

THAI GROUP HOLDINGS

The cover features a large circular graphic with a blue and green border. Inside the circle, there is a background of a modern building facade, a line graph, and stacks of gold coins. In the center of the circle, the text 'ANNUAL REPORT 2020' is written in white. Below this text, there is a smaller circular inset showing a hand holding a smartphone with a bar chart and line graph on the screen.

ANNUAL REPORT 2020

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Message
of the Chairman

Thai Group Holdings Public Company Limited, which is the main insurance and finance business of TCC Group, consists of three main businesses: 1) life insurance business through Southeast Life Insurance Public Company Limited, 2) non-life insurance business through Southeast Insurance Public Company Limited, and Thai Insurance Public Company Limited, and 3) financial business through Southeast Capital Company Limited, and other businesses which generate stable and sustainable incomes. In 2020, the Company had a total asset value of over 92,562 million baht.

The past year marked a major global shift in the wake of the COVID-19 pandemic, which affected health, the economy, industry and society. According to the World Bank, the global economic growth rate in the past year decreased at 4.3 percent, while the Thai economic growth was reported at the rate of 6.1 percent. The change occurred to state and private sectors, as well as civil societies in dealing with an emerging disease of unpredictable and unknown ending, which caused everyone to adjust their lifestyle and step into a new normal way of life towards the creation of joint safety and the reduced spreading of this type of virus, strictly through public health measures.

The Company has also been faced with this rapid change. Even though the economy is in a decelerating state, the Company remains to protect the lives and property of Thai people continuously, with strength, potential growth, and the vision to be a leader in both insurance and finance businesses that fully cover the needs of our customers and business partners. Additionally, the Company also adheres to the principle of good governance, compliance with laws, rules, standards, and practices applicable to various transactions, including operating guidelines in accordance with good corporate governance and awareness of social responsibility towards sustainability in business operations.

On behalf of the Board of Directors, we thank all shareholders, customers, and business partners, who always trust and support the Company's operations, as well as the management team and employees who have all along dedicated their knowledge and ability to perform efficiently. This shall be a crucial factor for the company's operations towards the goals of success and growth with sustainability.



(Mr. Charoen Sirivadhanabhakdi)

Chairman of the Board of Directors



**Message from
the Chairman
of the Executive
Board**

Overall, the Thai economy in 2020 saw negative growth of 6.1 percent due to the outbreak of COVID-19, affecting the health, economic, social behavior, lifestyle, and lower purchasing power of people, which then caused many impacts in the business sector, especially insurance and financial businesses. Therefore, it was another year of challenges to the business of Thai Holdings Public Company Limited. However, the changes have benefited people to be alert and realize the importance of healthcare, with their beginning to understand financial plans to cope with more life fluctuations. Thus, it was a good opportunity for the insurance business to be accepted by a greater number of consumers as being important for everyone.

In 2020, the Company had total revenue of Baht 23,300 million, a decrease of 3.6 percent from the year 2019 at Baht 24,163 million, while the profit was at Baht 739 million, an increase from 2019 at Baht 276 million, accounting for a growth rate of 167.75 percent. This was resulted from the adaption through life insurance business port management, with more efficient credit costs of car insurance business and cost-effectiveness acquisition of insurance business for the overall increase of profits.

In addition, the Office of the Insurance Commission (OIC) and the government sector have provided support for insurance businesses through the changes of various flexible measures, including the expansion of insured assistance measures to insurers, life insurance companies, non-life insurance companies, and insurance agents, making the Thai insurance industry deal with challenges in recent years better than other industries.

I would like to thank the shareholders, partners, investors, business alliances, customers, and executives, including all employees who always support the operations of the Company. We continue to serve customers with honesty and sincerity to become a leading insurance and financial institution of the country with the most customer and employee appreciation and confidence, as well as our full capacity in return to society based on transparency and ethics, which shall be an important part to make the Company successful throughout the past period and ready to expand the business into the ASEAN region within the year 2025.



(Mr. Chotiphat Bijananda)

Chairman of the Executive Board



CEO's Business Overview

Overview of insurance and finance businesses by Chief Executive Officer

Following the situation of the COVID-19 outbreak throughout 2020, the insurance and finance businesses face challenges from internal and external factors with both positive and negative effects, varying in the industrial sector. Despite the effects similar to other businesses, Thai Group Holdings Public Company Limited remains to obtain the operational support from various measures by the government sector, such as higher tax deduction for the purchase of health insurance, relief of premium payments, extension of the grace period for insurance terms and premium rates, amendments of policies for the sale of insurance, Digital Face-to-Face offering, and approval for the extended license to life insurance agents, which enable the Company to design the most appropriate policies and effective measures after all.

The overview of the Thai insurance industry has showed a continuing increase in growth rate during the year 2020, in contrast to the declining economic expansion in Thailand. Accordingly, the total direct insurance premium was 252,716 million baht, representing a 3.5% growth rate compared to the previous year. The non-life insurance business was the number one share of auto insurance premiums, accounting for 57.8 percent of the direct insurance premium. As for Southeast Insurance Public Company Limited, its growth was ranked 8th in 2019 to 6th in 2020, with a total premium of 10,496 million baht, occupying a market share of 4.1 percent. In the meantime, the auto insurance was ranked 7th with a market share of 4.8 percent, while the non-auto insurance reported a 3.2% market share, ranking 9th from the previous year. Nonetheless, Thai Insurance Public Company Limited has adjusted the business model, focusing on the selling through online channels of modern insurance innovations, with a direct premium of 1,321 million baht, as well as an online premium of 332 million baht, accounting for 25 percent of the direct premium.

In 2020, the Thai life insurance industry recorded total premiums of 600,206 million baht, a decelerated growth of 1.75 percent, mainly due to the COVID-19 pandemic, in line with a decreased interest rate and lower income, which resulted in the insurance premium directly per capita of 8,701 baht, or a decrease of 5.14 percent from the previous year. In the part of Southeast Life Insurance Public Company Limited, there were total premiums of 8,345 million baht, a decrease of 3 percent from 2019, while new premiums were 5,057 million baht, down 7.6%, with the business ranked to 9th from 11th in 2019 due to the growth of representatives' and TCC Group's business channels, including product adjustments to focus on savings for a longer term of protection, and services that meet the needs of more customers. In particular, Southeast Life Insurance Public Company Limited has a policy for a retention rate of 96 percent, higher than the industry 82 percent.

For the automobile industry in 2020, car sales decreased by more than 20 percent. Although the overall automobile industry was very much affected in 2020, Southeast Capital Company Limited still ranked 1st in the car rental market. At the end of 2020, there were 22,092 rented cars, with the

proportion of customers of 21 percent in the TCC group, followed by 32 percent outside the TCC group, and 47 percent in the government sector, resulting from business adjustment such as leasing expansion from 5 years to 7 years to help customers manage the costs more efficiently during the COVID-19 pandemic.

Furthermore, the company has also defined six business strategies as follows:

1. Create strong growth through the adjustment of life insurance business port.
2. Build good experiences for customers as a center for product development and services.
3. Support good experiences for employees by developing good skills and pleasant working environments.
4. Develop the use of Big Data to analyze consumer behaviors.
5. Promote a powerful work process with technology.
6. Restructure the organization to receive a new business model in 2021.

Other than the six strategies to support business growth and stability, the Company also has a strong determination in helping Thai people and their families live happily or run their business with no anxiety through effective financial innovations. The main mission is to use technology and information for the development of financial products and services that meet the customer demands, with accessibility, cost-effectiveness, and pleasant services.

On behalf of the Board of Directors and employees of Thai Holdings Public Company Limited, we would like to thank you, the shareholders, customers, and trading partners, who always trust and support the operations of the Company. We are ready to move forward to a full financial service development towards our growth of long lasting stability.



(Mr. Thakorn Piyaphan)
Chief Executive Officer

Financial Performance Highlight

Consolidated Financial Statements

Unit: Million Baht	2020	2019	2018
Total Revenue from core business	22,598	22,359	28,143
Gain on investments	550	1,206	1,229
Other revenues	151	598	450
Total revenues	23,299	24,163	29,822
Direct costs	(19,423)	(20,690)	(25,081)
Operating expenses	(2,336)	(2,430)	(2,580)
Other expenses	(609)	(670)	(711)
Total expenses	(22,368)	(23,790)	(28,372)
Profit before tax	931	373	1,450
Tax expenses	(192)	(97)	(427)
Net profit	739	276	1,023

Unit : Million Baht	31 Dec 2020	31 Dec 2019	31 Dec 2018
Total assets	92,562	91,782	87,510
Total liabilities	78,693	76,381	74,375
Total shareholders' equity	13,869	15,401	13,135
Total liabilities and equity	92,562	91,782	87,510

Financial Ratio

Financial Ratio	2020	2019	2018	
ROE	4.98	2.12	7.76	Profit attributable to owners of the parent / average of total equity
ROA	0.79	0.34	1.29	Profit attributable to owners of the parent / average of total assets
DE ratio	5.74	4.99	5.78	Total liabilities / equity attributable to owners of the parent
Current ratio	0.96	0.97	0.97	Total current assets / total liabilities
Net Profit Margin	3.13	1.25	3.48	Profit attributable to owners of the parent / total revenue
Operating Profit Margin	14.69	12.20	14.61	Operating Profit Margin / total revenue
Interest coverage ratio	3.08	1.81	3.92	EBIT / Finance cost



Vision and Mission



Purpose

To support our customers and their families to be happy and secure life through our efficiency financial innovation



Vision

Leading ASEAN Financial Group through related business expansion in the year 2025



Mission

Being your companion in providing financial and life solutions in purchasing your happiness



Target and Strategies

5-year Target and Strategies

- **Smart Growth:** to focus on profitability by channel and product, balancing portfolio and introducing lending
- **Customer Experiences:** to focus on Customer Centric Mindset for product and service development
- **Employee Experience:** to provide the great working environment, opened culture, reskill and upskill
- **Digital Transformation:** to digitize in order to drive customer experience, efficiency and productivity
- **Process Efficiency:** to lean and digitize process, deploy RPA and effective KPIs
- **Organization Transformation:** to focus on new operating model, build and enhance capability to be a right shape and right size



Culture and values

ACTSD

- A**ccountability
- C**ompanionship
- T**rustworthiness
- S**ynergy
- D**ynamic

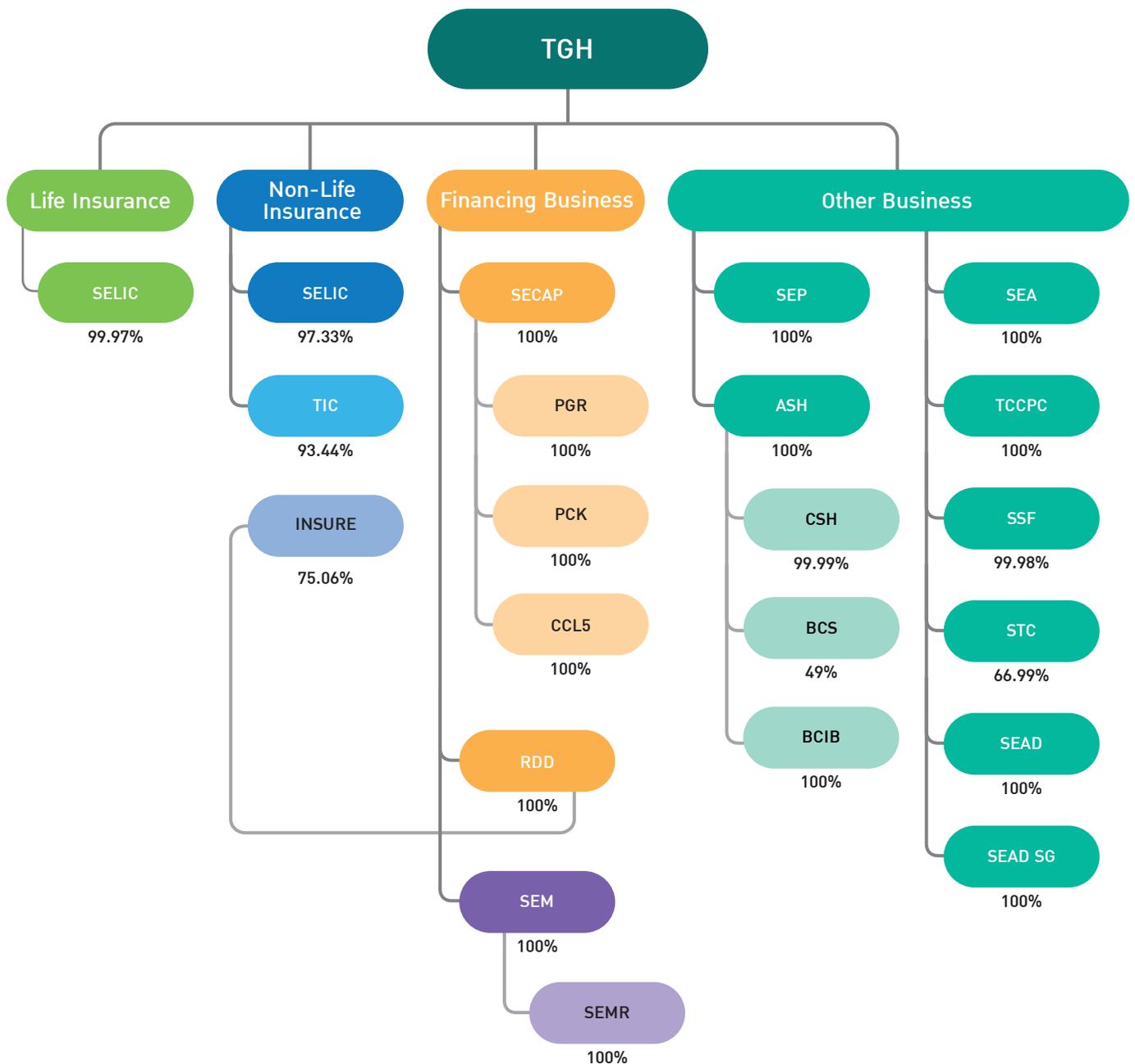
History and Key Development

Thai Group Holdings Public Company Limited (“the Company”) was registered and became a public company on June 29, 2018 according to the business restructuring plan to be a holding company. Under the restructuring process, Thai Insurance Public Company Limited (“TIC”) became the subsidiary company and continued its original operation in non-life insurance business. Moreover, the Company also made the entire business transfer (“EBT”) of Southeast Company Limited (“Southeast”). Therefore, the Company adopted a policy, vision, mission, organizational structure, corporate governance etc. from Southeast to deploy in its business operation.

Southeast was founded after World War II. At that time, many foreign insurance companies closed down their business and insurance coverage for their Thai policyholders was abandoned. Therefore, the founders of Southeast made a resolution to set up a Thai insurance company to provide insurance care for Thai people in any situation. Southeast Insurance Company Limited was granted permission from the Thai government to be established on July 9, 1946, meaning Southeast had started its business.

Year	Milestone
1946	<p>“Southeast Insurance Company Limited” was set up by the sevenco-founders who consisted of Luang Damrongduritrek, Phraya Prichuanusat, Mr. Rongsanid Chotiksatieen, His Serene Highness Prince Kamlisan Chumpol, His Royal Highness Prince Bhanubandhu Yugala, Mr. Payap Srikanchana, and Mr. Tien Leowrakwong.</p>
2000	<p>In accordance with the Life Insurance and Non-Life Insurance Act, B.E. 2535 (1992), Southeast Insurance Company Limited decided to split into two businesses; life and non-life insurance. This business segregation brought about two separated companies, Southeast Life Insurance Company Limited, which operated the life insurance business; and Southeast Insurance Company Limited, which operated the non-life insurance business.</p>
2004	<p>Southeast became the major shareholder of Southeast Life Insurance Company Limited, Southeast Insurance Company Limited, and Southeast Capital Company Limited.</p>
2012	<p>Southeast Life Insurance Company Limited and Southeast Insurance Company Limited were registered as the public limited companies.</p>
2018	<p>Southeast submitted a business alliance proposal to Thai Insurance Public Company Limited (“TIC”). Southeast set up Thai Group Holdings Company Limited (“the Company” or “TGH”) to make a tender offer from TIC and the entire business transfer from Southeast.</p>
2019	<p>In July 2019, Thai Group Holdings Public Company Limited (the “Company” began trading on the Stock Exchange of Thailand in place of Thai Insurance Public Company Limited (TIC). After the restructuring process, the Company became the holding company to support business expansion in accordance with the restructuring plan of TIC and Southeast Corporation Company Limited (formerly known as Southeast Company Limited). The Company will invest in the following core businesses:</p> <ul style="list-style-type: none"> • Life Insurance Business through Southeast Life Insurance Company Limited (SELIC), the subsidiary company; the core business which generates a major source of income • Non-Life Insurance Business through Southeast Insurance Company Limited (SEIC) and Thai Insurance Public Company Limited (TIC), and • Leasing Business through Southeast Capital Company Limited (SECAP).

Investment structure



* TGH and INSURE are listed in the Thai Stock Exchange of Thailand

Abbreviation – The Company and subsidiaries

TGH	Thai Group Holdings Public Company Limited
SELIC	Southeast Life Insurance Public Company Limited
SEIC	Southeast Insurance Public Company Limited
SECAP	Southeast capital Co., Ltd.
TIC	The Thai Insurance Public Company Limited
INSURE	Indara Insurance Public Company Limited
PGR	Pro Garage Company Limited (formerly known as Sinn Bualuang Leasing Co., Ltd.)
PCK	Pro Checker Company Limited (formerly known as Sinn Bualuang Capital Co., Ltd.)
CCL	Concept Land 5 Co., Ltd.
RDD	Rod Dee Det Auto Co., Ltd.
SEM	Southeast Money Company Limited
SEMR	Southeast Money Retail Company Limited
SEA	Southeast Advisory Co., Ltd.
TCCPC	TCC Privilege Card Co., Ltd.
SSF	S Sofin Co., Ltd.
STC	Sentrics Consulting Co., Ltd.
SEAD	Southeast Advisory Co., Ltd.
SEAD SG	Southeast Advisory Pte Ltd.
SEP	Southeast Property Co., Ltd.
ASH	Asiatic House Co., Ltd.
CSH	Capital Service Holding Co., Ltd.
BCS	Big C Services Co., Ltd.
BCIB	Big C Insurance Broker Co., Ltd..

General Information

Company name in Thai	บริษัท เครือไทย โฮลดิ้งส์ จำกัด (มหาชน)
Company name in English	Thai Group Holdings Public Company Limited
Ticker symbol	TGH
Stock market	The Stock Exchange of Thailand
Company registration number	0107561000285
Type of Business	Investment holding company
Industry sector	Financials
Business sector	Insurance
Registered capital	Baht 12,033,565,300
Paid-up capital	Baht 7,520,978,320 dividend into 752,097,832 shares
Par value	Baht 10.00
Head office	315 Southeast Building, 12th Floor, Silom Road, Silom, Bangrak, Bangkok 10500 Telephone: +66 2631-1311 Website: www.segroup.co.th
Corporate Secretary	Telephone: +66 2631-1311 ext. 5550 Email: comsec@segroup.co.th
Investor Relation	Telephone: + 66 2631-1311 ext. 5174 061-403-7156 Email: ir@segroup.co.th

Investment Policy of Subsidiaries

Thai Group Holdings Public Company Limited (“the Company”) set an investment and management policy for subsidiaries and associates. The investment will concentrate on the related businesses or continuous businesses in order to enhance business operation, build stability and generate good performance. The Company together with its subsidiaries and associates may consider investment in potential, valuable and profitable business, which depends on project feasibility, investment risk analysis and possible financial analysis. The Company’s investment project shall be approved from the resolution of the Board of Directors’ meetings or the Shareholders’ meeting (as the case may be). In addition, the approval shall be in accordance with the Notification of the Capital Market Supervisory Board, the Notification of the Securities and Exchange Commission and the relevant Notification of the Board of Governors of the Stock Exchange of Thailand.

Legal entities in which the Company holds 10 percent of shares or more (as of December 31, 2020)

Southeast Life Insurance Public Company Limited (SELIC)

Name Southeast Life Insurance Public Company Limited

Business type Operation of life insurance

Holding proportion 99.97%

Head office 315 Southeast Bldg. 8-12 Fl. Silom Rd.
Silom, Bang Rak, Bangkok 10500

Registered Capital Baht 2,200,000,000

Paid-up Capital Baht 2,200,000,000

Thai Insurance Public Company Limited (TIC)

Name Thai Insurance Public Company Limited

Business type Operation of non-life insurance

Holding proportion 93.44%

Head office 34/3 Thai Insurance Building, Soi
Langsuan, Phloenchit Road, Lumpini,
Pathumwan, Bangkok 10330

Registered Capital Baht 235,000,000

Paid-up Capital Baht 235,000,000

Southeast Insurance Public Company Limited (SEIC)

Name Southeast Insurance Public Company Limited

Business type Operation of non-life insurance

Holding proportion 97.33%

Head office 315 Southeast Bldg. G -Floor 7 Fl.,
Silom Rd. Silom, Bang Rak, Bangkok
10500

Registered Capital Baht 500,000,000

Paid-up Capital Baht 500,000,000

Southeast Capital Co., Ltd. (SECAP)

Name Southeast Capital Co., Ltd. (SECAP)

Business type Operation of corporate auto Leasing
and financing

Holding proportion 100%

Head office 184, 2nd Floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500

Registered Capital Baht 200,000,000

Paid-up Capital Baht 200,000,000

Pro Garage Company Limited (PGR)**Name** Pro Garage Company Limited**Business type** Operation of garage and auto parts**Holding proportion** 100%**Head office** 184, 2nd Floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500**Registered Capital** Baht 200,000,000**Paid-up Capital** Baht 200,000,000*Formerly known as Sinn Bualuang Leasing Co., Ltd., has been registered the change of its name to Pro Garage Company Limited on October 20, 2020*

Pro Checker Company Limited (PCK)**Name** Pro Checker Company Limited**Business type** Operation of surveyor business**Holding proportion** 100%**Head office** 184, 2nd Floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500**Registered Capital** Baht 100,000,000**Paid-up Capital** Baht 100,000,000*Formerly known as Sinn Bualuang Capital Co., Ltd., has been registered the change of its name to Pro Checker Company Limited on October 16, 2020*

Concept Land 5 Co., Ltd. (CCL)**Name** Concept Land 5 Co., Ltd.**Business type** Operation of providing parking
facility to SECAP and RDD**Holding proportion** 100%**Head office** 184, 2nd Floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500**Registered Capital** Baht 180,000,000**Paid-up Capital** Baht 180,000,000

Southeast Advisory Company Limited (SEAD)**Name** Southeast Advisory Company Limited**Business type** Investment advisory**Holding proportion** 100%**Head office** 315 Southeast Building, Silom Road,
Silom, Bang Rak, Bangkok 10500**Registered Capital** Baht 5,000,000**Paid-up Capital** Baht 5,000,000

TCC Privilege Card Company Limited (TCC Card)**Name** TCC Privilege Card Company Limited**Business type** Operation of credit card service
for TCC Group**Holding proportion** 100%**Head office** 315 Southeast Building, 12th Floor,
Silom Road, Silom, Bang Rak,
Bangkok 10500**Registered Capital** Baht 100,000**Paid-up Capital** Baht 100,000

Southeast Academic Center Co., Ltd. (SEA)**Name** Southeast Academic Center Co., Ltd.**Business type** Operation of staff training and
skills development for TCC Group**Holding proportion** 100%**Head office** 184, 9th Floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500**Registered Capital** Baht 1,000,000**Paid-up Capital** Baht 1,000,000

Southeast Advisory Pte., Ltd. (SEA PTE)

Name Southeast Advisory Pte., Ltd.

Business type Financial management and
business consultancy

Holding proportion 100%

Head office 438 Alexandra road #03-03 Alexandra
Point Singapore (119958)

Registered Capital SGD 1

Paid-up Capital SGD 1

S Sofin Co., Ltd. (S Sofin)

Name S Sofin Co., Ltd.

Business type Operation of IT development to
support insurance business

Holding proportion 100%

Head office 184, Surawong Road, Si Phraya,
Bangrak, Bangkok 10500

Registered Capital Baht 100,000

Paid-up Capital Baht 100,000

Capital Service Holding Co., Ltd. (CSH)

Name Capital Service Holding Co., Ltd.

Business type A holding company, invests in
Big C Services Co., Ltd.,
a joint-venture company, operates
life and non-life insurance brokers

Holding proportion 99.99%

Head office 315 Southeast Building, 12th Floor,
Silom Road, Silom, Bang Rak,
Bangkok 10500

Registered Capital Baht 100,000

Paid-up Capital Baht 100,000

Rod Dee Det Auto Co., Ltd. (RDD)

Name Rod Dee Det Auto Co., Ltd.

Business type Operation of selling and rental
used automobile

Holding proportion 100%

Head office 71/1Moo 20, Tapharak Road, Bangplee
Yai, Bangplee, Samutprakan 10540

Registered Capital Baht 1,000,000

Paid-up Capital Baht 250,000

Asiatic House Co., Ltd. (ASH)

Name Asiatic House Co., Ltd.

Business type Operation of commercial property
rental

Holding proportion 100%

Head office 184, Surawong Road, Si Phraya,
Bangrak, Bangkok 10500

Registered Capital Baht 5,522,500

Paid-up Capital Baht 5,522,500

Southeast Property Co., Ltd. (SEP)

Name Southeast Property Co., Ltd.

Business type Operation of property rental and
development for commercial

Holding proportion 100%

Head office 315 Southeast Building, 12 Floor,
Silom Road, Silom, Bang Rak,
Bangkok 10500

Registered Capital Baht 1,000,000

Paid-up Capital Baht 1,000,000

Southeast Money Company Limited (SEM)

Name Southeast Money Company Limited

Business type Operation of commercial and personal loan with securities, and staff loan

Holding proportion 100%

Head office 184, 2nd floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500

Registered Capital Baht 50,000,000

Paid-up Capital Baht 50,000,000

Southeast Money Retails Company Limited

Name Operation of personal Loan

Business type Operation of garage and auto parts

Holding proportion 100%

Head office 184, 2nd floor, Surawong Road,
Si Phraya, Bang Rak, Bangkok 10500

Registered Capital Baht 50,000,000

Paid-up Capital Baht 50,000,000

Sentrics Consulting Company Limited

Name Sentrics Consulting Company Limited

Business type Advisor for Data Analytic

Holding proportion 69.99%

Head office 315 Southeast Building, 3 Floor,
Silom Road, Silom, Bang Rak,
Bangkok 10500

Registered Capital Baht 10,000,000

Paid-up Capital Baht 10,000,000

Other references

Registrar

Thailand Securities Depository Co., Ltd.

Head office: The Stock Exchange of Thailand
Building, 93 Ratchadaphisek Road
Dindaeng Sub-District, Dindaeng
District, Bangkok 10400

Telephone: 0-2009-9000

Fax: 0-2009-9991

Website: www.set.or.th/tsd

Legal Advisor

Weerawong, Chinnavat & Partners Ltd.

Head office: 540 Mercury Tower, 22nd Floor,
Phloenchit Road, Lumpini, Phatumwan,
Bangkok 10330

Auditor

Name: KPMG Phoomchai Audit Ltd.

Auditor's Name: Mr. Chokechai Ngamwuthikul - CPA Registration No. 9728
Mr. Chanchai Sakulkoedsin - CPA Registration No. 6827
Miss. Pantip Gulsantithamrong - CPA Registration No.4208

Head Office: 195 Empire Tower 22 Floor, South Sathorn Road, Yannawa Subdistrict,
Sathorn District, Bangkok 10120

Telephone: 0-2677-2000

Other Important Information for Investors' Decision

- none-



**Board of
Directors**

Mr. Charoen Sirivadhanabhakdi



Age 76 years

Position Chairman of the Board of Directors

Date of Appointment June 29, 2018

Education / Training

- Honorary Doctoral Degree in Marketing from Rajamangala University of Technology Isan
- Honorary Doctoral Degree in Buddhism (Social work) from Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctoral Degree in Business Administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality and Tourism from Christian University of Thailand
- Honorary Doctoral Degree in Sciences and Food Technology from Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration from the University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management from Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy Degree in Business Administration from Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration from Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management from Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology from Chandrakasem Rajabhat University, Thailand

- Honorary Doctoral degree in Agricultural Business Administration from Maejo Institute of Agricultural Technology, Thailand

Director Training

- Directors Accreditation Program (DAP) BJC/2004

Other Directorship Positions / Other Positions at Present

Other Listed Companies (2 companies)

- 2018 - present Chairman of the Board of Directors / Chairman of the Executive Committee
Asset World Corp Public Company Limited
- 2001 - present Chairman of the Board of Directors / Chairman of the Executive Committee
Berli Jucker Public Company Limited

Non-listed Companies

- 2020 - present Chairman of the Board of Directors
TCC Business Management Co., Ltd.
- 2017 - present Chairman of the Board of Directors
TCC Assets (Thailand) Co., Ltd.
- 2017 - present Chairman of the Board of Directors
TCC Asset World Corporation Co., Ltd.
- 2015 - present Chairman of the Board of Directors
TCC Holding (2519) Co., Ltd.
- 2013 - present Chairman of the Board of Directors
Frasers Property Limited

- 2013 - present Chairman of the Board of Directors
Fraser and Neave Limited
- 2013 - present Chairman of the Board of Directors
Beer Thai (1991) Public Company Limited
- 2006 - present Chairman of the Board of Directors
Siriwana Co., Ltd.
- 2006 - present Chairman of the Board of Directors
Cristalla Co., Ltd.
- 2006 - present Chairman of the Board of Directors
Planteon Co., Ltd.
- 2005 - present Chairman of the Board of Directors
TCC Land Co., Ltd.
- 2003 - present Chairman of the Board of Directors
Thai Beverage Public Company Limited
- 1972-Present Chairman of the Board of Directors
TCC Corporation Co., Ltd.
- Present Chairman of the Board of Directors
Bang Yikhan Liquor Co., Ltd
- Present Chairman of the Board of Directors
Athimart Co., Ltd.
- Present Chairman of the Board of Directors
S.S. Karnsura Co., Ltd.
- Present Chairman of the Board of Directors
Kaenkwan Co., Ltd.
- Present Chairman of the Board of Directors
Thep Arunothai Co., Ltd
- Present Chairman of the Board of Directors
Beer Chang Co., Ltd.
- Present Chairman of the Board of Directors
Nam Jai Thaibev (Social Enterprise) Co., Ltd.

Present	Chairman of the Board of Directors International Beverage Holdings Limited
Present	Chairman of the Board of Directors International Beverage Holdings (UK) Limited
Present	Chairman of the Board of Directors International Beverage Holdings (China) Limited
Present	Chairman of the Board of Directors InterBev Investment Limited
Present	Director Baanboun Vetchakij Co., Ltd.

Other Companies that compete with /related to the Company

-None-

Working Experience (during the recent 5 years) and/or Important Positions

2017 - 2020	Chairman of the Board of Directors Southeast Life Insurance Public Company Limited
2017 - 2020	Chairman of the Board of Directors Southeast Insurance Public Company Limited
2017 - 2020	Chairman of the Board of Directors Southeast Capital Co., Ltd.
2002 - 2019	Chairman of the Board of Directors North Park Golf and Sports Club Co., Ltd.

2016 - 2018	Chairman of the Board of Directors Big C Supercenter Public Company Limited
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Shareholding in the Company (as of December 31, 2020)

Personal -None- *

Spouse or minor child -None- *

Relationship among Family with Other Directors and Executive

- The spouse of Khunying Wanna Sirivadhanabhakdi (Vice Chairman)
- The father of Mrs. Atinant Bijananda (Director) and Mr. Thapana Sirivadhanabhakdi (Director)
- The father-in-law of Mr. Mr. Chotiphat Bijananda (Director)

* indirect shareholding of the Company through Pholmankhong Business Co., Ltd. and Southeast Management Company Limited which hold shares in the Company 338,444,024 shares (45%) and 236,126,778 (28.31%), respectively.

Khunying Wanna Sirivadhanabhakdi



Age 77 years

Position Vice Chairman of the Board of Director

Date of Appointment June 29, 2018

Education

- Honorary Doctoral Degree in Buddhism (Social Work) from Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate of Philosophy (Business Management) from Mahidol University, Thailand
- Honorary Doctorate of Philosophy (Business Management) from the University of Phayao, Thailand.
- Honorary Doctoral Degree in Business Administration Management from Rajamangala University of Technology Tawan-ok, Thailand
- Honorary Doctoral of Philosophy Degree in Social Sciences from Mae Fah Luang University, Thailand
- Honorary Doctoral Degree from Chiang Mai University, Thailand
- Honorary Doctoral Degree in Business Administration, Agricultural Business Administration from Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Bio-technology from Ramkhamhaeng University, Thailand

Director Training

- Directors Accreditation Program (DAP) BJC/2004

**Other Directorship Positions /
Other Positions at Present**

Other Listed Companies (2 companies)

- 2018 - present Vice Chairman of the Board of Directors Vice Chairman of the Executive Committee Asset World Corp Public Company Limited
- 2001 - present Vice Chairman of the Board of Directors Berli Jucker Public Company Limited

Non-listed Companies

- 2020 - present Vice Chairman of the Board of Directors TCC Business Management Co., Ltd
- 2017 - present Vice Chairman of the Board of Directors TCC Assets (Thailand) Co., Ltd
- 2017 - present Vice Chairman of the Board of Directors TCC Asset World Corporation Co., Ltd.
- 2015 - present Director TCC Holding (2519) Co., Ltd.
- 2014 - present Vice Chairman of the Board of Directors Frasers Property Limited
- 2013 - present Vice Chairman of the Board of Directors Fraser and Neave Limited
- 2006 - present Vice Chairman of the Board of

- Directors
Siriwana Co., Ltd.
- 2006 - present Vice Chairman of the Executive Committee
Cristalla Co., Ltd.
- 2006 - present Vice Chairman of the Board of Directors Planteon Co., Ltd.
- 2005 - present Vice Chairman of the Board of Directors TCC Land Co., Ltd.
- 2004 - present Chairman of the Board of Directors Beer Thip Brewery (1991) Co., Ltd.
- 2003 - present Vice Chairman of the Board of Directors The 1st Vice Chairman of the Executive Committee Thai Beverage Public Company Limited
- 1972 - present Vice Chairman of the Board of Directors TCC Corporation Co., Ltd.
- Present Chairman of the Board of Directors Sangsom Co., Ltd.
- Present Chairman of the Board of Directors Fuang Fu Ananta Co., Ltd.
- Present Chairman of the Board of Directors Thanapukdee Co., Ltd.
- Present Vice Chairman of the Board of Directors Mongkol Samai Co., Ltd.
- Present Chairman of the Board of Directors Kanchanasingkorn Co., Ltd.
- Present Vice Chairman of the Board of Directors Beer Chang Co., Ltd.
- Present Vice Chairman of the Board of Directors Nam Jai Thaibev (Social Enterprise) Co., Ltd.
- Present Vice Chairman of the Board of Directors International Beverage Holdings

Present	Limited Vice Chairman of the Board of Directors International Beverage Holdings (UK) Limited
Present	Vice Chairman of the Board of Directors International Beverage Holdings (China) Limited
Present	Vice Chairman of the Board of Directors InterBev Investment Limited
Present	Director Baanbong Vetchakij Co., Ltd.
Present	Director Ramathibodi Foundation
Present	Director Siriraj Foundation
Present	Director The Foundation for The Crown Prince Hospitals
Present	Director Elephant Reintroduction Foundation
Present	Director The Committee of Blood Donors supplying and supporting, The Thai Red Cross Society
Present	Director Salachalermkrung Foundation
Present	Director Asset World Foundation for Charity

Other Companies that compete with/ related to the Company

-None-

Working Experience (during the recent 5 years) and/or Important Positions

2017 - 2020	Vice Chairman of the Board of Directors Southeast Life Insurance Public Company Limited
2017 - 2020	Vice Chairman of the Board of Directors Southeast Insurance Public Company Limited
2017 - 2020	Vice Chairman of the Board of Directors Southeast Capital Co., Ltd.
2002 - 2020	Vice Chairman of the Executive Committee North Park Golf and Sports Club Co., Ltd.

Shareholding in the Company (as of December 31, 2020)

Personal -None- *

Spouse or minor child -None- *

Relationship among Family with Other Directors and Executive

- The spouse of Mr. Charoen Sirivadhanabhakdi (Chairman)
- The mother of Mrs. Atinant Bijananda (Director) and Mr. Thapana Sirivadhanabhakdi (Director)
- The mother-in-law of Mr. Mr. Chotiphat Bijananda (Director)

*indirect shareholding of the Company through Pholmankhong Business Co., Ltd. and Southeast Management Company Limited which hold shares in the Company 338,444,024 shares (45%) and 236,126,778 (28.31%), respectively.

Mr. Areepong Bhoocha-oom



Age 63 years

Position Vice Chairman

Date of Appointment: July 11, 2018

Education

- Ph. D in Finance, University of Mississippi, USA
- M.A. in Finance, Marshall University, USA
- B.A. in International Management, Boston University, USA

Director Training

- Director Certification Program (DCP) Class 3/200, Thai Institute of Directors

Other Directorship Positions / Other Positions at Present

Other Listed Companies (2 companies)

2018-present Chairman, Independent Director, and Member of the Audit Committee, Maybank Kim Eng Securities (Thailand) Public Company Limited

Position Chairman of the Corporate Governance Committee

Date of Appointment: August 9, 2019

2019-present Independent Director
T.K.S Technologies Public Company

**Other Companies that compete with/
related to the Company**

-None-

**Shareholding in the Company
(as of December 31, 2020):**

Personal: -None-

Spouse or minor child: -None-

**Relationship among Family with Other Directors
and Executives:** - None -

Mr. Thapana Sirivadhanabhakdi



Age 45 years

Position Director

Date of Appointment: July 11, 2018

Education

- Honorary Doctoral Degree in Science (Logistics Management) from King Mongkut's Institute of Technology Ladkrabang
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University

Position Member of the Corporate Governance Committee

Date of Appointment: August 9, 2019

- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

Director Training

- Director Accreditation Program (DAP) 2004, Thai Institution of Directors

Other Directorship Positions / Other Positions at Present

Other Listed Companies (4 companies)

October 2020 – Present

Chairman of the Executive Committee
Univentures Public Company Limited

June 2020 – Present

Independent Director
The Siam Cement Public Company
Limited

November 2017 - Present

Vice Chairman and Chairman of the
Executive Committee
Amarin Printing and Publishing
Public Company Limited

September 2011 - Present

Vice Chairman No.3,
Chairman of Executive Committee,
Member of Nominating and
Remuneration Committee
Member of Sustainability and Risk
Management Committee
Sermsuk Public Company Limited

July 2007 – Present

Vice Chairman of the Board
Univentures Public Company Limited

Non-listed Companies

January 2008-present

Present President and CEO
Thai Beverage Public Company
Limited

December 2019-present

Director BeerCo Limited
(Incorporated in Singapore)

June 2018 – Present

Chairman Red Bull Distillery Group
of Companies

February 2018 – Present

Vice Chairman / Executive Chairman
Beer Thai (1991) Public Company Limited

December 2017 – Present

Director / Executive Chairman
GMM Channel Holding Co.,Ltd

October 2016 – Present

Chief Center of Excellence
Thai Beverage Public Company
Limited

April 2016 – Present

Director
Pracharath Rak Samakkee Social
Enterprise (Thailand) Co., Ltd.

March 2013 – Present

Vice Chairman
Times Publishing Limited

February 2013 – Present

Director
Fraser and Neave, Limited

November 2012 – Present

Director
InterBev Investment Limited

September 2011– Present

Director
Plantheon Co., Ltd.

January 2008-present

Vice Chairman
Southeast Life Insurance Public
Company Limited

January 2008-present

Vice Chairman
Southeast Insurance Public
Company Limited

January 2008-present

Vice Chairman
Southeast Capital Company Limited

July 2007 – Present

Director
Adelfos Co., Ltd.

September 2003 – Present

President
International Beverage Holdings
Limited

Present Director, TCC Group of Companies

• **Other Companies that compete with/related to the Company**

-None-

Working Experience (during the recent 5 years) and/or Important Positions

February 2011– February 2020

Chairman of the Executive
Committee
Oishi Group Public Company Limited

January 2006 – February 2020

Vice Chairman of the Board of
Directors
Oishi Group Public Company Limited

December 2001 – February 2017

Director
Berli Jucker Public Company Limited

May 2007 – August 2015

Vice Chairman
Siam Food Products Public Company
Limited

October 2018 – September 2020

Chief Beer Product Group
Thai Beverage Public Company Limited

April 2013 – February 2020

Director
Golden Land Property Development

2004 – June 2018

Vice Chairman
Red Bull Distillery Group of
Companies

April 2004 – February 2018

Director and Executive Vice Chairman
Beer Thai (1991) Public Company
Limited

October 2003 – January 2008

Director and Executive Vice President
Thai Beverage Public Company
Limited

Other Companies that compete with/related to the Company

-None-

Shareholding in the Company (as of December 31, 2020):

Personal: -None-

Spouse or minor child: -None-

Relationship among Family with Other Directors and Executives:

- The son of Mr. Charoen Sirivadhanabhakdi (Chairman) and Khunying Wanna Sirivadhanabhakdi (Vice Chairman)
- The brother of Mrs. Atinant Bijananda (Director).

Mrs. Kulpatra Sirodom



Age 64 years

Position Independent Director

Date of Appointment July 11, 2018

Position Member of the Corporate Governance Committee

Date of Appointment August 9, 2019

Position Chairman of the Audit Committee

Date of Appointment February 28, 2019

Education

- Ph.D. (Finance),
University of Pittsburgh, U.S.A.
- Master of Business Administration (Finance)
West Virginia University, U.S.A.
- BBA (First Class Honors-Finance),
Thammasat University

Director Training

- Director Certification Program (DCP) Class 0/2543,
Thai Institute of Directors
- Advance Audit Committee Program (ACP) Class 29/2552,
Thai Institute of Directors

Other Directorship Positions / Other Positions at Present

Other Listed Companies (4 companies)

- 2019-present** Independent Director and the Audit Committee Member
TISCO Bank Public Company Limited
- 2017-present** Independent Director and the Audit Committee Member
The Erawan Group Public Company Limited
- 2013-present** Independent Director/ Chairman of The Audit Committee / Chairman of The Corporate Governance Committee
Thai Wacol Public Company Limited

2017-present Independent Director and Chairman
of The Audit Committee
Thai President Foods Public
Company Limited

Non-listed Companies

2021-present Director,
The Stock Exchange of Thailand

2019-present Independent Director and Member
of the Audit Committee
TISCO Bank Public Company Limited

2018-present Director and Chairman of the Board
Mae Fah Luang Foundation under
Royal Patronage

2018-present Member and Treasurer,
Social Enterprise Thailand Association

2017-present Director and Chairman of Audit
Committee,
Thai Listed Companies Association

2015-present Director,
SCB Foundation

2013-present Honorary Director,
Sripatum University Council

2013-present Director,
Southeast Bangkok College Council

2006-present Director,
SET Foundation

**Other Companies that compete with / related to
the Company**

-None-

**Shareholding in the Company
(as of December 31, 2020)**

Personal -None-

Spouse or minor child -None-

**Relationship among Family with Other
Directors and Executives** - None -

Mr. Yothin Pibulkasetkij



Age 74 years

Position Independent Director and Member of the Audit Committee

Date of Appointment July 11, 2018

Education / Training

- Bachelor Degree of Accounting, Chulalongkorn University
- Advanced Bank Management, Asian Institute of Management, Philippines
- Financial Leadership Program, The Wharton School, University of Pennsylvania

Director Training organized

- Director Certification Program (DCP) Class 127/2010, Thai Institute of Directors
- Company Secretary Program Class 18/2006
- Program Class 18/2006, Thai Institute of Directors
- Advance Audit Committee Program Class 32/2010, Thai Institute of Directors

Position Chairman of the Nomination and Remuneration Committee

Date of Appointment January 30, 2020

Other Directorship Positions / Other Positions at Present

Other Listed Companies (1 company)

2010 – present Chairman of the Audit Committee
Cambodian Commercial Bank,
Royal Kingdom of Cambodia

Non-listed Companies

- 2017-present** Independent Director and Chairman of the Audit Committee
Southeast Life Insurance Public Company Limited
- 2017-present** Independent Director and Chairman of the Audit Committee
Southeast Insurance Public Company Limited
- 2018-present** Independent Director and Chairman of the Audit Committee

2019-present	Southeast Capital Company Limited Director, Financial Policy and Asset Management Committee, Chulabhorn Royal Academy
2020-present	Director, Policy and Information Technology Management Committee, Chulabhorn Royal Academy

**Other Companies that compete with/related to
the Company**

-None-

**Shareholding in the Company
(as of December 31, 2020):**

Personal -None-

Spouse or minor child -None-

Relationship among Family with Other Directors and

Executives: - None -

Mr. Padungdej Indralakj



Age 66 years

Position Independent Director and
Member of the Audit Committee

Date of Appointment July 11, 2018

Position Member of the Nomination and
Remuneration Committee

Date of Appointment January 30, 2020

Education / Training

- Bachelor Degree in Economic,
Chulalongkorn University
 - Postgraduate Diploma,
North London Polytechnic
-

Director Training

- Director Accreditation Program (DAP) Class 103/2013,
Thai Institute of Director

Position Member of the Risk Management
Committee

Date of Appointment February 28, 2019

Other Directorship Positions / Other Positions at Present

Other Listed Companies (1 company)

2017-present Independent Director / Chairman of
the Audit Committee
Zappe Public Company Limited

Non-listed Companies

2014-present Independent Director / Chairman of
the Audit Committee
ANZ Bank (Thai) Public Company
Limited

2014-present	Independent Director/ Member of the Audit Committee/ Member of the Risk Management Committee Southeast Life Insurance Public Company Limited
2014-present	Independent Director/ Member of the Audit Committee/ Member of the Risk Management Committee Southeast Insurance Public Company Limited
2014-present	Independent Director/ Member of the Audit Committee/ Member of the Risk Management Committee Southeast Capital Company Limited

Other Companies that compete with/related to the Company

-None-

Working Experience (during the recent 5 years) and/or Important Positions

2014-2017	Independent Director / Member of Audit Committee Wuttisak Clinic Inter Group Company Limited
2013-2016	Independent Director / Member of the Audit Committee / Member of the Risk Management Committee Nok Airlines Public Company Limited
2013-2015	Vice President, United Thai Shipping Corp Ltd.

Shareholding in the Company (as of December 31, 2020)

Personal -None-

Spouse or minor child -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

Pol. Gen. Jate Mongkolhutthi



Age 67 years

Position Independent Director

Date of Appointment July 11, 2018

Position Chairman of the Risk Management Committee

Date of Appointment February 28, 2019

Education / Training

- Entrepreneurship and Business Skill Class 7, NIDA
- Police Management for Top Executives Class 16, Police College
- Justice Management for Top Executives Class 6, Office of the Attorney General
- Certificate of The National Defence College Class 45
- LL.M., Chulalongkorn University, Chulalongkorn University
- LL.B., Ramkhamhaeng University

Director Training

- Director Accreditation Program (DAP) Class 17/2004, Thai Institute of Directors

- Director Certification Program (DCP) Class 8/2004, Thai Institute of Directors
- Advance Audit Committee Program Class 14/2006, Thai Institute of Directors
- Finance for Non-Finance Director (FN) Class 30/2006, Thai Institute of Directors

Other Directorship Positions / Other Positions at Present

Other Listed Companies (3 companies)

2020-present Chairman of the Board, Lease It Public Company Limited

- 1999-present Independent Director, SINO-Thai
Engineering and Construction
Public Company Limited
- 1999-present Independent Director, STP&I Public
Company Limited

Non-listed Companies

- 2020-present Chairman of the Board, One Power
Company Limited
- 2013-present Independent Director and Audit
Committee Member
Southeast Life Insurance Public
Company Limited
- 2013-present Independent Director and Audit
Committee Member
Southeast Insurance Public
Company Limited
-

Other Companies that compete with/related to the Company

-None-

Shareholding in the Company (as of December 31, 2020)

Personal -None-

Spouse or minor child -None-

Relationship among Family with Other Directors and Executives - None -

Mr. Chotiphat Bijananda



Age 57 years

Position Director

Date of Appointment June 29, 2018

Position Member of the Nomination and
Remuneration Committee

Date of Appointment August 9, 2019

Education / Training

- Master Degree in Business Administration, Finance and Banking, University of Missouri, United States of America
- Master Degree in Business Administration, Finance and Banking, University of Missouri, United States of America

Director Training

- Directors Certification Program (DCP) Class 155/2012, Thai Institute of Directors

Position Chairman of Executive Board

Date of Appointment July 11, 2018

Other Directorship Positions / Other Positions at Present

Other Listed Companies (4 companies)

- 2017-present** Director/ Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee
Fraser's Property (Thailand) Public Company Limited
- 2013-present** Director,
Fraser's Centerpoint Limited
- 2013-present** Director,
Fraser's and Neave Limited
- 2011-present** Director and Vice Chairman No. 2,
Sermsuk Public Company Limited

Non-listed Companies

1993-present	Director Tep Nimitr Thanakorn (2001) Co., Ltd.	2013 -present	Chairman Asiatic House Co., Ltd.
1994 -present	Chairman Pro Checker Company Limited	2013 -present	Chairman Pattana Bovornkij 4 Co., Ltd.
1994 -present	Chairman Pro Garage Company Limited	2014 -present	Chairman TCC Privilege Card Co., Ltd.
2003 -present	Director Charm Corp Circle Co., Ltd.	2014 -present	Chairman Southeast Joint Venture Co., Ltd.
2007-present	Vice Chairman / Chairman of the Executive Board / Chairman of the Investment Committee / Member of the Risk Management Committee Southeast Insurance Public Company Limited	2015 -present	Chairman Permsub Siri 3 Co., Ltd.
2007-present	Vice Chairman / Chairman of the Executive Board / Chairman of the Investment Committee / Member of the Risk Management Committee Southeast Life Insurance Public Company Limited	2015 -present	Chairman Permsub Siri 5 Co., Ltd.
2007-present	Vice Chairman /Chairman of the Executive Board / Member of the Risk Management Committee Southeast Capital Company Limited	2015 -present	Chairman Southeast Academic Center Company Limited
2014-present	Chairman Concept Land 5 Co., Ltd.	2015 -present	Chairman DL Engineering Solutions Co., Ltd.
2012 -present	Chairman Dhamma Land Property Company Limited	2015 -present	Chairman Suansilp Pattana 1 Co., Ltd.
2013 -present	Chairman Golden Land Property Development Public Company Limited	2016 -present	Chairman OHCHO Co., Ltd
		2016 -present	Chairman Southeast Advisory Co., Ltd.
		2016 -present	Director Big C Services Co., Ltd.
		2018 -present	Chairman S Sofin Co., Ltd.
		2018 -present	Director TCC Assets (Thailand) Company Limited
		2019 -present	Chairman Southeast Property Co., Ltd.
		2019 -present	Director Pholmankhong Business Co., Ltd.

2020 -present	Chairman Southeast Money Company Limited
2020 -present	Chairman Sentrics Consulting Company Limited

Working Experience (during the recent 5 years) and / or Important Positions

January 2008 – September 2018	Director T.C.C. Technology Co., Ltd.
March 2016 – May 2016	Director Kaset Thip (2017) Co., Ltd
January 2016 – July 2016	Director TCC Property Development Co., Ltd.
March 2016 – April 2016	Director Permsub Siri 4 Co., Ltd.
March 2016 – May 2016	Director Sirisub Pattana 4 Co., Ltd.
April 2017 – October 2017	Director Nantapat Development Co., Ltd.
May 2015 – February 2020	Director TCC Holdings (2519) Co., Ltd.

Other Companies that compete with /related to the Company

-None-

Shareholding in the Company (as of December 31, 2020)

Personal -None-
Spouse or minor child -None-

Relationship among Family with Other Directors and Executives

- The spouse of Mrs. Atinant Bijananda(Director)
- The spouse of Mrs. Atinant Bijananda, the daughter of Mr. Charoen Sirivadhanabhakdi (the Chairman) and Khunying Wanna Sirivadhanabhakdi (the Vice Chairman)

Mrs. Atinant Bijananda



Age 48 years

Position Director

Date of Appointment June 29, 2018

Education / Training

- MBA, Imperial College London, UK
- MS. in Management, Boston University, USA
- Bachelor in Accounting, Thammasat University

Director Training

- Director Certification Program (DCP) 3/2019, Thai Institute of Directors
- Director Accreditation Program (DAP) 10/2004, Thai Institute of Directors
- Finance for Non-Finance Director (FN) 10/2004, Thai Institute of Directors

Position Member of Executive Board

Date of Appointment July 11, 2018

Other Directorship Positions/ Other Positions at Present

Other Listed Companies

-None-

Non-listed Companies

- 1994-present** Director
Pro Checker Company Limited
- 1994-present** Director
Pro Garage Company Limited
- 2007-present** Director / Member of the Risk Management Committee / Member of the Investment Committee
Southeast Life Insurance Public Company Limited

2007- present Director / Member of the Risk Management Committee / Member of the Investment Committee Southeast Life Insurance Public Company Limited

2007- present Director / Member of the Risk Management Committee Southeast Capital Company Limited

2012- present Director Golden Land Property Development Public Company Limited

2014- present Director Asiatic House Co., Ltd.

2014- present Director Concept Land 5 Co., Ltd.

2014- present Director TCC Privilege Card Co., Ltd.

2015- present Director Pattana Bovornkij 4 Co., Ltd.

2015- present Director Southeast Academic Center Company Limited

2015- present Director Permsub Siri 3 Co., Ltd.

2015- present Director Permsub Siri 5 Co., Ltd.

2015- present Director Suansilp Pattana 1 Co., Ltd.

2016- present Director OHCHO Co., Ltd

2016- present Director Southeast Advisory Co., Ltd.

2019- present Director S Sofin Co., Ltd.

2019- present Director Southeast Property Co., Ltd.

2019- present Director Pholmankhong Business Co., Ltd.

