



*KING WAI INSURANCE PUBLIC
COMPANY LIMITED*

Financial Statements

Year ended December 31, 2020

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS KING WAI INSURANCE PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of King Wai Insurance Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2020, and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of King Wai Insurance Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.4 to the 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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



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

BANGKOK
February 22, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KING WAI INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

UNIT: BAHT

	Notes	2020	2020
ASSETS			
Cash and cash equivalents	5	120,077,758	215,059,495
Premium receivables	6	51,524,819	120,467,407
Accrued investment income		685,129	337,156
Reinsurance assets	7	81,784,156	286,422,307
Due from reinsurers	8	18,578,753	25,603,564
Financial assets - debt securities	9	246,293,864	-
Financial assets - equity securities	10	12,216,097	-
Investment			
Investments in securities	11	-	368,548,025
Leasehold improvement and equipment	12	4,488,398	4,282,671
Intangible assets	13	149,503,998	124,579,491
Deferred acquisition costs		24,566,151	50,584,617
License costs	14	16,711,451	16,711,451
Other assets	15	104,435,520	112,067,277
TOTAL ASSETS		830,866,094	1,324,663,461



Notes to the financial statements form an integral part of these statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

UNIT: BAHT

	Notes	2020	2019
LIABILITIES AND EQUITY			
LIABILITIES			
Insurance contract liabilities	16	305,241,584	512,572,927
Due to reinsurers	17	92,841,476	251,920,204
Lease liabilities	18	2,421,307	-
Unearned fee and commission income		15,106,234	58,369,536
Employee benefit obligations	19	23,545,249	20,424,391
Deferred tax liabilities	20	3,342,290	3,342,290
Provision for cost of assets decommissioning	21	2,173,800	2,173,800
Other liabilities	22	85,405,431	78,708,862
TOTAL LIABILITIES		530,077,371	927,512,010
EQUITY			
Share capital			
Authorized share capital			
135,800,000 ordinary shares of Baht 5.00 each		679,000,000	679,000,000
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
Retained earnings (deficits)			
Appropriated			
Legal reserve	23	15,438,000	15,438,000
Unappropriated		(525,234,430)	(419,862,985)
Other components of equity		9,065,153	56,436
TOTAL EQUITY		300,788,723	397,151,451
TOTAL LIABILITIES AND EQUITY		830,866,094	1,324,663,461

Notes to the financial statements form an integral part of these statements



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KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT: BAHT

	Notes	2020	2019
Revenues			
Gross premium written	24	340,250,591	544,901,200
<u>Less</u> Premium ceded	24	(214,179,699)	(619,598,091)
Net premium written		126,070,892	(74,696,891)
<u>Add</u> Unearned premium reserve (increase) decrease			
from previous year	24	(33,831,419)	3,810,662
Net premium earned		92,239,473	(70,886,229)
Fee and commission income	24	79,741,483	99,364,127
Net investment income	25	7,166,754	9,223,102
Gain on financial instruments	26	988,840	-
Gain on investment		-	1,354,983
Other income		550,324	1,238,401
Total revenues		180,686,874	40,294,384
Expenses			
Claims incurred	24	72,357,278	(59,386,975)
<u>Less</u> Claims refundable from reinsurers	24	(24,366,082)	72,809,693
Commissions and brokerage expenses	24	80,736,183	75,342,969
Other underwriting expenses	24	84,346,097	46,915,503
Operating expenses	27	72,922,046	84,978,716
Total expenses		285,995,522	220,659,906
Loss before income tax expense		(105,308,648)	(180,365,522)
Income tax expense	20	-	-
Net loss		(105,308,648)	(180,365,522)



KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT: BAHT

	Notes	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		(1,866,552)	-
Gain from remeasuring to fair value of available-for-sale investment		-	1,275,375
Written off gain from reclassification of investment from sale of investment		(778,708)	(94,301)
		<u>(2,645,260)</u>	<u>1,181,074</u>
Items that will not be reclassified subsequently to profit or loss			
Loss on investment in equity instruments at fair value through other comprehensive income		(11,050,213)	-
Actuarial loss on defined employee benefit plans		-	(1,778,404)
		<u>(11,050,213)</u>	<u>(1,778,404)</u>
Other net comprehensive loss for the years - net of income tax		(13,695,473)	(597,330)
Total comprehensive loss for the years		<u><u>(119,004,121)</u></u>	<u><u>(180,962,852)</u></u>
Loss per share			
Basic loss per share	29 Baht	(0.78)	(1.33)



Notes to the financial statements form an integral part of these statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

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 designated at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Written off gain from reclassification of financial assets from sale of financial assets	Actuarial gain (loss) 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)	-	-	-	(180,365,522)	1,275,375	-	(94,301)	(1,778,404)	(597,330)	(180,962,852)
Ending balance as at December 31, 2019	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
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	2.4	-	-	(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
Total comprehensive loss	-	-	-	(105,308,648)	(1,866,552)	(11,050,213)	(778,708)	-	(13,695,473)	(119,004,121)
Ending balance as at December 31, 2020	679,000,000	122,520,000	15,438,000	(525,234,430)	(5,665,024)	11,653,977	747,104	2,329,096	9,065,153	300,788,723

Notes to the financial statements form an integral part of these statements



KING WAI INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT: BAHT

	Note	2020	2019
CASH FLOWS PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Written premium received from direct insurance		405,690,074	476,616,454
Cash paid from reinsurance		(260,755,818)	(165,716,868)
Investment income		6,818,781	9,544,459
Claims incurred from direct insurance		(149,603,299)	(257,317,519)
Commission and brokerage paid to direct insurance		(64,114,620)	(82,467,612)
Other underwriting expenses		(83,815,086)	(49,794,296)
Operating expenses		(45,012,021)	(75,611,408)
Other income		266,687	3,210,978
Income tax expense		5,662,377	5,738,481
Investments in securities		-	13,412,975
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		(64,827,304)	(122,390,395)
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES			
Sales of equipment		283,645	804,307
Purchases of equipment		(256,495)	(1,653,533)
Purchases of intangible assets	4.2	(26,288,301)	(73,723,019)
Net cash used in investing activities		(26,261,151)	(74,572,245)
CASH FLOWS USED IN			
FINANCING ACTIVITIES			
Lease payment	4.1	(3,893,282)	-
Net cash used in financing activities		(3,893,282)	-
Net decrease in cash and cash equivalents		(94,981,737)	(196,962,640)
Cash and cash equivalents as at January 1,		215,059,495	412,022,135
Cash and cash equivalents as at December 31,	5	120,077,758	215,059,495

Notes to the financial statements form an integral part of these statements



KING WAI INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 at U Chuliang Building, 15th 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 incorporated in Thailand, holding 95.05% 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 OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand.
- 2.2 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 (Revised 2019) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, 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.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

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

	Note to financial statement	Previous classification	Reclassification	Previous Carrying amount	Unit: Baht Current Carrying amount
Financial asset					
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		Carrying amount under TFRS 9 as at January 1, 2020	
		Reclassification	Remeasurement through other comprehensive income		
Financial assets					
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	
Available-for-sale investments	366,702,067	(366,702,067)	-	-	
Held-to-maturity investments	1,283,838	(1,283,838)	-	-	
General investments	562,120	(562,120)	-	-	
Total	<u>368,548,025</u>	<u>-</u>	<u>22,704,190</u>	<u>391,252,215</u>	
Equity					
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	
Total	<u>56,436</u>	<u>-</u>	<u>22,704,190</u>	<u>22,760,626</u>	

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
Impact on assets, liabilities and equity as at 31 December 2019			
Asset			
Financial assets - debt securities	-	-	367,985,905
Financial assets - equity securities	-	22,704,190	23,266,310
Investments in securities	368,548,025	-	-
Total effect on net assets		<u>22,704,190</u>	
Equity			
Other component of equity	56,436	<u>22,704,190</u>	22,760,626
Total effect on equity		<u>22,704,190</u>	

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	-
<u>Less Effect of discounting the above amounts</u>	<u>(223,432)</u>
Lease liabilities recognized as at January 1, 2020	<u>6,146,837</u>

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.

