</b>				
<b>Asset</b>				
Financial assets	368,503,025	22,704,190	391,207,215	
<b>Total effect on net assets</b>		<b>22,704,190</b>		
<b>Equity</b>				
Other component of equity	56,436	22,704,190	22,760,626	
<b>Total effect on equity</b>		<b>22,704,190</b>		

The application of TFRS 9 has had no impact on the cash flows of the Company.

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

Thai Financial Reporting Standards No. 16 “Leases” provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Financial impact of the initial application of TFRS 16

The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using average minimum loan rate. The weight average lessees loan rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 3.90%.

The following table shows the operating lease commitments disclosed applying TAS 17 as at December 31, 2019, discounted using average minimum loan rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on retained earnings as at January 1, 2020

	Unit: Baht
Operating lease commitments as at December 31, 2019	6,370,269
Short-term leases and leases of low-value assets	-
Effect of discounting the above amounts	(223,432)
Finance lease liabilities recognized under TAS 17 as at December 31, 2019	6,146,837
Lease liabilities recognized as at January 1, 2020	6,146,837

The company has recognized Baht 6.08 million of right-of-use assets and Baht 6.14 million of lease liabilities upon transition to TFRS 16. The difference of Baht 0.06 million is recognized in retained earnings.

			Unit: Baht
	As previously reported	TFRS 16 adjustments	As restated
<b>Impact on assets, liabilities and equity as at December 31, 2019</b>			
<b>Asset</b>			
Leasehold improvement and equipment	4,282,671	6,084,040	10,366,711
Net impact on total assets		6,084,040	
<b>Liabilities</b>			
Lease liabilities	-	(6,146,837)	(6,146,837)
Net impact on total liabilities		(6,146,837)	
<b>Equity</b>			
Unappropriate retained earnings (deficits)	(419,862,985)	(62,797)	(419,925,782)
Net impact on total equity		(62,797)	

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on 22 April 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Company has not adopted such accounting treatment guidance in the preparation of the interim financial statements for the three-month and nine-month periods ended September 30, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The company has elected to apply the following temporary relief measures:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

2.7 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

### The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019 except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:

### **3.1 Financial instruments**

#### **Classification and measurement**

Financial assets that are debt instruments are measured at fair value through other comprehensive income, or amortized cost. The classification is derived by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

General investment has been classified as equity securities designated at fair value through other comprehensive income (FVTOCI). Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and designated all equity securities that are not held for trading as FVTOCI on initial TFRS 9.

#### **Expected credit loss recognition**

#### **Financial assets - debt securities**

The Company recognized a loss allowance for expected credit losses on debt instrument measured at amortized cost or at fair value through other comprehensive income based on expect credit losses model. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

#### Financial assets - equity securities

The Company recognized losses on impairment of investments in equity instruments that are measured at fair value through other comprehensive income when there is evidence of impairment.

The Company recognized gain or loss on impairment, allowance loss on impairment through other comprehensive income and not devalued book value of financial assets in financial statement.

#### Adjustment for expected credit loss

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

### 3.2 Leases

The Company has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses average minimum loan rate from Bank of Thailand.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

#### 4. ADDITIONAL INFORMATION FOR CASH FLOWS

- 4.1 Non-cash items of lease liabilities for the nine-month periods ended September 30, 2020 and 2019 consisted of the following:

	For the nine-month periods ended September 30,	
	2020	2019
	Baht	Baht
<b>Lease liabilities</b>		
Lease liabilities as at January 1,	6,146,837	-
<u>Less</u> Cash paid for lease payment	(2,918,499)	-
<u>Add</u> Interest from lease liabilities	137,995	-
Lease liabilities as at September 30,	<u>3,366,333</u>	<u>-</u>

- 4.2 Cash paid for intangible assets for the nine-month periods ended September 30, 2020 and 2019 consisted of the following:

	For the nine-month periods ended September 30,	
	2020	2019
	Baht	Baht
Cash paid for intangible assets		
Payable from intangible assets		
- beginning period/year	29,403,839	29,403,839
Purchases of intangible assets	24,777,961	44,668,419
<u>Less</u> Cash paid for intangible assets	<u>(24,777,961)</u>	<u>(54,469,698)</u>
Payable from intangible assets		
- ending period/year	<u>29,403,839</u>	<u>19,602,560</u>