2020- present Director Southeast Money Company Limited

2020- present Chairman Tawee Pattanasub Company Limited

Other Companies that compete with /related to the Company

-None-

Shareholding in the Company (as of December 31, 2020)

Personal -None-

Spouse or minor child -None-

Relationship among Family with Other Directors and Executive

- The daughter of Mr. Charoen Sirivadhanabhakdi (Chairman) and Khunying Wanna Sirivadhanabhakdi (Vice Chairman)
- The spouse of Mr. Chotiphat Bijananda (Director)
- The sister of Mr. Thapana Sirivadhanabhakdi (Director)

Mr. Somchai Sujjapongse



Age 59 years

Position Director and Member of the Executive Board

Date of Appointment July 11, 2018

Position Member of the Corporate Governance
Committee

Date of Appointment August 9, 2019

Education / Training

- Ph. D, Economics, Ohio State University, USA
- Master Degree in Economics, Ohio State University, USA
- Bachelor Degree in Economics, Chulalongkorn University
- Rule of Law for Democracy, Class 3, College of the Constitutional Court
- Capital Market Academy Programs Class 2, Capital Market Academy
- Diploma, The National Defence College Class 20, Thailand National Defence College
- Top Executive Program in Commerce and Trade (TEPCoT) Class 2/2552, University of the Thai Chamber of Commerce

Position Member of the Risk Management
Committee

Date of Appointment February 28, 2019

- Corporate Governance Program for director and senior executive of State Enterprise and Public Organization (PDI) year 2011, by King Prajadhipok Institute
- The Executive Program in Energy Literacy for a Sustainable Future, Class 3, Thailand Energy Academy

Director Training

- Directors Certification Program (DCP) Class 75/2006, Thai Institute of Directors

Other Directorship Positions/ Other Positions at Present

Other Listed Companies

-None-

Non-listed Companies

2018-Present	Chairman of the Board and Chairman of Investment Committee Thai Insurance Public Company Limited
2019-Present	Director, S Sofin Co., Ltd.
2020- Present	Director, Pro Checker Company Limited
2020- Present	Director, Pro Garage Company Limited
2020- Present	Director, Southeast Academic Center Co., Ltd.
2020- Present	Director, Southeast Money Company Limited
2020- Present	Chairman of the Board, Southeast Money Retail Company Limited

Other Companies that compete with /related to the Company

-None-

Working Experience (during the recent 5 years) and/or Important Positions

2015-2018	Permanent Secretary of Ministry of Finance
2014-2015	Director General, Ministry of Finance

Shareholding in the Company (as of December 31, 2020)

Personal -None-

Spouse or minor child -None-

Relationship among Family with Other Directors and Executives - None -

Mr. Apichai Boontherawara



Age 66 years

Position Director

Date of Appointment June 29, 2018

Position Member of the Executive Board

Date of Appointment July 11, 2018

Education / Training

- Ph. D. in Economic,
Washington University
- Master Degree in Business Administrative,
Thammasat University
- Bachelor Degree in Economics,
Thammasat University

Director Training

- Monitoring the Internal Audit Function (MIA) 12/2012,
Thai Institute of Directors
- Director Accreditation Program (DAP) 17/2004,
Thai Institute of Directors
- Director Certification Program (DCP) 53/2005,
Thai Institute of Directors
- Advance Audit Committee Program 8/2005,
Thai Institute of Directors

- Strategic Board Master Class (SBM) 9/2020,
Thai Institute of Directors

Other Directorship Positions /

Other Positions at Present

Other Listed Companies (2 companies)

- 2014-present** Independent Director/ Member of
Audit Committee / Chairman of
Nomination and Remuneration
Committee
WHA Corporation Public Company
Limited
- 2017-present** Director,
Kang Yong Electric Public Company
Limited

Non-listed Companies

2020-present	Director, Pro Garage Company Limited
2020-present	Director, Sentricks Co., Ltd.
2020-present	Director, Southeast Money Company Limited
2020-present	Vice Chairman, Southeast Money Retail Company Limited
2019-present	Director, S Sofin Company Limited
2016-present	Director, Southeast Advisory Co., Ltd.
2015-present	Director, Southeast Academic Center Co., Ltd.
2014-present	Director, Concept Land 5 Co., Ltd.
2013-present	Director, Asiatic House Co., Ltd.
2011-present	Director/ Vice Chairman of the Executive Board / Member of Investment Committee, Southeast Insurance Public Company Limited
2011-present	Director/ Vice Chairman of the Executive Board / Member of Investment Committee, Southeast Life Insurance Public Company Limited
2011-present	Director/ Vice-chairman of the Executive Board / Member of Audit Committee, Southeast Capital Company Limited

2009-present Member of Audit Committee and
Risk Management Committee,
Chiang Mai University

**Other Companies that compete with
/related to the Company**

-None-

**Shareholding in the Company
(as of December 31, 2020)**

Personal -None-

Spouse or minor child -None-

**Relationship among Family with Other Directors
and Executives** - None -



**NATURE
OF
BUSINESS**

Nature of Business

Thai Group Holdings Public Company Limited is an investment business. The Company has invested through various companies in three main businesses as follows:

Life Insurance Business through Southeast Life Insurance Public Company Limited (hereinafter referred to as “SELIC”)

Non-life Insurance Business through Southeast Insurance Public Company Limited (hereinafter referred to as “SEIC”), Thai Insurance Public Company Limited (hereinafter referred to as “TIC”) and Indara Insurance Public Company Limited (hereinafter referred to as “INSURE”)

Financing Business through Southeast Capital Public Company Limited (hereinafter referred to as “SECAP”)

Revenue Structure of the Company According to the Combined Financial Statements

The main revenue structure of the Company according to the combined financial statements of each business group can be divided in the proportion of total revenue of the company as follows:

Details	Financial Statements for the Year Ended					
	31 December 2020		31 December 2019		31 December 2018	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Income from Life Insurance Business	9,587.57	41.15	9,963.52	41.24	16,178.79	54.25
Income from Non-Life Insurance Business	8,819.72	37.85	8,857.59	36.66	8,117.74	27.22
Income from Financing Business	4,185.05	17.96	3,539.27	14.64	3,845.55	12.89
Income from Other Business	5.97	0.03	0.30	-	1.07	0.01
Other Income	701.21	3.01	1,803.76	7.47	1,679.24	5.63
Total	23,299.52	100.00	24,162.71	100.01	29,822.39	100.00

Nature of Products and Services

Our subsidiaries operate three main businesses as life insurance business, non-life insurance business and financing business which are classified into product lines as follows:

Life Insurance Business

Nature of Products or Services

The Company operates life insurance business and we have invested in business as specified by the Office of the Insurance Commission. Our products can be classified into 3 types:

Ordinary Life Insurance

It is individual life insurance where the sum assured depends on the ability of the individual premium payment. The coverage and period of premium payment depend on each type of insurance, for example, 5 years, 10 years, 15 years or until the insured reaches a certain age. There may be installments of premium payment annually, 6 months, 3 months, or monthly. For this type of life insurance, the insured will earn the main benefits as coverage and savings. Different types of ordinary life insurance have different ratios of coverage and savings benefits. However, ordinary life insurance has these following insurance forms:

- **Whole Life Insurance**

Life insurance that defines the insurance payment conditions to the beneficiary when the insured dies or to the insured when the insured is alive on the policy maturity date which is generally set as the

date when the insured reaches 90 or 99 years of age. This is an ordinary life insurance that emphasizes the benefits of death coverage and has been very popular. Mostly, whole life insurance has a lifetime plan for premium payments but may sometimes reduce the premium payment period to meet the customer needs properly, for example, 15 years, 20 years or until the insured reaches the age of 60. The policy will have many forms to respond to the customer needs for the additional policy purchase attached to a whole life insurance policy, such as a policy for children under 15 years or people of working age, etc. This type of life insurance will have the main insurance policy attached with the additional, for example, a whole life policy attached with the additional cancer protection or serious disease plans.

- **Term Insurance**

Life insurance that defines the insurance payment conditions to the beneficiary during a certain period when the insured dies within the specified period on the insurance policy. Mostly, the coverage or policy period is 5 years to 15 years. This type of insurance has a distinctive feature at low premium rates.

- **Endowment Insurance**

Life insurance that defines the insurance payment conditions to the beneficiary during a certain period when the insured dies within the specified period on the insurance policy or to the insured when the insured is alive on the policy maturity date. This type of insurance may have premium payment options in various periods and increases the benefits refund during the policy period. It is an ordinary life insurance with increased savings benefits.

- **Pension or Annuity Insurance**

It is a regular income life insurance that is suitable for those who expect longevity and want to earn money after retirement. This is a life insurance to cover economic losses due to loss of income when getting older or after retirement. The life insurance company will pay the same amount of money on a regular basis to the insured every month or every year since the insured's retirement or the age of 55 years, 60 years or 65 years, etc., depending on the policy conditions. As for the payment period, it depends on the insured needs to choose purchasing. Highlight of this product group is savings benefits for a guaranteed income upon retirement and earning a regular pension plus death coverage before pension earned. If death occurs during the pension receiving, it will receive the remaining pension according to the guarantee. It is also possible to bring pension insurance premiums for personal income tax deductions in addition to general life insurance premiums as stipulated by law.

Group Life Insurance

It is a life insurance that one policy will have 5 or more people insured together. Most of them are a group of company employees which is a benefit that companies, stores and organizations both the government and private sectors are providing to its employees or members. The principle is to consider the risks of all people in the group at the average rate whether it is age, gender, job function or the sum insured and it will be calculated as a single premium rate then will apply to every person in that group.

Group life insurance has many lower expenses so this is a positive factor and contributes to the vast majority of overall premiums lower than individual life insurance. Typically, a group life insurance policy is a year-to-year contract which has to collect the premium every year except for a specially designed policy with only one time payment throughout the coverage period.

Life Insurance and Credit Protection Insurance of Financial Institutions

This is life insurance developed by our Company to provide services for financial institutions or organizations. The purpose is to protect the risk of loans in the event of the borrower's death or disability (Credit Life Insurance) such as Mortgage Insurance policy. This type of insurance means a life insurance plan that covers death or death and total permanent disability within the insured period. Coverage is according to the sum assured that is reduced by installments.

Service Channels and Target Customers of the Life Insurance Business

Sales and Distribution Channels

The Company's life insurance business is distributed through various channels. Moreover, there are also spreading distribution channels to expand the customer base continuously. At present, we have distribution channels as follows:

- **Life Insurance Agents and Brokers:** the Company has recruiting agents to distribute life insurance policies to individuals. As of December

31, 2020; there are more than 2,000 individual representatives scattered in more than 53 branches across all regions including distribution channels as leading life insurance brokers.

- **Banks and Financial Institutions:** the Company cooperates with the banks and financial institutions to develop policy forms to meet the needs of the Bank's customers. Ratio of life insurance premium from banking channels is the number one channel to distribute the company's life insurance policies.

- **Telephones:** the Company sells life insurance policies through phone calls, known as "Telesales," where customer databases are gathered from various sources and marketed directly to customers via telephone calls.

- **Others:** in addition to distributing through the three channels mentioned above, the Company has also developed life insurance policy sales through other channels such as the Bank's website and application, etc. Furthermore, the Company has continuously developed online sales channels to support the digital era.

The distribution channels ratio details of life insurance policies have the banks as the main channel for policy sales and the other channels are life insurance agents and brokers, telephones and so on.

Target Customers

Target customers of the Company's life insurance business can be divided into 2 types as follows:

- Natural person customers are individual customers. They can mostly be accessed through banking agents and the other channels including

personnel in the TCC Group.

- Juristic person customers are corporate customers like government agencies, state enterprises and private companies.

Non-Life Insurance Business

Nature of Products or Services

The Company operates non-life insurance business and we have invested in business as specified by the Office of the Insurance Commission. Our products can be classified into 3 types:

Motor Insurance can be classified into following 2 types:

- **Compulsory Motor Insurance** Compulsory motor insurance is forced by the provisions of the law to protect against loss of life and physical injury of road victims.

- **Voluntary Motor Insurance** Motor Insurance that is executed voluntarily by the car owner, car occupant without being forced by the provisions of the law. Coverage can be divided into 5 types as follows:

- Type 1 :** Covers damage to the car plus car attachments including injury and loss of life as well as legal liability for death, injury or property damage to third parties.

- Type 2:** Covers only the car loss or fire including legal liability for death, injury or property damage to third parties.

- Type 3:** Covers only legal liability for death, injury or property damage to third parties.

Type 4: Covers only legal liability against the property of third parties.

Type 5: Covers the car loss or fire as well as damage to the vehicle due to collision with land vehicles including legal liability for death, injury or property damage to third parties.

Property Casualty and Marine Insurance

could be classified into 3 types:

- **Property Insurance**

1. Fire Insurance covers damage to the buildings arising from fire, lightning or gas explosion used for lighting or household. Moreover, this insurance also covers damage arising from the additional extra perils such as windstorms, vehicle accidents, smoke, water hazards, wetting, electrical hazards, threats from electrical appliances, explosive disasters, riots, strikes and other perils.

2. All Risks Insurance covers physical damage to the insured property caused by any accidents that are not specified in the policy exception, for example, fire, lightning, smoke, explosion, water hazards, hit by vehicles or aircrafts including objects dropped from aircrafts, riots, strikes, acts of vandalism, acts of malicious intent and natural disasters such as winds, hail, floods, earthquakes, forest fires and other accidents that are not specified in the policy exception.

- **Miscellaneous Insurance** is a type of insurance apart from car insurance, property insurance, marine and transportation insurance, which can be divided as follows:

1. Burglary Insurance covers loss or damage to the insured property arising from theft by third

parties and damage to the building where the insured property is stored.

2. Plate Glass Insurance covers breakage of plate glass caused by any accident those are not specified in the policy exception, for example, office glass, show room glass, door glass.

3. Money Insurance covers loss of cash, checks, bonds, money orders or other assets from theft, burglary and money robbery from the safe / vault at the insured's place or during transportation, including damage to the insured's safe or vault.

4. Neon Sign and Sign Board Insurance covers damage to the neon sign and sign board arising from fire, lightning, explosion, burglary or accidents caused by outside forces including liability to third parties.

Insurance that provides coverage for engineering work such as:

5. Contractor's All Risk Insurance is insurance for all risks of work under the contractor's employment. It covers damage to the construction work from natural disasters, fire, explosion, negligence, loss of construction materials and other accidents during construction or maintenance periods. This coverage extends to include legal liability to third parties due to the construction work.

6. Erection All Risk Insurance covers damage to the machines that are being installed or those arising from natural disasters, fire, explosion, negligence and other accidents. This coverage extends to include legal liability to third parties due to the machine installation.

7. Boiler and Pressure Vessel Insurance covers damage to the boilers caused by explosion, collapsing, flattening from internal compression or external pressure. This coverage extends to include

legal liability to third parties.

8. Electronic Equipment Insurance covers damage to the electronic equipment, electronic components and record information devices arising from sudden accidents. This also covers the additional expenses incurred by the use of other electronic equipment to replace the damaged one.

9. Contractors' Plant and Equipment Insurance covers the contractor's machines including standard accessories from the fire, external explosion, sparks or lightning, accidents from collision or overturned caused by mechanical malfunction and theft.

10. Machinery Breakdown Insurance covers sudden damage to the machines, parts or any section of the machines from the use of incomplete quality materials, mistake of designing, lack of installation expertise, manufacturer's defect, short circuit and explosion.

Insurance that provides coverage for legal liability such as:

11. Public Liability Insurance covers legal liability of the Insured against loss of life, injury or property of third parties who are not employed or who are the insured's family members; caused by an accident from the insured's negligence.

12. Directors' and Officers' Liability Insurance covers financial damage and legal defense expenses arising from the legal liability of directors and executive officers from mishandling management, for example, offense to the assigned duties, negligence, declare misinformation to the public.

13. Workmen's Compensation Insurance covers the employer's legal liability for workers' compensation. When the employee has an accident whether performing his/her duties or not, the

employee will be compensated according to the rights established by the Labor Law, such as medical expenses, compensation for dismemberment, loss of life, etc.

Insurance that provides coverage for other perils such as:

14. Fidelity Guarantee Insurance compensates for financial losses incurred to the employer from dishonest employee or embezzlement of the employer's funds or financial instruments.

15. Bail Bond Insurance covers the criminal case that the insured is prosecuted and detained due to negligence divided into before and after the offenses.

16. Golfer's Indemnity Insurance covers physical injury of the insured including death, disability and dismemberment, third parties liability, golf equipment and making hole-in-one.

Other Insurance besides the various types of insurance mentioned above, the Company may also provide or maneuver other types of insurance to keep up with social change, economic conditions and diverse needs of the people.

Marine and Transportation Insurance

covers damage to the cargo and/or the ship from the origin to destination according to each type of coverage conditions.

• Accident and Health Insurance

1. Accident insurance for Individuals and groups provides coverage for the insured with an accident resulting in physical injury according to the standard insurance policy. These types of insurance provide coverage for death benefits; loss of organs, eyesight, hearing, speech or disability

benefits; medical treatment benefits; hospital confinement benefits; public accident benefits and expanding coverage such as driving or traveling on a motorcycle, dangerous competitive sporting, etc. The Company has a variety of products that meet the needs of customers with appropriate premiums and insurance plans for both individuals and groups.

2. Travel insurance provides coverage for the insured in the loss of life, dismemberment, total permanent disability or injury requiring medical treatment due to an accident or sudden illness while traveling whether inside or outside of Thailand according to the specified route and date. There are both travel coverage and annual coverage. It also offers a wider range of coverage, such as luggage loss or damage, luggage delay, trip curtailment, travel delay, etc. The coverage and premium depend on the insurance plan that the customer chooses to purchase.

3. Health insurance provides coverage for medical expenses due to illness or accident with both types of products in the actual package and the limiting package to each benefit. It provides coverage for hospitalization or medical treatment (hereinafter referred to as IPD: In-Patient Department) and additional outpatient coverage (hereinafter referred to as OPD: Out-Patient Department) as an option that customers can purchase. The insured does not have to pay expenses in advance if hospitalization is in the Company's partner hospitals. The health insurance products are available both individual and group. There are also cancer insurance products. The premium depends on the age of the insured and the selected sum insured.

The Board of Directors has approved the establishment of Re-insurance Management Framework in accordance with the criteria and requirements of the Office of the Insurance Commission to ensure that each type of re-insurance contract structure is suitable for business operations. In addition, the mentioned contract structure can diversify risks at an acceptable level and sufficient to fund maintaining them without any impact on the Company's financial status. The types of reinsurance details are as following:

- **Outward Treaty Reinsurance** is a contract that re-insurers trust and give the rights in allocating work to re-insurance companies under the terms of the re-insurance contract. However, the Company has 2 types of insurance contracts which are Proportional Treaty and Non-Proportional Treaty.

- **Outward Facultative Reinsurance** is a re-insurance on an individual basis. The re-insurance company has the rights in selecting work, which can accept or reject as well.

The re-insurance management considers the catastrophe risk management to support large-scale disasters or natural disasters that cause widespread damage. However, concentration risk of re-insurers and the selection of re-insurers' qualifications will determine the scopes of acceptability work in an appropriate ratio. It considers the financial status rating and also reviewing of each re-insurer during the policy year. If the re-insurer lacks the qualifications as specified during the policy year, the Company has set solutions to support the mentioned situation as well.

Re-insurance

Service Channels and Target Customers of the Insurance Business

Non-life insurance business has distribution channels as follows:

- **Insurance Agents and Brokers:** the Company has recruiting agents and brokers. As of December 31, 2020; there are more than 7,000 insurance agents and more than 200 insurance brokers scattered in more than 75 branches nationwide.

- **Banks and Financial Institutions:** the Company cooperates with the banks and financial institutions to develop policy forms to meet the needs of the bank and financial institutions' customers.

- **Telephones:** the Company sells insurance policies through phone calls, known as "Telesales," where customer databases are collected from alliances and marketed directly to customers via telephone calls.

- **Company Networks:** The Company has a leasing business group which operates car rental business for operations under SECAP and we also sell motor insurance to SECAP. Moreover, the Company is also one business group of the TCC Group which operates in various industries such as food and beverage businesses; industrial and commercial businesses; real estate businesses; and agro-industrial businesses. Thus, the Company has distributed the insurance policies to various companies in the TCC group as well.

- **Others:** The Company also sells insurance policies through other channels such as the websites; both www.thaiins.com for TIC and www.seic.co.th for SEIC. In addition, the Company has plans to study and expand new distribution

channels for its non-life insurance business, like applications or other online channels continuously.

SEIC focuses on selling insurance policies through traditional channels such as selling through insurance agents / brokers, banks and financial institutions while TIC focuses on expanding online distribution channels such as websites and applications to enhance competitiveness in the digital era.

- **Re-insurance** The Company has the ability to carry out re-insurance from the ceding company which allows the Company to earn income by re-insurance from other insurance companies.

Target Customers

- **Natural person customers** are individual customers. They can mostly be accessed through agents and brokers, banks and financial institutions including other channels like personnel in the TCC Group.

- **Juristic person customers** are corporate customers like government agencies, state enterprises and private companies including SECAP and others in the TCC Group.

Financing Business

The Company operates leasing and financing business with mainly focus on providing assets for corporate entrepreneurs in the leasing form through the Southeast Capital Company Limited (hereinafter referred to as "SECAP"). The leasing business is a type of property rental service where the tenants agree to enter into a property lease agreement and pay the property rental on a periodic basis. The products of SECAP are as follows:

Operating Lease

SECAP mainly focus on an operating lease for vehicle assets with long-term lease to government agencies, state enterprises and private companies including companies in the Thai Charoen Corporation Group or the TCC Group. Rental car services come with maintenance service, first class insurance, annual motor-vehicle tax paid and vehicle replacement service when the rental vehicle unavailable throughout the rental period. As of December 31, 2019; SECAP has more than 21,000 cars for rental. In addition, SECAP also provides consulting and vehicle management services for businesses and agencies.

Tenants and businesses will benefit from operating leasing in various forms of financial and management purposes, such as decreasing their cash outflow burden and increasing their financial planning capability through fixed rental installments; reducing costs of vehicle repair, maintenance and insurance; reducing the risk of changing needs in vehicle; and simplify the property management complex, etc.

In addition to the operating car rental business, SECAP SEM and SEMR has wide range plans to expand its lending business to both auto and non-auto-related businesses as follows:

- **New Car Hire Purchase**

For customers who want to own a car with flexible terms and conditions, it gives more options to customers' monthly hire purchase that is suitable for their income.

- **Used Car Hire Purchase**

For customers who need to buy used cars with cheaper prices than new cars by installments. This

is an alternative cost saving option.

- **Cash Your Car**

For customers who have an urgent need for cash. It allows using customers' cars as collateral assets for taking loans with a fast approval period and flexible terms.

- **Revolving Loan**

This is a short-term loan that is given to business customers who have short-term cash needs. The customers will manage their capitals flexibly and efficiently, especially in the high season of businesses where cash is needed to prepare products and services for sale such as: inventory reserve increases during the season with high demand for food and beverages. SECAP will charge interests on short-term loans. Currently, the Company has focused on providing this credit type to trading partners of companies in the TCC Group including beverage dealers of the Thai Beverage Public Company Limited.

- **Factoring Loan**

It provides another type of credit to the vendors of products and services including the trading partners of companies in the TCC Group for liquidity and circulating fund management. The creditor accepts the right to receive payments from trade and service receivables and make payments for goods or services in whole or in part to the vendor prior to the due date for goods and services payment. SECAP will charge interests on advance payments including fees for receivable operation and management. Trade accounts receivable will settle directly to SECAP when the account receivable payment is due.

- **Project Finance**

Project loans are project-focused loans with

consistent cash flow for debt repayment. The project's cash flow is often used as collateral so it must be a project with high stability but low volatility in income, expense and cash flow. There is a clear and definite purchaser of products and services from such project and suppliers of raw materials, for example, utility projects like power generation projects with consistent income and cash flow including clear purchaser of electricity. At present, the Company focuses on granting credit to projects in collaboration with companies in the TCC Group.

- **Others Loan**

This is a loan focused on retail customers or business partners, such as car inspection garages or companies in the TCC Group and franchisee of companies in the TCC Group. It is a personal loan to expand a complete range of financial services providing to a wider range of customers and support the retail customers and business partners of the TCC Group more liquidity and business potential. The Company has established Southeast Money Retail Company Limited (formerly known as SEG Money Company Limited) to operate the unsecured personal loan business.

In addition to provide fleet management and increase income from idle assets, the leasing business group also sells used cars through Rod Dee Det Auto Company Limited (hereinafter referred to as "RDD"). RDD procures expired cars for operating leases or used cars from SECAP then sells them through various channels such as auctions, second hand car showrooms or original tenants, etc. RDD purchases cars from SECAP then sells them at market prices. These allow the business group to generate liquidity and cash inflow to provide

additional modern vehicles and meet more the customer needs.

Service Channels and Target Customers

Sales and Distribution Channels

Leasing Business focuses on sales by reaching customers directly through the Company's sales staff who will study the needs of different groups of customers and represent services to each customer directly in order to best meet the customer's needs.

SECAP's main distribution channel is the employees and sales representatives. RDD sells used cars through auctions, second hand car showrooms and original tenants.

Target Customers

The customer group of the operating car rental business are corporate customers that can be divided into 3 types as follows:

- **Government organizations**, including government agencies and state enterprises. A wide variety of cars such as passenger cars, vans, pickups, etc. are rented for personnel traveling purposes.

- **Private organizations**, including general private companies. A wide variety of cars are rented for different purposes. Passenger cars, vans and luxury cars are rented for traveling purposes by the company's employees and executives. Pickups and trucks are rented for transporting products.

- **The Company's networks**, including companies under the TCC Group have various purposes of car rental as well as general private organizations.

For the customer group of the lending businesses, SECAP is currently focusing on sales to personnel and business partners of various companies under the TCC group and it has a tendency to expand the granting of

loans to other persons.

Marketing and Competition

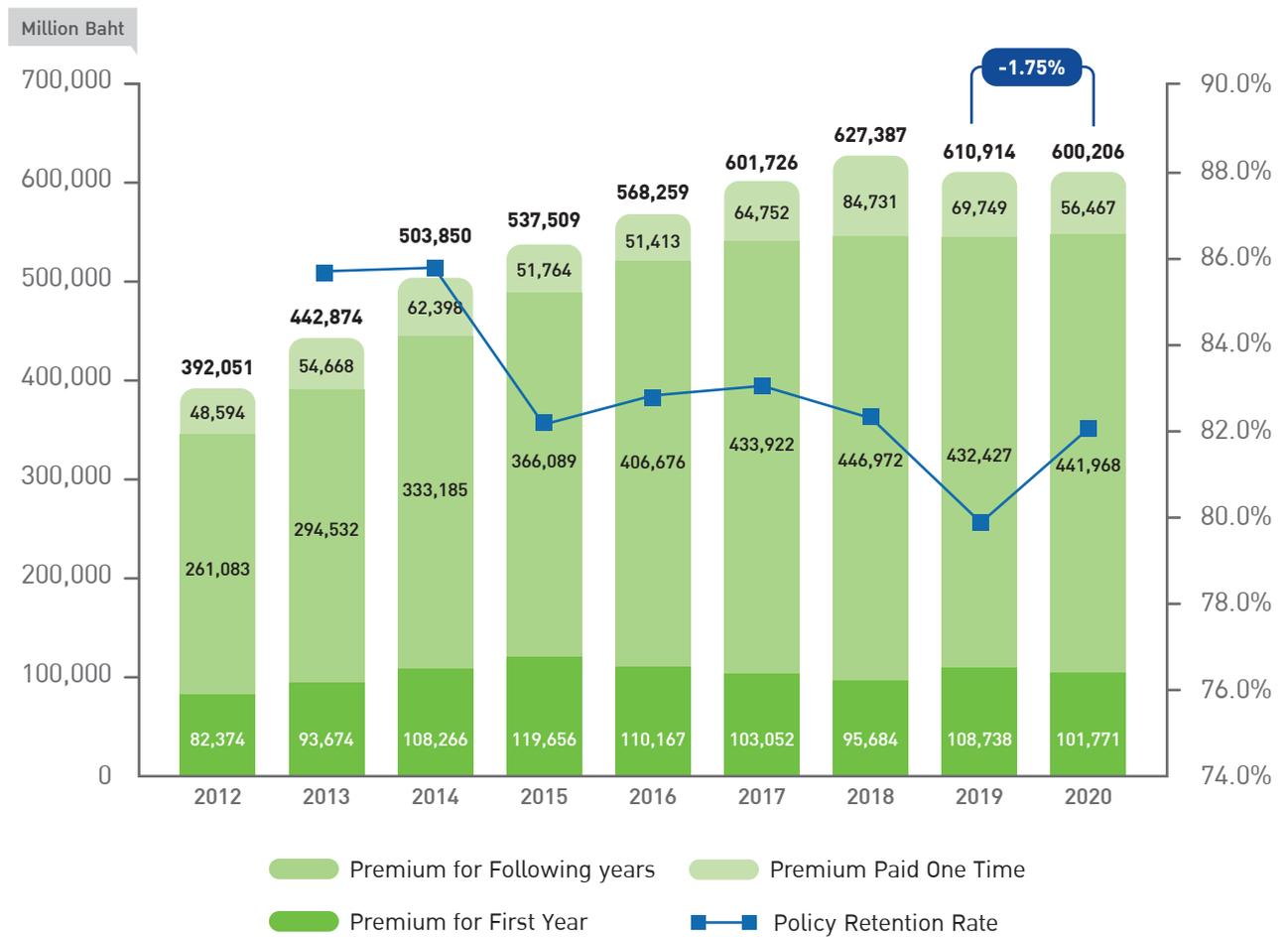
Life Insurance Business Overview

In 2020, the Thai life insurance business tended to decrease for the second consecutive year due to the coronavirus pandemic (COVID-19) crisis which has widespread impact on the economy. From such a situation, people are realizing the importance of life insurance and health insurance plans increasingly. Moreover, the government sector has promoted the concept by increasing the income tax deduction from purchasing health insurance. (not more than Baht 15,000 to not more than Baht 25,000) resulting in increased health insurance premiums. Increase expectations of the year ended will grow to 9% when compared to the previous year. However, the challenging factors of life insurance still exist, such as interest rate downturn affecting the life insurance with money back guarantee types including a guaranteed pension insurance plan which invests in bonds; population changing structure to the aging society; life styles changing to the new normal; competition to develop digital sales channels faster to meet the customer needs thoroughly; preparation for IFRS 17 financial reporting standards to be adopted in 2024 is also required. Total life insurance earned premium in 2012 - 2020 had an average growth rate of 5.47% per year.

In 2020, the life insurance business had a total earned premium of Baht 600,206 million, representing a decrease of 1.75% from the previous year and renewal year premium of Baht 441,968 million. Life insurance policy had a retention rate of 82%,

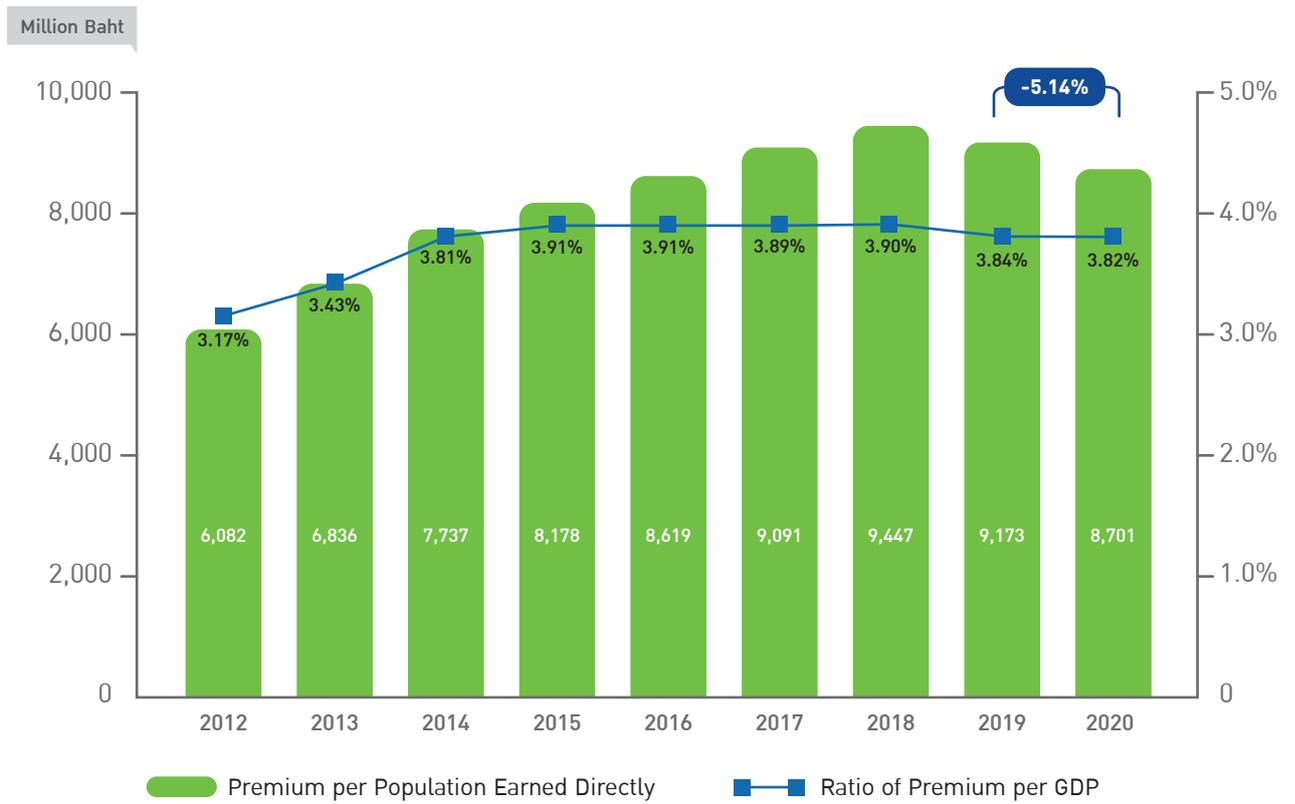
representing life insurance premium per GDP or insurance penetration rate by 3.82% and representing directly earned premium per population or insurance density by Baht 8,701 per individual. The growth rate was 5.14%, a decrease from the previous year.

Life Insurance Premium



Source: Thai Life Assurance Association

Life Insurance Premium per Population and GDP



Source: Office of the Insurance Commission (OIC)

As for the distribution channels, agency is still the main and important channel in selling life insurance products. At the end of 2020, it was the number one distribution through this mentioned channel representing 53.37%, with a total premium of Baht 320,349 million, representing a growth rate of 3.32%. The second distribution channel was through the banks (Bancassurance) with 38.58%, total life

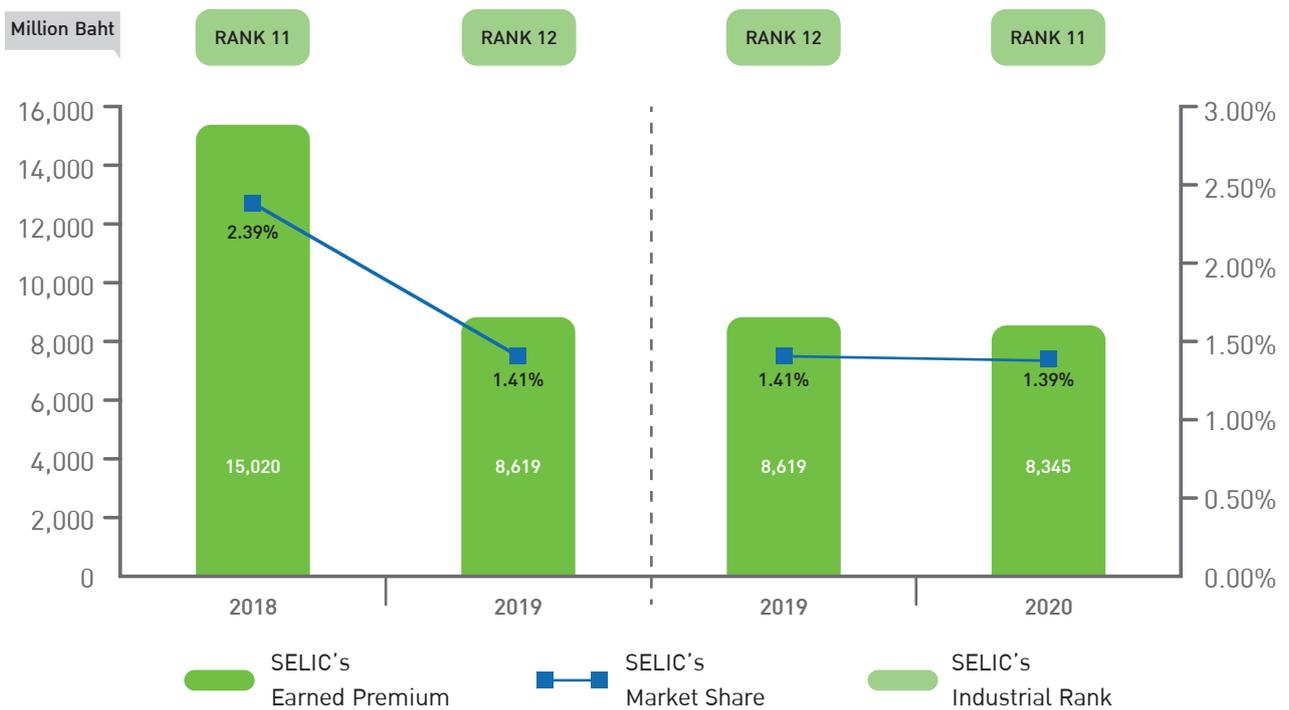
insurance premium of Baht 231,569 million and a decreased growth rate of 5.83%. The third distribution channel was through brokers with 3.97%, total life insurance premium of Baht 23,809 million and a growth rate of 5.06%. The other distribution channels would be 4.08%, with a total life insurance premium of Baht 24,480 million and a decreased growth rate of 1.72%, respectively.

Life Insurance Premium: Classified by Sales Channels



Source: Thai Life Assurance Association

Earned Premium and Market Share of SELIC



In 2020, SELIC had a total earned premium of Baht 8,619 million and a market share at 1.39% of a total industrial earned premium, moving to the ranking the 11th in the industry. The growth rate decreased by 3.18 %

Non-Life Insurance Business Overview

The Thai economy in 2020 was expected to decline from the previous year. The GDP growth rate decreased by 6.0% from 2019, a 2.4% growth, according to the Office of the National Economic and Social Development Council (NESDC). As for the non-life insurance business, the growth rate was in

the opposite direction of the Thai economic expansion. From 2012 to 2020, the direct earned premium grew at an average of 4.37% per year.

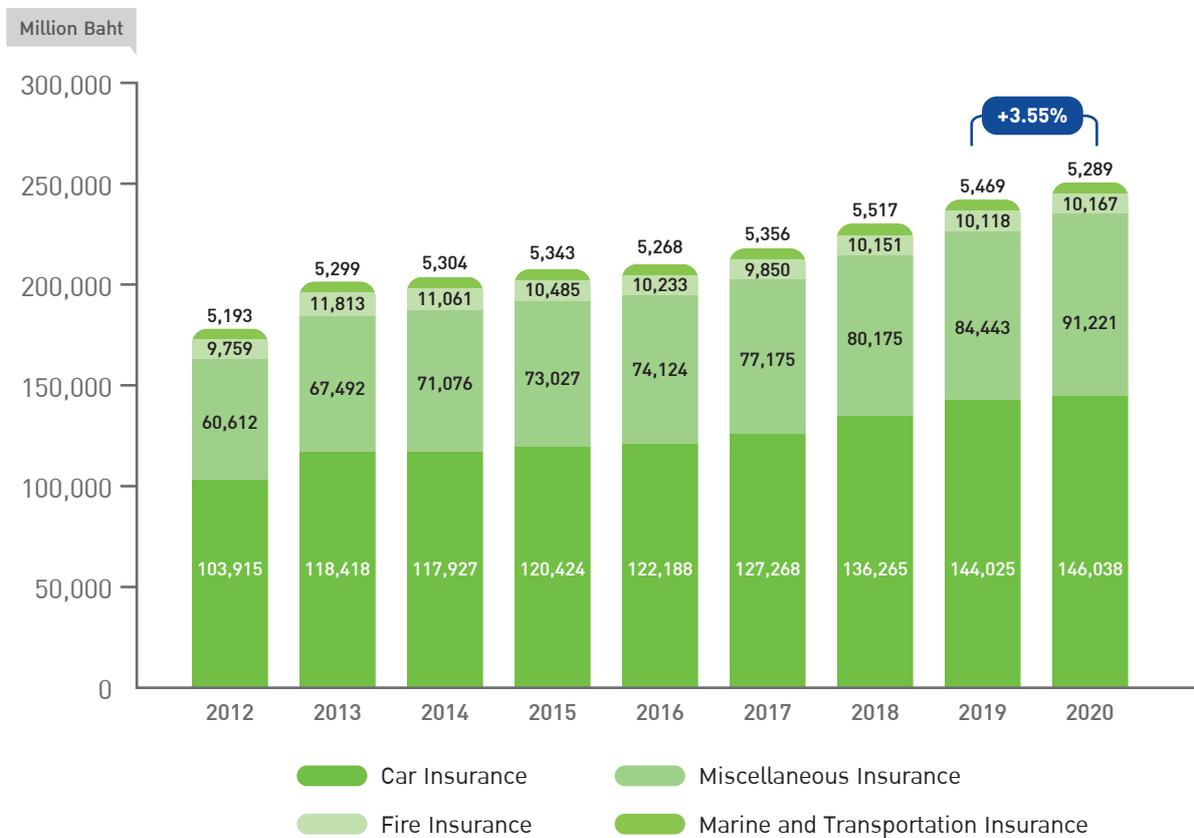
The non-life insurance business continued to grow steadily. In 2020, the total directly earned premium was Baht 252,716 million, representing a growth rate of 3.55% compared to the previous year in the opposite direction of Thailand's economic expansion. When classified by insurance type, it was found that motor insurance was the number one premium ratio of the non-life insurance business. It had 57.79% of the total directly earned premium of the non-life insurance business. The growth was 1.40%

compared to the same period of the previous year. Second place was miscellaneous insurance, such as accident insurance, all risks and property insurance etc. for 36.10% of the total directly earned premium of the non-life insurance business, growing at 8.03% compared to the same period of the previous year. Third place was fire insurance for 4.02% of the total directly earned premium of the non-life insurance business, growing at 0.49% compared to the same period of the previous year. Marine and transportation

insurance had 2.09% of the total directly earned premium of the non-life insurance business, growing at 3.28% compared to the previous year.

In addition, it was found that the non-life insurance premium per GDP (Insurance Penetration Rate) was 1.61% and the direct-to-population earned premium (Insurance Density) was over Baht 3,797 per person and representing a growth rate of 3.55% compared to the previous year.

Non-Life Insurance Premium: Classified by Types



Source: Business Statistics of Non-Life Insurance; Office of Insurance Commission (OIC)

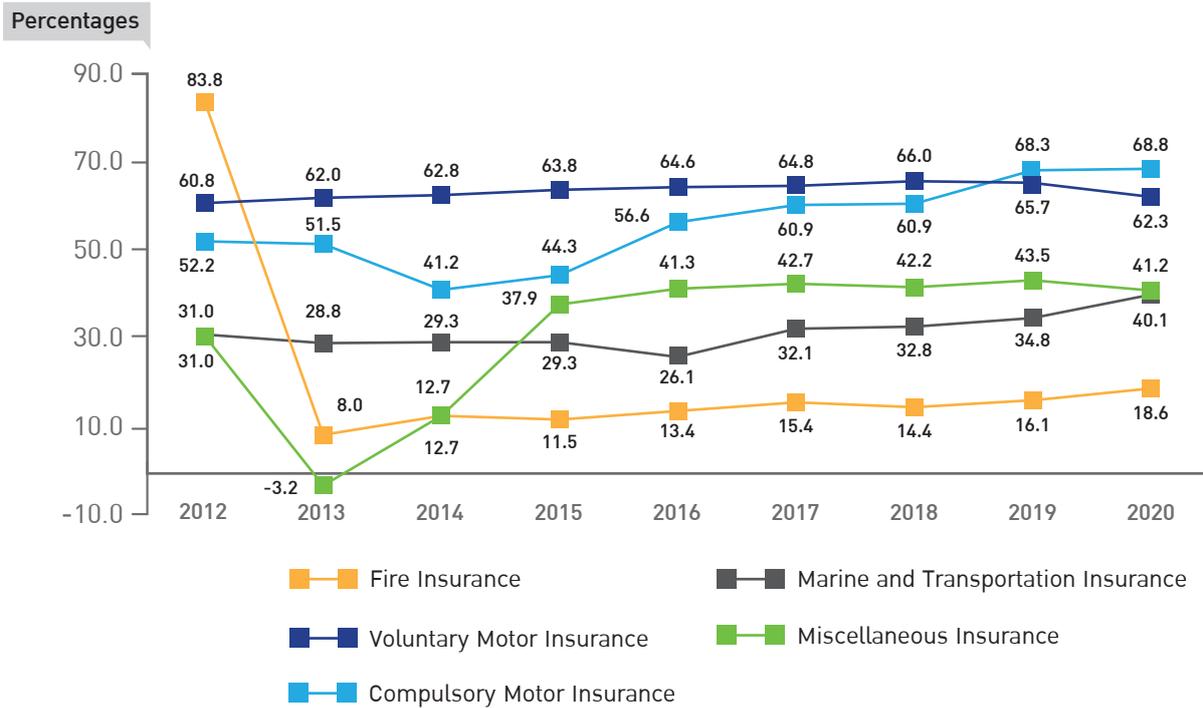
Non-Life Insurance Premium per Population and GDP



Source: Business Statistics of Non-Life Insurance; Office of Insurance Commission (OIC), Office of the National Economic and Social Development Council (NESDC) and Registration Statistics System

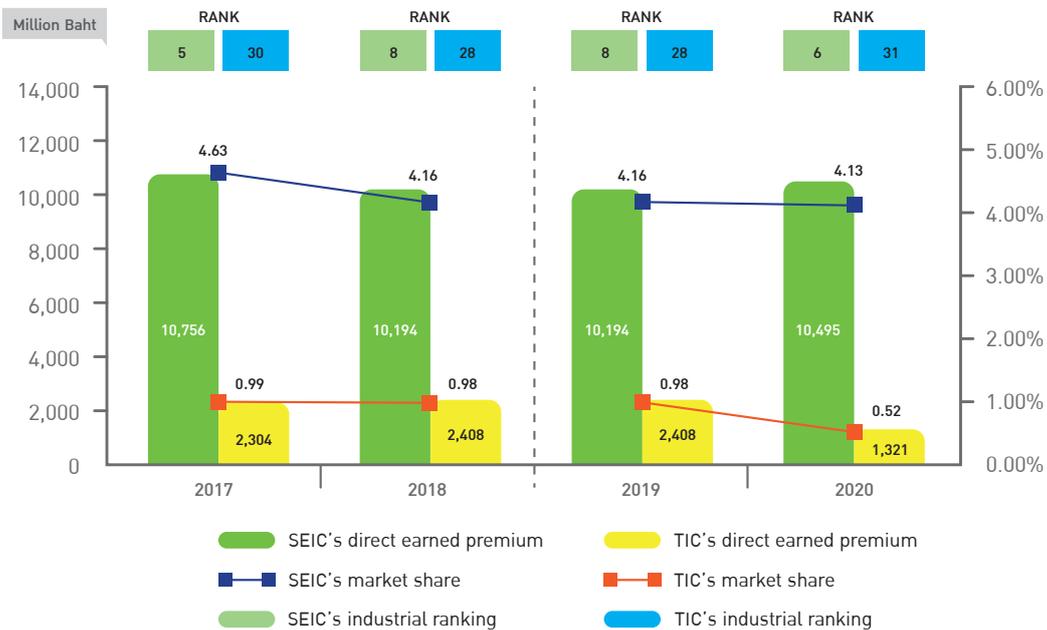
The non-life insurance business recorded a loss ratio of 55.34%, decreasing from the previous year. The type of insurance that had the highest loss ratio is the motor insurance at 63.16%, second place was miscellaneous insurance at 41.19% and third place was marine and transportation insurance at 40.06%. Lastly, fire insurance was at 18.63%.

Claims Rate: Classified by Types



Source: Business Statistics of Non-Life Insurance; Office of Insurance Commission (OIC) and Thai General Insurance Association

Non-Life Insurance Premium and Market Share of SELIC and TIC



Source: The Insurance Premium Rating Bureau (IPRB), Thai General Insurance Association

SEIC has seen a greater directly earned premium and a lesser market share growth in 2019 with a market share at 4.16 percent of the total industrial direct earned premiums. In 2020, it had a market share at 4.13% of the total industrial direct earned premiums and ranked the 6th in the industry. The directly earned premium in 2019 decreased from 2018 by 5.23% and the directly earned premium in 2020 increased by 2.96% from 2019.

TIC has seen a greater directly earned premium and market share growth in 2019 with a market share at 0.98 percent of the total industrial direct earned premiums. It is ranked the 28th company in the industry. In 2020, it had a market share at 0.52% of the total industrial directly earned premiums and ranked the 31st company in the industry. The directly earned premium in 2019 increased from 2018 by 4.54% and the directly earned premium in 2020 decreased by 45.16% from the year 2019.

Overview of Leasing Business

The car rental business is divided into two categories: short-term rental car business with less than 1 year of service term and long-term rental car business or operating lease with more than 1 year of service term. SECAP's leasing business is mainly in operating leases. The situation of the coronavirus (COVID-19) pandemic affected some of our businesses but with the comprehensive service strength and one stop service; we were still able to maintain a large customer base such as government agencies, state enterprises, private companies as well as other companies in the TCC Group.

However, production volumes are expected to recover in 2021-2022 with an average growth

at 3.0-5.0% per year consistent with the gradual economic recovery. The estimated car production in 2021 is approximately 1,500,000 units; an increase from the previous year of 73,030 units or 5.12%; divided into approximately 750,000 units or 50% of international sales production from total production and approximately 750,000 units or 50% of domestic sales production from total production.

The car rental business for operations has the main target customers as juristic person customers because of financial burden mitigation. The customer's companies do not have to invest in car purchasing and bear any burden such as maintenance fees, registration fees, annual vehicle taxes, etc. In addition, there is vehicle replacement service available when the rental vehicle unavailable for business damage mitigation.

Overall, the auto industry contracted severely in 2020. The total car production was 1,426,970 units; a decrease from the previous year at 29.1%; divided into domestic sales contraction at -21.4% and international sales contraction at -30.2% consistent with the Thai economy contraction by -6.1% which is affected by the virus pandemic causing the decrease of consumers' purchasing power.

In 2020, the used car dealership industry (the used car market) shrank in the same direction as the new car sales with the lowest sales (ownership transfer) in April at approximately 107,500 units compared to the same month in the previous year with more sales at 150,000 - 160,000 units as affected by the coronavirus (COVID-19) pandemic.

However, the used car market is expected to be affected less than the new car market. It has received increasing attention consistent with

the pandemic recovery of the coronavirus disease (COVID-19) on health concerns. The used car market is also an exchange market for upgrading the size or type of car according to each age changing needs (Life cycle) without relying on large cash or loan.

Data source: Based on Information from the Automotive Industry, The Federation of Thai Industries (F.T.I.)
And Review from Kiatnakin Phatra Research Center

Procurement of Products or Services

Sources of Fund

- The Company's life insurance business has two main sources of funds as its paid-up capital. Primary operating cash flow is earned premium income and investment income.

- The Company's non-life insurance business has two main sources of fund as its paid-up capital. Primary operating cash flow is earned premium income, investment income.

- The Company's leasing business has three main sources of funds as its paid-up capital. Cash flow is from main operations and loans.

Non-Delivered Work

-None-

Significant Events in 2020

January

the Company established Southeast Money Company Limited “SEM” (formerly known as SEG Capital Company Limited) which is engaged in the operation of credit services. The Company holds 99.99% of the shares in SEM.

March

the Company established Southeast Money Retail Company Limited (formerly known as SEG Money Company Limited) which is engaged in the operation for consumers’ loan. The Company holds 100% of the shares through Southeast Money Company Limited.

May

Rod Dee Det Auto Company Limited (“RDD”) in which TGH holds 99.99% of the paid-up capital, made voluntary a tender offer in all share capital of Indara Insurance Public Company Limited (“INSURE”).

June

Sinn Bualuang Capital Company Limited (“SBC”) changed the company name to Pro Checker Company Limited and the company’s objective to surveyor business.

July

the Company established Sentrics Consulting Company Limited (“Sentrics”) which is engaged in the operation of data analytic consulting. The Company holds 69.99% of the shares in Sentrics.

September

In the 2020 Annual General Meeting of shareholders, there was the resolution for the Company regarding registered capital as follows:

- To decrease the Company’s registered capital from Baht 7,536,401,860 to Baht 7,520,978,320 by eliminating the unissued ordinary shares which were not the ordinary shares reserved for rights totalling 1,542,354 shares at par value of Baht 10.00, and amended the Memorandum of Association of the Company.
- To increase the Company’s registered capital from 7,520,978,320 baht to Baht 12,033,565,300 under the General Mandate allocation. The objective is to maintain the status as a public limited company in the Stock Exchange of Thailand (“SET”) with free float not less than 15%

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October

- Sinn Bauluang Leasing Company Limited changed the company name to Pro Garage Company Limited and amended the company's objective to operation of garage management and spare parts distribution business.
 - The Company's Board of Directors' Meeting resolved to appoint Mr. Thakorn Piyapan as a Chief Executive Officer in replacement of Mr. Chotiphat Bijananda, effective from November 1, 2020.
-

November

the Company's minority shareholders was 19.16% of its paid-up capital in accordance with the criteria of limited company defined by SET.

Risk Factors and Risk Management

The risk factors which are identified in this section are material as considered by the Company. These factors may have significant negative impacts on the financial position, performance, common share value, including return on equity on negative side. Additionally, there are unexpected or unimportant risk factors, which might affect the financial position, performance, common share value, including return on equity with materiality.

Business risk in life insurance and non-life insurance

- **Strategic risk**

Currently, the outside environmental change occurs in domestic and global economies, industry competition, market, labor, consumer behavior, climate change, including other disasters. These factors influence the achievement of the Company's goals.

To reduce these risks, SELIC, SEIC and TIC as the subsidiaries set up the business plan and annual action plan in line with each company's vision. To create the plan, these subsidiaries assess current risk, expected risk and operation risk. They monitor the situation during the year in terms of economics, politics, market, competition, etc., to consider and modify the plan. Consequently, SELIC, SEIC and TIC can operate efficiently and achieve the set goals.

To meet the Company's goal, SELIC, SEIC and TIC have improved their internal control systems, with more efficient workflows, lower cost and more obvious evaluation systems. The strategic department is responsible for summarizing the situation of operation and the status of the success plan. The risk management as mentioned above would help identify risk expectation,

risk prevention or business opportunities.

- **Insurance risk**

SELIC, SEIC and TIC have set the insurance premium rate to correspond with risk level. They use statistics, assumption about frequency and severity of disaster as the standard of the actuary in each products' price which is an important factor to set the appropriate and competitive insurance premium rate.

The operation of these companies is directly related to various types of risk protection of the insured. Consequently, SELIC, SEIC and TIC have several risk prevention approaches as well as reinsurance with the regular review of the underwriting policy by the authorized executives. Regarding risk appetite and maximum operational efficiency, the insurance department will assess, survey, and analyze risk thoroughly including generating performance reports for the review and advice of chief executives continuously. Simultaneously, these subsidiaries have an ability to follow the insured's obligations fairly and build risk reduction which affects indemnity amounts and expected future cash flow.

SELIC, SEIC and TIC have risk diversification for all types of insurance especially high coverage insurance. The risk diversification is distributed to both domestic and foreign selected reinsurance companies with credit rating not less than A or Capital Adequacy Ratio (CAR) per the standard of the Office of the Insurance Commission (OIC) to ensure that the insured will not be affected by disaster in terms of amount and the severity of disaster; in addition, the companies get an advantage of risk prevention.

- **Operating risk**

Operating Risk arises from internal operation process, people, work systems or external factors that will affect the activities of SELIC, SEIC and TIC and cause damage to the company. SELIC, SEIC and TIC arrange an internal control system and qualified person in order to be capable of working efficiently, improve working process to keep up with business change and be capable of supporting business operation.

Additionally, SELIC, SEIC and TIC have prepared risk registration which identifies risks of each department, risk factors, risk indicators and risk control and measures for risk protection for each department. Furthermore, the board of directors of each company set up a risk management policy which includes risk management process and regular performance reports for executives in order to have efficient and effective risk management and compliance with rules and regulations of both the companies and other regulators.

In terms of impacts and external risk factors, SELIC, SEIC and TIC have arranged a business continuity plan (BCP) for the businesses' going concerns if there is business interruption.

- **Distribution channel risk**

Distribution channel risk occurs from over main income from one of the distribution channels. If there are unexpected changes, it might affect the competitive advantage or business growth. Currently, SELIC generates higher insurance premium revenue from financial institution channels. The risk management policy is to develop potential and increase revenue from other channels such as sales representative, group insurance, telesales, online, including product

development and technology to respond customer's requirements, which results in satisfaction and lends to continuous improvement.

- **Investment Risk**

The investment of SELIC, SEIC and TIC continues in accordance with the scope, the requirement of OIC and other related laws which is an important mechanism in prudent and concise investment management of the Company.

Revenue on investment comes from interest income, dividend and profit (loss) from underwriting, where any change in domestic and global economics, politics as well as financial policy will influence the revenue on investment. SELIC, SEIC and TIC have a direct division responsible for investment management in situation analysis, risk assessment and strategic adjustment for any situations.

The Board of Directors of SELIC, SEIC and TIC have reviewed investment policy continuously to have prudent and maximum efficient investment in a risk appetite framework.

- **Interest Rate Risk**

The movement in interest rate will influence SELIC, SEIC and TIC in many ways as follows:

The fluctuation of financial statement

The movement in interest rate has an impact on the financial statement of SELIC, SEIC and TIC, where these companies have to adjust loss reserves and outstanding claims according to the insurance policy, and the financial statements may be volatile. Therefore, SELIC, SEIC and TIC have arranged risk management by product mix strategy to suit the situation.

Return on investment from debt instruments

SELIC, SEIC and TIC have invested in debt instruments that are directly affected by the movement of interest rates. When interest rates decrease, these companies are liable to have lower return especially from government bonds, while an investment in private bonds generates higher yield than limited asset investment. Consequently, SELIC, SEIC and TIC have measured in an alternative investment for greater return, risk appetite management and the controllable Capital Adequacy Ratio (CAR).

- **Capital level maintenance risk**

SELIC, SEIC and TIC operate life insurance and non-life insurance business under the corporate governance of OIC, which sets the CAR criteria not less than 120 percent. SELIC, SEIC and TIC have measures to investigate and evaluate the CAR regularly.

Risk from operation in leasing business

- **Strategic risk**

In the past, there were many leasing and hire purchase operators of which the shareholders are foreign financial institutions and automobile manufacturers. The more drastic competition causes price wars and lower returns for each company.

However, SECAP has an obvious target market selection strategy for the target group who have vehicle requirements and potential for rental payment in both public and private sectors. Moreover, SECAP has implemented computer technology systems for efficient management and thorough service tracking.

- **Capability for rental payment risk**

Rental income is the main revenue for the car leasing business, so the capability for rental payment

is the important factor. If a lessee is unable to pay rental or pay, there is an impact on the liquidity, income and profit of the company. SECAP has a filtration process for customers with target market selection policy and monitoring process carefully.

- **Interest rate risk**

SECAP has identified fixed rental fee throughout the contract period (mostly 3–5 years). While the borrowing costs depend on market interest rate, which might directly influence cost and profit of SECAP, SECAP has risk management policy for the following:

(1) Duration Gap to find source of long term investment to correspond with rental property investment and interest rate

(2) Interest Rate Gap to maintain adequate level of interest rate gap for profitability and competition. Generally, SECAP finds a suitable source of fund or loan restructuring in accordance with the contract period.

- **Residual value management risk**

With reference to car rental operation, the operating lease for corporate lessees with rental period of 3–5 years, most assets will be sold out when the lease agreement expires. In some cases, SECAP has an agreement for its tenants or car users to exercise the right to purchase rental cars as specified in the contract's conditions. Therefore, the main revenue in the leasing business of SECAP consists of monthly car rental throughout the contract period and car sale after the expiration date.