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

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 financial statements for the year ended December 31, 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.

2.5 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.6 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, 2020 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:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

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

3.1 Insurance contract classification

At the initial date, the Company classified contract as insurance contract by determine that the significant risk has been transferred, in the event (scenario) that an insured would require company to pay significant additional benefits in term of commercial content. Once a contract has been classified as insurance contract, it remains an insurance contract until all right and obligations are expired. Other contract which the Company has entered with the insured may not be classified as an insurance contract when the significant insurance risk has been transferred. Other contracts are reclassified as investment contracts (if any).

3.2 Revenue recognition

Premium written

For insurance policies with coverage period for one year, premium income is recognized on the effective date of the insurance policy after deducting premium ceded and premium cancelled and refunded. For long-term insurance policies which coverage periods are longer than one year, related revenues and expenses are recorded as unearned and prepaid items which recognized as income and expenses over the coverage periods on annual basis.

Reinsurance premium

Reinsurance premium income is recognized when the Company receives the reinsurance application or statement of accounts from the ceding company. Reinsurance profit commissions are recognized when the Company receives the statement of accounts from the reinsurers.

Premium ceded

Premium ceded is recognized as expense when the insurance risk is transferred to another insurer as amounts specified in policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expense and recognised as expense over the coverage period each year.

Commissions and brokerages income

Commissions and brokerages income are recognized as income on an accrual basis.

Investment income

Investment income consists of interest income and dividends income. Interest income is recognized as income on an accrual basis and dividends income are recognized as income on the declaration date.

Other income

Other income is recognized as income on an accrual basis.

3.3 Expenses recognition

Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of direct insurance and reinsurance of both reported claims and not reported claims, and are stated at the amounts of the claims, related expenses, and claims adjustments of the current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims and losses adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and losses adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

Claim recovery from reinsurers

Claims recovery from reinsurers is recognised when claims and loss adjustment expenses are recorded. They are estimated as proportion and condition relevant to reinsurance contracts. The Company presents the claims recoverable amount as a deduction from gross claims.

Commission and brokerage fees expenses

Commissions and brokerages are expended when incurred.

Commission and brokerage fees paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on accrual basis.

Operating expenses

Operating expenses are operating expenses, not related to underwriting and claim, which are recognized as expenses on accrual basis

3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and all types of deposits with banks with maturity within 3 months, excluding deposit at banks used as collateral.

Deposits at banks having terms to maturity over 3 months are included in investments in securities.

3.5 Premium due and uncollected and allowance for doubtful debt

Premium due and uncollected are stated at the net realizable value. The Company records allowance for doubtful accounts for the estimated collection losses on premium due and uncollected. Such estimated losses are based on the Company's collection experience and the analysis of aging of each premium due and uncollected.

3.6 Reinsurance assets

Reinsurance assets are stated at net realizable value. The Company records allowance for doubtful accounts for the estimated collection losses on reinsurance assets. Such estimated losses are based on the Company's collection experience and the analysis of aging of each reinsurance assets.

3.7 Due to and due from reinsurers

Amount due from reinsurers are stated at amount due from reinsurers which consists of premium uncollected from reinsurers, commission and brokerages receivables, outstanding claim recovered from reinsurers. The Company records allowance for doubtful for estimated loss from uncollected receivables based on the Company's collection experience and the analysis of aging of amount due from reinsurers.

Amount due to reinsurers are stated at amount withheld on reinsurance and amount due to reinsurers which consist of premium ceded payables and other reinsurance payables to reinsurers except claim payables. The net amount is represented in the statement of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Financial instruments

Policies applicable from January 1, 2020

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

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.

- 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 net 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.

3.9 Investment in securities

Policies applicable prior to January 1, 2020

Securities classified as available-for-sale are stated at fair value. Gain or loss on the change in fair value is recognized as other components of equity.

Securities classified as non-marketable equity securities, which the Company holds as general investment, are valued at cost net allowance for impairment (if any).

Securities classified as held-to-maturity are stated at amortized cost, less allowance for impairment (if any). The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

In case of impairment in value of investment has occurred, the resultant loss for all classification of investments is recognized in the statement of profit or loss and other comprehensive income.

The costs of securities sold are determined by the weighted average method.

Fair value of marketable securities are based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. Fair value of debt instruments is determined based on the price quoted by the Thai Bond Market Association ("Thai-BMA"). When quoted market prices are unavailable, the fair value will be estimated by discounting expected future cash flows using market interest rate and/or prices for a similar instrument from Thai-BMA at the measurement date.

The Company determines the appropriate classification of its investment at the time of purchase and re-evaluates such designation on a regular basis. In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying and the fair value on the date of reclassification are recorded in the statement of profit or loss and other comprehensive income or recorded as surplus (deficit) on reclassification of investment in equity, depending on the type of investment that is reclassified.

3.10 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost, net of accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Furniture, fixtures and leasehold improvement	5 years
Equipment	5 years
Vehicles	5 years
Computer equipment	3 years

3.11 Intangible assets

Intangible assets represent computer software which is stated amortization and allowance for impairment (if any).

Amortization of computer software is calculated by straight-line method, based on the estimated useful lives of computer software of 10 years.

3.12 Licence Cost

Prior to 2008, license costs were amortized on a straight-line basis over 25 years which have not been amortized since 1 January 2008, as the license costs have an uncertain useful life assets. Therefore was not being amortized but using impairment testing every year.

Where the carrying amount is greater than its estimated recoverable amount, an impairment loss will be charged to the statement of profit or loss and other comprehensive income.

3.13 Impairment of assets

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

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

3.14 Insurance liabilities

3.14.1 Unearned premium reserve

Unearned premium reserve is set aside in compliance with the basis as specified in the Notification of the Office of Insurance Commission regarding as follows:

Fire, Marine (Hull), Motor and Miscellaneous	- Daily pro-rate basis (1/365 basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period

3.14.2 Loss reserve and outstanding claims

Loss reserve and outstanding claims have been provided upon receipt of claim advices from the insured and recorded at the amount appraised by an independent appraiser or by the Company's appraiser. In addition, the Company records a provision for losses incurred but not yet reported (IBNR) which assessed by actuary.

3.14.3 Unexpired risks reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary.

Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserves.

