

*KING WAI INSURANCE PUBLIC  
COMPANY LIMITED*

*Interim Financial Statements*

*Three-month and six-month periods ended  
June 30, 2021*



บริษัท ดีลอยท์ ทูเช่ โทมัทสู ไชโยส  
สอบบัญชี จำกัด  
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27  
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have reviewed the statement of financial position of King Wai Insurance Public Company Limited as at June 30, 2021, and the statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2021, and the related statements of changes in equity and cash flows for the six-month period ended June 30, 2021, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

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

BANGKOK  
August 10, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



KING WAI INSURANCE PUBLIC COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021

UNIT : BAHT

	Notes	“UNAUDITED”	
		As at June 30, 2021	As at December 31, 2020
<b>ASSETS</b>			
Cash and cash equivalents	5	50,715,810	120,077,758
Premium receivables	6	58,142,225	51,524,819
Accrued investment income		244,114	685,129
Reinsurance assets	7	71,766,095	81,784,156
Due from reinsurers	8	17,489,363	18,578,753
Financial assets - debt securities	9	254,346,651	246,293,864
Financial assets - equity securities	10	12,224,449	12,216,097
Leasehold improvement and equipment	11	1,809,184	4,488,398
Intangible assets	12	150,688,629	149,503,998
Deferred acquisition costs		20,349,275	24,566,151
License costs	13	16,711,451	16,711,451
Other assets	14	108,211,772	104,435,520
<b>TOTAL ASSETS</b>		<u>762,699,018</u>	<u>830,866,094</u>



See condensed notes to the financial statements

**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT JUNE 30, 2021**

UNIT : BAHT

	Notes	“UNAUDITED” As at June 30, 2021	As at December 31, 2020
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Insurance contract liabilities	15	275,844,366	305,241,584
Due to reinsurers	16	83,873,049	92,841,476
Lease liabilities	17	791,545	2,421,307
Unearned fee and commission income		13,046,620	15,106,234
Employee benefit obligations		21,180,622	23,545,249
Deferred tax liabilities	18	3,342,290	3,342,290
Provision for cost of assets decommissioning		2,173,800	2,173,800
Other liabilities	19	86,648,561	85,405,431
<b>TOTAL LIABILITIES</b>		<u>486,900,853</u>	<u>530,077,371</u>
<b>EQUITY</b>			
Share capital	20		
Authorized share capital			
145,800,000 ordinary shares of Baht 5.00 each		729,000,000	
135,800,000 ordinary shares of Baht 5.00 each			679,000,000
Issued and paid-up share capital			
145,800,000 ordinary shares of Baht 5.00 each		729,000,000	
135,800,000 ordinary shares of Baht 5.00 each			679,000,000
Premium on share capital		122,520,000	122,520,000
Retained earnings (deficits)			
Appropriated			
Legal reserve		15,438,000	15,438,000
Unappropriated		(600,707,494)	(525,234,430)
Other components of equity		9,547,659	9,065,153
<b>TOTAL EQUITY</b>		<u>275,798,165</u>	<u>300,788,723</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>762,699,018</u>	<u>830,866,094</u>



See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021  
 "UNAUDITED"

UNIT : BAHT

	Notes	2020	2020
<b>REVENUES</b>			
Gross premium written	21	73,735,341	88,255,716
<u>Less</u> Premiums ceded	21	(64,664,181)	(41,468,151)
Net premium written		9,071,160	46,787,565
<u>Less</u> Unearned premium reserve increased from previous year	21	(2,657,232)	(21,927,774)
Net premium earned		6,413,928	24,859,791
Fee and commission income	21	6,148,555	22,925,841
Investment income	22	1,454,244	1,807,120
Net gain (loss) on financial instruments	23	117,728	(1,065,050)
Other income		15,651	51,354
Total revenues		14,150,106	48,579,056
<b>EXPENSES</b>			
Claims incurred	21	29,062,486	989,969
<u>Less</u> Claims refundable from reinsurers	21	(4,224,530)	(2,744,655)
Commission and brokerage expenses	21	10,432,599	22,415,056
Other underwriting expenses	21	17,804,768	34,242,579
Operating expenses		18,787,427	17,275,945
Total expenses		71,862,750	72,178,894
Loss before income tax expenses		(57,712,644)	(23,599,838)
Income tax expense		-	-
<b>Net loss</b>		(57,712,644)	(23,599,838)



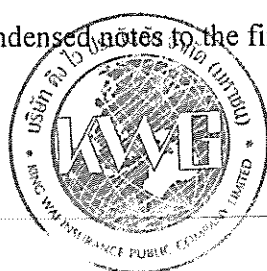
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KING WAI INSURANCE PUBLIC COMPANY LIMITED  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021  
 "UNAUDITED"