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at September 30, 2020 and December 31, 2019, consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Cash on hand	65,000	65,000
Deposits at bank - at call	111,889,184	214,994,495
Cash and cash equivalents	<u>111,954,184</u>	<u>215,059,495</u>

## 6. PREMIUM RECEIVABLES - NET

Premium receivables - net as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Within credit terms	18,348,730	67,894,902
Overdue less than 30 days	9,786,929	47,424,281
Overdue 31 - 60 days	13,858,602	2,326,026
Overdue 61 - 90 days	23,839,825	515,888
Overdue over 90 days	6,207,962	2,905,393
Total premium receivables	72,042,048	121,066,490
<u>Less</u> Allowance for doubtful accounts	<u>(1,204,906)</u>	<u>(599,083)</u>
Premium receivables - net	<u>70,837,142</u>	<u>120,467,407</u>

## 7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
<b>Insurance reserve refundable from reinsurers</b>		
Claim reserves	19,971,442	56,698,496
Premium reserve		
- Unearned reinsurance premium reserve	99,240,082	229,723,811
Total reinsurance assets (see Note 16)	<u>119,211,524</u>	<u>286,422,307</u>



# **8. DUE FROM REINSURERS**

Due from reinsurers as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Due from reinsurers	18,608,244	25,711,872
<u>Less</u> Allowance for doubtful accounts	<u>(167,246)</u>	<u>(108,308)</u>
Total due from reinsurers	<u>18,440,998</u>	<u>25,603,564</u>

# **9. FINANCIAL ASSETS - DEBT SECURITIES**

Financial assets - debt securities as at September 30, 2020 consisted of the following:

	Unit : Baht As at September 30, 2020 Fair value
<b><u>Debt instrument measured at fair value through other comprehensive income</u></b>	
Government and state enterprise securities	145,793,937
<b><u>Debt instrument measured at amortized cost</u></b>	
Private enterprise debt securities	10,000,000
Deposits at financial institutions with maturity over 3 months	101,289,948
<u>Less</u> Allowance for expected credit loss	<u>(10,000,000)</u>
Total debt instrument measured at amortized cost	<u>101,289,948</u>
Total investment in debt securities	<u>247,083,885</u>

As at September 30, 2020 and December 31, 2019, certain government securities were pledged and used for assets reserved with the Registrar amounting to Baht 40.47 million and Baht 124.66 million, respectively (see Note 28)

Allowance for expected credit loss

	Fair value	Unit : Baht Allowance for expected credit loss recognized in other comprehensive income
Debt securities measured at fair value through other comprehensive income		
Debt securities without significant increased in credit risk (Stage 1)	145,793,937	-
Total	<u>145,793,937</u>	<u>-</u>

		Unit : Baht
	Fair value	Allowance for expected credit loss
		Book value
Debt instrument measured at amortized cost		
Debt securities without significant increased in credit risk (Stage 1)	101,289,948	-
Debt securities with credit impairment loss (Stage 3)	10,000,000	(10,000,000)
Total	111,289,948	(10,000,000)
		101,289,948

#### 10. FINANCIAL ASSETS - EQUITY SECURITIES

Financial assets - equity securities as at September 30, 2020 consisted of the following:

	Unit : Baht
	As at
	September 30, 2020
	Fair value
<u>Equity securities designated at fair value through other comprehensive income</u>	
Local equity securities	23,266,310
Total financial asset - equity securities	23,266,310

#### 11. INVESTMENTS IN SECURITIES

Investments in securities as at December 31, 2019 consisted of the following:

	Unit : Baht
	As at December 31, 2019
	Cost/ Fair value
	Amortized cost
Available-for-sale investments	
Government and state enterprise securities	370,500,539
Less Unrealized loss	(3,798,472)
Total available-for-sale investments	366,702,067
Held-to-maturity investments	
Private enterprise debt securities	10,000,000
Deposits at financial institutions with maturity over 3 months	1,283,838
Total	11,283,838
Less Allowance for impairment	(10,000,000)
Total held-to-maturity investments	1,283,838
General investment	
Equity securities	562,120
Total general investment	562,120
Total investment in securities	368,548,025

