



*KWI INSURANCE PUBLIC
COMPANY LIMITED*

Financial Statements

Year ended December 31, 2022



บริษัท ดีลอยท์ ทูเช่ โซมัทสึ จำกัด
สอบบัญชี จำกัด
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

KWI INSURANCE PUBLIC COMPANY LIMITED

(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)

Opinion

We have audited the financial statements of KWI Insurance Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2022, 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 KWI Insurance Public Company Limited as at December 31, 2022, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.



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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

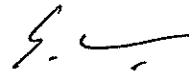
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

We also provide management or those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

BANGKOK
February 20, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

UNIT: BAHT

	Notes	2022	2021
ASSETS			
Cash and cash equivalents	5	106,637,599	87,068,756
Premium receivables	6	127,729,647	94,937,566
Accrued investment income		1,632,412	1,644,841
Reinsurance assets	7	190,543,759	179,274,554
Due from reinsurers	8	36,314,325	19,579,077
Financial assets - debt securities	9	405,629,821	427,767,942
Financial assets - equity securities	10	23,492,949	19,165,953
Leasehold improvement and equipment	11	15,145,655	13,786,042
Intangible assets	12	30,592,604	33,436,342
Deferred acquisition costs		44,489,157	30,563,597
License costs	13	16,711,451	16,711,451
Other assets	14	88,031,792	103,047,429
TOTAL ASSETS		<u><u>1,086,951,171</u></u>	<u><u>1,026,983,550</u></u>



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

KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2022

UNIT: BAHT

	Notes	2022	2021
LIABILITIES AND EQUITY			
LIABILITIES			
Insurance contract liabilities	15	557,365,357	483,728,482
Due to reinsurers	16	159,834,154	110,968,805
Lease liabilities	17	5,294,606	4,059,905
Unearned fee and commission income		28,275,806	18,647,146
Employee benefit obligations	18	20,902,340	17,988,947
Deferred tax liabilities	19	7,928,456	7,063,057
Provision for cost of assets decommissioning	20	441,675	461,087
Other liabilities	21	64,098,339	68,190,472
TOTAL LIABILITIES		844,140,733	711,107,901
EQUITY			
Share capital	22		
Authorized share capital			
165,800,000 ordinary shares of Baht 5.00 each		829,000,000	829,000,000
Issued and paid-up share capital			
165,800,000 ordinary shares of Baht 5.00 each		829,000,000	829,000,000
Premium on share capital		122,520,000	122,520,000
Retained earnings (deficits)			
Appropriated			
Legal reserve	23	15,438,000	15,438,000
Unappropriated		(747,865,717)	(674,660,159)
Other components of equity		23,718,155	23,577,808
TOTAL EQUITY		242,810,438	315,875,649
TOTAL LIABILITIES AND EQUITY		1,086,951,171	1,026,983,550



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

KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT: BAHT

	Notes	2022	2021
Revenues			
Gross premium written	24	578,933,120	371,728,675
<u>Less</u> Premium ceded	24	(221,654,141)	(174,288,709)
Net premium written		357,278,979	197,439,966
<u>Less</u> Unearned premium reserve			
increase from previous year	24	(59,556,589)	(59,096,646)
Net premium earned		297,722,390	138,343,320
Fee and commission income	24	44,128,617	28,224,116
Investment income	25	9,437,220	5,750,788
Loss on financial instruments -net	26	(6,650,374)	(8,354,422)
Other income		2,553,066	31,318,548
Total revenues		347,190,919	195,282,350
Expenses			
Claims incurred	24	189,664,408	132,475,586
<u>Less</u> Claims refundable from reinsurers	24	(49,458,456)	(114,328,753)
Commissions and brokerage expenses	24	67,410,017	46,899,195
Other underwriting expenses	24	144,131,907	112,894,409
Operating expenses	12 and 27	68,924,545	166,116,270
Expected credit loss (reversal)	29	(275,944)	651,372
Total expenses		420,396,477	344,708,079
Loss before income tax expense		(73,205,558)	(149,425,729)
Income tax expense	19	-	-
Net loss		(73,205,558)	(149,425,729)



KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT: BAHT

	Notes	2022	2021
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on investment in debt instruments at fair value through other comprehensive income		(4,432,575)	5,037,930
Written off gain from reclassification of investment from sale of investment		-	(747,104)
		<u>(4,432,575)</u>	<u>4,290,826</u>
Items that will not be reclassified subsequently to profit or loss			
Gain on investment in equity instruments at fair value through other comprehensive income		4,326,996	6,949,856
Actuarial loss on defined employee benefit plans		1,111,325	6,992,740
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(865,399)	(3,720,767)
		<u>4,572,922</u>	<u>10,221,829</u>
Other comprehensive gain for the years - net of income tax		<u>140,347</u>	<u>14,512,655</u>
Total comprehensive loss for the years		<u><u>(73,065,211)</u></u>	<u><u>(134,913,074)</u></u>
Loss per share			
Basic loss per share	30	Baht	(0.44) (1.01)
Weighted average number of ordinary share	22	Shares	165,800,000 147,663,014



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

KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT: BAHT

Note	Issued and paid-up share capital	Premium on share capital	Retained earnings (deficits)		Other components of equity				Total other components of equity	Total Equity
			Appropriated Legal reserve	Unappropriated	Debt securities measured at fair value through other comprehensive income	Equity securities designated at fair value through other comprehensive income	Written-off gain from reclassification of financial assets from sale of financial assets	Actuarial gain on defined employee benefit plans		
Beginning balance as at January 1, 2021	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
Increase in share capital - ordinary shares	22 150,000,000	-	-	-	-	-	-	-	-	150,000,000
Total comprehensive loss	-	-	-	(149,425,729)	5,037,930	3,229,089	(747,104)	6,992,740	14,512,655	(134,913,074)
Ending balance as at December 31, 2021	829,000,000	122,520,000	15,438,000	(674,660,159)	(627,094)	14,883,066	-	9,321,836	23,577,808	315,875,649
Beginning balance as at January 1, 2022	829,000,000	122,520,000	15,438,000	(674,660,159)	(627,094)	14,883,066	-	9,321,836	23,577,808	315,875,649
Total comprehensive loss	-	-	-	(73,205,558)	(4,432,575)	3,461,597	-	1,111,325	140,347	(73,065,211)
Ending balance as at December 31, 2022	829,000,000	122,520,000	15,438,000	(747,865,717)	(5,059,669)	18,344,663	-	10,433,161	23,718,155	242,810,438