UNIT : BAHT

	Notes	2021	2020
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		(898,563)	1,838,414
Written off gain from reclassification of financial assets from sale of financial assets		(204,328)	(778,708)
		<u>(1,102,891)</u>	<u>1,059,706</u>
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined employee benefit plans		932,686	-
		<u>932,686</u>	<u>-</u>
Other comprehensive income (loss) for the periods		(170,205)	1,059,706
<b>Total comprehensive loss for the periods</b>		<u><u>(57,882,849)</u></u>	<u><u>(22,540,132)</u></u>
<b>Loss per share</b>			
<b>Basic loss per share</b>	24 Baht	<u><u>(0.40)</u></u>	<u><u>(0.17)</u></u>

See condensed notes to the financial statements



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KING WAI INSURANCE PUBLIC COMPANY LIMITED  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
 "UNAUDITED"

UNIT : BAHT

	Notes	2021	2020
<b>REVENUES</b>			
Gross premium written	21	123,827,227	221,760,908
<u>Less</u> Premiums ceded	21	(89,182,646)	(157,655,313)
Net premium written		34,644,581	64,105,595
<u>Add</u> (less) Unearned premium reserve decreased (increase) from previous year	21	4,961,110	(25,005,782)
Net premium earned		39,605,691	39,099,813
Fee and commission income	21	12,595,159	50,783,576
Investment income	22	2,955,594	4,028,835
Net gain on financial instruments	23	117,728	988,840
Other income		65,953	60,226
Total revenues		55,340,125	94,961,290
<b>EXPENSES</b>			
Claims incurred	21	35,412,233	11,396,053
<u>Less</u> Claims refundable from reinsurers	21	(8,597,522)	(14,736,185)
Commission and brokerage expenses	21	21,748,023	46,266,136
Other underwriting expenses	21	41,212,957	48,665,259
Operating expenses		41,037,498	37,412,474
Total expenses		130,813,189	129,003,737
Loss before income tax expenses		(75,473,064)	(34,042,447)
Income tax expense		-	-
Net loss		(75,473,064)	(34,042,447)



KING WAI INSURANCE PUBLIC COMPANY LIMITED  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
 “UNAUDITED”

UNIT : BAHT

	Notes	2021	2020
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		(2,106,612)	255,548
Written off gain from reclassification of financial assets from sale of financial assets		(204,328)	(778,708)
		<u>(2,310,940)</u>	<u>(523,160)</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		8,352	-
Actuarial gain on defined employee benefit plans		2,785,094	-
		<u>2,793,446</u>	<u>-</u>
Other comprehensive income (loss) for the periods		482,506	(523,160)
<b>Total comprehensive loss for the periods</b>		<u>(74,990,558)</u>	<u>(34,565,607)</u>
<b>Loss per share</b>			
Basic loss per share	24	Baht	
		<u>(0.54)</u>	<u>(0.25)</u>



See condensed notes to the financial statements



**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**  
**“UNAUDITED”**

UNIT : BAHT

Notes	Other components of equity									Total equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings (deficits)		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	Total other components of equity	
			Appropriated Legal reserve	Unappropriated						
Beginning balance as at January 1, 2020	679,000,000	122,520,000	15,438,000	(419,925,782)	(3,798,472)	22,704,190	1,525,812	2,329,096	22,760,626	419,792,844
Total comprehensive loss for the period	-	-	-	(34,042,447)	-	-	-	-	-	(34,042,447)
Change in fair value for the period	-	-	-	-	255,548	-	(778,708)	-	(523,160)	(523,160)
Ending balance as at June 30, 2020	<u>679,000,000</u>	<u>122,520,000</u>	<u>15,438,000</u>	<u>(453,968,229)</u>	<u>(3,542,924)</u>	<u>22,704,190</u>	<u>747,104</u>	<u>2,329,096</u>	<u>22,237,466</u>	<u>385,227,237</u>
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	20 50,000,000	-	-	-	-	-	-	-	-	50,000,000
Total comprehensive loss for the period	-	-	-	(75,473,064)	-	-	-	-	-	(75,473,064)
Change in fair value for the period	-	-	-	-	(2,106,612)	8,352	(204,328)	2,785,094	482,506	482,506
Ending balance as at June 30, 2021	<u>729,000,000</u>	<u>122,520,000</u>	<u>15,438,000</u>	<u>(600,707,494)</u>	<u>(7,771,636)</u>	<u>11,662,329</u>	<u>542,776</u>	<u>5,114,190</u>	<u>9,547,659</u>	<u>275,798,165</u>



See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
“UNAUDITED”