3.15 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.

a) Policies applicable from January 1, 2020

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.

b) Policies applicable prior to January 1, 2020

Operating lease agreements

Long term agreements for leases of assets under which all the risks and rewards of ownership of assets effectively retained by the lessors, are classified under the operating leases. Lease payments under operating leases are recognized as expenses in the statement of profit or loss and other comprehensive income on the straight-line method over the lease term.

3.16 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange prevailing at the transaction dates. Monetary assets and liabilities outstanding as at the statement of financial position date denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand at that date. Gains and losses on exchange arising on settlements and translation are recognized as income or expense when incurred.

3.17 Employee benefits

3.17.1 Provident fund

The Company has a provident fund which is contributory by the employee and the Company matching the individuals' contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The Company's contribution to the fund is recorded as expense for the year.

3.17.2 Provision for employee benefits

The Company provides provisions for employee benefits regarding the severance pay under the Labor Protection Act and long service awards payable to employees. Provisions for employee benefits is calculated by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other factor.

Actuarial gain (loss) arising from post-employment benefits are recognized immediately in other comprehensive income.

Actuarial gain (loss) arising from long service awards are recognised immediately in profit or loss.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

3.18 Provisions for cost of assets decommissioning

Provisions for cost of assets decommissioning represents the liability, incurred from operating lease agreements which are estimated based on quotation from vendor deducting estimated salvage value and calculated based on an undiscounted basis.

3.19 Income tax

Income tax expense

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current income tax payable is calculated using tax rates that have been enacted at the end of reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of a deferred tax assets is reviewed at the end of each reporting period. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of reporting period.

3.20 Basic loss per share

Basic loss per share are calculated by dividing net loss by the number of weighted average ordinary shares outstanding at the date of statement of financial position. In the case of a capital increase, the number of weighted average ordinary shares is calculated according to the period of the subscription received from increase and paid-up share capital.

3.21 Fair value measurements

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if a producer or supplier of a marketable good would take those characteristics into the consideration the price that would be received to sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

3.22 Use of management's judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3.22.1 Use of management's judgments

3.22.1.1 Significant increase in credit risk

As explained in Note 3.8, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

3.22.2 Key sources of estimation uncertainty

3.22.2.1 Loss reserves

The Company is required to estimate loss reserves and outstanding claims that arise from the Company's insurance products. These reserves represent the expected cost to settle claims occurring prior to, but still outstanding as of, the reporting period. The Company establishes its reserves by product line and extent of coverage. The reserves consist of reserves for reported losses and reserves for incurred but not reported (IBNR) losses.

The Company's reserves for reported losses are based on estimates of future payments to settle reported insurance claims with an undiscounted basis. IBNR reserves are established to recognize by using historical information and statistical models, based on standard actuarial claims projection techniques.

3.22.2.2 Fair value measurement and valuation processes

Some assets measured at Level 2 of the fair value in the statements of financial position as of the end of reporting period such as Government and State Enterprise and Private Enterprises debt securities will be valued on the basis of quoted values and other data provided by Thai-BMA and first utilize valuation inputs from actively traded securities, such as bid prices when quoted market prices are unavailable, the fair value will be estimated by discounting expected future cash flows using market interest rate and/or prices for a similar instrument from Thai-BMA at the measurement date.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 37.2.5.

4. ADDITIONAL INFORMATION FOR CASH FLOWS

- 4.1 Non-cash items of lease liabilities for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Lease liabilities		
Lease liabilities as at January 1,	6,146,837	-
<u>Less</u> Cash paid for lease payment	(3,893,282)	-
<u>Add</u> Interest from lease liabilities	167,752	-
Lease liabilities as at December 31,	<u>2,421,307</u>	<u>-</u>

- 4.2 Non-cash items of intangible assets for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Other payable - intangible assets as at January 1,	29,403,839	29,403,839
<u>Add</u> Purchases of intangible assets	26,288,301	73,723,019
<u>Less</u> Cash paid for purchase of intangible assets	(26,288,301)	(73,723,019)
Other payable - intangible assets as at December 31,	<u>29,403,839</u>	<u>29,403,839</u>

- 4.3 For the years ended December 31, 2020 and 2019, the Company recorded provision for cost of assets decommissioning amounting to Baht 2.17 million, were included in leasehold improvement and equipment.

5. CASH AND CASH EQUIVALENTS

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

	2020 Baht	2019 Baht
Cash on hand	65,000	65,000
Deposits at bank - at call	120,012,758	214,994,495
Cash and cash equivalents	<u>120,077,758</u>	<u>215,059,495</u>

6. PREMIUM DUE AND UNCOLLECTED

Premium due and uncollected as at December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Within credit terms	34,280,424	67,894,902
Less than 30 days	5,288,895	47,424,281
31 - 60 days	3,909,798	2,326,026
61 - 90 days	1,111,267	515,888
Over 90 days	7,686,576	2,905,393
Total premium due and uncollected	52,276,960	121,066,490
<u>Less</u> Allowance for doubtful accounts	<u>(752,141)</u>	<u>(599,083)</u>
Premium due and uncollected - net	<u>51,524,819</u>	<u>120,467,407</u>

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has process with such agents and brokers in accordance with the Company's policy and procedures.

7. REINSURANCE ASSETS

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

	2020 Baht	2019 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	15,977,086	56,698,496
Unearned premium reserve		
- Unearned reinsurance premium reserve	65,807,070	229,723,811
Total reinsurance assets (see Note 16)	<u>81,784,156</u>	<u>286,422,307</u>

8. DUE FROM REINSURERS

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

	2020 Baht	2019 Baht
Due from reinsurers	18,614,319	25,711,872
<u>Less</u> Allowance for doubtful accounts	<u>(35,566)</u>	<u>(108,308)</u>
Due from reinsures	<u>18,578,753</u>	<u>25,603,564</u>

Aging analyzes for due from reinsurers as at December 31, 2020 and 2019 were as follows:

	2020 Baht	2019 Baht
Within credit terms	2,264,353	14,422,231
Not over 12 months	10,040,172	6,507,566
Over 1 year to 2 years	2,394,843	2,477,924
Over 2 years	<u>3,914,951</u>	<u>2,304,151</u>
Total due from reinsures	18,614,319	25,711,872
<u>Less</u> Allowance for doubtful accounts	<u>(35,566)</u>	<u>(108,308)</u>
Due from reinsures - net	<u>18,578,753</u>	<u>25,603,564</u>

9. FINANCIAL ASSETS - DEBT SECURITIES

Financial assets - debt securities as at December 31, 2020 consisted of the following:

	As at December 31, 2020 Fair value Baht
Debt instrument measured at fair value through other comprehensive income	
Government and state enterprise securities	145,003,916
	Amortized cost Baht
Debt instrument measured at amortized cost	
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>246,293,864</u>

As at December 31, 2020 and 2019, certain government securities were pledged and used for assets reserved with the Registrar amounting to Baht 40.25 million and Baht 124.66 million, respectively (see Note 33)

Allowance for expected credit loss for the years ended December 31, 2020 were as follows:

	Fair value Baht	Allowance for expected credit loss recognized in other comprehensive income Baht
Debt securities measured at fair value through other comprehensive income		
Debt securities without significant increased in credit risk (Stage 1)	145,003,916	-
Total	<u>145,003,916</u>	<u>-</u>

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

10. FINANCIAL ASSETS - EQUITY SECURITIES

Financial assets - equity securities as at December 31, 2020 consisted of the following:

	As at December 31, 2020 Fair value Baht
Equity securities measured at fair value through other comprehensive income	
Local equity securities	12,216,097
Total financial asset - equity securities	<u>12,216,097</u>

As at January 1, 2020, the Company reclassified general investment at cost to equity securities at fair value through other comprehensive income. The cost as at reclassification date was in the amount of Baht 562,120 and the fair value at reclassification date was in the amount of Baht 23,266,310 (see Note 2.4). The company has a purpose in holding investments for benefit of the insurance business.

