

THAI GROUP
HOLDINGS

THAI GROUP HOLDINGS



รายงานประจำปี

ANNUAL REPORT 2562 | 2019

THAI GROUP HOLDINGS PUBLIC COMPANY LIMITED

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Milestone

SEG's business began its operation right after World War II. At that time, many international insurance companies closed down their businesses and abandoned coverage they had provided to their Thai policyholders. SEG's founders had the aspiration and mission to provide insurance protection for the Thais in every situation. Thus, SEG was established and licensed by the Thai government on 9 July, 1946 to provide insurance services under the name of "Southeast Insurance Company Ltd." Thus starting the business journey of Southeast Group.

Thai Group Holdings Public Company Limited was incorporated as a public company on 29 June 2018 in accordance with the business restructuring plan engaging main business as a holding company. Post restructuring the Thai Insurance Public Company Limited ("TIC") will be a subsidiary of the Company and will continue its business as a non-life insurance. The Company has accepted the entire business transfer from Southeast Group Company Limited ("SEG"); therefore, the Company's business operation will adapt SEG's business's policies, vision, missions, management structures, and corporate governance, etc. for its major business operation.





Message from the Chairman

In 2019 was the year of pride for the Thai Group Holdings Public Company Limited as we became a publicly listed company where our shares are traded on the Stock Exchange of Thailand for the first time. It was a monumental step for us as we strive to create stability, establish good governance, transparency, accountability, and elevate every business in our organization that we have invested to the level of international acceptance. We have created benefits both directly and indirectly for our stakeholders and supported sustainable growth for the Thai economy by investing in companies that operate three major businesses, namely life insurance through the Southeast Life Insurance Public Company Limited, non-life insurance through the Southeast Insurance Public Company Limited and Thai Insurance Public Company Limited, leasing business through the Southeast Capital Company Limited, and other businesses to create stable and sustainable income.

The Company's core business has been operating and protecting the lives and property of Thai people for over 80 years. With a total assets value of 90,993 million Baht, our business continues to expand and provide insurance services to other countries through the TCC Group of business networks in Singapore, Vietnam, Myanmar, and Malaysia, as these businesses are achieving continued growth in their respective businesses. In meeting our target and intention in becoming more than just an insurance company and the leader in insurance and financial group in ASEAN through its expansion of related businesses by 2025, we also consider expanding our investment into new businesses that can generate sustainable income to promote and strengthen businesses of the Company to achieve its full growth potential.

With a vision of being a full-service insurance and financial leader in providing coverage that covers every need of our customers and business partners, Thai Group Holdings Public Company Limited adheres to the principles of good governance, rules of law, industry-standard, business code of ethics, and including guidelines for good corporate governance. We place a strong emphasis on social responsibility for sustainability in business operations.

I would like to thank the shareholders, customers, business alliances, and various agencies that have supported our Group businesses, especially the management and all of the staff for their cooperation and perseverance in enhancing the development of the organization with diligence and always serving our customers with honesty and sincerity.



(Mr. Charoen Sirivadhanabhakdi)
Chairman of the Board



Message from the Chief Executive Officer

In 2019, Thai Group Holdings Public Company Limited encountered some business challenges such as contraction of the global economy, lackluster Thai economy which only grew 2.5%, continued interest rates cut, pessimistic outlook for Thai economic attributing to pressure from risk arising from global financial instability, including trade barriers, etc. The overview of the insurance industry in 2019, when compared to a year ago, the life insurance industry's "First Year Premium" income was 619,914 million Baht, a decrease of 2.6%. The non-life insurance industry had a total insurance premium income of 245,450 million Baht, an increase of 6.1%. For the automobile leasing industry, the competition is not as intense. There is still a growth opportunity due to an increased demand for leased vehicles to support business expansion. Moreover, we are seeing a policy shift among some businesses, changing from investing in its vehicle fleets to operating lease.

Based on the overall economic picture aforementioned, Thai Group Holdings Public Company Limited has made some adjustments in its business' operation and investment plans to align with the changing environment so the Company will grow with sustainable development. For the year ended 2019, the Company's total assets were 90,993 million Baht, shareholders' equity of 15,231 million Baht, generated income of 23,740 million Baht, and net profit of 279 million Baht. As for the main business of life insurance, the policy called for the delay of sale

for a new single premium product (Single Premium: SP). The new business strategy and product adjustment will provide a more suitable insurance policy for customers in the low-interest-rate environment as most of the old insurance policies are becoming due. There were also some adjustments made for the motor insurance portfolio. The Company has reduced the coverage for certain types of vehicles, not renewing policies due to high damage claims, and insurance premiums' adjustment for certain groups or certain partners. As for the capital reserve for both non-life and life insurance companies, the required legal capital adequacy ratio (Capital Adequacy Ratio: CAR) is higher than the minimum threshold set by the Office of Insurance Commission (OIC). For the leasing business, it generated an income from investment, an increase of 184% from a year ago due to dividends from subsidiaries and an increase in other income by 297%.

The Company's mission is to create strong growth through the power of creativity and sustainability. We want to be the leader in providing a complete-solution insurance and financial services through the expansion of marketing channels, develop a variety of products and services, and provide complete coverage to meet all categories of needs and to be the number one in the customer's mind. To attain continued growth in 2020, the Company's plan includes improve work processes for operational excellence, support the expansion of high-margin business chains such as life insurance, focus on scaling up more profitable insurance products, improve prices for low-profit margins products, and adjust operating strategy to bring down claim rate. As for the automobile leasing business, we can increase efficiency by targeting the customers' group that we can competitively compete and provide operations' support. Moreover, we will continue to enhance and develop operational management in every area to improve efficiency in supporting the ever-changing digital landscape and to achieve staff costs' efficiency.

Furthermore, the Company, one of the core business lines of the TCC Group, is stably strong and going through a rapid growth as is continuously expanding into ASEAN and worldwide. The Company derives added value through TCC Group as well as develop continued relationship between the Company and our customers where both can benefit through building trust and growing together with stability.

I would like to thank the shareholders, business partners, investors, business alliances, customers, and the management including all of the staff who have always supported the Company's operations consistently. The Company will continue to serve our customers with honesty and continued sincerity to become the Country's leading insurance and financial institution. The Company will continue its regional expansion to create profitable returns for all stakeholders and society with full capacity on the principles of conducting business with transparency, ethics, which the Company places foremost importance that has made the Company successful till today.



(Mr. Chotiphat Bijananda)
Chief Executive Officer

The Board of Directors



Mr. Charoen Sirivadhanabhakdi
Chairman of the Board



Khunying Wanna Sirivadhanabhakdi
Vice Chairman of the Board



Mr. Areepong Bhoocha-oom
Vice chairman of the Board
Chairman of the Corporate Governance
Committee



Mr. Chotiphat Bijananda
Director / Chief Executive Officer
Chairman of the Executive Board
Chairman of the Nomination and
Remuneration Committee



Mrs. Atinant Bijananda
Director
Executive Director



Mr. Thapana Sirivadhanabhakdi
Director
Director of the Corporate Governance
Committee



Mr. Somchai Sujjapongse
Director / Executive Director
Director of the Risk Management Committee
Director of the Corporate Governance Committee



Mr. Apichai Boontherawara
Director
Executive Director



Mrs. Kulpatra Sirodom
Independent Director
Chairman of the Audit Committee
Director of the Corporate Governance Committee



Mr. Padungdej Intralak
Independent Director
Director of the Audit Committee
Director of the Risk Management Committee
Director of the Nomination and
Remuneration Committee



Mr. Yothin Pibulkasetkij
Independent Director
Chairman of the Nomination and
Remuneration Committee
Director of the Audit Committee



Pol. Gen. Jate Mongkolhutti
Independent Director
Chairman of the Risk Management Committee

Our Businesses and Policy History

Thai Group Holdings Public Company Limited (“the Company”) was registered and became a public company on 29 June 2018. It has undergone a major business restructuring to function as a holding company. Under this restructuring process, the Thai Insurance Public Company Limited “TIC” became a subsidiary of the Company. TIC will continue to operate its original business as a Non-life insurance.

Moreover, the Company has undergone business integration by accepting entire business transfer from Southeast Group Company Limited “SEG”. Thus, the Company will take advantage of adopting SEG’s business expertise such as policy, vision, mission, management structure, corporate governance, and etc., to be a part of the Company major business operation, going forward.

Vision, Mission, and Values

Vision

We envision ourselves to be the leader in delivering one-stop-solution insurance products and financial services that win the hearts and minds of our consumers. Our products shall deliver the right solutions and values to our customers. We also envision ourselves as being an integral part of our customers’ success whether it be their business development or enhance benefits to their employees and customers, and more importantly, we want to play a strong role in social responsibility.

Mission

Our mission is simply to become a reliable and reputable insurance and financial institution that delivers the highest quality products to meet our customers’ needs. We aim to deliver a creative and innovative product that will win the hearts and minds of our customers. Achieve growth through continued expansion of agent representatives nationwide and marketing channels that reach not only our existing but also potential new customers.

Value

ACT SD :

- Accountability : Not just completion but also be successful
- Companionship : Think together and always beside you
- Trustworthiness : Integrity - honesty - reliability
- Synergy : 1+1 = 11
- Dynamic : Relentless development and innovation



Major Changes in Brief

Looking back at insurance history in Thailand, right after World War II, many international insurance companies closed down businesses and abandoned their customers. Subsequently, many Thai's policyholders who were affected had no policies were left exposed without coverage and protection. For the country, this was alarming. In an effort to regain assurance services for the country, a group of SEG's founders foresaw an opportunity and came together to establish the first Thai insurance company. Their mission was very simple which was to fix the situation by provide insurance protection for the Thais. Thus, SEG was established and licensed by the Thai government on 9 July 1946 to provide insurance services. This was the start and the first insurance business in Southeast Asia.

Year	Milestone
1946	Southeast Insurance Company Limited was established by a group of 7 individuals comprised of Luang Damrongduritrek, Phraya Prichanusat, Mr.Rongsanid Chotiksatiem, His Serene Highness Prince Kamalisan Chumpol, His Royal Highness Prince Bhanubandhu Yugala, Mr. Payap Srikanchana, and Mr.Tien Leowrakwong
2000	The Southeast Insurance Company Limited was separated from the life insurance business in accordance with the Life Insurance and Non-Life Insurance Act B.E. 2535, which was divided into "The Southeast Insurance Company Limited" operates the non-life insurance business and "The Southeast Life Insurance Company Limited" operates the life insurance business.
2004	SEG became the major shareholder of Southeast Life Insurance Company Limited, Southeast Insurance Company Limited, and Southeast Capital Company Limited
2012	Southeast Life Insurance Company Limited. and Southeast Insurance Company Limited became a public registered company.
2018	SEG submitted a business alliance proposal to TIC by establishing Thai Group Holding Public Company Limited to acquire all shares from TIC and accept entire business transfer from SEG.
2019	Thai Group Holdings Public Company Limited and SEG's shares began trading on the Stock Exchange of Thailand in place of Thai Insurance Public Company Limited (TIC) on 31 July 2019. Post restructuring, SEG is to become a holding company to support business expansion in accordance with the restructuring plan of TIC and Southeast Corporation (formerly known as the Southeast Group) and SEG will invest in companies with core business i.e. 1) Life insurance business through Southeast Life Insurance Company Limited (SELIC), a subsidiary company, is the major profits contributor 2) Non-life insurance business through the Southeast Insurance Public Company Limited (SEIC) and Thai Insurance Public Company Limited (TIC) and 3) Leasing business through the company called Southeast Capital Limited (SECAP).

Corporate Social Responsibility

Southeast Insurance and Financial Group have commitment to sustainable business practices along with the policy for the benefit of society in 3 main ways, which are social promotion, health, safety, and the conservation of the arts and culture of the nation, while also encouraging Southeast- volunteer employees to participate in various public benefit activities under the social responsibilities continuously.



Southeast - volunteers for society garbage collection around the Silom community on the occasion of the 73th anniversary of Southeast Insurance and Financial Group.



The host of the printed book to commemorate the Kathin ceremony at Wat arun Ratchawaram Day in 2019.



Support the new learning landscape adjustment project School of Mater Dei College.



Southeast Green Mart promotes good health and to seek the income from the operations of the Chaiyaphruek Foundation.



Accident reduction campaign during Songkran festival.



South East "Charity Fun Fair" activity to raise money to donate to the Chaiyaphruek Foundation



South-East volunteers to help the victims flood disaster at Ubon Ratchathani.



Book series "Miracle Wat Arun"

to gather knowledge of architectural history. The construction of the Thai pagoda awarded to the University 's libraries that offer architecture programs throughout the country and sold to the general public who are interested in order to bring the income after deduction of the expenses to be donated to the Watarun Ratchawaram Restoration Fund.

Awards and Recognition



2005

2006

2007

2009

2011

2013

2016

2017



2015, 2017



2009



2018



2018

SELIC

- 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 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.
- Funds Support and Outstanding Savings for 2019: by the National Savings Fund (NSF) in the category of mutual funds.



2010

2007

2006

SEIC

- 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)



2015, 2017



2013



2009



2019

SECAP

- Thailand Top Company Award 2019 Industry Finance Category: by Business Magazine and the Thai Chamber of Commerce University

The shareholding structure of the Group of Companies as of December 31, 2019



TGH	Thai Group Holdings Public Company Limited	SEAD	Southeast Advisory Co., Ltd.
SELIC	Southeast Life Insurance PLC	TCC Card	Tcc Privilege Card Co., Ltd.
SEIC	Southeast Insurance PLC	SEA	Southeast Academic Center Co., Ltd.
TIC	The Thai Insurance PLC	SEA PTE	SOUTHEAST ADVISORY PTE LTD.
DHIP	Dhipaya Insurance (Laos)	RDD	Rod Dee Det Auto Co., Ltd.
ARC	Asian Reinsurance Corporation	SSF	S Sofin Co., Ltd.
SECAP	Southeast Capital Co., Ltd.	SEP	Southeast Property Co., Ltd.
SBL	Sinn Bualuang Leasing Co., Ltd.	ASH	Asiatig House Co., Ltd.
SBC	Sinn Bualuang Capital Co., Ltd.	CSH	CAPITAL Service Holding Co., Ltd.
CCL	CONCEPT LAND 5 Co., Ltd.	BCS	Big C Services Co., Ltd.
		BCB	Big C Insurance Broker Co., Ltd.

Nature of Business

Revenue structure

Details of revenue structure for the Company are as follows:

Revenue	For the years ended							
	31 December 2019		31 December 2018		31 December 2017		31 December 2016	
	THB (MB)	% ¹	THB (MB)	% ¹	THB (MB)	% ¹	THB (MB)	% ¹
Life insurance	9,963.52	41.97	16,178.79	56.24	11,552.42	51.52	7,364.00	44.62
Non-life insurance	8,441.14	35.56	8,117.74	25.09	6,963.84	31.06	5,449.49	33.02
Leasing	3,539.27	14.91	3,845.55	13.37	2,880.92	12.85	2,808.20	17.02
Revenue from other business	0.30	-	1.07	0.00	0.29	0.00	0.80	0.00
Other revenues	1,795.89	7.56	1,679.24	5.63	1,024.26	4.57	881.30	5.34
Total	23,740.13	100.00	29,822.39	100.00	22,421.73	100.00	16,503.79	100.00

Remarks : ¹ percentage of total revenues of SEG

The Company has investment in the following companies that engage in major businesses:

- 1) Life insurance through Southeast Life Insurance PLC (“SELIC”)
- 2) Non-life insurance through Southeast Insurance PLC (“SEIC”) and Thai Insurance PCL (“TIC”)
- 3) Leasing through Southeast Capital Ltd. (“SECAP”)

Nature of Products and Services

Life Insurance Business

The Group is engaged in life insurance business and investment holdings. The industry is regulated by the Office of Insurance Commission (the "OIC"). Thus, we operate our businesses in compliance with this OIC's regulatory guidelines.

1) Ordinary Life Insurance

It is an individual coverage that begins with a minimum coverage of 50,000 baht. The amount of coverage also varies; it is based on the individual coverage preference and premium payment capability. The insurance premium is also based on a variety of risk factors e.g. age, gender, occupation, and etc. The policy's coverage duration also varies; for example, 5 years, 10 years, 15 years, or specify by the age termination of the policyholder. Premium payment can be broken down in portions such as annually, 6 months, 3 months, or monthly. Ordinary life insurance often includes saving and/or investment components that can be used to generate cash value. In addition, the premium paid can be applied towards personal income tax exemption, in accordance with the Revenue Codes. There are different types of ordinary life insurance coverages that offer different benefits relating to life protection and savings.

- **Whole Life Insurance**

Whole life insurance provides death coverage and guarantees payment benefits to the beneficiary upon the death of the policyholder or payment benefits directly to the policy holder if still living when the policy expires. In general, terms of whole life normally covers policyholder up to the age of 90 or 99. Whole life usually covers loss of death, injury, loss of limb, and disability. This is a very popular category of coverage among the policyholders. Normally, this type is a life-long policy up until death of the policyholder. However, there are flexible plans with shorter terms such as 15 or 20 years or up until the age of 60, depending on policyholder's preference. Whole life also offers policy to those who are under 15 years of age and young career occupation. There are main and supplementary coverage that policyholders can choose from. An example of supplementary coverage would be policy that covers cancer and other life threatening diseases.

- **Term Insurance**

A pure death benefit insurance plan with fixed premium rate for a specified period. Benefits payment to the beneficiary when death occurred within the policy period. Typical maturities are 5 to 15 years. The appealing parts of this policy type is low premium payment, shorter coverage period. Moreover, certain coverage plans provide return benefits in the proportion of the amount premium paid.

- **Endowment Insurance**

An endowment policy is a life insurance contract designed to pay a lump sum amount to the beneficiary or the policyholder in the event still living. This plan offers flexible premium payments and periods and able to increase its payout benefit within a specified term. This pension insurance provides many benefits especially as savings, making it a lowrisk way to save.

- **Pension or Annuity Insurance**

An annuity is a type of policy designed for longevity where a policyholder feels he / she will outlive the policy. Annuity guarantees policyholder a secure payment at the end of coverage, usually at a retirement age from 55, 60, or 65 and up. The money benefits can be either a lump sum or a number of payments. These contributions generally earn a rate of return and generally tax-deferred.

- **Single Premium**

A single-premium life insurance is an upfront lump sum premium paid into the policy in return for a death benefits that is guaranteed. With single-premium life insurance, the cash invested builds up quickly, because the policy is fully funded. The size of the death benefit depends on the amount invested and the age and health of the insured. The coverage period varies e.g. 10 years or a specified coverage period. This type of policy is more suited to those who can afford a single sum payment and with expectation of receiving payment benefits as if savings.

2) **Group Life Insurance**

Group life insurance is an insurance plan that provides coverage for 5 or more persons. For the most part, policyholders offer group plan for its employees as part of company's welfare and benefits. Among the policyholders are SME, manufactures, public and private institutions, and including Government agencies. The Company assesses risk premium for group coverage by simply taking the average of insure age, gender, position, amount of benefits coverage to come up with a single premium rate. This single rate will then be applied for every individual coverage within the group. Typically, the positive aspect of group's premium rate is lower when compared to just buying an individual coverage. Most policy's contracts with the insurer are yearly. However, certain special group coverage can make one-single premium payment to cover the entire year. The policy typically covers accident, health, loss of limb, and dental. The plan attractiveness is its diversified coverage, budget flexibility, and accepted by more than 250 hospitals throughout the country.

3) **Institution Life Insurance**

An insurance product that was developed by the Company to service the financial institutions and business organizations. The coverage protects risk of the financial institutions and business organizations resulting from loan default due to death or disability of borrower; this is commonly know as (Credit Life Insurance) and (Mortgage Insurance). Moreover, we also offer a product that bundled a savings with life insurance. The beneficiary receives compensation benefits in the event of death, dismembered, or paralyzed, during coverage period. The payment shall diminish as the period of coverage progress.

Non-life Insurance Business

The Group is engaged in non-life insurance business and investment holdings. The industry is regulated by the Office of Insurance Commission (the "OIC"). Thus, we operate our businesses in compliance with this agency's regulatory guidelines.

1) **Direct Insurance**

The Company offers this type of insurance through its agents, brokers, bank assurance, and directly to clients. There are 4 types as follows:

- **Fire Insurance**

Fire insurance covers losses and damages of residential and commercial properties caused by fire, gas explosion, and lighting. Moreover, fire insurance provides damage coverage caused by the following events such as typhoon, automobile, smoke, water, electrical appliances, riot, work strike, and etc. Some policy also covers interior damage, personal property, and any cost that incurred and temporary shelter rental.

- **Marine Insurance**

Marine insurance covers the losses or damages of shipping cargo, and/or ship vessel from its origination to destination as stated in the policy. The coverage also covers domestic and international point-to-point marine, air, and land transportation. Southeast Insurance also offers import and export protection policy covering items like Cost, Insurance and Freight, Carriage and Insurance Paid, Free on Board, or Delivery Duty, just to name a few. Other damage coverage includes accident, explosive, vehicle damage or disappeared, and etc.

- **Motor insurance consists of :**

- **Compulsory Motor Insurance**

Owner of automobile must register their vehicle with the Department of Land Transport as required by the Compulsory Motor Insurance Act. This is to ensure that road victims are compensated in event of injury or death and including any expenses arise from a road accident.

- **Voluntary Motor Insurance**

Owner of vehicle has the freedom to select coverage plan that he/she deems suitable for their accident protection. There are 5 coverage plans as follows:

Type 1 : covers owner's vehicle damages due to accident, injury, loss of life, and including any third party's damages as stipulated by laws;

Type 2 : covers only owner's vehicle due to theft, fire, loss of life, injury, and any damages to the third party;

Type 3 : covers only third party's vehicle damages, loss of life, and injury as stipulated by laws;

Type 4 : covers third party's property as stipulated laws;

Type 5 : covers vehicle theft, fire, any damages occurred on land vehicle crash only.

Overall, the non-life insurance business group provides voluntary insurance coverages for different types of car, imported brands and models, eco-car, and vans to suit the different needs of customers, including motorcycle insurance. Customers can even select coverage with specific brand dealer for any repair.

- **Miscellaneous Insurance**

An insurance other than fire, marine, transportation, and personal automobile, which miscellaneous insurance provides coverage for damages as mentioned under the following 3 types :

Personal Insurance Protection

- **Individual Personal Accident Insurance**

Personal Accident Insurance policy provides complete financial protection to the insured members against uncertainties such as accidental death, accidental bodily injuries, and partial / total disabilities, permanent or temporary disabilities resulting from an accident, and per diem compensation during hospitalization as stipulated in the policy. This plan is suitable for office staff, entrepreneur, children, and elderly.

- **Travel Accident Insurance**

Travel accident insurance essentially covers accidental that occurs during an individual travel itinerary which mainly covers injury, death, dismemberment, and hospital expenses.

- **Cancer Insurance**

A cancer insurance policy covers most cancer treatment, hospital expenses including operation doctor treatment, and indemnity as stipulated in the policy. The Company will payout a lump sum amount based on coverage benefits.

Property Insurance

- **Accidental and Property Damage Insurance**

The protection of the building, assets within the building, stock of material goods, and inventory resulting from fire, lightning, explosion, aircraft, floods, and etc.

- **Burglary Insurance**

Cover losses or damages to specified insured items due to theft by external party. Including the damage to the property where the items are stored as stipulated by the policy.

- **All Risk Insurance**

All risks are a type of insurance coverage that automatically covers any losses and damages that the contract did not explicitly omit.

- **Plate Glass Insurance**

Plate glass insurance covers accidental damages to or breakage of glass such as office building windows, showroom, and glass door.

- **Money Insurance**

Protect the losses of cash, check, cash certificate, cash equivalent from the safe or during transport, or other assets due to theft or robbery. Coverage for safe deposit box and room are also available, if requested.

- **Neon Sign Insurance**

A policy that protects damages to advertising signboard or neon lights due to fires, lighting, explosion, and other external causes including confession of external party.

Engineering Insurance

- **Contractors All Risks Insurance**

Cover damages to construction due to natural disasters, fires, explosions, negligence, construction materials, and other accidental incidents during construction or may include work maintenance, and other legal liability to third party due to the construction work.

- **Erection All Risks Insurance**

Covers damages to the machinery installation process or testing caused by natural disaster, fire, explosion, negligence, other hazarded incidents, and legal liability to third party.

- **Boiler & Pressure Vessel Insurance**

Cover damages to boiler and pressure vessel caused by explosion due to internal compression or external pressure, and legal liability to third party.

- **Electronic Equipment Insurance**

Covers damages to electronic devices and equipment, electronic parts, and equipment used for recording information due to sudden breakdown. The coverage extends to any additional expenses due to replacement.

- **Contractors' Plant and Equipment Insurance**

Covers damages machinery used in construction caused by fire, lightning, theft, faulty design, including other accidental incident caused by nature.

- **Machinery Breakdown Insurance**

Covers damages caused sudden breakdown of machinery due to design defects, improper installation, explosion, electrical short circuit, natural disaster or other incident which is not covered by the policy.

Legal liability Coverage Insurance

- **Public Liability Insurance**

Cover policyholder's legal liability in the event of death, injury, property damaged to third parties that are not employed by the policyholder or persons who are family members due to negligence caused by the policyholders.

- **Medical Malpractice Liability Insurance (Practitioners)**

Covers and protection medical professionals mostly physicians due to mistake or negligence during professional practice that leads to the cause injury to the patient or death.

- **Directors' and Officers' Liability Insurance**

Covers the directors, management, and staff from mistake and bad judgement occurred during work performance.

- **Workmen's Compensation Insurance**

Covers employer's legal liability in the event their employees experience or sustain injury from performing his/her duty. The injured party will receive compensation in accordance with as stipulated by the Labor Laws. The normal coverage often includes medical expenses, dismemberment, personal compensation, death benefits, and etc.

Insurance Coverage for other conditions

- **Fidelity Guarantee Insurance**

Compensate financial losses to the employer (insure) in the event employee commits fraudulent action, embezzlement, or signatory forgery.

- **Bail Bond Insurance**

Provide coverage for a defendant in a criminal case who wish not to be incarcerated during the trial period with the promises to appear in court at the designated time. If defendant fails to show up, the bail agent is responsible for paying the bond amounts.

- **Golfer's Indemnity Insurance**

Covers the physical injury, death, dismemberment, disability, third party liability, caused by going activity; including a cash prize for making a hole-in-one.

- **Other Insurance**

Other than the variety of insurance categories that had already been mentioned, the Company is readily prepared to devise a tailored insurance product to serve the clients' requirement and needs to match with the changing environment whether it be social, economics, and just to name a few.

2) Reinsurance

The company is also engaged in the business of cede reinsurance and assumed reinsurance under the Non-life Insurance Act of B.E.2535, Section 31 (2), amended according to the Non-Life Insurance Act, Publication No. 2 of B.E.2551.

The Act prohibits an insurer to insure one single risk with the amount of sum insure more than 10% of the capital fund, which requires the Company to outward reinsurance in order to increase the potential to insure higher value products and help reduce risk by distributing the company's risk in the following patterns:

- **Outward Facultative Reinsurance**

It is a reinsurance transaction of a single risk policy. The reinsurer retains the right to accept or reject the risk just like the primary insurer has the right to decide whether to insure a policyholder.

- **Outward Treaty Reinsurance**

Treaty reinsurance is an insurance purchased by another insurance company from an insurer. There are two categories of reinsurance, Proportional and Non-Proportional Treaty. Proportional Treaty is when a certain portion of primary insurer single coverage is covered. Non-Proportional Treaty is when coverage is based on excess of loss.

At the same time, the Company has an Inward Reinsurance from both domestic and international insurance companies in the form of Inward Facultative Reinsurance.

Leasing Business

The Company operates a leasing business. The aim is to source an operating asset for a juristic company (client) whereby the client enters into a lease agreement with the Company's subsidiaries called Southeast Capital Company Limited (SECAP). The financial structure that client agreeing to pay a scheduled installment amounts to SECAP for services rendered. The products leased are as follows:

1) Operating Lease - Automobile

SECAP is engage in auto leasing. It leases variety of vehicle mostly long-term to the governmental agencies, State enterprises, public and private companies in Thailand, including TCC Group. SECAP auto leasing service includes insurance Type 1, insurance renewal service, repair service Maintenance, and temporary or replacement cars. As of December 31, 2019, SECAP has over 21,000 leased cars. In addition, SECAP provides vehicle consulting and management services.

The lessee derived benefits in variety of ways. For example, lessee doesn't have to invest upfront cash towards non-core business, burden of auto maintenance, insurance policy, requirement change of vehicles, temporary replacement vehicle, and reduce the complexity in vehicle management, and etc.

In addition to the auto leasing business, SECAP also plans to expand into hire purchase business in a variety of ways. The relevant formats for auto and non-related are as follows:

2) New Car Hire Purchase

For consumer who wants to own car with flexible payment terms, the borrower can choose monthly payment amounts that is suitable for their income.

3) Used Car Hire Purchase

For consumer who wants to buy a used car, SECAP will work out also a suitable and friendly installment plans.

4) Cash Your Car

A car equity loans where borrower can use their car as collateral for cash. The service is friendly with quick turn-around approval and flexible terms of payment.

5) Revolving Loan

A short-term loan for businesses that require a short-term cash. This allow business owner to, effectively and efficiently, manage their business operations, especially during the high seasons of the business cycle, typically during different festive events. The loan is often used for inventory build up and other expenses to get the products to the consumers. Currently, SECAP lending practice is towards the Company's business partners mostly among the TCC Group, such as Thai Beverage Public Company Limited.

6) Factoring Loan

A loan product whereby business borrower can borrow from lender by using its accounts receivable as collateral. SECAP charges interest and administrative fees for handing of borrower's accounts receivable. SECAP mainly offer this product to its business partner mainly within the TCC Group.

7) Project Finance

As the name implies, it is a project financing structure. The funding is for new investment with emphasis given to project's cashflow as collateral. Thus, new project should post a strong liquidity in determining project lending. Currently, SECAP funds only businesses within the TCC Group.

8) Other loan types

SECAP also provides Loans for SME, business partners such as independent auto inspection stations, authorized franchisee that distributes TCC Group's products, TCC Group of companies, especially supporting those

SME businesses and partners of TCC Group that have long and good working relationship history. Their strong business liquidity and good business performance will certainly contribute to enhancing the Group value.

SECAP is in the process of forming a new company called SEG Money Company Limited to service personal loan without collateral.

In addition, SECAP's subsidiary called RDD is responsible for managing the purchases of a used and inactive fleet of vehicles from SECAP. In turn, RDD resell the fleet to the consumers through variety of distribution channels, e.g., used car auction, used car showroom, or even to the former lessee of the vehicle, and etc. The vehicles are priced to market, so this should enhance and strengthen the liquidity of the Company.

Other group businesses

The Company engages in other businesses to support our main products which are life insurance, non-life insurance, and leasing. Other businesses that support our main products are operated by the Company's subsidiaries and associated companies, for example, insurance agent training, business consulting, and property leasing, and etc.

In 2019, The Company establishes Southeast Property Co., Ltd. to operate property leasing business owned by Thai Group Holdings PCL and/or others.

Service Channels

Life Insurance Business

1) Distribution and distribution channels

Our life insurance products are distributed through a variety of channels. We are continuing to expand our distribution channels in order to reach the ever growing customer base. Currently, the official's channels are as follows:

- Representatives and brokers, we are actively recruiting representative selling personal life insurance policies; as of December 31, 2019, we have over 2,000 representatives in the category of personnel life insurance working out of 53 branches throughout the country, including distribution channels who are brokers;
- Banks and financial institutions, we collaborate with banks and financial institutions in developing insurance policy that fits the needs of bank's customers. Banks happen to be our best channel and highest selling proportion for life insurance policy;
- Telephones, through "Telesales" channel, this is a direct marketing approach where we engage directly with customers selling our life insurance products;
- Other, in addition to distributing life insurance policy through the traditional channels mentioned above, we have also developed a Web Application called "S Plus" and digital-online channels to further our reach among the online community.

Nevertheless, for us, leading distribution channels for life insurance policy have been through banks, followed by representative and brokers, Telesales, and others, respectively.

2) Customer Target Group

Our customer target can be broken down into two (2) categories:

- Individual, this group can generally be accessed through banks' representative channel. Other channels include corporate workplace where friend-recommendfriend, and TCC Group own employees;
- Corporate, this group is generally organization, e.g., government agencies and State enterprises, public and private corporations.

Non - life Insurance Business

1) Non-life insurance distribution channels

- Representatives and brokers, our auto insurance product is sold mostly through this channel. As of 31 December 2019, there are 13 branches of representatives and brokers throughout the country, and SEIC has 75 branches in total spread out throughout the regions;
- Banks and financial institutions, through our collaboration with the banks and financial institutions, most of insurance policies sold are through this channel; among the policies are personal, property, and auto insurance;
- Telephones, we engage in Telesales just like the life insurance business;
- Company network, with SECAP engaging in auto leasing, they are our biggest consumer of our auto insurance. Moreover, we have extensive network and reach under TCC Group. The Group is a conglomerate with businesses ranging from food and beverages, industrial and commercial, logistics, hospitality, real estate, agricultural, and just to name a few. Thus, our diverse insurance products are sold within the Group, especially (Industrial All Risk Insurance).
- Other, we also distribute our products through website called www.thaiins.com for TIC and www.seic.co.th for SEIC. In addition, we are studying plan to further expand new distribution channels for our non-life insurance through online applications.

SEIC continues to focus on traditional distribution channel through its sales agents and brokers, banks and financial institutions. While TIC focuses on expanding online distribution such as websites and applications to increase its competitive edge in digital era.

- Reinsurance, our subsidiary called Ceding Company is engaged in reinsurance operations. We are noticing that Ceding is generating good cashflow from this reinsured activity.

2) Target customer group

- Individual, this group can generally be accessed through representatives and broker, banks and financial institutions. Other channels include corporate workplace especially TCC Group own employees;
- Corporate, this group consists of organization such as State enterprises, public and private companies, including SECAP and other companies in the TCC Group

Leasing Business

1) Distributions and Channels

The SECAP leasing operations focuses on direct contact with our corporate customers. Our sales representatives are highly trained professionals with good knowledge of structuring the right product to serve our corporate customers needs. As for RDD, the used vehicles operations, its distribution channel consists of used car auction, used car showroom, or even to the former lessee of the vehicle, and etc.

2) Target customer group

Customer group for leasing business is mainly registered organizations and can be segmented into three (3) types:

- Government organizations which consists of various governmental agencies and state enterprises. Due to variety of tasks and duties for different agencies, among the popular vehicle types are sedan, commuting vans, pickup trucks, and etc;

- Private organizations which consists of private and public companies that have different set of requirement for vehicle usage. The types of vehicles lease are luxury sedan, commuting van, pickup truck, and semi and full tractor trailer.
- Company network which consists of companies under the TCC Group. The Group requirements for lease vehicles are similar to that of other private or public organizations.

As for our group of customers, currently SECAP provides loans for staff and group of companies under the TCC Group. Our plan is to expand loan services to non-group customers.

Market Conditions and Competition

Overview of Life Insurance Business

The life insurance business in Thailand continues to experience growth when compared to other industry. The growth catalysts stem from government investment in large-scale infrastructure projects, private investment, growing tourism, and increase agricultural prices, which contributed to higher farm income per household. Thus, these factors contribute to higher private consumption. Furthermore, the government and insurance commission eased its regulations whereby insurance providers can actively engage in educating the public on the benefits of life insurance and the important of long-term health planning. In addition, the government allows insurance policyholder to use premium payment up to 15,000 Baht towards their annual personal income tax deduction. Hence, from 2012 to 2018, total premium has grown by 8.21% per year.

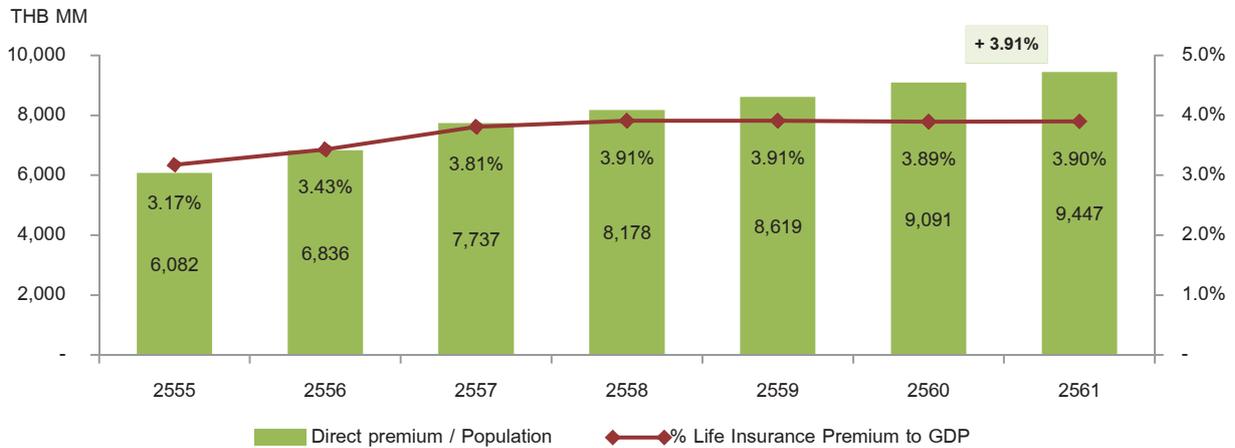
Life insurance business in 2018 generated premium income of 627,387 million Baths, a growth of 4.26% YoY. The Renewal Year Premium is 446,972 million Baht representing the retention rate of 83% relative to GDP (Insurance Penetration Rate) of 3.90%. In terms of Insurance Density, it represents 9,447 Baht per person; growing at a rate of 3.91% YoY.

Life Insurance Premium



Source: Thai Life Insurance Association

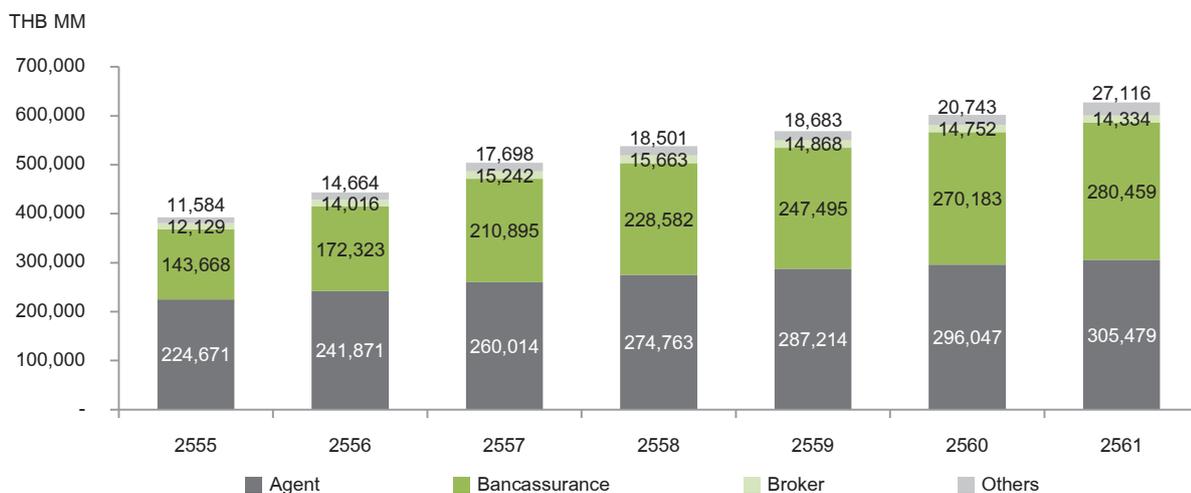
Ratio of Life Insurance Policies to Total Population and GDP



Source: Thai Life Insurance Association, Office of Economic and Social Development and registration data

As for distribution channel, agency continues to be the main and leading channel for life insurance distribution. For the year ended 2018, the portion of this distribution channel makes up 48.69% with a total life insurance premium income of 305,479 million Baht, a growth of 3.19% YoY. Bancassurance is second with distribution of 44.70%, representing a total life insurance premium income of 280,459 million Baht, a growth of 3.80% YoY. The third distribution channel is through direct marketing with 2.28% with a total life insurance premium of 14,334 million Baht, a decrease of 2.84%. Other channels make up 4.32% with a total life insurance premium income of 27,116 million Baht, an increase of 30.72%, respectively.

Insurance Premium by Distribution Channels



Source: Thai Life Insurance Association

SELIC Insurance Premium Received and Market Share



Source: Insurance business statistics by OIC

SELIC continues to experience insurance premium income and market share growth. As of 2017, its market share was 1.85% of premium income, representing 11th position relative to industry. As for 9M period 2018, its market share has increased to 2.52% in terms of insurance premium income, still maintaining a 11th position. When compare FY17 to FY18, premium income grew at a rate of 42.03%. As for 9M period 2018-2019, premium income declined by 43.06%

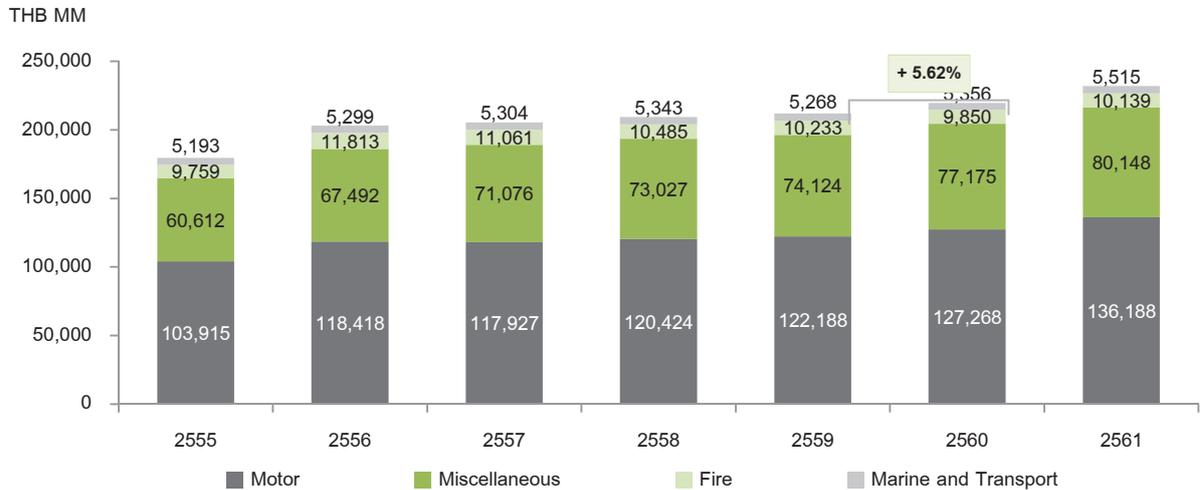
Non-life Business Overview

The Thai economy in 2019 achieved a GDP growth of 2.60%, continued from the year 2018, which grew by 4.10%, which is based on National Economic and Social Development Board (NESDB), resulted in non-life business growth relative to the country's economic expansion. From the year 2012-2018, direct income growth is averaging 4.37% per year.