UNIT : BAHT

	Note	2021	2020
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>OPERATING ACTIVITIES</b>			
Written premium received from direct insurance		116,633,827	261,657,764
Cash paid from reinsurance		(97,945,761)	(235,161,062)
Investment income		3,396,610	4,150,822
Claim incurred from direct insurance		(48,556,138)	(87,776,109)
Commission and brokerage paid to direct insurance		(19,793,651)	(43,539,796)
Other underwriting expenses		(41,066,438)	(48,694,020)
Operating expenses		(18,150,761)	(29,433,891)
Other income		81,618	51,354
Income tax expense		(692,600)	6,674,297
Cash received - financial assets		41,819,454	357,806,398
Cash paid - financial assets		(50,000,000)	(237,770,777)
Net cash used in operating activities		<u>(114,273,840)</u>	<u>(52,035,020)</u>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>INVESTING ACTIVITIES</b>			
Sale of equipment		15,888	8,879
Purchase of equipment		(34,486)	(171,079)
Purchase of intangible asset	4.2	(3,409,340)	(13,742,950)
Net cash used in investing activities		<u>(3,427,938)</u>	<u>(13,905,150)</u>



KING WAI INSURANCE PUBLIC COMPANY LIMITED  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
 "UNAUDITED"

UNIT : BAHT

	Notes	2021	2020
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>FINANCING ACTIVITIES</b>			
Lease payment	4.1	(1,660,170)	(1,943,717)
Cash received from increase in share capital		50,000,000	-
Net cash provided by (used in) financing activities		<u>48,339,830</u>	<u>(1,943,717)</u>
Net decreased in cash and cash equivalents		(69,361,948)	(67,883,887)
Cash and cash equivalents as at January 1,		120,077,758	215,059,495
<b>Cash and cash equivalents as at June 30,</b>	<b>5</b>	<u><u>50,715,810</u></u>	<u><u>147,175,608</u></u>



See condensed notes to the financial statements

**KING WAI INSURANCE PUBLIC COMPANY LIMITED**  
**CONDENSED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND THE SIX-MONTH PERIOD ENDED JUNE 31, 2021**  
**“UNAUDITED”**

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

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

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

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

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

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

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business (No. 2) B.E. 2562 dated April 4, 2019. The Company presents the condensed notes to interim financial statements.
- 2.2 The statement of financial position as at December 31, 2020, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2021 are not necessarily an indication nor anticipation of the operating results for the full year.

- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2021 should be read in conjunction with the audited financial statements for the year ended December 31, 2020.
- 2.5 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period including the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 "Insurance Contracts", Thai Financial Reporting Standards No. 7 "Financial Instruments: Disclosures", and Thai Financial Reporting Standards No. 9 "Financial Instruments", which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2020.

### 4. ADDITIONAL INFORMATION FOR CASH FLOWS

4.1 Non-cash items of lease liabilities for the six-month period ended June 30, 2021 and 2020 consisted of the following:

	For the six-month periods ended June 30,	
	2021 Baht	2020 Baht
<b>Right of used assets</b>		
Lease liabilities as at January 1,	2,421,307	6,146,837
<u>Less</u> Cash paid for lease payment	(1,660,170)	(1,943,717)
<u>Add</u> Interest from lease liabilities	30,408	99,084
Lease liabilities as at June 30,	<u>791,545</u>	<u>4,302,204</u>

4.2 Cash paid for intangible assets for the six-month periods ended June 30, 2021 and 2020 consisted of the following;

	For the six-month periods ended June 30,	
	2021 Baht	2020 Baht
Cash paid for intangible assets		
Payable from intangible assets		
- beginning period/year	29,403,839	29,403,839
<u>Add</u> Purchases of intangible assets	3,409,340	13,742,950
<u>Less</u> Cash paid for intangible assets	(3,409,340)	(13,742,950)
Payable from intangible assets		
- ending period/year	<u>29,403,839</u>	<u>29,403,839</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Cash on hand	65,000	65,000
Deposits at bank - at call	50,650,810	120,012,758
Cash and cash equivalents	<u>50,715,810</u>	<u>120,077,758</u>

6. PREMIUM RECEIVABLES

Premium receivables as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Within credit terms	30,711,898	34,280,424
Less than 30 days	12,440,890	5,288,895
31 - 60 days	9,407,731	3,909,798
61 - 90 days	1,277,300	1,111,267
Over 90 days	5,685,168	7,686,576
Total premium due and uncollected	<u>59,522,987</u>	<u>52,276,960</u>
<u>Less</u> Allowance for doubtful accounts	<u>(1,380,762)</u>	<u>(752,141)</u>
Premium due and uncollected - net	<u>58,142,225</u>	<u>51,524,819</u>

7. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	17,251,228	15,977,086
Unearned premium reserve		
- Unearned reinsurance premium reserve	54,514,867	65,807,070
Total reinsurance assets (see Note 15)	<u>71,766,095</u>	<u>81,784,156</u>