	Fair value 2020 Baht	Dividend received during the year 2020 Baht
Financial assets - equity securities designated at fair value through other comprehensive income	12,216,097	10,000
Total	<u>12,216,097</u>	<u>10,000</u>

11. INVESTMENTS IN SECURITIES

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

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

Debt securities classified by the remaining maturity as at December 31, 2019 were as follows:

	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale investments				
Government and state enterprise securities	133,946,110	236,554,429	-	370,500,539
<u>Less</u> Unrealized loss	<u>1,763,508</u>	<u>(5,561,980)</u>	-	<u>(3,798,472)</u>
Total available-for-sale investments	<u>135,709,618</u>	<u>230,992,449</u>	-	<u>366,702,067</u>

12. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at December 31, 2020 and 2019 consisted of the following:

	Cost				Accumulated depreciation							Beginning balance of Equipment as at January 1, 2020 Baht	Ending balance of Equipment as at December 31, 2020 Baht
	As at	Impact from	Additions	Disposal/	As at	As at	Impact from	Depreciation	Disposal/	As at			
	January 1,	initial application		Write-off	December 31,	January 1,	initial application		Write-off	December 31,			
	2020	of TFRS 16 (Please see Note 2.4)			2020	2020	of TFRS 16 (Please see Note 2.4)			2020			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht			
Furniture, fixture & fittings,													
leasehold improvement	18,861,481	-	-	-	18,861,481	17,299,023	-	1,102,186	-	18,401,209	1,562,458	460,272	
Equipment	3,122,190	-	3,729	(3,262)	3,122,657	3,019,352	-	68,021	(3,261)	3,084,112	102,838	38,545	
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	-	1,233,865	(157,760)	9,360,492	2,617,374	1,636,269	
Right of used assets	-	8,829,626	-	-	8,829,626	-	2,745,586	3,730,728	-	6,476,314	-	2,353,312	
Total	35,374,432	8,829,626	256,495	(2,650,028)	41,810,525	31,091,761	2,745,586	6,134,800	(2,650,020)	37,322,127	4,282,671	4,488,398	

	Cost				Accumulated depreciation					Beginning balance of Equipment as at January 1, 2019 Baht	Ending balance of Equipment as at December 31, 2019 Baht
	As at	Additions	Disposal/	As at	As at	Depreciation	Disposal/	As at			
	January 1,		Write-Off	December 31,	January 1,		Write-Off	December 31,			
	2019			2019	2019			2019			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht			
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	
Total	55,518,703	3,827,333	(23,971,604)	35,374,432	49,927,028	2,359,452	(21,194,719)	31,091,761	5,591,675	4,282,671	

As at December 31, 2020 and 2019, certain leasehold improvement and equipment at cost of Baht 26.75 million and Baht 29.12 million, respectively, were fully depreciated but still in use.

Depreciation for the years ended December 31, 2020 and 2019 amounting to Baht 6.13 million and Baht 2.36 million, respectively, were included in operating expenses.

13. INTANGIBLE ASSETS

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

	Cost				Accumulated depreciation			Beginning balance of intangible assets as at January 1, 2020	Ending balance of intangible asset as at December 31, 2020
	As at January 1, 2020	Additions	Transfer-in/ (Transfer-out)	As at December 31, 2020	As at January 1, 2020	Amortization	As at December 31, 2020		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Software	858,050	-	28,960,937	29,818,987	149,133	1,363,794	1,512,927	708,917	28,306,060
Software under installation	123,870,574	26,288,301	(28,960,937)	121,197,938	-	-	-	123,870,574	121,197,938
Total	124,728,624	26,288,301	-	151,016,925	149,133	1,363,794	1,512,927	124,579,491	149,503,998

	Cost				Accumulated depreciation			Beginning balance of intangible assets as at January 1, 2019	Ending balance of intangible asset as at December 31, 2019
	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		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Software	-	858,050	-	858,050	-	149,133	149,133	-	708,917
Software under installation	51,005,605	72,864,969	-	123,870,574	-	-	-	51,005,605	123,870,574
Total	51,005,605	73,723,019	-	124,728,624	-	149,133	149,133	51,005,605	124,579,491

Amortization for the years ended December 31, 2020 and 2019 amounting to Baht 1.36 million and Baht 0.15 million, respectively, were included in operating expenses.

14. LICENSE COSTS

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

	2020 Baht	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 as indefinite useful life assets are no longer subject to amortisation but are tested annually for impairment.

15. OTHER ASSETS

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

	2020 Baht	2019 Baht
Refundable income tax	20,275,019	25,834,878
Deposits	3,485,376	3,725,376
The Revenue Department receivable	76,057,863	71,467,726
Undue purchase vat	470,029	1,557,419
Prepaid Expense	2,426,580	3,799,162
Prepaid premium ceded	301,156	4,248,848
Other receivables	1,419,497	1,513,268
<u>Less</u> Allowance for expected credit loss	<u>-</u>	<u>(79,400)</u>
Total other assets	<u>104,435,520</u>	<u>112,067,277</u>

16. INSURANCE CONTRACT LIABILITIES

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

	Insurance contract liabilities Baht	2020 Reinsurance liabilities (see Note 7) Baht	Net Baht
Loss reserves			
Claim incurred and agreed	120,018,204	(9,446,348)	110,571,856
Claim incurred but not reported	<u>34,160,385</u>	<u>(6,530,738)</u>	<u>27,629,647</u>
	154,178,589	(15,977,086)	138,201,503
Premium reserve			
Unearned Premium reserve	<u>151,062,995</u>	<u>(65,807,070)</u>	<u>85,255,925</u>
Total	<u>305,241,584</u>	<u>(81,784,156)</u>	<u>223,457,428</u>

	Insurance contract liabilities	2019 Reinsurance liabilities (see Note 7)	Net
	Baht	Baht	Baht
Loss reserves			
Claim incurred and agreed	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 Loss reserves

Loss reserves as at December 31, 2020 and 2019 consisted of the following:

	Gross Baht	2020 Reinsurance Baht	Net Baht
Balance as at beginning year	231,424,610	(56,698,496)	174,726,114
Claim incurred during the year	124,914,340	(48,930,886)	75,983,454
Changes in claims reserve incurred in previous year	(48,331,930)	19,839,892	(28,492,038)
Changes in claims reserve assumption	(4,225,132)	4,724,912	499,780
Claim paid during the year	<u>(149,603,299)</u>	<u>65,087,492</u>	<u>(84,515,807)</u>
Balance as at ending year	<u>154,178,589</u>	<u>(15,977,086)</u>	<u>138,201,503</u>