## 12. LEASEHOLD IMPROVEMENT AND EQUIPMENTS

Leasehold improvements and equipment as at September 30, 2020 and December 31, 2019 consisted of the following:

											Unit : Baht
	Cost				Accumulated depreciation				As at September 30, 2020	Beginning balance of Equipment as at January 1, 2020	Ending balance of Equipment as at September 30, 2020
	As at January 1, 2020	Impact from initial application of TFRS 16 (Please see Note 2.6)	Additions	Disposal/ Write-off	As at September 30, 2020	As at January 1, 2020	Impact from initial application of TFRS 16 (Please see Note 2.6)	Depreciation	Disposal/ Write-off		
Furniture, fixture & fittings,											
leasehold improvement	18,861,481	-	-	-	18,861,481	17,299,023	-	825,336	-	1,562,458	737,122
Equipment	3,122,190	-	3,729	(3,262)	3,122,657	3,019,352	-	58,057	(3,261)	102,838	48,509
Vehicles	2,489,000	-	-	(2,489,000)	-	2,488,999	-	-	(2,488,999)	1	-
Computer equipment	10,901,761	-	252,766	(157,766)	10,996,761	8,284,387	-	912,367	(157,760)	2,617,374	1,957,767
Right of used assets	-	8,829,626	-	-	8,829,626	-	2,745,586	2,798,046	-	-	3,285,994
<b>Total</b>	<b>35,374,432</b>	<b>8,829,626</b>	<b>256,495</b>	<b>(2,650,028)</b>	<b>41,810,525</b>	<b>31,091,761</b>	<b>2,745,586</b>	<b>4,593,806</b>	<b>(2,650,020)</b>	<b>4,282,671</b>	<b>6,029,392</b>

											Unit : Baht
	Cost				Accumulated depreciation				As at December 31, 2019	Beginning balance of Equipment as at January 1, 2019	Ending balance of Equipment as at December 31, 2019
	As at January 1, 2019		Additions	Disposal/ Write-Off	As at December 31, 2019	As at January 1, 2019	Depreciation	Disposal/ Write-Off			
Furniture, fixture & fittings,											
leasehold improvement	16,687,681		2,173,800	-	18,861,481	16,668,406	630,617	-	17,299,023	19,275	1,562,458
Equipment	3,501,301		5,400	(384,511)	3,122,190	3,323,402	98,706	(402,756)	3,019,352	177,899	102,838
Vehicles	7,494,000		-	(5,005,000)	2,489,000	7,493,997	-	(5,004,998)	2,488,999	3	1
Computer equipment	27,835,721		1,648,133	(18,582,093)	10,901,761	22,441,223	1,630,129	(15,786,965)	8,284,387	5,394,498	2,617,374
<b>Total</b>	<b>55,518,703</b>		<b>3,827,333</b>	<b>(23,971,604)</b>	<b>35,374,432</b>	<b>49,927,028</b>	<b>2,359,452</b>	<b>(21,194,719)</b>	<b>31,091,761</b>	<b>5,591,675</b>	<b>4,282,671</b>

As at September 30, 2020 and December 31, 2019, certain leasehold improvement and equipment at cost of Baht 26.50 million and Baht 29.12 million, respectively, were fully depreciated but still in use.

Depreciation for the three-month periods ended September 30, 2020 and 2019 amounting to Baht 1.54 million and Baht 0.57 million, respectively, and depreciation for the nine-month periods ended September 30, 2020 and 2019 amounting to Baht 4.59 million and Baht 1.57 million, respectively, were included in operating expenses.