8. DUE FROM REINSURERS

Due from reinsurers as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Due from reinsurers	17,490,422	18,614,319
<u>Less</u> Allowance for doubtful accounts	<u>(1,059)</u>	<u>(35,566)</u>
Due from reinsures	<u>17,489,363</u>	<u>18,578,753</u>

9. FINANCIAL ASSETS - DEBT SECURITIES

Financial assets - debt securities as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Fair value	Unit : Baht As at December 31, 2020 Fair value
<b><u>Debt instrument measured at fair value through other comprehensive income</u></b>		
Government and state enterprise securities	103,054,654	145,003,916
	Amortized cost	Amortized cost
<b><u>Debt instrument measured at amortized cost</u></b>		
Private enterprise debt securities	10,000,000	10,000,000
Deposits at financial institutions with maturity over 3 months	151,291,997	101,289,948
<u>Less</u> Allowance for expected credit loss	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Total debt instrument measured at amortized cost	<u>151,291,997</u>	<u>101,289,948</u>
Total investment in debt securities	<u>254,346,651</u>	<u>246,293,864</u>

As at June 30, 2021 and December 31, 2020, certain government securities were pledged and used for assets reserved with the Registrar amounting to Baht 40 million and Baht 40.25 million, respectively (see Note 27).

Allowance for expected credit loss as at June 30, 2021 and December 31, 2020 were as follows:

	As at June 30, 2021		As at December 31, 2020	
	Fair value	Allowance for expected credit loss recognized in other comprehensive income	Fair value	Allowance for expected credit loss recognized in other comprehensive income
Debt securities measured at fair value through other comprehensive income				
Debt securities without significant increased in credit risk (Stage 1)	103,054,654	-	145,003,916	-
Total	<u>103,054,654</u>	<u>-</u>	<u>145,003,916</u>	<u>-</u>



	Book value	Allowance for expected credit loss	Unit : Baht Net book value
<b>As at June 30, 2021</b>			
Debt instrument measured at amortized cost			
Debt securities without significant increased in credit risk (Stage 1)	151,291,997	-	151,291,997
Debt securities with credit impairment loss (Stage 3)	10,000,000	(10,000,000)	-
<b>Total</b>	<b>161,291,997</b>	<b>(10,000,000)</b>	<b>151,291,997</b>
<b>As at December 31, 2020</b>			
Debt instrument measured at amortized cost			
Debt securities without significant increased in credit risk (Stage 1)	101,289,948	-	101,289,948
Debt securities with credit impairment loss (Stage 3)	10,000,000	(10,000,000)	-
<b>Total</b>	<b>111,289,948</b>	<b>(10,000,000)</b>	<b>101,289,948</b>

#### 10. FINANCIAL ASSETS - EQUITY SECURITIES

Financial assets - equity securities as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Fair value	Unit : Baht As at December 31, 2020 Fair value
<b><u>Equity securities designated at fair value through other comprehensive income</u></b>		
Local equity securities	12,224,449	12,216,097
<b>Total financial asset - equity securities</b>	<b>12,224,449</b>	<b>12,216,097</b>

## 11. LEASEHOLD IMPROVEMENT AND EQUIPMENTS

Leasehold improvements and equipment as at June 30, 2021 and December 31, 2020 consisted of the following:

	Unit : Baht								Beginning balance of Equipment - net as at January 1, 2021	Ending balance of Equipment - net as at June 30, 2021
	Cost				Accumulated depreciation					
	As at January 1, 2021	Additions	Disposal/ Write-off	As at June 30, 2021	As at January 1, 2021	Depreciation	Disposal/ Write-off	As at June 30, 2021		
Furniture, fixture & fittings, leasehold improvement	18,861,481	-	-	18,861,481	18,401,209	454,336	-	18,855,545	460,272	5,936
Equipment	3,122,657	34,486	(29,159)	3,127,984	3,084,112	15,272	(17,687)	3,081,697	38,545	46,287
Vehicles	-	-	-	-	-	-	-	-	-	-
Computer equipment	10,996,761	-	(39,690)	10,957,071	9,360,492	622,846	(19,609)	9,963,729	1,636,269	993,342
Right of used assets	8,829,626	-	-	8,829,626	6,476,314	1,589,693	-	8,066,007	2,353,312	763,619
<b>Total</b>	<b>41,810,525</b>	<b>34,486</b>	<b>(68,849)</b>	<b>41,776,162</b>	<b>37,322,127</b>	<b>2,682,147</b>	<b>(37,296)</b>	<b>39,966,978</b>	<b>4,488,398</b>	<b>1,809,184</b>