For car rental fee calculation, SECAP will evaluate car residual value and expected costs, including other administration expenses. The residual value is the future fair value which SECAP expect to sell after the expiration date. The appraisal for residual value is very important. If SECAP underestimates the residual value, costs of sale will be higher and monthly rental fee charged to the lessees will be higher too—a disadvantage for competition. In contrast, if SECAP overestimates the residual value, cost of sales will be lower and monthly rental fee charged to the lessees will be lower too, and there is a loss from car sales after the expiration date. Therefore, SECAP has risk for residual value appraisal deviating from the future fair value, which has an impact on financial position and performance in materiality. Based on long term experience, SECAP is capable of managing residual value efficiently. Furthermore, SECAP has surveyed and collected data for second hand market car price regularly for the trend of automobile analysis.

- **Risk from incapability to sell for expired rental cars or slow-moving car sale or car sale under the-expected residual value cars**

When a car lease contract expires, SECAP will turn all the cars to second-hand cars from various distribution channels. Therefore, SECAP has risk from car sale in many cases as follows:

1. Risk from incapability to sell for expired rental cars will result in a lot of second-hand car inventory and storage costs.
2. For slow-moving car sale, risk from asset impairment will appear and car price is likely to be lower.
3. Risk from car sale for under-expected residual value cars will result in loss on sale and influence on

SECAP's performance. Cars are an asset with high liquidity and wide supporting market. In addition, the brand of most rental cars is quite famous with trading liquidity. The saleable cars depend on many factors such as current car market situation, car brand and model, vehicle condition and distribution channel. Furthermore, SECAP has surveyed and collected data for second hand market car price regularly for the trend of automobile analysis.

- **Risk from non-compliance in debt covenant**

SECAP has an interest-bearing debt to equity ratio (IBD/E Ratio) that is calculated with the shareholder loan which is included in shareholders' equity as of December 31, 2018, December 31, 2019 and December 31, 2020 equal to 2.8, 2.8 and 1.4, respectively. SECAP has an operation procedure to control the compliance to the conditions of loan contract and assigned a chief financial officer to control the compliance to the condition of various loan agreements.

Emerging Risk

The unforeseen risk that the Company has never encountered. It is difficult to estimate an opportunity and severity of occurrence because of and changes in environmental factors such as politics, law, society, technology, physical environment and natural change. These factors challenge the business, for example regulation change, rapid technology change (e.g. electric vehicle, artificial intelligence, internet of things, insure tech), consumer behavior change, new distribution channels, climate change disaster, including frequency and severity of natural disasters. The company realizes these external risk factors and connects the revised risk management to the business

strategy.

In 2020, due to the pandemic of Coronavirus Disease 2019, or COVID-19, the Company revised its strategic plan from the current outbreak situation which affects the economic expansion and activated its business continuity plan (BCP) to be completely capable of responding to the requirements of customers and partners.

Major Shareholders

Major shareholders of the Company as of the Record Date on November 30, 2020

Major Shareholders	Shares	% of shares
1. Pholmankhong Business Co., Ltd. ⁽¹⁾	338,444,024	45.00
2. Southeast Management Company Limited ⁽²⁾	236,126,778	31.40
3. Thai Siriwattana Company Limited	37,500,000	4.99
4. Prestige 2015 Company Limited	37,367,000	4.97
5. Sinthanarat Company Limited	37,000,000	4.92
6. UBS AG SINGAPORE BRANCH	33,437,144	4.45
7. DBS BANK LTD	22,618,800	3.01
8. TQM Corporation Public Company Limited	3,600,000	0.48
9. The Crown Property Bureau	765,672	0.10
10. Thanpuying Dhasanawalaya Sornsongkram	648,494	0.09
11. Others	4,589,920	0.59
Total	752,097,832	100.00

Remark: ^{(1) (2)} The Ultimate shareholders of these companies are Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi

Report of Changes in Securities holding of Directors and Executives

Report of Changes in Securities holding of Directors and Executives Of Thai Group Holdings Public Company Limited as of December 31, 2020

Director	Number of Ordinary shares		Increase/ (Decrease)
	31 Dec 2020	31 Dec 2019	
1. Mr. Charoen Sirivadhanabhakdi	-	281,103,971	(281,103,971)
Spouse and Minor child	-	281,103,971	(281,103,971)
Juristic persons which holding more than 30%	562,207,942*	-	562,207,942*
2. Khunying Wanna Sirivadhanabhakdi	-	281,103,971	(281,103,971)
Spouse and Minor child	-	281,103,971	(281,103,971)
Juristic persons which holding more than 30%	562,207,942*	-	562,207,942*
3. Mr. Areepong Bhoocha-oom	-	-	-
Spouse and Minor child	-	-	-
4. Mr. Chotiphat Bijananda	-	-	-
Spouse and Minor child	-	-	-
5. Mrs. Atinant Bijananda	-	-	-
Spouse and Minor child	-	-	-
6. Mr. Thapana Sirivadhanabhakdi	-	-	-
Spouse and Minor child	-	-	-
7. Mrs. Kulpatra Sirodom	-	-	-
Spouse and Minor child	-	-	-
8. Mr. Yothin Pibulkasetkij	-	-	-
Spouse and Minor child	-	-	-
9. Mr. Padungdej Indralak	-	-	-
Spouse and Minor child	-	-	-

Executive	Number of Ordinary shares		Increase/ (Decrease)
	31 Dec 2020	31 Dec 2019	
10. Pol. Gen. Jate Mongkolhutthi	-	-	-
Spouse and Minor child	-	-	-
11. Mr. Somchai Sujjapongse	-	-	-
Spouse and Minor child	-	-	-
12. Mr. Apichai Boontherawara	-	-	-
Spouse and Minor child	-	-	-
13. Miss Rungthong Jintanamalagit	-	-	-
Spouse and Minor child	-	-	-
14. Miss Orawan Vorapanya	-	-	-
Spouse and Minor child	-	-	-
15. Mr. Trirong Butragaht	-	-	-
Spouse and Minor child	-	-	-
16. Miss Fah Mahanavanont	-	-	-
Spouse and Minor child	-	-	-
17. Mr. Thakorn Piyapan	-	-	-
Spouse and Minor child	-	-	-

Remarks: *The total number of shares held by Mr. Mr. Charoen and Khunying Wanna Sirivadhanabhakdi through the juristic person which holding more than 30%

Dividend Policy

Dividend Policy of the Company

The Company's dividend policy is to pay out dividend to the shareholders at a rate of not less than 50% of the net profit reported in the Company's separate financial statements after deduction of corporate income tax and the appropriation of required legal reserve and other reserve (if any) by its Articles of Association and applicable law, but must not have retained deficits in shareholder's equity. However, the dividend policy, for the consideration of the Board of Directors, will be taken into account. The dividend payment may possibly be affected by the following factors: the current economic situation, business performance, financial position, financial liquidity, reserve for business expansion, investment plan, repayment or working capital and other concerns appropriately considered by the Board of Directors.

Generally, final dividend is authorized by the shareholders' resolution in the Annual General Meeting, whereas interim dividend is approved by the Board of Directors and will be reported in the next shareholders' meeting.

Dividend Policy of Subsidiaries

Dividend Policy of SELIC, SEIC and SECAP

The subsidiary companies' dividend policy is to pay out dividend to their shareholders at a rate of not less than 50% of the net profit reported in the subsidiary companies' separate financial statements after deduction of corporate income tax and the appropriation of required legal reserve and other reserves (if any) by its Articles of Association and applicable law, but must not have retained deficits in shareholder's equity.

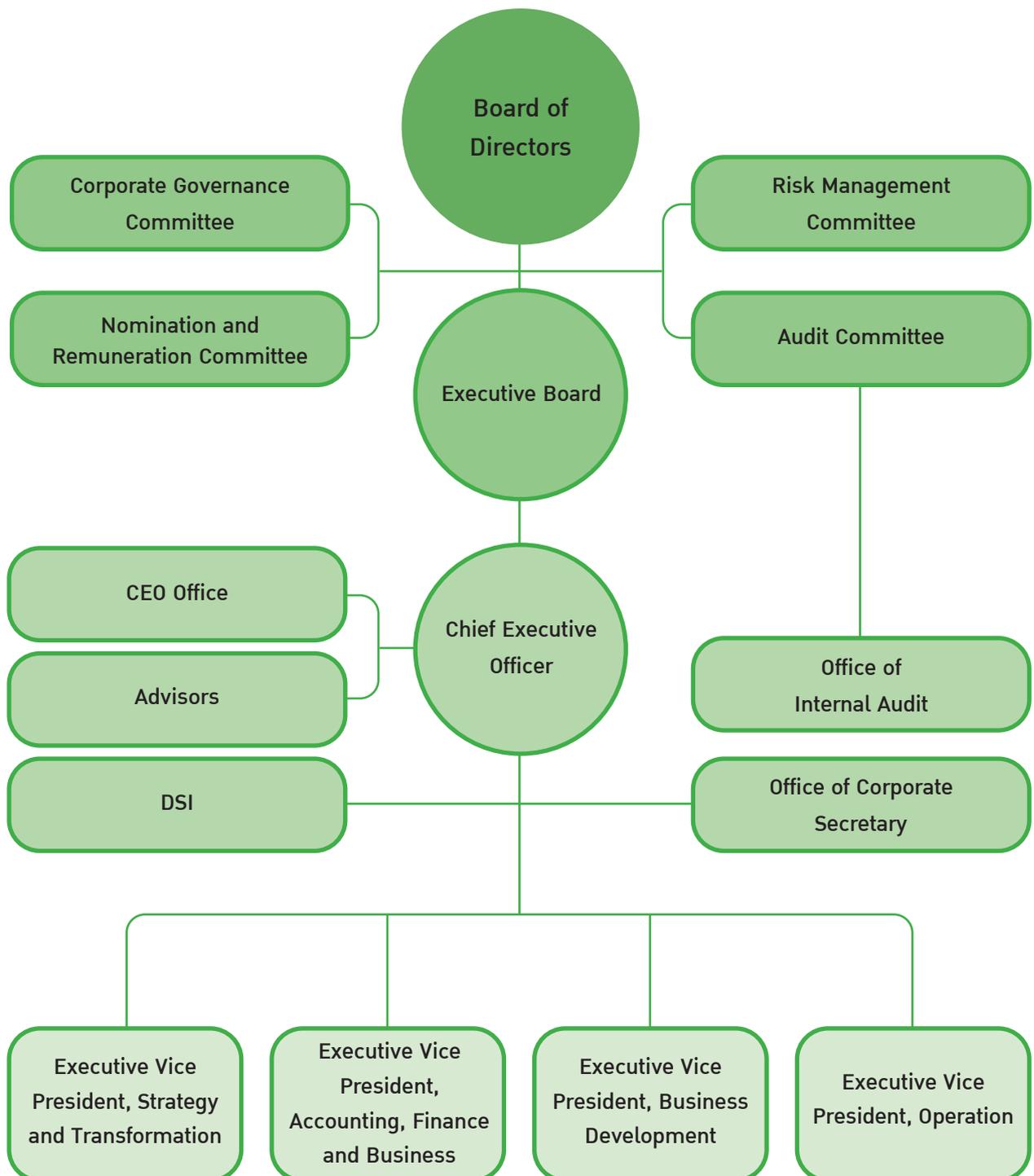
However, the dividend policy, for the consideration of the Board of Directors, will be taken into account. The dividend payment may possibly be affected by the following factors: the current economic situation, business performance, financial position, financial liquidity, reserve for business expansion, investment plan, repayment or working capital and other concerns appropriately considered by the Board of Directors.

Dividend Policy of Thai Insurance Public Company Limited

The Dividend Policy of Thai Insurance Public Company Limited is to pay out dividend to their shareholders at a rate of not less than 40% of the net profit. For the dividend policy, the Board of Directors will take into account business performance, current economic situation, capital adequacy as legal requirement and business expansion.

Organization Chart

Organization chart as of December 31, 2020
as follows



Management Structure

The management of the Company consists of the Board of Directors and the following sub-committees appointed by the Board of Directors:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Governance Committee
4. Risk Management Committee
5. Executive Board

The Company's Board of Directors and sub-committees are as follows:

Board of Directors

In accordance with its Articles of Association, the Company will have a Board of Directors comprised of at least five members to conduct the Company's business, not less than half of whom must reside within the country.

As of December 31, 2020, the Board of Directors consists of 12 members as follows:

Directors	Position	Appointment date as a director
1. Mr. Charoen Sirivadhanabhakdi	Chairman of the Board of Directors	June 29, 2018
2. Khunying Wanna Sirivadhanabhakdi	Vice-Chairman of the Board of Directors	June 29, 2018
3. Mr. Areepong Bhoocha-oom	Vice-Chairman of the Board of Directors / Chairman of the Corporate Governance Committee	July 11, 2018
4. Mr. Thapana Sirivadhanabhakdi	Directors / Member of the Corporate Governance Committee	June 11, 2018
5. Mrs. Kulpatra Sirodom ⁽¹⁾	Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance Committee	July 11, 2018
6. Mr. Yothin Pibulkasetkij ⁽¹⁾	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee	July 11, 2018
7. Mr. Padungdej Indralak ⁽¹⁾	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration / Member of the Risk Management Committee	July 11, 2018
8. Pol. Gen. Jate Mongkolhutthi	Independent Director / Chairman of the Risk Management Committee	July 11, 2018
9. Mr. Chotiphat Bijananda	Director / Chairman of the Executive Board / Member of the Nomination and Remuneration Committee	June 29, 2018
10. Mrs. Atinant Bijananda	Director / Member of the Executive Board	June 29, 2018
11. Mr. Somchai Sujjapongse	Director / Member of the Executive Board / Member of the Corporate Governance Committee / Member of the Risk Management Committee	July 11, 2018
12. Mr. Apichai Boontherawara	Director / Member of the Executive Board	June 29, 2018

Remark: ⁽¹⁾ The directors have extensive knowledge and experience to review the reliability of the financial reports

Composition of the Board of Directors

The four non-executive directors consist of :

1. Mr. Charoen Sirivadhanabhakdi
2. Khunying Wanna Sirivadhanabhakdi
3. Mr. Areepong Bhoocha-oom
4. Mr. Thapana Sirivadhanabhakdi

The four independent directors consist of :

1. Mrs. Kulpatra Sirodom
2. Mr. Yothin Pibulkasetkij
3. Mr. Padungdej Indralak
4. Pol. Gen. Jate Mongkolhutthi

These four independent directors comply with the qualifications of an independent director of the company and in accordance with the requirements of the Capital Market Supervisory Board.

Authorized Director

Pursuant the Company's Affidavit as of September 18, 2020, the Company's authorized directors are : Mr. Charoen Sirivadhanabhakdi, Khunying Wanna Sirivadhanabhakdi, Mr. Areepong Bhoocha-oom, Mr. Chotiphat Bijananda, Mrs. Atinant Bijananda, Mr. Thapana Sirivadhanabhakdi, Mr. Somchai Sujjapongse and Mr. Apichai Boontharawara, any two of these eight directors can jointly sign with the Company's seal affixed.

Meeting of the Board of Directors

The Company scheduled at least a quarterly meeting of the Board of Directors. The meeting schedule has been set in advance and notified to each director by January of each year in order to allocate time to attend the meeting. In recent years, the Company had 13 meetings of the Board of Directors and each director has the attending proportion at least percentage of 75 of all meetings throughout the year. The average attending the meetings of entire directors at percentage of 98.72 of which details are as follows:

Directors	Meeting Attended/ Total Meetings (during January 1 – December 31, 2020)	
	Board of Directors	AGM
1. Mr.Charoen Sirivadhanabhakdi	13/13	1/1
2. Khunying Wanna Sirivadhanabhakdi	13/13	1/1
3. Mr. Areepong Bhoocha-oom	12/13	1/1
4. Mr. Thapana Sirivadhanabhakdi	12/13	1/1
5. Mrs. Kulpatra Sirodom	13/13	1/1
6. Mr. Yothin Pibulkasetkij	13/13	1/1
7. Mr. Padungdej Indralak	13/13	1/1
8. Pol. Gen. Jate Mongkolhutthi	13/13	1/1
9. Mr. Chotiphat Bijananda	13/13	1/1
10. Mrs. Atinant Bijananda	13/13	1/1
11. Mr. Somchai Sujjapongse	13/13	1/1
12. Mr. Apichai Boontherawara	13/13	1/1

Remarks ⁽¹⁾ The directors who were absent from the meeting(s) are due to prior scheduled commitments.

⁽²⁾ AGM means the 2020 Annual General Meeting of shareholder hold on September 3, 2020

Scope of Duties and Responsibilities of the Board of Directors are as follows:

- To perform duty of responsibilities, duty of care and fiduciary duty to comply with the law, the Company's objectives and regulations as well as the resolution of the shareholders' meeting ;
- To conduct corporate business operations ethically such as preparing the Corporate Governance Policy of the company and its subsidiaries according to the principles of Good Corporate Governance; Business Ethics and Code of Conduct for directors, executives and employees of the company and its subsidiaries; including declaring acknowledgment, determining compliance and monitoring performance ;
- To determine the details and approve the business visions, strategies, policies, goals, guidelines, operating plans and annual budget of the company and its subsidiaries as prepared by the management team and presented to the Board of Directors; including surveillance of the administration and management by the management team in accordance with the policies, plans and budgets as defined, effectively ;
- To corporate the administration and performance by the management team or any person assigned to such duties in order to comply with the policy by the Board of Directors ;
- To monitor the performance of the company in order to comply with the operating plans and budgets of the company, successively ;
- To operate the management team to provide an accounting system, financial reporting and reliable auditing as well as surveillance over an adequate and appropriate internal control system ;
- To review the risk management process and

the risk management policy including monitoring the performance of the risk management ;

- To consider and approve the acquisition or disposition of assets, investments and any activities in accordance with the relevant laws, announcements, requirements and regulations ;
- To consider and approve the Company's related party transactions in accordance with relevant laws, announcements, requirements and regulations
- To supervise and ensure that the Company's stakeholders have no conflicts of interest among them
- To consider any matters regarding the benefits of all shareholders and stakeholders of the Company to be fairly. The directors must notify the Company without delay when their stake occurred in the contract with the Company. For the transactions made with directors or persons who may have a conflict of interest, the directors with a conflict of interest shall have no right to vote on such transactions ;
- To establish the Corporate Governance Policy in writing, according to the principles of Good Corporate Governance and review the Corporate Governance Policy of the company to ensure the fair responsibility to all stakeholders ;
- To seek professional opinions from outside organizations, if necessary and to make an appropriate decision ;
- To consider an appointment of the Chief Executive Officer and sub-committees such as the Audit Committee and the Executive Board, etc. including determining the authority and duties of the Chief Executive Officer and sub-committees aforementioned to supervise the management and internal control systems in accordance with the established policies ;
- To consider an appointment of the company

secretary in order to surveillance the Board of Directors and the Company to comply with the related laws, announcements, requirements and regulations ;

- To consider revising the authority, duties and responsibilities of the Audit Committee, Executive Board and the Chief Executive Officer as it seems appropriate and necessary ;

- To evaluate the performance of the Board of Directors. The Board of Directors shall evaluate their performance annually and consider process to increase efficiency of their own performance ;

- To conduct a proper information dissemination and declaration to stakeholders, persons with a conflict of interest and related persons in correct, complete, appropriate and punctuality ;

- To supervise the subsidiaries as a division of

the Company and surveillance over the subsidiaries to strictly comply with its own regulations ;

- To consider an approval of the transactions or any operations of the subsidiaries and/or associated companies as specified in the Company’s Articles of Association; except for the appointment or nomination of the directors or executives in the main business of the company (as defined in the Company’s Articles of Association), at least with the proportion of the Company’s shareholding in its main business. In this case, the Board of Directors may assign the executive committee as the authorized operators within the scope of authority and time period specified by the Board of Directors as it seems appropriate. The Board of Directors may cancel, revoke or amend such authority as well ;

- To approve the nomination of the auditors and consider the annual audit fee then propose to the shareholders for approval.

Sub-Committees

Audit Committee

The Company’s Board of Directors approved to appoint the members of the Audit Committee whose have the qualification as required by law specified by Stock Exchange of Thailand (SET).

As of December 31, 2020, the Audit Committee comprised of three independent directors as the following details

Name	Position	Appointment Date	Meeting Attendance
1. Mrs. Kulpatra Sirodom	Chairman	February 28, 2019	7/7
2. Mr. Yothin Pibulkasetkij	Member	July 11, 2018	7/7
3. Mr. Padungdej Indralak	Member	July 11, 2018	6/7

Remark: Mrs. Kulpatra Sirodom, Mr. Yothin Pibulkasetkij and Mr. Padungdej Indralak have extensive knowledge and experience to review the reliability of the financial reports Mr. Vichan Assawarangi serves as the secretary to the Audit Committee.

Composition and Appointment of the Audit Committee

The audit committee must consist of 3 members at least and be appointed by the Board of Directors. Each member must be an independent director who can exercise his or her own discretion independently with ability to read and understand the fundamentals of the financial statements, which are required to perform as the audit committee's member. At least one member of the audit committee must have sufficient knowledge and experience to perform the duty of reviewing the financial statements' reliability. The audit committee can communicate directly with the external auditors, internal auditors and the management team of the company and its subsidiaries.

The Audit Committee or the Board of Directors will appoint an audit committee member as the chairman of the audit committee.

The Audit Committee is responsible for an appointment of the head of the Internal Audit function to serve as secretary of the Audit Committee then support the Audit Committee in performances, meeting appointments and other tasks assigned by the Audit Committee.

Scope of Duties and Responsibilities of the Audit Committee

- Review the Company and its subsidiaries to establish accurate and adequate financial reports in accordance with financial reporting standards by coordinating external auditors and executives responsible for preparing financial reports, both quarterly and annually. The Audit Committee may recommend the auditors to review or examine any items as it seems important and necessary during

the audit of the company and its subsidiaries.

- Review the internal control to ensure that the Company and its subsidiaries have appropriate, adequate and efficient internal control and internal audit systems.

- Consider the independence of the Internal Audit Department and approve the appointing, transferring and terminating of the head of the Internal Audit Department position or any other department responsible for internal auditing.

- Exercise the authority to access all information of the Company including invitation to executives, the management team, supervisors, employees or relevant persons for meeting and information clarification including delivering and providing relevant information under the performance of duties assigned by the Board of Directors.

- Consider and approve the annual budget, the rate of necessary human resources and other resources for the internal audit office operation; approve the annual audit plans; consider and approve the significant reviewing and modifying of the internal audit plans; supervise the internal audit office operation in accordance with the approved annual audit plans and the international standards practices of internal auditing; annual assess the quality of the internal audit activities including attend the meeting with the chief executive of the internal audit department to discuss significant matters at least once a year.

- Review the Company to comply with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand and the Capital Market Supervisory Board or relevant laws on the Company business.

- Consider, select and nominate an independent person to perform as the Company's auditor including

offer the compensation of the person aforesaid by taking into the reliability and adequacy of resources; the amount of audit work of such auditing office; and the experience of the person aforesaid to operate the Company's audit work and attend the meeting with the auditors without the management team as well.

- Consider the relevant transactions or items that may have conflicts of interest; acquisition or disposition of assets of the Company or its subsidiaries in terms of correct and complete to comply with relevant laws and requirements of the Stock Exchange of Thailand and the Capital Market Supervisory Board. This is to ensure that such transactions are reasonable with the best benefits to the Company and its shareholders.

- Prepare the report on the corporate governance performance of the Audit Committee by disclosed in the annual report of the Company. The aforesaid report must be signed by the Chairman of the Audit Committee and contained at least the following information:

- Opinions on the accuracy, completeness and reliability of the Company's financial reports.

- Opinions on the adequacy of the internal control system of the Company and its subsidiaries.

- Opinions on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or relevant laws on the business of the company and its subsidiaries.

- Opinions on the suitability of the auditors.

- Opinion on the transactions that may lead to conflicts of interest.

- The meeting number of the Audit Committee and such meeting attendance by each member of the Audit Committee.

- Opinions or overall remarks received by the Audit Committee from the compliance with the Charter and other items that shareholders and general investors should be notified within the scope of duties and responsibilities assigned by the Board of Directors.

- Review and monitor the risk management results of the management team and/or related departments.

- Review and propose the Charter Amendments to the Audit Committee as it seems appropriate at least once a year.

- Review the performance of the recently year by performance report preparing and submitting them to the Board of Directors at least once a year.

- Seek independent opinions from any other professional advisor to provide opinions or guidance within the scope of responsibilities as appropriate and necessary at the expense of the company.

- Perform other duties assigned by the Board of Directors with the approval of the Audit Committee.

In performing the duties mentioned above, the Audit Committee has direct responsibility to the Board of Directors and the Board of Directors has remained responsibility to the company operations with the other parties.

The Board of Directors has the authority to amend the definition or qualifications of the independent directors and the Charter of the Audit Committee to comply with the responsibilities of the Audit Committee under the rules specified by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Capital Market Supervisory Board; and/or the provisions of other relevant laws.

Nomination and Remuneration Committee

The Board of Directors approved to appoint the Nomination and Remuneration Committee in order to nominate and consider the remuneration of the member of the board of directors, member of other sub-committees and Chief Executive Officer in accordance with transparency. As of December 31, 2020, the member of Nomination and Remuneration Committee comprises of three members and more than half of them are independent directors as follows:

Name	Position	Appointment Date	Meeting Attendance
1. Mr. Yothin Pibulkasetkij	Chairman	January 30, 2020	3/3
2. Mr. Padungdej Indralak	Member	January 30, 2020	3/3
3. Mr. Chotiphat Bijananda	Member	January 30, 2020	3/3

Ms. Chawandhorn Muangmee serves as the secretary to the Nomination and Remuneration Committee.

Composition and Qualifications of the Nomination and Compensation Committee

1. The Nomination and Compensation Committee consists of 3 members at least.
2. Chairman of the Nomination and Compensation Committee shall be an independent director.
3. The Nomination and Compensation Committee shall be appointed by the Board of Directors.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

- Determine policies, criterion and methods for nomination of the directors and persons with management authority of the Company then propose to the Board of Directors as well as select and nominate persons with appropriate qualifications in accordance with the relevant regulations and laws to be the directors; the sub-committees as assigned the authority, duties and responsibilities directly by the Board of Directors; the person with management

authority of the company; and the chief executive of the company to propose to the Board of Directors.

- Review to ensure that the size and composition of the Board of Directors is appropriate for the organization then adjust in accordance with the changing environment if necessary. The Board of Directors must consist of persons with knowledge, capability and experience in various fields.

- Review to ensure that the directors and persons with management authority will receive appropriate compensation for their duties and responsibilities.

- Determine the compensation and other benefits given to the directors and Chief Executive Officer then propose to the Board of Directors and set the policy on compensation and other benefits payment in clear and transparent criteria for other executives in order to consider compensation and benefits by the Human Resources Management Committee.

- Create guidelines for the performance evaluation of the directors and Chief Executive Officer then propose to the Board of Directors as the guidelines for the performance evaluation by the Board of Directors; determine the annual compensation by duties, responsibilities and risks involved including management to comply with the business plans and organizational strategies as well as the long-term increase of shareholders equity to consider the evaluation.

- Disclose policies on compensation, consider various forms of compensation and prepare the compensation report including opinions of the Nomination and Compensation Committee in the annual report.

- Supervise planning and recruiting the successors of the company's executives to ensure that the company's business operations have planned and prepared for critical positions.

Corporate Governance Committee

The Board of Directors approved to appoint the Corporate Governance Committee in order to supervise the Company's directors and management to be company with good corporate governance.

As of December 31, 2020, the member of Corporate Governance Committee comprises of four members as follows:

Name	Position	Appointment Date	Meeting Attendance
1. Mr. Areepong Bhoocha-oom	Chairman	August 9, 2019	2/2
2. Mr. Thapana Sirivadhanabhakdi	Member	August 9, 2019	1/2
3. Mrs. Kulpatra Sirodom	Member	August 9, 2019	2/2
4. Mr. Somchai Sujjapongse	Member	August 9, 2019	2/2

Ms. Rotjana Udomthongkon serves as secretary to the Corporate Governance Committee

Composition of the Corporate Governance Committee

The Good Corporate Governance Committee consists of the persons appointed by the Board of Directors. Aforementioned persons have beneficial knowledge, abilities and experience to the business operation including intention, business ethics and sufficient time devoted to the company; and pay the best attention to perform their duties.

Scope of Duties and Responsibilities of the Good Corporate Governance Committee

- Propose policy on the good corporate governance and social responsibility of the company and its subsidiaries to the Board of Directors.
- Supervise the Company's operations in accordance with the good corporate governance principles by the supervisory institutions such as the Office of the Insurance Commission (OIC), the Bank of Thailand and the Securities and Exchange Commission.
- Supervise the Company and its subsidiaries to comply with the laws, rules, regulations and

standards in business operation including the professional standards and Compliance Policy through the Office of Compliance.

- Review to ensure that the Company has an effective and independent Compliance and Good Governance systems.
- Provide the provision on business ethics as the good practice guidelines for the directors, executives and employees of the company and its business group then propose to the Board of Directors for approval.
- Regularly review the principles of the good corporate governance and compliance by the international practice guidelines and recommendations from various regulators including consider the results of the good corporate governance of the company by the external agencies in order to suggest development approach on the good corporate governance principles to the Board of Directors for approval.
- Supervise and monitor the directors and the management team performance in accordance with the good corporate governance principles.

Risk Management Committee

The Board of Directors approved to appoint the Risk Management Committee in order to manage the organization risk. As of December 31, 2020, the member of Risk Management Committee comprises of three members as follows:

Name	Position	Appointment Date	Meeting Attendance
1. Pol. Gen. Jate Mongkolhutthi	Chairman	August 9, 2019	4/4
2. Mr. Padungdej Indralak	Member	August 9, 2019	4/4
3. Mr. Somchai Sujjapongse	Member	August 9, 2019	4/4

Mr. Amarin Phoyen serves as the secretary to the Risk Management Committee

Composition of the Risk Management Committee

The Risk Management Committee consists of the persons appointed by the Board of Directors. Aforementioned persons have beneficial knowledge, abilities and experience to the business operation including intention, business ethics and sufficient time devoted to the company; and pay the best attention to perform their duties.

Scope of Duties and Responsibilities of the Risk Management Committee

- Determine on policy then propose to the Board of Directors for overall risk management consideration of the company and its business group. The aforementioned policy must cover the significant types of risk such as credit risks, market risks, liquidity risks, operational risks and information technology risks. Risk Appetite for the Company's business

operations must suitable for the risk level faced by the company and the risk affecting the reputation of the company and its subsidiaries, etc.

- Strategize in line with the company's risk management policy to assess, monitor and supervise the risk amount at an appropriate level including determining the guidelines for classified assets reservation.

- Review the adequacy of the risk management policy and system including the effectiveness of the systems and the compliance with the established policies.

- Report their performance to the Board of Directors on a regular basis in order to make improvements and amendments on the established risk management policies and criterion; and notify the Audit Committee and/or the Good Corporate Governance and Compliance Committee about the matters that need improvement in order to comply with the

established risk management policies and regulations.

- Consider and approve various relevant guidelines and/or about the transactions, the encumbrances and the credit-like transactions in line with the risk management framework established by the company and the authorities as well as consider the warranty policy to the Board of Directors for approval.

- Supervise the risk management of the Company and its subsidiaries then report to the Board of

Directors as assigned.

Executive Board

As of December 31, 2020, the members of Executive Board comprises of five members as follows:

Name	Position	Appointment Date	Meeting Attendance
1. Mr. Chotiphat Bijananda	Chairman	July 11, 2018	18/18
2. Mrs. Atinant Bijananda	Member	July 11, 2018	18/18
3. Mr. Somchai Sujjapongse	Member	July 11, 2018	18/18
4. Mr. Apichai Boontherawara	Member	July 11, 2018	18/18
5. Mr. Thakorn Piyapan	Member	November 1, 2020	3/3

Remark: ⁽¹⁾ The Board of Directors' Meeting No. 10/2020 held on October 30, 2020 resolved to appoint Mr. Thakorn Piyapan to serve as the Company's Chief Executive Officer and member of the Executive Board, effective on November 1, 2020. Ms. Chawandhorn Muangmee serves as the secretary to the Executive Board.

Scope of Duties and Responsibilities of the Executive Committee

- Operate and manage the business of the Company and its subsidiaries in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the Board of Directors.

- Determine on policies, visions, missions, goals, business objectives, business strategies, business plans, annual budget plans and administrative authority of the company and its subsidiaries by considering business factors appropriately then propose to the Board of Directors for approval.

- Supervise, audit and monitor the business operations of the company and its subsidiaries in accordance with the visions, missions, goals, business objectives, business strategies, business plans and annual budget plans of the company and its subsidiaries which have been approved by the Board of Directors to be efficient and effective contributing to business conditions including provide the management instruction to the senior management.

- Study the possibilities in the new projects investment and exercise the authority to consider and approve the company and its subsidiaries to invest or co-invest with individuals, juristic persons or any other business organizations as the Executive Committee seems appropriate to operate the business according to the objectives of the company and its subsidiaries; consider and approve the expenditures of such investments, entering into a legal contract and/or any activities related to aforementioned matters until the completion as the specified financial amount and/or as defined by the relevant laws, regulations and/or requirements of the company and its subsidiaries.

- Monitor the performance and progress of each business investment project then report the results including problems or obstacles and amendments to the Board of Directors for acknowledgment.

- Provide instruction about the dividend payment of the company and its subsidiaries to the Board of Directors.

- Consider and provide suggestions or opinions to the Board of Directors regarding any projects, proposals or transactions in connection with the business operations of the company and its subsidiaries including consider funding options if needed and/or defined by the applicable laws and regulations or the Articles of Association of the company to approved by the resolutions of the shareholders and/or the Board of Directors meeting.

- Consider and approve the capital expenditures, financial transactions with the financial institutions to opening accounts, credits, loans, pledging, mortgages, guarantees and others including the purchase and registration of any land ownership for the business operations benefits of the company and its subsidiaries as well as entering into the legal contracts; submitting requests, proposals and making contacts with the government agencies in order to acquire the rights of the company and its subsidiaries and/or to perform any activities related to aforementioned matters until the completion as the specified financial amount and/or as defined by the relevant laws and regulations or the Articles of Association.

- Consider and approve regulations, rules, policies on business managements and operations of the company and subsidiaries or any activities with

obligations to the company and its subsidiaries.

- Determine the organizational structure and authority to appoint and/or assign the executive committee or any one or more persons to perform any activities within the scope of the Executive Committee authority and the time period as the Executive Committee seems appropriate. The Executive Committee may cancel or revoke or amend such authority as it seems appropriate. There will be no authorization to any person who may have a conflict of interest to perform all aforementioned activities.

- Encourage the executives or the employees to attend the executive committee meeting or prepare and provide information related to the subjects discussed at the executive committee meeting.

- Exercise the authority, duties and responsibilities as assigned or in accordance with the policies specified occasionally by the Board of Directors including exercise the authority to nominate the persons to be the directors and to appoint the executives in the company. It also exercises the authority to nominate the directors and executives in the main business of the company (as defined in the Company's Articles of Association), at least with the proportion of the company's shareholding in its main business within the scope of authority and time period specified by the Board of Directors as it seems appropriate to recruit an advisor or a person with independent opinions to provide opinions or suggestions as needed; report to the Board of Directors on the activities performed by the Executive Committee within the scope of the authority and duties of the Executive Committee on a regular basis including any other matters as it seems necessary and appropriate to propose to the Board of Directors for acknowledgment.

- Consider and approve the operating manuals and the scope of the management responsibilities to perform various operations according to the procedures.

- Consider and approve the normal transactions of the company according to the capital expenditures or the budgets approved by the Board of Directors. The financial amount for each item is as specified in the table of the approval authority approved by the Board of Directors but not more than the annual budgets approved by the Board of Directors as well; including entering into various contracts related to the aforementioned matters.

- Evaluate the performance of the Chief Executive Officer and the entire Executive Committee including evaluate the performance of the individual Executive Board to consider and review the operations, problems and obstacles each year. The results of such evaluation can be used to develop and improve performance in various fields.

The Company's Management as defined by the Securities and Exchange Commission

Top 4 executives from the Chief Executive Officer as of December 31, 2020 as follows:

Name	Position
1. Mr. Thakorn Piyapan ⁽¹⁾	Chief Executive Officer
2. Ms. Rungthong Jintanamalagit	Executive Vice President, Strategy and Transformation
3. Ms. Orawan Vorapanya	Executive Vice President, Operation
4. Mr. Trirong Butragaht	Executive Vice President, Business Development
5. Ms. Fah Mahanavanont	Executive Vice President, Accounting, Finance and Business Support

Remark: ⁽¹⁾ The Board of Directors' Meeting No. 10/2020 held on October 30, 2020 resolved to appoint Mr. Thakorn Piyapan to serve as the Company's Chief Executive Officer, effective on November 1, 2020.

Scope of Duties and Responsibilities of the Chief Executive Officer

- Cooperate with the Board of Directors and the management team to ensure that the visions, business directions, policies, business strategies, goals, operating plans and annual budget plans of the company and its subsidiaries are defined including determine the administrative structure and authority to propose to the Board of Directors for further approval.

- Communicate the visions, business directions, policies and strategies of the company, approved by the Board of Directors to the senior management

of the company as the frameworks to planning and managing each department of the business.

- Supervise the company operations in accordance with various plans including the relevant laws, rules and regulations of various departments as well as the Articles of Association to reach the target goals, both in the terms of financial and non-financial goals.

- Review the business reports and operation plans of the company.

- Approve the expenditures including any compensation under the budgets, plans or frameworks approved by the Board of Directors according to the assigned authority.

- Review to ensure that the company has an appropriate internal control system in accordance with the guidelines assigned by the Audit Committee and/or the Board of Directors.

- Review to ensure that the company has an appropriate risk management and control system in accordance with the guidelines assigned by the Audit Committee and/or the Board of Directors.

- Seek the new business and investment opportunities related to the main business of the company and its subsidiaries in order to increase the company income.

- Review the overall human resource management of the company.

- Consider and appoint the executives according to the definition specified by the Securities and Exchange Commission or the Capital Market Supervisory Board; determine the compensation and evaluate the performance of the executives aforesaid.

- Approve the consultants' appointment in various fields as necessary for the business operation and comply with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- Represent the company in organizational promotion to the public, especially in the area of networking, building the best relationships and corporate images at the national and international level.

- Represent the company in communication with the shareholders.

- Support the Board of Directors in establishing regular communication channels with the shareholders appropriately and declare the information in accordance with the transparent standards.

- Exercise the authority to power of attorney and/or assign the others to perform a specific task on their behalf by the power of attorney and/or such assignment within the scope of authorization under the power of attorney; and/or the regulations, requirements or orders of the Board of Directors; and/or sub-committees; and/or details as specified by the company.

In this regard, the delegation of the authority, duties and responsibilities of the Chief Executive Officer or the authorized person of the Chief Executive Officer is not the authorization or delegation to a power of attorney that allows the Chief Executive Officer or the authorized person of the Chief Executive Officer to approve the subjects that may have the interests (according to the definition announced by the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies); or the stakes; or the benefits in any ways; or the conflict of interests with the company or its subsidiaries. The exception is that the approval transactions comply with the policy and the criteria as approved by the resolutions of the shareholders and/or the Board of Directors meeting and it is the approval transactions in normal business and commercial conditions according to the announcements of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

- Perform other activities as assigned by the Board of Directors and/or sub-committees under the Company's rules and regulations; the Securities and Exchange Act; the relevant notifications, regulations and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand.

Company Secretary

The Board of Directors' Meeting No. 8/2019 held on November 12, 2019 resolved to appoint Ms. Supaporn Rojana-amornchai as the Corporate Secretary and the resolution of the Board of Directors' Meeting No. 8/2020 dated August 13, 2020 approved the appointment of Ms. Chawandhorn Muangmee to serve as the Company Secretary, as specified by the Securities Exchange Act B.E. 2551, effective from August 13, 2020 onward. The Company Secretary is appointed by the Board of Directors from the person as the Board of Directors seems appropriate by the qualifications, knowledge, capability and experience. The qualifications, authority and duties are clearly as follows:

- Provide the basic information and suggestion to the directors and executives in order to comply with the relevant laws, regulations and requirements of the company business; monitor to ensure that there are properly operations and also report the significant changes in legal requirements to the directors and executives.

- Monitor to ensure that there are relevant information disclosures and report the related information in accordance with the regulations, announcements and requirements of the Stock

Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Supervisory Board.

- Conclude the reports on securities holding and changes in securities holding of the directors, managers and executives of the company including the spouse; or the person who live together as husband and wife; or underage child including the juristic persons that the directors, managers and executives of the company including the spouse; or the person who live together as husband and wife of such directors, managers and executives of the company hold the shares more than 30% of total voting rights of such juristic persons; to the Board of Directors meeting for acknowledgment on a quarterly basis

- Monitor and supervise the shareholders and the Board of Directors meeting to comply with the laws, the Articles of Association and the related practices including Monitor to ensure that there are operations comply with the resolutions of the shareholders meeting and the resolutions of the Board of Directors meeting.

- Prepare and maintain the following important documents:

- a) Directors' Registration.

- b) Shareholders' Registration.

- c) Invitation letter to the meeting of the Board of Directors and minutes meeting of the Board of Directors including sub-committees.

- d) Invitation letter to the meeting of shareholders and minutes meeting of shareholders.

- e) Annual report of the company.

- Maintain the reports of interests and the certificates of independence, reported by the directors or executives; submit a copy to the chairman of the Board

of Directors and the chairman of the Audit Committee within seven official days from the date the company received such reports.

- Establish the knowledge and understanding about the regulations as well as stimulate the good corporate governance to the company.

- Review the activities of the Board of Directors and any other activities in accordance with the laws and/or the details as specified in the notifications of the Capital Market Supervisory Board and/or as assigned by the Board of Directors.

Remuneration for Directors and Executives

Directors' Remuneration

- **Monetary Remuneration**

Refer to the 2020 Annual General Meeting of Shareholders dated September 3, 2020, the Meeting resolved to approve the directors' remuneration for the year 2020 at the total amount of Baht 8,000,000 as the meeting allowance as follows:

Components of Remuneration	2021 (Propose)
1. Remuneration for Director	
• Chairman of the Board	70,000
• Vice Chairman of the Board	50,000
• Director	40,000
2. Remuneration of Audit Committee	
• Chairman of Audit Committee	50,000
• Director	40,000
3. Remuneration for other Sub-committees	
• Chairman	40,000
• Director	30,000

Remark : * sub-committees: Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance

- No other benefits
- Directors who are the management shall receive the salary as the Company's employee

Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi expressed their intention to not receive the remuneration for the year 2020. As of December 31, 2020, the Company paid the remuneration to directors and members of the sub-committees, at the number of 10 directors out of 12 directors, totaling Baht 4,890,000 comprises of meeting allowance. There was no monthly retainer and bonus. The remuneration details are as follows:

Directors	Position	Remuneration (Baht)
• Mr. Charoen Sirivadhanabhakdi	Chairman of the Board of Directors	Expressed their intention to not receive the remuneration
• Khunying Wanna Sirivadhanabhakdi	Vice Chairman of the Board of Directors	Expressed their intention to not receive the remuneration
• Mr. Areepong Bhoocha-oom	Vice Chairman of the Board of Directors / Chairman of the Corporate Governance Committee	430,000
• Mr. Thapana Sirivadhanabhakdi	Directors / Member of the Corporate Governance Committee	310,000
• Mrs. Kulpatra Sirodom	Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance Committee	730,000
• Mr. Yothin Pibulkasetkij	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee	680,000
• Mr. Padungdej Indralak	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration / Member of the Risk Management Committee	740,000
• Pol. Gen. Jate Mongkolhutthi	Independent Director / Chairman of the Risk Management Committee	480,000
• Mr. Chotiphat Bijananda	Director / Chairman of the Executive Board / Member of the Nomination and Remuneration Committee	380,000
• Mrs. Atinant Bijananda	Director / Member of the Executive Board	320,000
• Mr. Somchai Sujjapongse	Director / Member of the Executive Board / Member of the Corporate Governance Committee / Member of the Risk Management Committee	500,000
• Mr. Apichai Boontherawara	Director / Member of the Executive Board	320,000
	Total	4,890,000 บาท

- **Remuneration for Executives**

The company provides the remuneration to the executives by regularly comparing the compensation with the leading companies in the same industry. As such the remuneration aforesaid is at the competition level with other companies and at the consistent rate with the Company performance each year to create the work motivation of the Company.

1. Monetary Remuneration

As of December 31, 2020, the company paid the compensation to the executives of the Company, excluding the accounting or financing managers, as salary, annual bonus and provident fund in amount of 33.04 million baht.

2. Other Remuneration

The Company provides health insurance, life insurance, accident insurance, annual health check and welfare related to the employees' financial assistance according to the Company policy

Employee of the Company and subsidiaries

Number of employees

As of December 31, 2020, the total number of employees (excludes executives) of the Company and its subsidiaries was 2,268.

- **Compensation of the Employee**

The company has the policy on the compensation management with fairness. It can be comparable to the companies in the same industrial business. The consideration factors are the qualifications,

experience, duties and responsibilities by the position and market labor rate according to the appropriate reference market point in line with the company's business operations adhere to the changing circumstances, living conditions, economic conditions and market competition with the similar nature of business.

In addition, the company provides the welfare for the employees to promote the good quality of life among the happy working society and environment (Live a Happy Life). It also provides the sports clubs, recreational activities and activities to promote the good health and hygiene. Furthermore, the company also provides the benefits and discounts on various products and services of the companies in the group of Thai Group Holdings Public Company Limited and the primary welfare protection to the employees as well, such as the provident fund, medical expenses, dental treatment fees, annual health check-ups, life and accident insurance, etc.

For the year ended December 31, 2020, the Company and its subsidiaries paid the compensation to the employees. (exclude the executives) in the amount of Baht 1,605.48 million. Such employees' compensation includes salary and bonus; overtime pay; social security payment; provident fund and various employees' welfare.

- **Provident Fund**

The company and its subsidiaries have provided the provident fund for the employees of the company and its subsidiaries. The company and its subsidiaries have contributed as follows:

Year of service	Contribution % of salary
Since being placed in the position	5
The employees employed before April 1, 2006 (SELIC / SEIC only)	10

In 2020, the company and its subsidiaries have contributed to the provident fund for the employees by 64 million baht, totally.

Currently, the group of companies has the provident fund under the management of 10 companies.

• Labor Disputes

In 2020, the Company had four labor disputes due to the layoff caused by the malfeasance without compensation. Three cases through the labor welfare channel, we have proceeded to identify and declared the facts to the labor officials and ended the disputes already. And one case through the labor court channel, we have appointed the lawyer for this dispute. Such case is being considered by the labor court.

Number of Employees in 2020	Number of Trained Employees In 2020	Trained Employees Proportion	In-house Training	Outside Training
2,268	2,157	95%	2,047	110

Note: Excluding 12 courses of E-Learning courses that have been developed and promoted to take by the employees and 4 courses of learning clip video.

• Policy on the Human Resource Development

The Company realizes the importance of justify the Human Resource as a key mechanism to drive and lead the organization to sustainable success and growth according to the vision, mission and business strategies as determined. Therefore, the company has established the policy on the human resource management by placing the system and process of the human resource management to be clear, transparent, fair and consistent with the whole organization.

In 2020, the employees of the company and its subsidiaries are developed and trained for a total of 2,157 people of which 22 courses from the in-house training and 73 courses from the outside training.

However, with the situation of COVID 19 including Social Distancing measures, the working nature of the employees has changed to “Work from Home”. Thus, it is necessary to adjust the nature of the employees’ development, trainings / seminars from the organized training room to the Virtual Classroom as follows:

- Learning and doing workshops through the Microsoft Team program.
- Learning through E-Learning system, both compulsory and voluntary courses to develop the knowledge and skills required for the job.
- Learning through short VDO and articles from HR Update and HR Portal.

Therefore, the year of 2020 was an important year that the company and the employees had to adapt, both in the terms of working and learning by technology applying to the situation and making the most benefits.

Policy on the Human Resource Management has been approved by the Board of Directors which requires all supervisors to responsible for the human resource management within their departments in accordance with the Company’s Human Resource Management system and guidelines. The personnel are obliged to abide by these following:

- Core Values;
- Code of Business Ethics;
- Requirements about the Ethics for the Executives and the Employees;
- Regulations in the company operation by perform work with competence, responsibility, determination and dedication to the success of the work.

The Company adheres to the moral system that considers knowledge significantly. Thus, the career

advancement rewards and incentives will depend on these following:

- Quality and Achievement of the Work;
- Knowledge and Capability;
- Attitude and Potential of the Employees in accordance with the Needs of the Company.

The Company promotes the personnel creation and development systematically and continuously to provide the company’s personnel with necessary knowledge, skills and competence for future business operations. There are career advancement opportunities and leadership development for the employees at all levels, as well as the systematic approach to promote and develop the outstanding personnel (Talent Management); Create the successor plan (Succession Planning) to prepare personnel for growing with the organization under the values and corporate cultures focusing on building the committed spirit to thrive the unlimited success; deliver excellent professional results and services according to the needs of our customers.

The Company also focuses on building employee engagement with the company through regular employee survey in order to improve, develop and manage various factors that make the personnel happy. In addition, it maintains the personnel which are smart, good and qualify. to be proud of being a part of the organization and also creates the good corporate images (Employer Branding) to the public and encourages people to join the company as well (Employer of Choice).

Policy on the Recruiting Potential Personnel and Taking Care of New Personnel (Talent Acquisition and Onboarding)

Recruiting and selecting personnel with potential, knowledge, capabilities, characteristics and work experience that meet the needs of the company is essential and necessary for continuous growth in order to support the business expansion to develop the competitiveness of the company along with the digital transformation. Therefore, in order to make the company known and be reached by the new generation applicants (Millennials) with different attributes, communication methods, goals and lifestyles from the previous generations; the company must improve the recruitment and selection processes to be fast and reliable.

Under the company's guidelines, the company hires and qualifies the employees as needed with the work practicability. The employees who will be hired and qualified must pass the following considerations:

- Qualifications
- Qualifications
- Suitable competence for the job position.
- Specific qualifications according to the company regulations.

In the selection process, the company has implemented the powerful candidate screening tools such as the corporate value assessment form, professional knowledge and skills test, Behavioral Event Interview (BEI) technique and introducing applicants from the employee of the company (Employee Referral), which are the sources of information that can be referenced.

When going through the recruitment, selection and hiring processes completely; all new employees

of the company are required to take the Onboarding Program, a program designed to introduce employees to the company; the business in the group of Thai Group Holdings and the TCC Group; the TGH Corporate Culture and Core Values including the basic knowledge in products and services like non-life insurance, life insurance and other financial services of the Group (Product Knowledge); the laws and regulations that must be known to comply with the business framework; the work regulations; the benefits and welfare of the employee; and the personnel management and development approaches (My Career Pathway) to be the outstanding employees with knowledge, skills and competence to create excellent work results including potential to grow with the company according to the corporate visions and missions as determined.

Policy on the Compensation and Benefits

The company has the policy on the compensation management with fairness. It can be comparable to the companies in the same industrial business. The consideration factors are the qualifications, experience, duties and responsibilities by the position and market labor rate according to the appropriate reference market point in line with the company's business operations adhere to the changing circumstances, living conditions, economic conditions and market competition with the similar nature of business.

In addition, the company provides the welfare for the employees to promote the good quality of life among the happy working society and environment (Live a Happy Life). It also provides the sports clubs, recreational activities and activities to promote the

good health and hygiene. Furthermore, the company also provides the benefits and discounts on various products and services of the companies in the group of Thai Group Holdings and the TCC Group including the primary welfare protection to the employees as well, such as the provident fund, medical expenses, dental treatment fees, annual health check-ups, life and accident insurance, etc.

Policy on the Talent and People Capability Development

The company emphasizes the continuous learning and development of its personnel to provide employees with knowledge, skills or competence (Competency Development) that is consistent with their responsibilities and facilitates the performance of work according to the objectives and standards of the specified work (Technical Proficiency). Moreover, the company also promotes professional advancement (Career Planning and Development), learning techniques, working methods, new science and technology. This is to enable employees to develop their necessary potentials for their performance, both in the present and in the future. By organizing trainings and seminars within the organization; sending employees to trainings, seminars and study visits with external institutions, both domestic and overseas; especially giving scholarship to employees in a professional specific field; all of these are necessary to operate the company business.

In order to strengthen the knowledge base of the organization (Knowledge Management), the Company also encourages exchange and learning among each other in the organization through campaigns or learning

activities (Knowledge Sharing); coaching; the specialist community establishing (Community of Practice: COP) by utilizing various electronic channels; all of these are facilitating employees' resources to reach out and develop themselves easily.



TGH Competency Model

The company has classified the human resource development according to competency as follows:

1. Core Competency Development of is the development of abilities and characteristics that everyone in the organization needs. The same ability will make the company unique, both in the terms of meeting the customer needs and competition in the same industry. It is the foundation that will lead the organization to its intended vision.

2. Core Insurance and Financial Competency Development has the objectives to provide basic knowledge and understanding of non-life insurance, life insurance and other financial services including other laws and regulations that all employees have to

learn and understand to further apply in the operations.

3. Functional / Technical Competency Development are the development of knowledge, skills and characteristics that personnel need in order to perform their duties to achieve the specified goals. This type of competence reflects the level of competence that personnel must possess before they will be assigned to their duties.

4. Professional / Management Competency Development are the development of general administration and management knowledge, skills and characteristics that are necessary for employee responsibilities at the manager level or the general employees who have to use such knowledge and skills in their duties performing to achieve the intended goals.

5. Leadership Competency Development is the creation and development of leadership for employees at all levels in the organization. Beyond the general leader characteristics, the TGH Leadership Model must have the DNA characteristics of the organization to be a unique leader and make the organization different from the others.

In addition, the company has developed the outstanding personnel (Talent Management) by focusing on their own potential finding and developing in collaboration with their supervisors, using the Individual Development Plan (IDP). The employees will manage their development time in the way they want, using the Blended Learning Model 70:20:10 to also make such learning more efficient than traditional learning.

- Experiential / On the Job Learning: 70%
- Workplace Learning / Coaching & Monitoring: 20%
- Formal Learning / Classroom: 10%

Policy on the Performance Based Rewards

The Company has developed a performance appraisal system by applying Key Performance Indicators (KPIs) along with considering desirable behavior according to the employee's corporate values to enable employees participating in setting up their career goals. The company therefore supports the role of supervisors in communicating the goals at the corporate level to the individual level in accordance with the same direction by focusing on the corporate strategy. This target connection by the gradient will create the clarity and inspiration for employees and also the driving force to the employee performance across the organization in

line with the goals and missions and lead to excellent performance. When clear goals and indicators are established for the employees at all levels; the results from the performance appraisal are used as information in determining appropriate salary adjustments, bonuses and promotions annually with fairness to create the work incentives for the employees as well.

The Company will continuously promote the development of human resources in order to provide the employees with knowledge, abilities and efficiency in their work and responsibilities. The employee will perform the work in accordance with the planned goals to achieve the work success by adhering to these following guidelines:

- Supervisors are responsible with the HR department to plan, assess, monitor and provide information in order to promote the development of subordinates and support their work success.
- Employees must determine to achieve the planned goals, seek knowledge and self-develop on a regular basis, both in their duties and responsibilities including the other parts of the company.

Policy on the Future Successors and Personnel Planning (Succession and Workforce Planning)

To support the continuity of the business and the sustainable growth of the organization, Succession Planning for the senior management and the key positions of the organization are important and essential that must be done systematically, in principle, and to be agreed upon based on the factors considered to identify the main positions of the organization; criteria to replace positions by the qualified persons; methods

to assess succession readiness in order to use the data obtained (Gap Analysis) to create an Individual Development Plan (IDP); all of these are necessary to prepare the human resource to carry on the organization missions; build in the good management confidence; and protect the interests of the stakeholders, trade partners and company customers.

Guidelines for Succession Planning

The Company has prepared the Succession Planning by specifying methods and procedures for selecting and developing personnel in order to replace senior management (Assistant Managing Director and above); middle management (Department Director and Senior Director); as well as other key positions that are important and necessary because of the specific nature and responsibility to the company's business operations (Critical / Key Positions). In order to get a qualified replacement, these following actions must be taken:

1. When there is the managerial position and the primary position with the specific nature and responsibility becomes available or a new position; the company will consider the employees who meets the criteria that the company deems to hold such positions. The selection and appointment of those employees will be selected the employees aforementioned first unless there is no one who the company deems appropriate. Then the company will select and appoint the employees by other means instead.

2. This procedure is used by the company only.

3. Direct supervisors along with the line of work (Department Director and above) has the primary

responsibility for the employees' development in their respective responsibilities to continuously perform the work better.

The Company realizes the importance of the development to the directors, executives and employees of the company to meet the good practice standards for listed companies. The company has the following guidelines for the human resource development:

- **Development of the Directors**

- (1) The Company arranges the directors to attend the training courses in order to promote the performance development of the Board of Directors including to develop, support and encourage the duties performance of the committee.