	Gross Baht	2019 Reinsurance Baht	Net Baht
Balance as at beginning year	548,129,104	(271,916,450)	276,212,654
Claim incurred during the year	139,419,180	(67,376,527)	72,042,653
Changes in claims reserve incurred in previous year	(186,751,670)	137,716,870	(49,034,800)
Changes in claims reserve assumption	(12,054,485)	2,469,350	(9,585,135)
Claim paid during the year	<u>(257,317,519)</u>	<u>142,408,261</u>	<u>(114,909,258)</u>
Balance as at ending year	<u>231,424,610</u>	<u>(56,698,496)</u>	<u>174,726,114</u>

As at December 31, 2019

Accident year/ reported year	2015	2016	2017	2018	2019	Unit: Baht Total
Estimate of ultimates:						
- End of accident year	461,746,109	617,245,238	503,841,363	580,270,022	137,950,756	
- One year later	460,565,759	644,203,736	467,185,314	427,485,149		
- Two year later	413,898,666	594,445,270	428,093,564			
- Three year later	421,645,243	582,954,680				
- Four year later	416,074,130					
Absolute estimated loss						
reserve and outstanding claim	416,074,130	582,954,680	428,093,564	427,485,149	137,950,756	
Accumulative claim paid	(385,459,708)	(552,532,136)	(384,601,619)	(385,671,958)	(59,403,939)	
Total Loss reserves	30,614,422	30,422,544	43,491,945	41,813,191	78,546,817	224,888,919
Loss reserves before year 2014						6,535,691
Total Loss reserves						231,424,610

16.2.2 Analysis of claims development - net

As at December 31, 2020

Accident year/ reported year	2015	2016	2017	2018	2019	2020	Unit: Baht Total
Estimate of ultimates:							
- End of accident year	371,524,034	385,476,032	214,126,641	186,877,388	70,925,436	76,485,527	
- One year later	345,241,023	396,217,972	395,558,204	163,136,268	44,838,589		
- Two year later	334,405,112	381,749,083	354,992,583	158,614,182			
- Three year later	319,378,541	385,284,159	338,868,281				
- Four year later	316,167,075	382,320,755					
- Five year later	312,643,143						
Absolute estimated loss							
reserve and outstanding claim	312,643,143	382,320,755	338,868,281	158,614,182	44,838,589	76,485,527	
Accumulative claim paid	(303,098,190)	(360,406,542)	(319,632,106)	(144,470,707)	(38,403,861)	(25,654,422)	
Total Loss reserves	9,544,953	21,914,213	19,236,175	14,143,475	6,434,728	50,831,105	122,104,649
Loss reserves before year 2015							16,096,854
Total Loss reserves							138,201,503

As at December 31, 2019

Accident year/ reported year	2015	2016	2017	2018	2019	Unit: Baht Total
Estimate of ultimates:						
- End of accident year	371,524,034	385,476,032	214,126,641	186,877,388	70,925,436	
- One year later	345,241,023	396,217,972	395,558,204	163,136,268		
- Two year later	334,405,112	381,749,083	354,992,583			
- Three year later	319,378,541	385,284,159				
- Four year later	316,167,075					
Absolute estimated loss						
reserve and outstanding claim	316,167,075	385,284,159	354,992,583	163,136,268	70,925,436	
Accumulative claim paid	(302,454,214)	(355,056,523)	(316,039,016)	(127,876,018)	(20,885,077)	
Total Loss reserves	13,712,861	30,227,636	38,953,567	35,260,250	50,040,359	168,194,673
Loss reserves before year 2014						6,531,441
Total Loss reserves						174,726,114

16.3 Assumption

Assumptions used in measurement of assets, liabilities, revenues and expenses incurred on insurance contracts were as follows:

16.3.1 Assumptions of claims experience

Claim liabilities - net of reinsurance

For direct and facultative business, the Company using methods which generally accepted actuarial methods. The Company relied on the historical incurred claim development in developing our estimates of claim liabilities. The Company have not discounted the projected future claim payments. Our estimates do not reflect the time value of money.

Claim liabilities - gross of reinsurance

The Company using a proportional gross-up method, based on the gross and net case reserves. For each Accident Year ("AY") each line of business ("LOB").

In case of odd gross up ratio of case reserves, The Company substituted it with the gross up ratio of earned premium.

16.3.2 Assumptions of related expenses

Unallocated Loss Adjustment Expenses - ULAE

The Company adopted a commonly used approach to derive ULAE liability. All calculations are performed on a gross of reinsurance basis, but the ULAE reserves held are the same, gross or net of reinsurance, as reinsurers typically do not assume a share of ULAE.

Reinsurance Cost

The cost of excess of loss (Excess of Loss: XOL) assumptions, as percentage of gross net written premium income, for each line of business.

17. DUE TO REINSURERS

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

	2020 Baht	2019 Baht
Reinsurance payables	78,088,008	185,489,071
Amount withheld on reinsurance	14,753,468	66,431,133
Total due to reinsurers	<u>92,841,476</u>	<u>251,920,204</u>

18. LEASE LIABILITIES

Lease liabilities as at December 31, 2020 and 2019 consisted of the following:

	Minimum lease payment		Present value of minimum lease payment	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Within 1 year	2,038,938	-	1,994,680	-
Over 1 year to 5 years	432,200	-	426,627	-
	2,471,138	-	2,421,307	-
Less Deferred interest	(49,831)	-	-	-
Total	<u>2,421,307</u>	<u>-</u>	<u>2,421,307</u>	<u>-</u>

The maturity analysis of lease liabilities

	2020 Baht
Amounts recognized in profit or loss	
Depreciation on right-of-use assets	3,730,728
Interest expense on lease liabilities	167,752

19. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Employee benefit obligations for severance pay (see Note 19.1)	22,952,415	19,809,831
Employee benefit obligations for long service awards (see Note 19.2)	592,834	614,560
	<u>23,545,249</u>	<u>20,424,391</u>

The Company operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

19.1 Employee benefit obligations for severance pay

Changes in the present value of employee benefit obligations for severance pay as at December 31, 2020 and 2019 were as follows:

	2020 Baht	2019 Baht
Present value of employee benefit obligations for severance pay, beginning balance	19,809,831	12,388,692
Current service cost of the years	3,561,593	1,888,087
Past service cost of the years	-	3,295,644
Interest cost	330,880	459,004
Benefits paid during the years	(749,889)	-
Actuarial loss recognized in other comprehensive income		
- Change in financial assumptions	-	1,573,474
- Experience adjustments	-	204,930
Present value of employee benefit obligations for severance pay, ending balance	<u>22,952,415</u>	<u>19,809,831</u>

19.2 Employee benefit obligations for long service awards

Changes in the present value of employee benefit obligations for long service awards for the years ended December 31, 2020 and 2019 were as follows:

	2020 Baht	2019 Baht
Present value of employee benefit obligations for long service awards, beginning balance	614,560	620,388
Current service cost of the years	49,585	44,851
Interest cost	8,356	14,273
Benefits paid during the years	(79,667)	(88,000)
Actuarial (gains) loss recognized in other comprehensive income		
- Change in financial assumptions	-	30,885
- Experience adjustments	-	(7,837)
Present value of employee benefit obligations for long service awards, ending balance	<u>592,834</u>	<u>614,560</u>