	Unit : Baht											
	Cost					Accumulated depreciation						
	As at January 1, 2020	Impact from initial application of TFRS 16	Additions	Disposal/ Write-off	As at December 31, 2020	As at January 1, 2020	Impact from initial application of TFRS 16	Depreciation	Disposal/ Write-off	As at December 31, 2020	Beginning balance of Equipment - net as at January 1, 2020	Ending balance of Equipment - net as at December 31, 2020
Furniture, fixture & fittings, leasehold improvement	18,861,481	-	-	-	18,861,481	17,299,023	-	1,102,186	-	18,401,209	1,562,458	460,272
Equipment	3,122,190	-	3,729	(3,262)	3,122,657	3,019,352	-	68,021	(3,261)	3,084,112	102,838	38,545
Vehicles	2,489,000	-	-	(2,489,000)	-	2,488,999	-	-	(2,488,999)	-	-	-
Computer equipment	10,901,761	-	252,766	(157,766)	10,996,761	8,284,387	-	1,233,865	(157,760)	9,360,492	2,617,374	1,636,269
Right of used assets	-	8,829,626	-	-	8,829,626	-	2,745,586	3,730,728	-	6,476,314	-	2,353,312
<b>Total</b>	<b>35,374,432</b>	<b>8,829,626</b>	<b>256,495</b>	<b>(2,650,028)</b>	<b>41,810,525</b>	<b>31,091,761</b>	<b>2,745,586</b>	<b>6,134,800</b>	<b>(2,650,020)</b>	<b>37,322,127</b>	<b>4,282,671</b>	<b>4,488,398</b>

As at June 30, 2021 and December 31, 2020, certain leasehold improvement and equipment at cost of Baht 28.99 million and Baht 26.75 million, respectively, were fully depreciated but still in use.

Depreciation for the three-month periods ended June 30, 2021 and 2020 amounting to Baht 1.16 million and Baht 1.40 million, respectively, and depreciation for the six-month periods ended June 30, 2021 and 2020 amounting to Baht 2.68 million and Baht 2.92 million, respectively, were included in operating expenses.

12. INTANGIBLE ASSETS

Intangible assets as at June 30, 2021 and December 31, 2020 consisted of the following:

	Cost			Accumulated depreciation			Unit : Baht	
	As at	Additions	Transfer-in/ (Transfer-out)	As at	As at	As at	Beginning	Ending
	January 1, 2021			June 30, 2021	January 1, 2021	June 30, 2021	balance of intangible assets - net as at January 1, 2021	balance of intangible assets - net as at June 30, 2021
Software	29,818,987	-	5,494,480	35,313,467	1,512,927	3,737,636	28,306,060	31,575,831
Software under installation	121,197,938	3,409,340	(5,494,480)	119,112,798	-	-	121,197,938	119,112,798
<b>Total</b>	<b>151,016,925</b>	<b>3,409,340</b>	<b>-</b>	<b>154,426,265</b>	<b>1,512,927</b>	<b>3,737,636</b>	<b>149,503,998</b>	<b>150,688,629</b>

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

Amortization for the three-month periods ended June 30, 2021 and 2020 amounting to Baht 1.22 million and Baht 0.11 million, respectively, and amortization for the six-month periods ended June 30, 2021 and 2020 amounting to Baht 2.22 million and Baht 0.23 million, respectively, were included in operating expenses.

### 13. LICENSE COSTS

License costs as at June 30, 2021 and December 31, 2020 consisted of the following:

	<b>As at June 30, 2021 Baht</b>	<b>As at December 31, 2020 Baht</b>
License costs	67,000,000	67,000,000
<u>Less</u> Accumulated amortization	<u>(50,288,549)</u>	<u>(50,288,549)</u>
License costs	<u>16,711,451</u>	<u>16,711,451</u>

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

### 14. OTHER ASSETS

Other assets as at June 30, 2021 and December 31, 2020 consisted of the following:

	<b>As at June 30, 2021 Baht</b>	<b>As at December 31 2020 Baht</b>
Income tax refundable	20,298,934	17,283,335
Withholding tax	885,852	2,991,684
Deposits	3,485,376	3,485,376
The Revenue Department receivable	75,562,683	76,057,863
Undue purchase VAT	403,527	470,029
Prepaid Expense	4,459,276	2,426,580
Prepaid premium ceded	1,907,867	301,156
Other receivables	1,208,257	1,419,497
Total other assets	<u>108,211,772</u>	<u>104,435,520</u>

**15. INSURANCE CONTRACT LIABILITIES**

Insurance contract liabilities as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	108,747,439	(12,393,661)	96,353,778
Claim incurred but not reported	32,287,245	(4,857,567)	27,429,678
	<u>141,034,684</u>	<u>(17,251,228)</u>	<u>123,783,456</u>
Premium reserve			
Unearned premium reserve	134,809,682	(54,514,867)	80,294,815
Total	<u>275,844,366</u>	<u>(71,766,095)</u>	<u>204,078,271</u>