- (2) The Company will disclose information on the directors' attendance for development and training in the recently year.

- (3) The Company promotes and encourages the directors to continuous train and strengthens their knowledge on a regular basis related to the committee's operations in order to keep up with the changes in business that may be occurred.

- (4) The Company promotes and encourages the directors to increase their knowledge about the company's operations continuously in order to increase the operations efficiency of the committee.

- (5) The Company arranges the new directors to attend an orientation and also prepares the useful orientation document and information for their duties performance then delivers to the new directors as well as provides the recommendation of the business nature and the company's business conduct guidelines for the new directors as well.

In the year 2020, the director attended the training course as follow:

Name	Course
Mr. Apichai Boontherawara	<ul style="list-style-type: none"> • Strategic Board Master Class (SBM) Class 9/2020 Thai Institute of Directors

• Performance assessment Performance assessment of the Board of Directors

The Board of Directors assesses its performance as a whole, both in terms of effectiveness and efficiency, based on the guidelines provided by the SET as follows:

- Structure and qualifications of members
- Role, duties, and responsibilities of members
- Board meetings.
- others (Duties of directors, Relationship with management and Director’s self-improvement and management training)

The Audit Committee assesses its performance as individual as well based on the guidelines provided by the SET as follows:

- Structure and qualifications of members
- Board meetings
- Duties of directors.

These procedures include:

- Board of Directors assesses its performance effectiveness at least once a year.
- Company Secretary compiles and summarizes the results of the Board of Directors assessment to the Nomination & Remuneration Committee for consideration.
- Nomination & Remuneration Committee presents its findings and recommendations to the Board of Directors.

In the year 2020, the result of the performance assessment of the Board of Directors and the Sub-committees can be summarized as follows:

	Individual assessment (Percent)	Assessment as a whole (Percent)
The Board of Directors	94.9	94.6
The Audit Committee	-	91.2
The Nomination and Remuneration Committee	-	95.4
Corporate Governance Committee	-	93.4
Risk Management Committee	-	95.3

• Development of the Executives

- The Company determines the Managerial Competency to be used as the development basis for the executives to successfully have the skills, knowledge and ability to work.

- The Company provides the training courses and other development approaches that are appropriate and consistent with the management competencies to the management of the company.

- The Company arranges the new executives to attend an orientation in order to support adaptation to their roles, responsibilities and expectations of the new positions appropriately.

- The Company encourages the executives to share their work experiences with the other executives and employees in the company in order to create the learning and development atmosphere within the organization.

• Development of the Employees

- The company determines the Functional Competency for the employees in each work role as a basis for developing the employees with skills, knowledge and ability to work successfully, such as a curriculum for professional work presenting, Microsoft Excel using, etc.

- The company provides the appropriate guidelines for the supervisors' development in accordance with the specified managerial competency, such as a leadership training course, good coaching and personnel management for supervisors, etc.

- The company arranges the new employees to attend an orientation in order to provide the new employees with an understanding of the visions, values, business ethics and conducts, policies and business directions of the company.

Corporate Governance

Corporate Governance Policy

The Board of Directors has approved the Good Corporate Governance Policy to be used as a guideline for business operations and to be the benchmark for all directors, executives and employees abiding as a guideline in performing their duties strictly. The Corporate Governance Policy has been established in accordance with the Corporate Governance Code or “CG Code” of the SEC and the SET by striving to adopt the principles of good corporate governance in the operation of the Company.

In this regard, the Board of Directors has assigned the Corporate Governance Committee responsible for overseeing and screening tasks related to corporate governance including following up, reviewing, and improving policies to be suitable for the situation and in accordance with the principles of good corporate governance by applying the CG Code to be used in corporate governance of the Company.

In this regard, the Board of Directors has assigned the Corporate Governance Committee responsible for overseeing and screening tasks related to corporate governance including following up, reviewing, and improving policies to be suitable for the situation and in accordance with the principles of good corporate governance by applying the CG Code to be used in corporate governance of the Company.

In the year 2020, the Company achieved score of “4 stars” or “very good” from the “Corporate Governance Report of Thai Listed Companies 2020” conducted by Thai Institute of Directors (IOD). In addition, the Company achieved a score of 97 out of 100 from the Annual General Meeting of Shareholders Assessment Project 2020 conducted by Thai Investors

Association. The results mentioned above showcase the Company’s commitment and ability to conduct business according to Corporate Governance with stability and sustainable growth.

For the year 2020, the Company adhered to the corporate governance principle which adopted from the Principle of Good Corporate Governance for Listed Companies as follows:

- Principle 1:** Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2:** Define Objectives that Promote Sustainable Value Creation
- Principle 3:** Strengthen Board Effectiveness
- Principle 4:** Ensure Effective CEO and People Management
- Principle 5:** Nurture Innovation and Responsible Business
- Principle 6:** Strengthen Effective Risk Management and Internal Control
- Principle 7:** Ensure Disclosure and Financial Integrity
- Principle 8:** Ensure Engagement and Communication with Shareholders

The Company applied CG Code for operating for the year 2020, however, the guideline which has not yet been adopted by the Company is summarized as follows:

Inapplicable Guideline	Explanation
The Company should have press conference in order to release the financial position of the Company	The Company has set the schedule to organize the press conference during the year 2020. Due to the Covid-19, the Company postponed the schedule to the beginning of the year 2021.
The Company should determine the voting of directors by Cumulative Voting method	The Company did not determine cumulative voting as the method of voting for directors as it was considered that the Company already has a process of recruiting qualified persons and operating its business while taking into consideration the rights of minority shareholders to nominate qualified persons as directors in accordance with Company's policy.

Responsibilities of the Board of Directors

The Company's Board of Directors comprises of total 12 directors, consisting of 4 independent directors, 4 non-executive directors, and 4 executive directors. The Board comprises of members with a diversity of professional skills, specialized expertise, and gender. In alignment with good corporate governance principles, the Company has appointed a non-executive director as Chairman of the Board of Directors, where the positions of the Chairman of the Board and the Executive Chairman are not held by the same person. The details of the Board of Directors are appeared in Management Structure.

The Chairman of Board of Directors

The Chairman of the Board has an important role in overseeing and supporting Board Members in fully performing its duties in accordance with the Company's direction and strategy for the highest benefit of the Company and its shareholders. The Chairman has a leadership role of the Board of Directors, with the responsibilities covering at minimum as follows:

- to oversee, monitor, and ensure that the Board members perform their duties effectively and fulfills its objectives and key goals;
- to ensure the involvement of all Board members in promoting the creation of an organizational culture with ethics and good corporate governance;

- to set the Board of Directors' meeting agenda through consultation with the Chief Executive Officer and have measures to ensure inclusion of important issues into the meeting agenda;
- to allocate an adequate time for the Board of Directors' meetings to allow the management to propose issues and the Board to carefully deliberate important topics, and promote the Board's exercise of scrupulous discretion and independent opinion; and
- to promote good relationships among executive and non-executive directors, and between the Board and the management team.

The Chief Executive Officer

The Chief Executive Officer leads the management team and responsible for the successful day-to-day business management of the Company and its subsidiaries and plans the operation and business management strategy of the Company and its subsidiaries as approved by the Company's Board of Directors.

The Board of Directors will not be involved in the day-to-day management's responsibility or in the implementation of the Board's policies. The working relationship between the Company's Board and the management will be a collaborative nature.

Independent Director

The Company has set a definition for independent director in accordance with the minimum requirements as stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of

Thailand (SET), as follows:

- Holding shares not more than one percent of the total number of shares with voting rights of the company, subsidiaries, associated companies, major shareholders, or persons with authorized control over the company, including the shareholding of related persons of that independent director.
- Not being nor used to be a director taking part in management, including not being or having ever been an employee, consultant with a regular salary, or authorized control person of the company, subsidiaries, associated companies, same-level subsidiaries, major shareholders or shareholders of authorized control persons of the company, unless they have refrained from such qualifications for at least two years prior to their appointment.
- Not being an inherited person or one by legal registration in the manner of parents, spouse, sibling, and child, including the child's spouse of other directors, executives, major shareholders, authorized control persons, or persons who will be nominated as directors, executives, or authorized control persons of the company or subsidiaries.
- Not having or having ever had a business relationship with the company, subsidiaries, associated companies, major shareholders, or authorized control persons of the company in a manner that may impede one's independent exercise of judgment, including not being or having ever been a significant shareholder or an authorized control person of an individual having a business relationship with the company, subsidiaries, associated companies, major shareholders, or authorized control persons of the company, unless they have refrained from such qualifications for at least two years prior to their appointment.

The business relationship under paragraph one includes normal commercial transactions for the purpose of operating a business, renting, or leasing real estate, transactions relating to assets or services, or giving or receiving financial assistance by accepting or lending, guaranteeing, giving assets as collateral for liabilities, including other similar circumstances which resulted in the obligations of the company or the parties for payment to the other party, with three percent of the company's net tangible assets, or twenty million baht, whichever is lower. The debt load calculation shall be in accordance with the method for calculating the value of connected transactions under the notification of the Capital Market Supervisory Board on the rules of connected transactions, by which the necessary changes have been carried out. The debts shall include the indebtedness incurred during one year prior to the date of having a business relationship with the same person.

- Not being or having been an auditor of the company, subsidiaries, associated companies, major shareholders, or authorized control persons of the company, and not significant shareholders, authorized control persons, or partners of the audit companies which have auditors of the company, subsidiaries, associated companies, major shareholders, or authorized control persons of the affiliated company, unless they have refrained from such qualifications for at least two years prior to their appointment.

- Not being or having been a service provider of any kind, including legal or financial advisory services with a service fee of more than two million baht per year from the company, subsidiaries, associated companies, major shareholders, or authorized control persons of the company, and not being a signifi-

cant shareholder, authorized control person, or partner of the professional service providers, unless they have refrained from such qualifications for at least two years prior to their appointment.

- Not being a director who has been appointed to represent the company's directors, major shareholders, or shareholders who are related to major shareholders.

- Not operating a business with the same nature and in significant competition with the company's business, or subsidiaries', or not being a significant partner in the partnership, nor being a director who takes part in management, employees, staff, advisors who receive regular salary, nor shareholder of more than one percent of the total number of voting shares in other companies which operate a business with the same nature and in significant competition to the company or subsidiaries.

- Not having any other characteristics that prevent expressing opinions independently regarding the company's operations.

After being appointed with characteristics according to 1-9, the independent director may be assigned by the board of directors to make decisions in the business operations of the company, subsidiaries, associated companies, subsidiaries of the same level, major shareholders, or authorized control persons of the company, where decisions can be made in the form of a collective decision.

Sub-committees

The Company consists of 5 sub-committees who are under the supervision of the Board of Directors. The sub-committees have a duty to help

specific studying and scrutinizing various aspects. The sub-committees under the supervision of the Board of Directors consist of Audit Committee, Executive Board, Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee, details on each sub-committees are mentioned in Management Structure.

Role, duty, and responsibility of the Board of Directors

The details of the role, duty, responsibility, including authority and approval authority of the Board of Directors are appeared in Management Structure.

Business ethics

The Company has awareness on the good reputation. Therefore, to maintain the Company's and its subsidiaries' credibility for the customers, colleagues, shareholders, related parties and general public is regarded as the duty of the directors, executives, and employees. It is mandatory that all directors, executives, and employees abide by and comply with the laws, rules, regulations, and other policies which are applied to the Company and subsidiary companies. In addition, business standards and ethics should be complied under the principles of high service standard and morality, because the Company's business foundations are trust and faith from customers and the general public.

The Board of Directors has approved guidelines for business conduct that allow the directors, officers, and employees of the conglomerate to share the common operational framework with good faith

and morality. The significant principles consist of:

1. Conflict of interests
2. Taking advantage of the Company
3. Duty to keep Confidentiality
4. Fair treatment
5. Respecting others
6. Safeguarding the Company's information and assets
7. Comply with law and regulation
8. Written and electronic communication
9. Fostering code of conduct

The Company has published business conduct through the intranet system of the Company to employees and executives for acknowledgement and practice. The details of the Company's Code of Conduct also public on the Company's website.

Nomination of Director and CEO Nomination and Appointment of Directors and Independent Directors of the Company

Constitution and appointment of the Board of Directors is stated in the Charter of the Board of Directors as follows:

1. The shareholders' meeting specifies the number of positions for the company's directors, but not less than five persons, and independent directors from the management who have no business relationship or any other relations that may influence their independent judgment, with not less than one-third of the total number of directors, and at least three persons.

2. The Board of Directors shall elect one of the company's directors to be the Chairman of the Board

of Directors. In the event that the Board of Directors deems it appropriate, one or more of the company's directors may be elected to be the Vice Chairman of the Board of Directors.

Qualifications of persons to be appointed as the company's directors

- Must be a qualified person and not have any prohibited characteristics according to the regulations of the Securities and Exchange Commission ("SEC"), the Stock Exchange of Thailand ("SET"), the laws of public limited companies, and other relevant regulations.

- Be a person with knowledge, capability, honesty, ethics, and experience in the operation of the company's business.

- The company's directors can hold director positions in other companies. However, being a director of such company must not be an obstacle to the performance of the company's directors, and must also comply with the regulations set forth by the SEC and the SET.

In the case of independent directors, there must be additional qualifications as mentioned above under topic Independent Director:

Appointment and tenure of the company's directors

- Appointment of the Board of Directors shall be in accordance with the company's regulations and relevant legal requirements, which must be transparent, clear, sufficient, and beneficial for the decision of the Board of Directors and/shareholders.

- At every annual meeting of shareholders, the company's directors shall retire from the post at one-third of the total number of directors at that time. If the number of directors cannot be divided into three parts, the retirement shall be at the closest number to the ratio of one-third. The directors who retire from the post upon the expiration of tenure term may be reelected.

- In the event that the position of company director is vacant due to reasons other than the due term of tenure and tenure term remains of at least two months, the Board of Directors may appoint a director to replace the vacant position by appointing a qualified person without any prohibiting characteristics under the laws of public limited companies, the Securities and Exchange Law, and other legal regulations relating to the company's operations, as the replacement director at the next meeting of the Board of Directors, except where less than two months' of the tenure term of the company director remains. The resolution of the Board of Directors must consist of at least three-fourths of the votes of the remaining directors. The person who serves as a replacement director shall hold the position of director for only the remaining tenure term of the director being replaced.

- The company's directors shall leave the post when:

- (1) Due term of tenure
- (2) Resigned
- (3) Deceased
- (4) Lack of qualifications or having prohibited characteristics by law or regulations of the Company
- (5) Votes of the shareholders' meeting
- (6) Order issued by the court

- The director who retires before his due term of tenure is required to submit a retirement letter to the company. The retirement is effective from the date of intention to retire and may also be notified to the registrar under the laws of public limited companies.

- The nomination of directors and independent directors of the company has been specified in the criteria and methods for nominating the company's directors; namely, the nomination of the company's directors requires that the Nomination and Remuneration Committee consider those who have suitable and beneficial qualifications for the company's business operations in a comprehensive and transparent manner as follows:

- Having qualifications that are in accordance with relevant laws and regulations, such as the Public Company Limited Act B.E. 2535, the Securities and Exchange Act B.E. 2535, the Company's Regulations, and the Company's Good Corporate Governance and Business Ethics Policy

- Considering the company director nomination criteria of the Stock Exchange of Thailand and the Good Corporate Governance Principles for Listed Companies in 2017 of the Office of the Securities and Exchange Commission.

- Giving importance to those who have skills, professional experience, and specific qualifications in various fields and those which the Board of Directors is still lacking, including that which is firstly essential to the nature of the business of the company without limitation or discrimination of gender and race, or any differences in order to make the complete constitution of the Board of Directors towards the highest benefit for the company.

- Considering the appropriateness of knowledge, experience, and specific capabilities that are useful for the company in the core business or services in which the company operates, as well as being knowledgeable with experience in any fields such as life and non-life insurance, commerce, industrial management, engineering, architecture, science, environment, political science, law, accounting, finance, public relations, or public administration.

- Considering the dedication of the company's directors, in that the past directors shall be reelected for another term by considering the performance results during the tenure of taking such position as well as the company that each director shall hold a position in to suit the nature or business conditions.

- In case of the appointment of independent directors, considering the independence of persons to be nominated as independent directors in accordance with the rules set by the Office of the Securities and Exchange Commission, as well as the definitions of an independent director of the company, with the qualifications of independence as specified in the corporate governance policy and business ethics of the company, disclosed on the company's website.

- Considering the performance during the past years (if any).

Method for Nomination of Directors

For nomination of the company's directors, the Nomination and Remuneration Committee shall consider as follows:

- Nominating directors according to the required agenda for the nomination of directors to the Board of Directors for consideration. The nomination

may be considered by having the former directors continue the position, or opening for nomination from shareholders, or using an outside company to help with the nomination, or considering persons from the lists of committees and professions, or allowing each director to nominate an appropriate person, etc.

- Considering the names of nominated persons, then selecting individuals who meet the qualifications according to the criteria.

- Verifying that the nominated persons possess qualifications according to the laws and regulations of relevant authorities.

- Proceeding to approach persons who are qualified to meet the specified eligibility criteria, ensuring that such individuals are willing to take up the position as director of the company, if appointed by shareholders.

- Proposing the names to the Board of Directors for consideration and including their names in the notice letter for the shareholders' meeting, so that the shareholders' meeting or the Board of Directors shall consider the appointment as the case.

Terms of being the Director

Term of the company's directors is given as follows:

- The Board of Directors shall have the term as specified in the company's regulations. At every annual meeting of shareholders, the directors shall retire from the position in one-third (1/3) of the number of directors at that time. If the number of directors cannot be divided into three parts, then the retirement shall be the closest number to one-third (1/3).

- The Independent directors shall hold their

positions continuously for no more than nine years from the date of their first appointment as independent directors. Even if the appointment is necessary to continue such position as an independent director, the Board of Directors must reasonably consider such necessity

Nomination and Appointment of the Chief Executive Officer

The Nomination and Remuneration Committee considers the nomination of the Chief Executive Officer as follows:

- The Nomination and Remuneration Committee is responsible for the consideration to nominate the Chief Executive Officer.

- The Nomination and Remuneration Committee proposes the nominated persons to the Board of Directors for further considerations of the appointment.

The Nominating and Remuneration Committee considers nominating, appointing, and screening the qualified persons for the position of the Chief Executive Officer, with basic factors as follows:

- Have the qualifications, knowledge, capability, and experience in the industry or business of the company.

- The person who is nominated for the position should have ideas and visions of management in the same way as the Board of Directors towards successful operations of the organization to achieve the goals.

- Possess the skills necessary for the assigned position:

- Leadership
- Strategic Thinking

- Business Development
- Other qualifications:
 - Good human relations
 - Honest, prudent, discreet
 - Quality of work
 - Good TEAMWORK operation

Regulations on approval authorities

The Company determines that the Board of Directors has the authority to approve matters of the Company in accordance with the scope of duty determined by the law, the Company's Article of Association, the Board of Directors' Charter and resolution of the shareholders' meeting, including the revision of vision, mission, and the operating strategy on an annual basis. The duties extend to the strategic plan, annual budget, investment plan and budget of the Company as well as monitoring and assessment of operating result to ensure alignment with the plans, approval of the significant related transactions. The Executive Board is obligated to the Company affairs as assigned by the Board of Directors in accordance with the Charter of Executive Board, related laws and regulations in order to approve the related transactions as usual business within the budget and approve the transaction approved by the Board of Directors.

Supervision of the Operations of Subsidiaries and Associated Companies

The company was established with the main objective to operate the business by holding shares in other companies (Holding Company), following the company's policy to effectively control and supervise the business operations that the Company invests or will invest in in the future as though it is a department or a unit in the organization of the company. Also, it can follow on the administration and the operation of the investment businesses to maintain the interests from such investment. The corporate governance measures shall add value and increase confidence of the company's stakeholders, so they are ensured that the businesses in which the company invests shall be able to operate continuously and sustainably. This is in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2016, Re: Application for Permission and Allowance to Offer for Sale of Newly Issued Shares (including any amendments), the Stock Exchange's Regulation, Re: Acceptance of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (including the amendments), as well as the Good Corporate Governance Guidelines of SET, with guidelines as follows:

- Any transactions or actions with significance or effects to the financial status and operating results of subsidiaries and associated companies are subject to approval from the Board of Directors or the shareholders' meeting of the Company (depending on each case). The company's directors are responsible for arranging the meeting of the Board of Directors and/or the shareholders' meeting of the company for

consideration and approval before the subsidiaries and/or associated companies organize the meeting of the Board of Directors and/or the shareholders' meeting of their own for consideration and approval before making the transactions or proceeding with such matters. In this regard, the company shall disclose information and comply with the rules, conditions, procedures, and methods relating to the requested matters for approval as required by the laws of public limited companies, the Civil and Commercial Code, the Securities Law, and other relevant laws, as well as announcements, regulations, and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, with necessary modifications accordingly (as far as they are not contradicting or conflicting), completely and accurately.

- In the following cases, subsidiaries or associated companies must be approved by the Board of Directors' meeting.

- a) For the appointment or nomination of persons to be directors or executives in the company operating the core business at least in proportion to the shareholding of such company with core business operation, the directors and executives that the company nominates or appoints shall have the discretion to consider voting in the Board of Directors' meeting of the company operating the core business relating to general management and normal business operations. This shall depend on the directors and the top executives of the company operating the main business to deem it appropriate for the highest benefit to the company.

In this regard, the nominated directors or executives as mentioned above must have

qualifications, roles, duties, and responsibilities, as well as lack of untrustworthy characteristics according to the Notification of the Securities and Exchange Commission concerning the determination of untrustworthy characteristics of directors and top executives of the Company.

b) Consideration and approval of annual dividend payment, as well as interim dividends (if any) of subsidiaries.

c) Amendments to the regulations of subsidiaries, except for the matters according to (3) (f).

d) Consideration and approval of the annual budget of subsidiaries.

e) Appointment of the auditors of subsidiaries only if such auditors are not affiliated with the Office of Audits under the same network as the auditors of the company, which is not in accordance with the guidelines for the appointment of the company's auditors, in that the auditors of subsidiaries must be affiliated with the audit firm in the Office of Audits under the same network as the auditors of the company.

The items from (f) to (n) are considered important for the significant effects to financial transactions and operations of subsidiaries, which must be first approved by the Board of Directors of the company. This must be the case when calculating the transaction size that subsidiaries shall enter into compared with the size of the company, by applying the criteria for calculation of transactions according to the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding the acquisition or disposition of assets and/or the connected transactions and/or the amended announcement accordingly in force at that time

(depending on each case), within the criteria to be approved by the Board of Directors as follows:

f) In cases where the subsidiaries agree to enter transactions with the subsidiary's connected persons or those relating to the acquisition or disposition of assets of the subsidiaries.

g) Transfer or forfeiture of benefits, including the waiving of claims against those who cause damages to the subsidiaries.

h) Sale or transfer of the business of all subsidiaries or some important parts to others.

i) Purchase or acquisition of business transfer from another company to the subsidiaries.

j) Entering, making, modifying, or terminating the lease agreement of all subsidiary businesses or some important parts, as well as assigning other persons to manage or merge the businesses of the subsidiaries with others.

k) Renting or leasing of businesses or assets of all subsidiaries or some important parts.

l) Borrowing, lending, crediting, or guaranteeing, and undertaking juristic acts of the subsidiaries that are subject to additional financial obligations, or providing any other financial assistance to others and not the normal businesses of the subsidiaries.

m) Dissolution of the subsidiaries

n) Any other transactions which are not normal business transactions of the subsidiaries and the transactions with significant impacts on the subsidiaries.

• In the following cases, subsidiaries must obtain approval from the shareholders' meeting of the company before the subsidiaries enter the transactions.

a) In the event that subsidiaries agree to enter transactions with the subsidiary's connected persons or related items on the acquisition or disposition of assets of subsidiaries, the calculating of the transactions size that the subsidiaries enter into shall be compared with the size of the company using the criteria for calculation of transactions as specified in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand board, accordingly within the criteria for approval from the shareholders' meeting of the company.

b) In the event of increasing of capital through the issuance of the subsidiary's capital increasing shares and the allocation of shares, including the reduction of registered capital, this does not meet the shareholding proportion of the shareholders, or any other operations that result in the lower proportion of voting rights of the company, either directly and/or indirectly, at the shareholders' meeting of the subsidiaries in any levels, with the stipulated proportion under the applicable law. Also, it can enforce the company to have no control over the subsidiaries and all of these must be the case when calculating the transaction size that the subsidiaries shall enter transactions compared to the size of the company, under the criteria approved in the shareholders' meeting, by applying the criteria for calculating the transaction size as specified in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand for enforcement accordingly.

c) Any other actions resulting in the direct and/or indirect exercise of voting rights of the company at the shareholders' meeting of any subsidiaries, irrespective of the reduced number of shares by more

than ten percent (10) of the total number of votes in the shareholders' meeting of the subsidiaries, or causing the proportion of voting rights of the company, either directly and/or indirectly, at the shareholders' meeting of the subsidiaries in any levels to be decreased to less than fifty (50) percent of the total number of votes in entering any other transactions which are not normal businesses of the subsidiaries.

d) Dissolution of the subsidiaries, which shall be the case when calculating the size of the subsidiary's business to be dissolved compared to the size of the company, by using the criteria for calculation as specified in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand on the acquisition or disposition of assets and/or the amendments currently in force accordingly, within the criteria and once approved by the shareholders' meeting of the company.

e) Any other transactions which are not normal business transactions of the subsidiaries and those with significant impacts on the subsidiaries by using the criteria for calculation as specified in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand on the acquisition or disposition of assets and/or the amendments currently in force accordingly, within the criteria and once approved by the shareholders' meeting of the company.

f) Amendments to the regulations of subsidiaries with significant effects to their financial position and operating results, including but not limited to amendments to the regulations of subsidiaries that affect the voting rights of the company at the Board of Directors' meeting of subsidiaries and/or the shareholders' meeting of

the subsidiaries, or dividend payments of the subsidiaries, etc.

- The Company shall monitor the directors and top executives appointed by the Company to take the position of directors and top executives in subsidiaries and associated companies and perform their duties and responsibilities according to the laws, regulations, and policies of the Company.

- The Board of Directors of the Company is required to ensure that subsidiaries and associated companies have an internal control system, risk management system, and anti-fraud system, as well as the establishment of appropriate measures to monitor the performance of subsidiaries and associated companies, with efficiency and conciseness for the operations of subsidiaries and associated companies to truly perform in accordance with the company's plans, policies, and regulations, including laws and announcements on the good corporate governance of listed companies, as well as relevant announcements, regulations, and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. Also, they should have a follow-up for the subsidiaries and/or associated companies to disclose the information on the connected transactions, significant acquisition or disposition of assets and/or any other significant transactions to the company, as well as completely and accurately perform various operations in accordance with the rules of supervision and management of subsidiaries and associated companies as specified in the company's policies and regulations. Furthermore, there shall be a channel for directors and top executives of the company to

obtain information of subsidiaries to monitor the performance and financial status, as well as the connected transactions, significant acquisition or disposition of assets, and other significant transactions of the subsidiaries, with efficiency.

- The Company shall arrange for the appointed directors to take the position of directors of the subsidiaries, as well as to attend and vote as specified by the company in the meeting of the subsidiaries' board of directors each time when considering an agenda with significant importance to business operations of the subsidiaries.

- The directors and top executives of subsidiaries who are nominated or appointed by the company shall have the duties as follows:

- a) Disclose information on financial status and operation results, connected transactions, as well as acquisition or disposition of significant assets of subsidiaries to the Board of Directors and the top executives of the Company, completely and accurately, within the appropriate timeframe as specified by the Company.

- b) Disclose and submit information regarding personal interest and related parties to the Board of Directors, regarding the relationship and transactions with subsidiaries or companies in a manner that may create a conflict of interest. The Board of Directors of the subsidiaries have a duty to report such issues to the Board of Directors of the company within the timeframe specified by the company, as supporting information for any decisions or approval, and which should take into account the overall benefits of the subsidiaries and the Company as a priority.

In this regard, the directors and top executives of the subsidiaries must not participate in the

approval of any issues in which they have a stake or conflict of interest, either directly/or indirectly.

c) The following actions which cause the directors or top executives of the subsidiaries or related persons of the subsidiary's directors or top executives to receive financial benefits other than normally acquired, or lead the company or the subsidiaries to get damaged, shall be thus assumed as actions that significantly contradict the conflict of interest of the subsidiaries.

- Transactions between the company and/or the subsidiaries and the directors or top executives of the subsidiaries or related persons of the subsidiary's directors or top executives, which do not comply with the rules of connected transactions.

- Use of the company information or the subsidiaries' which has been known, unless it is the information that has already been disclosed to the public.

- Use of assets or business opportunities of the company and/or the subsidiaries in a manner that violates the rules or general practices as specified in the notification of the Capital Market Supervisory Board.

d) Report of business plans, business expansion, large investment projects as approved by the company, downsizing of business, cessation of business, cessation of the unit's operations, as well as joint investments with other entrepreneurs, to the company through the monthly performance report, with clarification and/or submission of documents for consideration of such cases as requested by the company.

e) Clarify and/or submit information or documents relating to the operations to the company

when requested, as appropriate.

f) Clarify and/or submit relevant information or documents to the company in case that they are significantly detected.

- Directors, top executives, or related persons of the company and/or the subsidiaries shall perform transactions with the company and/or the subsidiaries only when such transactions are approved by the company's Board of Directors and/or the subsidiary's Board of Directors and/or the shareholders' meeting of the company and/or the shareholders' meeting of the subsidiaries (depending on each case), according to the calculated transaction size by applying the criteria for calculating the transaction size as specified in the notification of the Capital Market Supervisory Board and the announcement of the Stock Exchange of Thailand regarding connected transactions and/or the amended announcement being enforced at that time accordingly, unless they are trade agreement transactions in the same manner as an ordinary person shall do with general contracts in the same situation, using trade bargaining power without any influence in their presence as directors, executives, or related persons, depending on each case, and as trade agreements approved by the company's Board of Directors, or in accordance with the principles having been approved by the Board of Directors.

- For financial control of subsidiaries and associated companies, the company has policies for the operations as follows:

a) Subsidiaries and associated companies are responsible for preparing monthly operational and financial statement reports, reviewed and issued by the auditor quarterly (if any), as well as the supporting

information of such financial statement of subsidiaries and associated companies to the company, with an agreement to allow the Company to use that information in the consolidated financial statement or operational report of the company, quarterly or annually, depending on each case.

b) Subsidiaries and associated companies are responsible for preparing a budget of operating results and comparing quarterly operating results according to the actual operational plans, including monitoring the operating results to be in accordance with the operational plans to report to the company.

- Subsidiaries have duties to report significant operational and financial problems to the Company when detected or requested, as well as to submit any relevant information or documents upon request as appropriate.

- It is forbidden for the directors and top executives of the Company and/or subsidiaries, employees, staff, or assignees of the company and/or subsidiaries, including the spouse and underage children of such persons to use inside information of the Company and/or subsidiaries, either from the performance of their duties or in any other ways that have or may have significant impacts on the Company and/or subsidiaries for their own benefits or that of others, either directly or indirectly, and whether or not with rewards.

- The company shall closely monitor the operating results and operations of subsidiaries and associated companies, as well as present the analysis results, including opinions or suggestions to the Board of Directors of the company and subsidiaries or associated companies for consideration of policies or improvement for the business of subsidiaries

and associated companies towards continuous development and growth.

Oversight on the use of Insider information

The Company gives importance to the protection of using inside information of the company and subsidiaries, while having a policy to prohibit directors, top executives, employees and staff of the company and subsidiaries from disclosing the confidential and/or inside information not yet disclosed to the public, or seeking benefits for themselves or others, either directly or indirectly, and whether or not with rewards. Also, they must not perform trading of the company's securities by using such inside information. In this regard, the company has established guidelines to prevent the use of inside information as follows:

- The Company provides knowledge to directors and top executives, including persons holding managerial positions in accounting or finance or equivalent, regarding the duty to report the securities holding for themselves, spouses, and underage children, to the Office of the Securities and Exchange Commission under Section 59 and the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including the amendments) ("Securities and Exchange Act"), as well as the reporting the acquisition or disposition of securities for themselves, spouses and underage children to the Office of the Securities and Exchange Commission under Section 246 and the penalties under Section 298 of the Securities and Exchange Act.

- The Company assigns directors and top executives, including persons holding managerial positions in accounting or finance or equivalent, to

prepare and submit reports of securities holding for oneself, spouses, and underage children to the company's secretary before sending such to the Office of the Securities and Exchange Commission each time. The preparation and submission shall be done within 30 days from the date of appointment as directors and/or top executives, while reporting the changes of securities holding within three business days from the date of purchasing, selling, transferring, or accepting of such securities transfer. The company's secretary shall summarize the reports on the securities holding and the changes in holding of securities to the meeting of the Board of Directors for acknowledgment on a one-time quarterly basis.

- The Company assigns directors and top executives, including those holding managerial positions in accounting or finance as department managers or above or equivalent, and related workers, as well as persons who are presumed to know or possess significant inside information under the Securities and Exchange Act, which shall affect the changes in price or value of the securities, to suspend trading, offer for purchase or sale, or solicit others to trade the company's securities, either directly or indirectly, during the period before the release of financial statements or dissemination of information about the financial status and state of the company until the company shall disclose the information to the public throughout the embargo period, which is one month prior to the announcement of the company's quarterly and annual financial results. The company shall notify directors and top executives to refrain from trading the company's securities in writing for at least one month prior to the public disclosure of information, and shall wait

at least 24 hours after disclosure to the public. Additionally, they are prohibited from disclosing significant information to other persons.

Directors may sell the company's securities during the prohibition period, in the event that the company has to comply with the regulations of the Stock Exchange of Thailand on distribution of shareholding by minority shareholders, which shall notify the SET in advance before making the transactions.

- It is forbidden for the directors, top executives, and employees of the company and subsidiaries, including persons who are presumed to know or possess inside information under the Securities and Exchange Act, to use inside information of the company and subsidiaries which have or may have impacts on the price changes of the company's securities that has not yet been disclosed to the public and shall be perceived for purchasing, selling, offering for purchasing and selling, or persuading others to buy, sell, or offer to buy or sell the company's securities, either directly or indirectly, and whether such actions shall be done for the benefit of themselves or others, or if such facts are revealed to allow others to do so for their own benefit or not.

- The Company requires the directors, top executives and employees of the Company and subsidiaries to not disclose the inside information of the company and subsidiaries, as well as to not use the position of their duties in the company and/or subsidiaries, or bring the inside information or significant information that is known or acknowledged while working in the company and/or subsidiaries which has not yet been disclosed to the public to seek wrongful interests or disclose to third parties for their own benefit or that of others, either directly

or indirectly, regardless of whether they shall receive benefits or not.

- The Company requires the directors, top executives, and employees of the Company and subsidiaries to have a duty to comply with the guidelines for the use of inside information of the Securities and Exchange Act, including other relevant rules.

- The Company requires the directors, top executives, and employees of the company and subsidiaries, or former directors, top executives, and employees who resigned, to have a duty to maintain confidentiality and/or keep inside information of the company and subsidiaries, as well as the confidential information of the company's partners and subsidiaries that they have known from their duties. Also, they are prohibited to bring the confidentiality and/or inside information of the Company and subsidiaries, as well as the confidential information of the company's partners and subsidiaries, to use for the benefit of other companies, or let outsiders know, even though the disclosure of such information shall not cause any damages to the company, subsidiaries, or partners.

If there is an act in violation of the above regulations, the Company shall consider it as a disciplinary offense in accordance with the Company's regulations. The punishment shall be considered as appropriate, starting from verbal or written warning, probation, as well as termination of employment as an employee.

Auditor's remuneration

- **Audit Fee**

For the fiscal year ended December 31, 2020,

the Company and subsidiaries paid audit fees to the auditors from KPMG Phoomchai Audit Ltd. ("KPMG"). The annual audit fee for the Company is Baht 1,870,000. The quarterly review fee is Baht 1,650,000. The audit fee of 7 subsidiaries for which each shall be liable is Baht 12,380,000 in total. The total of audit fee for the Company and subsidiaries is Baht 15,900,000.

Other subsidiaries shall be liable for their own audit fees paid to EY Office Company Limited and other auditing companies, as audit compensation in amount of Baht 280,000 and Baht 2,180,000, respectively.

- **Non-Audit Fee**

The Company and subsidiaries paid audit fees according to mutually agreed methods to KPMG in the amount of Baht 519,441.01.

Compliance Unit

The Company has established a compliance unit to support the company in supervising the performance of the top executives, employees, and various departments of the company to be in accordance with the laws and regulations of the supervisory authorities, such as the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as coordinating with supervisory authorities to ensure the company's operations are in compliance with the relevant rules and regulations.

In 2020, Ms. Chawandhorn Muangmee, the Corporate Secretary, serves as a supervisor for the operations of the Company, with no violation of any laws, rules, and regulations of the SEC and SET.

Compliance with good corporate governance in other areas

Rights of shareholders

The Board of Directors has established the principles of corporate governance by taking into account the rights of shareholders as required by laws, including the rights to attend the shareholders' meeting, rights to assign other individuals to attend the meeting and vote on their behalf, rights to vote on an election or to remove a director individually, rights to vote on the directors' remuneration annually, rights to vote for appointment and remuneration of the auditor, rights to participate and perceive significant changes within the company, and rights to receive information when there are changes in the capital structure, control power, or trading assets. In addition, the Company provides shareholders with the opportunity to express their opinions and ask questions at the shareholders' meeting, rights to propose the agenda of the shareholders' meeting, rights to nominate persons to be elected as directors of the company, rights to take part in enhancing the company's performance, rights to share in the company's profits, and rights to receive adequate and timely information, etc. At the same time, the Board of Directors is committed to encouraging all shareholders to fully exercise their rights. The Company shall not take any actions that violate or deprive the rights of shareholders.

• Shareholders' meeting

(1) Setting the date, time, and venue of the meeting to facilitate and encourage shareholders of all groups, including institutional investors, to attend the meeting

The Company requires an Annual General Meeting of Shareholders within four months from the end of the fiscal year of the Company. The setting of the date, time, and venue of the meeting shall facilitate and promote all groups of shareholders, including institutional shareholders, as follows:

- The meeting shall not be held on public holidays and commercial bank holidays. The meeting shall begin from 8:30 a.m. – 4:00 p.m., with the opportunity for all shareholders to submit a registration form or an authorization letter to the company for advance registration.

- The meeting shall be held in Bangkok or the locality where the Company's headquarters are located, so the shareholders can travel to attend the meeting conveniently.

- There shall be information on the date, time, venue, and agenda of the meeting, with explanations and reasons for each agenda, or the requested resolution as specified in the invitation letter for the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders, or in the attachment of the meeting agenda.

- There shall be no limit on the opportunity of shareholders to study the information of the Company.

- If there is an urgent need for a special agenda which affects or involves the benefits of shareholders or relates to conditions or rules or applicable laws that require the shareholders' approval, the company shall call for an extraordinary meeting of shareholders

on a case-by-case basis.

In 2020, the Company held one shareholders' meeting, The 2020 Annual Meeting of Shareholders, on Thursday, September 3, 2020 at the 13th floor meeting room, the Southeast Building, Silom Road, Silom Sub-district, Bangrak District, Bangkok. It was later than four months after the end of the Company's accounting period due to the situation of the coronavirus outbreak 2019 (COVID-19). The Company has comprehensively followed the regulations for the relaxation of the meeting due to the situation of COVID-19 of the Department of Business Development, Ministry of Commerce, SEC, and SET.

(2) Meeting attendance of directors and top executives

The Company conducted the 2020 Annual Meeting of Shareholders in accordance with the Public Company Limited Act B.E. 2538, the regulations of the Stock Exchange of Thailand, and the Securities and Exchange Commission in order that the meeting was performed according to the laws and related regulations, in line with the quality assessment of holding the general meeting of shareholders. In the 2020 Annual Meeting of Shareholders, voting is considered in sequence according to the specified agenda. Before the start of every meeting, the person assigned by the chairman is served to explain the voting methods, the counting of votes, and the use of ballots.

All of the 12 directors of the Company attended the meeting. There were also the Company's top executives, consultants, advisors from external law firms, and licensed auditors attending the meeting from the start of the meeting. The Company gave shareholders an opportunity to be a witness for the

vote counting as well.

(3) Before the date of the shareholders' meeting

- The Company publishes an invitation letter for the shareholders' meeting and supporting information for each agenda item to shareholders in advance on the company's website, at least 28 days before the date of the shareholders' meeting. The company assigns the Securities Depository (Thailand) Co., Ltd., as the company's securities registrar, to send the invitation letter to shareholders in advance by mail, at least 28 days before the meeting date.

- The mailing of an invitation letter for the meeting contains all important agendas in accordance with laws, the regulations of the Stock Exchange of Thailand, and the Articles of Association of the Company. There are sufficient details on the agenda for decision making, including the clear presenting of opinions of the Board of Directors in each agenda, annual reports, along with supporting documents required for the authorization and clearly specified method for authorization, without any complexities or difficulties for the shareholders to consider 14 days in advance, while having the notice of the meeting in a daily newspaper for three consecutive days and at least three days before the meeting date, in order to inform the shareholders in advance with sufficient time for preparation and study of information for consideration on the agenda before attending the meeting. The invitation letter will be sent to all shareholders whose names appear in the shareholder register book of the Company as of the Record Date. The shareholders can assign authorized persons to attend the meeting on their behalf, or have the Company's independent directors be authorized persons to attend the meeting. The Company shall propose a list

of independent directors along with brief profiles in the invitation letter for shareholders to consider.

- The Company provides an opportunity for minority shareholders to nominate persons to be elected as directors in advance through the company's website. For the 2020 Annual Meeting of Shareholders, shareholders can propose from October 1, 2019 until December 30, 2019, along with specifying criteria and shareholder's forms to clearly fill the details on those matters. The company shall inform such news through the information system of the Stock Exchange of Thailand and disclose the information on the company's website at: <http://www.segroup.co.th/TGH/shareholderRightsTH.php> under the section "Shareholder Rights Criteria."

- To present the agenda for approval of dividend payment/no dividend payment, the Company discloses the dividend payment policy, amount of dividend to be paid/not to be paid, together with reasons and information to compare the dividend payment rate with the past year (if any) for consideration.

- For the agenda to consider the election of directors in place of those who are due to retire by rotation, the company provides complete information on the directors who are proposed to shareholders for consideration.

- For the agenda to consider the remuneration of directors, the company gives information on policies and methods for determining directors' remuneration, in addition to the forms and amounts of compensation offered to shareholders for approval.

- For the agenda to consider the appointment of auditors and the audit fee, the Company discloses complete details of the auditors proposed to be appointed for the shareholders' consideration, such

as the name of auditors, affiliated companies of the auditors, number of years that the auditors have worked for those affiliated companies, auditors' experience, and independence of the auditors, as well as service fee of the auditors and audit fee for subsidiaries.

- The Company disseminates information to shareholders regularly through the channels of the Stock Exchange of Thailand, various media or publications, including the Company's website.

(4) On the shareholders' meeting date

- The Company sets the date, time, and venue of the shareholders' meeting, such that it can be easily attended by every shareholder. The Company provides supporting documents for the meeting, and sends them together with the notice of the meeting to let the shareholders know the meeting process, as well as the checking of documents and evidence showing the rights to attend the meeting.

- The Company allows shareholders to register at least two hours prior to the meeting by using a barcode registration and vote counting system for convenience, speed, and accuracy, as well as preparing a stamp duty for convenience of shareholders in giving authorization.

- There is no additional agenda or change of important information without prior notice to shareholders. The meeting time is adequately allocated and the meeting is conducted appropriately and transparently. During the meeting, there will be an opportunity for shareholders to offer thorough comments and raise questions before giving a vote. The resolution of each agenda item is summarized.

- The Company gives the rights to shareholders to attend the shareholders' meeting after the meeting

begins. They have rights to vote in the agenda being considered and not yet being voted for.

- Before starting to consider the agenda of the shareholders' meeting, the shareholders are informed of the rules and processes for attending the meeting. The company explains the process of voting, ways to count votes, including the practice in expressing opinions, giving feedback, and asking questions on the matters related to the company during the shareholders' meeting. The Chairman of the Board, acting as the Chairman of the meeting, conducts the meeting in accordance with the agenda stated in the meeting invitation. There are no additional agenda items without prior notice to shareholders. The discussion is allocated with appropriate and adequate time. The shareholders are given equal opportunity to express their opinions and ask questions with appropriate time. The relevant directors can provide explanations and complete information to the shareholders.

(5) After the shareholders' meeting

- The Company informs the shareholders' resolution through the news system of the Stock Exchange of Thailand on the meeting date, or within the next business day and through the company's website by specifying the results of the voting (agree/disagree/abstain) on each agenda item and submits the reports on the shareholders' meeting which records the names of directors, top executives, auditors, legal advisors, witness in the vote counting at the meeting, voting process, ways to display the scores, results of voting (agree/disagree/abstain) on the agenda for acceptance/approval from the shareholders, including questions from shareholders in each agenda, which shall be reported to the Stock Exchange of Thailand within 14 days of the shareholders' meeting.

They are also published on the company's website for shareholders to access quickly and easily.

Equitability to shareholders

The Board of Directors gives importance and oversees the equality of all shareholders, with fair and sustainable manners, whether they are major shareholders, minor shareholders, institutional investors, or foreign shareholders, as follows:

- Provide an opportunity for shareholders to propose additional agenda of the shareholders' meeting in advance. The announcement is made through the channels of the Stock Exchange of Thailand before the meeting, along with the announcement of the rules and procedures for the consideration clearly on the company's website.

- Give an opportunity for shareholders to nominate persons to be elected as directors. The nominated persons must meet all the requirements of the company and also give consent for nominating by announcing the acceptance of nominations, including various criteria through the channels of the Stock Exchange of Thailand in advance of the meeting. Such information is published on the company's website. For the selection of directors at the meeting, the company arranges for individual voting during the election of directors.

- In 2020, the company gives shareholders an opportunity to propose matters that they consider important and which deserve to be included in the agenda, including names of persons to be appointed as directors in the 2021 Annual Meeting of Shareholders in advance of the meeting, from December 1, 2020 – January 31, 2021 by informing the shareholders

through the news system of the Stock Exchange of Thailand, along with the announcement of the rules and complete process on the company's website <http://www.segroup.co.th/TGH/shareholderRightsTH.php>

- Give equal voting rights to shareholders according to the number of shares they hold.

- The shareholders' meetings are always conducted according to the agenda stated in the notice of the meeting, with a policy not to have additional agenda items in the meeting without prior notice to the shareholders. This is so the shareholders have the opportunity to study the information on the agenda before making a decision.

- Prepare the authorization forms as specified by the Ministry of Commerce (Form A, Type B, and Form C), in which the shareholders can determine the voting direction by themselves on each agenda together with the meeting invitation letter. This is so that the shareholders who are unable to attend the meeting in person shall be able to authorize independent directors or other persons to attend and vote on their behalf. All meeting documents are also posted on the company's website in order for shareholders to be able to download as well as view details and procedures for giving the authorization.

- Encourage shareholders to use voting cards for every agenda item. This is so that the shareholders can vote as they deem appropriate. The ballots are collected in the meeting room to calculate the voting results with the votes that have been pre-approved in the authorization form before reporting the scores on each agenda item at the meeting.

- Record the minutes of the meeting accurately and completely, then submit the minutes to the Stock Exchange of Thailand and the Securities and

Exchange Commission (SEC) 14 days after the meeting and with the report to be published on the company's website.

Conflict of Interest Policy

- The Company does not support the entering into transactions between the company and directors, top executives, major shareholders, and related persons (Connected Transactions) to avoid possible conflicts of interest between the company and those persons. However, from time to time, the company may be required to enter into connected transactions due to related operations the company's business. In this regard, entering into such transactions must be in accordance with the methods and scopes of the relevant regulations of the company, with procedures for conducting connected transactions and those that may lead to conflicts of interest, so that the agreement to enter into the said transactions has complete guidelines through a careful consideration process, reasons, and independence within a framework of good ethics, important for benefits of business groups and shareholders as a whole.

- Directors or top executives of the company who have interests or are involved in transactions must report such interests prior to the consideration of those transactions and not participate in the decision-making process for reviewing those transactions in order to make decisions towards the full interests of business groups.

- The Audit Committee of the Company has the power to review the connected transactions and disclose information of such transactions in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that

such transactions are reasonable and in the best interest of the Company. In the past year, the Company has not at all violated nor failed to comply with the rules of connected transactions.

- In securities trading, the directors and top executives of business groups, including spouses and underage children, shall conduct their trading in securities in compliance with basic requirements, without taking unfair advantages of others or through unethical or illegal means. Also, such transactions must be performed on a regular basis and the same basis as transactions with customers.

Considering the role of stakeholders

The Company gives importance to the rights of all groups of stakeholders. There is a policy to fully monitor the impacts of business operations in order to assure relevant persons that the company's business operations take into account the environmental factors for sustainable development. In particular, stakeholders shall be protected fairly, whether they are internal stakeholders, including employees, top executives of the company, or external stakeholders.

The company has a policy to conduct businesses with social responsibility. This is so that the directors, top executives, and employees of the company have guidelines in performing their duties with social responsibility, covering 10 issues including good corporate governance, fair business operation, anticorruption, respect of human rights, fair treatment of employees, responsibility to consumers,

community and social development, environmental management, innovation and dissemination of innovation from corporate social responsibility, and preparation for a sustainable report.

• Involvement of stakeholders to enhance the company's performance

The Company has developed the company's website as another channel for stakeholders to take part in enhancing the company's performance. Stakeholders, whether they are customers, business partners, competitors, employees, shareholders, or creditors, can send their suggestions through the website to the company's management. This is a process to promote cooperation between the company and stakeholders in building financial stability and corporate sustainability.

• Provision of a channel for complaints or information of malpractice and protection of informants or reporters

The Company has a channel for complaints or information of malpractice regarding the accuracy of financial reports, defective internal control system, illegal practice, unethical behavior, and behavior that may imply corruption or misconduct of individuals in the organization by employees and other stakeholders. They can communicate with the company through various channels, such as contact via e-mail directly to the company at ZTC@TGH.CO.TH (Complaints Center) or the company's complaint center (Complaint Hotline 1726). In addition, employees of the company can contact the Chief Executive Officer through the channel – Tell Cho or the Chairman of Investigation or the Chairman of the Internal Audit Office, or directly call 065-936-2404 to report clues or complaints from

malpractice.

The Company has a mechanism to protect reporters and informants who act in good faith. The company will not act in any way that is unfair to employees, staff, or any other persons hired to work for the company due to such complaints or reports of malpractice. The company pays attention to keep such information, complaints and evidence secret, which shall be recognized only among the people who are assigned and involved, or disclosed under the law only. In addition, the complainants can be submitted in a confidential manner. The investigation shall be processed for the facts, and the disciplinary action shall be considered as specified by the Company.

- **Practices towards different groups of stakeholders**

The Board of Directors has established guidelines for dealing with various groups of stakeholders in the principles of corporate governance. This is to ensure that all stakeholders are treated fairly in accordance with the rights and agreements that exist with the company. The practices towards various groups of stakeholders can be summarized as follows:

a) Role, conduct, and responsibility towards shareholders

The company is committed to conduct businesses with care and prudence to achieve good performance and competition with stable and sustainable growth, focusing on the current and future risk conditions. The company adds value to the shareholders in the long term, with a duty to operate and disclose information to be transparent and fair to both major and minor shareholders towards the best

interests of shareholders as a whole and the protection of the property and reputation.

b) Role, conduct, and responsibility towards customers

The company considers the highest satisfaction and confidence of the customers in the company as extremely important. The company is committed to creating innovations in the design and development of products and services, together with improving work processes to deliver quality products and excellent services to customers. The company takes the needs and benefits of the customer into account, as well as discloses information about products and services completely, accurately, without distorting the facts for the benefits of customers, and responsibly through advertising and public relations. The company does not create misunderstandings or take advantage of the misunderstanding of the customers, nor creates unwanted habits nor stipulates unfair trading conditions. The company provides a system for monitoring the implementation of agreements given to customers with honesty, attentiveness, and consistency. The company also maintains confidentiality of customers and does not publish customer information, except as permitted by the customers or with a duty to disclose such as required by law. The company shall not profit from disclosing customer confidential information. Employees are prohibited from consulting businesses related to their customers with unrelated employees. In addition, the business groups adhere to other laws and regulations that impose additional restrictions on the confidentiality of customer information.

The company monitors customer satisfaction and receives comments to develop and improve the

company's products and services. The company also listens to complaints about products and services of the business groups. The relevant departments are required to urgently investigate and provide remedial actions.

c) Role, conduct, and responsibility towards employees

All employees of the Company are highly valuable resources and key factors in business success. The company therefore continuously promotes the development of knowledge, skills, and abilities of employees. This is to develop employees' potentials to be at the standard level when compared with other leading companies in the business and to be an important force in the development of the business groups as a leading financial institution that can provide good services to customers.

The Company has a human resource management system for appointments, transfers, as well as rewards, and sanctions in good faith, based on knowledge, capabilities, and suitability of employees. The company also respects the human rights of all employees by treating all employees with respect of their individual rights, and keeps personal information of employees confidential. The company does not tolerate discrimination on basis of race, nationality, religion, gender, age, disability, or sexual orientation. The company does not accept any form of illegal discrimination.

The Company has appropriate compensation and welfare systems comparable to other domestic operators in the same industry, as well as compensation upon retirement for employees to build up stability in life. Employee benefits include provident funds, Social Security Fund, Group health

insurance, Group life insurance, Group accident insurance, Annual health check-up, and nursing room. The company also continues to support undergraduate scholarships for employees, with welfare in relation to the allowance for employees on various occasions, etc.

For safety and hygiene, the company manages the workplace environment regarding safety, sanitation, and good environmental conditions to facilitate employees' performance. The company also arranges security systems in office buildings. In addition, the company has announced guidelines for safety, and in case of abnormal events, to create safety for the premises and for all employees. There are procedures for office safety systems.

During the year 2020, there was no accident, sickness or stop working occurred by the working process.

The Company has managed and treated employees fairly, equitably, and politely, giving them the opportunity to work at all levels with a focus on developing and enhancing corporate culture and a good working atmosphere.

The Company communicates to employees to understand objectives, main goals, corporate culture, and corporate strategy towards a common goal of creating corporate value. There is a business code of conduct that specifies guidelines for the performance of employees according to the values that the company expects. In addition, an anti-corruption policy is set for the benefit of establishing a standard of working behavior of employees with honesty. The company has distributed the business ethics and anti-corruption policy to all employees to be considered as guidelines in conjunction with the regulations and rules of the

employees of the Company and the companies in the business group, and always follows up on performance results.

d) Roles, conduct, and responsibility towards creditors, including guarantee creditors

The Company strictly complies with all agreements and obligations with its creditors and guarantors, regardless of the purpose for use of funds, repayment, quality of collateral, and any other matters that have made an agreement with the creditors and guarantee creditors of the company.

The Company will report the Company's financial position and financial information to creditors with accuracy and honesty on a regular basis. In case one of the conditions cannot be met, the Company will promptly notify creditors to jointly find solutions based on reasonableness. The company is determined to maintain a lasting relationship with creditors and to trust each other.

The Company has established capital management strategies for stability and strength to prevent the company from being in a difficult position when repaying debts to creditors. In addition, there is liquidity management in order to prepare for the timely repayment of debts to creditors of the company.

The Company assigns the Risk Management Committee to plan, monitor, and control the capital fund status to suit the financial activities of the business groups. There is a plan to assess the adequacy of funds (Internal Capital Adequacy Assessment Process) that is appropriate and able to handle all aspects of significant risks, both under normal conditions and crisis, including compliance with the Bank of Thailand's Pillar 2 regulatory guidelines.

e) Role, conduct, and responsibility towards trading partners

The Company has always realized the importance of trading partners due to the success of the company partly from the support of partners. The Company therefore treats all trading partners with equality and fairness in doing business, in compliance with contracts or various conditions that strictly agree. In the event that one of the conditions cannot be met, the company and companies in the business groups will hurry to notify business partners in order to jointly find solutions based on reasonableness.

The Company has policies, regulations, and practices governing procurement. In the selection of vendors, contractors, or consultants, it must be based on the principle that the company must receive the best benefit, under the selection process that is transparent, free from bias, and can be examined. The Company provides an opportunity for all contractors who meet the company's selection standards to participate in the offering of prices. Also, employees are prohibited from receiving various benefits from those who are selected. If there appears to be any information on calling or accepting or paying any benefits dishonestly, the company will disclose details to trading partners and jointly resolve the problems fairly and quickly.

The Company's procurement process consists of recruiting vendors/service providers, comparing prices and conditions for fair competition, negotiating prices and conditions in order to maintain the best interest of the company, verifying the identity of the seller/supplier (Know Your Supplier), reviewing products/services, evaluating the performance of the seller/service provider after each delivery and yearly,

and preparing a list of vendors/suppliers, approved supplier list, which takes into account factors such as product/service quality, vendor/service expertise, and experience from past jobs, financial status, complaints/reputation claims, reliability, after-sales service, and security in the information of the company, etc. For regular procurement, the Company checks prices with at least three vendors/service providers to compare and select the most suitable vendors/service providers. In case of continuous procurement or emergency, the company will ask for prices from vendors/service providers that it deems appropriate from the list of sellers/service providers who meet at least one criterion and negotiate prices.