Non-life insurance business continues to experience growth. In 2018, there was direct insurance premium income totaling 231,990 million Baht, representing a 5.62% growth when compared to previous year. As for 9M 2019 YoY, growth continues at 4.70% which is inline with country's economic growth. When looking at product segment growth, auto insurance tops the list in non-life product category, representing 59.27% of all direct premium income with 5.40% growth when compared to 9M 2018. Miscellaneous insurance came in at 2nd with products like Accidental Insurance, All Risks Insurance, and Property Insurance with 34.04% of direct premium income, growing at 4.74% for 9M YoY. Fire Insurance takes 3rd place with 4.37% of direct premium income, growing at 1.25% for 9M YoY. And lastly, Marine Insurance with 2.15% of direct premium income, growing at 9.02%.

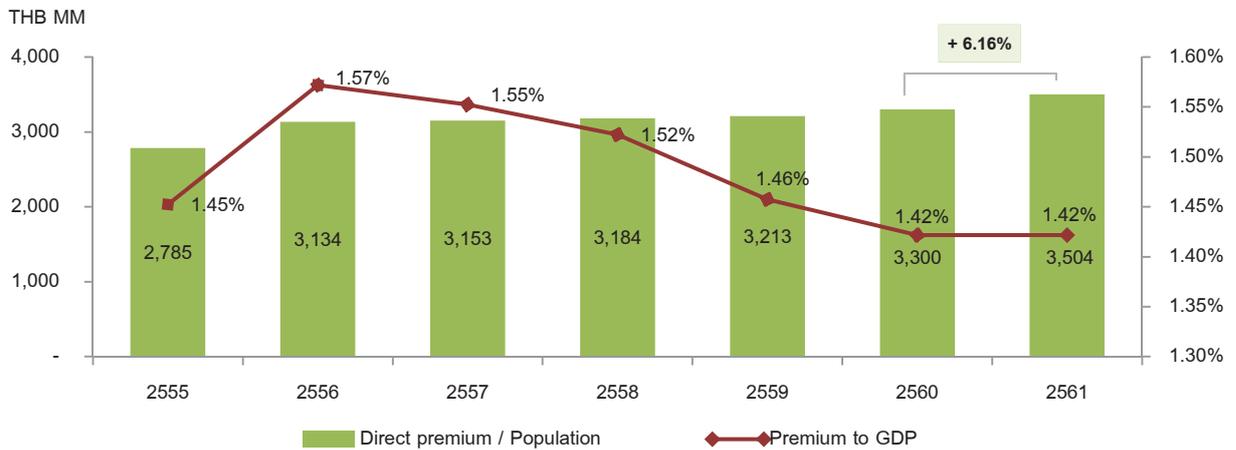
Overall, non-life premium per GDP or Insurance Penetration Rate is 1.42%; and in terms of Insurance Density, it amounts to 3,504 Bahts per person, growing at the rate of 6.16% YoY.

Non-life Insurance Premium by Types



Source: Non-life insurance statistics by OIC

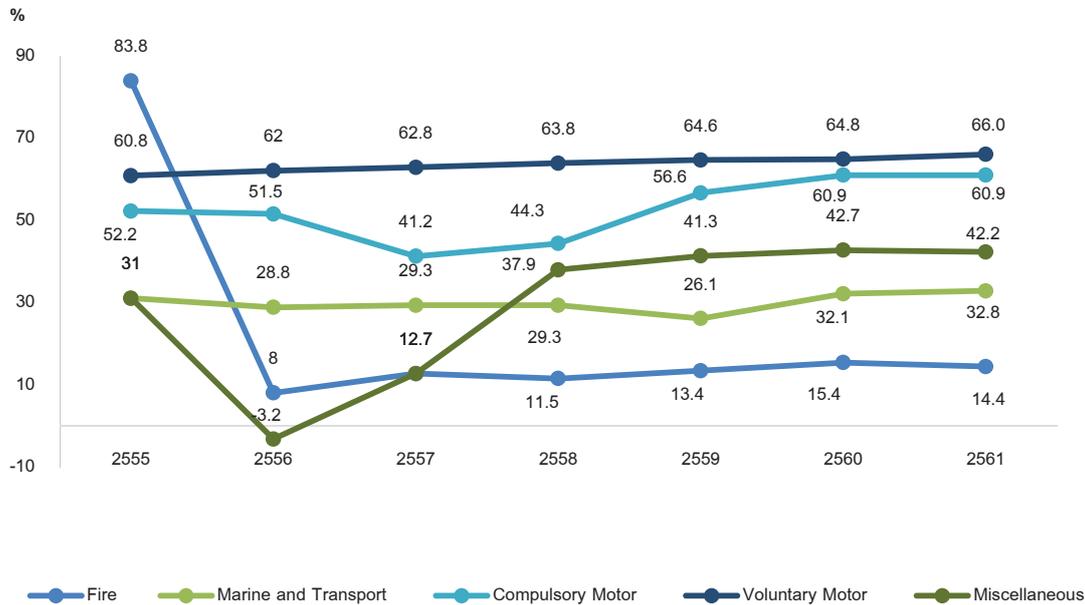
Non-life Insurance Premium to Total Population and GDP



Source: OIC and Office of Economic and Social Development and registration data

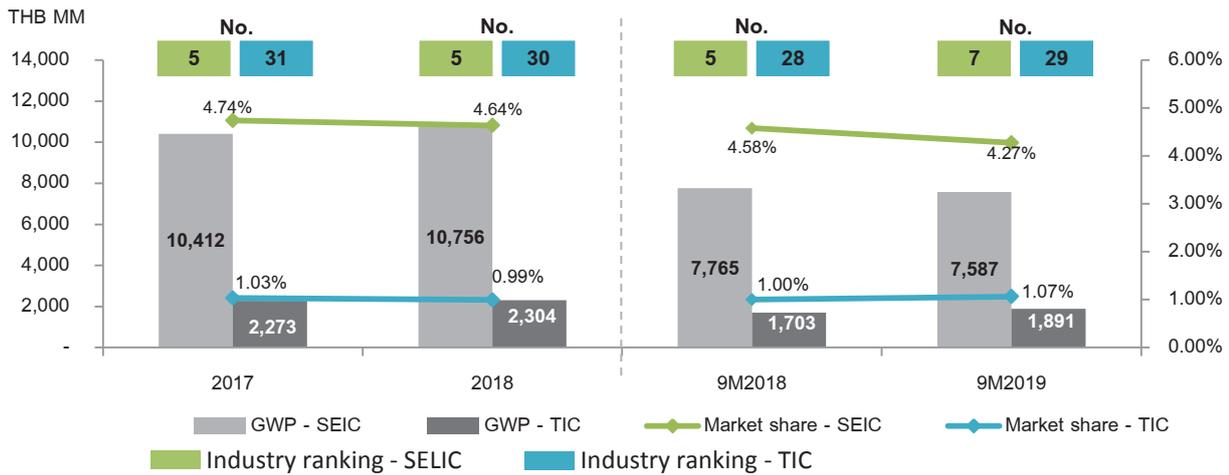
The Loss Ratio for non-life insurance business is 56.74%, an increase from previous year. The order of Loss Ratio products from high to low are as follows: auto insurance at 65.25%; Miscellaneous Insurance at 42.25%; Marine Insurance at 32.80%; and Fire Insurance at 14.40%, respectively.

Loss ratio by Types of Non-life insurance



Source: OIC and Thai Non-life insurance Association

Non-life Insurance Premium Obtained and Market Shares of SEIC and TIC



Source: Non-life insurance statistics by OIC.

SEIC recorded growth in premium income while its market share declined. In 2017, its premium income portion relative to the industry is 4.74% and in terms of market share is 5th in industry ranking. As for 9M2019, its market share of premium income is 4.27% which is 7th relative to industry. For Y2018, premium income rose by 3.31% YoY. As for 9M2019, premium income declined by 2.30% compared to the same the nine-month period of 2018.

TIC both premium income and market share rose YoY. In 2017, its premium income market share was 1.03%, 31st relative to industry ranking. For 9M2019, its market share is 1.07% which means 29th relative to industry ranking. As for premium income for the Y2018, it rose by 1.37% when compared YoY. For the 9M2019, its premium income rose by 11.07% when compared to the same 9M2018 period.

Leasing Business Overview

The auto leasing business is classified into 2 categories. The first is short-term rental with less than 1 year period. The second is long-term rental or operating lease that consists of 1 year or more. Most of SECAP operations comprise of operating lease. According to Thai Farmer Research Center, Thailand's automobile market in 2020 is likely to remain similar to 2019 with likely hood of 5% declining. In absolute terms, total sales could drop to 960,000 from 1,015,000 vehicles. The research center attributed the decline to the Bank of Thailand announcement right around mid 2019 which it called for stricter control on auto loans. Hence, Y2019 estimates for auto sales could drop by 2.50% from 2018.

For auto rental operators with operation lease product, the prime target customers are corporates and governmental agencies. These customers prefer a turnkey solution with manageable payment as they don't have to be burden by upfront investment, managing maintenance expenses, registration and insurance renewal process, replacement car, and added risks to their core business. Currently, there are many companies that provide vehicles for operating lease. The list of service providers and its operational results is shown in table below.

Company	Total Revenue (THB mm) For the Year Ended 31 December		
	2016	2017	2018
Thai Orix Leasing Company Limited ⁽¹⁾	3,621.08	3,870.38	4,258.00
Phatra Leasing Public Company Limited	4,174.43	3,857.05	3,832.38
True Leasing Company Limited	2,434.16	2,491.01	2,615.01
Synergetic Auto Performance Public Company Limited	1,459.44	2,141.91	2,675.17
Krung Thai Car Rent and Lease Public Company Limited	2,002.97	2,092.39	2,081.43
Master Car Rental Company Limited	1,621.42	1,588.64	1,441.29
Thai Rent A Car (1978) Company Limited	1,349.37	1,326.01	1,058.99
Thai V.P. Corporation Company Limited	942.93	944.18	985.79
Premier Inter Leasing Company Limited	630.45	687.63	705.54
Japan Rent (Thailand) Public Company Limited	235.41	244.89	223.78

Note: ⁽¹⁾ Accounting period starting from 1 April to 31 March

Source : Mistry of Commerce via Business Online (BOL) and SET

Based on revenues information for the companies that engage in auto operating lease business, it can be interpreted that for the most part revenues generated from this segment is relatively stable. This is attributed to long-term leasing contract which is anywhere from 3-5 years. More importantly, the customers base are big organizations such as government agencies, State enterprises, top tier private and public companies. Each customer has different leasing requirement; thus, to retain their customers and remain competitive, lease operators compete on service quality and offer the right solutions to fit the needs of lessee's business model. The industry competition is still manageable as there is still room for industry's growth. We believe demand for auto operating lease is still on the rise due to customers' business expansion. Furthermore, we are seeing that some organizations are converting from vehicle ownership to operating lease.

As for the competitive landscape for used vehicles resale in Thailand, for the first 6M 2019, we saw the market grew by 5-7%. But, in 3Q 2019, we saw a slight decline in sales volume due to higher household debt. High household debt means banks will become stricter on loan approval, especially for used vehicles. When looking at the Y 2019, we believe vehicle resale should remain stable at around 145,000 million Baht. As for Y 2020 forecast, as long as the Baht currency remains strong, it would be difficult to compete in exporting Thai agricultural products. Thus, we would need to rely on tourism income to enhance household earnings. We are still concerned about household debt. Although when looking by region, Eastern seaboard shows good volume for second-hand vehicles up take. This is due to strong industrial production and EEC activity. As for agricultural region, farm income still hasn't improved. This means the market for used vehicles are still 80% concentrated in the central region, Bangkok and outlying areas. About 90-95% of used vehicle buyers rely on bank financing, if the banks continue to apply strict approval loan process, it would negatively impact the sales volume. Therefore, we expect to see a minor contraction in used vehicles sales for the year 2020.

Procurement of products or services

Source of Capital

The life insurance business has 2 main sources of income: registered paid-up capital; cash flow derived from premium income and income from investment.

The non-life business has 3 sources income: registered paid-up capital; cash flow derived from premium income and income from investment.

The leasing business has 3 sources of income: registered paid-up capital, cash flows derived from core operations; and from loan.

Risk factors

The risk factors identified in this section are the risk factors that the Company considers as significant and may cause a negative impact on the financial position and performance of the Company, including the value of ordinary shares of the Company and may affect the return on investment in ordinary shares of the Company significantly. In addition to the risks specified in the Company's prospectus, there may be other risks that the Company may not know at this time or the risk that the Company now considered and agreed that there was no significant impact on the business of the Company. Such risks may affect the financial position and performance of the Company, including the value of ordinary shares of the company significantly.

1) Risk from business operations in life insurance and non-life insurance

1.1 Strategic and competitive risk

At present, there are predictable and unpredictable changes that pose risk to our businesses, especially the environment both domestic and abroad. Business risks for us include industry competition like marketing, human resources, consumer behavior, technology, natural disasters, and even global climate change. These factors do have impact to our businesses and could affect the achievement of the Company's objectives.

To reduce these risks, SELIC, SEIC, and TIC (our subsidiaries), the Company has prepared a business and annual operating plan to align with the vision of each company operation. We have carefully taken various risks factor into account including risk that had occurred and expected to occur. We will be monitoring its movements throughout the year in the area of economic situation, politics, industry like market conditions and competition, technology, and among others, to be used for risk assessment as our businesses operate. This way we can make adjustment to remain on targeted objective and goal.

In preparation, SELIC, SEIC, and TIC have improved its internal control systems like workflows that can improve work efficiency, lower costs, and clear evaluation systems which consistent with the goals of each company. Strategic Planning Department is responsible for summarizing the situation of the operation and show the status of the success of the plan. Such risk management helps anticipate the risks that can occur in time and can find a way to prevent or turn them into business opportunities.

1.2 Risks from underwriting insurance policy

SELIC, SEIC, and TIC have determined the insurance premium rate to suit the risk level using statistical principles and assumptions about the frequency and severity of the standardized actuarial danger used in determining the price of each product which is an important factor in determining the appropriate premium rate able to compete in the market.

The operations of such companies are directly related to various types of risk protection. Therefore, SELIC, SEIC, and TIC have guidelines for preventing risks from insurance in various areas including in reinsurance with an underwriting policy that is regularly reviewed by relevant executives as well as in the insurance operation. The Insurance Department will conduct a thorough assessment, survey and analysis of the risks thoroughly, to suit the risks of each company acceptable as well as the preparation of the report of the underwriting performance proposed to the senior management continuously to review and provide policy advice in order to maximize operational efficiency. As well as causing such companies have the ability to act quickly and fairly with the insured's obligations and reduce risk which may affect the number of claims and cash flows expected to receive in the future.

SELIC, SEIC, and TIC have diversified risks for all types of insurance, especially insurance that has high insurance coverage which diversify that risk has been distributed to both domestic and international reinsurance companies which selected by focusing on companies that have received a credit rating of not less than A or the ratio

of capital to risk (Capital Adequacy Ratio: CAR) in accordance with the standards specified by the OIC to ensure that the insured will not be affected. In the event of a catastrophe with a large number of victims, in terms of amount or amount of danger It is also a risk prevention for the company as well.

1.3 Operating risks

Operational risks are risks arising from internal operational processes, people, work systems or factors outside the organization that will affect the activities of SELIC, SEIC, and TIC and cause damage to the company. SELIC, SEIC, and TIC have provided a good internal control system; allocate qualified personnel that are essential to the job characteristics. In order to be able to work efficiently and improve work processes to keep pace with business changes and able to support the business of the Company.

In addition, SELIC, SEIC, and TIC have prepared risk registration, which indicates the risks of each party, cause of risk, risk indicators, risk control measures, in which all departments are prepared and used to carry out risk prevention for each agency itself. Including the Board of Directors of such companies have also established a risk management policy which covers the risk management process that must occur, including the performance report to the management regularly in order to ensure effective risk management and compliance with various rules and regulations both of the Company and various regulators.

In terms of impacts and risks from external factors, SELIC SEIC and TIC have prepared a business continuity plan (BCP) to allow the company able to continue the business if there is an event that may cause the business to be interrupted.

1.4 Risks from sales channel

This risk is a factor from having main income through one of the many channels which, if there are unforeseen changes in advance may affect the competitiveness or business growth. At present, SELIC has a high proportion of income from the Bancassurance. The risk management is to develop the potential and increase the proportion of revenue from other channels such as sales channels through agents, group insurance, telesales and online channel and etc. Coupled with product development and technology to support services that respond to customer needs which results in Satisfactory results and has a tendency to continuously improve.

1.5 Investment risks

The investment of SELIC, SEIC, and TIC proceeds according to the scope and requirements of the OIC and related laws which is considered as an important mechanism in managing the investment of such companies to be prudent and concise.

Income from investments can be received in the form of interest, dividends and profit (loss) from the sale of securities which any changes about both domestic and international economic conditions, politics as well as financial policies will have an impact on investment income. SELIC, SEIC, and TIC have a unit that is directly responsible for investment management that will monitor various situations in risk assessment and able to adjust investment strategies in accordance with changing situations.

The Board of Directors of SELIC, SEIC, and TIC have continuously reviewed the investment policy in order for the investment management to be prudent and achieve maximum efficiency at acceptable risk levels.

1.6 Interest rate risks

Changes in interest rates will affect SELIC, SEIC, and TIC in many ways, including Volatility of financial statements

Changes in interest rates will affect the financial statements of SELIC, SEIC and TIC. Such companies have to adjust the value of the reserve for benefits or compensation according to the insurance policy. As a result, financial statements may be volatile. SELIC, SEIC and TIC have managed risk by managing the product mix to suit the situation.

The return on investment in debt securities

SELIC, SEIC, and TIC have invested in the debt securities that are directly affected by changes in interest rates. In the case of interest rates falling, such company is likely to receive lower returns, especially investment in government bonds. While investing in private sector debt securities that yield higher yields than having limited investment assets at the appropriate level. In addition, control of the capital adequacy ratio is not affected by excessive investment.

1.7 Risks of maintaining the capital level

SELIC, SEIC and TIC operate life insurance and non-life insurance businesses which are under the supervision of the Office of Insurance Commission (OIC), which sets the criteria for maintaining the level of capital adequacy of such companies not lower than 140 percent. SELIC, SEIC and TIC have measures to regularly monitor and assess the adequacy of capital funds.

2) Risks from operation in the leasing business

2.1 Strategic and competitive risks

In the past, there were many leasing and hire-purchase business operators in the market. Both a shareholder of financial institution and a service business of a car manufacturer with a large amount of capital from abroad. Causing higher competition in the industry which may result in price competition and decrease of the return of each company. However, SECAP has a select group of customers who need for vehicles and have the potential to pay rent both government and private sectors. In addition, SECAP has implemented computer systems to enhance efficiency in management. In order to ensure the efficiency of management and monitoring of services closely and thoroughly.

2.2 Risks of ability to pay rental expenses

As the rental income is the main revenue of the business in the car rental business, therefore, the ability to pay the rent of the tenant is an important factor. In case that the tenant is unable to pay the rent, it may affect the revenue and profit of the company. SECAP has quality filtering, a policy to select customers and a strict follows-up process for tenants.

2.3 Interest rate risks

Since SECAP has fixed rental fees for the entire lease term which most of them are between 3 - 5 years. While the borrowing cost of SECAP depends on the market interest rate which may directly affect the costs and profits of SECAP and the Company. SECAP has risk management on investment in rental properties and interest rates by keeping the financial costs at an appropriate level so that the interest rate gap is at a profitable and consistent level. Normally, SECAP will seek appropriate funding or adjust the loan structure to be in line with the contract term.

2.4 Risks of residual value

In operating a car rental business in the manner of operating the lease to a juristic person operator with the rental period between 3 - 5 years, which after the expiration of this type of lease agreement, most assets will be sold out. Except in some cases where SECAP has an agreement for the tenant or car user to exercise the right to purchase a rental car which will be specified in the terms of the contract. Therefore, the main income from the business operation in the SECAP car rental business consists of revenue from car rental according to the operating lease agreement that is received each month throughout the contract term with customers and income from car sales when the contract expires.

In calculating monthly car rental fees charged to that customer, SECAP will estimate the residual value of the car and various cost estimates which is expected to occur plus various administrative fees. The car value is a fair value in the future that is expected to be sold by SECAP when the contract expires with the customer. The

estimate of the residual value is very important, If SECAP estimates the residual value lower than the actual cost, SECAP will cost too high and results to calculate the monthly car rental with high price. Or in case that the estimate of the residual value is higher than actual, it will make the SECAP cost lower than reality, the calculation of monthly car rental fees with customers too low and finally may cause loss from the sale of the car when the contract expires. Therefore, SECAP therefore has the risk of deviating from the value of cars sold in the future which will significantly affect the financial position and operating results of the SECAP. Based on long-term management experience, SECAP can effectively manage the residual value. In addition, SECAP has surveyed and collected data about the used car prices in the market regularly to analyze the trends of automobile market including reference from second-hand car prices of various financial institutions that covers the price of evaluating all brands of cars.

2.5 Risks from selling expired car or loss from selling price

When the car lease contract expires with customers, SECAP will return all cars for sale as second-hand cars according to various distribution channels. SECAP have risk associated with selling cars in many cases as follows:

- 2.5.1 SECAP has a risk of not being able to sell cars which will result in a lot of second hand cars stock.
- 2.5.2 In the case of slow-moving of car selling, SECAP will have a risk of impairment of the value of the car. The price of such cars will tend to decrease as time goes on.
- 2.5.3 SECAP has the risk of selling cars at a price lower than the expected residual value which will result in loss from sales and affect the performance of SECAP.

The car is an asset that generally has relatively high trading liquidity and has a wide market to support, as well as rental cars. Most of SECAP's rental car is a top brand car resulting high trading liquidity. SECAP believes that the risk of not being able to sell cars or slow-moving are depended on many factors, such as the car market situation at that time brand and model, car preferences and distribution channel, which SECAP has regularly surveyed and collected information about second-hand car prices in the market, to analyze the trends of the automobile market, including reference from second-hand car prices of various financial institutions that covers the price of evaluating all brands of cars.

2.6 Risks from not complying with the debt covenant

SECAP has an interest-bearing debt to equity ratio (IBD/E ratio) that includes the calculation of the shareholder loan included in the shareholders' equity as of 31 December 2017, 31 December 2018 and 31 December 2019, equal to 2.83x, 2.80x and 2.81x, respectively, which is lower than the terms of the SECAP loan agreement which requires SECAP to maintain interest-bearing debt to equity ratio within specified terms stated in the covenant. In addition, SECAP has procedures to control the compliance with the conditions in the loan agreement to ensure that SECAP does not breach any covenant specified in the loan agreement and has assigned the financial officer to supervise the compliance with various loan agreements.

2.7 Other risks

2.7.1 Risk from not fulfilling the Stock Exchange of Thailand's free float requirement

The Company has successfully completed its Backdoor Listing in 2018. At this point, the company has fulfilled most of the criteria as a publicly listed company with the exception of free float requirement of having at least 150 minor shareholders and must hold at least 15 percent of the Company's paid-up capital as required to maintain status of being a listed company on SET. To remedy this issue, the Company has requested a waiver of such criteria in order to diligently complete the transaction. The Company plans to distribute shares in order to meet free float and comply with SET criteria within 1 year from the date that the Company's ordinary shares trading on SET. Details of the share distribution plan are as follows:

- Major shareholders may sell the existing ordinary shares and / or the Company will issue and offer the newly issued ordinary shares by Public Offering and / or Private

Placement to have free float of 7.00 percent of the paid-up capital of the Company within 6 months from the date that the ordinary shares of the Company are listed on SET.

- Major shareholders may sell the existing ordinary shares and / or the Company will issue and offer the newly issued ordinary shares by Public Offering and / or Private Placement to have free float of 15.00 percent of the paid-up capital of the Company within 1 year from the date that the ordinary shares of the Company are listed on SET.

However, in the event that the Company cannot distribute shares to reach free float of 15.00 percent of the issued and paid-up capital. TGH will have an additional fee that must be paid to SET follows the guidelines to proceed as follows:

- **Lack of Free Float in 1st year** : SET send notification to company
- **Lack of Free Float in 2nd year** : have to pay an additional annual fee. SET will announce the company name to the public and start paying an additional annual fee according to the proportion of incomplete free float. The details of additional fee are as follows:

Incomplete free float (%)	The year that starts paying additional fee (X of annual fee)			
	Year 1	Year 2	Year 3	Year 4
Equal or less than 5%	1.0X	1.5X	2.0X	2.5X
Equal or greater 5% - 10%	1.5X	2.0X	2.5X	3.0X
Equal or greater 5% - 15%	2.0X	2.5X	3.0X	3.5X

Note: Estimated annual fee of the Company of Baht 1.51 million per year, calculated from the paid-up capital of Baht 7,536.40 million, the fee is 0.02% per annum of registered and paid-up capital

The Stock Exchange of Thailand may waive the additional annual fee collection for

- 1) Companies that have prepared a plan increase free float with clear measures and time frames or
- 2) Companies that waiting for the results of the implementation of the free float

- **Lack of Free Float in 3rd year onwards:** have to pay an additional annual fee. SET will announce the company name to the public and start paying an additional annual fee according to the proportion of incomplete free float. In addition, companies that have not been able to complete the free float for more than 2 years must submit a progress report to increase free float every 6 months from the due date of submitting the report until the listed company has completely free float qualifications.

2.7.2 Emerging Risk

The unforeseen risks or risks that the Company has never predicted or encountered will certainly impact our businesses. The inherent risks of conducting business includes political, rules of law, social, physical environment, natural occurrence, just to name a few. In conducting our businesses, the challenges that post a threat or could impact Group's operations would be the changes in industry regulation, rapid technology change (e.g., electrical vehicle, artificial intelligence, internet of things, and insure tech), consumer behavior, natural disaster or climate change. Nevertheless, the external risks mentioned above have already been factor-in to our business risk strategy planning.

Assets used in business operations

1. Fixed core assets used in business operations

As of 31 December 2019, items and book values after net of accumulated depreciation of the core fixed assets used in the business operations of the Company as shown in the consolidated financial statements of the Company with details as follows:

Items	Book Value (THB mb)		Ownership	Obligation
	31 December 2018	31 December 2019		
Land	2,376.43	2,638.55	Owner	No obligation
Building and building improvement	607.14	598.15	Owner	No obligation
Furniture, fixtures and office equipment	77.03	78.46	See detail in 1)	See detail in 1)
Vehicles	237.79	253.46	See detail in 2)	See detail in 2)
Assets for rent under operating lease	11,885.27	12,622.63	See detail in 3)	See detail in 3)
Assets construction in progress	1.19	0.16	Owner	No obligation
Total	15,184.85	16,191.40		

Detail of fixed assets are as follows:

1.1 Land, building, and equipment

- Land

Location	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Silom Road, Bangrak, Bangkok	Head office and parking garage	1,759.33	2,021.45	Owner	No obligation
Life insurance and insurance branch offices nationwide	Life insurance and Insurance branch offices	471.30	471.30		
Bang Phli Yai, Bang Phli, Samut Prakan	Head office and parking lot for Company's lease vehicles business	122.70	122.70		
18 / 27-28 Sukhumvit Road, Noen Phra, Muang Rayong, Rayong, 21000	Insurance branch office	12.08	12.08	Owner	No obligation
355 / 15-16 Mittraphap Road, Nai Mueang, Muang Khon kaen, Khon Kaen, 40000	Insurance branch office	11.02	11.02		
Total		2,376.43	2,638.55		

- Building

Location	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Silom Road, Bangrak, Bangkok	Head office and parking garage	461.88	370.40	Owner	No obligation
Life insurance and insurance branch offices nationwide total 56 locations and others buildings	Life insurance and Insurance branch offices	145.26	227.75		
Total		607.14	598.15		

- Furniture, fixtures and office equipment

Type of Assets	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Furniture, fixtures and office equipment	For operating business	75.64	77.88	Owner	No obligation
Furniture, fixtures and office equipment	For operating business	1.39	0.59	Financial lease	
Total		77.03	78.46		

1.2 Long-term lease and service agreements

- Assets for rent under operating lease agreements

Type of Assets	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Assets for rent under operating lease	For operating business	11,478.93	12,054.06	Owner	Some part of these assets were used as collateral for long-term loan with financial institution
Assets for rent under operating lease	For operating business	406.34	568.57	Financial lease	Financial lease
Total		11,885.27	12,622.63		

- Vehicles

Type of Assets	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Vehicles	For operating lease	237.79	250.48	Owner	No obligation
Vehicles	For operating lease	-	2.98	Financial lease	
Total		237.79	253.46		

- Assets construction in progress

Type of Assets	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Assets construction in progress	For operating business	1.19	0.16	Owner	No obligation
Total		1.19	0.16		

1.3 Intangible assets

- Computer software

Type of Assets	Objective	Book Value (THB mb)		Ownership	Obligation
		31 December 2018	31 December 2019		
Computer software	For operating business	293.28	302.12	Owner	No obligation
Computer software under installation	For operating business	127.21	108.23	Owner	No obligation
Total		420.49	410.35		

For conducting business, the Company has created a logo which was registered as trademark with the Ministry of Commerce on 4 April 2018 as follows:

Trademark	For the company to use the trademark
	Thai Group Holdings Public Company Limited which are Southeast Life Insurance Public Company Limited Southeast Insurance Public Company Limited and Southeast Capital Company Limited requested to use the trademark

Investment in Subsidiaries and Associates

Definition of subsidiaries, associates, and companies that operate core businesses

The term “**subsidiary company**” means

- (1) a limited company or a public company limited that the company has control over the business
- (2) a limited company or a public company limited which the subsidiary under (1) has control over the business
- (3) a limited company or a public company limited which is under continuous control of the business beginning with being under the control of the subsidiary company under (2)

The term “**associate company**” means a company limited or a public company limited that the Company or subsidiaries has the authority to participate in decision-making about the Company’s financial and operating policies, but it is not to the level of control over the said policy and not considered as subsidiary or joint venture.

In the event that the Company or a subsidiary that directly holds shares or indirectly with total combined of 20% but not more than 50% of the total voting rights or assume that the Company or a subsidiary has the power to participate in the decision-making, unless otherwise proven.

The term “**Company’s core business**” means a company that operates core business. As additional guidelines for offering of newly issued shares, in which the companies operating business by holding shares in other companies (Holding Company) in the notification of the Capital Market Supervisory Board No. Thor Chor. 39/2016 regarding the request and permission to offer newly issued shares dated 30 September 2016 (including any amendments) or other relevant notifications and mandatory.

Policy of investment in subsidiaries and associates

Thai Group Holdings Public Company Limited has a policy to invest and manage the operation of its subsidiaries and associates companies. The investment shall be made in the businesses that are similar or related in order to enhance the Company’s business performance like strengthen its balance sheets and generate overall profitability. The Company together with its subsidiaries and associates may consider investment in other businesses, if it were to generate Company’s overall performance and create value for the shareholders. Investment criteria and considerations are based on project feasibility and prudent risk analysis and returns on investment. Any new investment shall need the approval from the Board of Directors or the shareholders (as the case may be). Nevertheless, considerations for investment approval process shall meet the requirement of notification of the Capital Market Supervisory Board and the notification of the Board of Governors of the Stock Exchange of Thailand or relevant authority.

General and Important Information

Company's general information

Company	Thai Group Holdings Public Company Limited	
Stock Ticker	SEG	
Registrar Number	0107561000285	
Business Type	Holding Company	
Industry	Finance	
Sector	Insurance and Life Insurance	
Registered Capital	7,536,401,860 Baht	
Ordinary Share	752,097,832 shares	Par value 10 Baht
Registered Paid-up Capital	7,520,978,320 Baht	(As of 31 December 2019)
Ordinary Share	752,097,832 share	Par value 10 Baht
Address	315 Southeast Building, Floor 12, Silom Rd., Silom, Bang Rak, Bangkok	
Telephone	0 2631 1311	
Website	www.segroup.co.th	

TSD Registrar office, Auditor, Legal Advisor, and other advisors

Securities Registrar	Thai Securities Deposit (Thailand) Co. Ltd. 93 Stock Exchange of Thailand Rachadapisek Road, Din Daeng, Din Daeng Bangkok, 10400 Telephone 0 2009 9000 Fax 0 2009 9991
Auditor	Mr. Chokechai Ngamwuthikul - CPA Registration No. 9728 Mr. Chanchai Sakulkoedsin - CPA Registration No. 6827 Miss. Pantip Gulsantithamrong - CPA Registration No.4208 KPMG PHOOMCHAI AUDIT LTD. 195 Empire Tower 22 Floor, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok 10120 Tel. 0 2677 2000
Legal Advisor	Weerawong, Chinnavat & Partners Ltd. Head office Location 540 Mercury Tower, Floor 22, Phloenchit Road, Lumpini, Phatum Wan, Bangkok 10330
Advisor / Contract Manager	-None-

Corporation that the Company holds more than 10% of shares

(1) Southeast Life Insurance Public Company Limited (SELIC)

Name	Southeast Life Insurance Public Company Limited
Business type	Life insurance
Holding proportion	99.97%
Head office	315 Southeast Bldg. 8-12 Fl. Silom Rd. Silom, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB 2,200,000,000
Ordinary Shares and Paid-up Capital	THB 2,200,000,000

(2) Southeast Insurance Public Company Limited (SEIC)

Name	Southeast Insurance Public Company Limited
Business type	Non-life insurance
Holding proportion	97.33%
Head office	315 Southeast Bldg. G -Floor 7 Fl. Silom Rd. Silom, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB500,000,000
Ordinary Shares and Paid-up Capital	THB500,000,000

(3) The Thai Insurance Public Company Limited (TIC)

Name	The Thai Insurance Public Company Limited
Business type	Non-life insurance
Holding proportion	93.45%
Head office	3 4/3 Thai Insurance Bldg. Soi Lang Suan Phloenchit Rd. Lumpini, Pathum Wan, Bangkok 10330
Ordinary Shares and Registered Capital	THB235,000,000
Ordinary Shares and Paid-up Capital	THB235,000,000

(4) Southeast Capital Co., Ltd. (SECAP)

Name	Southeast Capital Co., Ltd. (SECAP)
Business type	Corporate auto Leasing and financing
Holding proportion	100.00%
Head office	184 2 Fl. Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB200,000,000
Ordinary Shares and Paid-up Capital	THB200,000,000

(5) Sinn Bualuang Leasing Co., Ltd. (SBL)

Name	Sinn Bualuang Leasing Co., Ltd.
Business type	Auto rental and financing
Holding proportion	100.00%
Head office	184 2 Fl. Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB200,000,000
Ordinary Shares and Paid-up Capital	THB200,000,000

(6) Sinn Bualuang Capital Co., Ltd. (SBC)

Name	Sinn Bualuang Capital Co., Ltd.
Business type	Corporate financing for TCC Group
Holding proportion	100.00%
Head office	184 2 Fl. Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB100,000,000
Ordinary Shares and Paid-up Capital	THB100,000,000

(7) Concept Land 5 Co., Ltd. (CCL)

Name	Concept Land 5 Co., Ltd.
Business type	Provide Parking facility for SECAP and RDD
Holding proportion	100.00%
Head office	184 2 Fl. Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB180,000,000
Ordinary Shares and Paid-up Capital	THB180,000,000

(8) Southeast Advisory Company Limited (SEAD)

Name	Southeast Advisory Company Limited
Business type	Investment advisory
Holding proportion	100.00%
Head office	315 Southeast Bldg. Silom Rd. Silom, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB5,000,000
Ordinary Shares and Paid-up Capital	THB5,000,000

(9) TCC Privilege Card Company Limited (TCC Card)

Name	TCC Privilege Card Company Limited
Business type	Credit card service for TCC Group
Holding proportion	99.98%
Head office	1 Empire Tower Bldg. 54 Fl. South Sathorn Rd. Yannawa, Sathorn, Bangkok 10120
Ordinary Shares and Registered Capital	THB100,000
Ordinary Shares and Paid-up Capital	THB100,000

(10) Southeast Academic Center Co., Ltd. (SEA)

Name	Southeast Academic Center Co., Ltd.
Business type	Staff training and skills development for TCC Group
Holding proportion	100.00%
Head office	315 Southeast Bldg. G -Floor 7 Fl. Silom Rd. Silom, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB1,000,000
Ordinary Shares and Paid-up Capital	THB250,000

(11) SOUTHEAST ADVISORY PTE. LTD. (SEA PTE)

Name	Southeast Advisory PTE. Ltd.
Business type	Financial management and business consultancy
Holding proportion	100.00%
Head office	438 Alexandra road # 03-03 Alexandra Point Singapore (119958)
Ordinary Shares and Registered Capital	SGD1
Ordinary Shares and Paid-up Capital	SGD1

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

Name	Rod Dee Det Auto Co., Ltd.
Business type	Used auto sales and rental (mint condition)
Holding proportion	100.00%
Head office	71/1 Moo 20, Tapharak Rd., Bangplee District, Bangle Maung, Samutprakan 10540
Ordinary Shares and Registered Capital	THB1,000,000
Ordinary Shares and Paid-up Capital	THB250,000

(13) S Sofin Co., Ltd. (S Sofin)

Name	S Sofin Co., Ltd.
Business type	IT development for insurance products
Holding proportion	100.00%
Head office	184 Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB100,000
Ordinary Shares and Paid-up Capital	THB100,000

(14) Asiatig House Co., Ltd. (ASH)

Name	Asiatig House Co., Ltd.
Business type	Commercial property rental
Holding proportion	100.00%
Head office	184 Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB5,522,500
Ordinary Shares and Paid-up Capital	THB5,522,500

(15) Capital Service Holding Co., Ltd. (CSH)

Name	Capital Service Holding Co., Ltd.
Business type	A holding company, investment includes Big C Services Co., Ltd. (Life and Non-life insurance brokerage)
Holding proportion	100.00%
Head office	1 Empire Tower Bldg. 54 Fl. South Sathorn Rd. Yannawa, Sathorn, Bangkok 10120
Ordinary Shares and Registered Capital	THB100,000
Ordinary Shares and Paid-up Capital	THB100,000

(16) Southeast Property Co., Ltd. (SEP)

Name	Southeast Property Co., Ltd.
Business type	Commercial property rental and development (building innovation)
Holding proportion	100.00%
Head office	315 Southeast Bldg. Floor 12 Fl. Silom Rd. Silom, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB1,000,000
Ordinary Shares and Paid-up Capital	THB1,000,000

(17) SEG Capital Co., Ltd.

Name	SEG Capital Co., Ltd.
Business type	Commercial finance, consumer finance (collateral), and TCC Group's employee finance
Holding proportion	99.99%
Head office	184 Floor 2, Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB10,000,000
Ordinary Shares and Paid-up Capital	THB1,000,000

(18) SEG Money Co., Ltd

Name	SEG Money Co., Ltd.
Business type	Consumer Finance
Holding proportion	99.99%
Head office	184 Floor 2, Surawong Rd. Si Phraya, Bang Rak, Bangkok 10500
Ordinary Shares and Registered Capital	THB50,000,000
Ordinary Shares and Paid-up Capital	THB1,000,000

Securities and Shareholding Information

Registered Shares and Paid-up capital

- The Company's total registered ordinary shares floated on SET under the ticker name "SEG" as of 31 December 2019 is 752,097,832 shares (Par value 10 Baht/share)
 - Registered capital 7,536,401,860 Baht
 - Paid-up capital 7,520,978,320 Baht
- The Company does not have of preferred shares, as of 31 December 2019

Shareholding Structure

- List of major shareholders

Top 10 major shareholders as of 31 December 2019, are as follows:

No.	List of Shareholders	Shares	Percent of shares
1	Mr. Charoen Sirivadhanabhakdi	281,103,971	37.38
2	Khunying Wanna Sirivadhanabhakdi	281,103,971	37.38
3	UBS AG SINGAPORE BRANCH	144,737,144	19.24
4	DBS BANK LTD	22,004,400	2.93
5	Southeast Management Co., Ltd.	15,962,860	2.12
6	Office Of The Privy Purse	765,672	0.10
7	Thanphuying Dhasanawalaya Sornsongkram	648,894	0.09
8	Prestige 2015 Co., Ltd.	613,200	0.08
9	Her Royal Highness Princess Maha Chakri Sirindhorn	327,783	0.04
10	Mr. Athip Saksudhayakom	300,000	0.04
	Top 10 Shareholders	747,567,895	99.40
	Others	4,529,937	0.60
	Total	752,097,832	100.00

Shareholding by Nationality	Shares	Percent of shares
Thai	585,354,088	77.83
Foreign	166,743,744	22.17

- Shares offering agreement of major shareholders that would significantly affect the shareprice and commitment in issuing shares in the future.

- none -

Dividend Policy

Dividend policy of the Company

The Company dividend policy is to pay a total dividend from its separate financial statements of not less than 50 percent of net profit after tax and after the appropriation of required legal reserve and other reserves (if any) but not have the retained loss in equity. However, the Company's Board will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for business expansion, changing market conditions or as required to manage the company's future cash flow. The Board of the Company may consider paying annual dividend of the Company by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board empowers to consider the occasional payment when the Board deems that the Company has appropriate retained earnings for the dividend payment. The approval of the Board on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgment.