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

KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT: BAHT

	Note	2022	2021
CASH FLOWS PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Written premium received from direct insurance		560,749,720	335,783,270
Cash paid from reinsurance		(58,122,448)	(120,414,862)
Investment income		9,449,649	4,791,075
Claims incurred from direct insurance		(215,472,580)	(14,254,875)
Commission and brokerage paid to direct insurance		(75,496,384)	(50,483,763)
Other underwriting expenses		(143,064,099)	(109,460,447)
Operating expenses		(58,365,285)	(57,852,434)
Other income		2,433,173	31,060,520
Income tax expense		(1,691,330)	(1,503,215)
Cash received - financial assets		88,882,985	252,215,736
Cash paid - financial assets		(78,693,212)	(437,753,410)
Net cash provided by (used in) operating activities		<u>30,610,189</u>	<u>(167,872,405)</u>
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES			
Sales of equipment		120,000	294,112
Purchases of equipment		(2,534,494)	(9,476,389)
Purchases of intangible assets	4.2	(6,245,000)	(3,409,340)
Net cash used in investing activities		<u>(8,659,494)</u>	<u>(12,591,617)</u>
CASH FLOWS PROVIDED BY (USED IN)			
FINANCING ACTIVITIES			
Lease payment	4.1	(2,381,852)	(2,544,980)
Cash received from increase in share capital		-	150,000,000
Net cash provided by (used in) financing activities		<u>(2,381,852)</u>	<u>147,455,020</u>
Net increase in cash and cash equivalents		19,568,843	(33,009,002)
Cash and cash equivalents as at January 1,		87,068,756	120,077,758
Cash and cash equivalents as at December 31,	5	<u>106,637,599</u>	<u>87,068,756</u>

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



KWI INSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KING WAI INSURANCE PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION AND OPERATION OF THE COMPANY

KWI Insurance Public Company Limited (the “Company”) is a limited company incorporated in Thailand on January 2, 2013. The Company’s registered address is located at Thai CC Tower 33rd Floor, 43 South Sathorn Road, Yannawa, Sathorn, 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 99.22% of the Company’s authorized share capital and the ultimate parent company is KWI Public Company Limited (formerly “King Wai Group (Thailand) Public Company Limited”), which was incorporated in Thailand.

On April 19, 2022, the Annual General Meeting of Shareholders No.1/2022 passed resolutions to change the Company’s name from “King Wai Insurance Public Company Limited” to “KWI Insurance Public Company Limited”. The Company registered change of the Company’s name with the Ministry of Commerce on June 1, 2022.

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.

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 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2022 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 B.E. 2559 dated March, 4 2016 which has been effective since January 1, 2016 and No.2 B.E. 2562 dated April 4, 2019, which has been effective since January 1, 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 The statements of financial position for the year ended December 31, 2021, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which.

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

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding Thai Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

On August 19, 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.3 "Business Combinations"

The amendments update TFRS 3 so that it refers to the Conceptual Framework which is currently effective. In addition, they also add to TFRS 3 a requirement that, for obligations within the scope of TAS 37, an acquirer applies TAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of TFRIC 21 "Levies", the acquirer applies TFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 percent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on November 30, 2022 and will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards with earlier application permitted.

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

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 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
Computer equipment	3 years

3.10 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.

3.11 License 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

3.12 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.

3.13 Insurance liabilities

3.13.1 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

3.13.2 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.

3.13.3 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.

3.14 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets i.e. building rental. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

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 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.

3.15 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.

3.16 Employee benefits

3.16.1 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.

3.16.2 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.

3.17 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.

3.18 Income tax

Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expenses in the statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

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 is measured at the tax rates that are enacted at the reporting date.

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

3.19 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.

3.20 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.

3.21 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.

3.21.1 Use of management's judgments

3.21.1.1 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.

3.21.2 Key sources of estimation uncertainty

3.21.2.1 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.

3.21.2.2 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 38.2.5.

4. ADDITIONAL INFORMATION FOR CASH FLOWS

- 4.1 Non-cash items of lease liabilities for the years ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Lease liabilities		
Lease liabilities as at January 1,	4,059,905	2,421,307
<u>Add</u> Lease liabilities current	3,495,277	4,112,242
Interest from lease liabilities	121,276	71,336
<u>Less</u> Cash paid for lease payment	(2,381,852)	(2,544,980)
Lease liabilities as at December 31,	<u>5,294,606</u>	<u>4,059,905</u>

- 4.2 Non-cash items of intangible assets for the years ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Other payable - intangible assets as at January 1,	2,488,000	29,403,839
<u>Add</u> Purchases of intangible assets	3,757,000	5,897,340
<u>Less</u> Cash paid for purchase of intangible assets	(6,245,000)	(3,409,340)
Reversal of payable from intangible assets	-	(29,403,839)
Other payable - intangible assets as at December 31,	<u>-</u>	<u>2,488,000</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Cash on hand	65,000	65,000
Deposits at bank - at call	106,572,599	87,003,756
Cash and cash equivalents	<u>106,637,599</u>	<u>87,068,756</u>

6. PREMIUM DUE AND UNCOLLECTED

Premium due and uncollected as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Within credit terms	93,119,004	74,284,891
Less than 30 days	21,266,000	11,482,757
31 - 60 days	8,849,836	4,307,629
61 - 90 days	2,400,463	1,974,837
Over 90 days	4,025,354	4,496,012
Total premium due and uncollected	<u>129,660,657</u>	<u>96,546,126</u>
<u>Less</u> Allowance for doubtful accounts	<u>(1,931,010)</u>	<u>(1,608,560)</u>
Premium due and uncollected - net	<u>127,729,647</u>	<u>94,937,566</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, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	83,678,692	112,297,944
Unearned premium reserve		
- Unearned reinsurance premium reserve	<u>106,865,067</u>	<u>66,976,610</u>
Total reinsurance assets (see Note 15)	<u>190,543,759</u>	<u>179,274,554</u>