The business groups have a system to monitor that the confidential information of trade partners is not used to be disclosed or for business operations by illegal means. The business groups will not cooperate or support any persons or organizations which do illegal business or pose a threat to society and national security, or any activities related to corruption.

f) Role, conduct, and responsibility towards business competitors

The Company operates its business according to rules, regulations, and ethics, with a system to monitor any actions to obtain or use any competitor's trade secret information through illegal means. The company does not damage the reputation of the trading competitors or accuse it in a bad way without basis.

Attempting to increase sales by slandering third-party products and services is against the company's policy. This is because the company aims to expand the business by offering better products and services.

g) Role, conduct, and responsibility towards community, society and environment

The company acts as a good citizen, promoting a democratic government with the King as Head of State, and politically neutral. The employees have political rights and freedom, which are considered private rights. Employees are prohibited from exercising political rights or advocating on behalf of the business groups.

The company has performed or controlled to strictly adhere to the requirements and related laws, disclose the anti-corruption policy to the public, not cooperate or support any persons or organizations conducting illegal business related to corruption or a threat to society and the security of the country. The company does not operate any business contributing to the community, public society, and environment being damaged, and does not create profits on the burden of society.

The company is committed to harmonizing the benefits of the organization, employees, customers and shareholders in line with the benefits of the country's economic development, with a focus on growth in conjunction with supporting knowledge adoption, expertise in the business of the company, and employees, such as management, implementation and law, etc., to be used to benefit the community and society as a whole.

The company encourages the education and training of employees to continuously and seriously instill a sense of responsibility towards the community, society, and the environment among employees at all levels, including campaigning and raising awareness among employees in the conservation and use of various resources and energy wisely and

efficiently, as well as encouraging people to volunteer or take part in social activities and charitable work.

The company has allocated a budget to help the community, society, and public charities appropriately, not limited to tax-benefit projects and activities only, as well as contributing to society by supporting and promoting activities that uphold good traditions and culture, along with behaving as a good sacrament by consistently supporting religious activities, encouraging the surrounding communities of the company and other communities to be strong and self-sufficient, helping and supporting each other towards a good quality of life, happiness, and harmonization.

(Details on conducting business with responsibility towards the community, society, and environment of the business groups appear in section Sustainable Business Development).

h) Channels for reporting information or complaints

The Company provides a channel for complaints or information on issues regarding the accuracy of financial reports, defective internal control system, illegal and unethical behavior, behavior that may imply corruption or misconduct of individuals in the organization. Employees and other stakeholders can communicate with the company through various channels, such as contacting the company via e-mail directly at ZTC@TGH.CO.TH (Complaints Center) or the company's complaint center (Complaint Hotline 1726). In addition, employees of the company can contact the Chief Executive Officer via the channel – Tell Cho or the Chairman of the Internal Audit Committee, or the Head of the Internal Audit Office, or directly call 065-936-2404 to report clues or complaints from misconduct.

**Rewards
Recognition
and Social
Responsibility
Activities**

Rewards Recognition and Social Responsibility Activities

Awards and Recognition



2017 2016 2013 2011 2009 2007 2006 2005

Southeast Life Insurance

- Valuable Company with Outstanding Development and Management : by the Office of Insurance Commission (OIC) for the years 2005, 2006, 2007, 2009, 2011, 2013, 2016, and 2017.
- Outstanding Consumer Product Award and Solution Center: by the Office of Consumers Protection Board (OCPB) and the ISO Certification Institute (SISO) for outstanding consumer problems solving and efficient consumers' claim process, including special management coordinating channel to speed up problems solving with related agencies. Awarded for the year 2015 and 2017.
- Outstanding Technologist Awards: for finance and bank business from Smarter Insurance Project by the Thailand Management Association (TMA).
- Outstanding Brands 2019 Asia CEO Summit & Awards Ceremony
- Funds Support and Outstanding Savings for 2019: by the National Savings Fund (NSF) in the category of mutual funds.



2015, 2017



2009



2019



2019



2010

2007

2006



2015, 2017



2013



2009

Southeast Insurance

- Insurance Company with Excellent Development and Management: by the Office of Insurance Commission (OIC) for the years 2006, 2007, and 2010
- Outstanding Consumer Product Receiving and Solving Center: by the Office of the Consumer Protection Board (OCPB) and the ISO Certification Institute (SISO) an award for business operators that have a center for solving outstanding consumer complaints and capable of managing problems and compensate consumers with efficiency. In addition,

it has a special channel to coordination for speed handling of problems with the department for the year 2015 and 2017

- Certificate of Automatic Claim Service (e-Claim- System): by the Office of Insurance Commission (OIC)
- Annual Economic and Business Sector by Information Technology and Communication of the Year: finance and bank business from the Smarter Insurance Project by the Thailand Management Association (TMA)

Southeast Capital

- Thailand Top Company Award 2019 Industry Finance Category: by Business Magazine and the Thai Chamber of Commerce University

Thai Insurance

Prime Minister's Insurance Award 2020: "Outstanding Innovative Technology in Insurance Award" "Non-life Insurance Company with the Most Outstanding Management Award"



Promotes Sharing & Public Benefits

Thai Group Holdings is committed to sustainable business practices and a policy to promote public benefits in three key areas namely health, safety, and the conservation of Thai arts and culture. Its employees are also encouraged to take part in public-benefit activities under the Company's CSR policy on a continued basis.



Proceeds from the sale of Book Series "Miracle Wat Arun", after expenses, went to the Southeast Fund for Wat Arun Restoration.



Giving scholarships to students of the Silpakorn University's Faculty of Painting, Sculpture and Graphic Arts



"Southeast Charity Fun Fair Year 2" was held to raise fund for the Ban Mae La Na Subdistrict Health Promotion Hospital in Mae Hong Son province.



Book Series “Miracle Wat Arun”, which compiles historical and architectural knowledge of the Thai pagoda, were given to relevant authorities as well as the libraries of universities that have offered architecture programs across Thailand.



Developing educational programs for enriching experiences and direct learning from experts



Sponsoring the enhancement of Mater Dei School’s learning landscape



Blood donation to ease blood shortage during COVID-19 outbreak



Face masks were donated in support of state officials' operations.



Organizing "Happy Run by Design" as a virtual run to raise fund for the procurement of wheelchairs for the Princess Mother's Medical Volunteer Foundation



Southeast volunteers helped disaster victims in Nakhon Ratchasima, Nakhon Si Thammarat and Surat Thani.

Report of the Corporate Governance Committee

Dear Shareholders:

The Corporate Governance Committee consists of 4 members. There are Mr. Areepong Bhoocha-oom as the Chairman of the Corporate Governance Committee, Mr. Thapana Sirivadhanabhakdi as a member of the Corporate Governance Committee, Mrs. Kulpatra Sirodom as a member of the Corporate Governance Committee and Mr. Somchai Sujjapongse as a member of the Corporate Governance Committee. Ms. Rotjana Udomthongkon, Manager- Office of Corporate Secretary, serves as the secretary of the Corporate Governance Committee.

The Corporate Governance Committee operates as assigned from the Board of Directors. In 2020, there were two meetings and the results of the meetings were reported to the Board of Directors regularly. The essence of the meetings in 2020 is as follows:

- Approve the method to comply the criteria of the CGR checklist, Thai Institute of Directors (IOD) and follow up the Company's activities to correspond with the good corporate governance principles defined in CGR Checklist;
- Acknowledge the guideline of AGM Checklist arranged by Thai Investors Association, agree the Company to operate in accordance with AGM Checklist and follow up the operation of activities in accordance with the criteria;
- Review the Company's Insider Information Policy and Security Trading Policy of directors and executives.

The Corporate Governance Committee consists of individuals who get appointed from the Board of Directors. Members of the Corporate Governance Committee have appropriate knowledge, capability, expertise, experience, business ethics in accordance with the good corporate governance principles, proper dedication and attention to their responsibilities.

On behalf of the Corporate Governance Committee



Mr. Areepong Bhoocha-oom
Chairman of the Corporate Governance Committee

Report of the Nomination and Remuneration Committee

Dear Shareholders,

The Nomination and Remuneration Committee consists of three members and more than half of the members shall be individual directors. The members of the Nomination and Remuneration Committee are namely; Mr. Yothin Pibulkasetkij as the Chairman of the Nomination and Remuneration Committee, Mr. Padungdej Indralak as a member of the Nomination and Remuneration Committee, Mr. Chotiphat Bijananda as a member of the Nomination and Remuneration Committee. Ms. Chawandhorn Muangmee, the Corporate Secretary, serves as the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee operates as assigned from the Board of Directors. In 2020, there were three meetings and the results of the meetings were reported to the Board of Directors regularly. The essence of the minutes of meetings in 2020 is as follows:

Criteria and charters

- Reviewed the criteria and nomination principles for the Board of Directors and Chief Executive Officer;
- Reviewed the criteria and remuneration principles for the Directors and Chief Executive Officer;
- Reviewed and improved the Charters of the Nomination and Remuneration Committee.

Development for the directors

- Arranged for self-assessment of the directors and sub-committees to reflect appropriate and adequate management;
- Proposed training courses for the directors for year 2021 to develop capability and experience for the directors.

Nomination

- Selected and nominated the directors who are the retired by rotation to propose to the Board of Directors for consideration prior to propose to the shareholders' meeting for approval;
- Agreed to increase the number of the Board of Directors from 12 directors to 16 directors and consider to nominate the persons from director database to propose

- (1) Mr. Thakorn Piyapan
- (2) Mr. Boontuck Wungcharoen
- (3) Mr. Buranawong Sowapruux
- (4) Mr. Vachara Tuntariyanond

to the shareholders' meeting for approval.

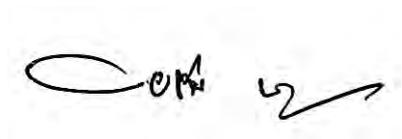
- Agreed to nominate Mr. Thakorn Piyapan as the Chief Executive Officer and proposed to the Board of Directors' Meeting for approval

Consideration for the remuneration

- Considered and proposed the directors' remuneration to the Board of Directors for further propose to the shareholders' meeting for approval.

In 2020, the Nomination and Remuneration Committee have operated as assigned from the Board of Directors completely, carefully, independently for the overall advantage to the corporates and shareholders.

On behalf of the Nomination and Remuneration Committee



Mr. Yothin Pibulkasetkij

Chairman of the Nomination and Remuneration Committee

Sustainable Development

Thai Group Holdings Public Company Limited (hereinafter referred to as “the Company”) focuses on sustainable development and foresees that the sustainability of business is based on good management, good governance, transparency in operations, quality development of the group’s products and services which respond to the requirement of customers, ability to business growth as well as creation of happiness and quality of life to the stakeholders including shareholders, employees, customers and partners. With the consideration of the impact on business from operation and employees’ daily life, the Company focuses on sustainable development covering three dimensions such as economic, social and environmental way as follows:

Economic dimension

The Company adheres to the compliance of good governance policy strictly as per the following 8 Corporate Governance principles.

- The role and responsibility of the Board of Directors
 - The determination of objective and major goal of the Company for the sustainability
 - The effectiveness of reinforcement for the Board of Directors
 - The recruitment and development of Top Management and human resource management
 - The responsibility of business operations
 - The attention for suitable risk management and internal control
 - The maintenance of financial creditability and information disclosure
 - The encouragement of participation and

communication with shareholders.

Additionally, the Company sets the other policies which cover and correspond to good corporate governance and communicate with employees for policy and ethics in business operation.

In recent years, the Company joined the declaration of intent to anti-corruption and Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) project, launched the anti-corruption policy, and communicated with employees to accept and follow. The Company also opened channel to claim or complain about corruption in order that all stakeholders can claim and contact to a responsible division in case of violation rights or the encounter of illegal action to the law, regulations and ethics of the Company.

- **By mail**

Contact: The Chairman of the Audit Committee

Address: Thai Group Holdings Public Company Limited
315, 12th Floor Southeast Building,
Silom Rd., Silom, Bangrak, Bangkok 10500

- **By e-mail**

Contact: The Audit Committee

E-mail address: ztc@tgh.co.th

In addition, the Company strengthened and sustained the business to forward happiness to the Thai People sustainably by joining Pulse Metrics, the service provider in Data Analytics in the Asia Pacific region. The Company also launched “Sentrics” to research and analyze information of consumers’ behaviour and introduce AI technology to customize inside and outside information management. The objective is to create business value with the suitable strategy which is great for the brand in the digital age, respond to the requirements of customers, partners

including employees and generate long-term return.

Social Dimension

The Company has treated the Group's employees per the human rights principle to build a safe, hygienic working environment, submit suitable and greater welfare and provide an opportunity for discussion. The Company has also developed employees competency to be experts and professionals continuously, capable of working development, have good performance to respond customers' requirements for competitive advantage, be happy, proud and engaged in the organization.

In addition, the Company supports employees to have civic mindedness and to be good citizens by participating in public activities for various activities such as special activities by sponsorship for medical support to hospitals in remote area and to donate funds.

To enhance the conservation of national art and culture, the Company extends to donate a book series of "the Amazing Temple of Dawn" to the libraries of the university which has Thai architectural faculty and relevant units such as UNESCO, the National Library, Bangkok City Library, the Siam Society etc.

Environmental dimension

Presently, our country suffers from energy problems which are significant and impact on the people's existence and the national economy. Therefore, the Company agrees that the conservation of energy is important for everyone to collaborate for efficient

energy management continuously and consistently and set the energy conservation policy for efficient and maximum benefit in energy consumption with the following policy.

- Operate and develop an energy management system appropriately with the determination of energy conservation as a part of business operation in accordance with the laws and relevant principles.
- Operate and improve the efficiency of energy consumption continuously and appropriately to be in tune with business operations, technology and good governance.
- Comply with laws related to energy conservation and management by planning and setting a goal for energy savings annually as well as communicating with all officers to understand and operate accurately.
- Serve the energy conservation as the responsibility of all executives and employees for collaborate, monitor and report to the Energy Management Committee.
- Enhance human resources, budget, working time, training and collaboration in discussions for energy development.
- The Executives and the Energy Management Committee will review and improve policy, goal and operating plan for energy annually.

In addition, the Company supports the subsidiaries to permit project finance with special conditions in order to help the entrepreneurs who operate in green business for the environment continuously to access funds conveniently and promote the expansion of environmental business. Currently, the business operators who get credit

can construct and provide electrical power from social rooftops. They can produce and sell electrical power to a total of 5 areas, totalling 31.76 MW.

The Company and subsidiaries also have the guideline for all stakeholders as follows:

Business operation with fairness

The Company and the subsidiaries have identified in an ethical way for the stakeholders (e.g., shareholders, employees, customers, partners and environment) by supporting the free competition fairly and avoiding conflicts of interests, intellectual property violation and corruption as follows:

- **Corporate Governance**

The Company and its subsidiaries are determined to operate the business with ethics, transparency, and verifiability and take into account the benefit and effects on shareholders, customers, partners and stakeholders in order to create benefits appropriately and fairly.

- **Social Responsibility**

The Company and its subsidiaries have business operations for corporate social responsibility under the basis of ethics in order to create fairness for the stakeholders, taking into account good corporate governance and building economic, social, and environmental balance for sustainable business development.

- **Compliance with the law, regulations and rules**

The Company and its subsidiaries focus on the compliance with the law, environmental regulations and occupational health and safety in local, national and regional levels including the code of conduct for

international business. The Company is determined to have the directors, the executives and employees comply with the law, regulations and rules and not violate any of the relevant laws and regulations.

- **Compliance with intellectual property law**

The Company and the subsidiaries have not encouraged the violation of intellectual law and are determined to have the directors, the executives and employees comply with the law, regulations and rules and not violate the relevant laws and regulations regarding intellectual property.

- **The encouragement of the efficient use of resources**

The Company and the subsidiaries encourage the directors, the executives and employees to use resources efficiently for maximum benefit. In addition, the Company is determined to communicate, promote and cultivate awareness to employees and related parties in resource management for maximum benefit.

Human rights respect

The Company and the subsidiaries have an encouragement policy of respect for human rights with its treatment to employees, community and surrounding society in view of respect for human dignity, consideration of equality and liberty, no violations of the fundamental rights and no discrimination based on race, nationality, region, language, skin colour, age, education, physical condition or social status including supervision for the group 's business not to participate in direct and indirect

violation of human rights such as forced labor, child labor and sexual harassment. Furthermore, the Company and its subsidiaries have supported the monitoring of compliance with human rights regulations and arranged for the participation and complaint channels for the violation of human rights in business operations as well as the sufficient remedies. To have efficient human rights respect, the Company and its subsidiaries has built a body of knowledge in human rights and cultivated the awareness of their employees based on the human right principles.

Fair treatment of the workforce

The Company and its subsidiaries are aware of the significance of human resources development and fair workforce management, which enhances its corporate value, competitive advantage and future sustainable growth. The Company has defined the following and principles :

- Respect for employee 's right as a human right principle
- Manage the process and conditions of employment fairly including the fair remuneration in the form of salary and/or bonuses, which is suitable for the potential of employees and the fair performance evaluation for the professional stability and progress
- Enhance the human resource development by the arrangement of training and seminars to develop knowledge, competency and attitude cultivation in virtue, ethics and teamwork
- Arrange welfare for employees per the labor law such as a social security. In addition to the labor laws, there is health insurance, accident insurance

and subsidies (e.g., employee loan, funeral expenses)

- Arrange annual physical check-up for all staff with the consideration of risk factors in age, sex and personal working environment
- Manage employees' safety and hygiene in the workplace with the accident prevention measures, awareness for safety and training in hygiene and safety, training management including measures for employees to have good hygiene and take care of the workplace to be consistently clean and safe
- Build a good working environment and treat employees as family without taking advantage of each other
- Give an opportunity for employees to participate or complain about unfair treatment or wrongdoing in the Company and its subsidiaries and protect the employees who complain about those issues.

Responsibility for customers and consumers

- The Company and its subsidiaries treat the customers fairly for goods and services. No discrimination and no disclosure of customers' confidential data on their business operations is done. Moreover, the Company does not reveal customers' information to benefit themselves except under disclosure by law.
- The Company and its subsidiaries give an opportunity for customers to complain and respond to customers' requirements quickly.
- Conduct per the terms and conditions of agreement as stated to the customers. If a problem cannot be resolved, the Company has to negotiate with customers in advance to seek the prevention of damage.

- Be determined to satisfy and build confidence with the customers to ensure that customers gain quality products and services, suitable safe technology and higher standards continuously and intentionally.

- Reveal accurate, updated information of products and services and sustain positive relationships with customers.

- Manage customer service system for customers' complaints for quick response to customers.

- Operate with reasonable costs and with the maintenance of standards of products and services.

- Don't accept, claim or pay for any corrupt benefits to customers

- Provide business information for training to customers

Environmental conservation

The Company and its subsidiaries focus on the conservation of natural resources and energy and realize social safety, environment, quality of life of employees and community including the impact of the business operation. Therefore, the Company sets the principles as follows:

- The Company uses natural resources sparingly to save on the environment and quality of life for the population.

- Arrange environmental conservation activities regularly for the benefit of society

- Cultivate consciousness in environmental responsibility for employees intentionally and continuously

Co-development of community or society

The Company and its subsidiaries have a policy to operate a business beneficial to the economy and society, adhere to being a good citizen and comply with the laws and regulations. The Company also has a policy to help and develop society and support education for the youth by providing school supply donations and scholarship grants. Besides these, the Company also supports the surrounding society such as giving financial support for police stations, religious affairs and medical supplies for hospitals.

Innovation sharing from business operations with the responsibility to society, environment and stakeholders

The Company and its subsidiaries will encourage innovation in both working process and cooperation levels that mean the innovation or the change in ideas and production for added value. The objective of innovation is a positive change for greater improvement and increased productivity for maximum benefit to society.

The innovation sharing is the responsibility to society by direct and indirect communication and publications to stakeholders via various communication channels to ensure that the corporate information reaches the stakeholders of the Company and the subsidiaries effectively.

Anti-Corruption

The Company has the intention and determination to resist all forms of corruption. The Company strictly adheres to the code of ethics, the corporate governance principles, anti-corruption policy including the regulations and relevant laws. The Company has continued the anti-corruption policy as follows:

The Company has set an anti-corruption policy for the directors, executives and employees transparently and develops to a sustainable organization. The Company prohibits directors, executive and employees from taking or giving bribes to any persons, government officers, business partners or store merchants to enhance business benefits improperly or influence business operation. However, if there is any payment or gift (including recreation) from officers, directors, employees or relevant persons to the government or organizations under the government's control, directors, executives and employees shall comply with the Company's regulations and policies for anti-corruption. The anti-corruption policy prohibits claiming, operating or accepting any corruption for self-benefit, family, friends and acquaintances.

The Company will not cooperate with or support any illegal activities relating to corruption or social danger and national security threats.

Additionally, directors, executives, employees and family members shall not accept any gifts, over recreation, including too many awards from any persons or business partners for the direct or indirect benefit of the business.

The Company determines that all departments perform risk management as the international standard regularly. Furthermore, the Company assigns all departments to generate self-risk assessment forms for anti-corruption. All departments have to report the assessment to the risk management division or the office of operation supervision to review, analyze and report to the risk management committee and the executives. The reason is that the Company can pursue and control risk appetite efficiently and plan for future risk control.

The regulation and practice for offering gifts, entertainment fee or other expenses for third parties are set for directors, executives and employees to have explicit discipline in accordance with the anti-corruption policy and relevant regulations or laws to ensure that the operation for offering is reasonable, affordable and not bribable.

The Company communicates the anti-corruption policy, relevant regulations and describes the employees' role for whistleblowing for any corrupt conduct. The Company protects the whistle-blower with no demotion or penalty to the persons who reject corruption, although those actions result in loss of business opportunity. The anti-corruption activities are communication to directors, executives and employees via the intranet system, executive discussion for anti-corruption issues, and clarification for anti-corruption policy to all divisions. In addition, there are training courses with tests for anti-corruption for new and current employees by E-learning. The policy also determines that the anti-corruption training course is arranged

annually for directors, executives and staff to reiterate the principle of anti-corruption.

Additionally, the Company communicates its anti-corruption policy to the subsidiaries. For the public and stakeholders, the Company communicates by the Company website, annual report, and corporate social responsibility report.

To declare the intention of service with good governance and anti-corruption, in the new year festival, the Company asked for cooperation from staff to send e-cards to partners and customers for new year's celebration, with no gifts to directors, executives and employees.

The announcement to join CAC and apply for the certification

In September 2020, the Company announced to support Thailand's Private Sectors Collective Action Coalition (CAC). In December 2020, the Company submitted self-assessment forms to apply for the certification from the CAC Committee.

Channels for claim information and complaints

The Company has channels for claims and complaints or clues about the correctness of financial reports, weak internal control, illegal and unethical actions, and corrupt behavior of any persons in the organization. All employees and stakeholders can contact the Company via e-mail: ztc@tgh.co.th (whistleblowing center) or complaint center:

Emergency call 1726. In addition, the employees can contact the Chief Executive Officer via Tell Cho channel or the Chairman of the Audit Committee or the Head of the Internal Audit Division directly via phone number 065-936-2404 for whistleblowing or complaints.

The summary of the board of directors for internal control

The board of directors agree to the adequate and proper internal control for the Company and its subsidiaries. The internal control helps to protect assets of the Company and the subsidiaries from corruption or unauthorization. In the prior year, the executives focus on internal control improvement.

The audit committee has agreed with the Board of Directors' opinions and the internal auditors have no materiality concerns for the internal control. In addition, intercompany transactions which might have conflict of interest is reasonable with market price transactions. The group have disclosed these transactions in note to financial statements.

The Company has arranged the internal control evaluation annually. In 2020, the Company evaluated the internal control system as the assessment form of the Securities and Exchange Commission. The Audit Committee and the Board of Directors has reviewed the internal control assessment report and discussed with the executive for an agreement and determination of proper practice.

Internal control and risk management

The summary of the opinion of the Board of Directors about the sufficiency and adequacy of the internal control system

The Board of Directors focuses on the good internal control system and risk management; they continue to supervise for the corporate governance. A good internal control system is an important mechanism for management and operation to meet the goals effectively and sustainably. With the independent committee, the Board of Directors supervises the Audit Committee, the Risk Management Committee, the Corporate Governance Committee and the compliance to the corporate anti-corruption policy sufficiently and efficiently. In addition, the Board of Directors oversees the compliance to the regulations and related law, prohibition of beneficial conflicts, intercompany transactions, corporate asset protection and corruption avoidance.

To have an investigation mechanism for balancing authority, the corporation created the Internal Audit Office which is independent and directly reports to the Audit Committee. The function of the Internal Audit Office is to investigate and assess the sufficiency of internal control, risk management, and corporate governance of the Group.

The Board of Directors has an agreement with the Audit Committee for the results of internal control assessment as per the international internal control framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The scope of internal audit is to appraise the corporate internal control as specified in internal audit

assessment forms created by the Securities and Exchange Commission, Thailand ("SEC"). The assessment consists of corporate internal control, risk assessment, operational control, information technology system and data communication including a monitoring system. The objective of the assessment is to ensure the corporate internal control is sufficient and adequate to have efficient operation and management, asset protection and reliable and correct financial reporting.

In 2019, the Company hires the outsource professional consultant, PricewaterhouseCoopers ABAS Ltd. ("PWC") to develop the internal control system, and set up an annual audit plan as a Risk-Based-Audit as part of the 3-year operating plan. In 2020, the Internal Audit Office achieved the set goal.

The summary of opinion of the Board of Directors to internal control

The Board of Directors have an agreement that the Company and the subsidiaries should have sufficient and proper internal control systems, asset protection from corruption or unauthorization. The executives improve the corporate internal control if any fact finding is detected.

The Audit Committee has an agreement with the Board of Directors, and there is no material factfindings from an auditor's comment. In addition, intercompany and related transactions have no beneficial conflict. The transactions are normal for general business and reasonable with the market price. The disclosure of these transactions is shown in the note to the financial statement.

Every year, the Company sets an internal audit

form as per the SEC's standards. In 2020, there was an assessment for the adequacy of internal control with the cooperation from the executives. The Audit Committee and the Board of Directors has reviewed the internal control assessment report and discussed with the executives for an agreement and determination of proper practice.

In addition, the Board of Directors oversees the compliance to the regulations and related law, prohibition to beneficial conflicts, intercompany transactions, corporate asset protection and corruption avoidance. To have an investigation mechanism for balancing authority, the corporation creates an Internal Audit Office which is independent and directly reports to the Audit Committee.

The information of the internal audit controller

The Company has an Internal Audit Office which is independent and directly reports to the Audit Committee. In the audit committee meeting on September 24, 2019, there was a resolution to appoint Mr. Vichan Assawarangsi to be the internal audit controller with good qualifications in education, operational experience and training. His qualifications are sufficient for internal audit operational control and he is capable of supervising the internal audit control correctly and completely. The performance of the Internal Audit Control Office is trustworthy for high executives in efficient and effective operation management, sufficient and efficient internal control system for acceptable risk appetite, good asset protection and prevention, and cost-effective payment including good corporate governance compliance.

The Audit Committee has authority to approve the designation, transfer and resignation of the position of internal audit controller.

Information of Head of Internal Audit

Name Mr. Vichan Assawarangsi

Education:

- BBA, Accountancy, Rachamonkol University of Technology Thanyaburi
- MBA, University of the Thai Chamber of Commerce

Experience:

- 2019 - present Vice President, Internal Audit, Thai Group Holdings Public Company Limited)
 - 2010 - 2019 Vice President, Internal Audit, Summit Capital Leasing Company Limited
-

Responsibility are as follows:

- to review and control the operations to be correct, and complete in order to strengthen the confidence of the senior management in conducting with effective management system;
- to maintain an adequate internal control system;
- to manage the organization risks to be at a controllable level with a good protection
- to maintenance the Company's asset and monitor the use of fund to be efficiency
- to monitor the Company's activities to be comply with the Company's policies, operating procedures and other relevant laws.

Report of Risk Management Committee

The Board of Directors of Thai Group Holdings Public Company Limited (“the Company”) focuses on corporate risk management and appointed 3 professional experts as the Risk Management Committee which consists of the following persons:

1. Pol. Gen. Jate Mongkolhutthi	Chairman
2. Mr. Padungdej Indralak	Member
3. Mr. Somchai Sujjapongse	Member

The Committee acts as a delegated authority from the Board of Directors which is identified in the charter of Risk Management as follows:

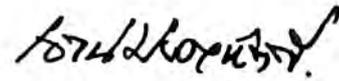
1. Propose the policy for the Board of Directors’ approval of the Company and subsidiaries’ overall risks as well as risk appetite for the proper business operation
2. Set the strategy in line with the Company’s risk management for the evaluation, monitoring and governance of risk appetite and risk tolerance
3. Review the sufficiency of the risk management policy and system as well as the effectiveness of the system and the compliance with the policy
4. Report the performance to the Board of Directors regularly to improve alignment with the policy and criteria. Additionally, notify the Audit Committee and/or the Corporate Governance Committee for the revision in accordance with the policy and risk management policy
5. Review the criteria of risk management and scrutinize the risk management policy for the approval of the Board of Directors
6. Supervise risk management of the Company and the subsidiaries to report to the Board of Directors as designated.

In 2020, the Risk Management Committee had a total of 4 meetings. The essence of the meetings is expressed as follows;

1. Risk from the resignation of the subsidiaries’ employees;
2. The arrangement to stabilize the Capital Adequate Ratio (CAR) as per the Office of the Insurance Commission (OIC) of Southeast Insurance Public Company Limited;
3. The monitoring of the progress of free float and the elimination of conflicts of interest with Indara Insurance Public Company Limited;
4. The review of the charter of the Risk Management Committee as per the new principles of OIC;

The Risk Management Committee ensures that the Company has efficient risk management which corresponds to good internal control and corporate governance.

On behalf of the Risk Management Committee

A handwritten signature in black ink, appearing to be in Thai script, located below the text 'On behalf of the Risk Management Committee'.

Pol. Gen. Jate Mongkolhutthi
Chairman of the Risk Management Committee

Related Party Transactions

Related party transactions with persons who may have a conflict of interest ended December 31, 2020 and for the year ended December 31, 2019 were carried out at market prices or at arm's length basis according.

Related party transactions of the Company and subsidiaries, as appropriateness of the transactions incurred during the year and the previous year, are as described below.

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Gross premium written		1,030.98	948.52	
Life business				
F&N Dairies (Thailand) Limited	Directors and controlling equity holders hold substantial share indirectly	12.11	12.74	
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	6.94	2.69	
Oishi Group Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	6.18	13.08	Transactions with related parties were as a gross premium written from group insurance policy, directors, committee shareholders and etc.
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	4.49	4.82	
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly	3.91	3.96	
North Sathorn Hotel Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	2.80	3.21	
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	-	2.87	
Non-life business				
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	151.72	154.59	
Beer Thai (1991) Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	32.14	20.32	Transactions with related parties were as a gross premium written from property damage (PD)
Beertip Brewery (1991) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	32.14	14.88	
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	31.28	23.52	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Frasers Property (Thailand) Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	27.25	17.17	Transactions with related parties were as a gross premium written from property damage (PD)
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	23.29	3.58	
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	23.24	13.34	
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly	21.26	19.58	
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly	18.58	20.47	
Sangsom Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	16.86	11.69	
Berli Jucker Cellox Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	11.70	11.38	
Sura Bangyikhan Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	9.90	10.42	
The QSR Of Asia Company Limited	Directors and controlling equity holders hold substantial share indirectly	9.80	11.37	
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	2.22	2.97	
TCC Asset (Thailand) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	0.65	0.11	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	582.52	574.77	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Income from operating lease contracts		818.23	771.59	
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	58.88	54.46	Transactions with related parties were as a income from operating lease contracts which were a truck, delivery car, personal car from executive and staff
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly	88.22	54.02	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	39.63	36.48	
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	35.97	32.48	
Numrungrud Co., Ltd.	Controlling equity holders hold substantial share indirectly	27.94	28.26	
Pomcharoen Co., Ltd.	Controlling equity holders hold substantial share indirectly	26.28	27.77	
Pomtip (2012) Co., Ltd.	Controlling equity holders hold substantial share indirectly	23.87	23.25	
Num Kijjakarn Co., Ltd.	Controlling equity holders hold substantial share indirectly	21.92	22.20	
Pomkit Co., Ltd.	Controlling equity holders hold substantial share indirectly	21.42	21.56	
Pomklung Co., Ltd.	Controlling equity holders hold substantial share indirectly	21.33	21.16	
Num Palung Co., Ltd.	Controlling equity holders hold substantial share indirectly	21.20	21.08	
Num Muang Co., Ltd.	Controlling equity holders hold substantial share indirectly	19.47	20.13	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	412.10	408.75	
Income from hire-purchase and financial lease contracts		3.50	4.07	
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	2.44	2.91	Transactions with related parties were as a income from hire purchase and financial lease contracts
Thip Sugar Sukhothai	Directors and controlling equity holders hold substantial share indirectly	0.82	1.05	
Gaew Grung Thai Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	0.24	0.10	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Dividend income		87.20	93.23	
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly	30.70	38.02	
Hemaraj Leasehold Real Estate Investment Trust	Common director	34.66	32.45	
Frasers Property Thailand Industrial Freehold&leasehold Reit	Directors and controlling equity holders hold substantial share indirectly	11.39	14.44	Transaction with related parties was a dividend income from investment in securities
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity holders hold substantial trust indirectly	6.17	4.11	
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	2.91	2.62	
Frasers Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly	1.37	1.12	
Sino-Thai Engineering and Construction Public Company Limited	Common director	-	0.48	
Other rendering of services		-	21.91	
TCC Corporation Limited	Directors and controlling equity holders hold substantial share indirectly	-	21.00	Transactions with related parties was a services of finance and investment
Other related parties	Directors and controlling equity holders hold substantial share indirectly	-	0.91	
Interest income		141.84	106.19	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	60.62	56.93	Transactions with related parties was a interest income from investment in securities
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	36.60	23.13	
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	24.91	11.69	
Frasers Property Thailand Industrial Freehold&leasehold Reit	Indirect equity holders	14.26	9.00	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders	5.45	5.44	
Gain on disposal of investments		(7.86)	186.98	
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly	-	107.98	
Frasers Property Thailand Industrial Freehold&leasehold Reit	Indirect equity holders hold substantial trust indirectly	-	85.75	
Hemaraj Leasehold Real Estate Investment Trust	Common director	-	16.21	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	-	0.43	Transactions with related parties was a gain on disposal from investment in securities
Frasers Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly	-	0.15	
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	-	(0.85)	
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	(8.84)	(3.96)	
Sino-Thai Engineering and Construction Public Company Limited	Common director	0.98	(18.73)	
Other income		38.68	28.65	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	38.68	28.65	Transactions with related parties were as a service income, penalty from operating lease and other

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Benefit payments		148.40	89.38	
TCC Commercial Property Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	23.54	16.07	Transactions with related parties were as a benefit payment from insurers
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	22.16	14.51	
Thai Beverage Recycle Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	17.44	3.52	
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	13.75	10.35	
Grand Unity Development Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	12.52	5.51	
Berli Jucker Cellox Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	12.30	-	
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	9.15	3.43	
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	7.79	4.64	
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly	7.60	2.57	
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly	6.30	(229.39)	
Oishi Ramen Company Limited	Directors and controlling equity holders hold substantial share indirectly	5.19	5.18	
Asset World Wex Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	2.80	4.74	
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	2.09	(8.01)	
Terragro Fertilizer Co., Ltd.	Controlling equity holders hold substantial share indirectly	1.01	11.23	
Asset World Retail Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	0.76	2.03	
Other related parties	Directors and controlling equity holders hold substantial share indirectl	4.00	64.24	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Commissions and brokerage expense		405.13	481.01	
Sara Insurance Broker Co., Ltd.	Director related to key management of a subsidiary	405.13	469.03	Transactions with related parties was as a commissions and brokerage expense
Millenium Insurance Broker Co., Ltd.	Director related to key management of a subsidiary	-	11.98	
Finance costs		90.23	111.91	
The Southeast Group International Limited	Common directors (major shareholder until 7 June 2019)	90.23	111.91	Transactions with related parties was as a gurantee fee from long-term loan from financial institution
Operating expenses		22.57	47.88	
Siam Realty Co., Ltd.	Gontrolling equity holders hold substatial share indirectly	-	27.44	Transactions with related parties were as a operating expenses which were a computer rental and IT expense
TCC Technology Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	17.95	19.82	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	4.62	0.62	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Premiums due and uncollected		206.27	321.06	
One Bangkok Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	54.66	70.94	
Thai Beverage Logistics Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	33.03	26.82	
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	9.53	15.64	
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	4.20	4.84	
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	0.42	14.80	
TCC Asset (Thailand) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	0.36	-	Balance of premiums due and uncollected from life business and non-life business with related parties
Frasers Property Australia Pty Limited	Directors and controlling equity holders hold substantial share indirectly	0.28	-	
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly	0.24	0.40	
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	0.24	-	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	0.10	0.58	
Oishi Group Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	0.08	0.11	
Allowance for doubtful account	Directors and controlling equity holders hold substantial share indirectly	(4.45)	(4.21)	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	107.58	191.14	

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Operating lease receivables		81.38	78.36	
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	10.26	12.41	
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly	7.91	7.30	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	4.03	3.50	Balance of operating lease receivables from lease business with related parties
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	3.46	3.06	
Pomcharoen Co., Ltd.	Controlling equity holders hold substantial share indirectly	2.27	2.44	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	53.45	49.64	
Finance lease receivables		21.60	24.86	
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	13.16	16.24	Balance of financial lease receivables from lease business with related parties
Thip Sugar Sukhothai	Directors and controlling equity holders hold substantial share indirectly	4.30	5.85	
Gaew Grung Thai Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	4.14	2.77	

Investments in securities		6,433.71	5,668.73	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	1,887.36	1,901.72	
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	1,345.17	872.54	
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	1,328.27	1,052.89	
Frasers Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly	725.42	567.80	
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly	503.53	626.54	Balance of investments in securities with related parties
Hemaraj Leasehold Real Estate Investment Trust	Common director	403.60	379.90	
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders	188.94	189.61	
Frasers Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly	51.42	69.21	
Sino-Thai Engineering and Construction Public Company Limited	Common director	-	8.52	
Short-term loans		14.41	-	
Big C Services Company Limited	Associate	14.41	-	Balance of short-term loan with associate transactions
Other assets		38.65	61.23	
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	17.68	18.86	Balance of accrued income from service area, penalty from operating lease income, accrued interest income from investment in securities and other with related parties
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	8.33	5.93	
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	4.61	4.97	

Name of related parties	Nature of relationships	Amount (MB)		Description	
		31-Dec-20	31-Dec-19		
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders	2.01	2.01		
Frasers Property Thailand Industrial Freehold&leasehold Reit	Indirect equity holders hold substantial trust indirectly	1.81	0.10		
Southeast Joint Venture Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	-	0.36		
Other related parties	Directors and controlling equity holders hold substantial share indirectly	4.21	28.97		
Loss reserves and outstanding claims		144.92	624.04		
Thai Beverage Recycle Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	17.35	1.74		
Berli Jucker Cellox Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	12.30	2.99		
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	9.10	23.13		
Grand Unity Development Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	8.67	7.92		
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	5.43	1.46		
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	5.17	2.86	Balance of loss reserves and outstanding claims from life business and non-life business with related parties	
TCC Commercial Property Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	4.05	16.98		
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly	3.85	16.98		
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	2.81	7.47		
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	2.09	1.20		
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly	1.02	485.39		
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly	0.21	7.70		
Other related parties	Directors and controlling equity holders hold substantial share indirectly	72.87	48.22		
Other liabilities		101.81	91.65		

Name of related parties	Nature of relationships	Amount (MB)		Description
		31-Dec-20	31-Dec-19	
Sara Insurance Broker Co., Ltd.	Director related to key management of a subsidiary	49.40	64.20	
The Southeast Group International Limited	Common directors (major shareholder until 7 June 2019)	42.59	17.96	Balance of accrued operating expense and accrued service fee with related parties
Siam Realty Co., Ltd.	Controlling equity holders hold substantial share indirectly	-	8.82	
Other related parties	Directors and controlling equity holders hold substantial share indirectly	9.82	0.67	

Approval Procedures or Steps for Entry into Related Party Transactions

Entry into any related party transactions or connected transactions of the Company and its subsidiaries must be in accordance with the Notification of the Capital Market Supervisory Board regarding Rules of Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Related Party Transactions, including the relevant laws, regulations, notifications, orders. The Audit Committee has considered related party transactions and connected transactions appropriately to ensure the entry into such transactions are fair, transparent, and reasonable, and reported to the Board of Directors

Company will comply with the laws and requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Trend for Future Related Party Transactions

The Company's related party transactions in the future will be for the ordinary course of business. There will be no benefit transfer between the Company and the related parties. Such related party transactions will have price and general conditions similar to those of transactions with third parties (Arms-Length Basis).

With regards to the disclosure of the Company's related party transactions, the

Report of the Audit Committee

The Audit Committee of the Thai Group Holdings Public Company Limited consists of the following 3 independent directors namely; Mrs. Kulpatra Sirodom as the Chairman of the Audit Committee, Mr. Yothin Pibulkasetkij and Mr. Padungdej Indralakas as the directors of the Audit Committee. Mr. Vichan Assawarangsi, Head of Internal Audit serves as secretary to the Audit Committee.

The Audit Committee has operated as designated from the Board of Directors per the charter of the Audit Committee approved by the Board of Directors and as identified in the regulations of the Stock Exchange of Thailand. The Audit Committee focuses on the determination of the systematic structure and working process, the review of the compliance by the Company to have the good corporate governance, and the sufficient risk management including efficient and effective internal controls.

In 2020, the Audit Committee had a total of 7 meetings; the joint agenda with the external auditors was to discuss the material issues from the financial statement audit and the auditor's recommendations. The results from each meeting were reported to the Board of Directors every time. The summary of the main points for the Audit Committee's operation are as follows:

1. The review of financial reports

The Audit Committee has reviewed the consolidated financial statements of the Company and the subsidiaries quarterly and annually which are reviewed and audited by the Certified Public Account (hereinafter referred to as the "CPA"). The joint meeting of the Audit Committee, CPA and the Financial Controller has an objective to consider the financial reports, the disclosure of notes to the financial statement, significant accounting policies and estimates, explanatory information, financial analysis including audit findings to ensure the financial statement complies with the law, financial reporting standards, General Accepted Accounting Principles and has accuracy and trustworthiness. Furthermore, the disclosure of the financial information is adequate and beneficial for the users of accounting information because the financial statement is certified and reviewed by the CPA unconditionally.

2. The review of internal control

The Audit Committee and the internal auditors have reviewed the internal audit results quarterly for effective operations. The Committee has agreed that Company has an adequate and sufficient internal control system. In addition, there is the revision and improvement in accordance with the operating regulations, the principles of the Company as well as the opinions of the CPA that there is no material audit findings to affect the financial statement. Moreover, the Audit Committee focuses on internal control; in 2020, the meeting with the executives took place to monitor the revision and preventive measures for the effective internal control.

For the supervision of internal control, the Audit Committee has reviewed an annual audit plan, plan operations, audit results from the Internal Audit Office, internal audit reports as the subsidiaries' annual plan, the compliance to corporate policies and regulations, efficient resource consumption, property custody, damage prevention and leakage or corruption to ensure that the Company has good internal controls, good compliance

to the laws, rules and corporate's regulations.

3. The review of the intercompany transactions or the related party transactions

The Audit Committee has reviewed, supervised and recommended the material of related party transactions before reporting to the Board of Directors. The reason is that the disclosure is transparent, reasonable and beneficial to the Company, investors, stakeholders and in compliance with the corporate governance code of the Stock Exchange of Thailand.

4. The review of good corporate governance

The Audit Committee has reviewed the compliance to the policy of corporate good governance and ethics of the Company. The objective is to disclose information transparently with business ethics and build confidence among the shareholders, investors, stakeholders and related parties for normal business operations.

5. The auditor appointment for the year 2020

The Audit Committee has appointed the auditor, set an audit fee for the year 2020 with the consideration of experience, competency, expertise, independence and reasonable audit fee and proposed such to the Board of Directors. In the Annual General Meeting for the year 2020, there was a shareholder resolution to nominate KPMG PHOOMCHAI Audit Limited, and the lists of the auditors are as follows:

- | | |
|---------------------------------|--|
| 1) Mr. Chokechai Ngamwuitikul | Certified Public Accountant No.9728 and/or |
| 2) Mr. Chanchai Sakulkoedsin | Certified Public Accountant No.6827 and/or |
| 3) Miss Pantip Gulsantithamrong | Certified Public Accountant No. 4208 |

The Audit Committee focuses on the corporate governance, internal control and risk management continuously. Moreover, the Audit Committee has operated independently with competency and prudence. The Committee also gives creative and beneficial opinions for the stakeholders equitably. The Audit Committee agrees that the financial reporting of the Company is accurate and reliable. In addition, there is transparent information disclosure, good corporate governance, sufficient and adequate internal control including the compliance to the relevant laws, and principles to the business operation

On behalf of the Audit Committee

(Mrs. Kulpatra Sirodom)
Chairman of the Audit Committee

Report on the Board of Directors' Responsibilities for the Financial Statements

Thai Group Holdings Public Company Limited is responsible for the Company's financial statements and its subsidiaries consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with Thailand generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable, and sufficient to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board has appointed the Audit and Risk Committee comprising of independent directors to be responsible for reviewing the quality of the financial reports, internal controls, internal audit, and risk management system. The Audit and Risk Committee has also reviewed a disclosure of related party transactions or any potential conflict of interest. All their comments on these issues are presented in the Audit and Risk Committee Report included in this annual report and (Form 56-1).

The Board considers the Company's overall internal control system satisfactory and provides credibility and reliability to Thai Group Holdings Public Company Limited and its subsidiaries consolidated financial statements for the year ended December 31, 2020.



(Mr. Charoen Sirivadhanabhakdi)
Chairman of the Board



(Mr. Chotiphat Bijananda)
Chairman of the Executive Board



**Independent
Auditor's
Report**



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Independent Auditor's Report

To the Shareholders of Thai Group Holdings Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thai Group Holdings Public Company Limited and its subsidiaries (the "Group") and of Thai Group Holdings Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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



Key Audit Matters

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

Valuation of premiums due and uncollected	
Refer to notes 4 (g) and 8 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, premiums due and uncollected under insurance contracts before allowance for doubtful accounts recorded in the consolidated financial statements amounted to Baht 1,620 million, of which of Baht 74 million was overdue for more than 90 days and less than 1 year and Baht 103 million was overdue for more than 1 year. Premiums due and uncollected net of allowance for doubtful accounts represented 1.59% of total assets. These overdue premiums due and uncollected have been considered and an allowance for doubtful accounts was recorded of Baht 144 million or 8.90% of these premiums due and uncollected. There is uncertainty as to the collection of these receivables.</p> <p>Allowance for doubtful accounts is assessed primarily on an analysis of payment histories and management's assumptions regarding future expectation of customer payments, this involves significant judgement. This allowance could materially affect the amount of the recorded assets and expense. I have determined this to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the underwriting and collection processes, testing the operating effectiveness of relevant internal controls on a sample basis; • Considering the reasonableness of allowance for doubtful accounts on the basis of historical recovery of collection of premiums due and uncollected; • Testing on a sample basis post period end collection of premiums due and uncollected with related documentation; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.



Valuation of hire-purchase and finance lease receivables	
Refer to notes 4 (i) and 11 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, hire-purchase and finance lease receivables before allowance for expected credit losses recorded in the consolidated financial statements amounted to Baht 1,083 million, of which Baht 213 million was due within 1 year, Baht 526 million was due over 1 year but within 2 years, and Baht 344 million was due over 2 years or more. The Group sets up the allowance for expected credit losses of hire-purchase and finance lease receivables based on the aging of payments due, applicable loss factors and collateral valuation. Expected credit losses amounting to Baht 84 million was booked against hire-purchase and finance lease receivables. Hire-purchase and finance lease receivables net of allowance for expected credit losses represented 1.08% of total assets.</p> <p>The Group has initially applied TFRS 9 <i>Financial Instruments</i> which requires the Group to consider allowance for expected credit losses (“ECL”). Management has estimated the allowance for expected credit losses based on credit models which are complex and dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, including determination of reference rate in case data is insufficient for credit model.</p> <p>Due to involving significant judgement, I consider this to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Considering factors which could significantly affect the valuation, including understanding the Group’s assumptions and methodology, and the appropriateness of the Group’s accounting policy for allowance for expected credit losses. • Evaluating the design and implementation of controls of collection, aging and allowances for expected credit losses process; • Evaluating accuracy of data and reasonableness of assumptions used by management to assess relevance and reliability of information used in calculation of accounting estimate; • Considering the reliability of the collateral valuation by comparing samples with the market price and the historical selling price of similar collateral; • Evaluating the reasonableness of the Group’s assumptions and allowance for expected credit losses policy by considering historical information and information after the year-end including sample testing the subsequent receipts of debtors after the year-end with related documents; • Testing the mathematical accuracy of the expected credit losses of hire-purchase and finance lease receivables; • Considering the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.



Valuation of inventories and assets held for operating lease	
Refer to notes 4 (k), 4 (p), 15 and 21 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, inventories and assets held for operating lease with net book values of Baht 254 million and Baht 11,990 million, respectively, are recorded in the consolidated financial statements.</p> <p>Due to fluctuations in the used car market and other factors, the actual sales value of inventories and assets held for operating lease at the end of lease term may differ from these estimates. The estimates involve subjective judgements and accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding assumptions, methodology and the appropriateness of accounting policy; • Considering the net realisable value of inventories by sample testing sales subsequent to the year-end with related documents, the disposal plan as well as comparing with external prices and estimated costs to sell; • Considering the residual value and disposal plan of assets held for operating lease by comparing to historical selling price and/or external prices derived from the market; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.
Valuation of loss reserves and outstanding claims - short-term technical reserves	
Refer to notes 4 (g) and 25 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, loss reserves and outstanding claims recorded in the consolidated financial statements amounted to Baht 4,568 million, representing 5.80% of total liabilities.</p> <p>Valuation of loss reserves regarding the ultimate estimated losses for claims reported and claims incurred but not reported (IBNR) as at the statement of financial position date are estimated based on actuarial models, the results of which may depend on the quality and consistency of underlying data and significant subjective judgements on assumptions made by management. This could materially affect the amount of the recorded liabilities and expense. Accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the claims process and testing the operating effectiveness of relevant controls on a sample basis; • Using our actuarial specialist employed by KPMG to evaluate the reasonableness of key assumptions and methodology used in the calculation of claims incurred but not reported (IBNR) used by the Group; • Re-performing the reconciliations between the claims data recorded in the policy administration systems and the data used in the actuarial reserving calculations; • Comparing the samples of claims case reserves to relevant documentation; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.



Valuation of liabilities under insurance contracts - long-term technical reserves	
Refer to notes 4 (g) and 25 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, long-term technical reserves recorded in the consolidated financial statements amounted to Baht 42,337 million, representing 53.80 % of total liabilities.</p> <p>The valuation of long-term technical reserves is based on actuarial models, the results of which may depend on the quality and consistency of underlying data and significant subjective judgements on assumptions made by management. This could materially affect the amount of the recorded liabilities and expense. Accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> Performing the risk assessment procedures on the underwriting and benefits and claims process and testing the operating effectiveness of relevant controls on a sample basis; Using actuarial specialists employed by KPMG to assess the methodology and assumptions used in calculating the reserves based on Net level Premium Reserve method (NPV), including assessing the reasonableness of the mortality table, estimated future contractual cash flows, discount rate, that were established at the time when the insurance product was designed and were approved by the Office of Insurance Commission; Comparing liability calculated using Gross Premium Valuation method (GPV), of policies in force at the reporting date based on the best estimate adjusted current risk-free interest rate with the gross carrying amount of liability calculated on Net level Premium valuation method; Re-performing the reconciliations between the data recorded in the systems and the data used in the actuarial reserving calculations; Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 5 of the financial statements which describes the effect of the business combination under common control and note 2 (a), the Company presented the combined statement of financial position as at 31 December 2019, the combined statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2019 including notes to the financial statements, for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit. My opinion is not modified in respect of this matter.

Other Information

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

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



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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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 I identify during my audit.