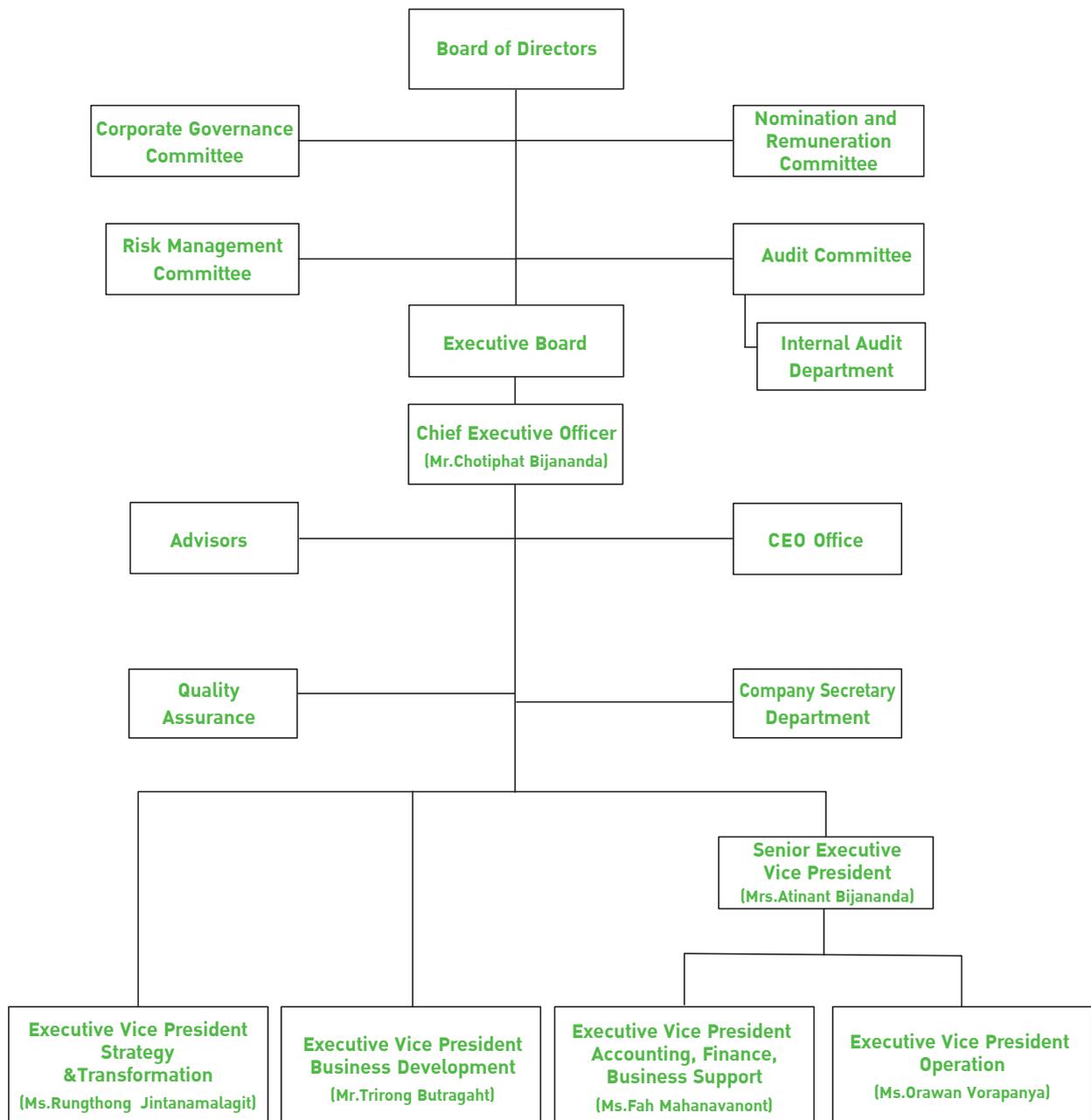
Dividend policy of the subsidiaries

The Board of the Company's subsidiaries may consider paying annual dividend of the Company's subsidiaries. The dividend policy of the Company's subsidiaries is to pay a total dividend from its separate financial statements of not less than 50 percent of the net profit after tax and after the appropriation of required legal reserve and other reserves (if any). However, the Board of the subsidiaries will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for production expansion, changing market conditions or as required to manage the company's future cashflow by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board of the Company's subsidiaries empowers to consider the occasional payment when the Board of the Company's subsidiaries deem that the Company's subsidiaries has appropriate retained earnings for the dividend payment. The approval of the Board of the Company's subsidiaries on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgment.

For transparency in dividend payment from subsidiaries and in compliance with good corporate governance, the Board of the Company's subsidiaries will report the dividend payment to the Board in the next meeting for acknowledgment.

Organization Structure

Organization structure as of December 31, 2019



The Board of Directors

As of December 31, 2019, The Board of Directors comprised of 12 members as follows :

No.	Name	Designation	Date of Appointment
1	Mr. Charoen Sirivadhanabhakdi	Chairman of the Board	29 June 2018
2	Khunying Wanna Sirivadhanabhakdi	Vice Chairman of the Board	29 June 2018
3	Mr. Areepong Bhoocha-oom	Vice Chairman of the Board Chairman of the Corporate Governance Committee	11 July 2018
4	Mr. Chotiphat Bijananda	Director Chairman of the Executive Board Chairman of the Nomination and Remuneration Committee	29 June 2018
5	Mrs. Atinant Bijananda	Director Executive Director Director of the Nomination and Remuneration Committee	29 June 2018
6	Mr. Thapana Sirivadhanabhakdi	Director Director of the Corporate Governance Committee	11 July 2018
7	Mr. Somchai Sujjapongse	Director Executive Director Director of the Risk Management Committee Director of the Corporate Governance Committee	11 July 2018
8	Mr. Apichai Boontherawara	Director Executive Director Director of the Nomination and Remuneration Committee	11 July 2018
9	Pol. Gen. Jate Mongkolhutthi	Independent Director Chairman of the Risk Management Committee	11 July 2018
10	Mrs. Kulpatra Sirodom	Independent Director Chairman of the Audit Committee Director of the Corporate Governance Committee	11 July 2018
11	Mr. Yothin Pibulkasetkij	Independent Director Director of the Audit Committee	11 July 2018
12	Mr. Padungdej Intralak	Independent Director Director of the Audit Committee Director of the Risk Management Committee	11 July 2018

Where as Miss Supaporn Rojana-amornchai, Company Secretary, is the Secretary of the Board of Directors.

Authorized Directors

Authorized directors of the Company are Mr. Charoen Sirivadhanabhakdi, Khunying Wanna Sirivadhanabhakdi, Mr. Areepong Bhoocha-oom, Mr. Chotiphat Bijananda, Mrs. Atinant Bijananda, Mr. Thapana Sirivadhanabhakdi, Mr. Somchai Sujjapongse, Mr. Apichai Boontherawara, Signatory from 2 of 8 directors co-sign with the stamp the Company's seal.

The Audit Committee

As of 31 December 2019 The Audit Committee comprised of 3 members

No.	Name	Designation	Date of Appointment
1	Mrs. Kulpatra Sirodom	Chairman of the Audit Committee	25 March 2019
2	Mr. Yothin Pibulkasetkij	Director of the Audit Committee	11 July 2018
3	Mr. Padungdej Intralak	Director of the Audit Committee	11 July 2018

Remark: Mrs. Kulpatra Sirodom and Mr. Yothin Pibulkasetkij are experienced in Accounting and Finance

Where as Mr. Vichan Assawarangsi, Head of Internal Audit, is the Audit Committee's Secretary

The Executive Board Committee

As of 31 December 2019 The Executive Board Committee comprised of 4 members

No.	Name	Designation	Date of Appointment
1	Mr. Chotiphat Bijananda	Chairman of the Executive Board	11 July 2018
2	Mrs. Atinant Bijananda	Executive Director	11 July 2018
3	Mr. Somchai Sujjapongse	Executive Director	11 July 2018
4	Mr. Apichai Boontherawara	Executive Director	11 July 2018

Where as Miss Viryn Charoenwai, Assistant to Company Secretary, is the Executive Board's Secretary

The Risk Management Committee

As of December 2019 The Risk Management Committee comprised of 3 members

No.	Name	Designation	Date of Appointment
1	Pol. Gen. Jate Mongkolhutthi	Chairman of the Risk Management Committee	9 August 2019
2	Mr. Somchai Sujjapongse	Director of the Risk Management Committee	9 August 2019
3	Mr. Padungdej Intralak	Director of the Risk Management Committee	9 August 2019

Where as Mr. Amarin Phoyen, Vice President of Risk Management, is the Risk Management Committee's Secretary

The Nomination and Remuneration Committee

As of 31 December 2019 The Nomination and Remuneration Committee comprised of 3 members

No.	Name	Designation	Date of Appointment
1	Mr. Chotiphat Bijananda	Chairman of the Nomination and Remuneration Committee	9 August 2019
2	Mrs. Atinan Bijananda	Director of the Nomination and Remuneration Committee	9 August 2019
3	Mr. Apichai Boontherawara	Director of the Nomination and Remuneration Committee	9 August 2019

Where as Miss Supaporn Rojana-amornchai, Company Secretary, is as the Nomination and Remuneration Committee's Secretary

The Corporate Governance Committee

As of December 2019 The Corporate Governance Committee comprised of 4 members

No.	Name	Designation	Date of Appointment
1	Mr. Areepong Bhoocha-oom	Chairman of the Corporate Governance Committee	11 July 2018
2	Mr. Thapana Sirivadhanabhakdi	Director of the Corporate Governance Committee	11 July 2018
3	Mrs. Kulpatra Sirodom	Director of the Corporate Governance Committee	11 July 2018
4	Mr. Somchai Sujjapongse	Director of the Corporate Governance Committee	11 July 2018

Where as Miss. Viryn Charoenwai, Assistant to Company Secretary, is as the Corporate Governance Committee's Secretary

Summary of Meetings for Board of Directors and Sub-Committee 2019 as follows :

Name	Meeting 2019					
	Board of Directors	Audit Committee	Executive Board Committee	Risk Management Committee ²	Nomination and Remuneration Committee ³	Corporate Governance Committee ⁴
Mr. Charoen Sirivadhanabhakdi	10/10	-	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	7/10	-	-	-	-	-
Mr. Areepong Bhoocha-oom	10/10	-	-	-	-	-
Mr. Chotiphat Bijananda	10/10	-	8/8	-	-	-
Mrs. Atinan Bijananda	10/10	-	8/8	-	-	-
Mr. Thapana Sirivadhanabhakdi	6/10	-	-	-	-	-
Mr. Somchai Sujjapongse	10/10	-	8/8	-	-	-
Mr. Apichai Boontherawara	10/10	-	8/8	-	-	-
Pol. Gen. Jate Mongkolhutthi	9/10	2/2	-	-	-	-
Mrs. Kulpatra Sirodom ¹	10/10	9/9	-	-	-	-
Mr. Yothin Pibulkasetkij	10/10	11/11	-	-	-	-
Mr. Padungdej Intralak	9/10	11/11	-	-	-	-

Remark: ¹Mrs. Kulpatra Sirodom was appointed to Chairman of the Audit Committee to replace Pol. Gen. Jate Mongkolhutthi on 25 June 2019

²The Board's resolution called for establishing of Risk Committee during the Board of Directors 's meeting No. 5/2019 on 9 August 2019 and no meeting in 2019

³The Board's resolution called for establishing of Nomination and Remuneration Committee during the Board of Directors 's meeting No. 5/2019 on 9 August 2019 and no meeting in 2019

⁴The Board's resolution called for establishing of Corporate Governance Committee during Board of Directors 's meeting No. 5/2019 on 9 August 2019 and no meeting in 2019

The Management

As of 31 December 2019, The Management comprised of 6 members as follows :

No.	Name	Designation
1	Mr. Chotiphat Bijananda	Chief Executive officer
2	Mrs. Atinant Bijananda	Senior Deputy Chief Executive Officer
3	Ms. Roongthong Jintanamalakij	Senior Executive Vice President - Strategy and Transformation
4	Ms. Orawan Vorapanya	Senior Executive Vice President - Operation
5	Mr. Trirong Butragaht	Senior Executive Vice President - Business Development
6	Ms. Fah Mahanavanont ¹	Senior Executive Vice President - Accounting, Finance, and Business Support

Remarks: ¹Ms. Fah Mahanavanont received both of her Master degree in Computer Information System and BBA in Accounting from the Assumption University

Chief Executive Officer's Scope of authority and responsibility

1. The Board of Directors (Board) and the management will jointly oversee the Company's vision, mission, strategy, objective, operational plan, and annual budget of the Company and its subsidiaries, including management structure and its authority to be presented for the Board approval.
2. Communicate the Company's vision, mission, direction, strategy, and policy that has been approved by the Board to the senior management to be used as a framework for developing a business plan by different departments.
3. Supervise the implementation of the business plan whether the operations are aligned and in conformity with the relevant laws, code of conduct, industry's regulatory and agencies, and the Company's article of association, in order to meet the Company's financial and non-financial objective.
4. Review the Company business plan's reports.
5. Approve already authorized expenditures including remuneration stated in the business's budget plan or operational framework that had already been approved by the Board.
6. Ensure that the Company has an appropriate internal control system in accordance with guidelines prescribed by the Audit Committee and the Board.
7. Ensure that the Company has an appropriate risk management and control system in conformity with guidelines ascribed by the Audit Committee and/or the Board.
8. Seek business opportunities and new investments related to the Company and its subsidiaries businesses in order to enhance Company's the revenue.
9. Manage the overall human resources of the Company.
10. Appoint or promote executives as defined and ascribed by the Securities and Exchange Commission, the Stock Exchange of Thailand, or Capital Market Supervisory Board, and assess the remuneration and performance
11. Approve the appointment of advisors that are necessary for business operations in accordance with the requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand.

12. A public spokesperson for the Company including establishing network and relationship with public organizations and champion good image for the Company to meet the country and international standards.
13. Support and assist the Board in establishing a proper channel of communication with the Company's shareholders on a consistent manner for the purpose of disclosing information in a standardized and transparent manner.
14. Authorized to delegate authority and/or assign other people to perform certain tasks on their behalf by delegating authority and/or any other assignments within the scope of authorization in accordance with the rules, regulations, or criteria set by the Board of Directors or the Company and/or various Sub-committees and/or specified by the Company.

This way, the delegating of power, duty, and responsibilities of the Chief Executive Officer or the authorized person by the Chief Executive Officer shall not have the authority to grant power to the Chief Executive Officer or a person authorized by the Chief Executive Officer can approve transactions that he/she or a person that posts conflict of interest (according to the definition of the Securities and Exchange Commission and the Stock Market of Thailand and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies stipulated) may have interest or may receive benefits or may have conflicts of interest with the Company or its subsidiaries except approving transactions in accordance with the policy and criteria from the shareholder meeting or the Board of Directors for a transaction that is in accordance with normal business and its terms conditions that is in accordance with the announcement of the Securities Exchange Commission and the Stock Exchange of Thailand and/or notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

15. Perform relevant duties assigned by the Board and/or various sub-committees in conformity with the Company's articles and association, securities laws, as well as making announcements in accordance with relevant rules and other criteria defined by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

Company Secretary

In complying with the Securities and Exchange Commission and the Stock Exchange of Thailand Act of 1992, amended version of 2008 in conjunction with the Corporate Governance guidelines stipulated that the Board of Directors shall appoint a company secretary acting on behalf of the Company and management, by the resolution of the Board of Directors meeting No. 8/2019 on 12 November 2019, the Board has appointed Ms. Supaporn Rojana-amornchai as the Company Secretary of Thai Group Holdings PCL. Ms. Supaporn brings with her the expertise, experience, and proficiency in performing her duty as the Company Secretary. She has undergone essential training courses such as Fundamentals Practice for Corporate Secretaries and Advances for Corporate Secretaries organized by the Thai Listed Companies Association, including other related courses in supporting the work of the Board of Directors.

Duties and responsibilities of the Company Secretary

The Corporate Secretary is appointed by the Board of Directors to perform the following :

1. Provide essential information and recommendation to the Board and management regarding relevant laws and regulations of the Company's business practice, good corporate governance practice, and Company's articles of association compliance issues. The Company Secretary will also perform follows

- up and monitor proper business conduct of the Company, including report any significant change in relevant laws and regulations to the Board and management;
2. Follows up and ensure Company's information disclosure is in conformity with the regulation of notification required by the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Capital Market Supervisory Board;
 3. Summarize and disclose directors and management's holding or any changes in shares ownership of the Company, including their registered and non-registered spouse and children under the age of 18 (minor). In addition, the directors and management must disclose any juristic person that holds shares in the Company. The same rules apply as above regarding their registered and non-registered spouse and any minor in the family. This requirement is applicable for a juristic person that holds more than 30% of the Company's shares with voting rights. The report must be presented to the Board in a meeting every 6 months;
 4. Follows up and oversee that shareholders and Board of Directors' meetings are in compliance with the Company's articles of association, including any follows up issue that has arisen from the meetings' resolutions of both shareholders and Board meetings;
 5. Prepare, organize, and maintain the following documents:
 - a) Directors registration.
 - b) Shareholders registration.
 - c) Invitation to AGM and meeting minutes of the Board and sub-committee.
 - d) Invitation to AGM and meeting minutes of the shareholders.
 - e) Company annual report.
 6. Keep all documents and reports that had been presented concerning directors and management's interests, including directors' independent letter of confirmation. A set of copies shall be submitted to the Chairman of the Board and Chairman of Audit Committee within seven (7) days of reports' presentation;
 7. Build awareness and understanding as well as provide support to ensure that the Company's good governance is in place; Oversee the activity and function of the Company's Board of Directors to ensure its conformity with relevant laws and the regulations of the Capital Market Supervisory Board.

Directors and Management Remuneration

1. Monetary remuneration

(1) Directors' remuneration

The Board has appointed the Nomination and Remuneration Committee (Committee) to propose criteria and methods of remunerating Company's directors and sub-committees to the Board to be submitted to the shareholders for approval. By determining the remuneration for the Board, the Nomination and Remuneration Committee shall consider as follows :

1. Guidelines for remuneration of directors

- 1.1 Ensure that the directors and authorized persons receive an appropriate remuneration that is in commensurate with their duty and responsibility;
- 1.2 Empower the Committee to consider the types, methods, and amounts of remuneration for the Directors;
- 1.3 Consider directors' remuneration and other benefits to the Board;
- 1.4 Remuneration consideration for the Board and the Nomination and Remuneration Committee are commensurate with their duty, responsibility, and expectation of the Board, the Company's business, category, scale, industry, and etc. The remuneration shall be appropriate and suitable to motivate and retain quality directors.

2. The remuneration of directors consists of these two considerations:

- 2.1 Appropriate allowance remuneration and incentive for consistent meeting attendance;
- 2.2 Other remunerations include bonuses (if any) and D&O liability insurance for directors and executives, and etc.

3. Methods of remuneration for directors

- 3.1 Meeting allowances shall be paid quarterly to the members of the Company's Board and the sub-committee;
- 3.2 Meeting allowances shall be paid to every member of the Company's Board and the sub-committee for their meeting attendance.

The resolution from the 2019 Annual General Meeting of Shareholders (AGM) dated 25 April 2019 has approved the remuneration for the members of the Board of Directors and the sub-committee, including other sub-committee of the Company and potential appointment of more members in the amount not exceeding 6,000,000 Baht. The remuneration is effective from 26 March 2019 onwards every year until the shareholders agreed to other resolutions. The Board has the authority to select and determine the remuneration of the directors and sub-committees within the approved budget such as monthly remuneration or meetings' allowances as appropriate and necessary by considering the interests of the Company's benefits as a whole, but especially the directors' allowance of these committees as follows:

Designation	Meeting Remuneration (Baht per meeting)
1. Board of Directors	
1.1 Chairman	70,000
1.2 Director	40,000
2. Sub-Committee* (Audit Committee and Risk Committee)	
1.1 Chairman	50,000
1.2 Director	40,000

Remarks: * include sub-committee of other companies and subject to additional appointment

Details of Remuneration for members of the Board for 2019

No.	Name	Designation	Meeting Remuneration 2019 (Baht / Person/Year)
1	Mr. Charoen Sirivadhanabhakdi	Chairman of the Board	-
2	Khunying Wanna Sirivadhanabhakdi	Vice Chairman of the Board	-
3	Mr. Areepong Bhoocha-oom	Vice Chairman Chairman of the Corporate Governance Committee	500,000
4	Mr. Chotiphat Bijananda	Director Executive Director Chairman of the Nomination and Remuneration Committee	400,000
5	Mrs. Atinant Bijananda	Director Executive Director Director of the Nomination and Remuneration Committee	400,000
6	Mr. Thapana Sirivadhanabhakdi	Director Director of the Corporate Governance Committee	240,000
7	Mr. Somchai Sujjapongse	Director Executive Director Director of the Risk Management Committee Director of the Corporate Governance Committee	400,000
8	Mr. Apichai Boontherawara	Director Executive Director Director of the Nomination and Remuneration Committee	400,000
9	Pol. Gen. Jate Mongkolhutthi	Independent Director Chairman of the Risk Management Committee	460,000
10	Mrs. Kulpatra Sirodom	Independent Director Chairman of the Audit Committee Director of the Corporate Governance Committee	850,000
11	Mr. Yothin Pibulkasetkij	Independent Director Director of the Audit Committee	840,000
12	Mr. Padungdej Intralak	Independent Director Director of the Audit Committee Director of the Risk Management Committee	800,000

(2) Executive Remuneration

The compensation criteria and methods for Chief Executive officer is determined by the Nomination and Remuneration Committee are as follows:

1. Guidelines for Chief Executive officer remuneration

- 1.1 Chief Executive officer's remuneration is determined by scope of duties, responsibilities, expertise and professional experience.
- 1.2 Remuneration's consideration criteria is based on current Company's hiring guidelines which is comparable to the industry standards.

2. Type of remuneration for Chief Executive officer

- 2.1 Monthly salary base
- 2.2 Other compensations include bonuses (if any) D&O liability insurance, and etc.

3. Methods of remuneration for Chief Executive officer

- 3.1 The Nomination and Remuneration Committee proposes compensation criteria to the Board for approval.
- 3.2 Chief Executive officer with directorship position is entitled to meeting's allowances.

In 2019, as end of 31 December 2018, the Company remunerated 6 Executives of whom 2 served on the Board of Directors. The compensation amount is shown in the table below:

Remuneration Type	Amounts (Baht)
Salary and Bonuses	25,523,700
Total	25,523,700

2. Other remuneration

(1) For Directors

The Company has provided the D&O liability insurance for the Directors and Executives.

(2) For Executives

The Company has provided the D&O liability insurance for Executives and Directors, group health insurance, and group accident insurance.

Directors and Management Shareholding of the Company (as of 31 December 2019)

	Name	Ordinary Share Holdings		Changes Increase/ Decrease (Shares)
		31 December 2018	31 December 2019	
1	Mr. Charoen Sirivadhanabhakdi	-	281,103,971	281,103,971
	Spouse Khunying Wanna Sirivadhanabhakdi	-	281,103,971	281,103,971
	Children (under age18)	-	-	-
2	Khunying Wanna Sirivadhanabhakdi	-	281,103,971	281,103,971
	Spouse Mr. Charoen Sirivadhanabhakdi	-	281,103,971	281,103,971
	Children (under age18)	-	-	-
3	Mr. Areepong Bhoocha-oom	-	-	-
	Spouse Mrs. Alisa Bhoocha-oom	-	-	-
	Children (under age18)	-	-	-
4	Mr. Chotiphat Bijananda	-	-	-
	Spouse Mrs. Atinant Bijananda	-	-	-
	Children (under age18)	-	-	-
5	Mrs. Atinant Bijananda	-	-	-
	Spouse Mr. Chotiphat Bijananda	-	-	-
	Children (under age18)	-	-	-
6	Mr. Thapana Sirivadhanabhakdi	-	-	-
	Spouse Mrs. Papatchaya Sirivadhanabhakdi	-	-	-
	Children (under age18)	-	-	-
7	Mr. Somchai Sujjapongse	-	-	-
	Spouse Mrs. Thidarak Sujjapongse	-	-	-
	Children (under age18)	-	-	-

	Name	Ordinary Share Holdings		Changes Increase/ Decrease (Shares)
		31 December 2018	31 December 2019	
8	Mr. Apichai Boontherawara	-	-	-
	Spouse Mrs. Naree Boontherawara	-	-	-
	Children (under age18)	-	-	-
9	Pol. Gen. Jate Mongkolhutthi	-	-	-
	Spouse Mrs. Sudawadee Mongkolhutthi	-	-	-
	Children (under age18)	-	-	-
10	Mr. Yothin Pibulkasetkij	-	-	-
	Spouse Mrs. Khanittha Pibulkasetkij	-	-	-
	Children (under age18)	-	-	-
11	Mr. Padungdej Indralak	-	-	-
	Spouse Mrs. Nantha Indralak	-	-	-
	Children (under age18)	-	-	-
12	Mrs. Kulpatra Sirodom	-	-	-
	Spouse Mr. Rom Hiranpruk	-	-	-
	Children (under age18)	-	-	-
13	Miss Rungthong Jintanamalagit	-	-	-
	Spouse	-	-	-
	Children (under age18)	-	-	-
14	Miss Orawan Vorapanya	-	-	-
	Spouse	-	-	-
	Children (under age18)	-	-	-
15	Mr. Trirong Butragaht	-	-	-
	Spouse Mrs. Pumlada Butragaht	-	-	-
	Children (under age18)	-	-	-
16	Miss Fah Mahanavanont	-	-	-
	Spouse Mr. Nikom Chankong	-	-	-
	Children (under age18)	-	-	-

Remarks: Mr. Chareon Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi became shareholder of Thai Group Holdings Pcl. as of 24 July 2019.

Human Resources Management Policy

The Company recognizes the importance of human resources because they are the engine to organization's operational success and sustainable growth. As part of the Company's vision, mission, and business strategy, we set forth policy that establishes systems and processes to manage human resources effectively. Emphasis is placed on clarity, transparency, and fairness to ensure Company and employees' objectives are aligned.

The human resources management policy has been approved by the Board at the meeting no.1 / 2018 on 11 July 2018 with the following details:

The Company requires all department heads to be responsible for managing its staff in accordance to the systems and Guidelines for managing human resources of the Company.

The Company mandates that its staff shall apply the following principles:

- Core Values
- Code of Business Ethics
- Code of ethics for executives and employees
- Regulations of the work of the company by operating with ability, responsibility, and Aiming to achieve success in work

The Company stands firmly on principle of fairness when evaluating staff promo ability. Thus, staff promotion, monetary rewards, and other incentives will be based on the following:

- Work quality and achievement;
- Knowledge and expertise;
- Proficiency and personality that matches the needs of the Company.

The Company continuously promotes the development of its human resources in order to enhance the staff knowledge and proficiency. The higher the quality of staff capability, the more likely that their work contribution will lead to better Company's performance and growth. Hence, the staff is also benefited as it paves the way to better career opportunity and growth. The Company also has a Talent Management program where we identified individuals that can be further developed and prepared to become successor (Successor Planning) were he/she will play an important role in the Company. This is part of the Company's core values which is to instill that limitless spirit to the staff in delivering excellent services to our customers.

The Company sees the importance of employee engagement. Thus, the Company (Employee Engagement) regularly surveys the staff's feedback and opinions to improve, development, and manage various factors in order to enhance the quality of work-life. Happy work-life means talent staff retention. Moreover, this also creates a good corporate image (Employer Branding) to the eyes of outsiders which could potentially lead to employer of choice for place of employment.

1. Talent Acquisition and Onboarding

For us, recruiting and selecting qualified personnel with expertise, proficiency, good personality, and especially the right experience that meets the needs of the organization is essentially important. The Company plans for future growth and expansion and qualified staff will propel the organization to achieving that goal. Today, we are competing in the digital era and at the same time living with the so-called (Millennial) generation. They are the work force today. Their lifestyle can be characterized by the way they communicate, life-goal, and unique life leisured. This is so much different from other generations. So, to recruit these Millennial, we have to be quick.

The Company applies the following criteria for hiring applicant and offering permanent job position:

- Expertise;
- Experience;
- Possess suitable skills for the position;
- Meets the Company's articles of association criteria.

The Company selecting and filtering process consist of organizational core value assessment test, work expertise test, Behavioral Event Interview: BEI, and Employees Referral program, which is a reliable reference source.

When applicants successfully qualified and accepted into the organization, all new staff must attend an On boarding program. This is the orientation activity which is designed for new employees to get to know the Company and its subsidiaries, the Thai Group Holdings PCL. and the TCC Group. They will learn and know how to work together in the Thai Group Holdings (TGH Corporate Culture & Core Values). They will learn the basic knowledge of the Company's products and services e.g., insurance and other financial services (Product Knowledges), including relevant laws and regulations in order to comply with the business framework. We also educate the new staff as to their work place benefits, guidelines for work management, and development to achieve career growth (My Career Pathway). Finally, we demonstrate how building knowledge and expertise for oneself can lead to excellence and how their career can grow together with the Company's vision and mission.

2. Compensation and Benefits

The Company's compensation policy is considered in line with the industry. The Company's wage & salary metric take different factors into consideration; for example, expertise, job experience, responsibility, position level, comparable market wages, just to name a few. We regularly benchmark with the industry to make sure that we remain competitive. Given the industry and country's economic dynamics, we also take into account the cost of living.

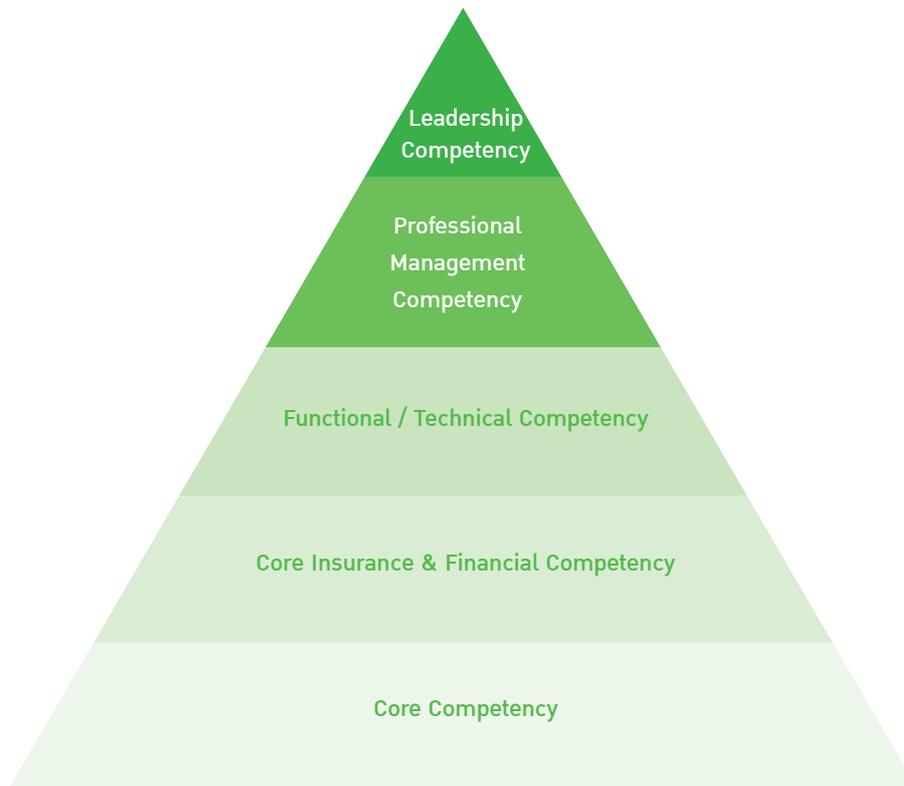
Moreover, our "Live a Happy Life" is good example of engaging with the staff by making available different sporting activities that the staff can participate. We also offer TGH and TCC Group's products and services to the staff at discounted price. More importantly, we provide our staff with personal benefits like providence funds, health and dental care, annual physical, life insurance, and accident insurance, etc.

3. Talent and People Capability Development

The Company recognizes the importance of continued learning and development for our employees. Thus, the Company engages in competency development to ensure our staff develops the technical proficiency to perform and meet their task objective. Moreover, our staff will also go through Career Planning and Development training so they can plan for their career growth. Our staff is also trained in effective work methods and keeping up with latest technology know-how in order to have the necessary skills to perform their current and future task. Our staff is given the opportunity to attend various seminars, domestically and internationally. In the area of specialized professional field, the Company offers an educational scholarship to further strengthen their ability to contribute and enhance the Company's operation.

In addition, in order to create knowledge organization the knowledge Sharing Campaign, the Company fully supports and empowers our staff to engage the Knowledge Sharing Campaign through coaching activity. The Company supports Community of Practice: COP where employees have access to various electronic channels to search and facilitate their own knowledge enhancement.

TGH COMPETENCY MODEL



The Company classifies employees' development (Competency) as follows:

1. Core Competency for Company's staff is essential. Every employee in our organization shall possess this basic ability. This is unique; because when the staff collectively perform their duty in alignment with Company's direction, they are likely to provide the same consistent standard of service that pleases the customers. This basic core competency will also enable the Company to remain competitive within the industry.
2. Core Insurance and Financial Competency is the basic knowledge skill for our staff when working in this industry. Our staff will need to learn and understand different types of insurance products, financial aspect, and relevant legal framework in order to service customers effectively.
3. Functional/ Technical competency is a basic job-specific skill set an employee must have when performing their role. This type of skill set development is something that a staff must possess before be given a role to perform.
4. Professional / Management Competency is a higher skill level which includes professional expertise and managerial ability development. This skill set is for managerial level or general position that utilizes their professional expertise to achieve task objective.
5. The Company emphasizes on the Leadership Competency for every level within our organization.

Moreover, other than the standard leadership (TGH leadership model), shall have characteristic quality DNA of leadership that is unique and able differentiate the organization from other. Moreover, the Company also has a development program called Talent Management Program. The program emphasizes search and develop individual talent together with his/her superior through the Individual Development Program. In addition to managing his/her own timeline for self-development, the individual can also turn to

“Blender Learning” a mix process which consist of 70: 20: 10 as this considers to be more effective when compared to the aforementioned.

- Experiential / On the Job Learning 70%
- Workplace learning / Coaching 20%
- Formal Learning / Classroom 10%

4. Performance Base Rewards

The Company has enhanced its performance evaluation process by introducing Key Performing Index (KPI) together with organization’s core values to determine individual performance target. The Company encourages the head of department to communicate organizational target to his/her staff, so everyone is aware and performs their duty using the same Company’s strategy as guidelines. In addition to having a clear understanding of Company’s goal and ambition, it should help propel the Company towards its objective and mission. With such connectivity, this will lead to performance excellent. When there is a clear objective and precise performance indicator used, the performance results can be objectively with fairness to assess staff performance at every level and determine their annual salary, bonuses, or job promotion. This performance base reward is a good motivating factor for Company’s employees as is justifiably clear.

In summary, the Company supports human resources development in order to enhance and strengthen employees’ knowledge, professional expertise, job proficiency, responsibility, and clear understanding of the Company’s goal and objective through the following path:

- Head of each business unit shall work with human resources department in planning evaluation, monitoring performance, and supporting the development needed for his/ her staff to achieve task objective;
- The staff shall be motivated and determined in performing his/her duty to achieve task objective as agreed upon in the business plan. He/she must continue to seek knowledge to not only perform in one’s own area of work and responsibility but also other part of Company’s businesses as well.

5. Succession and Workforce Planning

To ensure business continuity and organization’s sustainable growth, succession Planning for senior executive position and key position are critically important for the Company. Thus, it is important that a system is established with suitable criteria and factors to identify key positions and qualified individual to fill key positions of the organization. The methodology involves Gap Analysis which the data will be used for Individual Development Plan: IDP to prepare the readiness for that individual to carry on the Company’s mission. This plan ensures confidence of good management process that will benefit every stakeholder, including our trade partners and especially our customers.

6. Employee Engagement

The Company assesses employees’ satisfaction through a survey. The result of the survey will be reviewed to make any necessary adjustment to achieve a concept of “Live a Happy Life”. We believe that happy employees will develop good attitude, proudness, and attachment to the organization which ultimately leads to good-work commitment and delivering above expectation work performance.

The Company believes in happy workplace; thus, it provides and promotes safe and hygienic workplace for its employees.

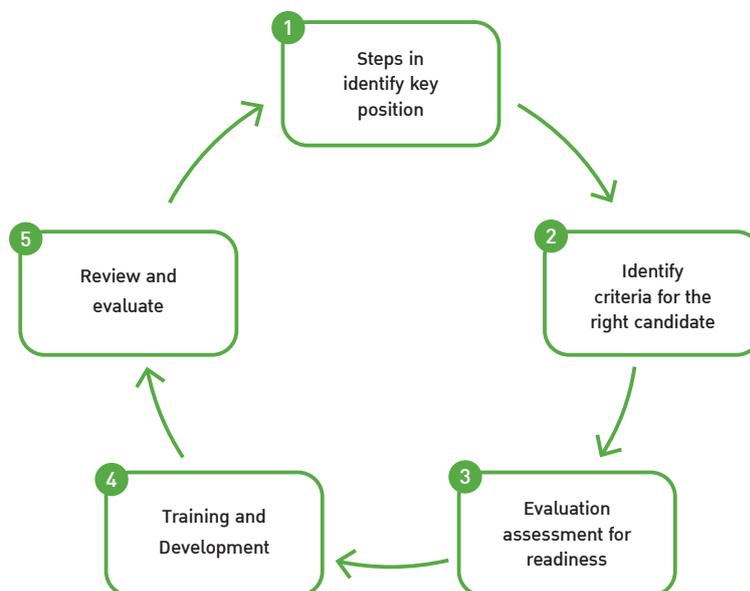
The Company encourages management-staff and staff-staff engagement to develop good understanding, including open-up to employees’ comments and complaints.

Succession Planning Guideline

The Company's succession plan involves several methods and steps when considering a management successor. The succession plan covers senior level management (Executive Vice President and up), mid-level (Vice President to Senior Vice President), including other key and critical position deemed important to the organization. The selection and consideration are as following:

1. When a key management position becomes available or a new key position is created, the Company's policy is to appoint the candidate who has been groomed for the position. In case there isn't a suitable candidate to fill the position, the Company will resort to other means;
2. The above steps and procedures are specifically used by the Company only;
3. Direct department head (Vice President and up) is first responsible in selecting and training his/her successor to perform the departmental overall task. The successor must demonstrate proficiency in his/her duty.

Succession Planning



1. Critical / Key Positioning

Human Resources Department will notify every department to identify and determine key position that is deemed important to the Company's strategic success in accomplishing its vision and mission. The Chairman of the Executive Committee and People Development Committees: PDC will consent and oversee the preparation and development plan for succession readiness. The plan for Critical / Key Position will be classified into 2 types:

- 1.1 High level executives (Executive Vice President) and mid-level executives (Vice President - Senior Vice President);

1.2 Other Critical/ Key Position those are also vital and responsible for the Company's business operations success;

- Key positions that manage the core business such as Underwriting, Claim, and Core business technology;
- Positions that require specialized expertise or positions that take a long time to train and develop (Distinctive Job) e.g., Actuarial, Reinsurance, Finance & Accounting;
- Future Projects such as Data Analytic, Financial Adviser;
- Regional area (Geography) that requires representation or position within the organization such as professional security personnel.

2. Criteria for selecting qualified successor Selection criteria

- Present position level and responsibility
- Performance evaluation for the past 3 years (Past Performance) and work history (Key Performance Indicators - KPIs)
- Individual's qualifications e.g. competency for the new position, or the ability to manage new responsibility and work load.

3. Method for evaluating the position readiness

The Human Resources Department will compile and evaluate the work performance of those employees that meet the criteria that has been set by the Company stated in (item 2). These eligible employees have already been screened and identified as talent. This group, in essence, has had ample training through (Talent Development Program); thus, the executive head of each department will submit the name to the Chairman of the Executive Board and People Development Committee: PDC for selection approval. At the same time, the committee will select the next group of talent to fill those vacant (Critical Key Position).

4. Position Development (IDP: Individual Development Plan)

Chairman of the Executive Board and People Development Committee (PDC) shall conclude and consent to the criteria for a suitable succession plan development. The Committee will create IDP-Individual Development Plan program that will further strengthen the successor's capability and area of improvement. Succession development planning is considered a key responsibility for a department head and those in the position of overseeing critical/key position task. A good succession planning does not end when a successor assumed a key position. The responsibility continues on with program like coaching, mentoring, special project assignment, consulting, and etc.

5. Continued monitoring and evaluating

Once the successor assumed the new position. The successor has entered the final stage which is "Individual Development Plan" where every 6 months he/she is evaluated for the new position performance and effectiveness. In addition, the Company's succession plan is reviewed once a year in order to prepare for the searching next suitable replacement for a main position.

Communication and Disclosure of Information Policy

To ensure that communication and disclosure of information to external party are appropriate, impartial, timely, protect sensitive corporate information that could affect the Company's shareprice from leakage, and proper use of dissemination channel, the Company has made it a policy that every staff member is aware of information disclosure guidelines and compliance practices stated as follows:

Communication

1. The Company has assigned an investor relations department to act on the management behalf to oversee and interact with the shareholders, stakeholders of the Company, including potential investors and equity analysts;
2. The Company has assigned spokespersons with expertise in corporate communication to provide pertinent corporate information to the general public and the investment community.
3. The Company supports and set forth procedures, guidelines, and responsibility for investor relations' functions in order to disclose pertinent corporate information to the public effectively;
4. Corporate information intended for public disclosure by investor relations unit must be approved and certified by the Board. This is to ensure information accuracy, efficiency, and timely for the benefits of the shareholders.
5. The investor relations unit shall gather pertinent comments, opinions and feedbacks related to the Company's businesses from the investment community and present it to the Board to be used in managing the Company's businesses efficiently and to further formulate strategy and direction.