### 13. INTANGIBLE ASSETS

Intangible assets as at September 30, 2020 and December 31, 2019 consisted of the following:

	Cost			Accumulated depreciation			Unit : Baht	
	As at January 1, 2020	Additions	Transfer-in/ (Transfer-out)	As at September 30, 2020	As at January 1, 2020	Amortization As at September 30, 2020	Beginning balance of intangible assets as at January 1, 2020	Ending balance of intangible asset as at September 30, 2020
Software	858,050	-	3,680,516	4,538,566	149,133	339,460	488,593	708,917
Software under installation	123,870,574	24,777,961	(3,680,516)	144,968,019	-	-	-	123,870,574
Total	124,728,624	24,777,961	-	149,506,585	149,133	339,460	488,593	124,579,491

	Cost			Accumulated depreciation			Unit : Baht	
	As at January 1, 2019	Additions	Transfer-in/ (Transfer-out)	As at December 31, 2019	As at January 1, 2019	Amortization As at December 31, 2019	Beginning balance of intangible assets as at January 1, 2019	Ending balance of intangible asset as at December 31, 2019
Software	-	858,050	-	858,050	-	149,133	149,133	-
Software under installation	51,005,605	72,864,969	-	123,870,574	-	-	-	51,005,605
Total	51,005,605	73,723,019	-	124,728,624	-	149,133	149,133	51,005,605

#### 14. LICENSE COSTS

License costs as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
License costs	67,000,000	67,000,000
<u>Less</u> Accumulated amortization	<u>(50,288,549)</u>	<u>(50,288,549)</u>
License costs	<u>16,711,451</u>	<u>16,711,451</u>

License costs were amortised on the straight-line method over 25 years. After January 1, 2008, the license costs which have been considered indefinite useful life assets are no longer subject to amortisation but are tested annually for impairment.

#### 15. OTHER ASSETS

Other assets as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Refundable income tax	19,633,367	25,834,878
Deposits	3,485,376	3,725,376
The Revenue Department receivables	77,786,616	71,467,726
Undue purchase vat	737,916	1,557,419
Prepaid expense	2,346,923	3,799,162
Prepaid premium ceded	527,024	4,248,848
Other receivables	457,929	1,513,268
<u>Less</u> Allowance for expected credit loss	<u>-</u>	<u>(79,400)</u>
Total other assets	<u>104,975,151</u>	<u>112,067,277</u>

## 16. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	138,058,605	(12,311,227)	125,747,378
Claim incurred but not reported	33,512,621	(7,660,215)	25,852,406
	<u>171,571,226</u>	<u>(19,971,442)</u>	<u>151,599,784</u>
Premium reserve			
Unearned premium reserve	180,869,112	(99,240,082)	81,629,030
Total	<u>352,440,338</u>	<u>(119,211,524)</u>	<u>233,228,814</u>

	As at December 31, 2019		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	193,039,095	(45,442,846)	147,596,249
Claim incurred but not reported	38,385,515	(11,255,650)	27,129,865
	<u>231,424,610</u>	<u>(56,698,496)</u>	<u>174,726,114</u>
Premium reserve			
Unearned premium reserve	281,148,317	(229,723,811)	51,424,506
Total	<u>512,572,927</u>	<u>(286,422,307)</u>	<u>226,150,620</u>

### 16.1 Insurance reserve for short-term insurance contract

#### 16.1.1 Claim reserve

Claim reserve as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Balance as at beginning period/year	231,424,610	548,129,104
Claim incurred during the period/year	106,307,446	139,419,180
Changes in claims reserve incurred in previous period/year	(44,926,525)	(186,751,670)
Changes in claims reserve assumption	(4,872,897)	(12,054,485)
Claim paid during the period/year	<u>(116,361,408)</u>	<u>(257,317,519)</u>
Balance as at ending period/year	<u>171,571,226</u>	<u>231,424,610</u>

### 16.1.2 Unearned premium reserve

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Balance as at beginning period/year	281,148,317	182,428,266
Premium written for the period/year	281,552,135	544,901,200
Premium earned for the period/year	(381,831,340)	(446,181,149)
Balance as at ending period/year	<u>180,869,112</u>	<u>281,148,317</u>

### 16.1.3 Unexpired risk reserve

As at September 30, 2020 and December 31, 2019, no additional reserve for unexpired risk reserve has been established, as the unexpired risk reserve estimated by the Company amounting to Baht 74.65 million and Baht 101.04 million, respectively, is lower than the unearned premium reserve.