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

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

(Chokechai Ngamwutikul)
 Certified Public Accountant
 Registration No. 9728

KPMG Phoomchai Audit Ltd.
 Bangkok
 24 February 2021

**Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position**

Assets	Note	Consolidated	Combined	Separate financial statements	
		financial statements	financial statements	2020	2019
		2020	2019	2020	2019
			<i>(in Baht)</i>		
Cash and cash equivalents	7	3,755,418,098	4,935,123,779	28,644,714	61,718,833
Premiums due and uncollected	8	1,475,761,688	1,642,496,351	-	-
Reinsurance assets	25	4,737,907,311	5,225,627,924	-	-
Reinsurance receivables	9	881,153,752	701,746,373	-	-
Operating lease receivables	10	444,452,466	347,168,849	-	-
Hire-purchase and finance lease receivables	11	999,020,031	278,466,102	-	-
Investments in securities	3, 6, 12, 13, 40	-	55,223,808,594	-	234,000,000
Financial assets - Debt securities	3, 6, 12, 40	45,644,700,266	-	-	-
Financial assets - Equity securities	3, 6, 13, 40	12,207,576,217	-	234,000,000	-
Derivative assets	6, 14	69,954,942	161,678,710	-	-
Inventories	15	254,261,186	186,997,456	-	-
Loans	16	1,060,350,484	1,743,288,018	8,485,379,633	5,634,267,868
Investments in associate and joint venture	6, 17	-	-	-	-
Investments in subsidiaries	18	-	-	3,283,376,567	3,226,676,607
Investment properties	19	529,113,527	509,047,802	-	-
Leasehold rights	20	1,334,520,030	1,357,267,530	-	-
Property, plant and equipment	21	15,732,424,592	16,220,688,558	695,151	541,248
Right-of-use assets	22	46,521,577	-	31,328,194	-
Intangible assets		389,830,657	410,554,425	19,724,913	12,194,586
Deferred tax assets	38	700,664,440	398,437,619	3,072,324	-
Goodwill		84,140,909	84,140,909	-	-
Other assets	23	2,214,701,374	2,356,115,005	118,726,870	85,412,937
Total assets		92,562,473,547	91,782,654,004	12,204,948,366	9,254,812,079

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated	Combined	Separate financial statements	
		financial statements	financial statements	2020	2019
		2020	2019	2020	2019
<i>(in Baht)</i>					
Liabilities					
Investment payables		17,011,718	18,970,023	-	-
Borrowings	6, 24	16,490,544,538	16,122,494,504	8,189,000,000	5,852,603,617
Insurance contract liabilities	6, 25	54,655,741,294	52,533,662,695	-	-
Reinsurance payables	26	3,599,669,526	3,734,780,688	-	-
Derivative liabilities	14	209,170,122	322,665,791	-	103,047,109
Current tax payable		55,230,556	92,958,526	-	-
Lease liabilities	24	430,635,618	587,866,541	32,037,237	-
Provision for employee benefits		358,214,754	336,453,893	15,361,621	16,414,058
Deferred tax liabilities	38	498,321,227	643,635,044	-	15,977,400
Other liabilities	27	2,377,924,924	1,987,173,184	64,353,785	58,916,916
Total liabilities		78,692,464,277	76,380,660,889	8,300,752,643	6,046,959,100
Equity					
Share capital	28				
Authorised share capital		12,033,565,300	7,536,401,860	12,033,565,300	7,536,401,860
Issued and paid-up share capital		7,520,978,320	7,520,978,320	7,520,978,320	7,520,978,320
Acquiree's equity held before business combination		-	170,689,303	-	-
Share premium on ordinary shares		18,224,269,226	18,224,269,226	18,224,269,226	18,224,269,226
Retained earnings					
Appropriated					
Legal reserve	29	388,799,777	344,221,600	37,850,816	3,272,639
Other reserve		27,714,962	27,714,962	-	-
Unappropriated		6,893,602,677	5,914,660,602	724,210,016	62,445,449
Other components of equity	29	(19,349,960,203)	(16,896,999,584)	(22,603,112,655)	(22,603,112,655)
Equity attributable to owners of the parent		13,705,404,759	15,305,534,429	3,904,195,723	3,207,852,979
Non-controlling interests		164,604,511	96,458,686	-	-
Total equity		13,870,009,270	15,401,993,115	3,904,195,723	3,207,852,979
Total liabilities and equity		92,562,473,547	91,782,654,004	12,204,948,366	9,254,812,079

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated	Combined	Separate financial statements	
		financial statements	financial statements	Year ended	Year ended
		Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
<i>(in Baht)</i>					
Revenue					
Gross premium written	6	20,209,761,175	21,381,413,136	-	-
Less Premium ceded		(5,624,803,763)	(5,570,323,108)	-	-
Net premiums written		14,584,957,412	15,811,090,028	-	-
Add Decrease in unearned premium reserve from previous year		138,253,260	262,993,956	-	-
Net premium earned		14,723,210,672	16,074,083,984	-	-
Commission and brokerage income		1,873,622,377	916,126,172	-	-
Income from operating lease contracts	6	3,184,789,554	2,965,994,238	-	-
Income from hire-purchase and finance lease contracts	6	63,863,726	30,510,596	-	-
Income from sales of operating lease assets		893,425,949	479,716,770	-	-
Investment income	6, 31	1,859,401,921	1,892,517,202	882,070,789	245,501,196
Gain on financial instruments	32	169,035,677	1,206,031,136	-	-
Gain on fair value change of financial instruments	33	252,855,651	-	-	-
Cumulative gain from reclassification of cash flow hedges previously recognised in other comprehensive income		128,294,087	-	62,862,331	-
Advisory fee income		-	206,153,971	4,800,000	2,739,150
Other income	6	151,021,003	391,576,697	25,357	-
Total revenue		23,299,520,617	24,162,710,766	949,758,477	248,240,346
Expenses					
Long-term technical reserve increase from previous year		2,731,345,029	3,189,329,369	-	-
Benefits payments and insurance claims expenses	6	11,101,634,664	13,030,157,588	-	-
Less Benefits payments and insurance claims expenses recovered from reinsurers		(2,631,232,022)	(3,822,539,358)	-	-
Net benefits payment and insurance claims expenses		8,470,402,642	9,207,618,230	-	-
Commissions and brokerage expenses		2,912,536,498	3,109,431,128	-	-
Other underwriting expenses		2,083,867,283	2,805,476,057	-	-
Direct rental costs		2,136,206,196	1,793,104,829	-	-
Cost of sales of operating lease assets		1,088,284,578	584,690,791	-	-
Operating expenses	6, 34	2,336,406,375	2,430,058,436	137,189,334	76,304,854
Loss on foreign exchange		93,174,915	57,465,645	65,226,695	4,241,102
Hedging loss for hedge of group of items with offsetting risk positions		58,047,312	-	-	-
Loss on fair value change of financial instruments	33	-	151,487,252	-	61,855,635
Finance costs	6	450,993,840	461,151,739	91,853,897	24,538,754
Expected credit loss	37	6,364,714	-	-	-
Total expenses		22,367,629,382	23,789,813,476	294,269,926	166,940,345
Share of loss of associate and joint venture		-	-	-	-
Profit (loss) before income tax expense		931,891,235	372,897,290	655,488,551	81,300,001
Tax income (expense)	38	(192,537,196)	(97,258,809)	36,074,992	(15,847,218)
Profit (loss) for the year		739,354,039	275,638,481	691,563,543	65,452,783

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated	Combined	Separate financial statements	
	financial statements	financial statements	Year ended	Year ended
	Year ended	Year ended	Year ended	Year ended
	31 December	31 December	31 December	31 December
Note	2020	2019	2020	2019
	<i>(in Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(27,530,782)	(2,906,423)	-	-
Gain (loss) on remeasurement of debt instruments measured at FVOCI	(4,733,570,762)	1,979,931,913	-	-
Gain on cash flow hedges	18,719,016	-	-	-
Gain on deferred cost of hedging reclassified subsequently to profit or loss	43,767,099	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	934,216,929	(395,986,382)	-	-
Total items that will be reclassified subsequently to profit or loss	(3,764,398,500)	1,581,039,108	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Gain on investments in equity instruments designated at FVOCI	2,069,739,736	-	-	-
Gain on revaluation of assets	36,104,154	332,651,277	-	-
Gain on remeasurements of defined benefit plans	7,163,639	(30,486,130)	6,548,426	650,912
Gain (loss) on hedging instruments that hedge investments in equity instruments	-	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(422,601,506)	(60,433,029)	(1,309,685)	(130,182)
Total items that will not be reclassified to profit or loss	1,690,406,023	241,732,118	5,238,741	520,730
Other comprehensive income (expense) for the year, net of tax	(2,073,992,477)	1,822,771,226	5,238,741	520,730
Total comprehensive income (expense) for the year	(1,334,638,438)	2,098,409,707	696,802,284	65,973,513
Profit (loss) attributable to:				
Owners of the parent	728,446,070	302,657,919	691,563,543	65,452,783
Non-controlling interests	10,907,969	(27,019,438)	-	-
Profit (loss) for the year	739,354,039	275,638,481	691,563,543	65,452,783
Total comprehensive income (expense) attributable to:				
Owners of the parent	(1,334,063,091)	2,119,350,314	696,802,284	65,973,513
Non-controlling interests	(575,347)	(20,940,607)	-	-
Total comprehensive income (expense) for the year	(1,334,638,438)	2,098,409,707	696,802,284	65,973,513
Basic earnings (loss) per share (in Baht)	0.97	0.40	0.92	0.20

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Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of changes in equity

Note	Combined financial statements											Total equity			
	Retained earnings				Other components of equity										
	Issued and paid-up share capital	Issued and paid-up share capital before restructuring	Acquiree's equity held before restructuring	Share premium on ordinary shares	Legal reserve	Other reserves	Unappropriated investments (in Baht)	Available-for-sale investments	Excess of cost over book value of acquired subsidiaries	Difference from business combination under common control	Other items of other comprehensive income		Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
	10,000	2,738,600,111	378,657,519	-	329,657,589	7,714,962	5,668,842,501	1,956,198,752	(35,913,104)	11,767,306	1,998,759,083	3,921,712,037	13,045,194,719	264,980,206	13,310,175,625
28	(10,000)	-	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
5, 28	7,461,030,460	(2,738,600,111)	(207,868,210)	18,078,935,613	10,941,372	20,000,000	(43,314,254)	(37,648,070)	-	(23,573,882,687)	-	(22,611,530,757)	(30,485,893)	23,903,387	(6,382,506)
	7,461,030,460	(2,738,600,111)	(207,868,210)	18,078,935,613	10,941,372	20,000,000	(43,314,254)	(37,648,070)	-	(23,573,882,687)	-	(22,611,530,757)	(30,485,893)	23,903,387	(6,382,506)
5, 28	59,947,860	-	-	145,313,613	-	-	-	-	(33,776,184)	-	-	(33,776,184)	171,485,289	(171,485,000)	289
	59,947,860	-	-	145,313,613	-	-	-	-	(33,776,184)	-	-	(33,776,184)	171,485,289	(171,485,000)	289
5, 28	7,520,968,320	(2,738,600,111)	(207,868,210)	18,224,249,226	10,941,372	20,000,000	(43,314,254)	(37,648,070)	(33,776,184)	(23,573,882,687)	-	(22,645,306,941)	140,969,396	(17,581,613)	(6,592,217)
	7,520,968,320	(2,738,600,111)	(207,868,210)	18,224,249,226	10,941,372	20,000,000	(43,314,254)	(37,648,070)	(33,776,184)	(23,573,882,687)	-	(22,645,306,941)	140,969,396	(17,581,613)	(6,592,217)
	-	-	-	-	-	-	302,657,919	-	-	-	-	-	302,657,919	(27,019,438)	275,638,481
	-	-	-	-	-	-	(23,978,808)	1,882,065,332	-	-	258,605,851	1,840,671,203	1,816,692,395	6,078,831	1,822,771,236
	-	-	-	-	-	-	278,679,111	1,882,065,332	-	-	258,605,851	1,840,671,203	3,113,250,314	(39,940,697)	2,098,409,707
	-	-	-	-	-	-	(3,622,639)	-	-	-	-	-	-	-	-
	-	-	-	-	3,622,639	-	14,075,883	-	-	(14,075,883)	-	-	-	-	-
	-	-	-	18,224,249,226	344,221,600	27,714,962	5,914,600,002	3,500,616,034	(68,789,288)	(22,562,115,581)	2,233,269,051	(16,996,299,584)	15,306,534,429	96,458,686	15,401,993,115
	-	-	170,689,203	18,224,249,226	344,221,600	27,714,962	5,914,600,002	3,500,616,034	(68,789,288)	(22,562,115,581)	2,233,269,051	(16,996,299,584)	15,306,534,429	96,458,686	15,401,993,115
	7,520,978,320	-	170,689,203	18,224,249,226	344,221,600	27,714,962	5,914,600,002	3,500,616,034	(68,789,288)	(22,562,115,581)	2,233,269,051	(16,996,299,584)	15,306,534,429	96,458,686	15,401,993,115

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements							Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Gain (loss) on cash flow hedges (in Baht)	Other components of equity Difference from business combination under common control	Total other components of equity	
Year ended 31 December 2019	10,000	-	-	(245,425)	-	-	-	(245,425)
Balance at 1 January 2019								
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the parent</i>								
Issue of ordinary shares	7,520,968,320	18,224,269,226	-	-	-	-	-	25,745,237,546
<i>Total contributions by owners of the parent</i>	7,520,968,320	18,224,269,226	-	-	-	-	-	25,745,237,546
<i>Changes in interests from business restructuring</i>								
Impact of business restructuring	-	-	-	-	-	(22,603,112,655)	(22,603,112,655)	(22,603,112,655)
<i>Total changes in interests from business restructuring</i>	-	-	-	-	-	(22,603,112,655)	(22,603,112,655)	(22,603,112,655)
Total transactions with owners, recorded directly in equity	7,520,968,320	18,224,269,226	-	-	-	(22,603,112,655)	(22,603,112,655)	3,142,124,891
Comprehensive income (expense) for the year								
Profit for the year	-	-	-	65,452,783	-	-	-	65,452,783
Other comprehensive income	-	-	-	520,730	-	-	-	520,730
Total comprehensive income (expense) for the year	-	-	-	65,973,513	-	-	-	65,973,513
Transfer to legal reserve	-	-	3,272,639	(3,272,639)	-	-	-	-
Balance at 31 December 2019	7,520,978,320	18,224,269,226	3,272,639	62,445,449	-	(22,603,112,655)	(22,603,112,655)	3,207,852,979

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements							Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Gain (loss) on cash flow hedges (in Baht)	Difference from business combination under common control	Total other components of equity	
Year ended 31 December 2020									
Balance at 31 December 2019 - as previously reported		7,520,978,320	18,224,269,226	3,272,639	62,445,449	-	(22,603,112,655)	(22,603,112,655)	3,207,852,979
Impact of change in accounting policies		-	-	-	(459,540)	62,862,331	-	62,862,331	62,402,791
Balance at 1 January 2020	3	7,520,978,320	18,224,269,226	3,272,639	61,985,909	62,862,331	(22,603,112,655)	(22,540,250,324)	3,270,255,770
Comprehensive income (expense) for the year									
Profit for the year		-	-	-	691,563,543	-	-	-	691,563,543
Other comprehensive income		-	-	-	5,238,741	-	-	-	5,238,741
Total comprehensive income (expense) for the year		-	-	-	696,802,284	-	-	-	696,802,284
Transfer to legal reserve		-	-	34,578,177	(34,578,177)	-	-	-	-
Transfer to profit or loss		-	-	-	-	(62,862,331)	-	(62,862,331)	(62,862,331)
Balance at 31 December 2020		7,520,978,320	18,224,269,226	37,850,816	724,210,016	-	(22,603,112,655)	(22,603,112,655)	3,904,195,723

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Combined			
	financial statements		financial statements		Separate financial statements	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2020	2019	2020	2019	2020	2019
	(in Baht)					
<i>Cash flows from operating activities</i>						
Profit (loss) for the year	739,354,039	275,638,481	691,563,543	65,452,783		
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>						
Tax expense (income)	192,537,196	97,258,809	(36,074,992)	15,847,218		
Finance costs	450,993,840	461,151,739	91,853,897	24,538,754		
Depreciation and amortisation	1,791,190,454	1,566,471,289	12,593,208	111,906		
Impairment losses on equity securities	-	38,895,210	-	-		
Impairment loss (reversal) on subrogation recoveries	29,088,918	(34,795,637)	-	-		
Provision for employee benefits	63,329,302	64,564,052	(1,052,437)	2,669,538		
Reserve from insurance contracts	2,731,345,029	3,189,329,369	-	-		
Loss incurred from loss reserve	4,745,336,461	3,962,602,031	-	-		
Unearned premium reserve	(8,183,547,246)	(9,015,799,852)	-	-		
Unrealised loss (gain) on exchange	93,174,915	57,465,645	-	(11,247,540)		
Loss on revaluation of derivative	45,723,361	156,613,076	-	61,855,635		
(Reversal of) bad and doubtful debts expenses	3,460,782	(20,228,495)	-	-		
(Reversal of) losses on decline in value of inventories and properties foreclosed	22,438,124	(15,060,119)	-	-		
Gain on disposal of investments	(169,035,677)	(1,206,031,136)	-	-		
Loss on disposal of properties foreclosed	451,598	3,642,724	-	-		
Loss (gain) on disposal of property, plant and equipment	25,516	(39,961,608)	-	-		
(Reversal of) Impairment loss on property, plant and equipment	(133,000)	133,000	-	-		
Gain on disposal of investment properties	-	-	-	-		
Loss from written-off withholding tax	136,004	2,640,072	-	-		
Dividend income	(618,083,351)	(692,020,907)	(679,988,431)	(149,999,813)		
Interest income	(1,241,318,971)	(1,200,496,295)	(202,082,359)	(95,501,384)		
	696,467,294	(2,347,988,552)	(123,187,571)	(86,272,903)		
<i>Changes in operating assets and liabilities</i>						
Premiums due and uncollected	187,645,242	975,032,134	-	-		
Reinsurance assets	(2,430,829,134)	(427,166,820)	-	-		
Reinsurance receivables	(179,407,379)	37,606,245	-	-		
Operating lease receivables	(97,283,617)	4,365,772	-	-		
Hire-purchase and finance lease receivables	(724,083,100)	169,435,178	-	-		
Investment in securities	(5,203,803,682)	(2,130,314,167)	-	(234,000,000)		
Inventories	1,014,252,693	554,693,777	-	-		
Right-of-use assets	(46,521,577)	-	(31,328,194)	-		
Other assets	759,723,734	80,651,926	15,178,850	230,301		
Insurance contract liabilities	5,747,494,103	5,385,785,296	-	-		
Deferred tax liabilities	-	(136,968,000)	-	-		
Reinsurance payable	(135,111,162)	360,998,287	-	-		
Other liabilities	60,014,080	(110,417,633)	(17,217,284)	15,548,563		
Employee benefit paid	(27,578,734)	(13,674,920)	-	-		
Net cash generated from (used in) operating activities	(379,021,239)	2,402,038,523	(156,554,199)	(304,494,039)		
Interest received from insurance business	1,273,074,412	1,095,351,344	-	-		
Dividends received from insurance business	646,514,345	639,689,101	-	-		
Tax paid	(111,000,374)	(627,912,040)	(1,714,003)	(943,722)		
Net cash from (used in) operating activities	1,429,567,144	3,509,166,928	(158,268,202)	(305,437,761)		

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated	Combined	Separate financial statements	
	financial statements	financial statements	Year ended	Year ended
	Year ended	Year ended	Year ended	Year ended
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-	-	(56,699,960)	(249,993)
Proceeds from entire business transfer	-	-	-	35,477,776
Acquisition of investment properties	(6,371,554)	(4,277,069)	-	-
Proceeds from sale of property, plant and equipment	59,308,657	38,564,713	-	-
Acquisition of property, plant and equipment	(2,885,392,038)	(2,367,873,005)	(394,394)	(206,730)
Acquisition of intangible assets	(32,445,803)	(52,772,200)	(7,575,100)	(5,564,000)
Acquisition of leasehold rights	-	(1,364,850,030)	-	-
Loans	(376,794,438)	(783,016,309)	(5,283,294,120)	(2,140,000,000)
Proceeds from repayment of loans	956,230,303	483,635,698	2,432,182,355	1,085,000,000
Dividends received	5,455,511	20,055,110	679,988,431	149,999,813
Interest received	49,298,681	188,469,262	155,303,579	88,947,508
Net cash used in investing activities	(2,230,710,681)	(3,842,063,830)	(2,080,489,209)	(786,595,626)
Cash flows from financing activities				
Proceeds from borrowings	27,845,313,231	15,638,259,477	19,106,431,949	6,863,178,005
Repayment of borrowings	(27,477,263,198)	(14,656,757,951)	(16,798,382,858)	(5,678,304,809)
Proceeds from issue of shares	3,300,000	-	-	-
Repayment of issue of shares	-	-	-	(10,000)
Payment of securities offering fee	-	(6,582,222)	-	(6,582,222)
Payment of lease liabilities <i>(2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)</i>	(270,604,181)	(209,516,544)	(12,307,944)	-
Payment Dividend	(903,894)	-	-	-
Finance costs paid	(450,873,320)	(469,315,460)	(90,057,855)	(24,538,754)
Net cash from (used in) financing activities	(351,031,362)	296,087,300	2,205,683,292	1,153,742,220
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(1,152,174,899)	(36,809,602)	(33,074,119)	61,708,833
Foreign currency translation differences for foreign operations	(27,530,782)	(2,906,422)	-	-
Net increase (decrease) in cash and cash equivalents	(1,179,705,681)	(39,716,024)	(33,074,119)	61,708,833
Cash and cash equivalents at 1 January	4,935,123,779	4,974,839,803	61,718,833	10,000
Cash and cash equivalents at 31 December	3,755,418,098	4,935,123,779	28,644,714	61,718,833
Non-cash transactions				
Ordinary shares issued related to entire business transfer	-	25,000,000,000	-	25,000,000,000
Ordinary shares issued for acquisition of subsidiary	-	751,830,000	-	751,830,000
Share subscription payable	-	-	-	10,000
Payables for purchase of property, plant and equipment	279,140,254	135,116,081	-	-
Payables for purchase of intangible assets	-	6,620,314	-	6,620,314
Transfer equipment to inventories	1,107,784,547	485,829,567	-	-
Purchases of property, plant and equipment under finance lease agreements	70,134,030	400,475,118	-	-

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2021.

1 General information

Thai Group Holdings Public Company Limited (the “Company”) is incorporated in Thailand on 29 June 2018 and was listed on the Stock Exchange of Thailand on 31 July 2019. The Company has its registered office at 315 Southeast Building, Silom Road, Silom, Bangrak, Bangkok.

In October 2020, 74.75% of the Company’s shares were acquired by 45% of Pholmankhong Business Company Limited and 29.75% of Southeast Management Company Limited from Sirivadhanabhakdi family who was the former major shareholder. These companies are under control of Sirivadhanabhakdi family. The restructuring did not affect the power to control the operation, Board of Directors’ structure and Management of the Company.

The principal activity of the Company is as a holding company. The principal activities of the Group are underwriting life assurance, underwriting non-life insurance, leasing, hire purchase services, lending and sales of second hand cars.

Details of the Company’s associate, joint venture, direct subsidiaries and indirect subsidiaries as at 31 December 2020 and 2019 are given in note 17 and 18.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“TFAC”); and the Notification of the Office of Insurance Commission (“OIC”) regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Life and Non-Life Insurance Companies” B.E. 2562 (No. 2), dated 4 April 2019, which are effective for annual periods beginning on or after 1 January 2020.

The Company presented the combined statement of financial position as at 31 December 2019, the combined statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2019 including notes to the financial statements, for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(c) *Use of judgments and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4 (r) and 22 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

4 (x) and 31 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time;
- commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;

17 Equity-accounted investees: whether the Group has significant influence over an investee;

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(r)	Determining the incremental borrowing rate to measure lease liabilities;
4(g) 8 and 9	Measurement of allowance for doubtful debts of premiums due and uncollected reinsurance receivables;
4(s) 10 11 16 40	Measurement of ECL allowance for operating lease receivables, hire-purchase and finance lease receivables, loans, trade receivables and contract assets: key assumptions in determining the loss rate;
15	Measurement of net realisable value of inventory
19 and 21	Impairment test of investment properties; and property, plant and equipment: key assumptions underlying recoverable amounts
4(t) 5	Impairment test of goodwill: key assumptions underlying recoverable amounts;
38	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
4(v) 46	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
4 (w) 40	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Insurance contract liabilities

Insurance contract liabilities consist of long-term technical reserves and short-term technical reserves. The carrying amount as at the reporting date is provided in note 25.

Process involved in determining assumptions for long-term technical reserves

The Group determines the long-term technical reserves by using Net Level Premium Valuation based on assumptions such as mortality, morbidity and discount rates that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission. The assumptions used for calculating the liabilities over the life of the contract are generally unchanged.

The Group determines the long-term technical reserves by using mortality rates based on Thai Mortality Table 2017 for insurance products which were designed and submitted to the Office of Insurance Commission since 1 September 2017 onward.

Process involved in determining assumptions of short-term technical reserves

The Group determined the loss reserve and outstanding claims in accordance the company procedures. The assumptions used in the estimation of liabilities are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the estimated liability.

Provision is made at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid.

The Group uses several statistical techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims, for example:

The Chain-ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market- based estimate and an estimate based on claims experience. The former is based on a measure of premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments.

Process involved in determining premium reserves

The Group determines the premium reserves based on the greater amount of unearned premium reserves and unexpired risk reserves which as of reporting date the unearned premium reserves are still higher.

Further information about the methods used in calculating the unearned premium reserves is disclosed in note 4 (f).

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3 Change in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards, the official local interpretation on classification of investment units in Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust, established and registered in Thailand and TFRS 16.

		Combined financial statements		Separate financial statements	
		Retained earnings - unappropriated	Other components of equity	Retained earnings - unappropriated	Other components of equity
At 31 December 2019 - as reported	<i>Note</i>	5,914,661	(16,896,999)	62,446	(22,603,113)
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	<i>A(1)</i>	304,881	(296,786)	-	-
Impairment losses on financial assets	<i>A(2)</i>	(12,847)	9,823	-	-
Hedge accounting		103,326	18,357	-	78,577
Related tax		(80,872)	45,372	-	(15,715)
Adoption of TFRS 16 - net of tax	<i>B</i>	230	-	(460)	-
At 1 January 2020 - restated		6,229,379	(17,120,233)	61,986	(22,540,251)

(a) TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(s). The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

The official local interpretation on classification of investment units as equity instrument for, Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust, established and registered in Thailand.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

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The following table shows measurement categories under previous standards and TFRS 9 including the official local interpretation on classification of investment units in Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust, the established and registered in Thailand, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

Combined financial statements		Consolidated financial statement			
Classification under previous standards combined at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Investments in securities	55,223,809	-	4,644,226	49,263,341	1,332,661
Derivative assets	161,679	174,198	-	6,575	-
Total	55,385,488	174,198	4,644,226	49,269,916	1,332,661
Derivative liabilities	322,666	194,070	-	121,548	-
Total	322,666	194,070	-	121,548	-

Separate financial statements					
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Investments in securities	234,000	-	-	234,000	-
Derivative liabilities	103,047	11,332	-	91,715	-

The Group and the Company intend to hold non-marketable equity securities amounted of Baht 30.47 million and Baht 234.00 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

(2) Impairment – Financial assets and contract assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

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The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Combined financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Allowance for impairment losses at 31 December 2019		
Hire purchase and finance lease receivable	80,453	-
Operating lease receivables	1,507	-
Investments	71,766	68,940
Loans and accrued interest	382,837	-
	536,563	68,940
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Hire purchase and finance lease receivable	-	-
- Debt instruments measured at FVOCI	9,823	-
- Loans and accrued interest	3,022	-
Allowance for impairment losses at 1 January 2020	549,408	68,940

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

(3) Derivatives and hedge accounting

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Group documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

These hedging relationships are fair value hedges, cash flow hedges and net investment in a foreign operation hedge.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(d.5)

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B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

<i>Impact from the adoption of TFRS 16</i>	Combined financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>At 1 January 2020</i>		
Increase in right-of-use assets	70,660	27,797
Increase in investment properties	-	-
Increase in deferred tax assets	392	-
Increase in lease liabilities	70,812	28,257
Increase (decrease) in retained earnings	230	(460)
Increase in non-controlling interests	10	-
	Combined financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Operating lease commitment as at 31 December 2019	78,059	32,524
Discounted using the incremental borrowing rate at 1 January 2020	(4,032)	(2,015)
Finance lease liabilities recognised as at 31 December 2019	74,027	30,509
Recognition exemption for short-term leases	(1,522)	(2,252)
Recognition exemption for leases of low-value assets	(1,693)	-
Lease liabilities recognised at 1 January 2020	70,812	28,257
Weighted-average incremental borrowing rate (% per annum)	3.14%-3.73%	3.73%

Right-of-use assets and lease liabilities shown above were presented as part of segment 1, segment 2, segment 3 and segment 4, respectively.

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4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate and a joint venture.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquired, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquired is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in an associate and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Interests in subsidiaries, associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence, control or joint control ceases.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (2019: *available-for-sale equity investments*) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until the investments were disposed, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

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(2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 4(d.6) for financial liabilities designated as hedging instruments.

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(3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.6)).

(6) Hedging

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Group and the Company designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group and the Company formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group and the Company makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the effectiveness results of each hedge are within a pre-defined range. The Group and the Company makes an assessment for a cash flow hedge of a forecast transaction, of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

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Fair value hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, then hedge accounting is discontinued prospectively.

Any adjustment up to the point of discontinuation to a hedged item for which the effective interest method is used is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively.

Other non-trading derivatives

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net income from other financial instruments at FVTPL.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, and highly liquid short-term investments, with maturity of three months or less at the date of acquisition and not subject to withdrawal restrictions.

(f) Classification of insurance contracts and investment contracts

The Group issues life insurance contracts that transfer insurance risk. These are classified as insurance contracts.

Insurance contracts are those contracts under which the Group accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event adversely affects the policyholder or other beneficiary. Once a contract had been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment controls are those contracts that transfer financial risk with no significant risk.

The Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least significant level more than the benefits payable if the insured event did not occur.

The Group does not unbundle any insurance contracts as its accounting policy recognises all premium, premium ceded, claims and loss adjustment expenses, and claims and loss adjustment expenses recovered from reinsurers through the profit or loss.

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(g) Recognition and measurement of insurance contracts

Premiums due and uncollected

Premiums due and uncollected are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Insurance contract liabilities consist of long-term technical reserves, loss reserve and outstanding claims and premium reserves.

Long-term technical reserves

A liability for contractual benefits and claims that are expected to be incurred in the future is recorded when the premiums are recognised and is released when benefits and claims are incurred. The liability is measured using assumptions considered to be appropriate for the policies in force. The reserves are calculated by an internal actuary of the Group and using an actuarial method "Net Level Premium Valuation" based on assumptions for mortality, morbidity and discount interest rate that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission.

Loss reserve and outstanding claims

The purpose of loss reserve and outstanding claims is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted.

The loss reserve and outstanding claims include claims incurred and reported, and claims incurred but not reported (IBNR) as well as claim handling costs including unallocated loss adjustment expenses (ULAE). The outstanding claims are recorded based on formal written confirmation of the claim amount to be paid, surveyor report or the Group's past experience on claim development. IBNR calculation is based on historical claims data, current trends, and actual payment patterns for all insurance business lines and anything else that could impact amounts to be paid in accordance with actuarial technique.

Premium reserve

Premium reserves consist of unearned premium reserve (UPR) and unexpired risk reserve (URR). Premium reserve is unearned premium reserve and is calculated using written premiums for short-term insurance contracts and group insurance in accordance with the pattern of risk underwritten or a pro-rata basis of the premium based on the remaining duration of each policy. Unearned premium reserve (UPR) represents the prorated portion of written premiums that relates to the unexpired period.

Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims, which may occur, of the in-force policy. Unexpired risks reserve is set aside using an actuarial method. The reserve is calculated as the best estimate of the claims, which are expected to occur during the remaining coverage periods, based on the historical claims data.

As at the end of reporting period, the Group compares the amount of unexpired risks reserve with unearned premium reserve, and if unexpired risks reserve is higher than unearned premium reserve, the difference is recognised as unexpired risks reserve in the financial statements.

Unpaid policy benefits

Unpaid policy benefits represent claims and benefits payable to policyholder in relation to deaths, surrenders, dividends, maturities and policyholder deposits in respect of maturities and other payments and policyholder deposits in respect of maturities and including related interest payable. Unpaid policy benefits are recognised at cost.

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Due to insured

Due to insured consist of the advance premium received from insured and the money as the Group has to pay to insured other than the benefit under the insurance policy condition. Due to insured are recognised at cost.

Premiums

Short-term insurance contracts

Premium income on non-life / short-term insurance contracts is recognised as revenue on the inception date of the insurance contract that meets the risk transfer requirement and are presented gross of premium ceded and commission and brokerage expense. Net premium earned are presented net premium written and change in unearned premium reserve. Otherwise, deposit accounting shall be applied. For inward reinsurance, premiums are recorded based on the declaration made by the ceding company or the term specified on the reinsurance contracts.

The Group recognises premium of multiple-year contracts as premium received in advance and records related expenses as prepaid. The prepaids are expensed over the contractual period of the unexpired risk.

Long-term (life) insurance contracts

First year premium written for long-term (life) insurance contracts is recognised as revenue when the insurance policy is effective (or premium is received and insurance policy is approved). Renewal premium income is recognised as revenue when premium is due and if the policy is still inforce at the end of the reporting period. First year premium written and renewal premium income are presented gross of premium ceded and commissions and brokerage expenses.

Premium received in advance is not recognised until the due date.

Commission and brokerage income

Commission and brokerage income are charged to current operations as incurred.

Benefits, claims and loss adjustment expenses

Benefits, claims and loss adjustment expenses consist of benefit, claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of claims, related expenses and loss adjustments of current and prior period incurred or approved during the year, less residual value and other recoveries (if any) and claims refundable from reinsurers.

Benefits, claims and loss 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 Group's management or when benefits are due as stipulated in the insurance policy terms. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsured company submits the loss advice or the statement of accounts with the Group.

Salvage and subrogation recoveries

Salvage and subrogation recoveries are included in other assets. For salvage recoveries, the amount recognised is the amount that can be reasonably recovered from the disposal of that asset. For subrogation reimbursements is the amount that can reasonably be expected to be recovered from the action against the liable third party and is recorded net of related cost and allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on the analysis of recovery and future expectation of recovery from third parties.

Commission and brokerage expenses

Acquisition costs which represent commission and other direct related expenses are charged to current operations as incurred.

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Reinsurance transactions

Transactions relating to reinsurance assumed and ceded are accounted for and presented in the statements of financial position and comprehensive income in the same manner as the direct business transactions. The reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance receivables and assets are the Group's net contractual rights under reinsurance agreements. These consist of accrued reinsurance commission, claim receivables and other amounts due from reinsurers. The allowance for impairment of reinsurance assets is established based on latest publicly available credit rating information and past collection experiences.

Due to reinsurers represents the amounts payable to reinsurers and the amounts withheld on reinsurance. Outstanding payables consist of reinsurance premiums and other payables due to reinsurers.

The reinsurance assets and liabilities are presented on a net basis in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognised as expense or income in accordance with the pattern of reinsurance service received when incurred.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Liability adequacy test

Short-term insurance contracts

The liability of the Group under short-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims at the end of reporting period by using an actuarial method based on historical claims and expense. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

Long-term life insurance contracts

The liability of the Group under long-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows by using current assumptions with the carrying amount of gross insurance contract provisions for long-term technical reserves. Where an expected shortfall is identified, additional provisions are made for long-term technical reserves and are recognised in profit or loss.

An additional provision for liability inadequacy is made where the reserves calculated by using another actuarial method "Gross Premium Valuation" of policies in force at the reporting date based on the best estimate basis exceeds the liabilities, which calculated by the Net Level Premium Reserves method.

The assumptions used in the Gross Premium Valuation is in accordance with the Notification of Office of Insurance Commission regarding Assessment of Assets and Liabilities of Life Insurance Company B.E. 2554 except for the discount interest rate which the Group uses the adjusted current risk-free interest rate for the purpose of the liability adequacy test in accordance with industry practice.

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(h) Operating lease receivables and other receivables

Operating lease receivables and other receivables are stated at their invoice value less allowance for expected credit loss (2019: allowance for doubtful accounts)

(i) Hire-purchase and finance lease receivables

Hire-purchase and finance lease receivables are stated at the outstanding balances plus deferred commission expense and deferred initial direct cost net from unearned interest income after deducting allowance for expected credit loss (2019: allowance for doubtful accounts).

Accounting policies applicable before 1 January 2020

The Group provides an allowance for doubtful accounts of hire purchase and finance lease receivables equal to the applicable loss factor that estimated losses that may be incurred in the collection of all receivables, determined by analysis of the receivables classification and a review of the current status of existing receivables. Allowance for doubtful accounts is provided based on the receivable balances net of collateral value for receivables overdue by no more than 6 installments, and without deducting collateral value for receivables overdue over 6 installment as follows:

Not overdue and 1 installment overdue	1 %
2-3 installments overdue	2 %
4-6 installments overdue	20 %
7-12 installments overdue	50 %
Over 12 installments overdue	100 %

The Group's method for calculating the allowance for doubtful accounts is different from the method prescribed in the accounting guideline issued by the Thailand Federation of Accounting Professions ("TFAC") Re: Providing allowance for doubtful accounts for consumer finance business ("TFAC Guideline"). The TFAC Guideline prescribes that allowance for doubtful accounts should be made for the full amount of all outstanding receivables that are overdue for more than 3 installment periods, without deduction of collateral values from the remaining debt. However, management have considered the above and concluded that the Group's current method for calculating the allowance for doubtful accounts, as described above, conforms to the credit risks of the Group.

(j) Factoring receivables

Factoring receivables is stated at principal balance less allowance for expected credit loss (2019: allowance for doubtful accounts).

(k) Inventories

Assets held for operating leases are transferred to inventories on the date that they cease to be rented and are held for sale. These are measured at the lower of the book value at that date and net realisable value.

Cost of inventories is calculated using the specific method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

(l) Loans

Loans are stated at principal amounts less allowance for expected credit loss (2019: allowance for doubtful accounts).

(m) Property foreclosed

Properties foreclosed are acquired through loan settlement or auction purchase under the order of the court or receiver. Foreclosed properties are initially recognised at cost and subsequently measured at revalued amounts, less impairment loss.

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Property foreclosed under hire purchase and finance lease contracts, which were repossessed from default customers, are valued at the lower of the net receivable balance and the market value of such repossessed vehicles after deduction of allowance for losses on decline in value in the statement of income.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

The Group recognises gains (losses) on disposal of assets in profit or loss when the assets are disposed.

(n) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation is charged to profit or loss on straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building and building improvements	5 - 30 years
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No depreciation is provided on land or assets under construction.

(o) Leasehold rights

Leasehold rights are measured at cost less accumulated depreciation and impairment losses.

The cost of leasehold rights comprises specifically identified costs, including directly attributable cost for leasehold rights, development expenditure, borrowing costs and other related expenditure. Borrowing cost payable on loans funding land leasehold rights are capitalized, on a specific identification basis, as part of the cost of the leasehold rights until the completion of development.

Amortisation is charged to cost of investment properties (work in process) on a straight-line basis over the lease period as follows:

Leasehold rights	60 years
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(p) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are measured at their revalued amounts. The revalued amount is the fair value

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determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation reserve is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	20 - 94	years
Furniture, fixtures and office equipment	3 - 10	years
Vehicles	3 - 12	years
Assets held for operating lease	Over the lease period	

No depreciation is provided on freehold land or assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(q) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licence	3 and 10	years
Leasehold rights	27.4	years

No amortisation is provided on software under implementation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(r) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

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As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

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The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(s)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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Significant estimates and judgements

The Group's and the Company's expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves expert credit judgement to be applied by management based upon counterparty information they receive from various internal and external.

Measurement

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default ("PD") with percentage of the loss given default ("LGD") with the expected exposure at the time of default ("EAD").

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on the financial instrument.

Expected credit loss recognition - Staging

Stage 1 Financial assets that are not significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of the instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial assets that are significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk ("SICR") since initial recognition, an expected credit loss is recognised for default events that may occur over the expected life of the financial instrument. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

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Stage 3 Financial assets that are credit-impaired (Non-performing)

Financial assets that are credit impaired or in default represent those that are at least/over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- In process of asset repossession; and
- In process of litigation

Allowance for impairment loss against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within impairment credit loss in profit or loss with a corresponding decrease in the gross carrying value of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Write-offs of credit impaired instruments and reversal of impairment credit loss

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related allowance for impairment loss. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of impairment credit loss in the profit or loss.

If, in a subsequent period, the amount of the allowance for impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised impairment loss is reversed by adjusting the allowance for impairment loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances requiring that action to be resolved before financial instruments are reclassified to stage 1.

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Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(t) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(u) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(v) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(w) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(x) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion as the services are provided. The stage of completion is assessed based on surveys of work performed / cost-to-cost method. The related costs are recognized in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

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(y) Other incomes

Income from operating lease contracts

Income from operating lease contracts is recognised in profit or loss using sum total of rental income from the contracts on a straight-line basis (monthly) over the term of the lease. In case of renewal of lease contracts after prior contracts are expired, income from operating lease contracts is recognised using sum total of rental income from new contracts on a straight-line basis (monthly) over the term of the new lease.

Income from hire-purchase contracts and finance lease contracts

Income from hire-purchase contracts and finance lease contracts are recognised in profit or loss over the term of lease by using the effective interest rate method.

Income from sale of assets under operating lease contracts

Revenue from sale of assets under operating leases (inventory) is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. For contracts with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Gains or losses from sale and leaseback

For sale and leaseback transactions resulting in finance leases, gains are deferred and amortised on a straight-line basis over the lease term, while losses are recognised immediately in the statement of comprehensive income. For sale and leaseback transactions resulting in operating leases, gains and losses on transactions established at fair value are recognised immediately in the statement of comprehensive income. If the selling price exceeds fair value, then that excess is deferred and amortised over the period for which the asset is expected to be used. If the selling price is at or below fair value, then the gain or loss is recognised immediately in the statement of comprehensive income.

(z) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(aa) Investments income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(bb) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(cc) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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(dd) Expenses

Commissions and direct cost from hire purchase

Initial direct expenses at the inception of a hire purchase are to be amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Other underwriting expenses, investment expenses and operating expenses

Other underwriting expenses, investment expenses and operating expenses are recognised in profit or loss as expenses on an accrual basis.

(ee) Interest

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(ff) Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(gg) *Earnings per share*

The Group presents basic per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year.

(hh) *Related parties*

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(ii) *Segment reporting*

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Acquisition of subsidiaries and non-controlling interests

5.1) *Business combination with Indara Insurance Public Company Limited (“INSURE”)*

In the meeting of Board Of Directors of Thai Group Holding Public Company Limited (“the Company” or “TGH” held on 23 March 2020, it was resolved to approved Rod Dee Det Auto Company Limited (“RDD” or “Tender Offeror”) the subsidiary, which the Company holds 99.99% of all shares to submit Application Form for Voluntary Tender Offer for all of the ordinary shares of Indra Insurance Public Company Limited (“INSURE”). Accordingly, on 26 March 2020, the Tender Offeror submitted an announcement of intention to make a tender offer (Form 247-3), to the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) and INSURE.

This Tender Offer is for a business restructuring aiming to eliminate conflicts of interest arising from having the major shareholder holds shares in a listed company operating the same business and in order to comply with the rules to eliminate conflicts of interest in accordance with the announcement of the Capital Market Supervisory Board and to increase the clarity in the business operations of insurance and finance under TCC group, whereby TGH is the parents’ company together with the objective of strengthen the insurance business of the TGH Group by expanding distribution channels and increasing market share in retail insurance segment, as well as, combining the expertise of both companies to enhance competitiveness and opportunities for mutual future business growth.

On 7 April 2020, Rod Dee Det Auto Company Limited (“RDD”), submitted a tender offer for all issued shares of INSURE to the office of the Securities and Exchange Commission, the Stock Exchange of Thailand and INSURE. For a tender offer period starting from 8 April 2020 until 15 May 2020, having a close period starting from 8 May 2020 until 15 May 2020 during which the tender offer submitted cannot be revoked.

On 12 May 2020 (the acquisition date), RDD and ultimately the Company obtained the control over INSURE when the major shareholder TCC Land Company Limited along with other minority shareholder submitted their

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tender offer totaling 7,497,409 shares, representing 74.97% of total issued and paid up share of INSURE. On 15 May 2020, (the closing date of tender offer), RDD obtained shares of INSURE from the complete tender offer, totaling 7,506,358 shares, representing 75.06% of total issued and paid up shares of INSURE. RDD paid the consideration in cash amounting to Baht 262.72 million to the offeree representing 35 Baht per share acquired.

This transaction is the business combination under common control as the Company and INSURE were all under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory. The consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests' method. In this regard, the Company has prepared the combined financial statements for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit.

The difference between the fair value of consideration transferred and book value of net assets of INSURE at the acquisition date amounting to Baht 70.68 million presented as "Difference arising from business combination under common control" and recognised directly in equity of the consolidated financial statements.

The following summarises the consideration transferred for business combination under common control, and the recognised amounts of net assets transferred from INSURE:

Consideration transferred	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	262,723
	262,723
	Consolidated financial statements <i>(in thousand Baht)</i>
Cash and cash equivalents	55,031
Premiums due and uncollected	29,706
Accrued investment income	2,058
Reinsurance assets	173,047
Reinsurance receivables	2,138
Investments in securities	383,889
Loans and accrued interest	139
Properties foreclosed	570
Property, plant and equipment	122,812
Right-of-use assets	13,012
Intangible assets	193
Deferred tax assets	29,059
Other assets	44,055
Insurance contract liabilities	(420,782)
Reinsurance payables	(112,159)
Lease liabilities	(13,078)
Provision for employee benefits	(18,058)
Other liabilities	(35,783)
Total identifiable net assets	255,849
<i>Less Non-controlling interest (24.94%)</i>	<i>(63,809)</i>
Total identifiable net assets received	192,040
<i>Add Difference arising from business combination under common control</i>	<i>70,683</i>
Consideration transferred	262,723

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5.2) Business combination with The Thai Insurance Public Company Limited (“TIC”)

(a) The first tender offer of TIC’s securities

In July 2018, Southeast Management Company Limited (appointed by Southeast) made a tender offer for entire TIC’s securities comprising of 23,499,283 ordinary shares and 717 preferred shares by cash settlement at a price of Baht 34.24 per share. From the first tender offer made during 6 July 2018 to 14 August 2018, Southeast Management Company Limited obtained 67.93% of TIC’s issued and paid up shares. As a result, Southeast Management Company Limited has control over TIC’s assets acquired and liabilities assumed constitute a business as definition as specified in accordance with TFRS 3 (revised 2017) Business Combination.

Thus, goodwill from the acquisition of TIC is measured as at acquisition date by aggregating of the consideration transferred including the amount of any non-controlling interest in the acquire and deducting of the net amount of the identifiable assets acquired and the liabilities assumed.

(b) Tender offer of TIC’s securities according to the Group’s restructuring plan

According to the business restructuring plan and business alliance between TIC and Southeast. The Company made a tender offer for entire TIC’s securities by issued the newly issued ordinary shares of the Company, with the exchange rate of 1 ordinary share of TIC per 1 newly issued ordinary share of the Company and 1 preferred share of TIC per 1 newly issued ordinary share of the Company. After the completion of tender offer, the Company applied the ordinary shares to list in the Stock Exchange of Thailand and TIC’s ordinary shares and preferred shares would be delisted from the Stock Exchange of Thailand on the same date.

On 22 July 2019 (the closing date of tender offer), the Company obtained shares of TIC from the completed tender offer, totaling 21,957,646 shares, representing 93.44% of the total issued and paid up shares of TIC. The Company paid with its newly issued ordinary shares totaling 21,957,646 shares as a consideration transfer, fair value amount Baht 751.83 million, to the offeree as following;

- 1) 67.93% from Southeast Management Company Limited (*the parent company of TIC*)

On 15 July 2019 (the closing date of tender offer), the Company has obtained control over TIC from acceptance of the tender offer for TIC’s securities of Southeast Management Company Limited (Southeast Management Company Limited has control over TIC since 11 July 2018) by exchanging 15,962,860 shares of TIC, representing 67.93% of TIC’s issued and paid up shares with the exchange rate of 1 ordinary share of TIC per 1 newly issued ordinary share of the Company. This share swap is the business combination under common control as they were all under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory.

The difference between the fair value of consideration transferred and book value of net assets of TIC at the acquisition date amounting to Baht 29.23 million was presented as “Difference arising from business combination under common control” and recognised directly in equity of the consolidated financial statements.

The following summaries the consideration transferred, and the recognised book value of net assets of TIC:

<i>Consideration transferred</i>	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Equity instruments issued (15,962,860 ordinary shares)	28	546,568
		546,568

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	Consolidated financial statements <i>(in thousand Baht)</i>
Cash and cash equivalents	244,280
Premiums due and uncollected	297,200
Reinsurance receivables	925,995
Investments in securities	1,651,012
Loans	3,366
Property, plant and equipment	36,001
Intangible assets	24,052
Deferred tax assets	127,905
Other assets	130,217
Insurance contract liabilities	(2,142,777)
Reinsurance payables	(447,309)
Current tax payable	(14,010)
Provision for employee benefits	(25,855)
Other liabilities	(137,849)
Total identifiable net assets	672,228
<i>Less</i> Non-controlling interests (32.07 %)	(215,584)
<i>Add</i> Goodwill arising from the previous business combination of those having the highest authority	84,141
<i>Add</i> Excess of cost over book value of acquired subsidiaries	35,013
Total identifiable net assets received	575,798
<i>Less</i> Deficit arising from business combination under common control	(29,230)
Consideration transferred	546,568

The consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests method. In this regard, the Company has prepared the combined financial statements retrospectively from 11 July 2018, which is the date that the same ultimate controlling shareholders of the Company have control over the subsidiary.

2) 25.51% from non-controlling interests of TIC

As of 22 July 2019, the Company acquired an interest in TIC by exchanging ordinary shares of TIC in the amount of 5,994,786 shares, equivalent to 25.51% of the total voting shares of TIC with the exchange rate of 1 ordinary share of TIC per 1 newly issued ordinary share of the Company. As a result, the interest in TIC's securities has increased from 67.93% to 93.44%.

Book value of net assets of TIC in the consolidated financial statements of the Group as at 22 July 2019 amounting to Baht 672.23 million, the Group recognised the decrease in non-controlling interest amounting to Baht 171.49 million directly to equity which represented the change of TIC's equity.

The details of acquisition of non-controlling interest of TIC are as follow:

	2019 <i>(in thousand Baht)</i>
Consideration transferred for acquisition of non-controlling interest of TIC as at 22 July 2019	205,261
<i>Less</i> Net book value of non-controlling interest of TIC as at 22 July 2019	(171,485)
Excess of investments arising from additional purchases investments in subsidiary at a price higher than the net book value as at 22 July 2019	33,776

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The following summarises the effect of changes in the Group's ownership interest in TIC:

	2019
	<i>(in thousand Baht)</i>
Group's ownership interest as at 22 July 2019 (67.93%)	575,798
Add Effect of increase in Group's ownership interest	171,485
Group's ownership interest as at 22 July 2019 (93.44%)	<u>747,283</u>

5.3) Entire business transfer from Southeast

At the Extraordinary General Meeting of Shareholders of the Company held on 19 July 2018, the shareholders passed a resolution to accept entire business transfer from Southeast ("Transferor") which is under the same ultimate controlling shareholders. This transaction was made under tax exemption for entire business transfer Royal Decree (No.542) B.E.2555.

On 24 July 2019, the Company entered into the Business Transfer Agreement with Southeast, whereby the Company agreed to receive entire business transfer including assets, liabilities, obligations and employees amounting to Baht 2,396.89 million which is effective on 24 July 2019 ("the entire business transfer date"). The Company issued 730,140,186 shares at a price of 34.24 per share totaling Baht 25,000 million for entire business transfer to the Transferor as a consideration transferred. Southeast registered its dissolution with the Ministry of Commerce on 24 July 2019 and it is in process of liquidation.

This transaction is the business combination under common control as the Company and Southeast were all under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory. The consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests method. In this regard, the Company has prepared the combined financial statements retrospectively from 1 January 2018, which is the date that the same ultimate controlling shareholders of the Company have control over the subsidiary.

The difference between the fair value of consideration transferred and book value of net assets of Southeast at the entire business transferred date amounting to Baht 22,603.11 million presented as "Difference arising from business combination under common control" and recognised directly in equity of the consolidated financial statements.

The following summarises the consideration transferred for business combination under common control, and the recognised amounts of net assets transferred from Southeast:

<i>Consideration transferred</i>		Fair value
	<i>Note</i>	<i>(in thousand Baht)</i>
Equity instruments issued (730,140,186 ordinary shares)	28	<u>25,000,000</u>
		<u>25,000,000</u>

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Cash and cash equivalents	4,807,511	35,478
Investment receivables	1,010,620	-
Premiums due and uncollected	1,782,895	-
Reinsurance assets	4,905,521	-
Reinsurance receivables	802,291	-
Operating lease receivables	367,160	-
Hire-purchase and finance lease receivables	357,821	-
Investments in securities	52,701,436	-
Derivative assets	108,088	-

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	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Inventories	263,899	-
Loans	1,426,689	4,579,268
Investments in associate and joint venture	-	-
Investments in subsidiaries	-	2,474,597
Investment properties	501,962	-
Property, plant and equipment	15,654,956	457
Intangible assets	414,329	-
Deferred tax assets	35,057	-
Other assets	2,454,281	77,599
Investment payables	(1,103,792)	-
Borrowings	(15,537,733)	(4,678,978)
Insurance contract liabilities	(49,819,944)	-
Reinsurance payables	(2,494,767)	-
Derivative liabilities	(251,170)	(41,191)
Current tax payable	(443,502)	-
Finance lease liabilities	(610,252)	-
Provision for employee benefits	(269,939)	(14,395)
Deferred tax liabilities	(443,314)	-
Other liabilities	(1,621,207)	(35,947)
Total identifiable net assets received	14,998,896	2,396,888
Add Difference arising from business combination under common control		22,603,112
Consideration transferred		25,000,000

Equity instruments issued

The following table shows the valuation technique and the key unobservable inputs used in the determination of fair value of the contingent consideration liability.

Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurement
Fair value measurement had been used the sum of the parts method for the main businesses. Non-life insurance and Life insurance business had been used the actuarial appraisal of economic value approach. Financial service business had been used the discounted cash flow approach which based on the assumption from investment plan operating plan and industry information.	<ul style="list-style-type: none"> Discount rate that reflected risk and expected return rate (9% to 11.5%) 	Fair value will be increased if <ul style="list-style-type: none"> Discount rate had decreased.

For the fair value of contingent consideration, changing one or more of the significant unobservable inputs used to reasonably possible alternative assumptions would have the following effects. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration at the end of the interim reporting period. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

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6 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 17 and 18. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities/persons	Country of incorporation/nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Pholmankhong Business Company Limited	Thailand	Major shareholder, holding 45.00% shares
Southeast Management Company Limited	Thailand	Major shareholder, holding 31.40% shares
Big C Supercenter Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Berli Jucker Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Kamphaengphet Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Sukhothai Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Sermsuk Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Oishi Group Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
T.C.C. Commercial Property Management Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
TCC Hotel Collection Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Logistic Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Malaya Glass Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Asset World Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Cristalla Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
DL Engineering Solution Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Horeca Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Frasers Centrepoint Limited	Singapore	Controlling equity holders hold substantial share indirectly
Terragro Fertilizer Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Kijjakarn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Nakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Turakij Company Limited	Thailand	Controlling equity holders hold substantial share indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Num Palang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Muang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Yuk Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Numrungrod Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomkit Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomklung Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomcharoen Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomchok Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomthip (2012) Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomnakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomburapa Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pompalang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Cash Van Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Southeast Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Siam Realty Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
The Southeast Group International Limited	British Virgin Islands	Common directors
Sara Insurance Broker Company Limited	Thailand	Director related to key management of a subsidiary
Millennium Insurance Broker Company Limited	Thailand	Director related to key management of a subsidiary
Frasers Property Holdings (Thailand) Company Limited	Thailand	Indirect equity holders
Frasers Property (Thailand) Public Company Limited. (formerly "TICON Industrial Connection Public Company Limited")	Thailand	Common director and indirect equity hold substantial share indirectly
Sino-Thai Engineering and Construction Public Company Limited	Thailand	Common director
Hemaraj Leasehold Real Estate Investment Trust	Thailand	Common director
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Common director and indirect equity holders hold substantial trust indirectly
Frasers Property Thailand Industrial Freehold&leasehold Reit (formerly "TICON Freehold and Leasehold Real Estate Investment Trust")	Thailand	Indirect equity holders hold substantial trust indirectly
Frasers Hospitality Trust	Singapore	Directors and controlling equity holders hold substantial share indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Southeast Joint Venture Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Gross premium written	Agreed prices
Income from operating lease contracts	Agreed prices
Income from hire-purchase and finance lease contracts	Agreed prices
Dividend income	As declared
Other rendering of services	Agreed prices
Interest income	Rate as mutually agreed with reference to interest rates
Other income	Agreed prices
Benefits payments	Agreed prices
Commissions and brokerage expense	Agreed rates
Finance costs	Rates as mutually agreed with reference to interest
Operating expenses	Agreed prices
Purchase assets held for operating lease	Market prices
Sale on investment property	Market prices
Rental income	Market price, Contractual price
Rental expense	Market price, Contractual price

Significant transactions for the year ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
			<i>(in thousand Baht)</i>	
Subsidiaries				
Advisory fee income	-	-	4,800	1,800
Interest income	-	-	201,999	95,451
Dividend income	-	-	674,589	150,000
Operating expenses	-	-	14,351	5,945
Associate				
Premium written	58	30	-	-
Interest income	-	36	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	196,702	180,553	33,744	18,283
Post-employment benefits	16,794	6,402	3,773	1,233
Other long-term benefits	6,756	6,165	1,239	698
Total key management personnel compensation	220,252	193,120	38,756	20,214

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<i>Year ended 31 December</i>	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
			<i>(in thousand Baht)</i>	
Other related parties				
Gross premium written	1,030,978	953,544	-	-
Income from operating lease contracts	818,233	771,593	-	-
Income from hire-purchase and finance lease contracts	3,504	4,067	-	-
Dividend income	87,196	93,235	-	-
Other rendering of services	-	21,912	-	2,739
Interest income	141,841	106,187	-	-
Gain on disposal of financial instruments	(7,856)	186,978	-	-
Other income	38,678	28,649	-	-
Benefit payments	148,400	(89,377)	-	-
Commissions and brokerage expense	405,131	481,014	-	-
Finance costs	90,229	111,907	90,229	26,743
Operating expenses	22,571	47,880	-	-

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
			<i>(in thousand Baht)</i>	
<i>Premiums due and uncollected</i>				
Associate	62	-	-	-
Other related parties	210,650	325,275	-	-
Total	210,712	325,275	-	-
<i>Less</i> allowance for doubtful accounts	(4,446)	(4,213)	-	-
Net	206,266	321,062	-	-
Bad and doubtful debts expense for the year	233	4,001	-	-
<i>Operating lease receivables</i>				
Other related parties	81,382	78,359	-	-
<i>Finance lease receivables</i>				
Other related parties	21,603	24,859	-	-
<i>Investments in securities</i>				
Other related parties	6,433,715	5,668,727	-	-

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Movements for the year ended 31 December of loans to related parties were as follows:

<i>Short-term loans to</i>	Interest rate	At	Consolidated financial statements			At
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December	
2020						
Associates	3.70	-	14,412	-	14,412	
Total		-			14,412	
Less allowance for expected credit loss		-	-	-	-	
Net		-			14,412	
	Interest rate	At	Combined financial statement			At
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December	
2019						
Associates	-	14,700	-	(14,700)	-	
Total		14,700			-	
Less allowance for expected credit loss		-	-	-	-	
Net		14,700			-	
	Interest rate	At	Separate financial statements			At
<i>Short-term loans to</i>	At 31 December (% per annum)	1 January	Increase	Business transfer Decrease	31 December	
2020						
Subsidiaries	2.47 - 2.70	4,048,000	4,703,412	- (5,798,000)	2,953,412	
Total		4,048,000			2,953,412	
2019						
Subsidiaries	3.35 - 4.50	-	6,625,000	2,993,000 (5,570,000)	4,048,000	
Total		-			4,048,000	
	Interest rate	At	Separate financial statements			At
<i>Long-term loans to</i>	At 31 December (% per annum)	1 January	Increase	Business transfer Decrease	31 December	
2020						
Subsidiaries	2.18 - 3.75	1,586,268	4,000,000	- (54,300)	5,531,968	
Total		1,586,268			5,531,968	
2019						
Subsidiaries	3.75 - 5.00	-	-	1,586,268	1,586,268	
Total		-			1,586,268	

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	Consolidated financial statement	Combined financial statement	Separate financial statements	
<i>Other assets - related parties</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	38,729	72,638
Other related parties	38,652	61,232	-	-
Total	38,652	61,232	38,729	72,638

	Consolidated financial statement	Combined financial statement	Separate financial statements	
<i>Loss reserves and outstanding claims - related parties</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	144,915	624,035	-	-

	Consolidated financial statements	Combined financial statements	Separate financial statements	
<i>Other liabilities - related parties</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	563	294
Other related parties	101,814	91,649	42,592	17,962
Total	101,814	91,649	43,155	18,256

Significant agreements with related parties

Short-term loans to related parties

As at 31 December 2020, the Company entered into short-term loans agreements which are unsecured promissory notes with subsidiaries of Baht 2,953.41 million. The promissory notes bear interest at fixed rates ranging from 2.47% to 2.70% per annum. The maturity term is one year and at call.