The Company calculated provisions for employee benefits by using actuarial technique. The assumptions at the reporting date consist of the following:

	2020	2019
Financial assumptions		
Discount rate (%)	1.5 and 1.71	1.5 and 1.71
Expected rate of salary increase (%)	4	4
Demographic assumptions		
Turnover rate (%) subject to range of age of employees	1.91 - 22.92	1.91 - 22.92
Retirement age (years)	60	60

Significant actuarial assumptions - impact on increase (decrease) in defined benefit obligation

	2020 Baht	2019 Baht
Financial assumptions		
Discount rate - 1% increase	(1,663,059)	(1,488,919)
Discount rate - 1% decrease	1,894,258	1,691,256
Expected rate of salary - 1% increase	2,000,028	1,578,484
Expected rate of salary - 1% decrease	(1,786,719)	(1,420,724)

The sensitivity analysis presented above may not be representative of the actual change in the employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the employee benefit obligations at the end of the report period have been calculated using the Projected Unit Credit Method, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

Maturity analysis of the benefit payments of the provision for employee benefits obligation as at December 31, 2020 and 2019 were as follows:

	2020 Baht	2019 Baht
Within 1 year	1,779,821	1,316,895
Over 1 to 5 years	12,000,492	9,675,836
Over 5 years	9,764,936	9,431,660
Total	<u>23,545,249</u>	<u>20,424,391</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits. The management of the Company judgmentally considered that an amendment to post-employment benefits has occurred and recognized the effect of such change in estimate as an expense when this new Labor Protection Act is announced in Royal Gazette. The Company has recognized the effect of such amendment as an expense of Baht 3.30 million in the income statement for the year ended December 31, 2019.

20. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at December 31, 2020 and 2019 were as follows:

	2020 Baht	2019 Baht
Deferred tax liabilities	<u>3,342,290</u>	<u>3,342,290</u>

Movements of deferred tax liabilities for the years ended December 31, 2020 and 2019 consisted of tax effects from the following items:

	As at January 1, 2020 Baht	Transactions recognized in profit or loss Baht	Transaction recognized in other comprehensive income or loss Baht	As at December 31, 2020 Baht
Deferred tax liabilities				
Amortization license cost	(3,342,290)	-	-	(3,342,290)
	<u>(3,342,290)</u>	<u>-</u>	<u>-</u>	<u>(3,342,290)</u>
	As at January 1, 2019 Baht	Transactions recognized in profit or loss Baht	Transaction recognized in Other comprehensive income or loss Baht	As at December 31, 2019 Baht
Deferred tax liabilities				
Amortization license cost	(3,342,290)	-	-	(3,342,290)
	<u>(3,342,290)</u>	<u>-</u>	<u>-</u>	<u>(3,342,290)</u>

Reconciliation of effective tax rate for the years ended December 31, 2020 and 2019 were as follows:

	2020		2019	
	Tax Rate (%)	Amount Baht	Tax Rate (%)	Amount Baht
Loss before income tax expense		<u>(105,308,648)</u>		<u>(180,365,522)</u>
Income tax using the corporation tax rate	20.00	(21,061,730)	20.00	(36,073,105)
Tax effect of non-deductible expense (benefit)	15.19	(15,992,102)	14.30	(25,786,957)
Effect of tax losses not recognized as deferred tax assets	(35.19)	<u>37,053,832</u>	(34.30)	<u>61,860,062</u>
Income tax expense per the statements of profit or loss and other comprehensive income	-	<u>-</u>	-	<u>-</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 as at December 31, 2020 and 2019 which were as follows:

	As at December 31, 2020 Baht	As at December 31, 2019 Baht
Temporary difference	184,565,534	217,442,984
Loss carried forward	816,158,101	630,888,939
	<u>1,000,723,635</u>	<u>848,331,923</u>
Income tax rate	20%	20%
Deferred tax assets	<u>200,144,727</u>	<u>169,666,385</u>

The loss carried forward as at December 31, 2020 and 2019 amounting to Baht 816.16 million and Baht 630.89 million, respectively, will gradually expire from 2022 to 2026.

21. PROVISIONS FOR COST OF ASSETS DECOMMISSIONING

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

	As at December 31, 2020 Baht	As at December 31, 2019 Baht
Beginning balance	2,173,800	-
Increase during the year	-	2,173,800
Ending balance	<u>2,173,800</u>	<u>2,173,800</u>

22. OTHER LIABILITIES

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

	2020 Baht	2019 Baht
Commission and brokerage payable	12,893,874	22,290,777
Accrued expenses	52,110,974	47,814,458
Other payables	20,400,583	8,603,627
Total other liabilities	<u>85,405,431</u>	<u>78,708,862</u>

23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must allocate to a reserve fund from the annual net profit of the year, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the authorized capital. Such reserve fund is not available for distribution as dividend.

As at December 31, 2020 and 2019, the Company has legal reserve of Baht 15.44 million.

24. 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 Executive Officer to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine, 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 years ended December 31, 2020 and 2019, there was 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 years ended December 31, 2020 and 2019 were as follows:

	For the year ended December 31, 2020				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	22,290,689	53,557,191	16,160,663	248,242,048	340,250,591
<u>Less</u> Premiums ceded	(12,565,682)	(16,755,499)	-	(184,858,518)	(214,179,699)
Net premiums written	9,725,007	36,801,692	16,160,663	63,383,530	126,070,892
<u>Add</u> Unearned premium reserve decrease (increase) from previous period	(3,997,316)	(18,081,789)	(1,481,172)	(10,271,142)	(33,831,419)
Net premium earned	5,727,691	18,719,903	14,679,491	53,112,388	92,239,473
Fee and commission income	1,487,073	3,887,028	-	74,367,382	79,741,483
Total underwriting income	7,214,764	22,606,931	14,679,491	127,479,770	171,980,956
Underwriting expenses					
Claim incurred	1,213,503	8,575,708	6,407,825	56,160,242	72,357,278
<u>Less</u> Claim refundable from reinsurers	(767,836)	(2,199,103)	-	(21,399,143)	(24,366,082)
Commissions and brokerages expenses	2,654,822	4,684,542	2,365,087	71,031,732	80,736,183
Other underwriting expenses	5,525,729	13,276,509	4,006,132	61,537,727	84,346,097
Total underwriting expenses	8,626,218	24,337,656	12,779,044	167,330,558	213,073,476
Profit (loss) on underwriting before operating expenses	<u>(1,411,454)</u>	<u>(1,730,725)</u>	<u>1,900,447</u>	<u>(39,850,788)</u>	<u>(41,092,520)</u>
Operating expenses					72,922,046
Loss on underwriting					<u>(114,014,566)</u>