## 17. DUE TO REINSURERS

Due to reinsurers as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Amount withheld on reinsurance	14,753,468	66,431,133
Amount due to reinsurers	<u>75,355,556</u>	<u>185,489,071</u>
Total due to reinsurers	<u>90,109,024</u>	<u>251,920,204</u>

## 18. LEASE LIABILITIES

Lease liabilities as at September 30, 2020 and December 31, 2019 were as follows:

	Minimum lease payment		Present value of minimum lease payment	
	As at September 30, 2020 Baht	As at December 31, 2019 Baht	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Within 1 year	2,825,021	-	2,756,359	-
Over 1 year to 5 years	<u>620,900</u>	<u>-</u>	<u>609,974</u>	<u>-</u>
	3,445,921	-	3,366,333	-
Less Deferred interest	<u>(79,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,366,333</u>	<u>-</u>	<u>3,366,333</u>	<u>-</u>

## 19. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Deferred tax liabilities	<u>3,342,290</u>	<u>3,342,290</u>

Deferred income tax assets are recognized only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Company did not recognize deferred income tax assets from temporary difference and loss carried forward as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Temporary difference	193,928,417	217,442,984
Loss carried forward	<u>782,193,657</u>	<u>630,888,939</u>
	976,122,074	848,331,923
Income tax rate	20%	20%
Deferred tax assets	<u>195,224,415</u>	<u>169,666,385</u>

The loss carried forward as at September 30, 2020 and December 31, 2019 amounting to Baht 782.19 million and 630.89 million will gradually expire from 2021 to 2024.

## 20. PROVISIONS FOR COST OF ASSETS DECOMMISSIONING

Provisions for cost of assets decommissioning as at September 30, 2020 and December 31, 2019, consist of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Provision for cost of asset decommissioning		
- beginning of the period	2,173,800	-
Increase during the year	<u>-</u>	<u>2,173,800</u>
Provision for cost of asset decommissioning - ending		
- ending of the period	<u>2,173,800</u>	<u>2,173,800</u>



## 21. OTHER LIABILITIES

Other liabilities as at September 30, 2020 and December 31, 2019 consisted of the following:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Fee and commission payable	12,960,049	22,290,777
Accrued expenses	32,467,294	47,814,458
Other payables	24,341,282	8,603,627
Total other liabilities	<u>69,768,625</u>	<u>78,708,862</u>

## 22. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the management of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine and logistic, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month and nine-month periods ended September 30, 2020 and 2019, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The reporting of underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2020 and 2019 were as follows:

	For the three-month period ended September 30, 2020				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	1,619,073	13,681,871	2,338,606	42,151,677	59,791,227
<u>Less</u> Premium ceded	(1,088,194)	(5,041,746)	-	(24,975,233)	(31,105,173)
Net premium written	530,879	8,640,125	2,338,606	17,176,444	28,686,054
<u>Add (less)</u> Unearned premium reserve					
(increased) decreased from the previous period	1,790,259	(3,317,813)	1,154,921	(4,826,109)	(5,198,742)
Net premium earned	2,321,138	5,322,312	3,493,527	12,350,335	23,487,312
Fee and commission income	716,543	1,067,756	-	15,777,072	17,561,371
Total underwriting income	3,037,681	6,390,068	3,493,527	28,127,407	41,048,683
<b>Underwriting expenses</b>					
Claim Incurred	2,206,432	(558,156)	1,294,427	42,169,268	45,111,971
<u>Less</u> Claim refundable from reinsurers	(1,242,905)	(140,693)	-	(1,506,795)	(2,890,393)
Commission and brokerage expenses	1,238,700	1,172,326	987,063	16,594,980	19,993,069
Other underwriting expenses	506,731	3,238,932	597,331	10,780,312	15,123,306
Total underwriting expenses	2,708,958	3,712,409	2,878,821	68,037,765	77,337,953
<b>Profit (loss) on underwriting</b>					
before operating expenses	328,723	2,677,659	614,706	(39,910,358)	(36,289,270)
Operating expenses					17,267,261
Loss on underwriting after operating expenses					(53,556,531)