8. DUE FROM REINSURERS

Due from reinsurers as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Due from reinsurers	36,320,002	19,586,815
<u>Less</u> Allowance for doubtful accounts	<u>(5,677)</u>	<u>(7,738)</u>
Due from reinsures	<u>36,314,325</u>	<u>19,579,077</u>

Aging analyzes for due from reinsurers as at December 31, 2022 and 2021 were as follows:

	2022 Baht	2021 Baht
Within credit terms	7,621,326	4,406,930
Not over 12 months	14,766,628	5,989,920
Over 1 year to 2 years	5,050,910	8,127,042
Over 2 years	8,881,138	1,062,923
Total due from reinsures	<u>36,320,002</u>	<u>19,586,815</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5,677)</u>	<u>(7,738)</u>
Due from reinsures - net	<u>36,314,325</u>	<u>19,579,077</u>

9. FINANCIAL ASSETS - DEBT SECURITIES

Financial assets - debt securities as at December 31, 2022 and 2021 consisted of the following:

	2022 Fair value Baht	2021 Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	161,824,370	160,592,500
Private enterprise debt securities	223,511,426	225,882,445
	<u>385,335,796</u>	<u>386,474,945</u>
	Amortized cost	Amortized cost
<u>Debt instrument measured at amortized cost</u>		
Private enterprise debt securities	10,000,000	10,000,000
Deposits at financial institutions with maturity over 3 months	20,294,025	41,292,997
Less Allowance for expected credit loss	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Total debt instrument measured at amortized cost	<u>20,294,025</u>	<u>41,292,997</u>
Total financial assets in debt securities	<u>405,629,821</u>	<u>427,767,942</u>

As at December 31, 2022 and 2021, certain government securities were pledged and used for assets reserved with the Registrar amounting to Baht 60.82 million and Baht 40.00 million, respectively (see Note 34)

Allowance for expected credit loss for the years ended December 31, 2022 and 2021 were as follows:

	2022		2021	
	Fair value	Allowance for expected credit loss recognized in other comprehensive income	Fair value	Allowance for expected credit loss recognized in other comprehensive income
	Baht	Baht	Baht	Baht
<u>Debt securities measured at fair value through other comprehensive income</u>				
Debt securities without significant increased in credit risk (Stage 1)	385,335,796	375,428	386,474,945	651,372
Total	<u>385,335,796</u>	<u>375,428</u>	<u>386,474,945</u>	<u>651,372</u>

	Book value Baht	Allowance for expected credit loss Baht	Net book value Baht
As at December 31, 2022			
Debt instrument measured at amortized cost			
Debt securities without significant increased in credit risk (Stage 1)	20,294,025	-	20,294,025
Debt securities with credit impairment loss (Stage 3)	<u>10,000,000</u>	<u>(10,000,000)</u>	<u>-</u>
Total	<u>30,294,025</u>	<u>(10,000,000)</u>	<u>20,294,025</u>
As at December 31, 2021			
Debt instrument measured at amortized cost			
Debt securities without significant increased in credit risk (Stage 1)	41,292,997	-	41,292,997
Debt securities with credit impairment loss (Stage 3)	<u>10,000,000</u>	<u>(10,000,000)</u>	<u>-</u>
Total	<u>51,292,997</u>	<u>(10,000,000)</u>	<u>41,292,997</u>

10. FINANCIAL ASSETS - EQUITY SECURITIES

Financial assets - equity securities as at December 31, 2022 and 2021 consisted of the following:

	2022 Fair value Baht	2021 Fair value Baht
Equity securities designated at fair value through other comprehensive income		
Local equity securities	23,492,949	19,165,953
Total financial asset - equity securities	<u>23,492,949</u>	<u>19,165,953</u>
	Fair value Baht	Dividend received during the year Baht
As at December 31, 2022		
Financial assets - equity securities designated at fair value through other comprehensive income	23,492,949	15,000
Total	<u>23,492,949</u>	<u>15,000</u>
As at December 31, 2021		
Financial assets - equity securities designated at fair value through other comprehensive income	19,165,953	15,000
Total	<u>19,165,953</u>	<u>15,000</u>

11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at December 31, 2022 and 2021 consisted of the following:

	Cost				Accumulated depreciation				Beginning balance of Equipment as at January 1, 2022	Ending balance of Equipment as at December 31, 2022	
	As at January 1, 2022	Additions	Disposal/ Write-off	Transfer-in/ (Transfer-out)	As at December 31, 2022	As at January 1, 2022	Depreciation	Disposal/ Write-off			As at December 31, 2022
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht			Baht
Furniture, fixture & fittings, leasehold improvement	4,736,721	2,129,053	-	-	6,865,774	113,433	641,130	-	754,563	4,623,288	6,111,211
Equipment	2,525,958	247,860	(1,376,022)	1,872,846	3,270,642	1,592,546	511,360	(1,375,915)	727,991	933,412	2,542,651
Computer equipment	4,105,072	157,580	-	-	4,262,652	2,242,040	996,106	-	3,238,146	1,863,032	1,024,506
Right-of-used assets	6,786,848	3,495,278	(2,250,455)	-	8,031,671	2,293,384	2,473,802	(2,202,802)	2,564,384	4,493,464	5,467,287
Asset under installation	1,872,846	-	-	(1,872,846)	-	-	-	-	-	1,872,846	-
Total	20,027,445	6,029,771	(3,626,477)	-	22,430,739	6,241,403	4,622,398	(3,578,717)	7,285,084	13,786,042	15,145,655