Disclosure of information

The Company adheres to information fairness and transparency; thus, it has established disclosure policy for its shareholders, public, investment community, and all stakeholders, whether the information is positive or negative, the dissemination of information shall be accurate and transparent. The dissemination process shall be fair and distributed through proper channel of the Stock Exchange of Thailand (SET's Portal), Company's website, annual report, and Form 56-1. The dissemination shall be in accordance with legal and standard of practice of relevant agencies. The standards and principles of information disclosure are as follows:

1. Disclosure of material non-public information that has not yet been released to the public shall be diligently reviewed for its accuracy, completeness, and timely release in accordance with the laws and standards and practices of the relevant agencies. The Company shall ensure that information disseminated to the shareholders and the public are sufficient, equitable, easy to access, and timely;
2. Undisclosed information or sensitive information that is not yet ready to be released will be kept strictly confidential and confined to selective group of managers in order to avoid misuse or insider information. The Company will disclose pertinent information on a timely manner in accordance with the laws, standards and practices of the relevant agencies. The Company will disclose confidential information in an appropriate manner;
3. Disclosure of material public information will be made in the manner of transparency, and completeness in order avoid or cause misunderstanding. Moreover, any additional released material information related to already disclosed items must be made clear and consistent to avoid further misunderstanding;

4. Disclosure of other non-material Information will be based on factual material. The disclosed information shall not be intended to mislead the public about the Company's financial status, operational performance results, fair values of the Company's shareprice or intended to create volatility in shareprice;
5. Disclosure or discussion of forward looking information regarding business condition, direction, and financial forecast will be conducted with diligent and shall be based on credible assumptions that have already been verified and analyzed for its correctness;
6. The Company has procedural process for responding or clarifying its position on market rumors, leaked information, and unintended disclosure of information that may affect the investment decision of the Company's shares;
7. The Company will avoid any inappropriate disclosure of information to the public such as news announcement without merit, secondary source, overly predictive opinions, or wordy expression that could cause misunderstanding;
8. The Company will disclose detailed information with accuracy and timely in accordance with regulations and guidelines of the Stock Exchange of Thailand and related agencies;
9. The Board of Directors, Chief Executive officer, Managing Director and/or person assigned by the Board or Chairman of the Board or Chief Executive officer are the only authorized spokespersons to response to questions and provide material information that had not yet been made public;
10. The Chief Executive officer is responsible for ensuring that the Company discloses information in accordance with laws, regulations, and standards and practices of the relevant agencies. The information should be diligently reviewed for accuracy and adequacy prior disclosure. The disclosed information shall be communicated to the Directors and the staff related policy disclosure of the Company

Corporate Governance

Good Corporate Governance

The Company's Board of Directors (Board) recognizes the importance of good corporate governance. Good governance principles promote and enhance operational efficiency, integrity, transparency, accountability, sustainable growth, and more importantly value creation. The beneficiaries of good governance are the Company's stakeholders e.g. employees, shareholders, business partners, and the society. Therefore, the Board has developed and put in place a corporate governance policy to monitor its operational performance that includes business structure, roles, fiduciary duties and responsibilities of the Board, the management team, and the staff. A good principle guidelines and strong management discipline combined will bolster confidence of the Company's operations and its subsidiaries. In essence, good corporate governance is in the best interests of all the stakeholders, especially the shareholders.

To gain and foster the confidence from the investment and capital market community and all of our stakeholders, the Board has developed a corporate governance policy for implementation as recommended by the SEC for publicly listed companies of 2017. The Company will adhere to these following principles as guidelines for good corporate governance practices.

Principles and corporate governance policies

The Board of Directors shall place emphasis on compliance with good corporate governance guideline that covers the following 8 principles.

Principle 1: Roles and responsibility of the Board of Directors

- **Principle 1.1**

The Board of Directors shall demonstrate a good understanding of its leadership role and assume responsibility in overseeing the organization and strengthen good corporate governance that covers.

- (1) Determine and define objectives
- (2) Formulate strategy and policy as well as allocating resources to achieve the objectives
- (3) Monitor, evaluate and report on performance

- **Principle 1.2**

To achieve sustainable value creation, the board shall exercise its leadership role and pursue the following governance outcomes:

- (1) Competitiveness and performance with long-term perspective
- (2) Be ethical and responsible towards business and respect the rights of every stakeholders
- (3) Be a good corporate citizen and environment friendly
- (4) Readiness to adapt change

The Board of Directors will adhere to the following practices in the supervision of the Company, to lead to good corporate governance results.

- 1.2.1 The Board of Directors will consider ethics, social and environmental impacts and financial performance
- 1.2.2 The Board of Directors will conduct themselves in the manner of role model and leader in corporate governance to drive the corporate culture that focuses on ethics.
- 1.2.3 The Board of Directors will provide a written policy for directors, management, and employees that stated principles and guidelines, such as business ethics and etc.
- 1.2.4 The Board of Directors will supervise to have a communication among directors, management and employees, to understand the corporate governance and enforce sufficient mechanisms to implement the governance and ethics.

- **Principle 1.3**

The Board of Directors will ensure that, all directors and management will perform their duty with care and duty of loyalty. And ensure that the operations are in accordance with laws, regulations and resolutions of the shareholders' meeting as well as policies or guidelines that have been established, including significant approval processes such as investment policy, entering to significant transactions, connected transactions, acquisition or disposition of assets, dividend payment, and etc.

- **Principle 1.4**

The Board of Directors will understand the scope of work and responsibilities of the Board of Directors. And clearly define the scope of work and responsibilities for the Chief Executive Officer and management, as well as monitoring their performance.

1.4.1 The Board of Directors will prepare a charter or policy regarding corporate governance which specifies the duties and responsibilities of the Board of Directors, and will regularly review such charter at least once a year. And also proceed the reviewing of roles and duties in each of Board of Directors, Chief Executive Officer and management regularly.

1.4.2 The Board of Directors will understand their scope of work and responsibilities and assign the management authority to management in written. However, such assignment does not release the duties and responsibilities of the Board of Directors. The Board of Directors has to monitor performance of management also. Moreover, the scope of work and responsibility of Chief Executive Officer and management may consider as follows.

Responsible matters which should supervise to implement

The matters that the Board of Directors is the main responsible person for the proper implementation which can assign the management to prepare and report including;

- a. Determination of objectives and main goal of the business
- b. Creating a corporate culture which adheres to ethics and be a good role model
- c. Enhancing the corporate structure and performance to achieve the objectives and main goal of the business efficiently.
- d. Recruitment, development, indicates the compensation and evaluation of the Chief Executive Officer.
- e. Determination of compensation structure as an incentive in accordance with the main objectives.

Responsible matters which should coordinate with management

The matter that the Board of Directors should coordinate with Chief Executive Officer and management to implement. The management may to propose the matters to seek an approval from Board of Directors, which Board of Directors will oversee the overall policy in accordance with the objectives and the main goal of the business, as well as assigning the management to implement and the Board of Directors will follows up the implementation regularly

- a. Determining and reviewing strategies, goals, annual plans.
- b. Overseeing the adequacy of the risk management system and internal control
- c. Determining the appropriate authority and responsibility of the management
- d. Establishing framework regarding allocation of resources, such as, human resources management policy, information technology policy, and etc.

- e. Monitoring and evaluating performance
- f. Ensuring the accuracy of financial and non-financial disclosure

The matters that should not be responsible by the Board of Director. The matter that the Board of Directors will supervise in policy level and assign the Chief Executive Officer and management to be responsible directly.

- a. Execution in accordance with the strategies, policies, plans which approved by the Board of Directors. The board of directors should let the management be responsible for the decision to operate, procurement, human resources recruitment, and etc. according to the approved policy and monitoring the performance, without interfering with the decision except any necessary.
- b. Any prohibition, such as the approval of transactions which the director have an interest and etc.

Principle 2: Define Objectives that Promote Sustainable Value Creation

- **Principle 2.1**

The Board of Directors will determine the objectives and main goals of the company which enhance a sustainability of the business. The objectives and goals should create value for the company, customers, stakeholders and society.

2.1.1 The Board of Directors is responsible for determining the objectives and goals which should be clearly and appropriate, such objectives should be the main concept of business model. And also communicate to all parties to drive the company in the same direction, by creating a vision and values of company, or creating objectives and principles or otherwise.

2.1.2 To achieve the main objectives or goals, the Board of Directors will define a business model that can create value for company, stakeholders, society and consider as follows:

- (1) Environment and various factors and using technology to support the business
- (2) Demand of customers and stakeholders
- (3) Expertise and competitiveness of the company
- (4) Initial objectives of the company
- (5) Main customers
- (6) Profitability or value proposition
- (7) Sustainability, opportunity and threat which will affect the company and stakeholders.

2.1.3 The Board of Directors will promote the values of the organization in good corporate governance, such as accountability, integrity, transparency, due consideration of social and environmental responsibilities, and etc.

2.1.4 The Board of Directors will promote communication and enhance the objectives and main goals of the company by reflected in the decisions and operations and becoming as corporate culture.

- **Principle 2.2**

The Board of Directors places great emphasis on setting key objectives and goals in medium term and/or annually in consistent with objectives and goals and also using technology appropriately.

2.2.1 The Board of Directors enhances to prepare annual strategy plan that consistent with objectives and main goals, while considering the business environment, opportunities,

and the Company's risk appetite. And also enhance to review objectives, goals and strategies for 3 – 5 years to ensure the plan is appropriate.

2.2.2 When developing strategies and plans, the board promotes innovation and the use of technology to enhance competitiveness, responds to stakeholder concerns and expectations, and meets social and environmental responsibilities.

(1) Identify methods, processes, channels of participation, or communication channels between stakeholders and the company is clear so that the company can access and receive information on issues or needs of each group of stakeholders correctly, as closely as possible.

(2) Identify relevant stakeholders of the company, both internal and external and both individuals, organizations, juristic persons, such as employees, investors, customers, partners, communities, government agencies, regulators etc.

(3) Identify issues and expectations of stakeholders for further analyze and classify such issues according to the importance and impact that will affect the Company and stakeholders, in order to select important issues that will create value together with stakeholders to bring results.

2.2.3 The Board of Directors will set goals to be appropriate with business environment and the potential of the Company, considering both financial and non-financial goals. In addition, the Board of Directors should aware of the risk of setting goals that may lead to illegal or unethical conduct.

2.2.4 The Board of Directors ensures effective communication of the Company's objectives and strategies throughout the Company

2.2.5 The Board of Directors ensures proper resource allocation and effective systems and controls, and monitors the implementation of the Company's strategies and plans.

Principle 3: Strengthen Board Effectiveness

- **Principle 3.1**

The Board of Directors is responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

3.1.1 The Board of Directors consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character traits, to achieve the objectives of the Company and stakeholder interests. And the Board of Directors should consist of at least non-executive directors is experienced and competent in the Company's main industry.

3.1.2 The Board of Directors determines the proper number of directors to function effectively, which consists of at least 5 persons but not more than 15 persons.

3.1.3 The proportion of executive directors and non-executive directors supports proper checks and balances to prevent unfettered power of decision and authority by any one individual, whereby:

A. the majority of the boards are non-executive directors, who exercise objective and independent judgment;

B. the number and qualifications of the independent directors reflects applicable legal

requirements. The board ensures that the independent directors and the entire board can fulfill its role and responsibilities efficiently and in the best interest of the Company while exercising objective and independent judgment.

3.1.4 The Board explicitly discloses in the Company's annual report and on the Company website regarding its diversity policies and details relating to directors, including the directors' age, gender, qualifications, experience, shareholding percentage, years of service as a director, and director positions in other listed companies

- **Principle 3.2**

The Board selects an appropriate person as the Chairman of the Board and ensures that the Board composition serves the best interest of the Company, enabling the board to make its decisions as a result of exercising independent judgment on corporate affairs.

3.2.1 The Chairman of the Board of Directors should be an independent director

The Chairman of the Board of Directors of the Company is not an independent director. However, the Board of Directors' has meeting No. 3/2018 held on 27 December 2018 appointed 4 independent directors, to participate in determining the agenda of each board meeting, in order to comply with good corporate governance principles.

3.2.2 The Chairman has clearly separate roles and responsibility with Chief Executive Officer to ensure effective checks and balances of power.

3.2.3 The Chairman is responsible for leading the Board of Directors. The Chairman oversees, monitors, and ensures that the board efficiently carries out its duties to achieve the Company's objectives. Including the following matters.

(1) Supervise, monitor and ensure that the performance of the board is effective and achieve the objectives and main goals of the Company.

(2) Ensure that directors are involved in promoting an ethical corporate culture and good corporate governance.

(3) Determine the meeting agenda by discussing with the Chief Executive Officer and provide procedure to ensure that significant matters have been included in the agenda.

(4) Allocate sufficient time to discuss with management regarding the significant issues carefully. Also encouraging directors to be prudent and provide independent opinions.

(5) Strengthen good relations between directors who are executives and non-executive directors and between the board and management as well.

3.2.4 The Board sets the policy for independent directors to hold the position not more than 9 years from the date of first appointment as independent directors. In the case of appointing such independent director to hold the position, the board should consider such necessity.

3.2.5 To consider the significant matters carefully, the board may appoint sub-committees to consider specific issues which and propose guidelines for consideration before proposing to the board for approval.

3.2.6 Oversee the disclosure of roles and duties of the board and sub-committees and meeting attendance of each director in the previous year, and reported the performance of sub-committee.

- **Principle 3.3**

The board ensures that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

3.3.1 The Board of Directors sets the nomination criteria and processes consistent with the skills matrix approved by the Board of Directors and ensures that the candidate's profile meets the requirements set out in the skills matrix and nomination criteria. Upon proposal to and approval by the board of a candidate, the candidate is presented to the shareholders' meeting for election and appointment as a director. The Board of Directors ensures that the shareholders receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.

3.3.2 The Board of Directors will review nomination criteria and process before nominating new directors. If the Board of Directors nominates current directors, their performance shall be considered.

- **Principle 3.4**

When proposing directors remuneration to the shareholders' meeting for approval, the Board of Directors considers whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and the Company's performance, and provides incentives for the board to lead the Company in meeting its objectives, both in the short and long term.

3.4.1 The Board of Directors ensures that the remuneration is consistent with the Company's strategies and long-term objectives, and reflects the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director, and is comparable to industry practice.

3.4.2 Shareholders must approve the director remuneration. The Board of Directors considers the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards).

3.4.3 The Board of Directors will disclose the policy and remuneration criteria which reflects the duties and responsibilities of each individual, including the pay components and amount received by each director including received from subsidiaries.

- **Principle 3.5**

The Board of Directors ensures that all directors are properly accountable for their duties, responsibilities and actions or inactions, and allocate sufficient time to discharge their duties and responsibilities effectively.

3.5.1 The Board of Directors ensures that there is a mechanism to support directors in understanding their roles and responsibilities, and the time commitment expected from them.

3.5.2 The Board of Directors sets the number of companies of which a director can simultaneously be a director which is appropriate to the nature and types of businesses involved.

3.5.3 The Company will disclose each Director's positions in other companies in public.

3.5.4 In case the director or management has any direct or indirect conflicting business, or can use the opportunity or information of the Company for their benefit, the Company has adequate measures to protect its shareholders. In a Board of Directors' meeting, any

rector who has interest in any agenda cannot vote on that agenda. In a shareholders' meeting, any shareholder who has any interest in any agenda shall not vote on that agenda except for the election of directors.

3.5.5 Each director should attend not less than half of all board meetings in any whole financial reporting year, unless necessary reasons.

- **Principle 3.6**

The Board of Directors ensures that the Company's governance framework and policies extend too and are accepted by subsidiaries and other businesses in which it has a significant investment.

3.6.1 The Company has mechanisms to control the operations of its subsidiaries, to protect the Company's subsidiaries as follows

- (1) Appoint a Company's representative to act as director and management in subsidiary companies, except the small size subsidiaries which are operating arms of the Company, the Board of Directors may delegate authority to Chief Executive Officer.
- 2) Determine roles and responsibilities of the representative in (1) and oversee the operation of subsidiaries to be complying with the policy. In the case that the subsidiary has joint investment, the Board of Directors will set the policy for the agent to act best for the benefit of the subsidiary in accordance with the policy of the parent company.
- 3) Oversee the subsidiaries to ensure it has appropriate internal control systems and comply with related regulations.
- 4) Oversee the subsidiaries to ensure that it discloses accurate and complete information, such as financial statements, operating results, connected transactions and acquisition & disposition of assets, capital increasing and decreasing, dissolution of subsidiaries, and etc.

3.6.2 If it is a significant investment in other businesses, such as having a percentage of shares with voting rights from 20 percent but not more than 50 percent, and the amount of investment or may require additional investment significantly to the Company, the Board of Directors will ensure that there Shareholders' Agreement or other agreements to create clarity about the power of management and participation in important decisions performance tracking. This is to be used as information in the preparation of the company's financial statements under the standards.

- **Principle 3.7**

The Board of Directors conducts an annual performance evaluation of the Board of Directors and each individual director. The evaluation results will be used to strengthen the effectiveness of the Board of Directors.

- **Principle 3.8**

The Board of Directors ensures that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant law and standards, and other applicable obligations. The Board of Directors supports all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on Board of Directors.

3.8.1 The Board ensures that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the Company's objectives, the nature of the business, and the Company's operations.

- 3.8.2 The Board ensures that directors regularly receive sufficient and continuous training and knowledge development.
- 3.8.3 The Board has knowledge and understanding of relevant laws and standards, and other applicable obligations, risk factors, and the Company's business environment. The Board receives accurate, timely and clear information, including timely and regular updates.
- 3.8.4 The Board discloses in the annual report training and knowledge development of the board

- **Principle 3.9**

The Board of Directors ensures that it can perform its duties effectively and has access to accurate, relevant and timely information. The Board appoints a company secretary with necessary qualifications, knowledge, skills, and experience to support the board in performing its duties.

- 3.9.1 The Board's meeting schedule and agenda is set in advance and each director receives sufficient notice to ensure attendance.
- 3.9.2 The number of board meetings is appropriate to the obligations and responsibilities of the board and nature of the business, and the Board shall meet at least 4 times per year.
- 3.9.3 The Board has a mechanism that allows each board member and management to propose the inclusion of relevant items on the meeting agenda.
- 3.9.4 Meeting documents shall be sent to each director at least seven days before the meeting. Unless the case of urgent which benefits to the Company, may inform the meeting by other methods and the meeting date can be set earlier than that.
- 3.9.5 The Board encourages the Chief Executive Officer to invite key executives to attend board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key executives and assist succession planning.
- 3.9.6 The Board has access to accurate, relevant, timely and clear information required for their respective roles from the Chief Executive Officer, Company Secretary, or designated executive. If necessary to discharge their responsibilities, the board may seek independent professional advice at the Company's expense.
- 3.9.7 Non-executive directors are able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meetings to the Company's Chief Executive Officer. The Non-executive directors of at least 3 persons can request to hold a meeting.
- 3.9.8 The Board appoints a Company Secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board's resolutions. The board discloses the qualifications and experience of the Company Secretary in its annual report and on the Company's website.
- 3.9.9 The Company Secretary shall receive ongoing training and education relevant to performing his/her duties. The Company Secretary is also encouraged to enroll on a Company Secretary Certified Program

Principle 4: Nomination and development of high level management

- **Principle 4.1**

The Board ensures that a proper mechanism is in place for the nomination and development of the Chief Executive Officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

4.1.1 The Board establishes, or assigns directors to establish, the criteria and procedures for nomination and appointment of the Chief Executive Officer.

4.1.2 The Board ensures that the Chief Executive Officer appoints knowledgeable, skilled, and experienced key executives

4.1.3 To ensure business continuity, the Board ensures that development and succession plans for the Chief Executive Officer and key executives are in place.

4.1.4 The Board promotes continuous development and education of the Chief Executive Officer and key executives that is relevant to their roles.

- **Principle 4.2**

The Board ensures that there is an appropriate compensation structure and performance evaluation procedure.

4.2.1 The Board ensures that the compensation structure rewards individual performance, incentivizes, key executives, employees and staff at all levels of the Company to act in support of the Company's objectives and values.

4.2.2 The Board ensures that clear and predetermined performance evaluation criteria are in place for all employees and staff throughout the Company.

- **Principle 4.3**

The Board considers its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.

4.3.1 The board understands the Company's shareholder structure and relationships or group company policies.

4.3.2 The Board oversee that the agreement under item 4.3.1 is an obstacle to the performance of the Board of Directors.

4.3.3 The Board ensures that information is properly disclosed when there are any conditions that have an impact on the control over the Company.

- **Principle 4.4**

The Board of Directors will monitor the management and development of personnel to have the appropriate knowledge, skills, experience and motivation.

4.4.1 The Board ensures that the Company is properly staffed, and that human resources management aligns with the Company's objectives and furthers sustainable value creation. All employees and staff shall receive fair treatment

4.4.2 The Board ensures that the Company has established a provident fund or other retirement plan, and requires management to implement a training and development program for employees and staff that promotes financial literacy, including retirement savings that are suitable for their age and risk appetite.

Principle 5 : Business Responsibilities

- **Principle 5.1**

The Board prioritizes and promotes operation that creates value for the Company together with benefits for its customers, other stakeholders, society, and the environment.

5.1.1 The Board prioritizes and promotes a corporate culture that embraces innovation and ensures management's inclusion of innovation in its corporate strategy, operational development planning, and operation monitoring.

5.1.2 The Board nurtures innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners. In this regard, the above actions should be in a manner to create mutual benefits for the company, customers, partners, society and the environment and does not support inappropriate behavior Illegal or unethical activities.

- **Principle 5.2**

The Board encourages management to adopt responsible operations policies, and incorporate them into the Company's operations plan. This is to ensure that every department and function in the Company adopts the Company's objectives, goals, and strategies, applying high ethical, environmental and social standards.

5.2.1 The Board encourages management to ensure that the Company's operations reflect the company-wide implementation of high ethical, environmental and social standards and ensure that appropriate company-wide policies and procedures are implemented to further the Company's objectives, goals and strategies in support of sustainable value creation. The Company has procedures for running the business fairly and respecting and adhering to stakeholders' rights as follows:

- (1) Responsibilities to employees include adhering to applicable laws and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (but can be over the legal limit where appropriate), health care, a non-discriminatory and safe workplace, access to relevant training, potential skills development and advancement
- (2) Responsibilities to customers include adhering to applicable laws and standards, considering the impact on health and safety of products and services, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations shall promote responsible consumption and must be done responsibly, avoiding taking advantage of or misleading customers, or causing misunderstanding about the products and services offered by the Company.
- (3) Responsibilities to business partners include engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable laws and standards, and expecting and monitoring business partners to respect human rights, social and environmental responsibilities, and treat their employees, staff, and workers fairly including ensuring that business partners have

implemented sustainable and values-based business policies and procedures.

- (4) Responsibilities to the community include applying business knowledge and experience to develop and follow up on the success of projects that can concretely add value to the community while respecting community interests.
- (5) Responsibilities to the environment include preventing, reducing and managing negative impact on the environment from all aspects of the Company's operations, including in the context of raw material use, energy use, water use, renewable resources use.
- (6) Fair competition responsibilities include promoting ethical business conduct and not using anti-competitive practices to gain or protect a market position.
- (7) Anti-fraud and corruption responsibilities include ensuring that the Company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programs.

- **Principle 5.3**

The Board ensures that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

- 5.3.1 The Board has a thorough understanding of the Company's resource needs to support its business model, and how available resources are allocated.
- 5.3.2 The Board has a thorough understanding of how the business model affects resource optimization in support of ethical, responsible, and overall sustainable value creation.
- 5.3.3 The Board ensures that management continuously reviews, adapts, and develops the Company's use and optimization of resources, considering internal and external factors to meet the Company's objectives.

The resources that the company should consider are at least 4 types, namely financial capital, wisdom, human capital, social and relationship capital, and natural capital.

- **Principle 5.4**

The Board establishes a framework for governance of enterprise Information Technology that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

- 5.4.1 The board provides a policy on the allocation and management of information technology resources which covers adequate allocation of resources for business operations and setting guidelines to support in the event that the resources cannot be allocated sufficiently as specified.
- 5.4.2 The Board ensures that the Company's risk management includes IT risk management
- 5.4.3 The Board establishes policies regarding Information Technology security.

The IT management policy is summarized as follows :

- (1) The Company has complied with laws, rules, regulations and standards, related to the information technology.
- (2) The Company has a data security system which is confidentiality, integrity availability, including the prevention of misuse of information, modified information without permission.
- (3) The Company has considered information technology risks and have procedure to manage such risks, such as Business Continuity Management, Incident Management,

Asset management, and etc.

- (4) The Company has considered the allocation and management of information technology resources and determine factors for information technology plans, such as strategic plan, impact on business operations, budget and human resources in information technology and consistency with the business model, and etc.

Principle 6: Strengthen Effective Risk Management and Internal Control

- **Principle 6.1**

The Board ensures that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals and strategies and comply with applicable law and standards.

6.1.1 The Board is aware of and understands the nature and scope of the Company's principal and substantial risks and approves the risk appetite of the Company.

6.1.2 The Board ensures the establishment and implementation of risk management policies that are consistent with the Company's goals, objectives, strategies and risk appetite. The risk management policies support identification and prioritization of early warning signals of material risks. The risk management policies are reviewed regularly.

6.1.3 The Board ensures that the Company's principal and substantial risks are identified through consideration of internal and external factors. The risks that the Board of Directors should consider consist of Strategic Risk, Operational Risk, Financial Risk and Compliance Risk, and etc.

6.1.4 The Board ensures that the impact and likelihood of identified risks are assessed and prioritized, and that suitable risk mitigation strategies and plans are in place.

6.1.5 Considering the size and nature of the Company, the board establishes a risk management committee to assist the board in its oversight functions related to guidelines nos. 6.1.1–6.1.4.

6.1.6 The Board regularly monitors the effectiveness of the Company's risk management.

6.1.7 The Board has to ensure and monitor that the Company complies with relevant and applicable law and standards, whether domestic, international or foreign.

6.1.8 In the case that the Company or its subsidiaries invest in other company with significant interest (i.e. the shareholding proportion of 20 percent but not more than 50 percent) the board should oversight such company's risk in functions related to guidelines no. 6.1.1 – 6.1.7.

- **Principle 6.2**

The Board has established an audit committee that can act effectively and independently.

6.2.1 The Board has established an audit committee that comprises at least three directors, all of whom must be independent directors, with required qualifications, and who comply with applicable legal requirements, including those promulgated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Board of Directors will determine the duties of the Audit Committee in written, at least as specified in the Charter of the Audit Committee.

6.2.3 The Board ensures that procedures are established that allow the Audit Committee to fulfill its duties and responsibilities, including by having access to management, employees and staff, professional advisers (such as external auditor), and information relevant and necessary to perform their duties.

6.2.4 The Board ensures the designation of an internal auditor or establishes an independent

internal audit function that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and reporting review results to the Audit Committee. The result of the internal audit review must be disclosed in the Company's annual report.

6.2.5 The Audit Committee expresses its opinion on the adequacy of the Company's internal control and risk management systems, and discloses its opinion in the Company's annual report.

- **Principle 6.3**

The Board manages and monitors conflicts of interest that might occur between the Company, management, directors, and shareholders. The board also prevents the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

6.3.1 The Board establishes an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market sensitive information. The board monitors the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees and staff, and professional advisers, such as legal or financial advisers.

6.3.2 The Board ensures management and monitoring of conflict of interest situations and transactions. The board adopts an ethics and conflicts of interest policy consistent with applicable laws and standards (including fiduciary duties), and establishes clear guidelines and procedures for disclosure and decision-making in conflict of interest situations. For example, any party who has a vested interest in a particular transaction, discloses that interest, and is not involved in the decision-making.

6.3.3 The Board set requirements for all directors to report conflicts of interest in relation to any meeting agenda item before consideration of the matter at the meeting and records the reported conflict of interest in the meeting minutes. The board also ensures that all directors that have a conflict of interest in relation to an agenda item abstain from voting and are not present for discussion of that agenda item.

- **Principle 6.4**

The Board establishes a clear anti-corruption policy and practices (including communication and staff training), and strives to extend its anti-corruption efforts to stakeholders.

- **Principle 6.5**

The Board establishes a mechanism for handling complaints and whistle blowing.

6.5.1 The Board ensures that an effective mechanism is in place to record, track, resolve, and report complaints and feedback. The board ensures the availability of convenient complaint channels (more than one), and that stakeholders are made aware through the Company's website or annual report.

6.5.2 The Board ensures that the Company has a clear whistle blowing policy, including designated whistle blowing channels for reporting of suspected wrongdoing, such as through the Company's website, email, designated independent directors or the Audit Committee.

The Board ensures proper and effective handling of whistle blowing complaints, including the investigation, any remedial action, and reporting to the board.

- 6.5.3 The Board ensures that whistle blowers are protected from retaliation as a result of their good faith whistle blowing activities.

Principle 7: Ensure Disclosure and Financial Integrity

- **Principle 7.1**

The Board ensures the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.

- 7.1.1 The Board ensures that any person (including chief financial officer, accountant, internal auditor, company secretary, and investor relations officer) involved in the preparation and disclosure of any information of the Company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.

- 7.1.2 When approving information disclosures, the board considers all relevant factors, including for periodic financial disclosures:

- (1) The evaluation results of the adequacy of the internal control system.
- (2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels.
- (3) The Audit Committee's opinions.
- (4) Consistency with objectives, strategies and policies.

- 7.1.3 The Board will ensure the disclosure of information, including financial statements, annual report, Form 56-1, which reflects sufficient financial status and operating results as well as encouraging the Company to prepare management explanations and analysis (Management Discussion and Analysis or MD&A) for the disclosure of quarterly financial statements.

- 7.1.4 For disclosures related to any individual director, that director ensures the accuracy and completeness of the information disclosed by the Company i.e. stakes in the Company, Shareholders' agreement, and etc.

- **Principle 7.2**

The Board monitors the Company's financial liquidity and solvency.

- 7.2.1 The Board ensures that management regularly monitors, evaluates and reports on the Company's financial status. The board and management ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

- 7.2.2 The Board ensures that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

- **Principle 7.3**

The Board ensures that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.

- 7.3.1 In the event of financial risk or difficulties, the board enhances monitoring of the affairs

of the Company, and considers the Company's financial position and disclosure obligations.

7.3.2 The Board ensures that the Company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The board monitors management's handling of financial risks or difficulties and seeks regular reports.

7.3.3 The Board ensures that any actions to improve the Company's financial position are reasonable and made for a proper purpose.

- **Principle 7.4**

The Board ensures sustainability reporting, as appropriate.

7.4.1 The Board considers and reports data on the Company's compliance and ethical performance including anti-corruption performance, its treatment of employees and other stakeholders, including fair treatment and respect for human rights, and social and environmental responsibilities. The Company discloses this information in the annual report.

7.4.2 The Board ensures that the Company's sustainability reporting reflects material corporate practices that support sustainable value creation.

- **Principle 7.5**

The board ensures the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders, i.e. investors, analysts.

7.5.1 The Board proceed to prepare Communication Policy to ensure that the disclosure of all information relevant and material to the Company's shareholders, the market and third parties is done in an appropriate, equal, and timely manner, using appropriate channels, while protecting the Company's sensitive and confidential information. The board ensures company-wide communication and implementation of the Company's communication and disclosure policy.

7.5.2 The Company's designated Investor Relations contact is suitable for the role and has a thorough understanding of the nature of the Company's business, and its objectives and values.

7.5.3 The Board ensures the creation of an Investor Relations function responsible for regular, effective and fair communication with shareholders and external parties.

- **Principle 7.6**

The Board ensures the effective use by the Company of information technology in disseminating information.

7.6.1 In addition to the Company's mandatory periodic and non-periodic disclosure of information pursuant to applicable requirements, the board considers regularly disclosing relevant information in both Thai and in English through other channels, such as the Company's website.

The Company will disclose at least the following information on the Company's website.

- (1) Vision and Core values
- (2) Business type
- (3) List of Directors and Management
- (4) Financial statements
- (5) Form 56-1, Annual report which can be downloaded

- (6) Presentation and other information which presented to analysts, fund manager and others
- (7) Shareholding structure for both direct and indirect
- (8) Group structure which includes subsidiaries, associates, joint-venture and special purpose enterprises/vehicles (SPEs/SPVs)
- (9) Major shareholders who have more than 5 percent interest of total paid-up capital and voting rights
- (10) Proportion of shares held by directors, major shareholders and high level management
- (11) Annual General Meeting and Extraordinary General Meeting notices
- (12) Article of Association and Memorandum of Association
- (13) Corporate governance policy, anti-corruption policy, IT security policy and Risk management policy
- (14) Charters, responsibilities, qualifications, term of directorship of the board and sub-committee, including matters that have to be approved by the board.
- (15) Business ethics
- (16) Contact information of department or complaint or the person responsible for the investor relations, company secretary, contact person, phone number, and email etc.

Principle 8: Ensure Engagement and Communication with Shareholders

- **Principle 8.1**

The Board ensures that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

8.1.1 The Board ensures that significant corporate decisions are considered and/or approved by the shareholders pursuant to applicable legal requirements.

8.1.2 The Board supports the participation of shareholders such as;

(1) Determine criteria for minority shareholders to propose additional agenda items prior to the shareholders' meeting date. The board will consider the matter proposed by the shareholders as an agenda. In case that the board rejects such the board have to inform the shareholders of the reasons.

(2) Criteria for minority shareholders to nominate persons to be appointed as directors. Matters that require shareholder approval shall be included in the agenda for the shareholders' meeting and shareholders shall be provided sufficient notice.

8.1.3 The Board ensures that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their right.

8.1.4 The Board supports the Company to arrange the notice of the shareholders' meeting and related papers to be sent to shareholders and post on the Company's website at least 14 days before the meeting.

8.1.5 The Board will allow shareholders to submit questions in advance of the meeting date by setting procedure to submit such questions and post on the Company's website.

8.1.6 The notice of the shareholders' meeting and related papers will be prepared in both Thai and English version which English version is the translation of the Thai version.

The notice of the shareholder's meeting consists of;

(1) Date, time and venue of the shareholders' meeting

- (2) The agenda of the meeting by specifying that it is an agenda for acknowledgment or approval. Including clearly divided into topics such as in the agenda relating to directors has separated the election of directors and approval of remuneration for each agenda.
- (3) Objectives, reasons and the opinion of the board on each proposed agenda, including
 - a. Agenda for approval of dividend payment - Dividend Payment Policy The proposed dividend rate, along with the reasons and accompanying information and provide explanation in the case that the Company not pay the dividend.
 - b. Agenda for appointment of directors - specify names, age, educational background and work experience. In the case of being re-nominated as director, specify the meeting attendance for the previous year and the date of appointment as a director of the company.
 - c. Agenda for approval of directors' remuneration - Policy and criteria for determining remuneration for each director and remuneration for all forms of directors, both financials and other benefits.
 - d. Agenda for appointment of auditors - Auditor's name, work experience, independence and fees
- (4) Proxy form based on Ministry of Commerce
- (5) Other meeting information, such as voting procedures, counting and announcement of voting results, rights of each type of shares, information of independent directors proposed as proxy, documents that shareholders have to show before attending the meeting and the map of the meeting place, and etc.

- **Principle 8.2**

The Board ensures that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensures inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

- 8.2.1 The Board sets the date, time, and place of the meeting by considering the interests of shareholders, such as allocating sufficient time for debate, and choosing a convenient location.
- 8.2.2 The Board ensures that the Company does not through its meeting attendance requirements or prerequisites prevent attendance by or place an undue burden on shareholders, including identification requirements that exceed applicable legal and regulatory requirements.
- 8.2.3 In the interest of transparency and accountability, the board promotes the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.
- 8.2.4 The chairman of the board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- 8.2.5 To ensure the right of shareholders to participate in the Company's decisionmaking process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholders shall not be allowed to add items to the meeting agenda that have not been duly notified

in advance.

- 8.2.6 All directors and relevant executives attend the meeting to answer questions from shareholders on Company-related matters.
- 8.2.7 The attending shareholders shall be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting procedures and the voting and vote counting methods before the start of the meeting.
- 8.2.8 There shall not be any bundling of several items into the same resolution. For example, the appointment of each director shall be voted on and recorded as separate resolution.
- 8.2.9 The Board promotes the use of ballots for voting on resolutions proposed at the shareholders' meeting and designates an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "agree", "against" and "abstain" votes. The voting results for each proposed resolution shall be included in the meeting's minutes.

- **Principle 8.3**

The Board ensures accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

- 8.3.1 The Board ensures that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the Company's website by the next business day.
- 8.3.2 The Board ensures that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.
- 8.3.3 The Board ensures that the Company promptly prepares the minutes of the shareholders' meeting, including the following information;
 - (1) Attendance of directors, executives, and the proportion of attending directors;
 - (2) Voting and vote counting methods, meeting resolutions, and voting results ("agree", "against", and "abstain") for each proposed resolution; and
 - (3) Questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions.

The Board of Directors holds a responsibility in overseeing the Company's operational activities and its performances, including the authority to take action within the scope of the laws, and objectives of the Company's By-Laws and its resolutions. The Board has full authority to take action / approve matters under its authority. The roles, duties, and responsibilities of the Board of Directors are as follows:

1. Define the overall direction, objective, and strategy of the company
2. Approve the company's annual business plan including revenues and expenditures' budget proposed by the Executive Committee
3. Define and approve policies as required by laws and regulations of government agencies specified for the Company operations, including policies of various matters in business operations, such as risk management policies
4. Approval of the corporate governance and the business's code of conduct implement for the company that is presented by the Corporate Governance Committee
5. Appointment, removal, and define authorities of the sub-committees under the supervision of the Board, including the senior executive officers begging at the executive director level upwards
6. Approve the remuneration and other benefits given to the executive officers of the Company

7. Appointment and removal of the Company's Secretary
8. Approve or suspend interim dividends to shareholders
9. Propose capital increase or reduction or changes in Company's par value or amendment of the Memorandum of Association and / or objectives of the Company impacting the shareholders
10. Approving or canceling of borrowing funds or guarantor of loans, or any credit line that exceeds the limit of Board of Directors' authority
11. Approve financial lending or guarantee of loan for its subsidiaries that the Company has share holding.
12. Approve the setting up of new subsidiary, all mergers & acquisitions, and including dissolving of a subsidiary
13. Approval all adjustment, remove or eliminate, amortization of all fixed and intangible assets that are discontinued, damaged, lost or destroyed, deteriorated, or obsolete assets that have a higher financial value than the executives officers' authority
14. Any sales or mortgaging or leasing any of the Company's property assets of more than 3 years
15. Approve of acquisition or disposal of assets or related party transactions shall be in accordance with the Capital Market Advisory Board required the signatory of the following:

The Board of Directors consists of 12 members, consisting of 4 independent directors, 4 executive directors and 4 non-executive directors as follows :

1. Mr. Charoen	Sirivadhanabhakdi	Chairman of the Board	Non Executive Director
2. Khunying Wanna	Sirivadhanabhakdi	Vice Chairman of the Board	Non Executive Director
3. Mr. Areepong	Bhoocha-oom	Vice Chairman of the Board	Non Executive Director
4. Mr. Chotiphath	Bijananda	Director	Executive Director
5. Mrs. Atinant	Bijanand	Director	Executive Director
6. Mr. Thapana	Sirivadhanabhakdi	Director	Non Executive Director
7. Mr. Somchai	Sujjapongse	Director	Executive Director
8. Mr. Apichai	Boontherawara	Director	Executive Director
9. Pol. Gen. Jate	Mongkolhutti	Director	Independent Director
10. Mrs. Kulpatra	Sirodom	Director	Independent Director
11. Mr. Yothin	Pibulkasetkij	Director	Independent Director
12. Mr. Padungdej	Intralak	Director	Independent Director

Ms. Supaporn Rojana-amornchai Secretary to the Board of Directors

The Authorized Board of Directors signatories on behalf of the Company are as follows:

The authorized signatory on behalf of the Company are Mr. Charoen Sirivadhanabhakdi, Khunying Wanna Sirivadhanabhakdi, Mr. Areepong Bhoocha-oom, Mr. Chotiphath Bijananda, Mrs. Atinant Bijananda, Mr. Thapana Sirivadhanabhakdi, Mr. Somchai Sujjapongse, Mr. Apichai Boontherawara (2 of 8 directors co-sign with the stamp the Company's seal).

The Audit Committee

The Audit Committee performs duties as assigned by the Board of Directors. The composition of the Committee and the scope of authorities and duties are as follows:

1. Review the Company and its subsidiaries to ensure accurate and sufficient financial reporting in accordance

with the financial reporting standards by coordinating external auditors and the executives who responsible for preparing the quarterly and annual financial reports. The Audit Committee may suggest that the auditor review or examine any transaction which is considered important and necessary during the audit of the Company and its subsidiaries;

2. Review to ensure that the Company and its subsidiaries have an appropriate, adequate, and effective internal control and internal audit systems;
3. Consider the independence of the internal audit department as well as giving approval to the appointment, transfer, and dismissal of the head of the internal audit department or any other department responsible for internal auditing;
4. Has the authority to access all Company's information including inviting executives, management, supervisors, employees, or related persons to attend the meeting to give information including delivering and providing relevant information under the scope of duties assigned by the Board;
5. Consider and approve the annual budget, manpower, and resources needed to perform the internal audit work. The Committee shall approve the annual audit plan, including consideration and approval of the significant internal audit plan, the supervision of the internal audit department in accordance with the annual audit plan that has been approved and in accordance with the international standards for the practice of the internal audit profession, and assess the quality of the internal audit performance annually, including attending meetings with the chief audit executive to discuss important issues at least 1 time per year;
6. Review to ensure that the Company complies with the securities and exchange laws and regulations of the Stock Exchange of Thailand, and the Capital Market Supervisory Board, or relevant laws to the Company's business;
7. Consider, select, and nominate independent individuals to perform audit of the Company and propose the remuneration of the said auditors by considering its reputation, sufficient resources for the amount of workload of the audit office, experience of the personnel assigned to do the Company's auditing, and including meeting with the auditor without the management;
8. Consider connected transactions or transactions that may pose conflict of interests, acquisition or disposition of assets of the Company or subsidiary to be accurate and complete and in accordance with the laws and relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that the said transaction is reasonable and in the best interest of the Company and its shareholders.
9. Prepare a report on the corporate governance of the Audit Committee by disclose in the Company's annual report which must be signed by the Chairman of the Audit Committee and must contain at least the following information;
 - (1) Comments on the correctness, completeness, and credibility of the Company's financial reports
 - (2) Comments on the adequacy of the internal control systems of the Company and its subsidiaries
 - (3) Comments on the compliance with the securities and exchange laws and regulations of the Stock Exchange of Thailand or relevant laws of the business of the Company and its subsidiaries
 - (4) Comments regarding the suitability of the auditor
 - (5) Comments on transactions that may have conflict of interests
 - (6) The number of the Audit Committee meetings and the attendance of each member of the Audit Committee
 - (7) Overall opinion or observation that the Audit Committee received from performing according to the Charter's duties and
 - (8) Other items which should be known to shareholders and general investors within the scope of duties

and responsibilities assigned by the Board of Directors

10. Review and follow up on risk management results from the management and/or related departments;
11. Review and propose amendments to the Audit Committee's Charter as appropriate, at least once a year;
12. Review the performance of the previous year by prepare a performance report and propose to the Board at least once a year;
13. Seek independent opinions from extern professional advisors to provide comments or recommendations in the area of responsibility as appropriate and necessary for the Company's expenses; and
14. Perform other duties as assigned by the Board of Directors with the approval of the Audit Committee.