Long-term loans to related parties

As at 31 December 2020, the Company entered into long-term loans agreements with subsidiaries of Baht 5,531.97 million. The loans bear interest at fixed rates ranging from 2.18% to 3.75% per annum. The maturity terms are 1 year to 5 years.

Office rental and services agreements

A subsidiary entered into office rental and services agreements with the Company and related parties to provide office rental and services. The agreements for the period of 2 years starting from 1 January 2020 to 31 December 2021. The Group and the Company committed to pay rental and service fees at the rates as stipulated in the agreements.

Support service agreement

The Company entered a support service agreement with a related party. The agreement period is 6 months starting from 1 July 2020 to 31 December 2020. The related party committed to pay a service fee at the rate as stipulated in the agreement.

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Leasehold rights

During the year 2019, a subsidiary has entered into two long-term lease agreements with a related party; the first contract is valid for 30 years since 1 September 2019 until 31 August 2049 and the second contract is valid for 30 years since 1 September 2049 until 31 August 2079. As such, during September 2019, the subsidiary has paid total amount in advance of land use rights of Baht 1,364.85 million.

As at 31 December, the Group and the Company had commitments with related parties as follow:

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	-	14,055	-	7,340
After one year but within five years	-	33,730	-	12,788
Total	-	47,785	-	20,128

7 Cash and cash equivalents

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Cash on hand	10,229	9,784	33	13
Cash at banks - Call deposits	3,144,154	4,587,550	28,612	61,706
Cash at bank - Time deposits	20,000	-	-	-
Highly liquid short-term investments	581,035	337,790	-	-
Cash and cash equivalents	3,755,418	4,935,124	28,645	61,719

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8 Premiums due and uncollected

	Consolidated	Combined
	financial statements	financial statements
	2020	2019
	<i>(in thousand Baht)</i>	
Related parties	210,712	325,275
Other parties	1,409,187	1,483,231
Total	1,619,899	1,808,506
<i>Less</i> allowance for doubtful accounts	<i>(144,137)</i>	<i>(166,010)</i>
Net	1,475,762	1,642,496
Bad and doubtful debts (reversal) expense for the year	(21,873)	(62,287)

Aging analyses for premiums due and uncollected were as follows:

	Consolidated	Combined
	financial statements	financial statements
	2020	2019
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	106,812	171,874
Overdue:		
less than 30 days	30,129	37,421
30 - 60 days	68,410	107,384
60 - 90 days	(214)	62
90 days - 1 year	6,533	5,276
over 1 year	(958)	3,258
Total	210,712	325,275
<i>Less</i> allowance for doubtful accounts	<i>(4,446)</i>	<i>(4,213)</i>
	206,266	321,062
Other parties		
Within credit terms	1,026,559	1,002,953
Overdue:		
less than 30 days	110,071	157,214
30 - 60 days	76,144	81,606
60 - 90 days	25,545	25,551
90 days - 1 year	67,173	76,528
over 1 year	103,695	139,379
Total	1,409,187	1,483,231
<i>Less</i> allowance for doubtful accounts	<i>(139,691)</i>	<i>(161,797)</i>
	1,269,496	1,321,434
Net	1,475,762	1,642,496

The normal credit term of insured, agents and brokers granted by the Group for non-life insurance business ranges from 30 days to 60 days.

For premiums due and uncollected from agents and brokers, the Group has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premiums due and uncollected, the Group is pursuing legal proceedings against such agents and brokers.

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The allowable grace period of life insurance policies is 31 and 90 days from the due date for individual and group policies, respectively.

For individual policies which are over the grace period the premium due and uncollected will be settled by granting an automatic policy loan where the policy has a cash surrender value.

9 Reinsurance receivables

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
Due from reinsurers	912,783	788,858
Deposit on reinsurance	5	5
Total	912,788	788,863
<i>Less</i> allowance for doubtful accounts	<i>(31,634)</i>	<i>(87,117)</i>
Net	881,154	701,746
Bad and doubtful debts (reversal) expense for the year	(55,483)	14,701

Aging analyses for due from reinsurers were as follows:

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
Other parties		
Within due	345,583	398,863
Overdue:		
less than 1 year	336,139	273,448
within 1 - 2 years	196,108	37,387
over 2 years	34,953	79,160
	912,783	788,858
<i>Less</i> allowance for doubtful accounts	<i>(31,634)</i>	<i>(87,117)</i>
Net	881,149	701,741

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10 Operating lease receivables

		Consolidated financial statements	Combined financial statements
		2020	2019
		<i>(in thousand Baht)</i>	
Related parties	<i>Note</i> 6	81,382	78,359
Other parties		364,577	270,317
Total		445,959	348,676
<i>Less</i> allowance for expected credit loss		<i>(1,507)</i>	<i>(1,507)</i>
Net		444,452	347,169

Aging analyses for operating lease receivables were as follows:

		Consolidated financial statements	Combined financial statements
		2020	2019
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		70,030	69,827
Over due:			
less than 3 months		10,446	8,192
3 - 6 months		906	340
6 - 12 months		-	-
		81,382	78,359
Other parties			
Within credit terms		288,306	254,821
Over due:			
Less than 3 months		63,655	13,349
3 - 6 months		5,875	2,133
6 - 12 months		5,765	14
Over 12 months		976	-
		364,577	270,317
<i>Less</i> allowance for expected credit loss		<i>(1,507)</i>	<i>(1,507)</i>
Net		444,452	347,169

The normal credit term of operating lease receivables granted by the Group ranges from 30 days to 60 days.

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11 Hire purchase and finance lease receivables

Consolidated financial statements							
2020							
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	162,467	35,353	21,881	6,407	2,130	655	228,893
Finance lease receivables	189,783	578,146	328,189	916	170	-	1,097,204
	<u>352,250</u>	<u>613,499</u>	<u>350,070</u>	<u>7,323</u>	<u>2,300</u>	<u>655</u>	<u>1,326,097</u>
Add deferred commission expense	1,882	411	254	74	25	8	2,654
	<u>354,132</u>	<u>613,910</u>	<u>350,324</u>	<u>7,397</u>	<u>2,325</u>	<u>663</u>	<u>1,328,751</u>
Less unearned interest income	(141,404)	(87,504)	(15,061)	(1,248)	(407)	(125)	(245,749)
Total	212,728	526,406	335,263	6,149	1,918	538	1,083,002
Less allowance for expected credit loss	(59,566)	(12,994)	(8,043)	(2,355)	(783)	(241)	(83,982)
Net	153,162	513,412	327,220	3,794	1,135	297	999,020

Combined financial statements				
2019				
	Portion due within one year	Portion due over one year but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>			
Hire purchase receivables	214,434	157,154	1,229	372,817
Finance lease receivables	9,049	23,795	-	32,844
Add deferred commission expense	2,034	1,494	12	3,540
	<u>225,517</u>	<u>182,443</u>	<u>1,241</u>	<u>409,201</u>
Less unearned interest income	(27,727)	(22,415)	(140)	(50,282)
Total	197,790	160,028	1,101	358,919
Less allowance for expected credit loss	(46,236)	(33,951)	(266)	(80,453)
Net	151,554	126,077	835	278,466

	Consolidated financial statements	Combined financial statements
	2020	2019
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the year	3,529	-

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Aging analyses for hire-purchase and finance lease receivables were as follows:

	<i>Note</i>	Consolidated financial statements 2020	Combined financial statements 2019
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		26,439	32,844
<i>Less</i> unearned interest income		(4,836)	(7,985)
	6	<u>21,603</u>	<u>24,859</u>
Other parties			
Within credit terms		1,240,764	154,855
Overdue:			
Less than 3 installments		44,343	115,650
4 - 6 installments		6,660	5,565
7 - 12 installments		3,145	18,225
Over 12 installments		4,746	78,522
		<u>1,299,658</u>	<u>372,817</u>
<i>Add</i> deferred commission expense		2,654	3,540
		<u>1,302,312</u>	<u>376,357</u>
<i>Less</i> unearned interest income		(240,913)	(42,297)
		<u>1,061,399</u>	<u>334,060</u>
<i>Less</i> allowance for expected credit loss		(83,982)	(80,453)
		<u>977,417</u>	<u>253,607</u>
Net		<u>999,020</u>	<u>278,466</u>

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As at 31 December 2020 and 2019, total gross investments under hire purchase and finance leases contracts and the present value of minimum lease payments receivable were as follows:

	Consolidated financial statements		Combined financial statements	
	2020		2019	
	Total the gross investments under the lease contracts	Present value of minimum lease payments receivable	Total the gross Investments Under the lease contracts	Present value of minimum lease payments receivable
	<i>(in thousand Baht)</i>			
Within one year	352,250	210,846	223,483	195,756
After one year but within five years	973,192	868,972	180,949	158,534
Over five years	655	530	1,229	1,089
	<u>1,326,097</u>	<u>1,080,348</u>	<u>405,661</u>	<u>355,379</u>
<i>Add</i> deferred commission expense	2,654	2,654	3,540	3,540
	<u>1,328,751</u>	<u>1,083,002</u>	<u>409,201</u>	<u>358,919</u>
<i>Less</i> unearned interest income	<u>(245,749)</u>		<u>(50,282)</u>	
	1,083,002		358,919	
<i>Less</i> allowance for expected credit loss	<u>(83,982)</u>		<u>(80,453)</u>	
Total gross investments under hire purchase and financial lease contracts	<u>999,020</u>		<u>278,466</u>	

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12 Financial instruments - Debt securities

Debt securities comprise of:

	Consolidated financial statements 2020	
	Cost/ amortised Cost	Fair value
	<i>(in thousand Baht)</i>	
<i>Debt securities measured at fair value through profit or loss</i>		
Government and state enterprise debt securities	250,400	254,111
Domestic debt securities	3,039,009	3,271,159
Foreign debt securities	337,200	386,552
Total	3,626,609	3,911,822
Add gain from measurement of investments	285,213	-
Total debt securities measured at fair value to profit or loss	3,911,822	3,911,822
 <i>Debt securities measured at fair value through other comprehensive income</i>		
Government and state enterprise debt securities	21,067,950	22,383,397
Domestic debt securities	15,458,901	16,135,304
Foreign debt securities	1,817,350	2,035,606
Total	38,344,201	40,554,307
Add gain from measurement of investments	2,210,106	-
Total debt securities measured at fair value through other comprehensive income	40,554,307	40,554,307
 Allowance for expected credit loss	 (24,078)	 (24,078)
 <i>Debt securities measured at amortised cost</i>		
Deposit at banks with original maturity over 3 months	1,179,095	1,179,095
Less allowance for expected credit loss	(524)	(524)
Total debt securities measured at amortised cost	1,178,571	1,178,571
 Total financial instruments - Debt securities	 45,644,700	 45,644,700

Debt securities measured at fair value through other comprehensive income

	Consolidated financial statements 2020	
	Fair Value	Allowance for expected credit loss
	<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk / performing (stage1)	40,554,307	(24,078)
Total	40,554,307	(24,078)

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Investment in debt securities were classified as investment in securities as at 31 December 2019 (refer note 3)

	Combined financial statements	
	2019	
	amortised Cost	Fair Value
	<i>(in thousand Baht)</i>	
Debt securities		
Government and state enterprise debt securities	17,958,380	19,106,573
Domestic debt securities	17,436,146	18,633,770
Foreign debt securities	10,048	10,388
Premium saving certificates	119,532	125,608
Deposit at banks with original maturity over 3 months	1,332,661	1,332,661
Total	36,856,767	39,209,000
Add gain from measurement of investments	2,352,233	-
Total debt securities	39,209,000	39,209,000

13 Financial instruments - Equity securities

Equity securities comprise of:

	Consolidated financial statements		Separate financial statements	
	2020		2020	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Equity securities measured at fair value through other comprehensive income				
Domestic equity securities	10,307,782	10,144,011	234,000	234,000
Foreign equity securities	1,980,731	2,031,253	-	-
Others	6,087	32,312	-	-
Total	12,294,600	12,207,576	234,000	234,000
Add gain from measurement of investments	(87,024)	-	-	-
Total equity securities measured at fair value through other comprehensive income	12,207,576	12,207,576	234,000	234,000
Total equity securities	12,207,576	12,207,576	234,000	234,000

Investment in equity securities were classified as investment in securities as at 31 December 2019 (refer note 3)

	Combined financial statements	Separate financial statements
	2019	
	<i>(in thousand Baht)</i>	
Equity securities		
Equity securities	6,710,351	302,940
Unit trust	9,270,059	-
Others	105,579	-
Total	16,085,989	302,940
Less Allowance for impairment loss	(71,180)	(68,940)
Total equity securities	16,014,809	234,000

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	Consolidated financial statements		Separate financial statements	
	2020			
	Fair value	Dividend income	Fair value	Dividend income
	<i>(in thousand Baht)</i>			
Equity securities measured at fair value through other comprehensive income				
Domestic equity securities	10,144,011	554,894	234,000	5,400
Foreign equity securities	2,031,253	57,789	-	-
Others	32,312	5,400	-	-
Total equity securities measured at fair value through other comprehensive income	12,207,576	618,083	234,000	5,400

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14 Derivatives

As at 31 December 2020, balances of derivatives **not elected for hedge accounting** were as follows:

	Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2020		Gain on fair value of derivatives
					Book value / Assets <i>(in thousand Baht)</i>	Fair value Liabilities	
Warrants	To protect against exchange risk from investments in foreign currencies		-	-	4	-	4
Total			-	-	4	-	4

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As at 31 December 2020, balances of derivatives elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Consolidated financial statements 2020			
			Notional value	Book value / Fair value Assets (in thousand Baht)	Fair value Liabilities	Loss on fair value of derivatives
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	21	1,895,642	69,951	1,198	(100)
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	15	2,056,245	-	183,454	(4,955)
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	4	1,600,000	-	24,518	(722)
Total		40	5,551,887	69,951	209,170	(5,777)

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Type of contract	Objectives	No. of contracts	Combined financial statements 2019			Gain (loss) on fair value of Derivatives
			Notional value	Book value / Fair value Assets (in thousand Baht)	Liabilities	
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	29	2,487,132	161,226	875	99,429
Foreign currency forward contracts	To protect against foreign currency risk from borrowings in foreign currencies	11	7,455,620	426	151,404	(149,975)
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	15	2,056,245	27	145,147	(93,362)
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	4	1,600,000	-	25,240	(12,705)
Total		59	13,598,997	161,679	322,666	(156,613)

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		Separate financial statements 2019				
Type of contract	Objectives	No. of Contracts	Notional value	Book value / Fair value Assets (in thousand Baht)	Liabilities	Loss on fair value of derivatives
Foreign currency forward contracts	To protect against foreign currency risk from borrowings in foreign currencies	6	5,532,910	-	103,047	(61,856)

As at 31 December 2020, the Company does not have any derivative asset and liability.

As at 31 December 2020, the Group had cross currency swap contracts with financial institutions for the investments in available for sale debentures of USD 59.94 million equivalents to Baht 1,895.64 million (2019: USD 77.94 million equivalents to Baht 2,487.13 million).

As at 31 December 2020, the Group and the Company had no foreign currency forward contracts with a financial institution. (2019: JYP 26,318.16 million equivalents to Baht 7,455.62 million and JYP 19,675.16 million equivalents to Baht 5,532.91 million, respectively).

As at 31 December 2020, the Group had interest rate swap contracts with financial institutions for the investments in available for sale debentures of Baht 2,056.25 million (2019: Baht 2,056.25 million).

As at 31 December 2020, the Group had interest rate swap contracts with financial institutions for the borrowings of Baht 1,600.00 million (2019: Baht 1,600.00 million).

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15 Inventories

	Consolidated financial statements	Combined financial statements
	2020	2019
	<i>(in thousand Baht)</i>	
Vehicles	314,673	224,971
Less Allowance for realisable value	(60,412)	(37,974)
Net	<u>254,261</u>	<u>186,997</u>
Inventories recognised as an expense in cost of sales of operating leases assets:		
- Cost	1,065,847	599,751
- Write-down to (reversal) net realisable value	22,438	(15,060)
Net total	<u>1,088,285</u>	<u>584,691</u>

16 Loans

		Consolidated financial statements	Combined financial statements	Separate financial statements	
		2020	2019	2020	2019
	<i>Note</i>	<i>(in thousand Baht)</i>			
Short-term loans					
Related parties	6	14,412	-	2,953,412	4,048,000
Other parties		192,985	229,000	-	-
Total		<u>207,397</u>	<u>229,000</u>	<u>2,953,412</u>	<u>4,048,000</u>
Less allowance for expected credit loss		(146,077)	(146,077)	-	-
Total short-term loans - net		<u>61,320</u>	<u>82,923</u>	<u>2,953,412</u>	<u>4,048,000</u>
Current portion of long-term loans					
Related parties	6	-	-	258,600	1,412,568
Other parties		25,852	47,002	-	-
Total current portion of long-term loans		<u>25,852</u>	<u>47,002</u>	<u>258,600</u>	<u>1,412,568</u>
Long-term loans					
Related parties	6	-	-	5,273,368	173,700
Other parties		212,575	713,700	-	-
Total		<u>212,575</u>	<u>713,700</u>	<u>5,273,368</u>	<u>173,700</u>
Less allowance for expected credit loss		(387)	-	-	-
Total long-term loans		<u>212,188</u>	<u>713,700</u>	<u>5,273,368</u>	<u>173,700</u>
Policy loans		<u>575,399</u>	<u>716,983</u>	<u>-</u>	<u>-</u>

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	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Mortgage loans				
Principal of mortgage loans	425,620	419,440	-	-
Less allowance for expected credit loss	<u>(240,029)</u>	<u>(236,760)</u>	<u>-</u>	<u>-</u>
Net	<u>185,591</u>	<u>182,680</u>	<u>-</u>	<u>-</u>
Total loans	<u>1,060,350</u>	<u>1,743,288</u>	<u>8,485,380</u>	<u>5,634,268</u>
Expected credit loss (reversal) for the year	<u>3,656</u>	<u>(7,231)</u>	<u>-</u>	<u>-</u>

Aging analyses for loans were as follows:

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	<u>14,412</u>	<u>-</u>	<u>8,485,380</u>	<u>5,634,268</u>
	<u>14,412</u>	<u>-</u>	<u>8,485,380</u>	<u>5,634,268</u>
Other parties				
Within credit terms	989,716	1,560,560	-	-
Overdue:				
Less than 3 months	5,600	10,895	-	-
3 - 6 months	-	5,753	-	-
6 - 12 months	-	14,474	-	-
Over 12 months	<u>437,115</u>	<u>534,443</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts	<u>(386,493)</u>	<u>(382,837)</u>	<u>-</u>	<u>-</u>
	<u>1,045,938</u>	<u>1,743,288</u>	<u>-</u>	<u>-</u>
Net loans	<u>1,060,350</u>	<u>1,743,288</u>	<u>8,485,380</u>	<u>5,634,268</u>

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Short-term loan to other parties

As at 31 December 2020, a subsidiary entered into short-term loans agreements which are unsecured promissory notes with business partners of related party of Baht 192.99 million (2019: Baht 229.00 million) The promissory note bear interest at MOR minus 1.65% per annum and fixed rate 3.225% per annum (2019: MOR minus 1.65% per annum). The maturity term is due within 60 days. As at 31 December 2020, The Group had allowance for expected credit loss of Baht 146.08 million in the consolidated statement of financial position (2019: Baht 146.08 million).

Long term loans to other party

As at 31 December 2020, a subsidiary entered into long-term loans agreements which are secured loans with a business partner of related party of Baht 186.72 million (2019: Baht 666.70 million). Such loans bear interest at fixed rate ranging from 4 % to 10 % per annum (2019: 4% to 10% per annum). The maturity terms are within 13 years. Under the terms of the agreement's borrowers must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

Policy loans represent loans grant to the policyholders at an amount not exceeding the cash value of the policy and change interest rates of 4% to 10% per annum, as approved by the Office of Insurance Commission.

At 31 December 2020, other long-term loans include personal guarantee loans to staff with average interest rates of 4.36 % per annum (2019: 5.28% per annum).

17 Investments in associate and joint venture

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate				
At 1 January	-	-	-	-
Share of net losses of associate	-	-	-	-
At 31 December	-	-	-	-
Joint venture				
At 1 January	-	-	6,400	-
Receive from entire business transfer	-	-	-	6,400
Allowance for impairment	-	-	(6,400)	(6,400)
At 31 December	-	-	-	-
Total				
At 1 January	-	-	6,400	-
Receive from entire business transfer	-	-	-	6,400
Share of net losses of associate and joint venture	-	-	-	-
Allowance for impairment	-	-	(6,400)	(6,400)
At 31 December	-	-	-	-

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Investments in associate and joint venture as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Consolidated financial statements												
<i>Associate</i>												
Big C Services Co., Ltd.	Service provider to insurance business	Thai	49.00	49.00	100,000	100,000	12,287	12,287	-	-	-	-
<i>Joint venture</i>												
Dhipaya Insurance Co., Ltd.	Underwriting insurance	Laos People's Democratic Republic	10.00	10.00	64,000	64,000	6,400	6,400	-	-	-	-
Total							18,687	18,687				

None of the Group's associate and joint venture are publicly listed and consequently do not have published price quotation.

	Ownership interest (%)	Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Separate financial statements											
<i>Joint ventures</i>											
Dhipaya Insurance Co., Ltd.	10.00	10.00	64,000	64,000	6,400	6,400	(6,400)	(6,400)	-	-	-
Total					6,400	6,400	(6,400)	(6,400)			

The Group and the Company has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 31 December 2020, the Group's and Company's cumulative share of unrecognised losses was Baht 53.23 million and Baht 3.92 million, respectively (2019: Baht 21.21 million and Baht 5.11 million, respectively).

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18 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	3,226,677	-
New investment	56,700	752,080
Receive from entire business transfer	-	2,474,597
At 31 December	<u>3,283,377</u>	<u>3,226,677</u>

During the year 2020, the Company made a new investment in 67.00% of the issued and paid up capital of Sentrics Consulting Company Limited, a company incorporated in Thailand, which had issued and paid up share capital of Baht 6.7 million (divided into 1,000,000 ordinary share at Baht 10 par value).

During the year 2020, Rod Dee Det Auto Co., Ltd. (“RDD”), a subsidiary, which the Company holds 99.99% of all shares, made a tender offer for Indara Insurance Public Company Limited (“INSURE”)’s securities and acquired 7,506,358 shares, representing 75.06% of total issued and paid up shares of INSURE (see note 5).

During the year 2020, the Company made a new investment in 100% of the issued and paid up capital of Southeast Money Company Limited (formerly SEG Capital Company Limited), a company incorporated in Thailand, which had issued and paid up share capital of Baht 50.00 million (divided into 5,000,000 ordinary share at Baht 10 par value).

On 9 September 2019, the Company made a new investment in 100% of the issued and paid up capital of Southeast Property Co., Ltd., a company incorporated in Thailand, which had issued and paid up share capital of Baht 0.25 million (divided into 100,000 ordinary share at Baht 10 par value and paid up share of Baht 2.5 per share).

During the year 2019, the Company made a tender offer for entire TIC’s securities by exchanging 21,957,646 shares, representing 93.44% of total issued and paid up shares of TIC (see note 5).

On 24 July 2019, the Company received entire business transfer from Southeast including the investment in subsidiaries amounting to Baht 2,474.60 million (see note 5).

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Investments in direct and indirect subsidiaries as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

	Type of Business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income		
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
			Separate financial statements												
<i>Direct subsidiaries</i>															
Southeast Life Insurance Public Company Limited	Underwriting life assurance, personal accident insurance and health insurance	Thai	99.97	99.97	2,200,000	2,200,000	1,704,849	1,704,849	-	-	1,704,849	1,704,849	423,367	-	
Southeast Insurance Public Company Limited	Underwriting non-life insurance	Thai	97.33	97.33	500,000	500,000	437,994	437,994	-	-	437,994	437,994	-	-	
The Thai Insurance Public Company Limited	Underwriting non-life insurance	Thai	93.44	93.44	235,000	235,000	751,830	751,830	-	-	751,830	751,830	10,979	-	
Southeast Capital Company Limited	Provide leasing and hire purchase services	Thai	100.00	100.00	200,000	200,000	325,999	325,999	-	-	325,999	325,999	100,000	150,000	
Asiatic House Company Limited	Rental and development of real estate	Thai	100.00	100.00	5,523	5,523	55	55	-	-	55	55	-	-	
TCC Privilege card Company Limited	Purchases via credit card in the Group	Thai	99.98	99.98	100	100	100	100	-	-	100	100	-	-	
Southeast Academy Center Company Limited	Consultant and training services	Thai	100.00	100.00	250	250	250	250	-	-	250	250	-	-	
Southeast Advisory Pte., Ltd.	Management and consultant services	Singapore	100.00	100.00	-	-	-	-	-	-	-	-	140,243	-	
Southeast Advisory Company Limited	Investing consultant service	Thai	100.00	100.00	5,000	5,000	5,000	5,000	-	-	5,000	5,000	-	-	
Rod Dee Det Auto Company Limited	Provide leasing and sales of second hand cars	Thai	100.00	100.00	250	250	250	250	-	-	250	250	-	-	
S Sofin Company Limited	Insurance technology development	Thai	99.98	99.98	100	100	100	100	-	-	100	100	-	-	

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19 Investment properties

Consolidated financial statements / Combined financial statements				
	Land	Building and building improvements	Assets under construction	Total
<i>Cost</i>	<i>Note</i>	<i>(in thousand Baht)</i>		
At 1 January 2019		442,844	226,532	669,376
Additions		-	247	4,277
Transfers from leasehold rights	20	-	7,583	7,583
At 31 December 2019 and 1 January 2020		442,844	226,779	681,236
Additions		-	6,373	6,373
Transfers	20	-	22,747	22,747
At 31 December 2020		442,844	40,733	710,356
<i>Depreciation and impairment losses</i>				
At 1 January 2019		15,995	147,155	163,150
Depreciation charge for the year		-	9,038	9,038
At 31 December 2019 and 1 January 2020		15,995	156,193	172,188
Depreciation charge for the year		-	9,054	9,054
At 31 December 2020		15,995	-	181,242
<i>Net book value</i>				
At 1 January 2019		426,849	79,377	506,226
At 31 December 2019 and 1 January 2020		426,849	70,586	509,048
At 31 December 2020		426,849	61,532	529,114
		Consolidated	Combined	
		financial	financial	
		statements	statements	
<i>For the year ended 31 December</i>		2020	2019	
		<i>(in thousand Baht)</i>		
<i>Amounts recognised in profit or loss</i>				
Rental income		4,371	10,292	
Repair and maintenance expense:				
- property that generated rental income		887	506	
<i>Minimum lease payments under non-cancellable operating lease are receivable:</i>				
Within 1 year		261	9,143	
1 - 5 years		-	50,445	
After 5 years		-	4,848	
Total		261	64,436	

The fair value of the Group's investment properties as at 31 December 2020 of Baht 1,078.35 million (2019: Baht 812.53 million) were determined by independent professional valuers. The fair value measurement for investment properties has been categorised as a Level 3 fair value.

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Security

At 31 December 2020 the Group's investment properties with a net book value of Baht 477.38 million (2019: Baht 486.43 million) had been pledged as collateral to secure loans from a financial institution (see note 24).

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment properties portfolio on an annual basis.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach - Weighted Quality Score	Recent adjusted sales and listings of comparable lands	The estimated fair value will increase (decrease) if <ul style="list-style-type: none"> • Expected market rental growth were higher (lower). • Void periods were shorter (longer); • The occupancy rate were higher (lower); • The risk-adjusted discount rate were lower (higher)
Discounted cash flows; The valuation model consider the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods.	<ul style="list-style-type: none"> • Expected market rental growth (3.5%) • Void periods (8 years) • Occupancy rate (82%) • Risk-adjusted discount rates (10%) 	

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20 Leasehold rights

Movement during the year ended 31 December are as follows:

		Consolidated financial statements	Combined financial statements
		2020	2019
	<i>Note</i>	<i>(in thousand Baht)</i>	
Net book value at 1 January		1,357,267	-
Acquisitions - at cost		-	1,364,850
Amortisation charge for the period transferred to investment properties	19	<u>(22,747)</u>	<u>(7,583)</u>
Net book value at 31 December		<u>1,334,520</u>	<u>1,357,267</u>

A subsidiary has entered to 2 lease agreements with a related party by the first contract is valid for 30 years since 1 September 2019 until 31 August 2049 and the second contract is valid for 30 years since 1 September 2049 until 31 August 2079. The subsidiary has paid total amount in advance of leasehold of Baht 1,364.85 million (including direct costs).

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21 Property, plant and equipment

	Consolidated financial statements / Combined financial statements						
	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Assets held for operating lease	Assets under installation	Total
Cost / revaluation							
At 1 January 2019	3,084,320	1,090,716	487,191	374,059	14,751,620	1,191	19,789,097
Additions	(687,610)	(101,714)	21,395	60,659	2,584,781	3,421	1,880,932
Surplus on revaluation	310,470	31,562	-	-	-	-	342,032
Transfers in (out)	(48,349)	(34,256)	10,591	360	(773,528)	(4,456)	(849,638)
Disposals / write off	-	-	(52,945)	(6,105)	(5,476)	-	(64,526)
At 31 December 2019 and 1 January 2020	2,658,831	986,308	466,232	428,973	16,557,397	156	21,097,897
Additions	-	570	15,221	4,058	3,062,594	1,203	3,083,646
Surplus on revaluation	152,816	3,974	-	-	-	-	156,790
Transfer in (out)	-	-	-	73,824	(3,131,609)	3,674	(3,054,111)
Disposals / write off	-	-	(8,747)	(40)	(11,346)	-	(20,133)
At 31 December 2020	2,811,647	990,852	472,706	506,815	16,477,036	5,033	21,264,089
Depreciation and impairment losses							
At 1 January 2019	-	374,795	408,877	136,256	2,866,353	-	3,786,281
Depreciation charge for the year	-	69,240	30,163	48,047	1,352,567	-	1,500,017
Impairment losses	-	-	133	-	-	-	133
Transfers in (out)	-	(22,244)	(106)	(6,259)	(279,323)	-	(307,932)
Disposals / write off	-	(41,217)	(52,713)	(5,552)	(1,809)	-	(101,291)
At 31 December 2019 and 1 January 2020	-	380,574	386,354	172,492	3,937,788	-	4,877,208
Depreciation charge for the year	-	29,942	28,400	49,044	1,590,355	-	1,697,741
Impairment losses	-	-	(133)	-	-	-	(133)
Transfers in (out)	-	-	-	6,494	(1,056,715)	-	(1,050,221)
Disposals / write off	-	-	(8,652)	(40)	15,761	-	7,069
At 31 December 2020	-	410,516	405,969	227,990	4,487,189	-	5,531,664

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Consolidated financial statements / Combined financial statements							
	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Assets held for operating lease	Assets under installation	Total
<i>Net book value</i>							
At 1 January 2019							
Owned assets	3,084,320	715,921	76,923	237,803	11,478,927	1,191	15,595,085
Assets under finance leases	-	-	1,391	-	406,340	-	407,731
	3,084,320	715,921	78,314	237,803	11,885,267	1,191	16,002,816
At 31 December 2019 and 1 January 2020							
Owned assets	2,658,831	605,734	79,289	253,499	12,051,042	156	15,648,551
Assets under finance leases	-	-	589	2,982	568,567	-	572,138
	2,658,831	605,734	79,878	256,481	12,619,609	156	16,220,689
At 31 December 2020							
Owned assets	2,811,647	580,336	66,275	256,941	11,395,843	5,033	15,116,075
Assets under finance leases	-	-	462	21,885	594,003	-	616,350
	2,811,647	580,336	66,737	278,826	11,989,846	5,033	15,732,425

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Lands and building included revaluation surplus.

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 340.77 million (2019: Baht 291.59 million).

Security

At 31 December 2020 the Group's properties with a net book value of Baht 8,613.30 million (2019: Baht 8,696.61 million) were subject to a registered debenture to secure bank loans (see note 24).

The Group arranged for external independent valuers to appraise the value of certain assets every 3 years from the latest revaluation date, using property valuation principles laid down by the Valuers Association of Thailand. The external independent valuers use the market approach for the fair value of land that could find the comparison price from assets with similar physical characteristic and use depreciated replacement cost for the buildings used in operation. Surplus of valuation, net of tax, is recognised in the other components of equity.

The assumptions used in appraisal which are generally unobservable is as below:

	<u>2020</u>	<u>2019</u>	<u>Impact on revaluation when assumption change</u>
<i>(a) Branch</i>			
Lands			
Price per square wah unit (<i>Baht</i>)	3,188 - 650,000	3,188 - 650,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (<i>Baht</i>)	800 - 8,000	800 - 8,000	Fair value increase (Replacement approach or Market approach)
<i>(b) Head office</i>			
Lands			
Price per square wah unit (<i>Baht</i>)	2,000,000	2,000,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (<i>Baht</i>)	26,373	26,373	Fair value increase (Replacement approach or Market approach)

This fair value is the fair value of lands and buildings which were last revalued in 2020, and net with the accumulated depreciation until 31 December 2020 and 2019.

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22 Right-of-use assets

As a lessee

<i>At 31 December 2020</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<i>Right-of-use assets</i>		
Buildings and building improvements	26,467	2,381
Vehicles	6,711	22,941
Software licenses	13,344	6,006
Total	46,522	31,328

In 2020, additions to the right-of-use assets of the Group were Baht 10.33 million.

The Group leases a number of buildings for 1 - 29 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2020, the Group leased a vehicles and photocopier for 2 – 5 years. These payment terms are common in Thailand.

<i>Year ended 31 December 2020</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Fixed payments	33,988	-
Variable payments	275	-
Total	34,263	-

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	22,537	-	2,381	-
- Vehicles	3,629	-	5,675	-
- Software licenses	5,059	-	1,496	-
Interest on lease liabilities	13,578	-	1,092	-
Expenses relating to short-term leases	3,946	-	286	-
Expenses relating to leases of low-value assets	901	-	-	-

In 2020, total cash outflow for leases of the Group and the Company were Baht 271.60 million and Baht 12.31 million, respectively.

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23 Other assets

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Duty and taxes	687,763	863,524	7,238	10,164
Accrued interest receivables	436,705	431,430	104,207	57,428
Prepayments	362,149	356,905	3,296	612
Subrogation, net	226,702	412,493	-	-
Factoring receivables	35,706	79,127	-	-
Properties foreclosed	59,587	62,195	-	-
Deposit on rice field insurance scheme	133,231	30,881	-	-
Receivables from Road Accident Victims Protection Co., Ltd.	83,804	29,192	-	-
Others	189,054	90,368	3,986	17,209
Total	2,214,701	2,356,115	118,727	85,413

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24 Interest-bearing liabilities

	Consolidated financial statements 2020	Combined financial statements 2019 <i>(in thousand Baht)</i>	Separate financial statements 2020 2019	
Current				
Short-term loans from financial institutions - unsecured	10,619,000	10,340,007	8,189,000	5,852,604
Short-term loan from other party - unsecured	<u>50,000</u>	<u>60,000</u>	-	-
Short-term loans	<u>10,669,000</u>	<u>10,400,007</u>	<u>8,189,000</u>	<u>5,852,604</u>
Current portion of long-term loans from financial institutions - secured	2,325,347	2,080,189	-	-
Current portion of long-term loans from financial institutions - unsecured	-	-	-	-
Lease liabilities <i>(2019: Finance lease liabilities)</i>	<u>184,471</u>	<u>260,249</u>	-	-
Total current interest-bearing liabilities	<u>13,178,818</u>	<u>12,740,445</u>	<u>8,189,000</u>	<u>5,852,604</u>
Non-current				
Long-term loans from financial institutions - secured	3,496,198	3,642,299	-	-
Lease liabilities <i>(2019: Finance lease liabilities)</i>	<u>246,165</u>	<u>327,618</u>	-	-
Total non-current interest-bearing liabilities	<u>3,742,363</u>	<u>3,969,917</u>	<u>-</u>	<u>-</u>

The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 31 December were as follows:

	Consolidated financial statements 2020	Combined financial statements 2019 <i>(in thousand Baht)</i>	Separate financial statements 2020 2019	
Within one year	12,994,347	12,480,196	8,189,000	5,852,604
After one year but within five years	<u>3,496,198</u>	<u>3,642,299</u>	-	-
Total	<u>16,490,545</u>	<u>16,122,495</u>	<u>8,189,000</u>	<u>5,852,604</u>

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Secured interest-bearing liabilities as at 31 December were secured on the following assets:

<i>Assets pledged as security for liabilities as at 31 December</i>	Note	Consolidated financial statements	Combined financial statements
		2020 (in thousand Baht)	2019
Investment properties	19	477,377	486,430
Assets held for operating lease	21	8,631,303	8,696,611
The right over collection from the operating lease contract receivables		393,362	626,452
Total		9,502,042	9,809,493

Short-term loans from financial institutions

As at 31 December 2020, the Company had several promissory notes issued to a foreign financial institution for credit lines of Baht 21,145 million (2019: Baht 7,250 million) and the balance drawdown of the loans is Baht 8,189 million (2019: JYP 20,025.16 million equivalents to Baht 5,852.60 million). The loans bear interest at fixed rates ranging from 1.77% to 2.05% per annum (2019: LIBOR plus 0.01% to 0.1% per annum). The maturity terms are within 6 months.

As at 31 December 2020, the Company had unutilised credit facilities totaling Baht 12,955.76 million (2019: Baht 1,397.40 million).

As at 31 December 2020, a subsidiary had several promissory notes issued to local financial institutions of Baht 2,430 million (2019: Baht 2,630 million). The promissory notes bear interest at fixed rates ranging from 2.54% to 2.62% per annum (2019: 3.37% to 3.62% per annum). The maturity terms are at call (2019: 1 month to 3 month).

Short-term loan from other party

As at 31 December 2020, a subsidiary entered into a short-term loan agreement with the other party of Baht 50 million (2019: Baht 60 million). The loan bears interest at 1.75% per annum (2019: 2.00% per annum). The maturity term is one year.

Long-term loans from financial institutions

As at 31 December 2020, subsidiaries entered into long-term loan agreements with a local financial institution for credit lines of Baht 300 million (2019: Baht 300 million) and the balance drawdown of the loans is Baht 93 million (2019: Baht 123 million). The loans bear interest at fixed rates ranging from 3.73% to 3.51% per annum (2019: 3.47% to 3.51% per annum). The repayment terms are during 2020 to 2025 (2019: 2019 to 2022). The loans were guaranteed by the Company.

As at 31 December 2020, subsidiaries entered into long-term loan agreements with a local financial institution and branches of foreign financial institutions for credit lines of Baht 13,800 million (2019: Baht 10,095.78 million) and the balance drawdown of the loans is Baht 5,728.54 million (2019: Baht 5,722.49 million). The loans bear interest at fixed rates ranging from 2.92% to 3.95% per annum (2019: 3.50% to 4.05% per annum). The repayment terms are during 2020 to 2025 (2019: 2020 to 2023). The loans were guaranteed by the Company.

As at 31 December 2020, a subsidiary had unutilised credit facilities totaling Baht 1,600 million (2019: Baht 1,904.22 million).

Under the terms of the agreements, subsidiaries must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

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Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements		Combined financial statements			
	2020		2019		Present value of	
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	193,911	(9,440)	184,471	275,735	(15,486)	260,249
After one year but within five years	260,348	(14,183)	246,165	348,763	(21,145)	327,618
Total	454,259	(23,623)	430,636	624,498	(36,631)	587,867

Subsidiaries entered into lease contracts for computers with a local company for the periods of 4 years. Gains are deferred and amortised over the lease term on a straight-line basis.

A subsidiary entered into sale and leaseback contracts with a local company for vehicle under operating lease contracts. Term of leaseback contracts was 3-year periods. Leaseback is classified as a finance lease. Under the condition of leasing contract, the right on computer under the contract will be transferred to subsidiary when the last installment is paid

Changes in liabilities arising from financing activities

	Consolidated financial statements		
	Borrowings	Lease liabilities* (2019: Finance lease liabilities) (in thousand Baht)	Total
Balance at 1 January 2020	16,122,495	659,030	16,781,525
Changes from financing cash flows	4,365,769	(230,590)	4,135,179
The effect of changes in foreign exchange rates	(3,997,719)	-	(3,997,719)
Other changes:			
New finance leases	-	2,196	2,196
Balance at 31 December 2020	16,490,545	430,636	16,921,181

	Consolidated financial statements		
	Borrowings	Finance lease liabilities (in thousand Baht)	Total
Balance at 1 January 2019	15,197,156	416,214	15,613,370
Changes from financing cash flows	1,043,865	(228,790)	815,075
The effect of changes in foreign exchange rates	(118,526)	-	(118,526)
Other changes:			
New finance leases	-	400,443	400,443
Balance at 31 December 2019	16,122,495	587,867	16,710,362

* This include impact from initial application of TFRS (refer note 3)

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	Separate financial statements		
		Lease liabilities* (2019: Finance lease liabilities) (in thousand Baht)	Total
Balance at 1 January 2020	5,852,604	28,256	5,880,860
Receive from entire business transfer	-	-	-
Changes from financing cash flows	2,336,396	(10,867)	2,325,529
Other changes:			
Increase finance leases	-	14,648	14,648
Balance at 31 December 2020	<u>8,189,000</u>	<u>32,037</u>	<u>8,221,037</u>

	Separate financial statements		
	Borrowings	Finance lease liabilities (in thousand Baht)	Total
Balance at 1 January 2019	-	-	-
Receive from entire business transfer	4,678,978	-	4,678,978
Changes from financing cash flows	1,184,873	-	1,184,873
The effect of changes in foreign exchange rates	(11,247)	-	(11,247)
Balance at 31 December 2019	<u>5,852,604</u>	<u>-</u>	<u>5,852,604</u>

* This include impact from initial application of TFRS (refer note 3)

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25 Insurance contract liabilities

	Consolidated financial statements 2020					
	Life insurance	Non - life insurance		Total	Net	
	Liabilities under insurance contracts	Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities	
	Net	Net	Net	Net	Net	
	<i>(in thousand Baht)</i>					
Long-term technical reserves	42,337,187	-	-	42,337,187	-	42,337,187
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	63,128	2,902,380	(1,406,828)	2,965,508	(1,406,828)	1,558,680
- Incurred but not reported	119,392	1,483,002	(495,507)	1,602,394	(495,507)	1,106,887
Total loss reserve and outstanding claims	182,520	4,385,382	(1,902,335)	4,567,902	(1,902,335)	2,665,567
Unearned premium reserves	488,741	6,465,427	(2,835,572)	6,954,168	(2,835,572)	4,118,596
Total short-term technical reserves	671,261	10,850,809	(4,737,907)	11,522,070	(4,737,907)	6,784,163
Unpaid policy benefits	349,056	-	-	349,056	-	349,056
Other insurance contract liabilities	1,597	445,831	-	447,428	-	447,428
Total short-term technical reserves	1,021,914	11,296,640	(4,737,907)	12,318,554	(4,737,907)	7,580,647
Total insurance contract liabilities	43,359,101	11,296,640	(4,737,907)	54,655,741	(4,737,907)	49,917,834

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Consolidated financial statements
2019

	Life insurance				Non - life insurance				Total
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	
Long-term technical reserves	39,605,842	-	39,605,842	-	-	-	39,605,842	-	39,605,842
Short-term technical reserves									
Loss reserves and outstanding claims									
- Case reserves	66,613	-	66,613	3,518,340	(1,998,853)	1,519,487	3,584,953	(1,998,853)	1,586,100
- Incurred but not reported	116,868	-	116,868	1,394,295	(467,141)	927,154	1,511,163	(467,141)	1,044,022
Total loss reserve and outstanding claims	183,481	-	183,481	4,912,635	(2,465,994)	2,446,641	5,096,116	(2,465,994)	2,630,122
Unearned premium reserves	442,014	-	442,014	6,574,470	(2,759,634)	3,814,836	7,016,484	(2,759,634)	4,256,850
Total short-term technical reserves	625,495	-	625,495	11,487,105	(5,225,628)	6,261,477	12,112,600	(5,225,628)	6,886,972
Unpaid policy benefits	373,655	-	373,655	-	-	-	373,655	-	373,655
Other insurance contract liabilities	1,878	-	1,878	439,688	-	439,688	441,566	-	441,566
Total short-term technical reserves	1,001,028	-	1,001,028	11,926,793	(5,225,628)	6,701,165	12,927,821	(5,225,628)	7,702,193
Total insurance contract liabilities	40,606,870	-	40,606,870	11,926,793	(5,225,628)	6,701,165	52,533,663	(5,225,628)	47,308,035

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25.1 Long-term technical reserves

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
At 1 January	39,605,842	36,416,512
Reserve net increase of new and inforce policies during the year	4,724,071	5,152,270
Reserve released for benefits, lapse and cancel policies during the year	(1,992,726)	(1,962,940)
At 31 December	<u>42,337,187</u>	<u>39,605,842</u>

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25.2 Short-term technical reserves

25.2.1 Loss reserves and outstanding claims

	Consolidated financial statements 2020						
	Life insurance		Non - life insurance		Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities (in thousand Baht)	Liabilities under insurance contracts	Reinsurers' share of liabilities	
At 1 January	183,481	-	4,912,636	(2,465,994)	5,096,117	(2,465,994)	
Loss incurred during the year	859,158	-	6,165,635	(2,333,605)	7,024,793	(2,333,605)	
Loss paid and loss adjustment expenses paid during the year	(860,119)	-	(6,771,380)	2,921,607	(7,631,499)	2,921,607	
Change in estimation and assumption	-	-	78,491	(24,343)	78,491	(24,343)	
At 31 December	183,481	-	4,385,382	(1,902,335)	4,567,902	(1,902,335)	
							54,148
							2,483,047
							2,665,567
							2,630,123
							4,691,188
							(4,709,892)

	Combined financial statements 2019						
	Life insurance		Non - life insurance		Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities (in thousand Baht)	Liabilities under insurance contracts	Reinsurers' share of liabilities	
At 1 January	107,335	-	5,992,946	(3,605,245)	6,100,281	(3,605,245)	
Loss incurred during the year	1,037,228	-	7,104,428	(3,112,800)	8,141,656	(3,112,800)	
Loss paid and loss adjustment expenses paid during the year	(961,082)	-	(8,806,642)	4,475,674	(9,767,724)	4,475,674	
Change in estimation and assumption	-	-	621,903	(223,623)	621,903	(223,623)	
At 31 December	183,481	-	4,912,635	(2,465,994)	5,096,116	(2,465,994)	
							398,280
							2,446,641
							2,495,036
							5,028,856
							(5,292,050)

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25.2.2 Claim development table - Life insurance

Gross and net claim development triangle as at 31 December 2020

Accident year/ Reporting year	2016	2017	2018	2019	2020	Total
Estimated claims			<i>(in thousand Baht)</i>			
As at accident year ended	531,160	678,573	703,563	983,694	892,893	
Development year 1	491,188	635,300	753,157	941,596	-	
Development year 2	490,590	636,425	755,642	-	-	
Development year 3	490,495	636,331	-	-	-	
Development year 4	490,498	-	-	-	-	
Estimate of ultimate claims	490,498	636,331	755,642	941,596	892,893	3,716,960
Accumulative claim paid	(490,496)	(636,313)	(755,339)	(939,082)	(713,210)	(3,534,440)
Total loss reserves	2	18	303	2,514	179,683	182,520

Gross and net claim development triangle as at 31 December 2019

Accident year/ Reporting year	2015	2016	2017	2018	2019	Total
Estimated claims			<i>(in thousand Baht)</i>			
As at accident year ended	452,380	531,160	678,573	703,563	983,694	
Development year 1	424,218	491,188	635,300	753,157	-	
Development year 2	423,526	490,590	636,425	-	-	
Development year 3	426,451	490,495	-	-	-	
Development year 4	423,460	-	-	-	-	
Estimate of ultimate claims	423,460	490,495	636,425	753,157	983,694	3,287,231
Accumulative claim paid	(423,460)	(490,469)	(636,282)	(751,743)	(801,796)	(3,103,750)
Total loss reserves	-	26	143	1,414	181,898	183,481

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25.2.3 Claim development table - Non-life insurance

Gross loss development triangle as at 31 December 2020

Accident year/ Reporting year	Prior 2015	2015	2016	2017	2018	2019	2020	Total
Estimated loss reserve and outstanding claim								
As at accident year ended	-	3,818,401	5,372,286	8,863,126	8,545,599	8,156,944	6,593,087	
Development year 1	-	3,760,889	5,399,997	9,156,249	8,208,769	7,671,505	-	
Development year 2	-	3,526,458	5,360,258	8,844,925	8,076,148	-	-	
Development year 3	-	3,511,869	5,369,886	8,820,769	-	-	-	
Development year 4	-	3,521,507	5,363,078	-	-	-	-	
Development year 5	-	3,520,401	-	-	-	-	-	
Absolute estimate loss reserve and outstanding claim	-	3,520,401	5,363,078	8,820,830	8,076,633	7,671,272	6,636,628	
Accumulative claim paid	-	(3,520,192)	(5,360,091)	(8,797,982)	(7,875,619)	(6,844,476)	(3,634,757)	
Total loss reserves	4,048	209	2,987	22,848	201,014	826,796	3,001,871	4,059,773
Claims reserves under inward treaty								
Excess of loss reinsurance								158
Loss adjustment expenses and unallocated loss adjustment expenses								-
Incurred and agreed claims payable								191,518
Reserve for P' Chang project								36,780
Others								54,058
Total loss reserves and outstanding claims								4,385,382

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Net loss development triangle as at 31 December 2020

Accident year/ Reporting year	Prior 2015	2015	2016	2017	2018	2019	2020	Total
		<i>(in thousand Baht)</i>						
Estimated loss reserve and outstanding claim								
As at accident year ended	-	2,249,511	3,021,915	3,939,944	4,457,842	4,580,718	3,909,666	
Development year 1	-	2,270,485	3,034,687	4,094,366	4,332,627	4,415,355	-	
Development year 2	-	2,116,885	3,034,264	4,052,788	4,289,578	-	-	
Development year 3	-	2,119,089	3,045,159	4,043,941	-	-	-	
Development year 4	-	2,124,834	3,045,142	-	-	-	-	
Development year 5	-	2,124,286	-	-	-	-	-	
Absolute estimated loss reserve and outstanding claim	-	2,124,286	3,045,142	4,044,002	4,289,981	4,417,204	3,943,855	
Accumulative claim paid	-	(2,124,174)	(3,044,005)	(4,036,071)	(4,166,820)	(3,962,613)	(2,310,493)	
Total loss reserves	2,301	112	1,137	7,931	123,161	454,591	1,633,362	2,222,595
Claims reserves under inward treaty								140
Excess of loss reinsurance								(3,560)
Loss adjustment expenses and unallocated loss adjustment expenses								146,280
Incurred and agreed claims payable								36,780
Reserve for P'Chang project								48,859
Others								31,953
Total loss reserves and outstanding claims, net								2,483,047

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Gross loss development triangle as at 31 December 2019

Accident year/ Reporting year	Prior 2014	2014	2015	2016	2017	2018	2019	Total	
Estimated loss reserve and outstanding claim				<i>(in thousand Baht)</i>					
As at accident year ended	-	3,182,427	3,818,764	5,372,076	8,862,643	8,545,571	8,156,662		
Development year 1	-	3,108,458	3,761,087	5,399,603	9,156,327	8,208,913	-		
Development year 2	-	3,003,909	3,526,801	5,360,241	8,845,358	-	-		
Development year 3	-	2,971,407	3,512,242	5,369,741	-	-	-		
Development year 4	-	2,966,726	3,521,151	-	-	-	-		
Development year 5	-	2,967,427	-	-	-	-	-		
Absolute estimate loss reserve and outstanding claim	-	2,967,427	3,521,151	5,369,819	8,846,147	8,215,220	8,209,221		
Accumulative claim paid	-	(2,963,852)	(3,516,517)	(5,323,993)	(8,294,106)	(7,685,708)	(4,776,581)		
Total loss reserves	12,027	3,575	4,634	45,826	552,041	529,512	3,432,640	4,580,255	
Claims reserves under inward treaty							2,586		
Excess of loss reinsurance							-		
Loss adjustment expenses and unallocated loss adjustment expenses								182,720	
Incurred and agreed claims payable								39,602	
Reserve for P' Chang project								57,520	
Others								49,952	
Total loss reserves and outstanding claims								4,912,635	

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Net loss development triangle as at 31 December 2019

Accident year/ Reporting year	Prior	2014	2015	2016	2017	2018	2019	Total
	2014							
Estimated loss reserve and outstanding claim								
As at accident year ended	-	1,919,510	2,249,635	3,021,870	3,939,989	4,458,290	4,581,015	
Development year 1	-	1,917,886	2,270,781	3,033,969	4,094,677	4,332,692	-	
Development year 2	-	1,873,268	2,117,275	3,034,385	4,052,468	-	-	
Development year 3	-	1,858,342	2,119,208	3,045,162	-	-	-	
Development year 4	-	1,854,511	2,124,530	-	-	-	-	
Development year 5	-	1,854,493	-	-	-	-	-	
Absolute estimated loss reserve and outstanding claim	-	1,854,493	2,124,530	3,045,240	4,053,292	4,338,267	4,612,626	
Accumulative claim paid	-	(1,851,678)	(2,119,946)	(3,027,982)	(4,023,115)	(4,052,188)	(2,772,476)	
Total loss reserves	7,423	2,815	4,584	17,258	30,177	286,079	1,840,150	2,188,486
Claims reserves under inward treaty								1,174
Excess of loss reinsurance								(10,112)
Loss adjustment expenses and unallocated loss adjustment expenses								143,022
Incurred and agreed claims payable								39,602
Reserve for P'Chang project								49,509
Others								34,960
Total loss reserves and outstanding claims, net								2,446,641

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25.2.4 Unearned premium reserves

	Consolidated financial statements					
	2020					
	Life insurance		Non - Life insurance		Total	
Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities (in thousand Baht)	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
At 1 January	442,014	-	6,574,470	(2,759,634)	7,016,484	4,256,850
Premium written during the year	1,201,338	-	12,258,706	(5,276,498)	13,460,044	8,183,546
Earned premium during the year	(1,154,611)	-	(12,367,749)	5,200,560	(13,522,360)	(8,321,800)
At 31 December	488,741	-	6,465,427	(2,835,572)	6,954,168	4,118,596
	Consolidated financial statements					
	2019					
	Life insurance		Non - Life insurance		Total	
Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities (in thousand Baht)	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
At 1 January	424,730	-	7,080,621	(2,985,507)	7,505,351	4,519,844
Premium written during the year	1,095,619	-	13,155,469	(5,235,289)	14,251,088	9,015,799
Earned premium during the year	(1,078,335)	-	(13,661,620)	5,461,162	(14,739,955)	(9,278,793)
At 31 December	442,014	-	6,574,470	(2,759,634)	7,016,484	4,256,850

No reserve for unexpired risks was established as at 31 December 2020 as the unexpired risk reserve estimated by the Group of Baht 2,799 million (2019: Baht 2,588 million) was lower than the unearned premium reserve.

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25.2.5 Unpaid policy benefits - Life insurance

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
Maturity	209,781	238,300
Expired cheques for benefits and claims	54,402	54,175
Death	37,532	13,152
Disability	-	3,416
Others	47,341	64,612
Total	349,056	373,655

25.2.6 Other insurance contract liabilities

	Consolidated financial statements			Combined financial statements		
	2020		Total	2019		Total
	Life insurance	Non-Life insurance		Life insurance	Non-Life insurance	
	<i>(in thousand Baht)</i>					
Advance premiums	1,597	421,911	423,508	1,878	364,914	366,792
Outstanding cheques	-	23,920	23,920	-	74,774	74,774
Total	1,597	445,831	447,428	1,878	439,688	441,566

26 Reinsurance payable

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
Amounts withheld on reinsurance	2,090,608	1,915,232
Due to reinsurers	1,509,062	1,819,549
Total	3,599,670	3,734,781

27 Other liabilities

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Accrued expenses	1,069,611	1,069,007	59,629	51,671
Commission and brokerage payables	304,458	172,192	-	-
Suspense premium accounts	223,987	257,502	-	-
Other payables	395,841	270,573	18	5,564
Secured deposits from sales representatives	86,174	88,624	-	-
Revenue Department Payable	26,601	41,377	1,715	1,493
Others	271,253	87,898	2,992	189
Total	2,377,925	1,987,173	64,354	58,917

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28 Share capital

	Par value per share (in Baht)	2020 Number	2020 Baht	2019 Number	2019 Baht
		(thousand shares /in thousand Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	753,640	7,536,402	753,641	7,536,412
Reduction of shares	10	(1,542)	(15,424)	(1)	(10)
Increase of new shares	10	451,259	4,512,587	-	-
At 31 December 2020 and 2019					
- ordinary shares	10	1,203,357	12,033,565	753,640	7,536,402
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	752,098	7,520,978	1	10
Reduction of shares	10	-	-	(1)	(10)
Issue of new shares	10	-	-	752,098	7,520,978
At 31 December 2020 and 2019					
- ordinary shares	10	752,098	7,520,978	752,098	7,520,978

Increasing and reduction of the registered capital

At the Annual General Meeting of Shareholder of the Company held on 3 September 2020, the shareholders had resolutions to approve the reduction the registered share capital to 752,097,832 share at Baht 10 par value and to approve the increase of the registered share capital to 1,203,356,530 share at Baht 10 par value. The Company registered the reduction and the increase of authorised share capital with the Ministry of Commerce on 16 September 2020.