	As at December 31, 2020		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	120,018,204	(9,446,348)	110,571,856
Claim incurred but not reported	34,160,385	(6,530,738)	27,629,647
	<u>154,178,589</u>	<u>(15,977,086)</u>	<u>138,201,503</u>
Premium reserve			
Unearned premium reserve	151,062,995	(65,807,070)	85,255,925
Total	<u>305,241,584</u>	<u>(81,784,156)</u>	<u>223,457,428</u>

**15.1 Insurance reserve for short-term insurance contract**

**15.1.1 Claim reserve**

Claim reserve as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Balance as at beginning period/year	154,178,589	231,424,610
Claim incurred during the period/year	49,845,438	124,914,340
Changes in claims reserve incurred in previous period/year	(12,560,065)	(48,331,930)
Changes in claims reserve assumption	(1,873,140)	(4,225,132)
Claim paid during the period/year	(48,556,138)	(149,603,299)
Balance as at ending period/year	<u>141,034,684</u>	<u>154,178,589</u>

15.1.2 Unearned premium reserve

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Balance as at beginning period/year	151,062,995	281,148,317
Premium written for the period/year	123,827,227	340,250,591
Premium earned for the period/year	<u>(140,080,540)</u>	<u>(470,335,913)</u>
Balance as at ending period/year	<u>134,809,682</u>	<u>151,062,995</u>

15.1.3 Unexpired risk reserve

As at June 30, 2021 and December 31, 2020, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 66.68 million and Baht 65.70 million, respectively, is lower than the unearned premium reserve.

16. DUE TO REINSURERS

Due to reinsurers as at June 30, 2021 and December 31, 2020 consisted of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Reinsurance payables	67,639,779	78,088,008
Amount withheld on reinsurance	<u>16,233,270</u>	<u>14,753,468</u>
Total due to reinsurers	<u>83,873,049</u>	<u>92,841,476</u>

17. LEASE LIABILITIES

Lease liabilities as at June 30, 2021 and December 31, 2020 were as follows:

	Minimum lease payment		Present value of minimum lease payment	
	As at June 30, 2021 Baht	As at December 31, 2020 Baht	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Within 1 year	754,800	2,038,938	737,011	1,994,680
Over 1 year to 5 years	54,800	432,200	54,534	426,627
	<u>809,600</u>	<u>2,471,138</u>	<u>791,545</u>	<u>2,421,307</u>
Less Deferred interest	<u>(18,055)</u>	<u>(49,831)</u>	<u>-</u>	<u>-</u>
Total	<u>791,545</u>	<u>2,421,307</u>	<u>791,545</u>	<u>2,421,307</u>

**18. DEFERRED TAX LIABILITIES**

Deferred tax liabilities as at June 30, 2021 and December 31, 2020 consisted of the following:

	<b>As at June 30, 2021 Baht</b>	<b>As at December 31, 2020 Baht</b>
Deferred tax liabilities	<u>3,342,290</u>	<u>3,342,290</u>

Deferred income tax assets are recognized only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Company did not recognize deferred income tax assets from temporary difference and loss carried forward as at June 30, 2021 and December 31, 2020 consisted of the following:

	<b>As at June 30, 2021 Baht</b>	<b>As at December 31, 2020 Baht</b>
Temporary difference	168,390,255	184,565,534
Loss carried forward	<u>886,910,351</u>	<u>816,158,101</u>
	1,055,300,606	1,000,723,635
Income tax rate	<u>20%</u>	<u>20%</u>
Deferred tax assets	<u>211,060,121</u>	<u>200,144,727</u>

The loss carried forward as at June 30, 2021 and December 31, 2020 amounting to Baht 886.91 million and 816.16 million, respectively, will gradually expire from 2022 to 2026.

**19. OTHER LIABILITIES**

Other liabilities as at June 30, 2021 and December 31, 2020 consisted of the following:

	<b>As at June 30, 2021 Baht</b>	<b>As at December 31, 2020 Baht</b>
Commission and brokerage payable	10,631,370	12,893,874
Accrued expenses	56,015,701	52,110,974
Other payables	<u>20,001,490</u>	<u>20,400,583</u>
Total other liabilities	<u>86,648,561</u>	<u>85,405,431</u>

## 20. SHARE CAPITAL

On 12 February 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.

The number of weighted average ordinary shares for the three-month and six-month periods ended June 30, 2021 and 2020 are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
	Share			
Beginning balance	135,800,000	135,800,000	135,800,000	135,800,000
The number of weighted average ordinary shares during the periods	7,000,000	-	3,500,000	-
The number of weighted average ordinary shares - ending balance (see Note 24)	142,800,000	135,800,000	139,300,000	135,800,000

## 21. FINANCIAL INFORMATION BY SEGMENT

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

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

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

For the three-month and six-month periods ended June 30, 2021 and 2020, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.