	For the three-month period ended September 30, 2019				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	891,664	5,515,273	501,822	138,267,203	145,175,962
<u>Less</u> Premium ceded	(810,909)	(5,516,897)	-	(131,956,446)	(138,284,252)
Net premium written	80,755	(1,624)	501,822	6,310,757	6,891,710
<u>Add (less)</u> Unearned premium reserve					
(increased) decreased from the previous year	(388,803)	(160,728)	1,862,298	(277,293)	1,035,474
Net premium earned	(308,048)	(162,352)	2,364,120	6,033,464	7,927,184
Fee and commission income	82,679	1,033,288	-	24,515,974	25,631,941
Total underwriting income	(225,369)	870,936	2,364,120	30,549,438	33,559,125
<b>Underwriting expenses</b>					
Claim Incurred	168,871	(2,576,015)	568,977	(119,802,623)	(121,640,790)
<u>Add (less)</u> Claim refundable from reinsurers	(35,540)	39,383	-	112,075,282	112,079,125
Commission and brokerage expenses	127,083	727,513	322,243	17,364,709	18,541,548
Other underwriting expenses	59,690	266,016	(123,815)	8,510,136	8,712,027
Total underwriting expenses	320,104	(1,543,103)	767,405	18,147,504	17,691,910
<b>Profit (loss) on underwriting</b>					
before operating expenses	(545,473)	2,414,039	1,596,715	12,401,934	15,867,215
Operating expenses					22,675,950
Loss on underwriting after operating expenses					(6,808,735)

	For the nine-month period ended September 30, 2020				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	21,294,193	33,251,259	11,830,113	215,176,570	281,552,135
<u>Less</u> Premium ceded	(11,839,777)	(12,410,493)	-	(164,510,216)	(188,760,486)
Net premium written	9,454,416	20,840,766	11,830,113	50,666,354	92,791,649
<u>Less</u> Unearned premium reserve					
increased from the previous period	(6,024,784)	(10,454,502)	(936,976)	(12,788,262)	(30,204,524)
Net premium earned	3,429,632	10,386,264	10,893,137	37,878,092	62,587,125
Fee and commission income	782,614	2,841,748	-	64,720,585	68,344,947
Total underwriting income	4,212,246	13,228,012	10,893,137	102,598,677	130,932,072
<b>Underwriting expenses</b>					
Claim Incurred	2,087,913	2,509,111	2,177,022	49,733,978	56,508,024
<u>Less</u> Claim refundable from reinsurers	(1,178,826)	(1,059,857)	-	(15,387,895)	(17,626,578)
Commission and brokerage expenses	1,408,335	3,069,282	1,946,747	59,834,841	66,259,205
Other underwriting expenses	4,824,421	7,533,419	2,680,235	48,750,490	63,788,565
Total underwriting expenses	7,141,843	12,051,955	6,804,004	142,931,414	168,929,216
<b>Profit (loss) on underwriting</b>					
before operating expenses	(2,929,597)	1,176,057	4,089,133	(40,332,737)	(37,997,144)
<b>Operating expenses</b>					54,679,735
<b>Loss on underwriting after operating expenses</b>					(92,676,879)