Issued ordinary share

At the extraordinary meeting of shareholders of the Company held on 19 July 2018, the shareholders approved the increase in the registered share capital of Baht 7,536.40 million divided into 753,640,186 ordinary shares at Baht 10 per share to support the Company's restructuring plan and as consideration for the entire business transfer of a related party. The Company registered the increase in the share capital with the Ministry of Commerce on 1 August 2018. Later on, during 2019 the Company received a full payment for these shares. (see note 4)

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Capital reduction

At the extraordinary meeting of shareholders of the Company held on 30 January 2019, the shareholders approved to decrease its share capital amounting to Baht 10,000 divided into 1,000 ordinary shares at Baht 10 per share in order to decrease the issued and paid up share of the registration date.

Share premium

The share premium represents share subscription money received in excess of the par value of the share. Share premium is not available for dividend distribution.

29 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires some subsidiaries shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. (Note 4 (d.6))

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedging reserve.

Fair value reserve of 2020

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

Fair value reserve of 2019

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Excess of book value of acquired subsidiaries over cost/(cost over book value)

The excess of book value of acquired subsidiaries over cost/(cost over book value) represent the difference between book value and cost of investment as of the date of acquisition of additional shares of certain existing subsidiaries and have been recorded as a reserve. It is non-distributable and will be retained until the respective investment in shares of subsidiaries are sold or otherwise disposed off.

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Difference arising from business combination under common control

The difference arising from business combination under common control represent the difference of book values of certain entities or business under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries or businesses are sold or otherwise disposed off.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in the valuation of land and buildings included in the financial statements at valuation until such land and buildings are sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

30 Segment information and disaggregation revenue

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Life insurance business
- *Segment 2* Non-life insurance business
- *Segment 3* Financial service business
- *Segment 4* Others businesses

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Geographical segments and major customer

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries major customer.

The Group has no customers from a single segment equal to or more than 10% of the Group's total revenue.

Disaggregation of revenue

The Group recognises income from operating lease contracts and finance lease contracts on a straight-line basis over the term of the lease, and recognises revenue from sale of assets under operating leases at a point in time.

Reconciliations of reportable segment profit or loss

For the year ended 31 December	2020	2019
	<i>(in thousand Baht)</i>	
Profit or loss		
Segment Profit (loss) before income tax expense	931,891	372,897
Unallocated amounts:		
Share of profit (loss) of investments in associates and joint ventures	-	-
Total	<u>931,891</u>	<u>372,897</u>

31 Investment income

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Interest income	1,241,319	1,200,496	202,082	95,501
Dividend income	618,083	692,021	679,989	150,000
Total	<u>1,859,402</u>	<u>1,892,517</u>	<u>882,071</u>	<u>245,501</u>

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32 Gain (loss) on financial instruments

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
<i>Gain (loss) from sale and derecognition</i>		
Debt securities measured at fair value through other comprehensive income	143,419	1,285,194
Derivatives	44,093	-
Other	(18,476)	(79,163)
Total	169,036	1,206,031

33 Gain (loss) on fair value change of financial instruments

	Consolidated financial statements 2020	Combined financial statements 2019	Separate financial statements	
			2020	2019
	<i>(in thousand Baht)</i>			
Financial instruments measured at fair value through profit or loss - Debt securities	289,242	5,126	-	-
Derivatives	(36,386)	(156,613)	-	(61,856)
Total	252,856	(151,487)	-	(61,856)

34 Operating expenses

		Consolidated financial statements 2020	Combined financial statements 2019	Separate financial statements	
				2020	2019
		<i>(in thousand Baht)</i>			
Personnel expenses	<i>Note 36</i>	1,467,930	1,419,572	94,058	49,786
Information technology expenses		252,813	224,190	2,254	-
Building and equipment expenses	<i>36</i>	247,953	145,325	378	337
Depreciation and amortisation	<i>36</i>	121,485	126,229	285	113
Tax expenses		19,356	76,511	154	734
Professional fee		59,159	71,965	14,550	4,074
Investment expenses		54,061	47,791	-	-
Subcontractor cost		32,780	37,557	-	-
Transportation expenses		12,383	36,174	995	-
Marketing management fee		51,715	21,176	1,087	507
Service and rental expenses		22,468	899	15,701	19,316
Bad debts and doubtful account		(16,732)	(8,319)	-	-
Others		11,035	230,988	7,727	1,438
Total		2,336,406	2,430,058	137,189	76,305

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35 Employee benefit expenses

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Wages and salaries	1,562,209	1,471,025	67,217	38,413
Defined benefit plan	86,925	63,856	16,121	2,670
Defined contribution plan	51,049	60,869	173	943
Social security fund contribution	1,374	2,051	-	121
Welfare expenses	75,894	78,333	1,358	743
Allowance	2,030	2,560	1,836	711
Others	114,768	148,562	7,353	6,185
Total	1,894,249	1,827,256	94,058	49,786

Defined contribution plan

The defined contribution plan comprise a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

36 Expenses by nature

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Personnel expenses</i>	<i>Note</i>			
Included in benefits payments and insurance claims expenses		234,692	215,725	-
Included in other underwriting expenses		191,627	191,959	-
Included in operating expenses	34	1,467,930	1,419,572	94,058
Total		1,894,249	1,827,256	94,058
<i>Depreciation and amortisation expenses</i>				
Included in direct rental costs		1,607,651	1,424,960	-
Included in operating expenses	34	121,485	126,229	285
Total		1,729,136	1,551,189	285
<i>Building and equipment expenses</i>				
Included in benefits payments and insurance claims expenses		7,868	4,836	-
Included in other underwriting expenses		5,569	1,127	-
Included in direct rental costs		343,296	280,157	-
Included in operating expenses	34	247,953	145,325	378
Total		604,686	431,445	378

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37 Expected credit loss (reversal)

	Consolidated financial statements	Combined financial statements
	2020	2019
	<i>(in thousand Baht)</i>	
Debt securities measured at fair value through other comprehensive income	2,202	-
Loans and accrued interest	634	-
Hire-purchase and finance lease receivables	3,529	-
Total	<u>6,365</u>	<u>-</u>

38 Income tax expense
Income tax recognised in profit or loss

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	134,007	402,078	-	-
Adjustment for prior years	41,199	(54,675)	-	-
	<u>175,206</u>	<u>347,403</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	28,805	(245,470)	(36,075)	15,847
Recognition of previously unrecognised tax losses	(11,474)	(4,674)	-	-
	<u>17,331</u>	<u>(250,144)</u>	<u>(36,075)</u>	<u>15,847</u>
Total income tax expense	<u>192,537</u>	<u>97,259</u>	<u>(36,075)</u>	<u>15,847</u>

	Consolidated financial statements			Combined financial statements		
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Foreign currency translation differences for foreign operations	(27,531)	-	(27,531)	(2,906)	-	(2,906)
Revaluation of property, plant and equipment	36,104	(7,221)	28,883	332,651	(66,530)	266,121
Cash flow hedges reserve	18,719	(3,744)	14,975	-	-	-
Cost of hedges reserve	43,767	(8,753)	35,014	-	-	-
Financial assets measured at fair value through other comprehensive income	(2,663,830)	532,766	(2,131,064)	1,979,932	(395,986)	1,583,946
Defined benefit plan actuarial gains (losses)	7,164	(1,433)	5,731	(30,487)	6,097	(24,390)
Total	<u>(2,585,607)</u>	<u>511,615</u>	<u>(2,073,992)</u>	<u>2,279,190</u>	<u>(456,419)</u>	<u>1,822,771</u>

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<i>Income tax</i>	Separate financial statements					
	Before tax	2020 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before Tax	2019 Tax (expense) benefit	Net of Tax
Defined benefit plan actuarial gains (losses)	6,548	(1,310)	5,238	651	(130)	521
Total	6,548	(1,310)	5,238	651	(130)	521

Reconciliation of effective tax rate

	Consolidated financial statements		Combined financial statements	
	2020	2019	2020	2019
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense	20	931,891	20	372,897
Income tax using the Thai corporation tax rate		186,378		74,579
Income not subject to tax		(66,304)		(59,020)
Expenses for tax incentive		(23,822)		(98,389)
Expenses not deductible for tax purposes		92,357		196,996
Recognition of previously unrecognised tax losses		(10,707)		(4,674)
Current year losses for which no deferred tax was recognised		-		48,477
Under (over) provided in prior years		41,199		(54,675)
Others		(26,564)		(6,035)
Total	21	192,537	26	97,259

Reconciliation of effective tax rate

	Separate financial statements			
	2020	2019	2020	2019
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense	20	655,489	20	81,300
Income tax using the Thai corporation tax rate		131,098		16,260
Income not subject to tax		(135,998)		-
Expenses for tax incentive		(15,716)		(11,651)
Expenses not deductible for tax purposes		549		989
Recognition of previously unrecognised tax losses		(16,008)		-
Current year losses for which no deferred tax was recognised		-		10,249
Total	(6)	(36,075)	19	15,847

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Deferred tax

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

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements/ Combined financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,552,625	1,501,471	(1,350,282)	(1,746,668)
Set off of tax	(851,961)	(1,103,033)	851,961	1,103,033
Net deferred tax assets (liabilities)	700,664	398,438	(498,321)	(643,635)
	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	3,072	3,283	-	(19,260)
Set off of tax	-	(3,283)	-	3,283
Net deferred tax assets (liabilities)	3,072	-	-	(15,977)

Movements in deferred tax assets and liabilities for the year ended 31 December were as follows:

<i>Deferred tax</i>	Consolidated financial statements			
	At 1 January 2020	(Charged) / credited to:		At 31 December 2020
		Profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
Deferred tax assets*				
Premium due and uncollected	22,366	7,764	-	30,130
Reinsurance receivables	1,826	-	-	1,826
Hire purchase and finance lease receivables	16,091	705	-	16,796
Subrogation	10,275	-	-	10,275
Inventories	7,595	(7,476)	-	119
Right-of-use assets	389	(6)	-	383
Loans	74,138	-	-	74,138
Insurance contract liabilities	1,047,786	96,817	-	1,144,603
Provision for employee benefits	68,699	556	(1,433)	67,822
Financial assets measured at fair value through other comprehensive income	-	-	1,827	1,827
Other liabilities	39,116	(4,325)	(6,002)	28,789
Tax loss carry forward	169,511	(92,365)	-	77,146
Others	43,286	57,088	(1,603)	98,771
Total	1,501,078	58,758	(7,211)	1,552,625
Deferred tax liabilities*				
Financial assets measured at fair value through other comprehensive income	(886,552)	75,093	511,322	(300,137)
Amortisation of prepayment for land used rights	(1,516)	(4,550)	-	(6,066)
Revaluation surplus on land and building	(580,690)	1,058	(7,221)	(586,853)
Property, plant and equipment	(307,758)	(42,359)	-	(350,117)
Derivatives	8,829	(3,511)	10,078	15,396
Others	(13,858)	(113,294)	4,647	(122,505)
Total	(1,781,545)	(87,563)	518,826	(1,350,282)
Net	(280,467)	(28,805)	511,615	202,343

* This include impact from initial application of TFRS (refer note 3)

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	Consolidated financial statements			At 31 December 2019
	At 1 January 2019	(Charged) / credited to:		
<i>Deferred tax</i>		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Premium due and uncollected	34,855	(12,489)	-	22,366
Reinsurance receivables	1,826	-	-	1,826
Hire purchase and finance lease receivables	16,091	-	-	16,091
Subrogation	16,340	(6,065)	-	10,275
Inventories	10,607	(3,012)	-	7,595
Loans	75,585	(1,447)	-	74,138
Insurance contract liabilities	954,915	92,871	-	1,047,786
Provision for employee benefits	50,470	12,132	6,097	68,699
Other liabilities	28,086	11,030	-	39,116
Tax loss carry forward	239,762	(70,251)	-	169,511
Others	40,388	3,680	-	44,068
Total	1,468,925	26,449	6,097	1,501,471
Deferred tax liabilities				
Available for sale securities	(488,851)	-	(395,987)	(884,838)
Amortisation of prepayment for land used rights	-	(1,516)	-	(1,516)
Revaluation surplus on land and building	(515,101)	940	(66,529)	(580,690)
Property, plant and equipment	(481,487)	173,729	-	(307,758)
Derivatives	(16,626)	46,649	-	30,023
Others	(1,108)	(781)	-	(1,889)
Total	(1,503,173)	219,021	(462,516)	(1,746,668)
Net	(34,248)	245,470	(456,419)	(245,197)
Separate financial statements				
	(Charged) / credited to:			At 31 December 2020
	At 1 January 2020	Profit or loss	Other comprehensive income	
<i>Deferred tax</i>				
		<i>(in thousand Baht)</i>		
Deferred tax asset*				
Provision for employee benefits	3,283	1,099	(1,310)	3,072
Total	3,283	1,099	(1,310)	3,072
Deferred tax liability*				
Derivatives	(34,976)	34,976	-	-
Total	(34,976)	34,976	-	-
Net	(31,693)	36,075	(1,310)	3,072

* This include impact from initial application of TFRS (refer note 3)

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	At 1 January 2019	Separate financial statements (Charged) / credited to:		At 31 December 2019
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax</i>				
<i>Deferred tax asset</i>				
Provision for employee benefits	-	3,413	(130)	3,283
Total	-	3,413	(130)	3,283
<i>Deferred tax liability</i>				
Derivatives	-	(19,260)	-	(19,260)
Total	-	(19,260)	-	(19,260)
Net	-	(15,847)	(130)	(15,977)

Deferred tax assets have not been recognised in respect of the following item:

	Consolidated financial statements 2020	Combined financial statements 2019	Separate financial statements	
			2020	2019
	<i>(in thousand Baht)</i>			
Property, plant and equipment	(377)	146	-	-
Tax loss carry forward	114,881	125,588	24,162	40,170
Total	114,504	125,734	24,162	40,170

The above tax losses will expire in 2020 - 2025. The Group have not been recognised deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

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39 Basic earnings per share

The calculations of basic earnings (losses) per share for the separate financial statements for year ended 31 December 2020 is based on the net profit (loss) for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

In the consolidated and combined financial statements, the number of shares outstanding for the computation of EPS is deemed to be the weighted average number of ordinary shares issued related to business restructuring of the Group as if the shares were issued for acquisition of TIC since 11 July 2018 and the number of ordinary shares issued related to entire business transfer as if the shares were issued since 1 January 2018, which are the dates that the same ultimate controlling shareholders of the Company have control over the subsidiary.

	Consolidated financial statements 2020	Combined financial statements 2019	Separate financial statements	
			2020	2019
	<i>(thousand shares/thousand Baht)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 31 December</i>				
Profit (loss) for the year attributable to ordinary shareholders of the Company	728,446	302,658	691,564	65,453
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	752,098	1	752,098	1
Effect of share issued related to business restructuring of the Group	-	21,957	-	9,652
Effect of shares issued related to entire business transfer	-	730,140	-	320,941
<i>Weighted average number of ordinary shares outstanding (basic) at 31 December</i>	752,098	752,098	752,098	330,594
Earnings (losses) per share (basic) (in Baht)	0.97	0.40	0.92	0.20

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40 Risks management and financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

At 31 December 2020	Note	Consolidated financial statement							
		Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			Total
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
Financial assets									
Other financial assets:									
Equity instruments	13	-	-	12,207,576	12,207,576	4,950,658	7,149,863	107,055	12,207,576
Debt instruments	12	-	3,911,822	40,554,307	44,466,129	-	44,466,129	-	44,466,129
Derivatives assets	14	69,954	-	-	69,954	-	69,954	-	69,954
Total other financial assets		69,954	3,911,822	52,761,883	56,743,659				
Financial liabilities									
Derivatives liabilities	14	209,170	-	-	209,170	-	209,170	-	209,170
Total other financial liabilities		209,170	-	-	209,170				

At 31 December 2020	Note	Separate financial statements							
		Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			Total
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
Financial assets									
Other financial assets:									
Equity instruments	13	-	-	234,000	234,000	-	-	234,000	234,000
Total other financial assets		-	-	234,000	234,000				

31 December 2019	Carrying Amount	Combined financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets and liability measured at fair value					
Derivative assets	161,679	426	161,253	-	161,679
Available for sale securities	53,180,970	7,690,071	46,020,024	-	53,710,095
Derivative liabilities	(322,666)	-	(322,666)	-	(322,666)

31 December 2019	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial asset measured at fair value					
Derivative asset	(103,047)	-	(103,047)	-	(103,047)

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Financial instruments measured at fair value

The Company determines Level 2 fair values for debt securities which are listed in the Thai Bond Market Association using the prices on the last business day of the period provided by the Thai Bond Market Association.

The Company determines Level 2 fair values for debt securities which are not listed in the Thai Bond Market Association are based on quotes from a reliable institution at the reporting date.

The Company determines Level 2 fair values for non-listed unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 1 fair values for listed equity securities and unit trusts using the last bid price on the last business day of the period provided by The Stock Exchanges of Thailand.

The Company determines Level 2 fair values for derivative. The fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flow using market interest rate for a similar instrument of the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate. In addition, the Company tested for reasonableness by comparing with the market price from financial institutions which are derivative issues.

The Company determines level 3 fair values for non-listed equity using net asset value per share according to the latest available financial statement for T.I.I. Company Limited's equity and using fair value valuation by the Notification of the Office of Insurance Commission ("OIC") for Road Accident Victims Protection Company Limited's equity.

Financial instruments not measured at fair value

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair value: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, policy loans, mortgage loans, other loans, other receivables, due to reinsurers, and other payables, except for debt securities measured at amortised cost which fair value is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date and disclosed in note 12

The fair value of deposits at financial institutions which have remaining terms to maturity of less than 90 days are based on carrying value. For those with remaining terms to maturity greater than 90 days, the fair value is estimated by using a discounted cash flow analysis based on current interest rates for the remaining period to maturity.

The fair value of mortgage loans and other loans which carrying floating interest rates and are fully collateralised is taken to approximate the carrying value. The fair value of fixed interest rate loans is estimated by using discounted cash flow analysis based on current interest rates for the remaining years to maturity.

Transfers between Level 1 and 2 of fair values hierarchy

At 31 December 2020, equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 27 million were transferred from Level 1 to Level 2 and equity security measured at fair value through other comprehensive income with carry amount of Baht 126 million were transferred from level 2 to level 1 (2019: equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 77 million were transferred from Level 1 to Level 2 and equity securities measured at fair value through other comprehensive income with carry amount of Baht 334 million were transferred from level 2 to level 1) The Company has considered the liquidity of trading these securities in the market.

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Reconciliation of Level 3 fair values

	Note	Consolidated	Combined	Separate	
		financial statements 2020	financial statements 2019	financial statements 2020	financial statements 2019
		<i>(in thousand Baht)</i>			
<i>Equity securities</i>					
At 1 January		-	-	-	-
Acquisitions		-	-	-	-
Adoption of TFRS9		168,583	-	234,000	-
Transfers out of Level 3		-	-	-	-
Disposal		-	-	-	-
Net change in fair value (including unrealised transactions)		-	-	-	-
- recognised in 'Other gains (losses)'		-	-	-	-
- recognised in OCI		(61,528)	-	-	-
At 31 December		107,055	-	234,000	-

Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(40.1) Insurance risk management

Life insurance risk management

Risk of loss resulting from unexpected events, deviations from actuarial assumptions, the magnitude and timing of claims, policyholder behaviour, underwriting expenses.

Underwriting risk

Underwriting risk arises from inaccurate assessment of the risks entailed in writing of an insurance policy.

The Group has an underwriting process that classifies applicants into risk categories based on their medical history, health condition, occupation, etc. Coverage and premium can vary across categories, reflecting different levels of risk.

Mortality and morbidity risk

Mortality and morbidity risk refers to the possibility that the frequency or severity of claims arising from insurance contracts exceeds the level assumed when the products were priced.

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The Group can be exposed to high claims from policyholders resulting from changes in their life and health expectancy or from catastrophic events, whether natural or man-made.

The Group manages mortality and morbidity risk by consider claim trends are monitored on an ongoing basis. Exposure in excess of retention limits is ceded to reinsurers. Mortality and morbidity experience is monitored to ensure that the Group's assumptions are appropriate.

Product design and mispricing risk

All insurance products will be internally approved by management.

All insurance products will be approved by the Office of Insurance Commission ("OIC").

Policyholder behaviour risk

Risk that arises from policyholders' acts to discontinue/reduce contributions or surrender request prior to maturity of the contract, or to falsely obtain a particular insurance coverage or claims some benefit to which they are not otherwise entitled to.

Persistency is regularly monitored through reports and comprehensive analysis.

An underwriting process and claim management are also designed to detect and minimise fraudulent behaviour from policyholders.

Concentration of insurance risk

Concentrations of risk may arise where a particular event or a series of events could impact heavily upon the Group's insurance contract liabilities.

All of the Group's contracts are life insurance non-par contracts. The amount of risk to which the Company is exposed depends on the level of guarantees inherent in the contracts comparing with the prevailing interest rate. The changes in interest rate will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

As at 31 December 2020, the discount interest rates for the purpose of the liability adequacy test, in accordance with life insurance industry practice, is the average of eight quarters of the zero coupon Thailand government bond yield curve plus illiquidity premium of 122 basis points (2019: 83 basis points). Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points (2019: 100 basis points) from current market interest rates would not be trigger a liability adequacy test adjustment.

Non - life insurance risk management

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured.

The Group's risk exposure is mitigated by employing a comprehensive frame work to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. The insurance contracts are provided to all types of customers based on assessment of insurance risk by the Group. Adequate reinsurance is arranged to mitigate the effect of potential losses to the Group from individual large insured events. Further, the Company adopts strict claim review policies including active management of the claims, regular detailed review of claim handling procedures and investigation of possible false claims.

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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. The assumption that has the greatest effect on the determination of loss reserve and outstanding claims is the expected loss ratio. The test was conducted based on a change level of -5% to +5% of the loss reserve and outstanding claim, net of reinsurance recoveries.

		2020	
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
Increase in expected loss ratio	5	150,886	(120,668)
Decrease in expected loss ratio	5	(234,520)	187,616

		2019	
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
Increase in expected loss ratio	5	219,999	(176,039)
Decrease in expected loss ratio	5	(219,239)	175,452

(40.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group manages the investment risk by considering the risk of investments together with the return on such investments.

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	Consolidated financial statements				Combined financial statements			
	2020		2019		2020		2019	
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total (in thousand Baht)	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial liabilities								
Short-term loans from financial institutions	-	10,619,000	-	10,619,000	-	10,340,007	-	10,340,007
Short-term loans from other parties	-	50,000	-	50,000	-	60,000	-	60,000
Current portion of long-term loans from financial institutions	36,000	2,289,347	-	2,325,347	36,000	2,044,189	-	2,080,189
Long-term loans from financial institutions	57,000	3,439,198	-	3,496,198	87,000	3,555,299	-	3,642,299
Financial lease liabilities	-	430,636	-	430,636	-	587,867	-	587,867
Total financial liabilities	93,000	16,828,181	-	16,921,181	123,000	16,587,362	-	16,710,362
Financial assets								
Loans								
Short-term loans to related parties	-	2,953,412	-	2,953,412	-	4,048,000	-	4,048,000
Current portion of long-term loans to related parties	-	258,600	-	258,600	-	1,412,568	-	1,412,568
Long-term loans to related parties	-	5,273,368	-	5,273,368	-	173,700	-	173,700
Total financial assets	-	8,485,380	-	8,485,380	-	5,634,268	-	5,634,268
Financial liabilities								
Short-term loans from financial institutions	-	8,189,000	-	8,189,000	-	5,852,604	-	5,852,604
Total financial liabilities	-	8,189,000	-	8,189,000	-	5,852,604	-	5,852,604

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At 31 December 2020 and 2019, the significant financial assets and liabilities carrying interest rate at fixed rates were classified on the basis of the length of time from the reporting date to next re-pricing date, or to maturity date whichever is sooner. The details are as follows:

	Average interest rate (% per annum)	Within 1 year	Consolidated financial statements 2020		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial assets					
Hire-purchase and finance lease receivables	5.50 - 7.00	212,728	869,736	538	1,083,002
Investments in securities					
Government and state enterprise debt securities	1.20 - 6.80	3,606,022	10,290,026	8,741,460	22,637,508
Private debt securities	1.44 - 5.05	1,241,965	6,880,188	11,284,310	19,406,463
Foreign debt securities	4.88	684,257	1,257,180	480,722	2,422,159
Deposits at banks with original maturity over 3 months	0.35 - 1.35	1,179,095	-	-	1,179,095
Loans					
Mortgage loans	5.00 - 15.00	24,900	-	354,835	379,735
Short-term loans to related parties	3.70	14,412	-	-	14,412
Current portion of long-term loans to other parties	3.22 - 15.00	25,852	-	-	25,852
Long-term loans to other parties	3.22 - 15.00	616	3,157	208,802	212,575
Total financial assets		6,989,847	19,300,287	21,070,667	47,360,801
Financial liabilities					
Short-term loans from financial institutions	1.77 - 2.62	10,619,000	-	-	10,619,000
Short-term loans from other parties	1.75	50,000	-	-	50,000
Current portion of long-term loans from financial institutions	2.92 - 3.95	2,289,347	-	-	2,289,347
Long-term loans from financial institutions	2.92 - 3.95	-	3,439,198	-	3,439,198
Financial lease liabilities	3.39 - 3.90	184,471	246,165	-	430,636
Total financial liabilities		13,142,818	3,685,363	-	16,828,181
Combined financial statements 2019					
	Average interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Financial assets					
Hire-purchase and finance lease receivables	5.50 - 7.00	197,790	160,028	1,101	358,919
Investments in securities					
Government and state enterprise debt securities	1.20 - 6.80	2,932,991	8,961,837	7,211,745	19,106,573
Private debt securities	1.85 - 5.28	1,297,236	5,740,906	11,595,628	18,633,770
Foreign debt securities	4.88	-	10,388	-	10,388
Deposits at banks with original maturity over 3 months	0.55 - 2.02	1,161,311	171,350	-	1,332,661

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Consolidated financial statements					
2019					
	Average interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Loans					
Mortgage loans	5.00 - 15.00	24,900	354,591	-	379,491
Short-term loans to related parties	-	-	-	-	-
Current portion of long-term loans to other parties	5.00 - 12.00	47,002	-	-	47,002
Long-term loans to other parties	5.00 - 12.00	507	713,193	-	713,700
Total financial assets		<u>5,661,737</u>	<u>16,112,293</u>	<u>18,808,474</u>	<u>40,582,504</u>
Financial liabilities					
Short-term loans from financial institutions	0.01 - 3.62	10,340,007	-	-	10,340,007
Short-term loans from other parties	2.00	60,000	-	-	60,000
Current portion of long-term loans from financial institutions	3.50 - 3.95	2,044,189	-	-	2,044,189
Long-term loans from financial institutions	3.50 - 3.95	-	3,555,299	-	3,555,299
Financial lease liabilities	3.50 - 3.90	260,249	327,618	-	587,867
Total financial liabilities		<u>12,704,445</u>	<u>3,882,917</u>	<u>-</u>	<u>16,587,362</u>
Separate financial statements					
2020					
	Average interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Financial assets					
Loans					
Short-term loans to related parties	2.47 - 2.88	2,953,412	-	-	2,953,412
Current portion of long-term loans from related parties	2.35 - 2.55	258,600	-	-	258,600
Long-term loans to related parties	2.18 - 3.75	-	5,273,368	-	5,273,368
Total financial assets		<u>3,212,012</u>	<u>5,273,368</u>	<u>-</u>	<u>8,485,380</u>
Financial liabilities					
Short-term loans from financial institutions	1.77 - 2.06	8,189,000	-	-	8,189,000
Total financial liabilities		<u>8,189,000</u>	<u>-</u>	<u>-</u>	<u>8,189,000</u>

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	Average interest rate (% per annum)	Within 1 year	Separate financial statements 2019		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial assets					
Loans					
Short-term loans to related parties	3.35 - 5.00	4,048,000	-	-	4,048,000
Current portion of long-term loans from related parties	3.75 - 4.85	1,412,568	-	-	1,412,568
Long-term loans to related parties	5.00	-	173,700	-	173,700
Total financial assets		5,460,568	173,700	-	5,634,268
Financial liabilities					
Short-term loans from financial institutions	0.01 - 1.00	5,852,604	-	-	5,852,604
Total financial liabilities		5,852,604	-	-	5,852,604

Policy loans are fully collateralised by the value of the underlying policy and carry interest rates which follow the regulations of the Office of Insurance Commission. The average rate of interest in the year ending 31 December 2020 was 4 - 10% per annum (2019: 4 - 10% per annum). The contractual maturity of these loans would generally follow the maturity profile of the underlying insurance policy with which they are associated. Policyholders may repay policy loans prior to maturity.

Interest rate swap contract

On 31 December 2020, the Group entered into an interest rate swap agreement for a long-term loan amounted of Baht 1,600.00 million (2019 : Baht 1,600.00 million) for swapping a floating interest rate to a fixed interest rate of 3.75% and 4.05% per annum (2019: 3.75% and 4.05% per annum), with settlement in December 2022 - December 2024 (2019: December 2022 - July 2024) and entered into an interest rate swap agreement for the investments in available for sale debentures of Baht 2,056.25 million (2019 : 2,056.25 million) for swapping fix interest rate to floating interest rate 1.63% per annum (2019: 1.63% per annum).

Sensitivity analysis

A reasonable possible change of interest rates as at 31 December 2020 would have affected the measurement of investment in debt securities and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements			
	Profit or loss		Equity, net of tax	
	+ 50 basis point	- 50 basis point	+ 50 basis point	- 50 basis point
Yield curve	-	-	(760,278)	885,974

(in thousand Baht)

(40.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

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At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
United States Dollars				
Cash and cash equivalents	363,698	145,690	-	-
Investments in debt securities	1,991,249	2,077,387	-	-
Investments in equity securities	408,601	-	-	-
Gross exposure in the statements of financial position	2,763,548	2,223,077	-	-
Cross currency swaps contracts	(1,417,847)	(1,969,654)	-	-
Net exposure	1,345,701	253,423	-	-
Euro				
Cash and cash equivalents	14,441	21,434	-	-
Investments in equity securities	204,968	-	-	-
Gross exposure in the statements of financial position	219,409	21,434	-	-
Singapore Dollars				
Cash and cash equivalents	33,888	104,622	-	-
Investments in debt securities	6,041	-	-	-
Investments in equity securities	1,139,930	-	-	-
Gross exposure in the statements of financial position	1,179,859	104,622	-	-
Hong Kong Dollars				
Cash and cash equivalents	20,523	61,878	-	-
Investments in debt securities	6,701	-	-	-
Investments in equity securities	50,362	-	-	-
Gross exposure in the statements of financial position	77,586	61,878	-	-
Australian Dollars				
Investments in equity securities	179,548	-	-	-
Gross exposure in the statements of financial position	179,548	-	-	-
Japan Yen				
Cash and cash equivalents	10,244	9,211	-	-
Investments in equity securities	20,337	-	-	-
Borrowings	-	(3,935,201)	-	(5,852,604)
Gross exposure in the statements of financial position	30,581	(3,925,990)	-	(5,852,604)
Foreign currency forward contracts	-	5,429,863	-	5,429,837
Net exposure	30,581	1,503,873	-	(422,767)
Other currencies				
Cash and cash equivalents	87,687	69,624	-	-
Investments in equity securities	27,507	-	-	-
Gross exposure in the statements of financial position	115,194	69,624	-	-

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar Singapore dollar and Australia dollar against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>At 31 December 2020</i>	Consolidated financial statements			
	Profit or loss		Equity, net of tax	
	Strengthening 5%	Weakening 5%	Strengthening 5%	Weakening 5%
	<i>(in thousand Baht)</i>			
USD	28,156	(28,156)	12,463	(12,463)
EUR	1,888	(2,218)	45,605	(45,605)
AUD	2,324	(4,942)	-	-

(40.4) 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 Group as and when they fall due.

Key areas that the Group is exposed to credit risk are cash positions, premium due and uncollected, policy, mortgage loans and investments in debt securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all policyholders, borrowers and debt securities on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Concentrations of the credit risk with respect to reinsurers are insignificant due to the Company maintains a panel of reinsurers that the Company is allowed to transact business with. The domestic reinsurers must either be registered or authorised to carry out reinsurance business in Thailand by the Office of Insurance Commission and maintain at least minimum Capital Adequacy Ratio. In case of foreign reinsurers, they have to have good quality of credit rating.

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

In addition, there is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than the cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets pledged as security.

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The following tables set out information about the credit quality as at 31 December 2020 of receivables under hire purchase and finance lease contract without taking into account collateral or other credit enhancement. The description of stage 1-3 are disclosed in note 3 and 4.

	12-month PD ranges (%)	Consolidated financial statements 2020			Total
		Stage 1	Stage 2	Stage 3	
<i>(in thousand Baht)</i>					
Hire-purchase and finance lease receivables					
Current		1,205,509	-	-	1,205,509
Overdue 1 - 30 days	0.09	4,865	-	-	4,865
Overdue 31 - 60 days	6.18	-	12,436	-	12,436
Overdue 61 - 90 days	10.68	-	6,925	-	6,925
Overdue more than 91 days	21.34	-	-	96,362	96,362
Hire-purchase and finance lease receivables		1,210,374	19,361	96,362	1,326,097
Unearned interest income		(243,318)	(407)	(2,024)	(245,749)
Deferred commission expense		2,422	39	193	2,654
Less allowance for expected credit loss		(1,337)	(2,805)	(79,840)	(83,982)
Net carrying amount*		968,141	16,188	14,691	999,020

* Excluding unearned interest income

	Consolidated financial statements 2020		
	Gross Amount	ECL	Net
<i>(in thousand Baht)</i>			
Revolving loans			
- Stage 1	31,298	-	31,298
- Stage 2	-	-	-
- Stage 3	176,099	(146,077)	30,022
Total	207,397	(146,077)	61,320
Mortgage loans			
- Stage 1	145,483	(821)	144,662
- Stage 2	4,529	(712)	3,817
- Stage 3	275,607	(238,496)	37,111
Total	425,619	(240,029)	185,590

As at 31 December 2020, allowance for expected credit loss was as follow:

	Consolidated financial statements 2020			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	
<i>(in thousand Baht)</i>				
Hire purchase and finance lease receivables	(1,337)	(2,805)	(79,840)	(83,982)
Mortgage loans	(821)	(712)	(238,496)	(240,029)
Revolving loans	-	-	(146,077)	(146,077)
Total	(2,158)	(3,517)	(464,413)	(470,088)

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The movements in allowance for expected credit loss of receivables under hire purchase and finance lease contract during the year were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	
Hire purchase and finance lease receivables				
At 1 January - restated (see note 3)	2,935	3,365	74,153	80,453
Change from stage reclassification	-	-	5,688	5,688
Write-off	(1,599)	(560)	-	(2,159)
At 31 December	1,336	2,805	79,841	83,982

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group;
- the borrower is more than 90 days past due on any material credit obligation to the Group; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group uses the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group considers credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Group assesses both the current situation and the forecast of future economic conditions for each situation.

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However, the Group reviews the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group also considers to provide the management overlay as a part of ECL.

Investments in securities

Information about the credit quality as at 31 December 2020 of debt securities measured at fair value through other comprehensive income and debt securities measured at amortised cost which were classified as investment grade with a carrying amount of Baht 26,271 million, based on rating agency in Thailand which are Thai Rating and Information Service Co., Ltd. and Fitch Ratings (Thailand) Limited and foreign rating agency which are Moody's Investors Services, S&P Global Ratings and Fitch Rating Inc. and non-credit rated government and state enterprise securities with a carrying amount of Baht 17,695 million.

The following table presents the exposure to credit risk for investment in debt securities at amortised cost and FVOCI. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

<i>At 31 December 2020</i>	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL- not credit- impaired <i>(in thousand Baht)</i>	Lifetime ECL - credit- impaired	
Debt instruments measured at amortised cost	1,179,095	-	-	1,179,095
Debt instruments measured at FVOCI	40,554,307	-	-	40,554,307
	41,733,402	-	-	41,733,402
Less allowance for expected credit loss	(524)	-	-	(524)
Net	41,732,878	-	-	41,732,878

<i>Movement of allowance for expected credit loss</i>	Consolidated financial statements	
	12-months ECL <i>(in thousand Baht)</i>	Total
<i>Debt instruments measured at amortised cost</i>		
At 1 January 2020	-	-
Net remeasurement of loss allowance	(524)	(524)
At 31 December 2020	(524)	(524)
<i>Debt instruments measured at FVOCI</i>		
At 1 January 2020 – restated <i>(see note 3)</i>	(10,409)	(10,409)
Net remeasurement of loss allowance	(13,669)	(13,669)
At 31 December 2020	(24,078)	(24,078)

(40.5) Liquidity risk

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

The Group's financial assets aged by maturity duration after reporting date are disclosed in 40.4.

As at 31 December 2020 and 2019, insurance contract liabilities are aged by estimating timing of the net cash flows as follows:

	2020			
	Within 1 year	Estimated timing of the net cash flows		Total
		Between 1 - 5 years	Over 5 years	
		<i>(in thousand Baht)</i>		
Long-term technical reserves	3,826,946	26,496,296	12,013,944	42,337,186

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	2019			
	Within 1 year	Estimated timing of the net cash flows Between		Total
		1 - 5 years	Over 5 years	
Long-term technical reserves	4,339,784	23,333,184	11,932,874	39,605,842

In addition almost of loss reserves and outstanding claims as at reporting date have the estimated length of payment within 1 year because most of loss reserves are short trail insurance contract such as motor insurance, residential fire insurance and personal accident insurance.

(40.6) Equity price risk

Equity price risk is the risk arising from changes in the prices of equities that may cause either volatility in the Group's earnings or fluctuations in the value of the financial assets. The Group closely monitors prevailing market conditions and provide information to management for managing the risk in accordance with the Group's investment policy.

Sensitivity analysis

A reasonably possible change of the stock market as at 31 December 2020 would have affected the valuation of investment in listed equity investments and affected equity and profit or loss by the amount shown below.

	Profit or loss		Equity, net of tax	
	2% increase	2% decrease	2% increase	2% decrease
Stock exchange	6,680	(6,680)	126,641	(126,641)

41 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Capital management - Insurance business

The Group's capital management policy is to maintain a strong capital base to meet policyholders' obligations and the requirements of the Office of Insurance Commission, to create shareholder value, deliver sustainable returns to shareholders and to support future business growth.

In accordance with and the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 120% (2019: 120%) of capital adequacy requirement (CAR) to meet policyholders' obligations. The CAR applies a risk-based approach to capital adequacy and is determined by the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to protect policyholders and to provide returns for shareholders and benefits for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain as adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares.

There were no changes in the Group's approach to capital management during the year.

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42 Securities and assets pledged with the Registrar

42.1 As at 31 December, investments in debt securities have been pledged with the Registrar in accordance with Sections 20 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements		Combined financial statements	
	2020		2019	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	20,329	20,000	21,304	20,000

42.2 As at 31 December, investments in debt securities have been placed as life assurance policy reserve with the Registrar in accordance with Sections 24 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements		Combined financial statements	
	2020		2019	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and state enterprise debt securities	7,789,757	7,021,500	8,019,383	7,351,500
Private debt securities	1,819,027	1,630,000	1,855,774	1,630,000
Total	9,608,784	8,651,500	9,875,157	8,981,500

42.3 As at 31 December, investments in debt securities have been placed with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements		Combined financial statements	
	2020		2019	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	30,624	29,000	29,889	29,330
Deposit Bank	14,000	14,000	14,000	14,000
Total	44,624	43,000	43,889	43,330

42.4 As at 31 December, investments in debt securities have been placed with the Registrar as the reserve fund in accordance with the Notification of the Office of Insurance Commission regarding “Rates, Rules and Procedures for Unearned Premium Reserve of Non - life Insurance Company B.E.2557” as follows:

	Consolidated financial statements		Combined financial statements	
	2020		2019	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government state enterprise debt securities and Bank of Thailand bonds	1,083,114	1,038,100	1,039,971	822,175
Deposit Bank	-	-	45,000	45,000
Total	1,083,114	1,038,100	1,084,971	867,175

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For the year ended 31 December 2020

43 Restricted and collateral securities

As at 31 December, debt securities and time deposits at banks were pledged as collateral as follows:

	Consolidated financial statements 2020	Combined financial statements 2019
	<i>(in thousand Baht)</i>	
<i>Deposits at banks - time deposits</i>		
Bail bonds	3,331	5,168
Bank overdraft	10,011	10,011
Total	13,342	15,179
 <i>Government bonds (book value)</i>		
Electricity usage	2,193	2,214

44 Contribution to Insurance Fund

As at 31 December, the accumulated contributions to the Life and Non-Life Insurance Fund are as follows:

	Consolidated financial statements			
	Life Insurance Fund		Non-Life Insurance Fund	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	72,506	63,887	233,959	203,259
Increased during the year	8,345	8,619	28,162	30,700
At 31 December	80,851	72,506	262,121	233,959

45 Commitments with non-related parties

	Consolidated financial statements 2020	Combined financial statements 2019	Separate financial statements	
			2020	2019
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Intangible assets and equipment	37,822	36,679	-	-
 <i>Investment commitments – Bills of exchange</i>				
Within one year	-	100,000	-	-
After one year but within five years	-	200,000	-	-
Total	-	300,000	-	-
 <i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	16,345	40,154	10	148
After one year but within five years	17,462	42,957	35	148
After five years	-	106	-	-
Total	33,807	83,217	45	296

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	Consolidated financial statements	Combined financial statements	Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other commitments				
Cross currency swap	1,895,642	2,487,132	-	-
Foreign currency forward contracts	-	7,455,620	-	5,532,910
Interest rate swap	3,656,245	3,656,245	-	-
Deposit at banks - pledged for				
- Bank overdraft	10,001	10,001	-	-
- Bank guarantees	600,306	532,628	-	-
Total	6,162,194	14,141,626	-	5,532,910

As at 31 December 2020, the Group has no commitments in respect of investments in bill of exchange issued by financial institutions. (2019: Baht 300.00 million).

As at 31 December 2020, the Group have operating lease agreements for building and other services for the period of 1 year to 5 years (2019: 1 year to 5 years).

As at 31 December 2020, the Group had commitments with a financial institution in respect to letters of guarantee issuance for the normal course of business amounting to Baht 600.31 million (2019: Baht 532.62 million).

46 Contingent liabilities

As at 31 December 2020, significant lawsuits have been brought against the Group, in relation to insurance claims in the normal course of business for amount in dispute totalising approximately Baht 387.22 million (2019: Baht 559.91 million), of which the Group's share after recovery from reinsurance amounts to approximately Baht 211.18 million (2019: Baht 171.14 million). The Group has recognised part of contingent liabilities amounting to approximately Baht 16.95 million (2019: Baht 29.87 million) in the financial statements. The Group's management believes that the recorded amount of life policy reserves, unpaid policy benefits and due to insured in the financial statements is adequate to meet the potential loss in respect of those claims.

47 Events after the reporting period

On 7 January 2021, The Board of Directors of Thai Group Holdings Public Company Limited has approved the interim dividend payment from the Company's net profit for 11 months period ended 30 November 2020 amounting to 0.60 Baht per share totaling Baht 451.26 million.

In addition, the Board has determined 26 January 2021 to be the Record Date to identify shareholders who are entitled to receive the dividend and 5 February 2021 to be the dividend payment date.

Thai Group Holdings Public Company Limited and its Subsidiaries
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48 Reclassification of accounts

Certain accounts in the 2019 financial statements have been reclassified to conform to the presentation in the 2020 financial statements as follows:

	2019		
	Consolidated financial statements		
	Before reclassifications	Reclassifications <i>(in thousand Baht)</i>	After reclassifications
<i>Statement of financial position</i>			
<i>Assets</i>			
Loans	1,655,585	87,703	1,743,288
Other assets	2,443,818	(87,703)	2,356,115
Provision for employee benefits	(332,436)	(4,018)	(336,454)
Other liabilities	(1,991,191)	4,018	(1,987,173)
		<u>-</u>	
<i>Statement of other comprehensive income</i>			
<i>Expense</i>			
Other underwriting expenses	2,799,954	5,522	2,805,476
Operating expenses	2,435,580	(5,522)	2,430,058
		<u>-</u>	

Management's Discussion and Analysis

Management Discussion and Analysis

for the year ended 31 December 2020

Summary significant events during 2020

• From 1 January 2020, TGH has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

Impact of changes in accounting policies on shareholders' equity	Retained earnings appropriated	Other components of equity
At 31 December 2019	5,915	(16,897)
Increase (decrease) due to:		
Adoption of TFRS – Financial instruments standards		
Classification of financial instruments	305	(297)
Impairment losses on financial assets	(13)	10
Hedge accounting	103	18
Related tax	(81)	45
Adoption of TFRS 16 – net of tax	-	-
At 1 January 2020 - restated	6,229	(17,121)

• Rod Dee Det Auto Company Limited (“RDD”), a subsidiary, which the Company holds 99.99 percent of all shares, submitted Application Form for Voluntary Tender Offer for all of the ordinary shares of Indara Insurance Public Company Limited (“INSURE”) to eliminate conflicts of interest arising from having the major shareholder holds shares in a listed company operating the same business.

On 15 May 2020, RDD obtained shares of INSURE from the complete tender offer, totaling 7,506,358 shares, representing 75.06%. RDD paid the consideration in cash amounting to Baht 262.72 million to the offeree representing 35 Baht per share acquired.

This transaction is the business combination under common control as the Company and INSURE were all under common control of the same ultimate

controlling shareholders before and after the acquisition date.

• On 19 October 2020, the Company's shareholding structure was restructured, with Sirivadhanabhakdi family selling their ordinary shares of 562,207,942 shares, equivalent to 74.75 percent of the Company's total issued and paid up shares, to Pholmankhong Business Company Limited and Southeast Management Company Limited. These companies are under control of Sirivadhanabhakdi family. The restructuring will not affect on the power to control the operation, Board of Directors' structure and Management of the Company.

• On 7 January 2021, The Board of Directors of TGH has approved the interim dividend payment from the Company's net profit for 11 months period ended

30 November 2020 amounting to 0.60 Baht per share totaling Baht 451.26 million and determined 26 January 2021 to be Record Date to identify shareholders who are entitled to receive dividend and 5 February 2021 to be dividend payment date.

2020 Industry Overview

Life Insurance Industry

Life Insurance Industry overview. (Source: Thai Life Assurance Association) Total premium written in 2020 was Baht 600,206 million which has decreased by 2% from 2019. First year premium written totaling Baht 158,238 million which has decreased by 11% from 2019. Southeast Life Insurance PCL (“SELIC”) had total premium written Baht 8,345 million which has decreased by 3% from 2019 and had first year premium written totaling Baht 5,057 million or 7.6% decrease from 2019. SELIC gained 3% market share on first year premium written, and ranked No. 9 from overall life insurance companies which was improving from rank No. 11 in 2019.

Non-Life Insurance Industry

Non-Life Insurance Industry overview. (Source: Insurance Premium Rating Bureau, Thai General Insurance Association). Total direct premium written in 2020 was Baht 254,377 million representing 3.9% growth from 2019. Key factors which derived growth were the impact from COVID-19 outbreak, Stimulus Policy, and improvement in consumption and investment from Government sector. The Miscellaneous insurance has increased by 9.17% especially from Health insurance policy which has

tremendous growth of 45.94%. Southeast Insurance PCL (“SEIC”) had direct premium written of Baht 10,495 million representing 3% growth and has market share on total direct premium written of 4.1% and ranked No. 6 of overall non-life insurance companies which was improving from rank No. 8 in 2019.

Car Industry

Car Industry overview was significantly impacted from COVID-19 outbreak resulting in the drop in new car sales during 2020 for more than 20%. The passenger car sales has tremendously dropped in sales by 31% and commercial car sales has dropped by 15% (Source: Krungsri Bank). Although overall car industry had been impacted badly in 2020, Southeast Capital (“SECAP”) could still maintain its No.1 rank on Corporate Car Leasing. SECAP had total 22,000 leased cars at the end of 2020.

Operating Result for the year ended 31 December 2020 and 2019

Unit : Millon Baht

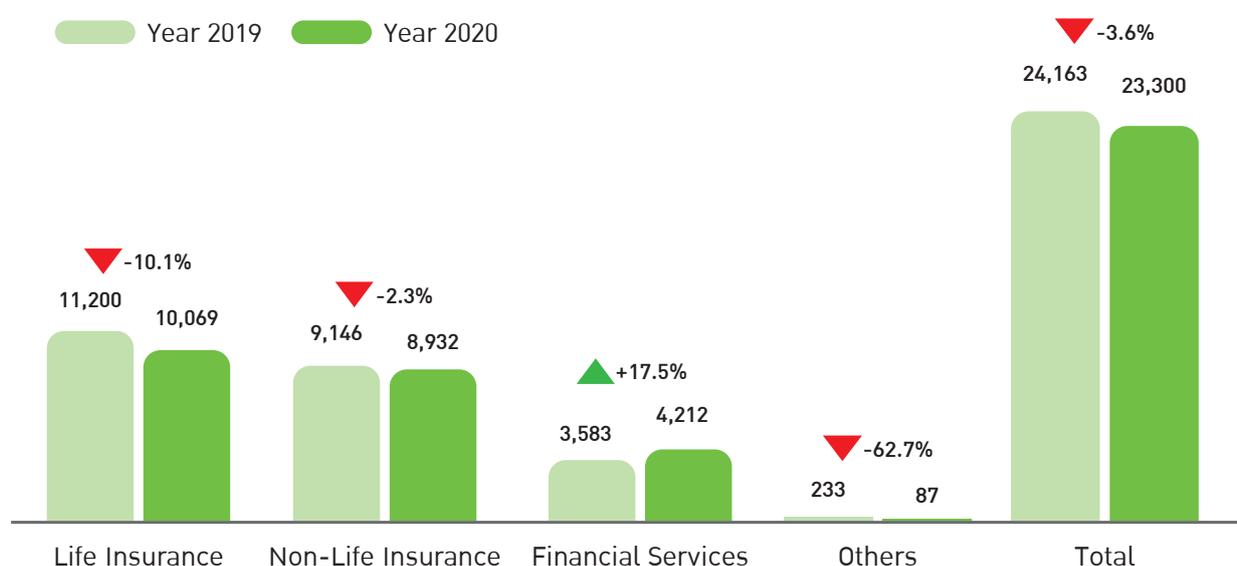
For the period ended 31 December	2020	2019	% Changed
Total Revenue from core business	22,598	22,359	1.07%
Gain on investments	550	1,206	(54.39%)
Other revenues	151	598	(74.75%)
Total reveues	23,299	24,163	(3.58%)
Direct costs	(19,423)	(20,690)	(6.12%)
Operating expenses	(2,336)	(2,430)	(3.87%)
Other expenses	(609)	(670)	(9.10%)
Total expenses	(22,368)	(23,790)	(5.98%)
Profit before tax	931	373	149.60%
Tax expenses	(192)	(97)	97.94%
Net profit	739	276	167.75%
Operating expense Ratio	10.03%	10.06%	(0.03%)
Net Profit Margin	3.17%	1.14%	2.03%
Basic earnings per share (Baht)	0.97	0.40	142.50%

Net profit

Net profit for the year ended 31 December 2020 has increase from year ended 2019 by Baht 463 million, mainly from life insurance business of Baht 724 million and non-life insurance business of Baht 195 million whereas financial service had net loss of Baht 162 million as follow

Revenue

Revenue by segment



Revenue from life insurance business decreased by Baht 1,131 million or 10% from prior year mainly from decrease in gain on selling of investments according to capital market fluctuation resulting from COVID-19 outbreak. The SET INDEX had continuously decreased throughout the year from 1,579 as of 31 December 2019 to 1,449 as of 31 December 2020

Revenue from non-life insurance business decreased by Baht 214 million or 2% from the previous year due to reduce in net earned premium of Baht 1,032 million as a result of increase in 2020 reinsurance cession on motor business. Also the reduction in investment income amounting to Baht 196 million according to stock market declining.

However, Company's reinsurance commission income increased by Baht 1,070 million from increasing in reinsurance cession and claim management improvement.

Revenue from Financial services business had increased by Baht 629 million mainly due to increase in income from sales of used car from expired lease contract of Baht 408 million resulting from increase in number of used car sales during the year about 1,200 cars. Moreover, there had been an increase in income from operating lease total Baht 195 million due to increase in number of leased car about 760 cars comparing with previous year.

Direct cost

Direct cost for 2020 had decreased by Baht 1,267 million or 6% resulting from the decrease in direct acquisition cost of non-life insurance and life insurance business amounting to Baht 575 million and Baht 458 million, respectively. Improvement in claim management especially from motor insurance business has caused significant reduction in net claims incurred amounting to Baht 789 million. However, direct cost from leasing business has increased by Baht 343 million. Major increase derived from depreciation and car maintenance cost

following the increase in number of leased car. In addition, cost of used car sales had also increased by Baht 503 million in line with the incremental number of used car sales. Lastly finance cost of the Company had decreased about Baht 60 million.

Expenses

Operating expenses has decreased by Baht 94 million. This had resulted from the management control over operating expenses during the COVID-19 outbreak especially the control over travelling expenses.

Statement of Financial Position

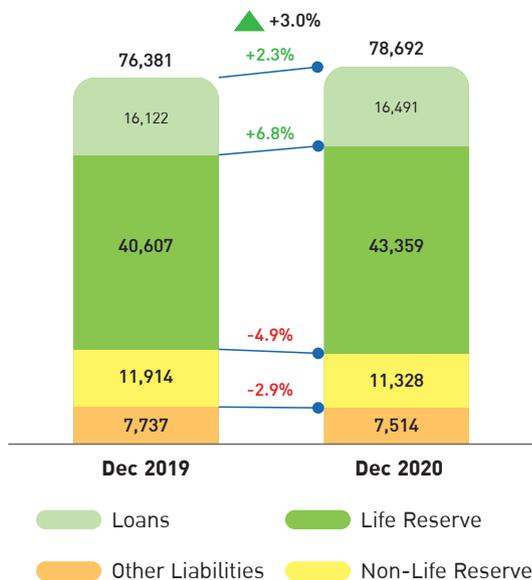
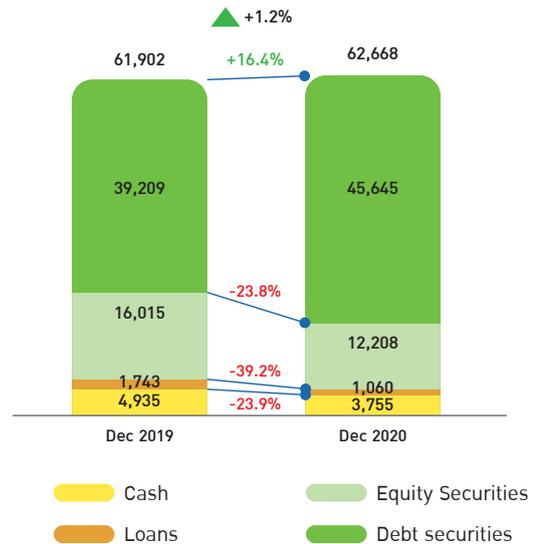
Unit : Million Baht	31 December 2020	31 December 2019	% Changed
Financial assets (include cash)	62,668	61,902	1.24%
Other assets	29,894	29,880	0.05%
Total asset	92,562	91,782	0.85%
Insurance contract Liabilities	54,656	52,534	4.04%
Other liabilities	24,037	23,847	0.80%
Total liabilities	78,693	76,381	3.03%
Total shareholders' equity	13,869	15,401	(9.95%)
Total liabilities and equity	92,562	91,782	0.85%

Financial assets

• Financial assets as of 31 December 2020 increased Baht 766 million from 2019 or 1.2%, from Baht 61,902 million to Baht 62,668 million.

The increase in financial assets mainly came from investment portfolio of Life insurance business. During the year, the investment assets allocation was changed by shifting the investments in equity securities into debt securities in order to mitigate financial market risk due to COVID-19 outbreak.

The decrease in Loans is mainly due to repayment of corporate loans portfolio. The lending portfolio had no significant change.



Liabilities

Total Liabilities increased Baht 2,312 million or 3%, from Baht 76,381 million to Baht 78,692 million.

The increase in liabilities mainly came from Life insurance reserve due to life insurance premium received during the year.

Non-Life insurance reserve decreased due to settlement of large miscellaneous insurance claim in late 2020.

Loan from financial institution increased in order to support group business expansion.

Equity

Total Equity as of 31 December 2020 and 2019 was Baht 13,870 million and Baht 15,402 million respectively. The decrease in equity mainly came from loss on fair value change of financial instruments amounting to Baht 2,374 million. Retained earnings increased from net profit for the year of Baht 739 million.

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