	For the six-month period ended June 30, 2021				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross written premiums	1,978,963	25,757,148	15,208,890	80,882,226	123,827,227
<u>Less</u> Premium ceded	<u>(3,607,482)</u>	<u>(17,674,097)</u>	<u>-</u>	<u>(67,901,067)</u>	<u>(89,182,646)</u>
Net written premiums	(1,628,519)	8,083,051	15,208,890	12,981,159	34,644,581
<u>Add (less)</u> Unearned premium reserve					
(increased) decreased from the previous period	3,534,056	6,471,604	(7,344,740)	2,300,190	4,961,110
Net premium earned	1,905,537	14,554,655	7,864,150	15,281,349	39,605,691
Fee and commission income	1,162,181	1,876,196	-	9,556,782	12,595,159
Total underwriting income	<u>3,067,718</u>	<u>16,430,851</u>	<u>7,864,150</u>	<u>24,838,131</u>	<u>52,200,850</u>
<b>Underwriting expenses</b>					
Claim Incurred	661,321	2,379,354	3,470,972	28,900,586	35,412,233
<u>Add (less)</u> Claim refundable from reinsurers	<u>(114,992)</u>	<u>(122,967)</u>	<u>-</u>	<u>(8,359,563)</u>	<u>(8,597,522)</u>
Commission and brokerage expenses	2,103,612	3,636,915	1,037,969	14,969,527	21,748,023
Other underwriting expenses	658,651	8,572,656	5,061,918	26,919,732	41,212,957
Total underwriting expenses	<u>3,308,592</u>	<u>14,465,958</u>	<u>9,570,859</u>	<u>62,430,282</u>	<u>89,775,691</u>
<b>Profit (loss) on underwriting</b>					
before operating expenses	<u>(240,874)</u>	<u>1,964,893</u>	<u>(1,706,709)</u>	<u>(37,592,151)</u>	<u>(37,574,841)</u>
<b>Operating expenses</b>					<u>41,037,498</u>
<b>Loss on underwriting after operating expenses</b>					<u>(78,612,339)</u>

	For the six-month period ended June 30, 2020				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross written premiums	19,675,120	19,569,388	9,491,507	173,024,893	221,760,908
<u>Less</u> Premium ceded	<u>(10,751,583)</u>	<u>(7,368,747)</u>	<u>-</u>	<u>(139,534,983)</u>	<u>(157,655,313)</u>
Net written premiums	8,923,537	12,200,641	9,491,507	33,489,910	64,105,595
<u>Add (less)</u> Unearned premium reserve					
(increased) decreased from the previous period	(7,815,043)	(7,136,689)	(2,091,897)	(7,962,153)	(25,005,782)
Net premium earned	1,108,494	5,063,952	7,399,610	25,527,757	39,099,813
Fee and commission income	66,071	1,773,992	-	48,943,513	50,783,576
Total underwriting income	<u>1,174,565</u>	<u>6,837,944</u>	<u>7,399,610</u>	<u>74,471,270</u>	<u>89,883,389</u>
<b>Underwriting expenses</b>					
Claim Incurred	(118,519)	3,067,267	882,595	7,564,710	11,396,053
<u>Add (less)</u> Claim refundable from reinsurers	<u>64,079</u>	<u>(919,164)</u>	<u>-</u>	<u>(13,881,100)</u>	<u>(14,736,185)</u>
Commission and brokerage expenses	169,635	1,896,956	959,684	43,239,861	46,266,136
Other underwriting expenses	4,317,690	4,294,487	2,082,904	37,970,178	48,665,259
Total underwriting expenses	<u>4,432,885</u>	<u>8,339,546</u>	<u>3,925,183</u>	<u>74,893,649</u>	<u>91,591,263</u>
<b>Profit (loss) on underwriting</b>					
before operating expenses	<u>(3,258,320)</u>	<u>(1,501,602)</u>	<u>3,474,427</u>	<u>(422,379)</u>	<u>(1,707,874)</u>
<b>Operating expenses</b>					<u>37,412,474</u>
<b>Loss on underwriting after operating expenses</b>					<u>(39,120,348)</u>

**22. INVESTMENT INCOME**

Investment income for the three-month and six-month periods ended June 30, 2021 and 2020 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Interest income	<u>1,454,244</u>	<u>1,807,120</u>	<u>2,955,594</u>	<u>4,028,835</u>

Unit : Baht

**23. GAIN (LOSS) ON FINANCIAL INSTRUMENTS - NET**

Gain (loss) on financial instruments for the three-month and six-month periods ended June 30, 2020 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Gain (loss) from sales and write-off Debt instrument reclassified and measured at fair value through profit or loss	<u>117,728</u>	<u>(1,065,050)</u>	<u>117,728</u>	<u>988,840</u>
Total	<u>117,728</u>	<u>(1,065,050)</u>	<u>117,728</u>	<u>988,840</u>