In performing the above duties, the Audit Committee is directly responsible to the Board of Directors. The Board still has the responsibility for the operation of the Company to the outsiders. The Board has the authority to amend the definition or qualification of independent directors and the Charter of the Audit Committee to align with the responsibility of the Audit Committee under the rules of the office of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Capital Market Supervisory Board, and/or the provisions of other relevant laws.

The Company's Audit Committee consists of 3 independent directors as follows :

- | | | |
|------------------|---------------|----------------------------------|
| 1. Mrs. Kulpatra | Sirodom | Chairman of the Audit Committee |
| 2. Mr. Yothin | Pibulkasetkij | Director of the Audit Committee |
| 3. Mr. Padungdej | Indralak | Director of the Audit Committee |
| Mr. Vichan | Assawarangsi | Secretary to the Audit Committee |

Mrs. Kulpatra Sirodom, Chairman of the Audit Committee, is a person with knowledge and experience as well as reputable in the field of auditing. Details of the directors and executives of the company as per Attachment 1.

The Executive Board

The Executive Board shall perform its duties as mandated by the Board. The composition of the Committee and scope of authorities are as follows:

1. To execute and manage the Company and its subsidiaries' business plan accordingly and in a professional manner in order to achieve the planned objectives, article of associations, and the Board's resolution;
2. To determine and provide recommendations on the Company's and subsidiaries' strategic direction, management structure, and annual business plan and budget to propose to the Board for approval;
3. To supervise and monitor the business operations of the Company and subsidiaries to be in accordance with the Vision, Mission, goals, business objectives, strategy, business plan and the annual budget plan that has been approved by the board to be effective and efficient to business and provide advice senior management;
4. To diligently study investment feasibility in new projects and has the authority to consider and approve the Company and its subsidiaries to invest or jointly invest with individuals, juristic persons or any other business organization in the form that the Executive Board deems appropriate to operate the business in accordance with the objectives of the Company and its subsidiaries as well as considering and approving spending for such investments and entering into a legal contract and/or any action related to the said matter until the completion of the specified amount and/or related laws and regulations and/or according to the regulations of the Company and its subsidiaries' article of association;
5. To monitor and report the performance and progress of each of the business investment project and report the results including problems or obstacles that occur and guidelines for improvement to the Board of Directors;
6. Give recommendation on dividend payment of the Company and subsidiaries to the Board of Directors;

7. To consider and provide suggestions or comments to the Board of Directors on the project proposal or entering into any transaction related to the business operations of the Company and its subsidiaries. Including considering funding options when necessary and / or where applicable laws and regulations or Company's regulations require the approval from the shareholders' meeting and/or the Board;
8. To consider and approve investment spending, entering into financial transactions with financial institutions in opening a line of credit, requesting loans, pledge, mortgage guarantees and others Including the trading and registration of any land ownership according to the purpose for the benefit of the operation of the Company and its subsidiaries, until entering into a legal contract to obtain the rights of the Company and its subsidiaries and/or any actions relating to the matter until the completion of the specified amount and/or relevant laws and regulations or company regulations;
9. To consider and approve Company's Article of Associations, management policies and business operations of the Company and its subsidiaries or any actions that deemed binding to the Company and its subsidiaries;
10. To determine organization chart and appoint and/or assign executive director or one or more persons acting within the authority of the Executive Board and within the period as the Executive Board deems appropriate which the Executive Board may cancel or modify such power as appropriate. There is no delegation of authority to persons who may have conflicts of interest in the operation;
11. To execute the attendance of executives or employees to attend or prepare and provide information related to matters that will be discussed at the Executive Board meeting, it shall have the authority and responsibility as assigned or according to the policies assigned by the Board of Directors from time to time, including authority in proposing name of outside individual for appointment for directors and executives as well as from within the Company (stated in the Company's article of association). At least, in proportion to shareholding of the Company within the time specified or an independent individual who has opinion or recommendation of important matter should inform the management who has authority and duty on the regular basis, including other significant matters that need to inform the Board.
12. To consider and approve the operation manual and the scope of responsibility of the management to ensure various operations follows the system;
13. Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the Board;
14. To evaluate the performance of the Chief Executive officer and the Board of Directors, including evaluating the performance of individual executive director and review the performance and obstacles each year to be used for improvement.

The Executive Board Committee comprised of 4 directors as follows :

- | | | |
|------------------|---------------|--------------------------------------|
| 1. Mr. Chotiphat | Bijananda | Chairman of the Executive Committee |
| 2. Mrs. Atinant | Bijananda | Executive Director |
| 3. Mr. Somchai | Sujjapongse | Executive Director |
| 4. Mr. Apichai | Boontherawara | Executive Director |
| Miss Viryn | Charoenwai | Secretary to the Executive Committee |

The Risk Management Committee

The Risk Management Committee (the "Committee") has the responsibility to assist the Board of Directors in caring out risk oversight with efficiency and effectiveness for the Company and its subsidiaries to meet the business objective. The Committee shall determine the risk oversight procedures and process that deem appropriate for

the Company's business operation and should comply with relevant laws and regulations. The responsibility and authority of the Committee is as follows:

1. Propose risk governance policy for the Board approval whereby the scope of risks should meet the Company's risk appetite at least in the area of credit, market, financial liquidity, operational risk, and any other risk that may negatively impact the Company's reputation;
2. Put in place risk strategy that is aligned with the Company's risk appetite that can be evaluate, monitor, control, as well as establish criteria for contingency compensation;
3. Review the adequacy of the risk policy and procedures including its effectiveness and implementation;
4. Regularly report finding of exposed or potential risk to the Board so that improvement can timely be made to realign with the Company's risk framework that had already been put in place;
5. Consider and approve variety of essential criteria that is related to and/or entering into a business transaction, binding contract, transactions that is similar to provide a line of financial credit within the mandate of the Company's risk provisional framework, and policy screening of guarantee which would require the approval from the Board of Directors;
6. Oversee and manage risk of the Company as assigned and report the Board.

The Risk Management Committee comprised of 3 directors as follows :

- | | | |
|-------------------|--------------|--|
| 1. Pol. Gen. Jate | Mongkolhutti | Chairman of the Risk Management Committee |
| 2. Mr. Somchai | Sujjapongse | Director of the Risk Management Committee |
| 3. Mr. Padungdej | Indralak | Director of the Risk Management Committee |
| Mr. Amarin | Phoyen | Secretary to the Risk Management Committee |

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the "Committee") is authorized and responsible in assisting the Board in selecting and remunerating directors and executives of the Company and empowered to formulate policies and procedures that are appropriate for operations of the Company's business in accordance with relevant laws and regulations. The responsibilities of the Nomination and Remuneration Committee include:

1. Define policies, criteria, and procedures for nominating directors and executive management for the Company in order to propose to the Board for selects and nominates a suitable and appropriate person in accordance with the regulations and laws. To be appointed as a director, director of the company that is assigned with direct authority and responsibility. From the Board of Directors and management authority of the company and the company's management to propose to the Board of Directors;
2. Ensure that the Board members and composition are of the right size for the organization as well as making any adjustment deem appropriate with the changing environment. The Board of Directors must consist of persons with knowledge, ability, and experience in various areas;
3. Ensure that the directors and executives receive appropriate remuneration for their duties and responsibilities;
4. Consider and propose remuneration package and other benefits of the Directors and the Chief Executive officer to the Board and determine a policy for the compensation and other benefits with transparent criteria for other executives as guideline. Compensation and benefits consideration by the Resource Management Committee Personal;
5. Consider and propose job performance evaluation guidelines for Directors and Chief Executive officer to the Board to be used as guidelines for performance evaluation. The Board shall determinate annual

compensation based on individual duties, responsibilities, management risk, business execution that is in accordance with the business plan and organizational strategy, and more importantly value creation for the shareholders;

6. Remuneration's criteria and policy regarding to compensation framework including the report of the compensation and opinions of the Nomination and Remuneration Committee is made available in the annual report;
7. Ensure recruitment program for successor planning is The management of the company is to ensure that the planning and preparation of The position is important for the company's business operations.

The Nomination and Remuneration Committee comprise of 3 directors as follows :

- | | | |
|------------------|-------------------------------|--|
| 1. Mr. Chotiphat | Bijananda | Chairman of the Nomination and Remuneration |
| 2. Mrs. Atinant | Bijananda | Director of the Nomination and Remuneration |
| 3. Mr. Apichai | Boontherawara | Director of the Nomination and Remuneration |
| | Ms. Supaporn Rojana-amornchai | Secretary to the Nomination and Remuneration |

The Corporate Governance Committee

The Corporate Governance Committee (the "Committee") is responsible for assisting the Board of Directors in supervising that the Company and its subsidiaries are in compliance with the applicable rules of law, regulations, standards, and practices of conducting businesses. The Committee shall put in place Corporate Governance policy and procedures that is appropriate for the Company's business activities. The duties and responsibilities of the Committee include the following:

1. Propose a policy regarding to Corporate Governance and Corporate Social Responsibility to the Company and its subsidiaries to the Board of Directors;
2. Monitor and ensure the Company's business practices and activities are in compliance with Corporate Governance's of other institutional such as the Office of Insurance Commission, the Bank of Thailand, Security Exchange Commission, and the Stock Exchange of Thailand;
3. Supervise and monitor the Company's businesses activities that is being conducted within the rules of laws, regulations, professional standards, and in conformity with Compliance Policy;
4. Review to ensure that the Company's compliance and Good Governance's procedure and guidelines are effective and independence;
5. Propose and institute business ethics practice guidelines for the directors, executives, and staff of the Company and its subsidiaries to the Board for approval consideration;
6. Review the principles of Corporate Governance and Compliance regularly in order to be in-line with the international practices and open for recommendations from other compliance agencies, including assessment and suggestion from external agencies which can further be developed and propose to the Board for consideration;
7. Monitor and follows up on the policy's implementation by the Board and executive management to make sure that standards of Compliance is effective.

The Corporate Governance Committee comprised of 4 directors as follows :

- | | | |
|------------------|-----------------------|---|
| 1. Mr. Areepong | Bhoocha-oom | Chairman of the Corporate Governance Committee |
| 2. Mrs. Kulpatra | Sirodom | Director of the Corporate Governance Committee |
| 3. Mr. Somchai | Sujjapongse | Director of the Corporate Governance Committee |
| 4. Mr. Thapana | Srivadhanabhakdi | Director of the Corporate Governance Committee |
| | Miss Viryn Charoenwai | Secretary to the Corporate Governance Committee |

Nomination and Appointment of Directors

1. Qualification of Board of Directors

In nominating the Board of Directors, the Nomination and Remuneration Committee shall consider those with the right qualifications such as business acumen that will add value to the Company's businesses. The candidate shall also possess the following qualities good working ethic, transparency, and among other qualifications:

- 1.1 No outstanding criminal record or violation stipulated by the Public Limited Companies Act of 1992, The Royal Decree of 1992 - Securities and Exchange Act, Company's Articles of Association, and Policy on corporate ethics;
- 1.2 Considerations and criteria for selecting Company's directors are based on the Principles of Good Corporate Governance of 2017 by the Security and Exchange Commission.
- 1.3 Strong consideration for those who possess good professional talent, all around business experience where the Board is still lacking. Strong preference will be given to those with the Company's industry experience. There will be equal opportunity treatment for hiring: gender equality, nationality, or any other discriminating factors. The objective is to retain the right pool of talent of the Board of Directors in order to add value to the Company;
- 1.4 Consideration will take into account for the following areas: the right knowledge, experience, and specific talents that are deemed beneficial to the Company. Specific experiences in the following areas are extremely beneficial: service and commerce industry, construction, engineering, architecture, science, environment, law, financial accounting, public relations or government administration, just to name a few;
- 1.5 Consideration for those Board members who have dedicate sufficient time towards the business during their tenure. Former director who shown good performance results will be re-elected to another term. The consideration will also take into account as how many companies Board members can sit on. We prefer our Board members not to participate more than 5 businesses group. This is to ensure that the performance quality of our Board member will not decline, as opinions and recommendations are valuable to the Company;
- 1.6 In the case of appointing independent directors, the considerations are the candidates shall meet the criteria stipulated by the Security and Exchange Commission, the Stock Exchange of Thailand, and the Company's definition of independent director and policy on good business practice and ethic. Disclose should be made available on the Company's website;
- 1.7 Previous year performance evaluation will be taken into account (if any)

2. Method of Nominating Directors

In nominating directors, the Nomination and Remuneration Committee considers the as follows :

- 2.1 Pertaining to the agenda for proposing the names of directors to the Board, the Committee could consider selecting former directors to continue their tenure or accept nomination from the shareholders or engage external recruitment agency or consider an individual from the Professional Association or allow each director to submit name for consideration;
- 2.2 Through the screening process, choose the most qualified individual that meets the criteria the set forth;
- 2.3 Undergo background check to see whether the proposed individual's qualities legally pass the criteria set forth by relevant law and regulation agencies;
- 2.4 Approach and engage with the qualified individual as to his/her interest in accepting the directorship position with the relevant organization;
- 2.5 Propose name(s) to the Board for consideration and approval. The name of new director(s) shall appear in the notice of the shareholders' meeting for voting consideration, accordingly.

3. Term of Directorship

The term of the company's directors shall be as follows;

- 3.1 The Board of Directors shall have an agenda at the Annual General Shareholders' Meeting, stipulated in the Article of Association of the Company, to retire one-third (1/3) of the number of Company's directors. If the number of directors retired cannot be divided by three (3), the nearest number to one-third (1/3) of all directors shall retire;
- 3.2 Independent directors who have been in office for a continuous period of less than 9 years from the date of appointed, in a case where reappointing the same Independent directors to continue their positions, the Board shall reasonably consider its necessity.

Criteria and Procedures for Selection of Chief Executive officer

1. Qualifications of Chief Executive Officer

The Nomination and Remuneration Committee will consider, select, and screen a qualified candidate to the position of Chief Executive officer. The preliminary criteria shall be as following:

- 1.1 Possesses outstanding knowledge, business acumen, and experienced in the Company's business and industry;
- 1.2 The selected candidate for the position should be a well rounded thinker, and share the same vision with the Board in managing the Company's businesses in order to achieve its objective target;
- 1.3 Possesses necessary talents in executing assignment;
 - Leadership
 - Strategic Thinking
 - Business Development
- 1.4 Other qualification;
 - Good human relations
 - Trustworthy, diligent, and prudent
 - Work quality
 - Teamwork oriented

2. How to Recruit Chief Executive officer

In selecting the Chief Executive officer, the Nomination and Remuneration Committee will proceed in the following manner:

- 2.1 The Nomination and Remuneration Committee is responsible for selecting the Chief Executive officer position
- 2.2 The Nominating and Remuneration Committee will nominate the nominated candidate to the Board for consideration.

Governance policy for operating subsidiaries and associated companies

The Company governs its subsidiaries and associated companies through the Board of Directors, whereby the Board approves and promulgates business direction, strategic goals, appoint qualified senior executive proposed by the Nomination and Remuneration Committee, and determine the senior executive's compensation to manage its subsidiaries and associated companies.

As for managing its subsidiaries and associated companies, the Board has formulated the management structure to govern all of its subsidiaries and associated companies. The structure at the least will consist of risk management, internal control management, rules and regulations management, business management and operations.

The Company recognizes the importance of information disclosure. Thus, the Board has assigned the Corporate Governance Committee to be responsible for monitoring the subsidiaries and associated companies' compliance procedures. The compliance procedures are to be monitored by the business operation unit of the subsidiaries and associated companies and will be responsible for reporting any non-compliance issue to the Corporate Governance Committee.

The Board has assigned the Company's Audit Committee the responsibility of overseeing the subsidiaries and associated companies' internal control system. The system should be adequate and effective. The internal audit of the subsidiaries and associated companies shall regularly report to the Company's Audit committee, including the subsidiaries and associated companies' Audit Committee on the operational adequacy and effectiveness of the implemented internal control system.

In 2019, the Company underwent corporate restructuring of its subsidiaries and associated companies, including policy and regulations changed for the purpose of operational efficiency and conflict of interest preventive. The Company emphasizes the importance of complying with the rules and regulations of the Company's articles of association, laws, and guidelines stipulated by the Thailand Company Business Practice, Insurance Protection Commission, the Securities and Exchange Commission, especially Good Corporate Governance policy for its subsidiaries and associated companies. The changes will enable the Company to formulate new policy, objective, appoint senior executives, operational policy, business ethics policy, risk management policy, and stock purchases by Directors and Management based on insider information that affect the Company's shareprice, and etc.

Insider Information Policy

The Company has a written code of conduct and measures against the use of insider information. The code clearly prohibits Company's directors, executives, employees, and related parties such as spouse, children and step children who is still a minor, purposely use undisclosed material information to engage in buying or selling the Company's shares. Moreover, the code prohibits the use of information to manipulate the Company's shareprice.

However, should the Company's directors, executives, employees, and related parties want to buy or sell shares of the Company, he/she must seek permission in advance. The process involves 1 business day of notifying the compliance unit. Once approved, there is a grace period of 3 business day, after which an individual and related parties (if any) can engage in trading activity. After the transaction is completed, an individual must submit their trading transaction record to the SEC (online) within 3 business day of transaction. The SEC's copy report shall also be submitted to the Company Secretary office within 3 business day. The transaction will be made known to the Board and display in the annual report.

In 2019, the Company Secretary's circulated a written announcement to the Company's directors and executives regarding criteria for engaging in buy and sell activity of the Company's shares. It states that the directors, executives, and employees who have access to important Company's information such as business operation and financial performance must refrain from trading activity 7 days (Silent Period) prior to submitting the Company's result to the Stock Exchange of Thailand. Furthermore, an individual must refrain from trading activity at least after one trading session post submission.

The Company has made available the code of conduct pertaining to Company's insider information and shares trading policy to the directors, executives and employees throughout the organization. The Company's staff must abide by the rules and guidelines as well as take responsibility in safeguarding and protecting the Company's stakeholders.

Auditor's Remuneration

1. Audit Fee

In the year 2019, the Company and its subsidiaries paid audit fee to KPMG PHOOMCHAI Audit Ltd., which divided into audit fee for the Company in the amount of

Audit Fee	Year 2019
1. Audit fee for the Company	1,750,000
2. Quarterly review fee	1,155,000
Total	2,905,000

Remarks : The audit fee of 2019 was approved by the resolution of the 2019 Annual General Meeting of Shareholders , which held on April 25, 2019.

The audit fee for the 5 subsidiaries was 9,894,000 Baht, including the audit fee for the Company and subsidiaries, in the total amount of 12,799,000 Baht.

The subsidiaries were audited by EY Company Limited which the audit fee was in the amount of 2,980,000 Baht; there were also payment to other audit companies in the amount of 236,000 Baht, totaling 3,216,000 Baht

2. Non - Audit Fee

The Company and its subsidiaries paid compensation to the auditors according to the mutually agreed method to KPMG PHOOMCHAI Audit Ltd. totaling 1,812,174 Baht.

Good Corporate Governance

In 2019, the Company, as a publicly listed company, strictly conforms to the SET's guidelines on Good Corporate Governance in five (5) categories and they are as follows:

1. Rights of shareholders

The Board is committed and determined to protect shareholders' rights, especially the right to attend shareholders' meetings or through proxy on their behalf. The proxy voting rights are applicable but not limited to the following: electing or removing individual director, set remuneration for directors and auditors, access Company's information pertaining to material change, change in ownership structure, authority and control, investing and divesting of assets, exchange of opinions and submit question for the Board members, propose agenda, introduce name for directorship or Board member, express Company's business direction, share of Company's profits, and adequate and timely information. The company shall encourage and support every shareholder to exercise their rights to the fullest and shall not violate the rights of shareholders.

1.1 Provide convenient location and facility for shareholders to attend meeting and to exercise their voting rights

The Company encourages its shareholders to exercise their rights to attend meeting and cast their vote. The Company arranges venue for annual shareholders meeting within four months of year ended financial statements. In the event an urgent meeting is called for special agenda, shareholder approval is required and if approved the extra ordinary meeting will be conducted on a case by case basis. In 2019, the Company conducted its annual general meeting on 25 April 2019, a working business day at Southeast Building, 1st floor - Room 101, Silom, Bangkok. The meeting location is suitable and conveniently accessible by public transportation. During mid-year, there was one (1) extraordinary meeting conducted on 30 July 2019.

The Company encourages every shareholder, including institutional shareholders to attend annual shareholders' meeting. The Company shall provide adequate and sufficient time for shareholders to register in advance of not less than two (2) hours prior to the meeting. The Company shall assign adequate team of staff to greet and assist shareholders in reviewing necessary and completeness of the document required as well as provides duty stamps for proxy forms.

In the shareholders' invitation notification package, the Company shall state clearly detail of required identification documents to present at the meeting, including rules and guidelines of meeting protocol and proxy document to allow any individual or a director to vote on their behalf.

In 2019, the Company became a publicly listed company through the approval of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company was authorized to offer shares to the public on 31 July 2019. Thus, the first AGM is to conducted in 2020. The Company shall conform to good corporate governance rules and regulations in preparing proper procedures and agenda prior, during, and post shareholding meeting. The Company will make the minutes of meeting available to shareholders.

1.2 Provide adequate information prior to the Annual General Meeting

The Company shall conduct shareholders' meeting in accordance with the AGM Checklist of the Thai Investor Association's guidelines which means dissemination of notice of shareholders' meeting and pertinent information with various agenda through the Company's website at least 30 days in advance. In addition, the Thailand

Securities Depository Company Limited (TSD), which is the Company's securities registrar, will send out invitation to the public at least 28 days in advance. Furthermore, public announcement shall also be made through Thai and English language news publication one (1) for each language for three (3) consecutive days. The notice of invitation shall include agenda' details such as approve the dividend payment, disclosed policy on dividend payment, the amount of proposed dividend payment together with rationale and compare past dividend payment for consideration. In the agenda, there should be sufficient information made available for selecting director. Agenda for considering remuneration of directors, which the Company shall provide information on policies and procedures for determining directors' remuneration to be approved by shareholders, including appointing Company's auditor and rationale for selecting and specified auditor's qualification and its independence as well as approving audit fees. The shareholder invitation booklet shall contain Board's statement regarding objective and rationale for each agenda proposed.

1.3 Opportunity for the shareholders to propose the AGM's agenda and to consider the nomination for directorship and chief executive offer

In 2019, the Company sets policy including an agenda whereby shareholders can propose name for Company's Chief Executive Officer prior to sending out letter of invitation for AGM 2020. The period for name proposal begins on 1 October 2019 till 30 December 2019, including criteria and form's detail for the agenda. The Company has notified this information to the SET and disclosed information via the Company's website <http://www.segroup.co.th> section "Investor Relations" in the topic of "Shareholder Information/shareholder meeting. The Board will consider the appropriate article of association to be applied, unless the Board considers others. The approval of the Board is considered final.

In the event that there is a single agenda item proposed by various shareholders or a matter that may coincide or relevant issue, the Board may combine into one agenda. The agenda mentioned shall be approved by the Board before being included into the agenda of the invitation letter with the opinion of the Board. For agenda that did not meet the approval of the Board, the Company will notify shareholders post Board meeting but before the AGM via Company's website or other appropriate channel.

1.4 Granting of proxy

The Company shall provide a proxy form for shareholders who cannot attend the meeting but would like to appoint a person and/or the Company's independent director to attend the meeting and vote on their behalf. The company has prepared and delivered the necessary proxy documents to shareholders. The shareholders can also download additional documents from the Company's website, including the Company specific documents requirement for proxy authority. The Company will not specify conditions or obstruct the granting of the proxy.

1.5 Shareholders Q&A engagement with directors and the Broad of Directors at the AGM

The Company has a policy for the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Chief Executive Officer, Senior Executive Officer of Business units, including Company's auditor to attend every AGM meeting in order to provide additional information and engage in Q&A with the shareholders. During 2019, all sub-committee unit under the Board of Directors including the Chairman of the Board, Chief Executive Officer, and Chief Financial Officer, and the Company's auditor, have attended 2019 ordinary shareholders' meeting.

1.6 Provide appropriate timing of AGM and engage shareholders' opinions & comments

Before the AGM begins its consideration for different agenda, the shareholders shall be informed regarding the rules and procedures of meeting participation. The Company's staff will explain and instruct the methods of voting, expressing opinions, giving suggestions and ask questions relating to the Company operation during the shareholders' meeting. Chairman of the Board who is also the Chairman of the meeting will conduct the meeting

in accordance with agenda stated in the letter of meeting invitation. No additional agenda shall be added without first inform the shareholders prior to the meeting. Provide sufficient time for shareholders' debate or argument as well as comments and questions and answers session. The Board shall have sufficient time to response adequately to shareholders questions.

1.7 Compilation of the reporting of the shareholders

The Company has recoded the minutes meeting for 2019 with completeness covering all essential and important matters e.g. names of directors and management who attended the meeting, method of tabulating ballot cards and vote counting, explain material information, Q&A, comments and opinions, resolutions with yea, nay or abstain votes, including identifying cards error in every voting agenda with completeness.

The Company has disclosed the resolutions of the meeting via the channels of the Stock Exchange of Thailand within the specified time. The meeting report was submitted to the official offices within 14 days after the meeting, including disseminate the minutes of the shareholders' meeting via Company's website.

2. Equal Treatment of Shareholders

The Company respects the rights of shareholders and recognizes the importance of treating shareholders equally and fairly. The fair treatment at shareholders' meeting entails access to Company's information, voting right (1 share 1 vote), and shareholder who poses conflict with agenda shall not have voting rights in the matter.

2.1 Inter-transactions or related party transactions

The Company does not condone business transactions between the Company and its directors, executives, major shareholders, and related persons (connected to transactions) in order to avoid conflict of interest. However, in certain cases, the Company may need to enter into a connected transaction because of operations necessity. Nevertheless, such transactions must be in accordance with the Company's regulations when entering into connected or related party transactions that may potentially cause conflict of interest. The transaction shall be treated with transparency, conform to guidelines, meet internal control criteria, independent, and within good ethical framework that benefit the Company and its shareholders.

Directors or executives of the Company who are involved in any related party transaction must report their involvement, before approving such transaction. They shall refrain from being a part of decision making in order to facilitate quick process for the benefit of the Company.

The Audit Committee has the authority to review related transaction items and disclose related transaction information in accordance with legal requirement and regulations of the SEC. To reassure the stakeholders, any connected transaction is conducted with rational that benefits Company. In the prior year, the Company did not violate business code of conduct on such transaction and have always complied with the terms of the transaction.

In the case of Company's stock trading activity by directors and executives, including their registered or non-registered spouses and children who are still a minor (under 18) must comply with the basic requirements filing of SET. The directors and management shall not take advantage of privilege information (insider) and the same principles applied for not taking advantage of Company's customers.

3. Roles of stakeholders

The Company recognizes the importance of stakeholders' rights. Hence, according to Company's policy, the Company shall monitor and manage these rights with diligence in order to reinsure every stakeholder that the stakeholders are treated fairly. The Company's business operations have also taken into account environmental factor to achieve sustainable growth. Every stakeholder shall be equally treated with fairness whether it be Company's staff or management or external parties.

The Company's policy on corporate social responsibility (CSR) creates a path and direction for our directors, management, and staff to conduct businesses, responsibly. There are 10 CSRs items that the Company conforms to: good corporate governance, business code of conduct, anti-corruption, community and social development, human rights esteem, workforce fairness treatment, responsibility to consumer, caring for environment, and innovation and diffuse innovation from CSR, and sustainability reports.

3.1 Stakeholders participation to promote performance of the company

The Company's website is an alternative channel for the stakeholders to directly reach their point of contact. The Company believes this will indirectly contribute to the Company's operational performance. Whether they are customers, trade partners, competitors, shareholders, employees, suppliers or creditors, they can simply submit suggestions or complaints through the Company's website which would go directly to the management. This cooperative process among the Company's executives and every stakeholder should lead to long-term sustainable growth.

3.2 Establishing channels for complaint or whistleblowing as well as protecting informants or whistleblowers

The Company has an established channel for complaints regarding to irregularity in financial reporting and defect in internal control system, illegal conduct, unethical behavior that may lead to corruption or simply a misconduct within the organization. Thus, the employees or stakeholders can directly contact the Company through various channels: electronic email ir.seg@seggroup.co.th (investor relations department) or the Company's Complaint Center (Complaint hotline 1726). The Company's employees can contact the Chief Executive Officer via "Tell Cho" or the Chairman of the Audit Committee or the Internal Audit directly; Tel. 02-631-1311 ext. 5830 to report complaints of wrongdoing.

The Company has procedures to protect the whistleblower and informant. The Company will not exert unfair treatment to employees or persons who are employed by the Company, as a result of whistleblowing. The Company places utmost importance in keeping the evidential information and the identity of the whistleblower confidential. After receiving a complaint, formal investigation will take place to search for the truth. The wrongdoer shall receive a disciplinary action in accordance with the rules of the Company's article of association.

3.3 Roles and procedures of other stakeholders

The Board has established principles and procedures for other stakeholders in the Company's article of association. This is to instill the confidence that every group of stakeholders is provided with rights stipulated by the Company's article of association and agreement, thereof.

Roles and responsibilities of shareholders

The Company is committed to conduct its business with due care and prudence in order to achieve acceptable level of financial returns and remains competitive in the industry to further achieve sustainable growth. The Company takes into account of current and future risk conditions in order to create long-term value for the shareholders. The Company has a duty to operate a business with full transparency and apply equal treatment in disclosing information to the shareholders.

Roles and responsibilities to customers

The Company believes that customers' satisfaction and trust are the most valuable factors. Thus, the Company is committed to create innovative products and services, including improving work processes to offer higher quality products and excellent service to our customers. The Company emphasizes the needs and benefits of customers as a priority. The Company shall conduct its business in the following manners: disseminate complete and accurate information without any distortion about the products and services; conduct responsible advertising; avoid any

misunderstanding; do not take advantage of misinformed customer; do not create unfair terms and conditions for customers; service customers with commitment by following conformed procedures; treat customer's personal data and conversations are confidential; the Group shall conduct its businesses in conformity with legal requirement, and more importantly must keep customer's information confidential.

The Company regularly monitors customers' satisfaction survey and listen to customers' comments in order to improve Company's products and services, including the services of Company's sales staff.

Roles and responsibilities to employees

Our employees are valuable resource. They are the key factor to business operations success. Therefore, the Company continuously supports and promotes their development in variety of areas like knowledge, servicing skills, and problem solving, and etc. Through learning development, the staff capability should be elevated to the work standard that is comparable to other companies in the same industry. Employee development will play a key role in propelling our Group businesses to success, especially in becoming a financial institution that can provide excellent services to our customers.

Through human resource management system, the Company performs functions like promotion, transfer, reward, and penalizes staff based on objective performance's assessment. The Company respects all employees and treats everyone with respect, especially individual rights and treats their personal information confidential. The Company does not discriminate based on nationality, religion, gender, age, disability or sexual orientation, and does not condone illegal behavior.

The Company's remuneration and benefit system are equitable and comparable to our peers in the same industry. Some of our fringe benefits include retirement pension fund, social security, health and life insurance, annual physical checkup, educational scholarship, and special emergency assistance, and etc.

Regarding health and safety, the Company manages employees' safety and hygiene in the work-place by implementing various measures to prevent accident and instill cleanliness behavior. This is to boost confidence about the security and safety of our employees in work-place. We regularly conduct safety drill on all of our premises.

The Company monitors working environment to ensure fairness, equal treatment, cordial, and professionalism for every staff level. The Company continues to emphasize the development of good organizational culture in order to achieve a good working atmosphere.

The Company communicates with its staff on the objectives of organizational value and strategy of achieving work culture and ethics that is suited for the organization. This is to create a common understanding among the staff and to create guidelines for performing each individual's duties in accordance with the values of the company as intended. Moreover, we advocate anti-corruption policy to create a behavior standard for our employees to perform their duty with honest integrity. This ethical standard shall be incorporated into Company's policy to be communicated to all staff as business code of conduct. Regular monitoring and assessment shall be conducted.

Roles and responsibilities to creditors, including guarantor

The Company is obligated to the terms and conditions that are entered into with the creditors and the guarantor of the Company, whether it is for the purpose use of funds, loan repayment, collaterals, and other conditions that have been agreed upon with the creditor and the guarantor.

The Company will report its financial position to the creditor on a regular basis. The information shall be accurate and complete. In the event the Company is unable to comply with any part of the terms and conditions, the Company will immediately notify the creditor to seek a reasonable solution. The Company will maintain good

relationship and creditability with its creditor and guarantor.

The Company's financial management strategy includes strong financial discipline, especially in the area of maintaining adequate capital ratio to avoid liquidity issue. The Company shall maintain a good discipline in repaying its debt obligation on a timely basis.

The Company has assigned the Risk Management Committee to plan and put into place an effective internal control system to monitor the Company's financial activities in order to prevent inappropriate use of funds. The evaluation test shall include the implementation of Internal Capital Adequacy Assessment Process which is to assess all types of risks that are under normal and crisis conditions whereby the Company can avoid material impact to its business. This assessment tool is also in conformity with Company's "Pillar 2" guidelines and the Thai Business Charter.

Roles and responsibilities to business partners

The Company recognizes the importance of business partners because they are one of several key factors to our business success. The Company, therefore, treats every business partner with equality and fairness when conducting business. We strictly follow contractual agreement right to the terms and conditions stipulated in the contract. In the event that the terms and conditions is breached, the Company will immediately notify the partner and seek a reasonable solution or remedy. The Company's policy and guidelines, when engaging with suppliers, the Company shall achieve maximum benefit. The selection process of business partner shall be conducted based on transparency, rationale, and careful review. The business partner is entitled to present their pricing but without collusive elements. The employees shall not benefit from the aforementioned agreement. Should collusive behavior is detected; all parties will be notified to seek equitable solution.

The Company's procurement process consists of finding suppliers or service providers to compare prices and terms and conditions in order to create fair bidding process or pricing and terms and conditions that are favorable to the Company. The Company shall be aware and understand the status of our business partners or service providers (Know Your Supplier), check their products or services, evaluate the effectiveness of the partners or services providers historical delivery, payment, disputes, reputation, and confidentiality pattern. The bidding process shall consist of at least three (3) comparable products provided by the suppliers where pricing and terms and conditions are reviewed and negotiated to maximize the Company benefit. The Company has an internal control system to prevent confidential information from leaked and used for illegal purposes. The Company does not conduct businesses with anyone or partner who engages in illegal activity that poses danger to social and national security, and corruptive behavior or conduct.

Roles and responsibilities to trade partners

The Company conducts business in accordance with the rules of law and ethical business conduct. We have an internal control system to prevent the usage of confidential information of our trade partners for illegal purposes or malicious intent or to tarnish anyone's reputation.

Any sales promotional activity to boost product volume for other entity than the Company's itself is considered a violation of Company's policy. The Company has an objective to expand its businesses by offering better products and services.

Roles and responsibilities to communities, society and the environment

The Company, as a whole, acts as a good citizen, promotes democratic value and the form of government with King as Head of the State. The Company takes a neutral stand on political position. The Company's employees, on the other hand, have the rights to political freedom and choice; however, they are prohibited from expressing or claiming their political stand or opinion based on the Company's business strategy.

The Company has a strict policy on disclosure of private information. Any disclosure should conform with relevant laws and regulations. The Company does not condone corruptive behavior as expressed in our anti-corruption policy. The Company will not engage in conducting business with those who violate the laws, corrupt intent, undermine the stability of the community, harmful to environment, compromise social value and national security. The Company only condones activity that is beneficial to the society.

The Company is committed in striking the right benefit balance for its employees, customers, and shareholders to align with country's economic development. The Company extends its business know-how e.g. system planning, legal advice, and etc., to support and assist the communities and society, as a whole.

The Company encourages continuing education and training for all level of employees to instill social and environmental conscience and responsibility. Moreover, we also advocate natural resources conservation and its effective usage. The Company also encourages its employees to take part in volunteering for community services activities.

The Company has appropriately allocated budget to help communities and public charities, without limiting projects and activities or for tax write-off purposes only. The Company believes in social contribution and participation, including social activity that fosters and preserves the Thai cultural tradition, especially religious ceremony. The Company also emphasizes support for local and surrounding as well as distant community. We like to see that these communities through our support achieve sustainable life quality and harmony. (Details regarding business operations with community, social, and environment responsibility can be seen in CSR policy report).

Channels of complaint

The Company has several channels of complaints for its employees to submit information regarding financial report irregularity, defect of internal control system, illegal conduct, unethical behavior that may lead to corruption, employee miss conduct, and conflict of interest relating third party. The complaint of wrong doing can be submitted through various channels: electronic email ir.seg@segroup.co.th (investor relation department); the Company's Complaint Center (Complaint hotline 1726); Chief Executive Offer via "Tell Cho"; the Chairman of the Audit Committee; and the Internal Audit at E-mail : wristelblower@segroup.co.th, Tel. 0 2631 1311 ext. 5830.

Anti-Corruption and Corruption Policy

The Company does not tolerate all forms of corruption in conducting its businesses. The Company will adhere strictly to the code of ethics and anti-corruption policy set forth by relevant laws and regulatory agencies and the advocates of Thailand's Anti-Corruption Campaign. The Company has an on-going strict measures and procedural policy against corruption.

The company has established an anti-corruption policy and guidelines for the directors, executives, and staff in conducting Company's businesses with transparency. For sustainable development, the Company prohibits directors, executives and staff from taking or giving bribes to government official or business partners or store merchants to enhance business benefits or obtain and exert undue influence in business operations. However, should there be some kind of offering in terms of money or gifts (support-in-kind) involving directors, executive, staff of the State or Government organizations that are under the control of the State, the Company's directors, executives, and staff shall comply with the Company regulations, policies for anti-corruption. The Company prohibits all form of corruption activities that leads to self benefit, family, friends and acquaintances.

The Company will not tolerate or support any activity that deemed illegal relating to corruption, especially any misconduct that could jeopardize the society's value and National security.

In addition, the Company's directors, staff and their family members shall not accept gifts or presents above the limit or too frequent stated by our policy, including other compensations that are deemed excessive in value from individual person(s) or store merchants or other companies or potential business partner(s) for the benefit of future business for the Company whether through direct and indirect approach.

The Company instructs that every department manages a risk that conforms with the international standards. In addition, each department is required to develop a self-risk assessment and evaluation form on anti-corruption. The assessment form should include not only existing risk but also potential risk that could arise from conducting day-to-day business operations. Every department will then submit the form to the risk management department for further review, analysis, and assessment. The finding shall be reported to the Risk Management Committee and the senior management. Whereby, these risks will be monitored and managed effectively within the acceptable level. More importantly, the Company can prepare and implement measures and guidelines to manage any potential or risks prone area that could have arisen.

The Company has established a clear principles and guidelines for the directors, Management, and Staff when offering gifts, entertainment or other expenses to the external parties. This practice shall fall within the Company's guidelines and comply with the anti-corruption laws. This is to ensure that the Company's gifts offering and receiving practice is reasonably conducted within the norm of business tradition.

The Company circulates anti-corruption policy to the staff regarding their roles and responsibilities when confronting misconduct in work place. The staff is empowered to voice their complaint and report any misconduct by their peers through the Company's Whistleblower channel. The whistleblower's identity is protected and guaranteed full confidentiality under this policy. The Whistleblower's course of action is available through Company's intranet network. Annually, the Company conducts an anti-corruption seminar and training, where the senior management and the staff interact with each others to share ideas, pertinent information, and awareness on the issue. In addition, the Company established an E-Learning system for both new and permanent staff to continually asses their knowledge and understanding on corruption.

Moreover, the Company communicates anti-corruption policy down to its subsidiaries, general public, and stakeholders through various channels of circulation such as Company's website, annual report, and corporate social responsibility report.

The Company demonstrates good corporate governance and anti-corruption action by requesting its staff send only e-greeting card to all partners and customers. At the same, requesting their cooperation to refrain sending gifts to the directors, executives, and staff of the Company during the New Year festival and other occasions.

Disclosure and Transparency

Information disclosure is an important principle in good corporate governance of the Company. The Company gives importance to the disclosure of information that must be transparent, complete, and timely.

The Company information disclosure relating to important news such financial information shall be complete, timely, and transparent manner through the channels of the Stock Exchange of Thailand, annual report, Form (56-1), and Company's website. The language shall be both in Thai and English via mass media (as the case may be) on a regular basis, so the shareholders are kept informed of the Company's general and important information.

The Company has strict and clear procedures in disclosing information in normal and urgent circumstances to keep shareholders up-to-date. The disclosed information shall include quarterly financial statements and management discussions and analysis (MD&A) through the Company's website. The Company has been informing shareholders regularly without any delay as of yet.

Information about business strategies that are disclosed to the public, including shareholders and general investors will be posted on the Company's website. The Company has improved its website so that users can easily access the information and receive information in both Thai and English as both are continually being improved.

In 2020, the Company has established a plan for Investor Relations Department to provide information and meet with securities analysis and investment community, both domestic and foreign investors in the following manner:

- One-on-One Meeting;
- Conference Call;
- Analyst Meeting;
- Attend domestic Investor Conferences;
- International Non-Deal Roadshow (NDR);
- Press conferences;
- SET's Opportunity Day;

Including other activities in accordance with the Company's policy as deem appropriate.

In addition, the Board has given the report responsibilities to the Chief Executive officer including the Chief Financial officer and the management of its subsidiaries to be disclosed in Form 56-1, annual report, and the Company's website.

Investors Relations

The investor relation is responsible for developing relationship with the investment community: institutional and retail shareholders, securities analysts, and interested parties in the company's information.