	For the year ended December 31, 2019				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	2,707,076	27,504,961	12,136,226	502,552,937	544,901,200
<u>Less</u> Premiums ceded	<u>(7,604,703)</u>	<u>(40,988,670)</u>	<u>-</u>	<u>(571,004,718)</u>	<u>(619,598,091)</u>
Net premiums written	(4,897,627)	(13,483,709)	12,136,226	(68,451,781)	(74,696,891)
<u>Add</u> Unearned premium reserve decrease (increase) from previous period	<u>789,641</u>	<u>578,039</u>	<u>(2,404,528)</u>	<u>4,847,510</u>	<u>3,810,662</u>
Net premium earned	(4,107,986)	(12,905,670)	9,731,698	(63,604,271)	(70,886,229)
Fee and commission income	155,972	4,237,828	-	94,970,327	99,364,127
Total underwriting income	<u>(3,952,014)</u>	<u>(8,667,842)</u>	<u>9,731,698</u>	<u>31,366,056</u>	<u>28,477,898</u>
Underwriting expenses					
Claim incurred	701,668	(8,574,022)	2,799,534	(54,314,155)	(59,386,975)
<u>Less</u> Claim refundable from reinsurers	<u>(242,096)</u>	<u>(95,851)</u>	<u>62,000</u>	<u>73,085,640</u>	<u>72,809,693</u>
Commissions and brokerages expenses	570,687	2,757,615	2,020,360	69,994,307	75,342,969
Other underwriting expenses	746,512	2,431,208	1,052,601	42,685,182	46,915,503
Total underwriting expenses	<u>1,776,771</u>	<u>(3,481,050)</u>	<u>5,934,495</u>	<u>131,450,974</u>	<u>135,681,190</u>
Profit (loss) on underwriting before operating expenses	<u>(5,728,785)</u>	<u>(5,186,792)</u>	<u>3,797,203</u>	<u>(100,084,918)</u>	<u>(107,203,292)</u>
Operating expenses					<u>84,978,716</u>
Loss on underwriting					<u>(192,182,008)</u>

The Company does not present the assets and liabilities of each segment because the chief operating decision maker manages the Company's assets as a whole, and not separately based on business segment.

25. INVESTMENT INCOME

Investment income for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Interest income	7,156,754	9,223,102
Dividend income	10,000	-
	<u>7,166,754</u>	<u>9,223,102</u>

26. GAIN ON FINANCIAL INSTRUMENTS - NET

Gain on financial instruments for the year ended December 31, 2020 consisted of the following:

	2020 Baht
Gain from sales and write-off	
Debt instrument reclassified and measured at fair value through other comprehensive income	988,840
Total	<u>988,840</u>

27. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Personal expense, excluded underwriting expense	54,614,861	50,436,434
Premises and equipment expense, excluded underwriting expense	12,464,072	22,482,486
Other operating expenses	5,843,113	12,059,796
Total operating expenses	<u>72,922,046</u>	<u>84,978,716</u>

28. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Salary and wage	81,793,938	72,838,749
Social fund expenses	751,089	983,641
Post-employee benefit expenses	3,950,414	5,251,631
Provident fund (see Note 32)	3,706,099	2,911,809
Other benefits	21,093,484	15,077,375
Total employee expenses	<u>111,295,024</u>	<u>98,063,205</u>

29. BASIC LOSS PER SHARE

Basic loss per share for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Net loss attributable to shareholders (Baht)	(105,308,648)	(180,365,522)
Number of share capital (Shares)	<u>135,800,000</u>	<u>135,800,000</u>
Basic loss per share (Baht)	<u>(0.78)</u>	<u>(1.33)</u>

30. 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 price as stipulated in the agreement and conditions as in the normal course of business.

The relationships between the Company and its related parties were as follows:

Companies	Relationship	Type of business
King Wai Group (Thailand) Public Company Limited	Ultimate parent company	Renting and operating of self-owned or leased of residential buildings
King Wai Capital Limited	Some common shareholders and directors	Activities of holding companies, of mostly investing in non-financial sectors
Cornerstone Realty Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Gold Star Property Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Thai-Kami Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Top Property Co., Ltd.	Some common shareholders and directors	Buying and selling of on own account of residential buildings
AEC City Co., Ltd.	Some common shareholders and directors	Construction of non-residential buildings
S31 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
S61 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Praram4 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings

Significant balances and transactions were as follows:

	As at December 31, 2020 Baht	As at December 31, 2019 Baht
Assets		
Receivables from reinsurance	259,939	164,072
Liabilities		
Outstanding claims	16,006	14,210
	For the years ended December 31,	
	2020	2019
	Baht	Baht
Income/(expense)		
Premium	802,342	775,581
Claims incurred	25,697	(292,843)

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.

31. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

The Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses for the years ended December 31, 2020 and 2019 as follows:

	For the years ended December 31,	
	2020 Baht	2019 Baht
Directors and key management personnel's remuneration	17,949,024	17,991,007
Short-term benefits	454,274	(185,066)
Post-employment benefits	<u>18,403,298</u>	<u>17,805,941</u>

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

32. PROVIDENT FUND

The Company has established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must contribute their basic salaries, with the Company matching the individuals' contributions as follow;

Year of services	Percentage %
Less than 5 years	5
5 years and above	7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended December 31, 2020 and 2019, the Company's contributions recorded as expenses were Baht 3.71 million and Baht 2.91 million, respectively (see Note 28).

33. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2020 and 2019, certain investment in 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:

	2020 Baht	2019 Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Government bonds	14,448,789	14,666,187
Assets reserved with the registrar		
Government bonds	<u>25,801,409</u>	<u>109,996,404</u>
Total investment in securities of pledged	<u>40,250,198</u>	<u>124,662,591</u>

34. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

As at December 31, 2020 and 2019, the Company has accumulated funding amount which was paid into contribution to non-life guarantee fund amounting to Baht 20.65 million and Baht 19.85 million, respectively.

35. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at December 31, 2020 and 2019 consisted of the following:

	2020 Baht	2019 Baht
Within 1 year	8,340,782	10,507,904
Over 1 year to 5 years	-	5,224,794
Total	<u>8,340,782</u>	<u>15,732,698</u>

For the years ended December 31, 2020 and 2019, the Company recorded the rental and service fees under operating agreements as expense in the statements of profit or loss and other comprehensive income in amount of Baht 6.28 million and Baht 10.00 million, respectively.

36. CONTINGENT LIABILITIES AND COMMITMENT

36.1 As at December 31, 2020 and 2019, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 4.68 million and Baht 3.97 million, respectively. The Company's management believes that such estimation is adequate to losses and 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.

36.2 As at December 31, 2020 and 2019, the Company had a capital commitment to pay computer software in amount of Baht 8.11 million and Baht 2.96 million, respectively.

37. INSURANCE AND FINANCIAL RISK MANAGEMENT

37.1 Insurance risk

37.1.1 Insurance risk management policy

The Company's managements take a responsibility to make a strategic decisions and pre-planned with clear steps to be taken so that the process of translating strategy into implementation is actionable, timely and appropriate to changes.

Insurance risk means the fluctuation of the frequency, extent of damage, and number of events that is out of the standard assumption used in establishing rate of insurance calculations for insurance contract liabilities, and underwriting considerations. The Company examines thoroughly the level of risks that is acceptable to take by referring to the insurance underwriting manual, and insurance rates included the consideration to ensure that there is no concentrated risk by way of geography or by type of risks. If the risks exceed the defined level, the Company extends the risks to reinsurers by proportional reinsurance agreed terms.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance, by the use of in-house pricing models relevant to specific portfolios and the markets in which the Company operates. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

The key elements of the Company's insurance risk management framework are as below.