	For the nine-month period ended September 30, 2019				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	2,000,628	17,428,843	8,835,657	346,760,205	375,025,333
<u>Less</u> Premium ceded	<u>(6,682,256)</u>	<u>(33,379,415)</u>	<u>-</u>	<u>(423,395,976)</u>	<u>(463,457,647)</u>
Net premium written	(4,681,628)	(15,950,572)	8,835,657	(76,635,771)	(88,432,314)
<u>Add (less)</u> Unearned premium reserve					
(increased) decreased from the previous year	<u>(323,925)</u>	<u>(1,228,620)</u>	<u>(1,784,178)</u>	<u>11,159,256</u>	<u>7,822,533</u>
Net premium earned	(5,005,553)	(17,179,192)	7,051,479	(65,476,515)	(80,609,781)
Fee and commission income	270,869	3,168,451	-	66,858,263	70,297,583
Total underwriting income	<u>(4,734,684)</u>	<u>(14,010,741)</u>	<u>7,051,479</u>	<u>1,381,748</u>	<u>(10,312,198)</u>
<b>Underwriting expenses</b>					
Claim Incurred	674,971	(7,163,684)	2,089,297	(71,797,440)	(76,196,856)
<u>Add (less)</u> Claim refundable from reinsurers	<u>(229,186)</u>	<u>1,130,787</u>	<u>62,000</u>	<u>91,265,308</u>	<u>92,228,909</u>
Commission and brokerage expenses	425,525	1,813,646	1,467,276	49,300,583	53,007,030
Other underwriting expenses	<u>184,728</u>	<u>1,609,289</u>	<u>815,839</u>	<u>32,018,044</u>	<u>34,627,900</u>
Total underwriting expenses	<u>1,056,038</u>	<u>(2,609,962)</u>	<u>4,434,412</u>	<u>100,786,495</u>	<u>103,666,983</u>
<b>Profit (loss) on underwriting</b>					
before operating expenses	<u>(5,790,722)</u>	<u>(11,400,779)</u>	<u>2,617,067</u>	<u>(99,404,747)</u>	<u>(113,979,181)</u>
<b>Operating expenses</b>					<u>69,884,196</u>
<b>Loss on underwriting after operating expenses</b>					<u>(183,863,377)</u>

## 23. INVESTMENT INCOME

Investment income for the three-month periods and nine-month periods ended September 30, 2020 and 2019 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Interest income	1,528,112	2,269,849	5,556,947	7,088,118

Unit : Baht

## 24. GAIN ON FINANCIAL INSTRUMENTS - NET

Gain on financial instruments for the three-month periods and nine-month periods ended September 30, 2020 were as follows:

	For the three-month periods ended September 30, 2020		For the nine-month periods ended September 30, 2020	
Gain (loss) from sales and write-off Debt instrument reclassified and measured at fair value through other comprehensive income	-	-	988,840	988,840
Total	-	-	988,840	988,840

Unit : Baht

## 25. BASIC LOSS PER SHARE

Basic loss per share for the three-month and nine-month periods ended September 30, 2020 and 2019 consisted of the following:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Net loss attributable to shareholders (Baht)	(51,589,204)	(1,831,682)	(85,631,651)	(172,968,368)
Number of share capital (Shares)	135,800,000	135,800,000	135,800,000	135,800,000
Basic loss per share (Baht)	(0.38)	(0.01)	(0.63)	(1.27)

## 26. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business.

The relationships between the Company and its related parties are summarized below:

Companies	Relationship	Type of business
King Wai Group (Thailand) Public Company Limited	Ultimate parent company	Commercial real estate investments
King Wai Capital Limited	Some common shareholders and directors	Holding company
Cornerstone Realty Company Limited	Some common shareholders and directors	Commercial real estate investments
Gold Star Property Company Limited	Some common shareholders and directors	Commercial real estate investments
Thai-Kami Company Limited	Some common shareholders and directors	Commercial real estate investments
Top Property Co., Ltd.	Some common shareholders and directors	Commercial real estate investments
AEC City Co., Ltd.	Some common shareholders	Commercial real estate investments
S31 Limited	Some common shareholders and directors	Commercial real estate investments
S61 Limited	Some common shareholders and directors	Commercial real estate investments
Praram4 Limited	Some common shareholders and directors	Commercial real estate investments

Significant balances and transactions were as follows:

	As at September 30, 2020 Baht		As at December 31, 2019 Baht	
<b>Assets</b>				
Premium Receivables			108,639	164,072
<b>Liabilities</b>				
Loss reserve and outstanding claims			37,800	14,210
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Income/expenses</b>				
Premiums	65,435	47,368	534,072	595,516
Claims	15,700	156,143	15,700	306,843

The Company paid insurance claims in compliance with insurance policy criteria and it is normal commercial transaction for insurance.