	Cost				Accumulated depreciation				Beginning balance of Equipment as at January 1, 2021	Ending balance of Equipment as at December 31, 2021
	As at January 1, 2021	Additions	Disposal/ Write-off	As at December 31, 2021	As at January 1, 2021	Depreciation	Disposal/ Write-off	As at December 31, 2021		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Furniture, fixture & fittings, leasehold improvement	18,861,481	4,691,836	(18,816,596)	4,736,721	18,401,209	526,854	(18,814,630)	113,433	460,272	4,623,288
Equipment	3,122,657	948,756	(1,545,455)	2,525,958	3,084,112	37,910	(1,529,476)	1,592,546	38,545	933,412
Computer equipment	10,996,761	1,501,864	(8,393,553)	4,105,072	9,360,492	1,252,753	(8,371,205)	2,242,040	1,636,269	1,863,032
Right-of-used assets	8,829,626	4,573,328	(6,616,106)	6,786,848	6,476,314	2,433,175	(6,616,105)	2,293,384	2,353,312	4,493,464
Asset under installation	-	1,872,846	-	1,872,846	-	-	-	-	-	1,872,846
Total	41,810,525	13,588,630	(35,371,710)	20,027,445	37,322,127	4,250,692	(35,331,416)	6,241,403	4,488,398	13,786,042

As at December 31, 2022 and 2021, certain leasehold improvement and equipment at cost of Baht 2.56 million and Baht 2.35 million, respectively, were fully depreciated but still in use.

Depreciation for the years ended December 31, 2022 and 2021 amounting to Baht 4.62 million and Baht 4.25 million, respectively, were included in operating expenses.

12. INTANGIBLE ASSETS

Intangible assets as at December 31, 2022 and 2021 consisted of the following:

	Cost				Accumulated amortization			Beginning balance of intangible assets as at January 1, 2022 Baht	Ending balance of intangible asset as at December 31, 2022 Baht
	As at January 1, 2022	Additions	Disposal/ Write-off	Transfer-in/ (Transfer-out)	As at December 31, 2022	As at January 1, 2022	Amortization	As at December 31, 2022	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Software	35,313,467	-	-	-	35,313,467	7,065,125	6,600,738	13,665,863	21,647,604
Software under installation	92,196,959	3,757,000	-	-	95,953,959	-	-	-	95,953,959
Total	127,510,426	3,757,000	-	-	131,267,426	7,065,125	6,600,738	13,665,863	117,601,563
<u>Less</u> Allowance for impairment	(87,008,959)	-	-	-	(87,008,959)	-	-	-	(87,008,959)
Total	40,501,467	3,757,000	-	-	44,258,467	7,065,125	6,600,738	13,665,863	30,592,604

	Cost				Accumulated amortization			Beginning balance of intangible assets as at January 1, 2021 Baht	Ending balance of intangible asset as at December 31, 2021 Baht
	As at January 1, 2021	Additions	Disposal/ Write-off	Transfer-in/ (Transfer-out)	As at December 31, 2021	As at January 1, 2021	Amortization	As at December 31, 2021	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Software	29,818,987	709,340	-	4,785,140	35,313,467	1,512,927	5,552,198	7,065,125	28,248,342
Software under installation	121,197,938	5,188,000	(29,403,839)	(4,785,140)	92,196,959	-	-	-	92,196,959
Total	151,016,925	5,897,340	(29,403,839)	-	127,510,426	1,512,927	5,552,198	7,065,125	120,445,301
<u>Less</u> Allowance for impairment	-	(87,008,959)	-	-	(87,008,959)	-	-	-	(87,008,959)
Total	151,016,925	(81,111,619)	(29,403,839)	-	40,501,467	1,512,927	5,552,198	7,065,125	33,436,342

Amortization for the years ended December 31, 2022 and 2021 amounting to Baht 6.60 million and Baht 5.55 million, respectively, were included in operating expenses.

During the year 2021, the Company recognized allowance for impairment in the amounts of Baht 87.01 million for computer software under installation which was unable continue to develop according to the Company's management intention.

13. LICENSE COSTS

License costs as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 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.

14. OTHER ASSETS

Other assets as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Refundable income tax	22,040,601	20,298,934
Withholding tax	3,049,836	1,624,610
Deposits	823,115	4,273,198
The Revenue Department receivable	53,175,545	68,920,005
Undue purchase vat	1,679,554	1,498,995
Prepaid expense	2,064,344	2,972,894
Prepaid premium ceded	2,343,320	1,907,867
Other receivables	2,855,477	1,550,926
Total other assets	<u>88,031,792</u>	<u>103,047,429</u>

15. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at December 31, 2022 and 2021 consisted of the following:

	Insurance contract liabilities Baht	2022 Reinsurance liabilities (see Note 7) Baht	Net Baht
Loss reserves			
Claim incurred and agreed	198,563,069	(72,158,759)	126,404,310
Claim incurred but not reported	48,028,061	(11,519,933)	36,508,128
	<u>246,591,130</u>	<u>(83,678,692)</u>	<u>162,912,438</u>
Premium reserve			
Unearned premium reserve	310,774,227	(106,865,067)	203,909,160
Total	<u>557,365,357</u>	<u>(190,543,759)</u>	<u>366,821,598</u>

	Insurance contract liabilities	2021 Reinsurance liabilities (see Note 7)	Net
	Baht	Baht	Baht
Loss reserves			
Claim incurred and agreed	224,307,180	(97,963,139)	126,344,041
Claim incurred but not reported	48,092,121	(14,334,805)	33,757,316
	<u>272,399,301</u>	<u>(112,297,944)</u>	<u>160,101,357</u>
Premium reserve			
Unearned premium reserve	211,329,181	(66,976,610)	144,352,571
Total	<u>483,728,482</u>	<u>(179,274,554)</u>	<u>304,453,928</u>

15.1 Insurance reserve for short term insurance contract

15.1.1 Loss reserves

Loss reserves as at December 31, 2022 and 2021 consisted of the following:

	Gross Baht	2022 Reinsurance Baht	Net Baht
Balance as at beginning year	272,399,301	(112,297,944)	160,101,357
Claim incurred during the year	234,896,660	(81,763,515)	153,133,145
Changes in claims reserve incurred in previous year	(45,168,192)	29,490,187	(15,678,005)
Changes in claims reserve assumption	(64,060)	2,814,872	2,750,812
Claim paid during the year	<u>(215,472,579)</u>	<u>78,077,708</u>	<u>(137,394,871)</u>
Balance as at ending year	<u>246,591,130</u>	<u>(83,678,692)</u>	<u>162,912,438</u>

	Gross Baht	2021 Reinsurance Baht	Net Baht
Balance as at beginning year	154,178,589	(15,977,086)	138,201,503
Claim incurred during the year	215,648,933	(110,483,102)	105,165,831
Changes in claims reserve incurred in previous year	(5,934,214)	3,958,415	(1,975,799)
Changes in claims reserve assumption	13,931,736	(7,804,066)	6,127,670
Claim paid during the year	<u>(105,425,743)</u>	<u>18,007,895</u>	<u>(87,417,848)</u>
Balance as at ending year	<u>272,399,301</u>	<u>(112,297,944)</u>	<u>160,101,357</u>

As at December 31, 2021

Unit : Baht

[illegible]

15.2.2 Analysis of claims development - net

As at December 31, 2022

Unit : Baht

[illegible]

As at December 31, 2021

Unit : Baht

[illegible]

15.3 Assumption

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

15.3.1 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.

15.3.2 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.

16. DUE TO REINSURERS

Due to reinsurers as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Reinsurance payables	105,029,455	79,527,185
Amount withheld on reinsurance	54,804,699	31,441,620
Total due to reinsurers	<u>159,834,154</u>	<u>110,968,805</u>

17. LEASE LIABILITIES

Lease liabilities as at December 31, 2022 and 2021 consisted of the following:

	Minimum lease payment		Present value of minimum lease payment	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Within 1 year	2,956,372	1,993,430	2,830,773	1,897,791
Over 1 year to 5 years	2,510,245	2,211,743	2,463,833	2,162,114
	<u>5,466,617</u>	<u>4,205,173</u>	<u>5,294,606</u>	<u>4,059,905</u>
Less Deferred interest	(172,011)	(145,268)	-	-
Total	<u>5,294,606</u>	<u>4,059,905</u>	<u>5,294,606</u>	<u>4,059,905</u>

The maturity analysis of lease liabilities

	2022 Baht	2021 Baht
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	2,473,802	2,433,175
Interest expense on lease liabilities	121,276	71,336

18. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Employee benefit obligations for severance pay (see Note 18.1)	20,492,889	17,533,739
Employee benefit obligations for long service awards (see Note 18.2)	409,451	455,208
	<u>20,902,340</u>	<u>17,988,947</u>

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

18.1 Employee benefit obligations for severance pay

Changes in the present value of employee benefit obligations for severance pay as at December 31, 2022 and 2021 were as follows:

	2022 Baht	2021 Baht
Present value of employee benefit obligations for severance pay, beginning balance	17,533,739	22,952,415
Current service cost of the years	3,681,226	3,055,541
Interest cost	389,249	294,362
Benefits paid during the years	-	(1,775,839)
Actuarial loss recognized in other comprehensive income		
- Change in financial assumptions	(817,779)	(908,320)
- Experience adjustments	(293,546)	(6,084,420)
Present value of employee benefit obligations for severance pay, ending balance	<u>20,492,889</u>	<u>17,533,739</u>

18.2 Employee benefit obligations for long service awards

Changes in the present value of employee benefit obligations for long service awards as at December 31, 2022 and 2021 were as follows:

	2022 Baht	2021 Baht
Present value of employee benefit obligations for long service awards, beginning balance	455,208	592,834
Current service cost of the years	37,885	44,352
Interest cost	7,640	6,246
Benefits paid during the years	(89,000)	(65,000)
Actuarial (gains) loss recognized in profit or loss		
- Change in financial assumptions	(13,321)	(18,177)
- Experience adjustments	11,039	(105,047)
Present value of employee benefit obligations for long service awards, ending balance	<u>409,451</u>	<u>455,208</u>

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

	2022	2021
Financial assumptions		
Discount rate (%)	2.49 and 2.84	1.91 and 2.22
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

	2022	2021
	Baht	Baht
Financial assumptions		
Discount rate - 1% increase	(1,251,308)	(1,196,923)
Discount rate - 1% decrease	1,408,161	1,346,865
Expected rate of salary - 1% increase	1,332,330	1,267,277
Expected rate of salary - 1% decrease	(1,208,311)	(1,150,225)

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, 2022 and 2021 were as follows:

	2022	2021
	Baht	Baht
Within 1 year	1,985,632	89,003
Over 1 to 5 years	11,787,263	12,891,974
Over 5 years	7,129,445	5,007,970
Total	<u>20,902,340</u>	<u>17,988,947</u>

19. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at December 31, 2022 and 2021 were as follows:

	2022	2021
	Baht	Baht
Deferred tax liabilities	<u>7,928,456</u>	<u>7,063,057</u>

Movements of deferred tax liabilities for the years ended December 31, 2022 and 2021 consisted of tax effects from the following items:

	As at January 1, 2022	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2022
	Baht	Baht	Baht	Baht
Deferred tax liabilities				
Amortization license cost	(3,342,290)	-	-	(3,342,290)
Gain on investment in equity instruments	(3,720,767)	-	(865,399)	(4,586,166)
	<u>(7,063,057)</u>	<u>-</u>	<u>(865,399)</u>	<u>(7,928,456)</u>
	As at January 1, 2021	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2021
	Baht	Baht	Baht	Baht
Deferred tax liabilities				
Amortization license cost	(3,342,290)	-	-	(3,342,290)
Gain on investment in equity instruments	-	-	(3,720,767)	(3,720,767)
	<u>(3,342,290)</u>	<u>-</u>	<u>(3,720,767)</u>	<u>(7,063,057)</u>