The details of Company's Investor Relations are as follows :

Name	:	Mr. Anon Chonmaitree
Telephone	:	0 2631 1311 ext. 5094
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Address	:	Thai Group Holdings Public Company Limited
Investor Relations Department	:	315 Southeast Building 12th floor , Silom Road, Silom, Bangkok 10500

The Company has instilled a working code of ethics for all executives and staff who perform investor relations' functions. The individual shall use good judgement in disclosing and protecting Company's sensitive financial and other pertinent information when engage with the public. The individual shall conform to compliance requirement and the rules of law of relevant agencies. The code of ethics principle is accessible through the Company's website.

In addition, the Company fully supports the function of investor relations and encourage continuing knowledge gathering to further strengthen his/her ability to confidently interact with the investment community, as responsibility entailed. Moreover, the investor relations officer should participate and interact with their peers from other listed companies through Investor Relations Club in order to exchange knowledge for best practice and build good image for the Company.

Appointment of external auditor and fees

The Board has assigned the Audit Committee to consider, select, and propose an independent accounting auditor that has been approved by the SEC to perform accounting audit of the Company and determine the audit fees.

At the meeting No. 3/2562 held on 26 March 2019, the Board accepted the Audit Committee proposal in selecting the Company's auditor for the year 2019. The Board proposed at the annual shareholders meeting to appoint KPMG PHOOMCHAI Audit Limited as the Company's auditor. KPMG PHOOMCHAI has demonstrated their independent as auditor, industry expertise, and highly qualified in auditing publicly listed company.

The detail of approved auditor's fee for 2019 is shown in the Company's auditor remuneration section.

Board of Directors Responsibilities

Structure of the Board of Directors

The Company's Board of Directors comprise 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 Chairman of Board of Directors

The Chairman of the Board has an important role in overseeing and supporting the Company's Board of Directors in fully performing its duties following the defined 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:

- (1) Oversee, monitor, and ensure that the Board members perform their duties effectively and fulfill its objectives and key goals;
- (2) Ensure involvement of all Board members in promoting the creation of an organizational culture with ethics and good corporate governance;
- (3) Set the Board of Directors' meeting agenda through consultation with the Executive Chairman and have measures to ensure inclusion of important issues into the meeting agenda;
- (4) Allocate 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
- (5) Promote good relationships among executive and non-executive directors, and between the Board and the management division.

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 Directors

The Company has set a more stringent definition for independent directors than the minimum requirements as stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as follows:

- (1) Holding Company's and its subsidiaries and associates shares with voting rights of not more than 1% in total, including major shareholders, controlling interest, and persons related to the independent directors.
- (2) Has not being and has not ever been a part of the Company's executive director, staff, employee, salaried consultant, or controlling party of the Company and its subsidiaries, associates, or affiliates, major shareholders, or controlling interest. Exception: It has been at least two (2) years after the person has held the position. However, the prohibited characteristics do not include the case where the independent director used to be the civil servant or consultant of the government agency who are major shareholders or controlling parties of the Company.
- (3) Related by birth or legally registered as parents, spouses, siblings, and children including children's spouses with executives, major shareholders, controlling parties or persons who will be nominated as executives, or controlling parties of the Company or subsidiaries.
- (4) Not currently having or never had any relations with the Company including the parent Company, subsidiaries, affiliates, major shareholder(s), or controlling parties of the Company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company. Exception: It has been at least two (2) years after the person has held the position.

The business relations as aforementioned includes normal trade transactions for rental business or leasing real estates, assets or services, or providing or receiving financial assistance through borrowing or lending, guarantee,

providing assets as liability insurance as well as similar behaviors that would result the Company or contracting parties in having debt obligations from 3 percent of net tangible assets of the Company or from 20 million Bath depending on lower value. The aforementioned debt calculation should base on the method of value calculation of connected transactions in accordance with the notification of the Capital Market Supervisory Board on the criteria of connected transactions with flexibility. However, the aforementioned debt obligation should include the liability incurred during one (1) year before the date of business relations with the same person taking place.

- (5) Not currently being or never has been the Company's auditor including the parent Company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm. Exception: It has been at least two (2) years after the person has held the position.
- (6) Not currently providing or never provided professional services, legal consulting, nor financial consulting services to the Company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
- (7) Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholders.
- (8) Not currently operating under similar business nature and significant competition to the Company or its subsidiaries; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and Its subsidiaries.
- (9) Not under any conditions that may impede the person from having independent views towards the Company's operations.

Sub - committees

The Company consists of 5 subcommittees 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 Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee, details on jurisdiction are mentioned in the Committee topic.

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 available in the Board of Directors topic.

Business ethics

The Company is aware of the importance of a good reputation. Therefore, maintaining the Company and its subsidiaries's credibility for the customers, colleagues, shareholders, related parties and general public is regarded as the duty of the directors, executives, officers, 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. Important principles consist of:

- 1) Conflict of interests
- 2) Seeking benefits from the Company
- 3) Confidentiality
- 4) Fair treatment
- 5) Respecting others
- 6) Maintaining corporate data and assets
- 7) Legal compliance
- 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.

Conflict of interests

A conflict of interests occurs when an interest of any person is conflicted or is expected to be conflicted with an overall interest of the Group of companies. A conflict of interests might occur in diverse forms of conglomerate. Thus, the Board of Directors has established a written policy for prevention of conflict of interests which is enforced with the Company and its subsidiaries.

Directors, executives, and employees of the Company must avoid any activities potentially causing conflict of interests which are inappropriate, unethical or may damage the reputation of the Group's business. It is also mandatory to avoid any activities, interests, or any participation that may affect the discretion and independence, or harm the interests of the Company, customers, shareholders, as well as the general public.

The Company will not conduct any business transaction that has a conflict of interests unless the business transaction is conducted within the conformity of the law, ethical guidelines, or the principles as follows:

- A transaction that considers the utmost benefits of the customers or is necessary and advantageous to the customers in that situation
- A transaction that is a normal business practice at arm's length transaction
- Complying with other additional terms that the corporate governance units set for the Company and its subsidiaries before conducting a business transaction in order to ensure transparency and
- Fairness to the customers

Board meetings

Each year the Company has set meeting dates and agendas for the board meetings in advance. The Company Secretary will inform the dates and agendas of the meetings throughout the year in advance since the end of the year before the meetings of the following year, to allow the directors to allocate time for the meetings. In general, the Board of Directors meeting is held once every quarter and subject to schedule change or additional meetings as appropriate. It is suggested that each director should attend the Board meetings at least 75 percent of all meetings in each year.

The number of the Board meetings is in accordance with the duties and responsibilities of the Board, which should not be less than 6 times a year. In 2019, the Board of the Company held 10 meetings. The Company Secretary

is responsible for arranging meetings and sending meeting invitations, meeting agendas, and relevant documents to the directors at least 7 days in advance of the meeting date to ensure that the directors have sufficient time for consideration before attending the meeting, except in case of urgency, each director can inquire additional information from the Company Secretary and is free to propose matters to be included in the meeting agenda. The meeting agenda will be clearly specified whether the proposed matter is for acknowledgement, approval or consideration, and agenda for regular tasks monitoring results.

The Board of Directors meeting will proceed in order as follows: matters discussed at previous meetings, matters for consideration, and matters for acknowledgement, to ensure efficiency. The Chairman has allocated sufficient amount of time for the management to present reports and directors to articulate important problems with prudence. After every meeting, written meeting minutes must be approved by the Board of Directors and ready for inspection by the Board of Directors and related parties.

In addition, the Chairman of the Board of Directors encourages the Chief Executive Officer to invite senior executives to the meeting in order to provide additional information and acquaint with the Board of Directors. Moreover, the company provides the opportunity for the directors to request additional necessary information from the Chief Executive Officer, Company Secretary, or senior executives within the scope of the policy.

Director and executive development

The Company has policy that encourages the directors and executives of the Company to attend seminars and training courses that are beneficial to the performance, in accordance to the plan of the Thai Institute of Directors, the Stock Exchange of Thailand, the Thai Listed Companies Association, the Thai Companies Association and other independent institutions, in order to maintain performance improvement and apply knowledge to the Company and its subsidiaries in the future.

In 2019, internal and external development plans are established for the directors and senior executives to participate in the training courses held by the Thai Institute of Directors, the Stock Exchange of Thailand, together with other corporate governance units.

The Board of Directors is periodically notified of the development plans for the directors and executives. In the past year, at the 8/2019 Board of Directors meeting, which was held on 12 November 2019, the Board of Directors acknowledged the 2020 training course plans related to the performance of the directors and executives of the conglomerate.

Holding a director position in other companies : Director

The Company is aware of the value of experience that director has derived from holding a director position in other organizations. However, in order to ensure the full commitment of the executive director, holding a position outside of the Company must be under the condition that would not jeopardize Company's duties.

The corporate governance principles of the Company allow the Company's directors to hold positions of president, executive director, or authorized signatory director of no more than five (5) Group of businesses. In case of holding the aforementioned position of president, executive director, or authorized signatory director in a non-Group of companies, each company will be considered as a conglomerate. The condition is in line with the notification of Bank of Thailand no. 13/2009 dated 9 July 2009. Moreover, the corporate governance principles specify that the executive director should not hold the Director position in other listed companies outside the Group more than two (2) companies.

The Company's director cannot hold shares or director positions of other private and public companies that conduct similar businesses and compete with the company unless the shareholders' meeting is informed prior to the official appointment.

Prior to the Company's director inauguration of the positions of the director, officer or employee of other corporations, it is mandatory that the director obtain permission from the company. In the event of the Company's executive director assuming a director position of another company registered with the SET, the approval from the Board of Directors is needed to prevent conflict of interests.

It is mandatory for all new directors to disclose activities and benefits outside the Company, and report on activities and notify information changes (if any) regarding external benefits to the Company.

Holding a director position in other companies: Executive

The Company is aware of the value of experience that the Chief Executive Officer has derived from holding a director position in other organizations. However, in order to ensure the full commitment of senior management, holding a position outside of the Company must be under the condition that would not jeopardize company's duties.

The corporate governance principles of the Company allow the Company's Chief of Executive Office to hold positions of president, executive director, or authorized signatory director of not more than five (5) Group of businesses. In case of holding the aforementioned position of president, executive director, or authorized signatory director within a non-Group, each company will be considered as a Group business.

The Company's Chief Executive Officer cannot hold shares or director positions of other private and public companies that conduct similar businesses and compete with the Company. Prior to the Company's Chief Executive Officer inauguration of the positions of the director, officer or employee of other corporations, it is mandatory that the Chief of Executive Officer obtain written permission from the Company's office of supervision.

In the event of the Chief Executive Officer or the Chairman of the Company assuming a director position of another listed company with the SET, the approval from the Board of Directors is needed to prevent conflict of interests. When assuming a position as employee or senior management of the Company, it is mandatory to disclose activities and benefits outside the Company, and report on activities and notify information changes (if any) regarding external benefits to the Company.

Orientation of new directors

The Company is aware of the importance of the duty of the new directors. Thus, there is an orientation to advise on holistic operation of the conglomerate, the structure of subsidiary companies, and related companies in order to create understanding among the new directors on operating methods and shareholding structure. Moreover, important and necessary information related to the director's duty is provided. The Company's Secretary Department is responsible for preparing documents for the new directors, which consist of annual report, missions, visions, corporate core value, business details, rules and memorandum of association, manuals, and relevant announcements.

Directors' term of office

According to article 17 of the Company's article of association, it is mandatory that at least one - third (1/3) of the directors leave the positions in every annual general shareholders' meeting. In case that the number of the directors is not divisible by three (3), the closest number to one-third should be applied. The directors who have left the positions may be reelected. Therefore, the average length of director term is three (3) years.

The Company does not limit the term of the directors, in order to not squander an opportunity to appoint

directors who have knowledge, talents, experience regarding the company and subsidiary companies which are crucial factors to the success of corporate governance.

Development plan for job position replacement

The Board of Directors has appointed the Nomination and Remuneration Committee to be responsible for supervising the management division to formulate a succession plan for finding successors from the Executive Vice President level to the Chief Executive Officer in order to ensure that the Company's business operation continuity and in accordance with the policies and standards of financial institutions.

The Company's development plan for job position replacement procedures;

- 1) Step in identify key position
- 2) Identify criteria for the right candidate
- 3) Evaluation assessment for readiness
- 4) Training and development
- 5) Review and evaluate

The management reports the development plan for job position replacement to the Board of Directors annually.

Collective self-assessment of the Company's Board of Directors

The Board of Directors annually conducts the collective performance assessment of the Board of Directors and reports the assessment result to the Board of Directors in order to acknowledge that the work within one (1) year has been completed, appropriate, within the jurisdiction and in accordance with good corporate governance. The performance assessment feedback will be applied to improve performance in the following years. The company's secretary is responsible for collecting and concluding the result of the meeting.

The performance assessment form of the Board of Directors is developed from the self-assessment form of the Stock of Exchange of Thailand (SET) with content adjustments for suitability and complementarity with the characteristics of the Board of Directors. The assessment topics are divided into 6 main topics, consist of: 1) structure and qualifications of the Board; 2) role, duty, and responsibility of the Board; 3) the Board's meeting; 4) the Board's function; 5) Executives relations; and 6) self-improvement of the directors. Each main topic consists of subtopics, in which the self-improvement form of the Board of Directors has 69 subtopics with scores from 0 to 4. (from strongly disagree to strongly agree) The result of the 2019 collective self-assessment of the Board of Directors is 3.74 with great overall average score of every topic.

Individual self-assessment of the Company's Board of Directors

In 2019, the Board has arranged an annual requirement of the individual self-assessment of the Board of Directors by focusing on utilizing the assessment feedback to improve the Board's performance.

The individual self-assessment form of the Board of Directors is developed from the selfassessment form of the Stock of Exchange of Thailand (SET) with content adjustments for suitability and complementarity with the characteristics of the Board of Directors. The assessment topics are divided into 4 main topics consisting of 1) structure and qualifications of the Board; 2) the Board's meeting; 3) performance in accordance with roles and expectations; and 4) the directors' operational environment. Each main topic consists of subtopics, in which the individual self-improvement form of the Board of Directors has 27 subtopics with scores from 0 to 4 (from strongly disagree to strongly agree). The result of the 2019 individual self-assessment of the Board of Director is 3.80 with great overall average score of every topic.

Corporate Social Responsibility Policy

The company operates its businesses on the basis of good corporate governance. We are committed to conduct our businesses in the manner of transparency, in conformity with legal requirement, and be accountable for our action. While we develop and grow our businesses, we will not ignore nor disrupt the economic and social balance and especially the environment. We intend to conduct businesses on the fundamental of good corporate citizen. We want to be part of a solution, instead of a problem for the society. As our businesses grow, all of our stakeholders will be the beneficiary of our success, especially our customers, shareholders, staff, business partners and more importantly the society. As such, our corporate social responsibility (CSR) policies consist as follows:

1. Conduct business with fairness

When conducting our businesses, we never lose sight of our moral judgment. Our corporate policy guides us to be responsible and treat all of our stakeholders fairly. Our stakeholders are our customers, shareholders, employees, business partners, contractors, local and national communities, society, and more importantly the environment. In essence, our policy encourages us to conduct ourselves without bias, avoid action that may cause conflict of interest, intellectual property infringement, as well as advocate anti-corruption as follows:

1) Corporate governance

The Company and its subsidiaries are determined to operate business in conformity with code of ethics, transparency, and verifiability which taking into account the benefit and effect on shareholders, customers, partners, customers, and stakeholder in order to create benefits appropriately and equally.

2) Social responsibility

We conduct our businesses on the basis of corporate social responsibility principles in order to create fairness to all stakeholders, apply virtuous business principles and balance in all aspect of business components, including economics, communities, society, and environment. For us, good CSR activity means sustainable business development.

(3) Management of compliance with the rules of law, and regulations

We recognize the important of working within the laws, environmental regulations, occupational health and safety programs on the local, national, and regional levels, including the code of conduct of the international business to ensure that our executives and employees are fully aware of and conform to all applicable laws, rules, and regulations. We do not tolerate any laws and regulations breaker in our organization.

(4) Management of compliance with intellectual property policy

We, the Company and subsidiaries, do not encourage intellectual property infringement when conducting businesses. To ensure our executives and staff are fully aware of all applicable laws, rules, and regulations, our compliance department regularly monitor the Company's business activities as well as provide guidance. In essence, we do not condone any violation of the laws and other regulations relating to intellectual property.

(5) Promote efficient and effective use of limited resources.

We encourage and advocate our executives and staff at all levels in the organization to use Company's resources efficiently. Moreover, want our staff to develop a working conscience that our natural resources are limited. Overtime, we hope to be a part of the solution in preserving our natural resources.

2. Human rights esteem

We support a policy that respects human rights. We treat our staff, communities, and society with respect and dignity. We do not condone violations of the human fundamental rights and discrimination, whether it be race,

nationality, religion, language, color, sex, gender, age, education, physical or social class. Furthermore, we would like to assure that we are not directly or indirectly involved in human right violations such as forced labor, child labor, and sexual harassment. In addition, we advocate compliance action; we have provided our staff with a channel of complaint or to express their opinion whereby the staff has an opportunity to submit any violation seen in the organization.

Accordingly, we have continually provided knowledge through trainings on human rights throughout our organization.

3. Workforce fairness treatment

We are fully aware of the importance of human resources. Thus, we treat our staff with utmost respect. In strengthening our corporate competitiveness, the Company has incorporated the following principles into our policy:

- 1) Respect the rights of our employees and conform to the relevant labor laws;
- 2) Manage the processes and conditions of employment fairly including salaries and/or bonus suitably that is in commensurate with the ability of employees. Also, consider the masterpiece under the process of work evaluation to succeed in the occupation and to support the development in the occupation;
- 3) Support the development of employees by arranging the training course, seminar including sending the employees to attend the seminar and train in many aspects which involved knowledge improvement and the ability of employees. Also, train the employees for a better perspective, virtue, morality and team management;
- 4) Arrange welfares benefits for employees stipulated by laws such as social security. We provide additional benefits which are not stipulated by law such as health insurance, and accident insurance, financial assistant through employees' "assistance loan" program, and funeral financial grant;
- 5) Arrange annual physical checkup for every staff members;
- 6) Manage employee safety and hygiene in the work-place by arranging measure to prevent accident and cleanliness behavior. This ensure the security and safety of our employees. We regularly conduct safety drill on all our premises;
- 7) Build a good work environment for our staaff. We treat one another as family and shall no take advantage of each another;
- 8) Create opportunity for employees to express their opinions and complaints about unfair treatment by the Company. The Company protects the identity and integrity of those who participate in voicing complaints.

4. Responsibility to customers and consumers

- 1) The Company treats all of our customers fairly when it comes to providing goods and services. No discrimination of any kind and never to disclose customers' personal data. We treat our customers' personal information confidential at all time. The Company's doses not condone staff abuse of information to benefit themselves, except for disclosure required by law.
- 2) We accept customer's unsatisfactory complaints of any kind and shall quickly response to the their problems.
- 3) Conduct and follows terms and conditions of the contract and services or any other conditions as stated to the customers. In the case a problem cannot be performed as stated, the Company's staff needs to negotiate with customers in advance to seek solutions to prevent further damages.
- 4) Determine to satisfy and gain customers' confident when servicing our products and services. To ensure customers receiving the right quality of product and services, the Company continually

seek ways to better improve our ability to protect the safety of customers information by implementing the most secure technology that meets with international standards and are available in the industry.

- 5) Disclosure of products and services information with accuracy, timely, and undistorted truth including sustaining long-term positive relationship.
- 6) Organize a system to manage customers complaints regarding any unsatisfactory issues and capable to response quickly to the customers' needs.
- 7) Manage product and service quality within reasonable cost and still maintain the quality within internal standard.
- 8) Never accept illegal proposal from customers.
- 9) Support knowledge training about the overall Company's businesses.

5. Caring for the environment

We place great importance on natural resources conservation and allow using energy efficiently. Moreover, we care and are fully aware of the safety of social, environmental, staff living standard, and especially their residential area. All these play or have impact the action of the Companies. Therefore, we have designated these policies:

- 1) The usage of Company's natural resources is essential as we try mitigate negative impact to society, environment and quality of populations as best we can;
- 2) Arrange activities that involved with environmental conservation regularly to return benefit back to the society;
- 3) Continually instill environmental responsibility conscience for all level of employees.

6. Participation in development of the community and society

The Company has a policy to operate business with the aim of achieving beneficial returns for the economy and society. Additionally, the Company adheres to good corporate citizen and complies with rules and regulations and set guidelines for corporate participation in the development of the society through providing the donations of school supplies and supporting scholarship. Besides, the policy of the company has encouraged the surrounding society. Whether the financial supporting for a police station or religious affairs can encourage to people development services including essential hospital equipment.

7. Sharing of innovations acquired from business operations with stakeholders, society and the environment

The Company encourages innovation at all level in the organization which means that create and do things with a new approach and change thought process. The purpose of innovation is a positive revolution which leads to an increase in output in order to change for the better.

Diffusion of innovation is the responsibility to society by communicating and disseminating to stakeholders through various communication channels to ensure the information of the Company and its subsidiaries reach the stakeholders.

Internal Control and Risk Management

Summary of Internal Control and Risk Management

The Company recognizes the importance of the internal control system and risk management and indicates the Audit Committee to review the adequacy of the internal control system to ensure the internal control system is adequate and suitable for the Company's business operations. The Board of Directors' Meeting No. 1/2018 on 11 July 2018 resolution approved setting up of the Risk Management Committee with three (3) independent members to create policies and guidelines for various processes which includes the internal control system and risk management for the company.

In this regard, the Company has conducted an assessment of the adequacy of the internal control system according to the SEC's assessment form, which has 5 components in accordance with COSO's international standards (The Committee of Sponsoring Organizations of the Tread way Commission). They are control environment, risk management, control activities, information and communication, and monitoring activities. The management will evaluate the adequacy of the company's internal control system and present to the Board of Directors to consider and approve. The Board considers the need of adequate internal control system of the Company is appropriate.

Its capability should include managing operation and achieving the Company's objective and in conformity with compliance rules and regulations while effectively capable of detecting fraud and produce accurate and credible financial information.

In 2018, the Company has hired an external consultant, namely EY Corporate Services Limited ("EY") to evaluate the organization's internal control system for SELIC, SEIC, SECAP, and TIC. In 2019, the Company has also hired external consultant Price Waterhouse Cooper ABAS Ltd. (PWC) to develop an internal control system and create Risk-Based Audit annual plan to serve the business operation plan of the Company.

Nevertheless, for the year 2019, the Company's internal audit department and KPMG PHOOMCHAI Audit Ltd., the Company's auditor, after 2019 financial audit, did not find any significant issue that would negatively impact the Company's operations. Their opinion is that the Company's risk management system is adequate and efficient.

Moreover, in August 2019, the Company has appointed the Corporate Governance Committee to assist the Board in overseeing the Company and its subsidiaries whether its business conducts are in conformity with legal requirement of relevant agencies, especially the Company's corporate governance policy. Lastly, to ensure the Company operations create shareholders' value.

Summary of the Board of Director's opinion on the Internal Control

The Board of Directors opined that the Company and its subsidiaries have an adequate and effective internal control system that is capable of safeguarding the Company's valuable assets from fraudulent activity. Should there be any irregularity, the management shall immediately seek solution to improve the system.

In summary, the Committee agreed with the opinions of the Board and the Auditor, mentioned above. Addition opinion on the related party transaction, this type of transaction is considered a standard practice and essential in operating a business. This type of transaction is typically based on the market value and shall be disclosed in the note to financial statement.

The Company performs internal control assessment annually. As for 2019, the Company assessed the adequacy of the internal control system based on SEC's assessment form. The management participated in the assessment survey. The Audit Committee and the Board had reviewed the assessment outcome of management's internal control process. The next step was to engage in exchanging opinion and ideas in order to achieve the same understanding and further develop an effective and appropriate internal control system for the organization.

Head of Internal Audit

The Company has established an internal audit department and report directly to the Audit Committee. The internal audit function is to review and inspect the Company's operations with independent, efficiency, and constructive result. At the Audit Committee meeting No. 8/2019 on 24 September 2019, the Committee has appointed Mr. Vichan Assawarangi as Head of Internal Audit Department. His qualification such as educational background, work experience, and training in the area of internal audit are suitable for him to effectively manage the IA Department.

Any consideration for appointing, transferring, removing the head of the Company's internal audit position must be approved by the Audit Committee.

Detail information of Head of Internal Audit:

Name:	Mr. Vichan Assawarangi	
Education:	BBA - Accountancy	Rachamonkol University of Technology Thanyaburi
	MBA	University of the Thai Chamber of Commerce
Experience:	2010 - 2019	Vice President of Internal Audit Summit Capital Leasing
	2019 - present	Vice President of Internal Audit Thai Group Holdings PCL

Responsibility: Review Company's internal operational for correctness, completeness, and reinforce condence for senior management in managing the Company's business operations; to ensure internal control effectiveness, adequacy, efficiency in managing acceptable risk level; to protect and safeguard Company's assets and monitor the efficient use funds, including monitoring compliance criteria of the Company's policy and in conformity with relevant laws.

Related Party

Transactions Measures and steps for approving related party transactions

When conducting a related party transaction, the Company and its subsidiaries conform to securities' rules and regulations stipulated by the SEC, SET and Market Advisor Board. The disclosure of the related items will also appear in the note to financial statements of audited version as well as the Company's (Form 56-1). Thus, the parties involved in the transaction are excluded from consider and approve the transaction.

In the event that the rules required related party transactions be approved by the Board at Board of Director's meeting, the Company shall let the Audit Committee review and consider the necessity of the transaction, provide comments under ethical framework, and how it benefits the Company and its shareholders. The proposal will then go to the Board for review to see if the transaction is in conformity with rules and regulations stipulated by the Capital Market Supervisory Board, SEC, and SET. The information of the transaction shall be complete and accurate before disclosing to the public.

When entering into a transaction that is a general trade terms and conditions and a transaction with unusual trade terms and conditions, the transaction shall conform to these criteria:

(a) Business transaction with general trade terms and conditions

The Board of Directors has already approved criteria for the management to engage and approve general trade transactions between the Company and its subsidiaries, including staff who are involved in the transaction or trade transaction that have already been conducted in the same manners and conditions. The transaction shall be freed from undue influence and authority held by the directors or management or related party (as the case may be) and shall not result in transferring of benefits and/or price fixing or unreasonable terms and conditions.

Thus, the Company must prepare a summary report of the transaction for the Audit Committee and the Board every quarter.

(b) Business transaction with unusual trade terms and conditions

The trade transaction agreement that consists of unusual terms and conditions must be considered and commented by the Audit Committee before proposing to the Board or shareholders (as the case may be) for further consideration and approval. The transaction shall conform to securities' rules and regulations stipulated by the SEC, SET, and Market Advisor Board, including complying with disclosure requirement for related party transactions.

In the event the Audit Committee does not have the expertise in considering the related transaction, the Company can appoint independent consultant or the Company's auditor to provide opinions regarding the transaction so the Audit Committee, Board of Directors or shareholders (as the case may be) to be used in decision-making process. The individual with direct involvement in the transaction, in order to avoid conflict of interest, shall not be part of the decision making process. This is to ensure the integrity of the transaction and best serve the interest of the Company. The transaction information shall be disclosed in the Company's annual and audited financial statements.

Significant connected transactions

In the year 2018-2019, the company has entered into transactions with persons or businesses related to the company. Which is a transaction supporting the normal business operations of the company and has specified procedures for the relevant operations of the transaction. Which is in accordance with the SEC's regulations. The transaction does not create a conflict of interest as follows:

- Significant transactions for the year ended 31 December 2019 and for the period from 29 June 18 (date of incorporation) to 31 December 2018 with related were as follows:

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Gross premium written			948.54	1,390.19
Life business				
Oishi Group Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a gross premium written from group insurance policy, directors, committee shareholders and etc.	13.08	-
F&N Dairies (Thailand) Limited	Directors and controlling equity holders hold substantial share indirectly		12.74	9.91
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		4.82	2.76
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly		3.96	3.10
North Sathorn Hotel Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		3.21	3.50

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a gross premium written from group insurance policy, directors, committee shareholders and etc.	2.87	11.00
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		2.69	7.13
Non-life business				
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a gross premium written from industrial all-risk (IAR), property damage (PD), business interruption (BI)	154.59	172.64
Frasers Logistics & Industrial Asset Management Pte. Ltd.	Directors and controlling equity holders hold substantial share indirectly		27.12	-
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		23.52	31.11
Myanmar Distillery Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		22.72	-
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly		20.47	0.07
Beer Thai (1991) Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		20.32	-
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly		19.58	20.04
Frasers Property Australia Pty Limited	Directors and controlling equity holders hold substantial share indirectly		18.83	40.43
Beertip Brewery (1991) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		17.17	-

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a gross premium written from industrial all-risk (IAR), property damage (PD), business interruption (BI)	13.34	-
Sangsom Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		11.69	6.46
Berli Jucker Cellox Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		11.38	0.86
The QSR Of Asia Company Limited	Directors and controlling equity holders hold substantial share indirectly		11.37	21.53
Sura Bangyikhan Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		10.42	-
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		3.58	170.57
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		2.97	53.40
TCC Asset (Thailand) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		0.11	120.76
Other related parties	Directors and controlling equity holders hold substantial share indirectly		501.10	714.91
Income from operating lease contracts			771.59	719.59
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as an income from operating lease contracts which were a truck, delivery car, personal car from executive and staff	54.46	36.28
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly		54.02	51.76

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as an income from operating lease contracts which were a truck, delivery car, personal car from executive and staff	36.48	38.63
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		32.48	25.99
Numrungrad Co., Ltd.	Controlling equity holders hold substantial share indirectly		28.26	29.75
Pomcharoen Co., Ltd.	Controlling equity holders hold substantial share indirectly		27.77	26.29
Pomtip (2012) Co., Ltd.	Controlling equity holders hold substantial share indirectly		23.25	23.62
Num Kijjakarn Co., Ltd.	Controlling equity holders hold substantial share indirectly		22.20	23.13
Pomkit Co., Ltd.	Controlling equity holders hold substantial share indirectly		21.56	23.45
Pomklung Co., Ltd.	Controlling equity holders hold substantial share indirectly		21.16	21.67
Num Palung Co., Ltd.	Controlling equity holders hold substantial share indirectly		21.08	22.27
Num Muang Co., Ltd.	Controlling equity holders hold substantial share indirectly		20.13	21.01
Other related parties	Directors and controlling equity holders hold substantial share indirectly		408.75	375.74

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Income from hire-purchase and financial lease contracts			21.91	60.17
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a income from hire purchase and financial lease contracts	2.91	3.23
Thip Sugar Sukhothai	Directors and controlling equity holders hold substantial share indirectly		1.05	1.06
Gaew Grung Thai Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		0.10	-
Dividend income			93.23	58.41
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly	Transaction with related parties was a dividend income from investment in securities.	38.02	38.68
Hemaraj Leasehold Real Estate Investment Trust	Common director		32.45	-
Frasers Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly		14.44	12.66
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly		4.11	2.92
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		2.62	1.76
Frasers Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly		1.12	2.39
Sino-Thai Engineering and Construction Public Company Limited	Common director		0.48	-

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Other rendering of services			21.91	60.17
TCC Corporation Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties was a services of finance and investment	21.00	42.00
Other related parties	Directors and controlling equity holders hold substantial share indirectly		0.91	18.17
Interest income			106.19	60.17
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties was a interest income from investment in securities	56.93	27.86
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		23.13	13.56
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly		11.69	-
Frasers Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly		9.00	-
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders		5.44	2.47
Asset World Corp Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		-	4.33
Other related parties	Directors and controlling equity holders hold substantial share indirectly		-	0.05

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Gain on disposal of investments			186.98	77.73
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly	Transactions with related parties was a gain on disposal from investment in securities	107.98	1.06
Fraser's Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly		85.75	4.66
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	1.08
Fraser's Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly		0.15	3.24
Fraser's Property (Thailand) Public Company Limited	Common director and indirect equity holders hold substantial trust indirectly		-0.85	1.68
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		-3.96	66.81
Sino-Thai Engineering and Construction Public Company Limited	Common director		-18.73	-0.81
Other income			28.65	0.19
Other related parties	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a service income, penalty from operating lease and other	28.65	0.19
Benefit payments			-89.38	582.28
TCC Commercial Property Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a benefit payment from insurers	16.07	0.18
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		14.51	75.07

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Terragro Fertilizer Co., Ltd.	Controlling equity holders hold substantial share indirectly	Transactions with related parties were as a benefit payment from insurers	11.23	-
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity holders hold substantial trust indirectly		10.35	-
Grand Unity Development Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		5.51	1.46
Oishi Ramen Company Limited	Directors and controlling equity holders hold substantial share indirectly		5.18	0.05
Asset World Wex Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		4.74	0.04
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		4.64	3.36
Thai Beverage Recycle Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		3.52	1.01
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		3.43	9.81
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly		2.57	3.02
Asset World Retail Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		2.03	0.45

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Frasers Logistics & Industrial Asset Management Pte. Ltd.	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a benefit payment from insurers	-	13.96
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		-8.01	31.31
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly		-229.39	9.72
Other related parties	Directors and controlling equity holders hold substantial share indirectly		64.24	432.84
Benefit payments			481.01	587.04
Sara Insurance Broker Co., Ltd.	Director related to key management of a subsidiary	Transactions with related parties was as a commissions and brokerage expense	469.03	541.82
Millenium Insurance Broker Co., Ltd.	Director related to key management of a subsidiary		11.98	45.15
Big C Insurance Broker Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		-	0.07
Finance costs			111.91	67.18
The Southeast Group International Limited	Common directors (major shareholder until 7 June 2019)	Transactions with related parties was as a gurantee fee from long-term loan from financial institution	111.91	67.18
Operating expenses			47.88	33.77
Siam Realty Co., Ltd.	Controlling equity holders hold substantial share indirectly	Transactions with related parties were as a operating expenses which were a office rental, computer rental and IT expense	27.44	23.91
TCC Technology Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		19.82	7.71

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Berli Jucker Logistics Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	Transactions with related parties were as a operating expenses which were a office rental, computer rental and IT expense	-	1.17
Other related parties	Directors and controlling equity holders hold substantial share indirectly		0.62	0.99
Sale of investment properties			-	2.00
Boonyakheth Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	The Company sold the investment of property which were a land and building	-	2.00

• **Balance as at 31 December with related parties were as follows:**

Premiums due and uncollected			321.06	515.40
One Bangkok Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	Balance of premiums due and uncollected from life business and non-life business with related parties	70.94	-
Thai Beverage Logistics Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		26.82	15.49
Sermasuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		15.64	25.62
TCC Hotel Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		14.80	8.04
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		4.84	14.95
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		0.58	48.07
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly		0.40	2.45

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Oishi Group Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of premiums due and uncollected from life business and non-life business with related parties	0.11	26.88
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		-	2.50
Millenium Insurance Broker Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly		-	147.45
TCC Asset (Thailand) Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		-	117.05
Frasers Property Australia Pty Limited	Directors and controlling equity holders hold substantial share indirectly		-	41.69
Allowance for doubtful account	Directors and controlling equity holders hold substantial share indirectly		- 4.21	- 8.21
Other related parties	Directors and controlling equity holders hold substantial share indirectly		191.14	73.42
Operating lease receivables			78.36	69.82
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of operating lease receivables from lease business with related parties	12.41	7.79
Sermsuk Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		3.06	4.55

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Cash Van Management Company Limited	Controlling equity holders hold substantial share indirectly	Balance of operating lease receivables from lease business with related parties	7.30	4.37
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		3.50	3.21
Pomcharoen Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		2.44	2.80
Other related parties	Directors and controlling equity holders hold substantial share indirectly		49.64	47.09
Finance lease receivables			24.86	25.99
Thip Sugar Kamphaengphet Co.,Ltd.	Directors and controlling equity holders hold substantial share indirectly	Balance of financial lease receivables from lease business with related parties	16.24	18.83
Thip Sugar Sukhothai	Directors and controlling equity holders hold substantial share indirectly		5.85	7.16
Gaew Grung Thai Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		2.77	-
Investments in securities			5,668.73	3,595.37
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of investments in securities with related parties	1,901.72	1,264.83
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly		1,052.89	107.49

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of investments in securities with related parties	872.54	466.01
Golden Ventures Leasehold Real Estate Investment Trust	Common director and indirect equity holders hold substantial trust indirectly		626.54	671.44
Frasers Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly		567.80	547.75
Hemaraj Leasehold Real Estate Investment Trust	Common director		379.90	256.00
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders		189.61	186.98
Frasers Hospitality Trust	Directors and controlling equity holders hold substantial share indirectly		69.21	75.40
Sino-Thai Engineering and Construction Public Company Limited	Common director		8.52	19.45
Short-term loans			-	14.70
Big C Services Company Limited	Associate	Balance of short-term loan with associate transactions	-	14.70
Other assets			61.19	39.99
Thai Beverage Public Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of accrued income from service area, penalty from operating lease income, accrued interest income from investment in securities and other with related parties	18.86	12.25
Berli Jucker Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		5.93	1.44
Frasers Property (Thailand) Public Company Limited	Common director and indirect equity hold substantial share indirectly		4.97	-
Frasers Property Holdings (Thailand) Co., Ltd.	Indirect equity holders		2.01	2.01

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Southeast Joint Venture Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly	Balance of accrued income from service area, penalty from operating lease income, accrued interest income from investment in securities and other with related parties	0.36	17.95
Frasers Property Thailand Industrial Freehold & leasehold Reit	Indirect equity holders hold substantial trust indirectly		0.10	0.10
Other related parties	Directors and controlling equity holders hold substantial share indirectly		28.97	6.24
Loss reserves and outstanding claims			624.04	1,625.53
Oishi Trading Company Limited	Directors and controlling equity holders hold substantial share indirectly	Balance of loss reserves and outstanding claims from life business and non-life business with related parties	485.39	1,482.71
Big C Supercenter Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		23.13	35.41
TCC Commercial Property Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		16.98	4.59
Thai Malaya Glass Company Limited	Directors and controlling equity holders hold substantial share indirectly		7.70	15.63
TCC Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial share indirectly		7.47	11.62
Thai Glass Industries Public Company Limited	Directors and controlling equity holders hold substantial share indirectly		1.20	15.53
Other related parties	Directors and controlling equity holders hold substantial share indirectly		82.17	60.04

Name of related parties	Nature of relationships	Description	Amount (MB)	
			31 Dec 19	31 Dec 18
Other liabilities			91.65	147.77
Sara Insurance Broker Co., Ltd.	Director related to key management of a subsidiary	Balance of accrued operating expense and accrued service fee with related parties	64.20	111.18
The Southeast Group International Limited	Common directors (major shareholder until 7 June 2019)		17.96	11.81
Siam Realty Co., Ltd.	Controlling equity holders hold substantial share indirectly		8.82	-
Millenium Insurance Broker Co., Ltd.	Director related to key management of a subsidiary		-	16.11
Other related parties	Directors and controlling equity holders hold substantial share indirectly		0.67	8.67

Trends or policies for future related party transactions

Related party transactions or connected transactions that may occur in the future must comply with the Securities and Exchange Act, including regulations announcements and orders of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The transaction shall also comply with the requirements regarding the disclosure of information of connected transactions or connected transactions of the Company or subsidiaries in accordance with the accounting standards prescribed by the Federation of Accounting Professions. However, the said transaction will not be a transfer or transfer the interests of the Company; it is a transaction that takes into account the best interests of the Company and every shareholder, significant.

In this regard, the Company is likely to engage into two (2) main transactions in the future with details as followings:

- **Development “Wellness Project Living North Park”**

In addition, the Company has a plan to enter into a connected transaction by purchasing all ordinary shares of North Park Service Apartment Company Limited from (a) Nantapat Development Company Limited totaling 119,999,998 shares, (b) TCCCL Fifteen Co., Ltd., totaling 1 share, and (c) North Park Property Development Company Limited, totaling 1 share, which the parties under (a) - (c) are connected parties with the Company.

The said transaction will occur after the implementation of the business restructuring plan and the Company will proceed in accordance with the rules for connected transactions of the Stock Exchange of Thailand by making a report and disclosing information regarding the said transaction to the Stock Exchange of Thailand. The Company shall arrange a shareholders’ meeting to approve the said transaction and appoint a financial advisor to provide an opinion on the connected transaction and the Company will proceed after the Company has listed on the stock exchange.

In addition, the Board of Directors Meeting No. 3/2019, held on 26 March 2019, has approved the authorization the Company’s Executive Committee to consider and proceed with the details of all the purchase of ordinary shares of North park in which the Executive Committee has the power to act on behalf of the Company which includes the consideration of determining the details and relevant conditions, entering into negotiations, changing the conditions , and sign the necessary and relevant contract documents. Consider the date for determining the list of shareholders for the right to attend the meeting (Record Date) to approve the purchase of North Park shares and the appointment of an independent financial advisor.

In consideration of entering into the said transaction for submission to the shareholders’ meeting, the Executive Committee will consider the additional details and appropriateness of the transaction to purchase all ordinary shares of North Park. The Executive Committee may consider presenting to the shareholders’ meeting of the Company in order to approve the transaction or may not propose to the shareholders’ meeting of the Company if considered that entering into the said transaction is inappropriate with consideration in the best interests of the Company and shareholders:

- **Providing credit services to business partners of related companies**

Because SECAP currently has many types of credit products, which are provided to service providers of related companies. It is expected that in the future that SECAP will release the said loan to comply with good corporate governance. SECAP has guidelines for considering credit products as follows:

- 1) **New credit product screening**

The SECAP management provides details of credit products which consists of target group’s rules and conditions for loan approval and credit limit for each product, etc., for the authorized authority and approval (MOA) of SECAP, such as the Executive Committee and the Board of Directors according

to the credit limit to approve the issuance of the said credit product;

2) Credit monitoring

The SECAP's management reports balances, aging of loan receivables, quality of receivables, and consider the risks or chances of bad debt of each product receivables to the SECAP's Executive Committee on a monthly basis including reports to the Board of Directors of SECAP on a quarterly basis;

3) Reviewing criteria and conditions for loan approval (Reviewing)

The SECAP's management shall present to the SECAP credit approval authority such as the Executive Committee and the board of directors according to the limit to review the criteria and conditions for loan approval on a regular basis, at least once a year with authorized person whose authorize to approve the product.

Reasons that a person with a possible conflict of interest may hold more than 10% of the shares in the subsidiary / associated company instead of directly holding the company's shares.

- The company does not have a policy for persons with conflicts of interest to hold shares in subsidiaries instead of holding shares in the company.