The Company used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

## 27. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and nine-month periods ended September 30, 2020 and 2019, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Directors and key management personnel's remuneration				
Short-term benefits	4,137,863	4,115,258	13,811,611	13,875,750
Post-employment benefits	113,569	142,250	340,706	496,617
	<u>4,251,432</u>	<u>4,257,508</u>	<u>14,152,317</u>	<u>14,372,367</u>

Directors' remunerations for the years of 2020 and 2019 were approved by the annual general meeting of shareholders of the Company held on April 10, 2020 and April 11, 2019, respectively.

## 28. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at September 30, 2020 and December 31, 2019, certain financial assets - debt securities and financial assets - equity securities of the Company were pledged and used for assets reserved with the Registrar (see Note 9) in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557" as follows:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Financial assets - debt securities and financial assets - equity securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Government and state enterprise securities	14,527,510	14,666,187
Assets reserved with the registrar		
Government and state enterprise securities	25,941,982	109,996,404
Total securities under pledged	<u>40,469,492</u>	<u>124,662,591</u>

## 29. CONTINGENT LIABILITIES AND COMMITMENT

- 29.1 As at September 30, 2020 and December 31, 2019, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 4.98 million and Baht 3.97 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company's management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company's operating results.
- 29.2 As at September 30, 2020 and December 31, 2019, the Company had a capital commitment to pay computer software in amount of Baht 10.03 million and Baht 2.96 million, respectively.

## 30. LONG TERM LEASE AND SERVICE AGREEMENT

Long term leases and service agreement as at September 30, 2020 and December 31, 2019 consisted of the follows:

	As at September 30, 2020 Baht	As at December 31, 2019 Baht
Within 1 year	4,405,849	10,507,904
Over 1 year to 5 years	-	5,224,794
Total	<u>4,405,849</u>	<u>15,732,698</u>

The Company recognized rental expense in the statements of profit and loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020 amounting to Baht 1.65 million and amounting to Baht 4.63 million, respectively. (For the three-month and nine-month periods ended September 30, 2019 amounting to Baht 2.55 million and amounting to Baht 7.32 million, respectively).

## 31. FAIR VALUE MEASUREMENT

Certain financial assets of the Company were measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets were determined.

As at September 30, 2020					Unit : Baht
	Level 1	Fair value hierarchy		Total	Book value
		Level 2	Level 3		
Financial assets					
Financial assets - debt instruments	-	145,793,937	-	145,793,937	145,793,937
Financial assets - equity instruments	-	-	23,266,310	23,266,310	23,266,310
Financial liabilities					
Lease liabilities	-	-	(3,366,333)	(3,366,333)	(3,366,333)

As at December 31, 2019					Unit : Baht
	Fair value hierarchy			Total	Book value
	Level 1	Level 2	Level 3		
Financial assets					
Available-for-sale investments					
Financial assets - debt instruments	-	366,702,067	-	366,702,067	366,702,067

During the period, there are no fair value transferred between level 1, level 2 and level 3.

There are no change in fair value measurement technique.

Level 2 of fair values for debt instruments measured at fair value through other comprehensive income and debt securities available-for-sale investments are based on the yield rate quoted by the Thai Bond Market Association.

Level 3 of fair value for equity instruments measured at fair value through other comprehensive income are based on discounted cash flows.

Financial assets or financial liabilities not measured at fair value Cash and cash equivalents, Premium receivable - net, Accrued investment income, Reinsurance assets, Due from reinsurers, Deferred acquisition costs, Prepaid premium ceded, other assets, Insurance contract liabilities, Due to reinsurers, Unearned fee and commission income and other liabilities; the fair values approximate their carrying values due to the relatively short period to maturity.

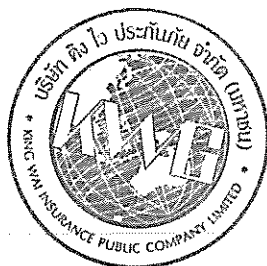
### 32. RECLASSIFICATION

Certain transactions in the statement of financial position as at December 31, 2019 have been reclassified to conform to the classification used in the statements of financial position as at September 30, 2020 as follows:

Account	Amount	Previous presentation	Current presentation
Statement of financial position	Baht		
Prepaid premium ceded	4,248,848	Prepaid premium ceded	Other assets

### 33. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 12, 2020.







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