Unit : Baht

**24. BASIC LOSS PER SHARE**

Basic loss per share for the three-month and six-month periods ended June 30, 2021 and 2020 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Net loss attributable to shareholders (Baht)	(57,712,644)	(23,599,838)	(75,473,064)	(34,042,447)
Weighted average number of ordinary shares in issue (Shares) (see Note 20)	<u>142,800,000</u>	<u>135,800,000</u>	<u>139,300,000</u>	<u>135,800,000</u>
Basic loss per share (Baht)	<u>(0.40)</u>	<u>(0.17)</u>	<u>(0.54)</u>	<u>(0.25)</u>

## 25. TRANSACTIONS WITH RELATED PARTIES

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

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

Companies	Relationship	Type of business
King Wai Group (Thailand) Public Company Limited	Ultimate parent company	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
Comerstone Realty Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Gold Star Property Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Thai-Kami Company Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Top Property Co., Ltd.	Some common shareholders and directors	Buying and selling of on own account of residential buildings
AEC City Co., Ltd.	Some common shareholders and directors	Construction of non-residential buildings
S31 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
S61 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
Praram4 Limited	Some common shareholders and directors	Buying and selling of on own account of residential buildings
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

Significant balances and transactions were as follows:

	As at June 30, 2021 Baht		As at December 31, 2020 Baht	
<b>Assets</b>				
Receivables from reinsurance		43,903		259,939
Other Asset		50,925		-
<b>Liabilities</b>				
Outstanding claims		-		16,006
		<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Income/(expenses)</b>				
Premiums	190,866	30,557	194,268	468,637
Claims	(1,603)	-	18,397	-

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.

**26. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION**

For the three-month and six-month periods ended June 30, 2021 and 2020, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Directors and key management personnel's remuneration				
Short-term benefits	3,444,125	5,536,036	18,283,652	9,673,748
Post-employment benefits	<u>(184,993)</u>	<u>113,569</u>	<u>(369,985)</u>	<u>227,137</u>
	<u>3,259,132</u>	<u>5,649,605</u>	<u>17,913,667</u>	<u>9,900,885</u>

Directors' remunerations for the years of 2021 and 2020 were approved by the annual general meeting of shareholders of the Company held on March 25, 2021 and April 10, 2020, respectively.

**27. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR**

As at June 30, 2021 and December 31, 2020, certain financial assets - debt securities and financial assets - equity securities of the Company were pledged and used for assets reserved with the Registrar (see Note 9) in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557" as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Government bonds	-	14,448,789
Deposit at financial institutions with maturity Over 3 months	14,000,000	-
Assets reserved with the registrar		
Government bonds	-	25,801,409
Deposit at financial institutions with maturity Over 3 months	26,000,000	-
Total investment in securities of pledged	<u>40,000,000</u>	<u>40,250,198</u>

## 28. CONTINGENT LIABILITIES AND COMMITMENT

- 28.1 As at June 30, 2021 and December 31, 2020, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 5.90 million and Baht 4.68 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company's management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company's operating results.
- 28.2 As at June 30, 2021 and December 31, 2020, the Company had a capital commitment to pay computer software in amount of Bath 9.52 million and Bath 8.11 million, respectively.

## 29. LONG TERM LEASE AND SERVICE AGREEMENT

Long term leases and service agreement as at June 30, 2021 and December 31, 2020 consisted of the follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Within 1 year	8,103,097	8,340,782
Over 1 year to 5 years	4,695,019	-
Total	<u>12,798,116</u>	<u>8,340,782</u>

The Company recognized rental expense in the statements of profit and loss and other comprehensive income for the three-month and six-month periods ended June 30, 2021 amounting to Baht 2.0 million and amounting to Baht 4.50 million, respectively. (For the three-month and six-month periods ended June 30, 2020 amounting to Baht 1.32 million and amounting to Baht 2.97 million, respectively).

## 30. FAIR VALUE MEASUREMENT

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

	As at June 30, 2021				Unit : Baht
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial assets - debt instruments	-	103,054,654	-	103,054,654	103,054,654
Financial assets - equity instruments	-	-	12,224,449	12,224,449	12,224,449
Financial liabilities					
Lease liabilities	-	-	(791,545)	(791,545)	(791,545)

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

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

There are no change in fair value measurement technique.

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

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

Financial assets or financial liabilities not measured at fair value Cash and cash equivalents, Premium receivable, 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.

### 31. EVENT AFTER THE REPORTING PERIOD

On July 5, 2021, there were the explosion of chemical storage tank in a factory which caused extensive damage. Such factory has entered into the insurance policies with the Company. The Company assessed the impact amount for claims incurred under the Company's coverage proportion amounting to Baht 41.78 million (net of claims recovery from reinsurers amounting to Baht 7.47 million).

### 32. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 10, 2021.



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