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 2019, 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 2019 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.

Business combination and entire business transfer under common control	
Refer to notes 3 (a) and 4 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>During 2019, the Group restructured the business and acquired 93.44% of The Thai Insurance Public Company Limited. As a result, the Group recognised goodwill amounting to Baht 84.14 million and a difference arising from business combination under common control of Baht 29.23 million in the consolidated statement of financial position as at 31 December 2019.</p> <p>In addition, the Company received entire business transfer from Southeast Corporation Co., Ltd. (“Southeast”) which has the same ultimate controlling shareholders of the Company. Accordingly, the difference between the consideration transferred and book value of net assets, presented as “Difference arising from business combination under common control”, amounting to Baht 22,603.11 million has been recognised in the statement of financial position as at 31 December 2019.</p> <p>The acquisition method of accounting for business combination and fair value of equity securities issued by the acquirer as a consideration transferred are complex and involved assumptions and judgment, requiring the Group to determine the fair value of assets acquired and liabilities assumed and consideration transferred. In addition, for entire business transfer, the Group are required to determine the fair value of consideration transferred.</p> <p>I considered the accounting for business combination and entire business transfer under common control as a key audit matter due to the complexities of the accounting treatment and the significant assumptions and judgment involved in determining the fair value of assets acquired, liabilities assumed and the consideration transferred, and the amounts recognised are significant to the financial statements.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding and inquiring of management as to the natures and objectives of the business acquisitions and read the sale and purchase agreement and entire business transfer agreement and related documents to understand key terms and conditions; • Evaluating knowledge, competency and independence of the Group’s an independent valuer; • Considering the main assumptions to assess the valuation of fair value of assets acquired and liabilities assumed by referral external and internal information and involving KPMG valuation specialist to evaluate the appropriateness of financial parameters applied to the discount rate, identification of the intangible assets and valuation methodology used; • Testing calculation; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.



Valuation of premiums due and uncollected	
Refer to notes 3 (f) and 7 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, premiums due and uncollected under insurance contracts before allowance for doubtful accounts recorded in the consolidated financial statements amounted to Baht 1,758.38 million, of which of Baht 80.52 million was overdue for more than 90 days and less than 1 year and Baht 135.59 million was overdue for more than 1 year. Premiums due and uncollected net of allowance for doubtful accounts represented 1.76% of total assets. These overdue premiums due and uncollected have been considered and an allowance for doubtful accounts was recorded of Baht 158.43 million or 9.01% 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 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 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 collection processes, testing the operating effectiveness of relevant internal controls on a sample basis; • Considering the reasonableness of allowance for doubtful accounts policy on the basis of historical recovery of collection of premiums due and uncollected; • Testing on a sample basis post period end to the 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 3 (i) and 10 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group sets up the allowance for doubtful accounts of hire-purchase and finance lease receivables based on the aging of payments due, applicable loss factors and collateral valuation which involves 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"> • 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 doubtful accounts. Included performing control testing of design in respect of the collection of debts, the calculation of debtor aging and the determination of allowance for doubtful accounts and the recording of related accounting entries; • 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 allowance for doubtful accounts 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; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of inventories and assets held for operating lease	
Refer to notes 3 (k), 3 (q), 13 and 19 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, inventories and assets held for operating lease with net book values of Baht 187 million and Baht 12,662.63 million, respectively, 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 estimate 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 of assets held for operating lease by comparing to historical selling price and/or external prices derived from the market; the disposal plan and external prices; • 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 3 (f) and 23 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, loss reserves and outstanding claims recorded in the consolidated financial statements amounted to Baht 4,873.41 million, representing 10.36% 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 actuarial specialist engaged 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 3 (f) and 23 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, long-term technical reserves recorded in the consolidated financial statements amounted to Baht 39,605.84 million, representing 52.28 % 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 engaged 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 4 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 2018, the combined statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2018 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 throughout the year ended 31 December 2018. 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.

A handwritten signature in blue ink, appearing to read 'Chokechai Ngamwutikul'.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2020

IMPORTANT FINANCIAL INFORMATION

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

		After business restructuring	Before business restructuring		
		Consolidated financial statements	Combined financial statements		
Assets	<i>Note</i>	2019	2018 (Unaudited)	2019	2018
<i>(in Baht)</i>					
Cash and cash equivalents	6	4,901,066,391	4,910,023,841	61,718,833	10,000
Investment receivables		-	2,007,900,074	-	-
Premiums due and uncollected	5, 7	1,599,942,620	2,488,733,962	-	-
Reinsurance assets	23	5,048,397,833	6,376,209,296	-	-
Reinsurance receivables	8	698,920,058	721,478,635	-	-
Operating lease receivables	5, 9	347,168,849	351,534,621	-	-
Hire-purchase and finance lease receivables	5, 10	278,466,102	447,901,280	-	-
Investments in securities	5, 11	54,799,537,288	49,304,632,713	234,000,000	-
Derivative assets	12	161,678,710	132,409,124	-	-
Inventories	13	186,997,456	280,237,679	-	-
Loans	5, 14	1,655,585,252	1,348,822,807	5,634,267,868	-
Investments in associate and joint venture	15	-	-	-	-
Investments in subsidiaries	16	-	-	3,226,676,607	-
Investment properties	17	509,047,801	506,226,255	-	-
Leasehold rights	18	1,357,267,530	-	-	-
Property, plant and equipment	19	16,191,400,185	15,184,842,970	541,248	-
Intangible assets	20	410,346,694	420,483,276	12,194,586	-
Deferred tax assets	34	363,709,600	285,160,091	-	-
Goodwill	4	84,140,909	84,140,909	-	-
Other assets	21	2,398,999,558	2,659,667,744	85,412,937	545,500
Total assets		90,992,672,836	87,510,405,277	9,254,812,079	555,500

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

		After business restructuring	Before business restructuring		
		Consolidated financial statements	Combined financial statements	Separate financial statements	
Liabilities and equity	<i>Note</i>	2019	2018 (Unaudited)	2019	2018
<i>(in Baht)</i>					
Liabilities					
Investment payable		18,970,023	1,804,068,030	-	-
Borrowings	5, 22	16,122,494,504	15,197,155,771	5,852,603,617	-
Insurance contract liabilities	5, 23	52,074,298,748	50,233,567,981	-	-
Reinsurance payable	24	3,620,746,833	3,230,361,749	-	-
Derivative liabilities	12	322,665,791	136,783,129	103,047,109	-
Current tax payable		92,958,526	620,761,487	-	-
Finance lease liabilities	22	587,866,541	416,213,742	-	-
Provision for employee benefits	25	315,100,709	240,322,808	16,414,058	-
Deferred tax liabilities	34	643,635,044	354,561,755	15,977,400	-
Other liabilities	26	1,962,632,306	2,141,611,201	58,916,916	800,925
Total liabilities		75,761,369,025	74,375,407,653	6,046,959,100	800,925
Equity					
Share capital	27				
Authorised share capital		7,536,401,860	7,536,411,860	7,536,401,860	7,536,411,860
Issued and paid-up share capital		7,520,978,320	10,000	7,520,978,320	10,000
Issued and paid-up share capital before restructuring		-	2,738,600,111	-	-
Acquiree's equity held before restructuring		-	207,968,216	-	-
Share premium on ordinary shares		18,224,269,226	-	18,224,269,226	-
Retained earnings					
Appropriated					
Legal reserve	28	344,221,600	329,657,589	3,272,639	-
Other reserve		27,714,962	7,714,962	-	-
Unappropriated		5,914,660,601	5,665,798,266	62,445,449	(255,425)
Other components of equity	28	(16,896,999,584)	3,921,712,037	(22,603,112,655)	-
Equity attributable to owners of the parent		15,134,845,125	12,871,461,181	3,207,852,979	(245,425)
Non-controlling interests		96,458,686	263,536,443	-	-
Total equity		15,231,303,811	13,134,997,624	3,207,852,979	(245,425)
Total liabilities and equity		90,992,672,836	87,510,405,277	9,254,812,079	555,500

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of comprehensive income

	<u>After business restructuring</u>	<u>Before business restructuring</u>		
	<u>Consolidated</u>	<u>Combined</u>	<u>Separate financial statements</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>For the period from</u>	
	Year ended	Year ended	Year ended	29 June 2018
	31 December	31 December	31 December	(date of incorporation)
Note	2019	2018	2019	to 31 December 2018
		(Unaudited)		
		<i>(in Baht)</i>		
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operation	(2,906,423)	(13,008)	-	-
Gain (loss) on remeasuring available for sale investments	11 1,979,931,913	(1,765,197,477)	-	-
Income tax relating to items that will be reclassified	34 (395,986,382)	353,039,495	-	-
Total items that will be reclassified subsequently to profit or loss	1,581,039,108	(1,412,170,990)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gains on revaluation of assets	332,651,277	-	-	-
Gains (losses) on remeasurement of defined benefit plans	25 (29,040,466)	15,346,644	650,912	-
Income tax relating to items that will not be reclassified	(60,722,162)	(3,069,329)	(130,182)	-
Total items that will not be reclassified subsequently to profit or loss	242,888,649	12,277,315	520,730	-
Other comprehensive income (expense)				
for the period/year, net of tax	1,823,927,757	(1,399,893,675)	520,730	-
Total comprehensive income (expense) for the period/year	2,102,898,404	(376,889,434)	65,973,513	(255,425)
Profit (loss) attributable to:				
Owners of the parent	304,917,794	1,039,205,342	65,452,783	(255,425)
Non-controlling interests	(25,947,147)	(16,201,101)	-	-
Profit (loss) for the period/year	278,970,647	1,023,004,241	65,452,783	(255,425)
Total comprehensive income (expense) attributable to:				
Owners of the parent	2,122,394,548	(362,302,359)	65,973,513	(255,425)
Non-controlling interests	(19,496,144)	(14,587,075)	-	-
Total comprehensive income (expense) for the period/year	2,102,898,404	(376,889,434)	65,973,513	(255,425)
Basic earnings (loss) per share	35 0.41	1.40	0.20	(255)

	Combined financial statements - before business restructuring											Total 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	Available-for-sale investments	Translating foreign operation (in Baht)	Revaluation surplus	Excess of cost over book value of acquired subsidiaries		Difference from business combination under common control	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
Year ended 31 December 2018																
Balance at 1 January 2018	10,000	2,400,000,000	-	-	285,621,862	7,714,962	4,645,938,832	3,368,048,388	(39,562)	2,003,146,529	-	11,767,306	5,382,922,661	12,722,198,317	77,516,186	12,799,714,503
Transactions with owners, recorded directly in equity																
Contributions by owners of the parent																
Issue of ordinary shares	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Total contributions by owners of the parent	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Changes in interests from business restructuring																
Impact of business restructuring	-	338,600,111	207,968,216	-	-	-	-	-	-	-	(35,013,104)	-	(35,013,104)	511,555,223	200,607,332	712,162,555
Total changes in interests from business restructuring	-	338,600,111	207,968,216	-	-	-	-	-	-	-	(35,013,104)	-	(35,013,104)	511,555,223	200,607,332	712,162,555
Total transactions with owners, recorded directly in equity	10,000	338,600,111	207,968,216	-	-	-	-	-	-	-	(35,013,104)	-	(35,013,104)	511,555,223	200,607,332	712,172,555
Comprehensive income (expense) for the year																
Profit	-	-	-	-	-	-	1,039,205,342	-	-	-	-	-	-	1,039,205,342	(16,201,101)	1,023,004,241
Other comprehensive income (expense)	-	-	-	-	-	-	10,354,943	(1,411,849,650)	(13,008)	-	-	-	(1,411,862,643)	(1,401,507,701)	1,614,026	(1,399,893,675)
Total comprehensive income (expense) for the year	-	-	-	-	-	-	1,049,560,285	(1,411,849,650)	(13,008)	-	-	-	(1,411,862,643)	(362,302,359)	(14,587,075)	(376,889,434)
Transfer to Legal reserve	-	-	-	-	44,035,727	-	(44,035,727)	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	14,334,876	-	-	(14,334,876)	-	-	(14,334,876)	-	-	-
Balance at 31 December 2018	10,000	2,738,600,111	207,968,216	-	329,657,589	7,714,962	5,665,798,266	1,956,198,752	(52,570)	1,988,811,653	(35,013,104)	11,767,306	3,921,712,037	12,871,461,181	263,536,443	13,134,997,624

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	Retained earnings	Other components of equity		
			Legal reserve	Unappropriated	Difference from business combination under common control	
				(in Baht)		
For the period from 29 June 2018 (date of incorporation) to 31 December 2018						
Balance as at 29 June 2018 (date of incorporation)	10,000	-	-	-	-	10,000
Comprehensive income (expense) for the period						
Loss for the period	-	-	-	(255,425)	-	(255,425)
Total comprehensive income (expense) for the period	-	-	-	(255,425)	-	(255,425)
Balance at 31 December 2018	10,000	-	-	(255,425)	-	(245,425)

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 reserve (in Baht)	Difference from business combination under common control	
Year ended 31 December 2019							
Balance at 1 January 2019		10,000	-	-	(255,425)	-	(245,425)
Transactions with owners, recorded directly in equity							
<i>Contributions by owners of the parent</i>							
Issue of ordinary shares	18	7,520,968,320	18,224,269,226	-	-	-	25,745,237,546
Total contributions by owners of the parent		7,520,968,320	18,224,269,226	-	-	-	25,745,237,546
Changes in interests from business restructuring							
Impact of business restructuring	3	-	-	-	-	(22,603,112,655)	(22,603,112,655)
Total changes in interests from business restructuring		-	-	-	-	(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)	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)	3,207,852,979

**Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows**

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements	Combined financial statements	Year ended 31 December	For the period from 29 June 2018 (date of incorporation) 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018 (Unaudited)	Year ended 31 December 2019	
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit (loss) for the period/year	278,970,647	1,023,004,241	65,452,783	(255,425)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	96,544,446	427,009,077	15,847,218	-
Finance costs	461,151,739	500,020,880	24,538,754	-
Depreciation and amortisation	1,565,597,645	1,262,208,546	111,906	-
Impairment losses on investments	44,021,033	10,465,816	-	-
(Reversal of) Impairment loss on subrogation recoveries	(34,795,637)	81,700,000	-	-
Provision for employee benefits	59,412,355	57,130,503	2,669,538	-
Reserve from insurance contracts	3,189,329,369	9,635,947,331	-	-
Loss incurred from loss reserve	3,784,375,103	4,276,992,937	-	-
Unearned premium reserve	(8,765,132,828)	(6,311,440,730)	-	-
Unrealised (gain) loss on exchange	41,977,003	199,219,831	(11,247,540)	-
(Gain) loss on revaluation of derivative	156,613,076	(130,803,416)	61,855,635	-
(Reversal of) bad and doubtful debts expenses	(20,228,495)	367,539,466	-	-
Share of loss of an associate and joint venture	-	12,018,920	-	-
(Reversal of) losses on decline in value of inventories and properties foreclosed	(15,060,119)	45,640,812	-	-
Gain on disposal of investments	(1,203,185,577)	(1,229,479,894)	-	-
Loss on disposal of properties foreclosed	3,642,724	8,998,194	-	-
Gain on disposal of property, plant and equipment	(39,730,405)	(597,974)	-	-
Impairment loss on property, plant and equipment	133,000	-	-	-
Gain on disposal of investment properties	-	(912,515)	-	-
Loss from written-off withholding tax	2,640,072	257,176	-	-
Dividend income	(689,432,848)	(641,300,580)	(149,999,813)	-
Interest income	(1,192,911,547)	(1,125,451,581)	(95,501,384)	-
	<u>(2,276,069,244)</u>	<u>8,468,167,040</u>	<u>(86,272,903)</u>	<u>(255,425)</u>
Changes in operating assets and liabilities				
Premiums due and uncollected	951,440,592	(254,391,894)	-	-
Reinsurance assets	(464,480,258)	(1,835,302,669)	-	-
Reinsurance receivables	22,558,577	45,093,101	-	-
Operating lease receivables	4,365,772	(88,785,994)	-	-
Hire-purchase and finance lease receivables	169,435,178	197,272,261	-	-
Investment in securities	(2,195,509,483)	(8,440,421,455)	(234,000,000)	-
Inventories	554,693,777	942,001,709	-	-
Other assets	71,940,165	(716,316,559)	230,301	(545,500)
Insurance contract liabilities	5,424,450,844	3,898,340,888	-	-
Deferred tax liabilities	(136,968,000)	-	-	-
Reinsurance payable	390,385,084	394,783,080	-	-
Other liabilities	(71,345,295)	(417,187,342)	15,548,563	800,925
Employee benefit paid	(13,674,920)	(12,427,173)	-	-
Net cash generated from (used in) operating	2,431,222,789	2,180,824,993	(304,494,039)	-
Interest received from insurance business	1,095,351,344	1,001,400,014	-	-
Dividends received from insurance business	639,689,101	594,008,702	-	-
Tax paid	(627,196,087)	(687,904,803)	(943,722)	-
Net cash from (used in) operating activities	<u>3,539,067,147</u>	<u>3,088,328,906</u>	<u>(305,437,761)</u>	<u>-</u>

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements	Combined financial statements	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018 (Unaudited)	Year ended 31 December 2019	
	<i>(in Baht)</i>			
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-	-	(249,993)	-
Proceeds from entire business transfer	-	-	35,477,776	-
Proceeds from sale of investment properties	-	2,000,000	-	-
Acquisition of investment properties	(4,277,069)	(2,797,728)	-	-
Proceeds from sale of property, plant and equipment	38,317,600	601,549,119	-	-
Acquisition of property, plant and equipment	(2,366,617,143)	(4,407,013,355)	(206,730)	-
Acquisition of intangible assets	(52,772,200)	(114,758,239)	(5,564,000)	-
Acquisition of leasehold rights	(1,364,850,030)	-	-	-
Increase in loans	(783,016,309)	(4,670,983,844)	(2,140,000,000)	-
Proceeds from repayment of loans	483,485,304	4,916,640,794	1,085,000,000	-
Dividends received	20,055,110	36,601,301	149,999,813	-
Interest received	188,469,262	57,059,625	88,947,508	-
Net cash used in investing activities	(3,841,205,475)	(3,581,702,327)	(786,595,626)	-
Cash flows from financing activities				
Proceeds from borrowings	15,638,259,477	11,634,297,903	6,863,178,005	-
Repayment of borrowings	(14,656,757,951)	(8,932,619,217)	(5,678,304,809)	-
Proceeds from issue of shares	-	-	-	10,000
Repayment of issue of shares	-	-	(10,000)	-
Payment of securities offering fee	(6,582,222)	-	(6,582,222)	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(209,516,544)	(137,475,443)	-	-
Finance costs paid	(469,315,460)	(512,731,329)	(24,538,754)	-
Net cash from financing activities	296,087,300	2,051,471,914	1,153,742,220	10,000
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(6,051,028)	1,558,098,493	61,708,833	10,000
Foreign currency translation differences for foreign operations	(2,906,422)	(13,008)	-	-
Net increase (decrease) in cash and cash equivalents	(8,957,450)	1,558,085,485	61,708,833	10,000
Cash and cash equivalents at 1 January	4,910,023,841	3,351,938,356	10,000	-
Cash and cash equivalents at 31 December	4,901,066,391	4,910,023,841	61,718,833	10,000
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	135,116,081	348,233,435	-	-
Payables for purchase of intangible assets	6,620,314	-	6,620,314	-
Transfer equipment to inventories	485,829,567	1,002,945,090	-	-
Purchases of property, plant and equipment under finance lease agreements	400,475,118	301,316,600	-	-

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2019

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 25 February 2020.

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.

The Company’s major shareholders during the financial period were Sirivadhanabhakdi family (74.75% shareholding).

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 2019 and 2018 are given in note 15 and 16.

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. 2559, dated 4 March 2016, which are effective for annual periods beginning on or after 1 January 2016.

The Company presented the combined statement of financial position as at 31 December 2018, the combined statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2018 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 throughout the year ended 31 December 2018.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations, and the Group adopted TFRS 4 (revised 2018) *Insurance Contracts*. The details of accounting policies are disclosed in note 3 (z).

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. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 42.

(b) Functional and presentation currency

The financial statements are prepared 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 2019

(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:

3 (z) and 30 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;

15 Equity-accounted investees: whether the Group has significant influence over an investee;

22 and 32 Leases: whether an arrangement containing a lease; and lease classification.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 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:

5 Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;

7 8 9 10 and 14 Measurement of allowance for doubtful debts of premiums due and uncollected reinsurance receivables, operating lease receivables, hire-purchase and finance lease receivables, and loans;

13 Measurement of net realisable value of inventory

17 and 19 Impairment test of investment properties; and property, plant and equipment: key assumptions underlying recoverable amounts

4 Impairment test of goodwill: key assumptions underlying recoverable amounts;

21 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

24 and 41 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

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 23.

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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 3 (f).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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.

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 acquire.

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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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) 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 available-for-sale equity investments are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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.

(c) 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).

(d) 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.

(e) 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 contracts 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.

(f) 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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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.

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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 in force 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.

(g) 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.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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.

(h) Operating lease receivables and other receivables

Operating lease receivables and other receivables are stated at their invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(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 doubtful accounts.

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 doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may be uncollectible based on a review of the current status of the existing receivables.

(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) Investments

Investments in associate, subsidiaries and joint venture

Investments in associate, subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in associate and joint venture in the consolidated financial statements are accounted for using the equity method.

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.

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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.

Recognition

Purchase and sales of investments are recorded on trade dates.

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.

(m) Loans

Loans are stated at principal amounts less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on an analysis of payment histories, future expectations of customer payments, the aging of the amount receivable and appraisal value of the collateral. Bad debts are written off when incurred.

(n) 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.

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.

(o) 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.

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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.

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.

(p) 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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(q) 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 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.

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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 surplus 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 surplus 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 surplus 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.

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.

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(r) *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.

(s) *Impairment*

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 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.

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.

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The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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 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.

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.

(t) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(u) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(v) Other liabilities

Other liabilities are stated at carrying value.

(w) 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.

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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.

(x) 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.

(y) Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. 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.

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(z) Revenue

Accounting policies for revenue recognition in 2019

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.

Accounting policies for revenue recognition in 2018

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

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. The Group stops accruing income from the contracts when the receivable becomes over 3 installments overdue.

Income from sale of assets under operating lease contracts

Revenue from sale of assets under operating leases (inventory) is recognized 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.

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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.

(aa) 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.

(bb) 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.

(cc) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(ab) 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.

(ac) 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.

(ad) 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.

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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.

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.

(ae) *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.

(af) *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.

(ag) *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.

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4 Business combination and entire business transfer under common control

4.1 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)	27	546,568
		546,568

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	<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 Non-controlling interests (32.07 %)</i>	<i>(215,584)</i>
<i>Add Goodwill arising from the previous business combination of those having the highest authority</i>	<i>84,141</i>
<i>Add Excess of cost over book value of acquired subsidiaries</i>	<i>35,013</i>
Total identifiable net assets received	575,798
<i>Less Deficit arising from business combination under common control</i>	<i>(29,230)</i>
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 Net book value of non-controlling interest of TIC as at 22 July 2019</i>	<i>(171,485)</i>
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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Notes to the financial statements

For the year ended 31 December 2019

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%)	747,283

4.2) 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>	<i>Note</i>	Fair value
		<i>(in thousand Baht)</i>
Equity instruments issued (730,140,186 ordinary shares)	27	25,000,000
		25,000,000

	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
<i>Add</i> 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. Leasing 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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5 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 15 and 16. 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.
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 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Sukhothai Co., Ltd.	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 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
TCC Hotel Collection Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Logistic Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Malaya Glass Co Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Asset World Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Cristalla Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
DL Engineering Solution Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial share indirectly
Horeca Management Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Frasers Centrepoint Limited	Singapore	Controlling equity holders hold substantial share indirectly
Terragro Fertilizer Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Num Kijjakarn Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Num Nakorn Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Num Turakij Co.,Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Num Palang Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Num Muang Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Num Yuk Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Numrunrod Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomkit Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomklung Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomcharoen Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomchok Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomthip (2012) Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomnakorn Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pomburapa Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Pompalang Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Cash Van Management Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Southeast Management Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
Siam Realty Co., Ltd.	Thailand	Controlling equity holders hold substantial share indirectly
The Southeast Group International Limited	British Virgin Islands	Common directors (major shareholder until 7 June 2019)
Sara Insurance Broker Co., Ltd.	Thailand	Director related to key management of a subsidiary
Millennium Insurance Broker Co., Ltd.	Thailand	Director related to key management of a subsidiary
Frasers Property Holdings (Thailand) Company Limited	Thailand	Indirect equity holders
Frasers Property (Thailand) Public Co., Ltd. (formerly “TICON Industrial Connection Public Company Limited”)	Thailand	Common director and indirect equity hold substantial share indirectly
Sino-Thai Engineering and Construction Public Co., Ltd.	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	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

Significant transactions for the year ended 31 December 2019 and for the period from 29 June 18 (date of incorporation) to 31 December 2018 with related parties were as follows:

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements	Combined financial statements	Year ended 31 December 2019	For the period from 29 June 18 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Other rendering of services	-	-	1,800	-
Interest income	-	-	95,451	-
Operating expenses	-	-	5,945	-
Associate				
Premium Receive	30	-	-	-
Interest income	36	249	-	-
Major shareholder				
Finance costs	-	55,626	-	-

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	<u>After business restructuring</u>	<u>Before business restructuring</u>		
	Consolidated financial statements	Combined financial statements	Separate financial statements	
				For the period from 29 June 18 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel				
Short-term employee benefits	145,253	153,678	18,283	-
Post-employment benefits	5,002	12,383	1,233	-
Other long-term benefits	6,165	6,059	698	-
Total key management personnel compensation	<u>156,420</u>	<u>172,120</u>	<u>20,214</u>	<u>-</u>

	<u>After business restructuring</u>	<u>Before business restructuring</u>		
	Consolidated financial statements	Combined financial statements	Separate financial statements	
				For the period from 29 June 18 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	
	<i>(in thousand Baht)</i>			
Other related parties				
Gross premium written	948,544	1,390,185	-	-
Income from operating lease contracts	771,593	719,593	-	-
Income from hire-purchase and finance lease contracts	4,067	4,286	-	-
Dividend income	93,235	58,410	-	-
Other rendering of services	21,912	60,166	2,739	-
Interest income	106,187	48,274	-	-
Gain on disposal of investments	186,978	77,726	-	-
Other income	28,649	188	-	-
Benefit payments	(89,377)	582,281	-	-
Commissions and brokerage expense	481,014	587,042	-	-
Finance costs	111,907	67,184	26,743	-
Operating expenses	47,880	33,771	-	-
Sale of investment properties	-	2,000	-	-

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Balances as at 31 December with related parties were as follows:

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements	Combined financial statements	2019	2018
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Premiums due and uncollected				
Associate	-	1,185	-	-
Other related parties	325,275	522,427	-	-
Total	325,275	523,612	-	-
Less allowance for doubtful accounts	(4,213)	(8,214)	-	-
Net	321,062	515,398	-	-
Bad and doubtful debts expense for the year	4,001	8,214	-	-
Operating lease receivables				
Other related parties	78,359	69,819	-	-
Finance lease receivables				
Other related parties	24,859	25,993	-	-
Investments in securities				
Other related parties	5,668,727	3,595,371	-	-

Movements of short-term loans	Interest rate		Consolidated financial statements		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
	<i>(in thousand Baht)</i>				
2019					
Associates	-	14,700	-	(14,700)	-
Total		14,700			-
Less allowance for doubtful accounts		-			-
Net		14,700			-

	Interest rate		Combined financial statement		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
	<i>(in thousand Baht)</i>				
2018					
Associates	3.70	-	14,700	-	14,700
Other related parties	-	14,461	-	(14,461)	-
Total		14,461			14,700
Less allowance for doubtful accounts		-			-
Net		14,461			14,700

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<i>Movements of short-term loans</i>	Interest rate At 31 December (% per annum)	At 1 January	Separate financial statements			At 31 December
			Increase	Business transfer (Note 4)	Decrease	
<i>(in thousand Baht)</i>						
2019						
Subsidiaries	3.35 - 4.50	-	6,625,000	2,993,000	(5,570,000)	4,048,000
Total		<u>-</u>				<u>4,048,000</u>

<i>Movements of long-term loans</i>						
2019						
Subsidiaries	3.75 - 5.00	-	-	1,586,267	-	1,586,267
Total		<u>-</u>				<u>1,586,267</u>

	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring	2019	2018
<i>Other assets - related parties</i>	<u>Consolidated financial statement</u>	<u>Combined financial statement</u>		
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Subsidiaries	-	-	72,638	-
Associate	-	249	-	-
Other related parties	61,186	39,745	-	-
Total	<u>61,186</u>	<u>39,994</u>	<u>72,638</u>	<u>-</u>

	After business restructuring	Before business restructuring	Separate financial statements	
	<u>Consolidated financial statement</u>	<u>Combined financial statement</u>	2019	2018
<i>Loss reserves and outstanding claims - related parties</i>				
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Other related parties	<u>624,035</u>	<u>1,625,531</u>	<u>-</u>	<u>-</u>

	After business restructuring	Before business restructuring	Separate financial statements	
	<u>Consolidated financial statements</u>	<u>Combined financial statements</u>	2019	2018
<i>Other liabilities - related parties</i>				
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Subsidiaries	-	-	294	-
Other related parties	91,649	147,766	17,962	-
Total	<u>91,649</u>	<u>147,766</u>	<u>18,256</u>	<u>-</u>

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Significant agreements with related parties

Short-term loans to related parties

As at 31 December 2019, the Company entered into short-term loans agreements which are unsecured promissory notes with subsidiaries of Baht 4,048 million. The promissory notes bear interest at fixed rates ranging from 3.35 % to 4.50 % per annum. The maturity term are one year and at call.

As at 31 December 2018, a subsidiary entered into an unsecured short-term loan agreement with an associate of Baht 14.70 million. Such loan bear interest at fixed rate at 3.70% per annum. The maturity term is one year. The subsidiary fully received such loan repayment during 2019.

Long-term loans to related parties

As at 31 December 2019, the Company entered into long-term loans agreements which are unsecured promissory notes with a subsidiary of Baht 1,109.15 million. The promissory notes bear interest at fixed rates ranging from 4.85% to 5% per annum. The maturity term are 1 years to 3 years.

As at 31 December 2019, The Company entered into short-term loans agreement which are unsecured promissory notes with subsidiaries of Baht 477.12 million. The promissory notes bear interest at the rate ranging from 3.75% to 4.25% per annum and will be repayable at call. However, the Company agreed not to recall loans from the subsidiary before 31 January 2020. Accordingly, the loans were classified as long-term loans as at 31 December 2019.

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 2018 to 31 December 2019. The Group and the Company committed to pay rental and service fees at the rates as stipulated in the agreements.

Financial and investment consulting agreements

The Company entered into financial and investment consulting agreements with a related party. The agreement period is 1 year starting from 1 January 2019 to 31 December 2019. The agreement will be renewed for one year at a time, unless the Company receives a notice of contract termination. The related party is committed to pay service fees at the rates as stipulated in the agreements.

Management service agreement

The Company entered into management service agreement with a related party. The agreement period is 7 months starting from 16 July 2018 to 16 February 2019. On 17 January 2019, the Company amended the agreement for expansion of service period until 18 August 2019. The related party is committed to pay service fees at the rates as stipulated in the agreements.

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Land rental agreement

A subsidiary has entered into a land rental agreement with a related party for a purpose of land development, showroom building and service standard center. The agreement period is 30 years starting from 1 February 2018 to 31 January 2048. The subsidiary is committed to pay rental fees at the rates as stipulated in the agreements. During 2019, the subsidiary and another party agreed to terminate such agreement which effective on 31 August 2019.

Leasehold rights

During the year 2019, a subsidiary has entered into 2 long-term 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. As such, the subsidiary has paid total amount in advance of leasehold rights of Baht 1,365 million (including related direct costs).

As at 31 December 2019 and 2018, the Group and the Company had commitments with related parties as follow:

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
			2019	2018
		<i>(in thousand Baht)</i>		
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	14,055	19,813	7,340	-
After one year but within five years	33,730	47,785	12,788	-
Total	47,785	67,598	20,128	-

6 Cash and cash equivalents

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
			2019	2018
		<i>(in thousand Baht)</i>		
Cash on hand	9,784	9,648	13	10
Cash at banks - call deposits	4,553,492	3,155,062	61,706	-
Highly liquid short-term investments	337,790	1,745,314	-	-
Cash and cash equivalents	4,901,066	4,910,024	61,719	10

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7 Premiums due and uncollected

		After business restructuring	Before business restructuring
		Consolidated financial statements	Combined financial statements
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	325,275	523,612
Other parties		1,433,100	2,186,203
Total		1,758,375	2,709,815
Less allowance for doubtful accounts		(158,432)	(221,081)
Net		1,599,943	2,488,734
Bad and doubtful debts expense for the year (reversal of)		(62,649)	125,773

Aging analyses for premiums due and uncollected were as follows:

		After business restructuring	Before business restructuring
		Consolidated financial statements	Combined financial statements
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		171,874	239,675
Overdue:			
less than 30 days		37,421	47,696
30 - 60 days		107,384	199,448
60 - 90 days		62	225
90 days - 1 year		5,276	35,492
over 1 year		3,258	1,076
Total		325,275	523,612
Less allowance for doubtful accounts		(4,213)	(8,214)
		321,062	515,398
Other parties			
Within credit terms		969,521	1,404,298
Overdue:			
less than 30 days		150,435	230,839
30 - 60 days		80,075	117,378
60 - 90 days		25,492	62,660
90 days - 1 year		75,247	261,393
over 1 year		132,330	109,635
Total		1,433,100	2,186,203
Less allowance for doubtful accounts		(154,219)	(212,867)
		1,278,881	1,973,336
Net		1,599,943	2,488,734

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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.

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.

8 Reinsurance receivables

	After business restructuring	Before business restructuring
	Consolidated financial statements	Combined financial statements
	2019	2018
	<i>(in thousand Baht)</i>	
Due from reinsurers	745,250	753,104
Deposit on reinsurance	5	9
Total	745,255	753,113
<i>Less</i> allowance for doubtful accounts	<i>(46,335)</i>	<i>(31,634)</i>
Net	698,920	721,479
Bad and doubtful debts expense for the year	14,701	9,133

Aging analyses for due from reinsurers were as follows:

	After business restructuring	Before business restructuring
	Consolidated financial statements	Combined financial statements
	2019	2018
	<i>(in thousand Baht)</i>	
Other parties		
Within due	398,324	434,593
Overdue:		
less than 1 year	271,299	251,255
within 1 - 2 years	37,333	33,562
over 2 years	38,294	33,694
	745,250	753,104
<i>Less</i> allowance for doubtful accounts	<i>(46,335)</i>	<i>(31,634)</i>
Net	698,915	721,470

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9 Operating lease receivables

		After business restructuring	Before business restructuring
		Consolidated financial statements	Combined financial statements
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
Related parties	5	78,359	69,819
Other parties		270,317	283,223
Total		348,676	353,042
<i>Less</i> allowance for doubtful accounts		<i>(1,507)</i>	<i>(1,507)</i>
Net		347,169	351,535

Aging analyses for operating lease receivables were as follows:

		After business restructuring	Before business restructuring
		Consolidated financial statements	Combined financial statements
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		69,827	68,917
Over due:			
less than 3 months		8,192	788
3 - 6 months		340	92
6 - 12 months		-	22
		78,359	69,819
Other parties			
Within credit terms		254,821	253,877
Over due:			
Less than 3 months		13,349	26,693
3 - 6 months		2,133	618
6 - 12 months		14	1,357
Over 12 months		-	678
		270,317	283,223
<i>Less</i> allowance for doubtful accounts		<i>(1,507)</i>	<i>(1,507)</i>
Net		347,169	351,535

The normal credit term of operating lease receivables granted by the Group ranges from 30 days to 60 days.

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10 Hire purchase and finance lease receivables

Consolidated financial statements - after business restructuring				
2019				
	Portion due within one year	Portion due over one year but within five years <i>(in thousand Baht)</i>	Portion due over five years	Total
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	<u>(27,727)</u>	<u>(22,415)</u>	<u>(140)</u>	<u>(50,282)</u>
Total	<u>197,790</u>	<u>160,028</u>	<u>1,101</u>	<u>358,919</u>
Less allowance for doubtful accounts	<u>(46,236)</u>	<u>(33,951)</u>	<u>(266)</u>	<u>(80,453)</u>
Net	<u>151,554</u>	<u>126,077</u>	<u>835</u>	<u>278,466</u>

Combined financial statements -before business restructuring				
2018				
	Portion due within one year	Portion due over one year but within five years <i>(in thousand Baht)</i>	Portion due over five years	Total
Hire purchase receivables	273,790	288,678	4,080	566,548
Finance lease receivables	8,331	29,244	-	37,575
Add deferred commission expense	2,963	3,124	44	6,131
	<u>285,084</u>	<u>321,046</u>	<u>4,124</u>	<u>610,254</u>
Less unearned interest income	<u>(37,955)</u>	<u>(43,439)</u>	<u>(506)</u>	<u>(81,900)</u>
Total	<u>247,129</u>	<u>277,607</u>	<u>3,618</u>	<u>528,354</u>
Less allowance for doubtful accounts	<u>(38,879)</u>	<u>(40,995)</u>	<u>(579)</u>	<u>(80,453)</u>
Net	<u>208,250</u>	<u>236,612</u>	<u>3,039</u>	<u>447,901</u>

	After business restructuring Consolidated financial statements 2019	Before business restructuring Combined financial statements 2018
Bad and doubtful debts expense for the year	<u>-</u>	<u>421</u>

(in thousand Baht)

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Aging analyses for hire-purchase and finance lease receivables were as follows:

	<i>Note</i>	After business restructuring Consolidated financial statements 2019	Before business restructuring Combined financial statements 2018
<i>(in thousand Baht)</i>			
Related parties			
Within credit terms		32,844	37,575
Less unearned interest income		<u>(7,985)</u>	<u>(11,582)</u>
	5	<u>24,859</u>	<u>25,993</u>
Other parties			
Within credit terms		154,855	188,458
Overdue:			
Less than 3 installments		115,650	276,969
4 - 6 installments		5,565	7,549
7 - 12 installments		18,225	16,273
Over 12 installments		<u>78,522</u>	<u>77,299</u>
		<u>372,817</u>	<u>566,548</u>
Add deferred commission expense		3,540	6,131
		<u>376,357</u>	<u>572,679</u>
Less unearned interest income		<u>(42,297)</u>	<u>(70,318)</u>
		<u>334,060</u>	<u>502,361</u>
Less allowance for doubtful accounts		<u>(80,453)</u>	<u>(80,453)</u>
		<u>253,607</u>	<u>421,908</u>
Net		<u>278,466</u>	<u>447,901</u>

As at 31 December 2019 and 2018, total gross investments under hire purchase and finance leases contracts and the present value of minimum lease payments receivable were as follows:

	After business restructuring Consolidated financial statements 2019		Before business restructuring Combined financial statements 2018	
	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	223,483	195,756	282,121	244,166
After one year but within five years	180,949	158,534	317,922	274,483
Over five years	<u>1,229</u>	<u>1,089</u>	<u>4,080</u>	<u>3,574</u>
	405,661	355,379	604,123	522,223
Add deferred commission expense	3,540	3,540	6,131	6,131
	<u>409,201</u>	<u>358,919</u>	<u>610,254</u>	<u>528,354</u>
Less unearned interest income	<u>(50,282)</u>		<u>(81,900)</u>	
Total gross investments under hire purchase and financial lease contracts	<u>358,919</u>		<u>528,354</u>	

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Equity securities comprise of:

	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements 2019	Combined financial statements 2018	2019	2018
		<i>(in thousand Baht)</i>		
Equity securities	105,575	99,175	302,940	-
Less allowance for impairment	(70,620)	(17,788)	(68,940)	-
Total equity securities	34,955	81,387	234,000	-

Movements during the year ended 31 December of marketable equity and debt securities were as follows:

Consolidated financial statements / Combined financial statements						
Marketable equity and debt securities	At 1 January	Business restructuring	Purchase	Disposal	Fair value adjustment	At 31 December
2019			<i>(in thousand Baht)</i>			
Available for sale securities	47,534,348	-	26,579,789	(22,713,613)	1,956,889	53,357,413
Total	47,534,348					53,357,413
2018						
Available for sale securities	38,632,794	876,338	64,596,440	(54,790,408)	(1,780,816)	47,534,348
Total	38,632,794					47,534,348

The period to maturity of debt securities available for sale and held to maturity as at 31 December were as follows:

	After business restructuring			
	Consolidated financial statements			
	2019			
	Within one year	After one year but within five years	After five years	Total
	<i>(in thousand Baht)</i>			
Available-for-sale securities				
Government and state enterprise debt securities	2,900,613	7,852,394	7,062,147	17,815,154
Private debt securities	1,277,192	5,322,050	10,671,375	17,270,617
Foreign debt securities	-	10,048	-	10,048
Total	4,177,805	13,184,492	17,733,522	35,095,819
Add unrealised surpluses (deficits) from change in fair value	32,422	478,681	1,833,331	2,344,434
Total available-for-sale securities	4,210,227	13,663,173	19,566,853	37,440,253
Held-to-maturity securities				
Government and state enterprise debt securities	20,000	-	-	20,000
Premium saving certificates	-	119,532	-	119,532
Deposits at banks with original maturity over 3 months	1,161,311	100,250	-	1,261,561
Total held-to-maturity securities	1,181,311	219,782	-	1,401,093
Total investments in debt securities	5,391,538	13,882,955	19,566,853	38,841,346

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	Before business restructuring			Total
	Combined financial statements			
	2018			
	Within one year	After one year but within five years <i>(in thousand Baht)</i>	After five years	
<i>Available-for-sale securities</i>				
Government and state enterprise debt securities	1,346,633	7,790,015	7,257,361	16,394,009
Private debt securities	484,362	3,733,292	9,699,400	13,917,054
Foreign debt securities	-	10,090	-	10,090
Total	1,830,995	11,533,397	16,956,761	30,321,153
<i>Add unrealised surpluses from change in fair value</i>	<i>(10,157)</i>	<i>178,737</i>	<i>527,664</i>	<i>696,244</i>
Total available for-sale-securities	1,820,838	11,712,134	17,484,425	31,017,397
<i>Held-to-maturity securities</i>				
Government and state enterprise debt securities	-	20,000	-	20,000
Premium saving certificates	-	119,409	-	119,409
Deposits at banks with original maturity over 3 months	1,441,711	100,000	-	1,541,711
Total held-to-maturity securities	1,441,711	239,409	-	1,681,120
Total investments in debt securities	3,262,549	11,951,543	17,484,425	32,698,517

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12 Derivatives

As at 31 December 2019 and 2018, balances of derivatives were as follows:

Consolidated financial statements - after business restructuring						
2019						
Type of contract	Objectives	No. of contracts	Notional value	Book value / Fair value Assets (in thousand Baht)	Liabilities	Gain (loss) on fair value of derivatives
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
		5	1,922,710	426	48,357	(33,722)
Foreign currency forward contracts	To protect against exchange and floating interest rate risks from borrowings in foreign currencies	6	5,532,910	-	103,047	(116,253)
		15	2,056,245	27	145,147	(93,362)
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	4	1,600,000	-	25,240	(12,705)
		59	13,598,997	161,679	322,666	(156,613)
Total						

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Combined financial statements - before business restructuring						
2018						
Type of contract	Objectives	No. of contracts	Notional value	Book value / Assets (in thousand Baht)	Fair value / Liabilities	Gain (loss) on fair value of derivatives
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	34	2,812,010	106,015	45,093	(56,617)
	To protect against exchange and floating interest rate risks from borrowings in foreign currencies	2	506,050	-	17,643	133,657
Foreign currency forward contracts	To protect against foreign currency risk from borrowings in foreign currencies	7	5,807,726	16,640	-	52,635
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	15	2,101,165	9,754	61,512	6,859
	To protect against floating interest rate risk from borrowings in Thai Baht currency	2	1,000,000	-	12,535	(5,731)
Total		60	12,226,951	132,409	136,783	130,803

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		Separate financial statements 2019				
Type of contract	Objectives	No. of contracts	Notional value	Book value / Fair value Assets <i>(in thousand Baht)</i>	Fair value 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)
2018						
Foreign currency forward contracts	To protect against foreign currency risk from borrowings in foreign currencies	-	-	-	-	-

As at 31 December 2019, the Group had cross currency swap contracts with financial institutions for the investments in available for sale debentures of USD 77.94 million equivalents to Baht 2,487.13 million (2018: USD 85.44 million equivalents to Baht 2,812.01 million).