Product design and development, and price structure

In developing any new non-life insurance product, that are aligned with our strategic intent by management. The pricing of risk is controlled by the use of in-house pricing models relevant to specific portfolios and the markets in which the Company operates. Underwriters and actuaries maintain pricing and claims analysis for each portfolio, combined with current developments in the respective markets and classes of business.

Underwriting strategy

The underwriting strategy is implemented through the Company's annual business planning process, supported by underwriting authorities. The Company delegate authorities to underwriters based on a detailed retrospective and prospective analysis of each class of business. These authorities reflect the level of risk that the Company is prepared to take with respect to each permitted insurance class.

Reinsurance strategy

The Company has a combination of proportionate and non-proportionate reinsurance treaties. In term of significant exposure loss, reinsurer is responsible for claim as specified in the agreement to limit the net exposure loss to the Company. The Company sets the minimum security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The Company's management monitors developments in the reinsurance programme and its ongoing adequacy.

37.1.2 Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. Effect of risk that changes in assumptions as at December 31, 2020 and 2019, are as follows:

	2020	
	Increase (decrease) in insurance contract liabilities	Increase (decrease) in profit and equity
	Baht	Baht
Gross		
Loss ratio - 10% increase	13,956,129	(13,956,129)
Loss ratio - 10% decrease	(13,706,725)	13,706,725
Net		
Loss ratio - 10% increase	8,682,340	(8,682,340)
Loss ratio - 10% decrease	(8,432,935)	8,432,935

	2019	
	Increase (decrease) in insurance contract liabilities	Increase (decrease) in profit and equity
	Baht	Baht
Gross		
Loss ratio - 10% increase	10,533,788	(10,533,788)
Loss ratio - 10% decrease	(10,533,788)	10,533,788
Net		
Loss ratio - 10% increase	6,823,305	(6,823,305)
Loss ratio - 10% decrease	(6,823,305)	6,823,305

37.1.3 Concentration of insurance risks

Concentrations of risk may where a particular event or a series of events could impact heavily upon the Company's insurance contract liabilities. The Company sets out the total aggregate exposure that it is prepared to accept in relation to general insurance risk concentrations. It monitors these exposures by quarterly.

The following table shows the Company's exposure to concentration of insurance contract liabilities per category of business.

	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
As at December 31, 2020					
Gross	11,255,919	40,916,171	13,447,372	239,622,122	305,241,584
Net of reinsurance	5,986,723	30,192,425	13,446,436	173,831,844	223,457,428
As at December 31, 2019					
Gross	2,121,306	21,835,602	13,285,584	475,330,435	512,572,927
Net of reinsurance	1,612,772	10,905,898	13,285,572	200,346,378	226,150,620

37.2 Financial risk

37.2.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

37.2.2 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The analysis of the liquidity risk from insurance contracts which estimate base on an analysis of payment histories.

	Payment periods			Unit: Baht
	Less than 1 year	1 - 5 years	5 - 10 years	Total
December 31, 2020				
Insurance contract liabilities				
Loss reserves and outstanding claims	137,041,960	17,136,629	-	154,178,589
December 31, 2019				
Insurance contract liabilities				
Loss reserves and outstanding claims	184,049,922	47,374,688	-	231,424,610

37.2.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, including the opportunity to drop in credit rating of counterparty. The following policies and procedures are in place to mitigate the Company's exposure to credit risk. A company-wide credit risk policy is in place which defines what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Board of Management.

The credit risk on financial instruments comprising mainly bank deposits, investments in debt securities and premium receivables. Net exposure limits are set for each counterparty or group of counterparties in relation to bank deposits and investments. Credit risk exposures are calculated regularly and compared with authorised credit limits before further transactions are undertaken with each counter-party to manage credit risk, the Company transacts with counter-parties under strict guidelines covering the limits and terms and does not expect such counterparties of strong credit rating to fail to meet its obligations.

37.2.4 Interest rate risk

Interest rate risk refers to changes in interest rates will affect the interest income from investments. The Company's investments include both short-term and long-term investments that have floating rate and fixed rates. The Company manages the risk by considering the risk of investments together with the return on such investments.

As at December 31, 2020 and 2019, significant financial assets classified by type of interest rate are as follows:

	As at December 31, 2020						
	Period specified for fixing new interest rate				Variable	No	Average
	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate	Interest	interest rate
	Baht	Baht	Baht	Baht	Baht	Baht	%
Cash and cash equivalents							
Deposit at bank	-	-	-	-	118,202,141	1,810,617	0.31
Financial assets - debt securities							
Debt instrument measured at fair value through other comprehensive income							
Government and state enterprise securities	145,003,916	-	-	145,003,916	-	-	3.65
Debt instrument measured at amortized cost							
Deposits at financial institutions with maturity over 3 months	101,289,948	-	-	101,289,948	-	-	0.66
Total	246,293,864	-	-	246,293,864	118,202,141	1,810,617	

	As at December 31, 2019						
	Period specified for fixing new interest rate				Variable	No	Average
	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate	Interest	interest rate
	Baht	Baht	Baht	Baht	Baht	Baht	%
Cash and cash equivalents							
Deposit at bank	-	-	-	-	209,435,175	5,559,320	0.47
Investment in securities							
Available-for-sale securities							
Government and state enterprise securities	135,709,618	230,992,449	-	366,702,067	-	-	3.65
Held-to-maturity securities							
Deposits at bank with maturity over 3 months	1,283,838	-	-	1,283,838	-	-	0.86
Total	136,993,456	230,992,449	-	367,985,905	209,435,175	5,559,320	

37.2.5 Fair value measurements

Considerable judgment is necessarily required in estimation of fair value of financial assets or financial liabilities. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

37.2.5.1 Financial assets or financial liabilities measured at fair value

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

	As at December 31, 2020				Unit : Baht
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial assets - debt instruments	-	145,003,916	-	145,003,916	145,003,916
Financial assets - equity instruments	-	-	12,216,097	12,216,097	12,216,097
Financial liabilities					
Lease liabilities	-	-	(2,421,307)	(2,421,307)	(2,421,307)

	As at December 31, 2019				Unit : Baht
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Available-for-sale investments					
Government and state enterprise securities	-	366,702,067	-	366,702,067	366,702,067

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

There are no change in fair value measurement technique during the year.

Valuation techniques and inputs used in determining the fair value as follows:

Level 2 of fair values for debt instruments measured at fair value through other comprehensive income and 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 and lease liabilities are based on discounted cash flows.

37.2.5.2 Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, Premium receivable, 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.

37.3 Capital management

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Monitoring the capital level of the Company is conducted in accordance with Notifications of the Office of Insurance Commission.

As at December 31, 2020 and 2019, the Company's capital level is maintained according such notifications.

38. 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 December 31, 2020 as follows:

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

39. EVENT AFTER THE REPORTING PERIOD

On February 5, 2021, the Board of Directors' Meeting had a resolution to increase the registered share capital of Baht 50 million from 679 million to 729 million by increasing the number of shares by 10 million ordinary shares at par value of Baht 5 each.

40. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Board of Directors on February 22, 2021.



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