Reconciliation of effective tax rate for the years ended December 31, 2022 and 2021 were as follows:

	2022		2021	
	Tax Rate (%)	Amount Baht	Tax Rate (%)	Amount Baht
Loss before income tax expense		<u>(73,205,558)</u>		<u>(149,425,729)</u>
Income tax using the corporation tax rate	20.00	(14,641,112)	20.00	(29,885,146)
Tax effect of non-deductible expense (benefit)	(19.11)	13,993,234	(19.69)	29,426,682
Effect of tax losses not recognized as deferred tax assets	(0.89)	647,878	(0.31)	458,464
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, 2022 and 2021 which were as follows:

	As at December 31, 2022 Baht	As at December 31, 2021 Baht
Temporary difference	355,972,069	348,623,086
Loss carried forward	863,195,116	813,230,378
	<u>1,219,167,185</u>	<u>1,161,853,464</u>
Income tax rate	20%	20%
Deferred tax assets	<u>243,833,437</u>	<u>232,370,693</u>

The loss carried forward as at December 31, 2022 and 2021 amounting to Baht 863.20 million and Baht 813.23 million, respectively, will gradually expire from 2022 to 2026.

20. PROVISIONS FOR COST OF ASSETS DECOMMISSIONING

Provisions for cost of assets decommissioning as at December 31, 2022 and 2021 consisted of the following:

	As at December 31, 2022 Baht	As at December 31, 2021 Baht
Beginning balance	461,087	2,173,800
Increase during the year	17,523	461,087
Decrease during the year	<u>(36,935)</u>	<u>(2,173,800)</u>
Ending balance	<u>441,675</u>	<u>461,087</u>

21. OTHER LIABILITIES

Other liabilities as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Commission and brokerage payable	21,145,944	15,306,751
Accrued expenses	32,790,974	39,140,494
Other payables	<u>10,161,421</u>	<u>13,743,227</u>
Total other liabilities	<u>64,098,339</u>	<u>68,190,472</u>

22. SHARE CAPITAL

On February 12, 2021, the Extraordinary General Meeting of Shareholders passed resolutions to increase and allocate the authorized share capital of 10,000,000 shares, Baht 5 par value each, to offer to existing shareholders of the Company by proportion of shareholding of each shareholder ratio of 13.58 existing ordinary share to 1 new ordinary share. The shareholders have the right to subscribe for newly issued ordinary shares exceeding their rights. Shares subscribed in excess of their entitlement will be allocated to the subscribed shareholders in excess of their entitlement after the allocation of newly issued ordinary shares to all shareholders subscribed for in the first round.

On March 12, 2021, the Company registered its and called for the capital increase in the amount of Baht 50,000,000 and the Company received payment of the share subscription on March 5, 2021. The Company registered change of paid-up capital with the Ministry of Commerce on April 29, 2021.

On September 1, 2021, the Extraordinary General Meeting of Shareholders passed resolutions to increase and allocate the authorized share capital of 20,000,000 shares, Baht 5 par value each, to offer to existing shareholders of the Company by proportion of shareholding of each shareholder ratio of 7.29 existing ordinary share to 1 new ordinary share. The shareholders have the right to subscribe for newly issued ordinary shares exceeding their rights. Shares subscribed in excess of their entitlement will be allocated to the subscribed shareholders in excess of their entitlement after the allocation of newly issued ordinary shares to all shareholders subscribed for in the first round.

On September 30, 2021, the Company registered its and called for the capital increase in the amount of Baht 100,000,000 and the Company received payment of the share subscription on September 23, 2021. The Company registered change of paid-up capital with the Ministry of Commerce on September 30, 2021.

The number of weighted average ordinary shares for the years ended December 31, 2022 and 2021 are as follows:

	For the year ended December 31,	
	2022	2021
	Shares	Shares
Beginning balance	165,800,000	135,800,000
The number of weighted average ordinary shares during the periods	-	11,863,014
The number of weighted average ordinary shares - ending balance (see Note 30)	165,800,000	147,663,014

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 share. Such reserve fund is not available for distribution as dividend.

As at December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021 were as follows:

	For the year ended December 31, 2022				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	4,585,948	135,394,369	208,144,599	230,808,204	578,933,120
<u>Less</u> Premiums ceded	<u>(2,668,504)</u>	<u>(54,880,568)</u>	<u>(167,530)</u>	<u>(163,937,539)</u>	<u>(221,654,141)</u>
Net premiums written	1,917,444	80,513,801	207,977,069	66,870,665	357,278,979
<u>Add (Less)</u> Unearned premium reserve decrease (increase) from previous period	<u>468,859</u>	<u>(16,523,816)</u>	<u>(45,292,833)</u>	<u>1,791,201</u>	<u>(59,556,589)</u>
Net premium earned	2,386,303	63,989,985	162,684,236	68,661,866	297,722,390
Fee and commission income	684,331	10,418,018	46,429	32,979,839	44,128,617
Total underwriting income	<u>3,070,634</u>	<u>74,408,003</u>	<u>162,730,665</u>	<u>101,641,705</u>	<u>341,851,007</u>
Underwriting expenses					
Claim incurred	9,258,758	61,690,680	64,619,986	54,094,984	189,664,408
<u>Less</u> Claim refundable from reinsurers	<u>(3,271,501)</u>	<u>(11,540,246)</u>	-	<u>(34,646,709)</u>	<u>(49,458,456)</u>
Commissions and brokerages expenses	1,056,025	14,104,431	20,767,473	31,482,088	67,410,017
Other underwriting expenses	1,141,723	33,707,950	51,819,937	57,462,297	144,131,907
Total underwriting expenses	<u>8,185,005</u>	<u>97,962,815</u>	<u>137,207,396</u>	<u>108,392,660</u>	<u>351,747,876</u>
Profit (loss) on underwriting before operating expenses	<u>(5,114,371)</u>	<u>(23,554,812)</u>	<u>25,523,269</u>	<u>(6,750,955)</u>	<u>(9,896,869)</u>
Operating expenses					68,924,545
Expected credit loss (reversal)					<u>(275,944)</u>
Loss on underwriting					<u>(78,545,470)</u>

	For the year ended December 31, 2021				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	5,413,349	77,899,802	98,694,942	189,720,582	371,728,675
<u>Less</u> Premiums ceded	<u>(3,643,149)</u>	<u>(34,282,857)</u>	<u>(121,820)</u>	<u>(136,240,883)</u>	<u>(174,288,709)</u>
Net premiums written	1,770,200	43,616,945	98,573,122	53,479,699	197,439,966
<u>Add (Less)</u> Unearned premium reserve decrease (increase) from previous period	<u>3,366,142</u>	<u>(2,440,913)</u>	<u>(60,484,297)</u>	<u>462,422</u>	<u>(59,096,646)</u>
Net premium earned	5,136,342	41,176,032	38,088,825	53,942,121	138,343,320
Fee and commission income	1,423,827	5,332,419	8,440	21,459,430	28,224,116
Total underwriting income	6,560,169	46,508,451	38,097,265	75,401,551	166,567,436
Underwriting expenses					
Claim incurred	1,834,675	32,497,142	17,274,142	80,869,627	132,475,586
<u>Less</u> Claim refundable from reinsurers	<u>(966,766)</u>	<u>(18,137,988)</u>	-	<u>(95,223,999)</u>	<u>(114,328,753)</u>
Commissions and brokerages expenses	2,674,930	8,502,125	4,920,881	30,801,259	46,899,195
Other underwriting expenses	1,644,040	23,658,256	29,973,763	57,618,350	112,894,409
Total underwriting expenses	5,186,879	46,519,535	52,168,786	74,065,237	177,940,437
Profit (loss) on underwriting before operating expenses	<u>1,373,290</u>	<u>(11,084)</u>	<u>(14,071,521)</u>	<u>1,336,314</u>	<u>(11,373,001)</u>
Operating expenses					166,116,270
Expected credit loss					651,372
Loss on underwriting					<u>(178,140,643)</u>

In 2017, the Company exercised the right of recourse for prosecuted to request claim recovery from a company in the event of fire case. On September 28, 2021, the Supreme Court has passed a verdict to such company to pay all claim refundable with interest at 7.5% per annum from prosecution date in the amount of Baht 119.02 million. The Company received the claim recovery on December 17, 2021.

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, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Interest income	9,422,220	5,735,788
Dividend income	15,000	15,000
	<u>9,437,220</u>	<u>5,750,788</u>

26. LOSS ON FINANCIAL INSTRUMENTS - NET

Net loss on financial instruments for the year ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Loss from sales		
Debt instrument reclassified and measured at fair value through other comprehensive income	(6,650,374)	(8,354,422)
Total	<u>(6,650,374)</u>	<u>(8,354,422)</u>

27. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Personal expense, excluded underwriting expense	48,161,791	57,228,172
Premises and equipment expense, excluded underwriting expense	13,374,661	15,294,162
Other operating expenses	7,388,093	93,593,936
Total operating expenses	<u>68,924,545</u>	<u>166,116,270</u>

28. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Salary and wage	71,721,740	82,786,702
Social fund expenses	588,940	566,164
Post-employee benefit expenses	4,113,718	3,277,285
Provident fund (see Note 33)	3,549,304	3,305,487
Other benefits	18,041,475	30,915,940
Total employee expenses	<u>98,015,177</u>	<u>120,851,578</u>

29. EXPECTED CREDIT LOSS (REVERAL)

Expected credit loss (reversal) for the years ended December 31, 2022 and 2021 were as follows:

	2022 Baht	2021 Baht
Expected credit loss (reversal)		
Debt securities measured at fair value through other comprehensive income	(275,944)	651,372
	<u>(275,944)</u>	<u>651,372</u>

30. BASIC LOSS PER SHARE

Basic loss per share for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Net loss attributable to shareholders (Baht)	(73,205,558)	(149,425,729)
Weighted average number of ordinary shares in issue (Shares) (see Note 22)	165,800,000	147,663,014
Basic loss per share (Baht)	<u>(0.44)</u>	<u>(1.01)</u>

31. 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
KWI 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
Param4 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
KWI Life Insurance Public Company Limited (formerly "King Wai Life Insurance Public Company Limited")	Some common shareholders and directors	Life Assurance
NVV Development Company Limited	Some common shareholders and directors	Develops Real Estate Properties
King Wai Asset Management Company Limited (formerly "King Wai Asset Management (Asia) Co., Ltd.")	Some common shareholders and directors	Mutual fund management, private fund management and investment advisor

Significant balances and transactions were as follows:

	As at December 31, 2022 Baht	As at December 31, 2021 Baht
Assets		
Premium receivables	199,788	604,054
Liabilities		
Outstanding claims	12,000	-
Other Liabilities	3,118,545	3,556,438
	For the years ended December 31, 2022 Baht	2021 Baht
Income/(expense)		
Premium	1,572,519	1,374,700
Claims incurred	(521,849)	(24,397)
Other expenses	(1,105,759)	(98,245)

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.

32. 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, 2022 and 2021 as follows:

	For the years ended December 31, 2022 Baht	2021 Baht
Directors and key management personnel's remuneration		
Short-term benefits	14,038,440	25,168,622
Post-employment benefits	266,993	(1,068,168)
	<u>14,305,433</u>	<u>24,100,454</u>

Directors' remunerations for the years of 2022 and 2021 were approved by the annual general meeting of shareholders of the Company held on April 19, 2022 and March 25, 2021, respectively.

33. 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, 2022 and 2021, the Company's contributions recorded as expenses were Baht 3.55 million and Baht 3.31 million, respectively (see Note 28).

34. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2022 and 2021, 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:

	2022 Baht	2021 Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the Registrar		
Government bonds	-	-
Deposit at financial institutions with maturity over 3 months	14,000,000	14,000,000
Assets reserved with the registrar		
Government bonds	41,820,267	-
Deposit at financial institutions with maturity over 3 months	5,000,000	26,000,000
Total investment in securities of pledged	<u>60,820,267</u>	<u>40,000,000</u>

35. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

As at December 31, 2022 and 2021, the Company has accumulated funding amount which was paid into contribution to non-life guarantee fund amounting to Baht 23.01 million and Baht 21.57 million, respectively.

36. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at December 31, 2022 and 2021 consisted of the following:

	2022 Baht	2021 Baht
Within 1 year	6,847,537	4,797,361
Over 1 year to 5 years	4,191,200	4,863,019
Total	<u>11,038,737</u>	<u>9,660,380</u>

For the years ended December 31, 2022 and 2021, 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 6.91 million and Baht 11.50 million, respectively.

37. CONTINGENT LIABILITIES AND COMMITMENT

37.1 In 2021, the Company have been brought against from an insured, as the insurer, in the amount of Baht 114.18 million with interest at 5% per annum from prosecution date. At present, the lawsuit is still in the process of legal proceedings. As at December 31, 2022 and 2021, lawsuits have been brought against the Company, as insurer, from such lawsuit and other lawsuits which the Company estimates losses totaling Baht 22.78 million and Baht 29.86 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.

37.2 As at December 31, 2022 and 2021, the Company had a capital commitment to pay computer software in amount of Baht 2.18 million and Baht 7.41 million, respectively.

38. INSURANCE AND FINANCIAL RISK MANAGEMENT

38.1 Insurance risk

38.1.1 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.

38.1.2 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, 2022 and 2021, are as follows:

	2022	
	Increase (decrease) in insurance contract liabilities	Increase (decrease) in profit and equity
	Baht	Baht
Gross of reinsurance		
Loss ratio - 10% increase	26,798,741	(26,798,741)
Loss ratio - 10% decrease	(26,723,134)	26,723,134
Net of reinsurance		
Loss ratio - 10% increase	17,672,013	(17,672,013)
Loss ratio - 10% decrease	(17,596,407)	17,596,407

	2021	
	Increase (decrease) in insurance contract liabilities	Increase (decrease) in profit and equity
	Baht	Baht
Gross of reinsurance		
Loss ratio - 10% increase	25,379,247	(25,379,247)
Loss ratio - 10% decrease	(25,261,398)	25,261,398
Net of reinsurance		
Loss ratio - 10% increase	12,948,085	(12,948,085)
Loss ratio - 10% decrease	(12,830,236)	12,830,236

38.1.3 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, 2022					
Gross of reinsurance	8,378,496	109,555,307	140,516,538	298,915,016	557,365,357
Net of reinsurance	4,305,431	72,067,116	140,410,088	150,038,963	366,821,598
As at December 31, 2021					
Gross of reinsurance	3,241,763	70,867,084	79,725,165	329,894,470	483,728,482
Net of reinsurance	2,056,208	38,841,858	79,631,481	183,924,381	304,453,928

38.2 Financial risk

38.2.1 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.

38.2.2 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 liabilities which estimate base on an analysis of payment histories.

	Payment periods			Unit: Baht
	Less than 1 year	1 - 5 years	5 - 10 years	Total
As at December 31, 2022				
Insurance contract liabilities				
Loss reserves and outstanding claims	229,970,109	16,621,021	-	246,591,130
As at December 31, 2021				
Insurance contract liabilities				
Loss reserves and outstanding claims	261,478,787	10,920,514	-	272,399,301

38.2.3 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.

38.2.4 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, 2022 and 2021, significant financial assets classified by type of interest rate are as follows:

As at December 31, 2022							
	Period specified for fix interest rate			Total	Variable interest rate	No interest	Average interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	Baht	Baht	Baht	Baht	Baht	Baht	%
Cash and cash equivalents							
Deposit at bank	-	-	-	-	104,526,881	2,045,718	0.28
Financial assets							
Debt instrument measured at fair value through other comprehensive income							
Government and state enterprise securities	-	49,413,881	112,410,489	161,824,370	-	-	2.03
Private enterprise debt securities	9,967,269	213,544,157	-	223,511,426	-	-	3.40
Debt instrument measured at amortized cost							
Deposits at financial institutions with maturity over 3 months	6,294,025	14,000,000	-	20,294,025	-	-	0.55
Total	16,261,294	276,958,038	112,410,489	405,629,821	104,526,881	2,045,718	
As at December 31, 2021							
	Period specified for fix interest rate			Total	Variable interest rate	No interest	Average interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	Baht	Baht	Baht	Baht	Baht	Baht	%
Cash and cash equivalents							
Deposit at bank	-	-	-	-	84,908,583	2,095,173	0.25
Financial assets							
Debt instrument measured at fair value through other comprehensive income							
Government and state enterprise securities	-	-	160,592,500	160,592,500	-	-	2.23
Private enterprise debt securities	-	194,115,573	31,766,872	225,882,445	-	-	3.40
Debt instrument measured at amortized cost							
Deposits at financial institutions with maturity over 3 months	41,292,997	-	-	41,292,997	-	-	0.45
Total	41,292,997	194,115,573	192,359,372	427,767,942	84,908,583	2,095,173	

38.2.5 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.

38.2.5.1 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:

					Unit : Baht
As at December 31, 2022					
Fair value					Book value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial assets - debt instruments	-	385,335,796	-	385,335,796	385,335,796
Financial assets - equity instruments	-	-	23,492,949	23,492,949	23,492,949
Financial liabilities					
Lease liabilities	-	-	(5,294,606)	(5,294,606)	(5,294,606)
					Unit : Baht
As at December 31, 2021					
Fair value					Book value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial assets - debt instruments	-	386,474,945	-	386,474,945	386,474,945
Financial assets - equity instruments	-	-	19,165,953	19,165,953	19,165,953
Financial liabilities					
Lease liabilities	-	-	(4,059,905)	(4,059,905)	(4,059,905)

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 or book value approach.

38.2.5.2 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.

38.3 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, 2022 and 2021, the Company's capital level is maintained according such notifications.

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Board of Directors on February 20, 2023.