As at 31 December 2019, the Group had cross currency swap contracts with financial institutions to protect against exchange and floating interest rate risk from borrowings of JYP 6,643 million equivalents to Baht 1,922.71 million (2018: USD 15 million equivalents to Baht 506.05 million).

As at 31 December 2019, the Group and the Company had foreign currency forward contracts with a financial institution for the borrowings of JYP 19,675 million equivalents to Baht 5,532.91 million respectively (2018: JYP 19,867.43 million equivalents to Baht 5,807.73 million respectively).

As at 31 December 2019, the Group had interest rate swap contracts with financial institutions for the investments in available for sale debentures of Baht 2,056.25 million (2018: Baht 2,101.17 million).

As at 31 December 2019, the Group had interest rate swap contracts with financial institutions for the borrowings of Baht 1,600 million (2018: Baht 1000 million).

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13 Inventories

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018
	<i>(in thousand Baht)</i>	
Vehicles	224,971	333,272
Less Allowance for realisable value	<u>(37,974)</u>	<u>(53,034)</u>
	<u>186,997</u>	<u>280,238</u>
Inventories recognised as an expense in cost of sales of operating leases assets:		
- Cost	559,751	1,281,382
- Write-down to net realisable value (reversal of)	<u>(15,060)</u>	<u>26,328</u>
Net total	<u>584,691</u>	<u>1,307,710</u>

14 Loans

	<u>After business restructuring</u> Consolidated financial statements After 2019	<u>Before business restructuring</u> Combined financial statements Before 2018	Separate financial statements	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Short-term loans				
Related parties	5	14,700	4,048,000	-
Other parties	229,000	206,604	-	-
Total	<u>229,000</u>	<u>221,304</u>	<u>4,048,000</u>	<u>-</u>
Less allowance for doubtful accounts	(146,077)	(153,308)	-	-
Total short-term loans - net	<u>82,923</u>	<u>67,996</u>	<u>4,048,000</u>	<u>-</u>
Current portion of long-term loans				
Related parties	5	-	1,412,568	-
Other parties	47,002	33,220	-	-
Total current portion of long-term loans	<u>47,002</u>	<u>33,220</u>	<u>1,412,568</u>	<u>-</u>
Long-term loans				
Related parties	5	-	173,700	-
Other parties	713,700	495,624	-	-
Total long-term loans	<u>713,700</u>	<u>495,624</u>	<u>173,700</u>	<u>-</u>
Policy loans	<u>631,829</u>	<u>639,240</u>	<u>-</u>	<u>-</u>

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	<u>After business restructuring</u> Consolidated financial statements After 2019	<u>Before business restructuring</u> Combined financial statements Before 2018	Separate financial statements	
			2019	2018
			<i>(in thousand Baht)</i>	
Mortgage loans				
Principal of mortgage loans	404,748	337,360	-	-
Less allowance for doubtful accounts	<u>(224,617)</u>	<u>(224,617)</u>	-	-
Net	<u>180,131</u>	<u>112,743</u>	-	-
Total loans	<u>1,655,585</u>	<u>1,348,823</u>	<u>5,634,268</u>	-
Bad and doubtful debts expense for the year	<u>(7,231)</u>	<u>153,308</u>	-	-

Aging analyses for loans were as follows:

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
			2019	2018
			<i>(in thousand Baht)</i>	
Related parties				
Within credit terms	-	14,700	5,634,268	-
	<u>-</u>	<u>14,700</u>	<u>5,634,268</u>	<u>-</u>
Other parties				
Within credit terms	1,560,560	1,241,413	-	-
Overdue:				
Less than 3 months	10,895	41,920	-	-
3 - 6 months	5,753	55,602	-	-
6 - 12 months	14,474	106,819	-	-
Over 12 months	434,597	266,294	-	-
	<u>2,026,279</u>	<u>1,712,048</u>	-	-
Less allowance for doubtful accounts	<u>(370,694)</u>	<u>(377,925)</u>	-	-
	<u>1,655,585</u>	<u>1,334,123</u>	-	-
Net loans	<u>1,655,585</u>	<u>1,348,823</u>	<u>5,634,268</u>	-

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Short-term loan to other parties

As at 31 December 2019, a subsidiary entered into short-term loans agreements which are unsecured promissory notes with business partners of related parties of Baht 229 million (2018: Baht 203.10 million). The promissory notes bear interest at MOR minus 1.65% per annum (2018: MOR minus 1.65% per annum). The maturity term is due within 60 days. As at 31 December 2019, The Group had allowance for doubtful accounts of Baht 146.08 million in the consolidated statement of financial position (2018: Baht 153.31 million).

Long term loans to other party

As at 31 December 2019, a subsidiary entered into long-term loans agreements which are secured loans with a business partner of related party of Baht 666.70 million (2018: Baht 464.52 million). Such loans bear interest at fixed rate ranging from 4% to 10% per annum (2018: 5.50% to 6% per annum). The maturity terms are within 13 years. Under the terms of the agreements borrowers must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

Policy loans represent loans granted 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 2019, other loans were personal guarantee loans to staff with average interest rates of 5.28% per annum (2018: 5.28% per annum).

15 Investments in associate and joint venture

		<u>After business restructuring</u>	<u>Before business restructuring</u>	<u>Separate financial statements</u>	
	<i>Note</i>	<u>Consolidated financial statements</u>	<u>Combined financial statements</u>	2019	2018
		2019	2018	(in thousand Baht)	
Associate					
At 1 January		-	12,019	-	-
Share of net losses of associate		-	(12,019)	-	-
At 31 December		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Joint venture					
At 1 January		-	-	-	-
Receive from entire business transfer	4	-	-	6,400	-
Allowance for impairment		-	-	(6,400)	-
At 31 December		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total					
At 1 January		-	12,019	-	-
Receive from entire business transfer		-	-	6,400	-
Share of net losses of associate and joint venture		-	(12,019)	-	-
Allowance for impairment		-	-	(6,400)	-
At 31 December		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Investments in associate and joint venture as at 31 December 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements												
	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<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.

Separate financial statements												
	Ownership interest (%)	Paid-up capital		Cost		Impairment		At cost-net		Dividend income		
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<i>Joint ventures</i>												
Dhipaya Insurance Co., Ltd.	10.00	64,000	64,000	6,400	-	(6,400)	-	-	-	-	-	-
Total				6,400	-	(6,400)	-	-	-	-	-	-

During 2019, the Company received the transfer of investment in associate and joint venture form Southeast (Note 4).

None of the Company's joint venture is publicly listed and consequently does not have published price quotation.

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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 carry amount of those investments. As at 31 December 2019, the Group's and Company's cumulative share of unrecognised losses was Baht 21.21 million and Baht 5.11 million, respectively (*31 December 2018: the Group of Baht 5.11 million*).

16 Investments in subsidiaries

	Note	Separate financial statements	
		2019	2018
At 1 January 2019 and 29 June 2018		-	-
Acquisitions		752,080	-
Receive from entire business transfer	4	2,474,597	-
At 31 December 2019 and 2018		3,226,677	-

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 shares at Baht 10 per value).

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 4).

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 4).

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Investments in direct and indirect subsidiaries as at 31 December 2019 and 2018, 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		Separate financial statements				Dividend income			
			2019	2018	2019	2018	Cost		Impairment		2019	2018		
					2019	2018	2019	2018	(in thousand Baht)		2019	2018		
Direct subsidiaries														
Southeast Life Insurance Public Company Limited	Underwriting life assurance, personal accident insurance and health insurance	Thai	99.97	-	2,200,000	2,200,000	2,200,000	-	-	1,704,849	-	1,704,849	-	-
Southeast Insurance Public Company Limited	Underwriting non-life insurance	Thai	97.33	-	500,000	500,000	500,000	-	-	437,994	-	437,994	-	-
The Thai Insurance Public Company Limited	Underwriting non-life insurance	Thai	93.44	-	235,000	235,000	235,000	-	-	751,830	-	751,830	-	-
Southeast Capital Co., Ltd.	Provide leasing and hire purchase services	Thai	100.00	-	200,000	200,000	200,000	-	-	325,999	-	325,999	150,000	-
Asiatic House Co., Ltd.	Rental and development of real estate	Thai	100.00	-	5,523	5,523	5,523	-	-	55	-	55	-	-
TCC Privilege card Co., Ltd.	Purchases via credit card in the Group	Thai	99.98	-	100	100	100	-	-	100	-	100	-	-
Southeast Academy Center Co., Ltd.	Consultant and training services	Thai	100.00	-	250	250	250	-	-	250	-	250	-	-
Southeast Advisory Pte., Ltd.	Management and consultant services	Singapore	100.00	-	-	-	-	-	-	-	-	-	-	-
Southeast Advisory Co., Ltd.	Investing consultant service	Thai	100.00	-	5,000	5,000	5,000	-	-	5,000	-	5,000	-	-
Rod Dee Det Auto Co., Ltd.	Provide leasing and sales of second hand cars	Thai	100.00	-	250	250	250	-	-	250	-	250	-	-
S Sofin Co., Ltd.	Insurance technology development	Thai	99.98	-	100	100	100	-	-	100	-	100	-	-

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	Type of Business	Country of incorporation	Ownership interest (%)		Paid-up capital		Separate financial statements			
			2019	2018	2019	2018	Cost	Impairment (in thousand Baht)	At cost - net	Dividend income
			2019	2018	2019	2018	2019	2018	2019	2018
Southeast Property Co, Ltd.	Rental and development of real estate	Thai	100.00	-	250	-	-	-	250	-
Total					3,226,677	-	-	-	3,226,677	150,000
Indirect subsidiaries										
<i>Held by Southeast Capital Co., Ltd.</i>										
Sinn Bualuang Leasing Co., Ltd.	Leasing and lending business	Thai	99.99	-	200,000	200,000	-	-	-	82,000
Sinn Bualuang Capital Co., Ltd.	Lending fund company in Group	Thai	99.99	-	100,000	100,000	-	-	-	7,000
Concept Land 5 Co., Ltd.	Investment properties	Thai	99.99	-	180,000	180,000	-	-	-	-
<i>Held by Asiatic House Co., Ltd.</i>										
Capital Services Holding Co., Ltd.	Holding company	Thai	99.99	-	100	100	-	-	-	-

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17 Investment properties

Consolidated financial statements - after business restructuring					
	<i>Note</i>	Land	Building and building improvements <i>(in thousand Baht)</i>	Assets under construction	Total
Cost					
At 1 January 2018		443,310	222,301	2,167	667,778
Additions		-	47	2,751	2,798
Transfers from leasehold rights		-	4,918	(4,918)	-
Disposals		(466)	(734)	-	(1,200)
At 31 December 2018 and 1 January 2019		442,844	226,532	-	669,376
Additions		-	247	4,030	4,277
Transfers	18	-	-	7,583	7,583
At 31 December 2019		442,844	226,779	11,613	681,236
Depreciation and impairment losses					
At 1 January 2018		15,995	136,147	-	153,142
Depreciation charge for the year		-	11,121	-	11,121
Disposals		-	(113)	-	(113)
At 31 December 2018 and 1 January 2019		15,995	147,155	-	163,150
Depreciation charge for the year		-	9,038	-	9,038
At 31 December 2019		15,995	156,193	-	172,188
Net book value					
At 1 January 2018		427,315	86,154	2,167	515,636
At 31 December 2018 and 1 January 2019		426,849	79,377	-	506,226
At 31 December 2019		426,849	70,586	11,613	509,048

	After business restructuring Consolidated financial 2019	Before business restructuring Combined financial 2018
For the year ended 31 December	<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss for investment properties		
Rental income	10,292	9,299
Repair and maintenance expense:		
- property that generated rental income	506	1,203
Minimum lease payments under non-cancellable operating lease are receivable:		
Within 1 year	9,143	8,378
1 - 5 years	50,445	49,010
After 5 years	4,848	15,426
Total	64,436	72,814

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The Group's investment properties include land and building that is leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year to 15 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the Group's investment properties as at 31 December 2019 of Baht 812.53 million (2018: 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.

Security

At 31 December 2019 the Group's investment properties with a net book value of Baht 486.43 million (2018: Baht 495.22 million) had been pledged as collateral to secure loans from a financial institution (see note 22).

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).
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%) 	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)

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18 Leasehold rights

Movement during the year ended 31 December are as follows:

	After business restructuring
	Consolidated financial statements
	2019
	<i>(in thousand Baht)</i>
Net book value at 1 January	-
Acquisitions - at cost	1,364,850
Amortisation charge for the period transferred to investment properties	(7,583)
Net book value at 31 December	1,357,267

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 1,365 million (including direct costs).

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19 Property, plant and equipment

Consolidated financial statements / Combined financial statements

	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Assets held for operating lease	Assets under installation	Total
Cost / revaluation							
At 1 January 2018	2,363,489	954,651	443,931	415,040	11,900,293	307	16,077,711
Additions	-	-	13,804	39,108	4,145,518	2,438	4,200,868
Surplus on revaluation	12,936	3,900	-	-	-	-	16,836
Transfers in (out)	-	(1)	1,552	(36,615)	(1,288,030)	(1,554)	(1,324,648)
Disposals / write off	-	-	(8,763)	(48,247)	(6,161)	-	(63,171)
At 31 December 2018 and 1 January 2019	2,376,425	958,550	450,524	369,286	14,751,620	1,191	18,907,596
Additions	-	276	20,539	60,658	2,584,781	3,421	2,669,675
Surplus on revaluation	310,470	31,561	-	-	-	-	342,031
Transfer in (out)	(48,349)	(34,256)	10,592	360	(773,528)	(4,456)	(849,637)
Disposals / write off	-	-	(52,423)	(4,526)	(5,476)	-	(62,425)
At 31 December 2019	2,638,546	956,131	429,232	425,778	16,557,397	156	21,007,240
Depreciation and impairment losses							
At 1 January 2018	-	331,400	354,705	128,929	2,034,228	-	2,849,262
Depreciation charge for the year	-	20,006	27,486	44,871	1,117,986	-	1,210,349
Transfers in (out)	-	-	-	(15,287)	(285,085)	-	(300,372)
Disposals / write off	-	-	(8,695)	(27,016)	(776)	-	(36,487)
At 31 December 2018 and 1 January 2019	-	351,406	373,496	131,497	2,866,353	-	3,722,752
Depreciation charge for the year	-	70,039	29,453	48,033	1,352,566	-	1,500,091
Impairment losses	-	-	133	-	-	-	133
Transfers in (out)	-	(63,461)	(106)	(6,259)	(279,322)	-	(349,148)
Disposals / write off	-	-	(52,206)	(3,973)	(1,809)	-	(57,988)
At 31 December 2019	-	357,984	350,770	169,298	3,937,788	-	4,815,840

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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 2018							
Owned assets	2,363,489	623,251	88,089	286,111	9,617,494	307	12,978,741
Assets under finance leases	-	-	1,137	-	248,571	-	249,708
	2,363,489	623,251	89,226	286,111	9,866,065	307	13,228,449
At 31 December 2018 and 1 January 2019							
Owned assets	2,376,425	607,144	75,637	237,788	11,478,927	1,191	14,777,112
Assets under finance leases	-	-	1,391	-	406,340	-	407,731
	2,376,425	607,144	77,028	237,788	11,885,267	1,191	15,184,843
At 31 December 2019							
Owned assets	2,638,546	598,147	77,877	253,498	12,051,043	156	15,619,267
Assets under finance leases	-	-	585	2,982	568,566	-	572,133
	2,638,546	598,147	78,462	256,480	12,619,609	156	16,191,400

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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 2019 amounted to Baht 291.59 million (2018: Baht 329.44 million).

Security

At 31 December 2019 the Group's properties with a net book value of Baht 8,696.61 million (2018: Baht 7,030.89 million) were subject to a registered debenture to secure bank loans (see note 22).

	Note	Separate financial statements Furniture, fixtures and office equipment (in thousand Baht)
Cost		
At 29 June 2018		-
At 31 December 2018 and 1 January 2019		-
Entire business transfer	4	1,183
Additions		207
At 31 December 2019		1,390
Depreciation		
At 29 June 2018		-
At 31 December 2018 and 1 January 2019		-
Entire business transfer	4	751
Depreciation charge for the year		97
At 31 December 2019		848
Net book value		
At 29 June 2018		-
At 31 December 2018 and 1 January 2019		-
At 31 December 2019		542

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 0.26 million (2018: Nil).

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.

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The assumptions used in appraisal which are generally unobservable is as below:

	<u>2019</u>	<u>2018</u>	<u>Impact on revaluation when assumption change</u>
(a) Branch			
Lands			
Price per square wah unit (<i>Baht</i>)	3,188 - 513,444	3,188 - 513,444	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)
(b) Head office			
Lands			
Price per square wah unit (<i>Baht</i>)	2,000,000	1,700,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (<i>Baht</i>)	26,373	19,130	Fair value increase (Replacement approach or Market approach)

This fair value is the fair value of lands and buildings which were latest revalued in 2019, and net with the accumulated depreciation until 31 December 2019 and 2018.

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20 Intangible assets

	Consolidated financial statements / Combined financial statements			
	Leasehold rights	Software licenses <i>(in thousand Baht)</i>	Software under implementation	Total
Cost				
At 1 January 2018	8,253	564,089	63,362	635,704
Additions	-	44,935	70,487	115,422
Transfer in (out)	-	6,407	(6,408)	(1)
Disposals	-	-	(233)	(233)
At 31 December 2018 and 1 January 2019	8,253	615,431	127,208	750,892
Additions	-	32,704	20,070	52,772
Transfer in (out)	-	32,717	(39,053)	(6,336)
At 31 December 2019	8,253	680,852	108,225	797,330
Amortisation				
At 1 January 2018	8,195	276,855	-	285,050
Amortisation for the year	58	45,301	-	45,359
At 31 December 2018 and 1 January 2019	8,253	322,156	-	330,409
Amortisation for the year	-	56,469	-	56,469
Transfer in (out)	-	105	-	105
At 31 December 2019	8,253	378,730	-	386,983
Net book value				
At 1 January 2018	58	287,234	63,362	350,654
At 31 December 2018 and 1 January 2019	-	293,275	127,208	420,483
At 31 December 2019	-	302,122	108,225	410,347

	Separate financial statements		
	Software licenses <i>(in thousand Baht)</i>	Software under implementation	Total
Cost			
At 29 June 2018	-	-	-
At 31 December 2018 and 1 January 2019	-	-	-
Additions	156	12,028	12,184
Transfer in (out)	131	-	131
At 31 December 2019	287	12,028	12,315
Amortisation			
At 29 June 2018	-	-	-
At 31 December 2018 and 1 January 2019	-	-	-
Transfer in (out)	106	-	106
Amortisation for the year	14	-	14
At 31 December 2019	120	-	120

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	Separate financial statements		
	Software licenses <i>(in thousand Baht)</i>	Software under implementation	Total
<i>Net book value</i>			
At 29 June 2018	-	-	-
At 31 December 2018 and 1 January 2019	-	-	-
At 31 December 2019	<u>167</u>	<u>12,028</u>	<u>12,195</u>

21 Other assets

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements 2019	Combined financial statements 2018 <i>(in thousand Baht)</i>	2019	2018
Accrued interest receivables	431,430	372,305	57,428	-
Subrogation, net	396,881	544,621	-	-
Withholding tax refundable	307,509	166,643	944	-
Prepaid car insurance expense	188,919	198,979	-	-
Value added tax refundable	147,546	278,372	3,027	46
Prepaid withholding tax	139,952	127,639	-	-
Other receivables	136,689	188,941	15,104	-
Suspense input vat	133,769	85,735	718	-
Prepaid commission	91,354	94,498	-	-
Factoring receivables	79,127	74,097	-	-
Prepaid expenses	73,676	68,645	612	500
Revenue department receivable	70,070	215,137	5,475	-
Properties foreclosed	61,605	-	-	-
Prepaid vehicle tax expenses	54,852	56,914	-	-
Deposit on rice field insurance scheme	30,881	87,690	-	-
Receivables from Road Accident Victims Protection Co., Ltd.	29,192	43,500	-	-
Others	25,548	55,952	2,105	-
Total	<u>2,399,000</u>	<u>2,659,668</u>	<u>85,413</u>	<u>546</u>

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22 Interest-bearing liabilities

	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2019
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions - unsecured	10,340,007	9,519,700	5,852,604	-
Short-term loan from other party - unsecured	60,000	70,000	-	-
Short-term loans	10,400,007	9,589,700	5,852,604	-
Current portion of long-term loans from financial institutions - secured	2,080,189	1,737,006	-	-
Current portion of finance lease liabilities	260,249	177,629	-	-
Total current interest-bearing liabilities	12,740,445	11,504,335	5,852,604	-
Non-current				
Long-term loans from financial institutions - secured	3,642,299	3,870,450	-	-
Finance lease liabilities	327,618	238,585	-	-
Total non-current interest-bearing liabilities	3,969,917	4,109,035	-	-

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within one year	12,480,196	11,326,706	5,852,604	-
After one year but within five years	3,642,299	3,870,450	-	-
Total	16,122,495	15,197,156	5,852,604	-

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Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Note	After business restructuring	Before business restructuring
		Consolidated financial statements	Combined financial statements
<i>Assets pledged as security for liabilities as at 31 December</i>		2019	2018
		<i>(in thousand Baht)</i>	
Investment properties	17	486,430	495,221
Assets held for operating lease	19	8,696,611	7,030,887
The right over collection from the operating lease contract receivables		626,452	940,674
Total		9,809,493	8,466,782

Short-term loans from financial institutions

As at 31 December 2019, the Company had several promissory notes issued to a foreign financial institution of JPY 20,025.16 million equivalents to Baht 5,852.60 million. The promissory notes bear interest at LIBOR plus 0.01% to 0.1% per annum. The maturity terms are within 6 months. The loans had been guaranteed by a foreign related party.

As at 31 December 2019, a subsidiary had several promissory notes issued to local financial institutions of Baht 2,630 million (2018: Baht 3,130 million). The promissory notes bear interest at fixed rates ranging from 3.37% to 3.62% per annum (2018: 3.57% to 3.87% per annum). The maturity terms are 1 month to 3 months

As at 31 December 2019, a subsidiary had several promissory notes issued to a foreign financial institution of JPY 6,643 million equivalents to Baht 1,857.41 million (2018: USD 15 million and JYP 1,650 million equivalents to Baht 489.99 million). The promissory notes bear interest at LIBOR plus 0.1% per annum (2018: LIBOR plus 0.1% per annum). The maturity terms are 1 month to 6 months. The loans had been guaranteed by a foreign related party.

Short-term loan from other party

As at 31 December 2019, a subsidiary entered into a short-term loan agreement with the other party amounting to Baht 60 million (2018: Baht 70 million). The loan bears interest at 2% per annum (2018: 2.75% per annum). The maturity term is one year.

Long-term loans from financial institutions

As at 31 December 2019, subsidiaries entered into long-term loan agreements with a local financial institution and branches of foreign financial institutions for credit lines of Baht 10,095.78 million (2018: Baht 8,155.74 million) and the balance drawdown of the loans is Baht 5,722.49 million (2018: Baht 5,607.46 million). The loans bear interest at fixed rates ranging from 3.50% to 4.05% per annum (2018: 3.50% to 4.03% per annum). The repayment terms are during 2020 to 2023. The loans were guaranteed by the Company.

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.

As at 31 December 2019, the Group had unutilised credit facilities totaling Baht 1,904.22 million (2018: Baht 4,404.34 million).

Thai Group Holdings Public Company Limited and its Subsidiaries

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Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	<u>After business restructuring</u>			<u>Before business restructuring</u>		
	<u>Consolidated financial statements</u>		Present value of minimum lease payments	<u>Combined financial statements</u>		Present value of minimum lease payments
	Minimum lease payments	Interest		Minimum lease payments	Interest	
	<i>(in thousand Baht)</i>					
Within one year	275,735	(15,486)	260,249	189,448	(11,819)	177,629
After one year but within five years	348,763	(21,145)	327,618	244,682	(6,097)	238,585
Total	624,498	(36,631)	587,867	434,130	(17,916)	416,214

Subsidiaries entered into lease contracts for computers with a local company for the periods of 3 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 – after business restructuring		
	Loans and borrowings	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>		
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

	Separate financial statements		
	Loans and borrowings	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>		
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	5,852,604	-	5,852,604

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23 Insurance contract liabilities

Consolidated financial statements – after business restructuring

2019

	Life insurance		Non - life insurance <i>(in thousand Baht)</i>		Total
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Liabilities under insurance contracts	Reinsurers' share of liabilities	
	Net	Net	Net	Net	Net
Long-term technical reserves	39,605,842	-	-	-	39,605,842
Short-term technical reserves					
Loss reserves and outstanding claims					
- Case reserves	66,613	-	3,306,018	(1,919,867)	1,452,764
- Incurred but not reported	116,868	-	1,383,912	(463,735)	1,037,045
Total loss reserve and outstanding claims	183,481	-	4,689,930	(2,383,602)	2,489,809
Unearned premium reserves	442,014	-	6,350,271	(2,664,796)	4,127,489
Total short-term technical reserves	625,495	-	11,040,201	(5,048,398)	6,617,298
Unpaid policy benefits	373,655	-	-	-	373,655
Other insurance contract liabilities	1,878	-	427,228	-	429,106
Total short-term technical reserves	1,001,028	-	11,467,429	(5,048,398)	7,420,059
Total insurance contract liabilities	40,606,870	-	11,467,429	(5,048,398)	47,025,901

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Combined financial statements – before business restructuring
2018

	Life insurance			Non - Life insurance <i>(in thousand Baht)</i>			Total
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	
Long-term technical reserves	36,416,512	-	36,416,512	-	-	-	36,416,512
Short-term technical reserves							
Loss reserves and outstanding claims							
- Case reserves	35,419	-	35,419	5,009,034	(3,266,423)	1,742,611	(3,266,423)
- Incurred but not reported	71,916	-	71,916	740,575	(228,566)	512,009	(228,566)
Total loss reserve and outstanding claims	107,335	-	107,335	5,749,609	(3,494,989)	2,254,620	(3,494,989)
Unearned premium reserves	424,730	-	424,730	6,765,949	(2,881,220)	3,884,729	(2,881,220)
Total short-term technical reserves	532,065	-	532,065	12,515,558	(6,376,209)	6,139,349	(6,376,209)
Unpaid policy benefits	359,518	-	359,518	-	-	-	-
Other insurance contract liabilities	10,433	-	10,433	399,482	-	399,482	-
Total short term-technical reserves	902,016	-	902,016	12,915,040	(6,376,209)	6,538,831	(6,376,209)
Total insurance contract liabilities	37,318,528	-	37,318,528	12,915,040	(6,376,209)	6,538,831	(6,376,209)
				13,817,056		7,440,847	7,440,847
							43,857,359

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23.1 Long-term technical reserves

	After business restructuring	Before business restructuring
	Consolidated financial statements	Combined financial statements
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	36,416,512	26,780,565
Reserve net increase of new and inforce policies during the year	5,152,270	11,607,984
Reserve released for benefits, lapse and cancel policies during the year	(1,962,940)	(1,972,037)
At 31 December	39,605,842	36,416,512

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23.2.2 Claim development table - Life insurance

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	423,451	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

Gross and net claim development triangle as at 31 December 2018

Accident year/ Reporting year	2014	2015	2016	2017	2018	Total
Estimated claims			<i>(in thousand Baht)</i>			
As at accident year ended	554,479	452,380	531,160	678,573	703,563	
Development year 1	500,763	424,218	491,188	635,300	-	
Development year 2	499,965	423,526	490,590	-	-	
Development year 3	499,482	423,451	-	-	-	
Development year 4	499,460	-	-	-	-	
Estimate of ultimate claims	499,460	423,451	490,590	635,300	703,563	2,752,364
Accumulative claim paid	(499,460)	(423,434)	(490,408)	(634,123)	(597,604)	(2,645,029)
Total loss reserves	-	17	182	1,177	105,959	107,335

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23.2.3 Claim development table - Non-life insurance

Gross loss development triangle as at 31 December 2019

Accident year/ Reporting year	Prior 2014	2014	2015	2016 <i>(in thousand Baht)</i>	2017	2018	2019	Total
Estimated loss reserve and outstanding claim								
As at accident year ended		2,723,427	3,362,764	5,082,076	8,502,643	8,161,571	7,921,221	
Development year 1		2,652,458	3,361,087	5,135,603	8,807,327	7,837,220	-	
Development year 2		2,576,909	3,183,801	5,102,241	8,495,147	-	-	
Development year 3		2,554,407	3,168,242	5,118,819	-	-	-	
Development year 4		2,549,726	3,179,151	-	-	-	-	
Development year 5		2,551,427	-	-	-	-	-	
Absolute estimate loss reserve and outstanding claim		2,551,427	3,179,151	5,118,819	8,495,147	7,837,220	7,921,221	
Accumulative claim paid		(2,547,852)	(3,174,517)	(5,073,993)	(7,960,106)	(7,377,708)	(4,609,581)	
Total loss reserves	8,027	3,575	4,634	44,826	535,041	459,512	3,311,640	4,367,255
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								40,247
Total loss reserves and outstanding claims								4,689,930

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Net 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		1,757,510	2,087,635	2,912,870	3,781,989	4,255,290	4,433,626	
Development year 1		1,755,886	2,129,781	2,929,969	3,929,677	4,144,267	-	
Development year 2		1,720,268	1,995,275	2,931,385	3,887,292	-	-	
Development year 3		1,709,342	1,997,208	2,945,240	-	-	-	
Development year 4		1,705,511	2,003,530	-	-	-	-	
Development year 5		1,706,493	-	-	-	-	-	
Absolute estimated loss reserve and outstanding claim		1,706,493	2,003,530	2,945,240	3,887,292	4,144,267	4,433,626	
Accumulative claim paid		(1,703,678)	(1,998,946)	(2,928,982)	(3,867,115)	(3,895,188)	(2,671,476)	
Total loss reserves	6,423	2,815	4,584	16,258	20,177	249,079	1,762,150	2,061,486
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								49,508
Others								21,648
Total loss reserves and outstanding claims, net								2,306,328

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Gross loss development triangle as at 31 December 2018

	Prior 2013	2013	2014	2015	2016	2017	2018	Total
Accident year/ Reporting year								
Estimated loss reserve and outstanding claim								
As at accident year ended								
Development year 1		2,957,542	2,723,427	3,362,764	5,082,076	8,502,643	8,220,094	
Development year 2		2,878,408	2,652,458	3,361,087	5,135,603	8,808,725	-	
Development year 3		2,792,721	2,576,909	3,183,801	5,102,315	-	-	
Development year 4		2,794,918	2,554,407	3,168,242	-	-	-	
Development year 5		2,795,072	2,549,726	-	-	-	-	
Development year 5		2,794,164	-	-	-	-	-	
Absolute estimated loss reserve and outstanding claim		2,794,164	2,549,726	3,168,242	5,102,315	8,808,725	8,220,094	
Accumulative claim paid		(2,791,000)	(2,544,815)	(3,165,311)	(5,041,067)	(6,904,403)	(4,782,401)	
Total loss reserves	72,513	3,164	4,911	2,931	61,248	1,904,322	3,437,693	5,486,782
Claims reserves under inward treaty								2,153
Loss adjustment expenses and unallocated loss adjustment expenses								134,132
Incurred and agreed claims payable								34,728
Reserve for P'Chang project								49,612
Others								42,202
Total loss reserves and outstanding claims								5,749,609

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Net loss development triangle as at 31 December 2018

Accident year/ Reporting year	Prior 2013	2013	2014	2015 <i>(in thousand Baht)</i>	2016 <i>(in thousand Baht)</i>	2017	2018	Total
Estimated loss reserve and outstanding claim								
As at accident year ended		1,695,909	1,757,510	2,087,635	2,912,870	3,781,989	4,290,093	
Development year 1		1,673,995	1,755,886	2,129,781	2,929,969	3,932,179	-	
Development year 2		1,599,736	1,720,268	1,995,275	2,931,453	-	-	
Development year 3		1,606,378	1,709,342	1,997,208	-	-	-	
Development year 4		1,606,514	1,705,511	-	-	-	-	
Development year 5		1,606,755	-	-	-	-	-	
Absolute estimated loss reserve and outstanding claim		1,606,755	1,705,511	1,997,208	2,931,453	3,932,179	4,290,093	
Accumulative claim paid		(1,603,666)	(1,701,585)	(1,995,191)	(2,907,159)	(3,615,404)	(2,610,340)	
Total loss reserves	12,435	3,089	3,926	2,017	24,294	316,775	1,679,753	2,042,289
Loss adjustment expenses from claim on advanced reinsurance								1,003
Claims reserves under inward treaty								(12,227)
Loss adjustment expenses and unallocated loss adjustment expenses								115,722
Incurred and agreed claims payable								34,728
Reserve for P'Chang project								44,658
Others								28,447
Total loss reserves and outstanding claims, net								2,254,620

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23.2.5 Unpaid policy benefits - Life insurance

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018
	<i>(in thousand Baht)</i>	
Maturity	238,300	229,186
Expired cheques for benefits and claims	54,175	51,352
Death	13,152	24,867
Disability	3,416	2,436
Others	64,612	51,677
Total	373,655	359,518

23.2.6 Other insurance contract liabilities

	<u>After business restructuring</u> Consolidated financial statements 2019			<u>Before business restructuring</u> Combined financial statements 2018		
	Life insurance	Non-Life insurance	Total	Life insurance	Non-Life insurance	Total
	<i>(in thousand Baht)</i>					
Advance premiums	1,878	352,454	354,332	10,433	351,300	361,733
Outstanding cheques	-	74,774	74,774	-	48,182	48,182
Total	1,878	427,228	429,106	10,433	399,482	409,915

24 Reinsurance payable

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018
	<i>(in thousand Baht)</i>	
Amounts withheld on reinsurance	1,820,492	2,186,470
Due to reinsurers	1,800,255	1,043,892
Total	3,620,747	3,230,362

25 Provisions for employee benefits

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
	<i>(in thousand Baht)</i>			
			2019	2018
Statement of financial position obligations for:				
Post-employment benefits				
Defined benefit plans	302,043	227,636	16,414	-
Other long-term employee benefits	13,057	12,687	-	-
Total	315,100	240,323	16,414	-

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	<u>After business restructuring</u> Consolidated financial statements	<u>Before business restructuring</u> Combined financial statements		Separate financial statements
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
Defined benefit plans	46,193	47,046	2,670	-
Other long-term employee benefits	13,057	12,687	-	-
	<u>59,250</u>	<u>59,733</u>	<u>2,670</u>	<u>-</u>
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	29,040	(15,346)	(651)	-
Cumulative actuarial gains recognised	<u>(26,067)</u>	<u>(55,107)</u>	<u>(651)</u>	<u>-</u>

The defined benefit plan

The Group and the Company operates a defined benefit plan based on the requirement of the Thai Labor Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations.

	<u>After business restructuring</u> Consolidated financial statements	<u>Before business restructuring</u> Combined financial statements		Separate financial statements
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	<i>(in thousand Baht)</i>			
At 1 January	240,323	202,255	-	-
Entire business transfer	4	-	14,395	-

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	<u>After business restructuring</u> Consolidated financial statements	<u>Before business restructuring</u> Combined financial statements	Separate financial statements	
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Expense recognised in profit or loss during the year	59,250	59,733	2,670	-
Transfer employees from subsidiary	162	2,645	-	-
Actuarial losses (gains)	29,040	(15,347)	(651)	-
Benefit paid	(13,675)	(8,963)	-	-
At 31 December	315,100	240,323	16,414	-
Recognised in profit or loss	32			
Current service cost	53,967	53,569	2,280	-
Interest on obligation	5,283	6,164	390	-
	59,250	59,733	2,670	-

Actuarial losses (gains) recognised in other comprehensive income arising from

	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	(6,172)	1,388	(39)	-
Financial assumptions	(2,952)	1,780	(1,649)	-
Experience adjustment	38,164	(18,515)	1,037	-
Total	29,040	(15,347)	(651)	-

<i>Actuarial assumption</i>	<u>After business restructuring</u> Consolidated financial statements 2019	<u>Before business restructuring</u> Combined financial statements 2018	Separate financial statements	
	2019	2018	2019	2018
	(%)			
Discount rate	1.36 - 2.10	2.10 - 3.48	1.69	-
Future salary growth	4.00 - 5.00	4.50 - 5.00	5.00	-
Employee turnover rate	0.00 - 30.00	0.00 - 32.00	0.00	-

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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At 31 December 2019 the weighted - average duration of the defined benefit obligation of the Group and the Company were 8 years and 9 years, respectively (2018: 8-10 years and 10 years, respectively).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Affected the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
At 31 December				
2019				
Discount rate (0.25% movement)	(7,742)	8,222	(320)	-
Future salary growth (1% movement)	28,901	(25,474)	1,333	-
Employee turnover rate (10% movement)	(9,288)	10,484	-	-
Future mortality rate (10% movement)	(1,657)	1,871	(60)	-
2018				
Discount rate (0.25% movement)	(5,680)	5,992	(210)	-
Future salary growth (1% movement)	19,308	(17,205)	885	-
Employee turnover rate (10% movement)	(6,283)	7,172	-	-
Future mortality rate (10% movement)	(823)	819	(41)	-

On 5 April 2019, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period in the consolidated and the separate financial statements is estimated to increase.

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26 Other liabilities

	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Accrued expenses	1,061,358	1,088,438	51,671	747
Commission and brokerage payables	262,369	229,438	5,564	-
Suspense premium accounts	245,042	144,976	-	-
Other payables	165,172	453,767	-	54
Secured deposits from sales representatives	85,804	84,776	-	-
Revenue Department Payable	38,509	34,835	1,493	-
Outstanding cheques	23,422	19,644	-	-
Other deposits	13,713	20,039	-	-
Others	67,243	65,698	189	-
Total	1,962,632	2,141,611	58,917	801

27 Share capital

	Par value per share <i>(in Baht)</i>	2019		2018	
	Number	Baht	Number	Baht	
	<i>(thousand shares /in thousand Baht)</i>				
Authorised					
At 1 January 2019 and 29 June 2018					
- ordinary shares	10	753,641	7,536,412	1	10
Reduction of shares	10	(1)	(10)	-	-
Increase of new shares	10	-	-	753,640	7,536,402
At 31 December 2019 and 2018					
- ordinary shares		753,640	7,536,402	753,641	7,536,412
Issued and paid-up					
At 1 January					
- ordinary shares	10	1	10	1	10
Reduction of shares		(1)	(10)	-	-
Issue of new shares	10	752,097	7,520,978	-	-
At 31 December 2019 and 2018					
- ordinary shares		752,097	7,520,978	1	10

Issued ordinary share

At the meeting of established company held on 21 June 2018, the shareholders passed a resolution to establish the Company with the authorised share capital of Baht 10,000 (divided into 1,000 ordinary shares at Baht 10 per share). The Company registered the establishment with the Ministry of Commerce on 29 June 2018.

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.

28 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

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

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.

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.

Valuation surplus

The valuation surplus account within equity 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.

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Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

29 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* Leasing 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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	Segment 1		Segment 2		Segment 3		Segment 4		Intra-group eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the year ended 31 December</i>												
Information about reportable segments												
Insurance business revenue	8,327,160	14,682,941	8,256,778	7,940,166	-	-	-	-	-	-	16,583,938	22,623,107
Leasing business revenue	-	-	-	-	3,477,952	3,753,291	-	-	-	-	3,477,952	3,753,291
Investment income	1,636,364	1,495,845	184,362	177,577	61,320	92,263	298	1,067	-	-	1,882,344	1,766,752
Rental income	-	-	-	-	-	-	21,808	22,399	-	-	21,808	22,399
Advisory fee income	-	-	-	-	-	-	206,154	42,000	-	-	206,154	42,000
Other income	1,236,441	1,168,814	281,019	266,430	45,692	(14,561)	4,778	274,647	-	(80,485)	1,567,930	1,614,845
Inter-segment revenue	20,535	14,695	481,602	359,875	263,881	33,098	398,636	144,526	(1,164,654)	(552,194)	-	-
Total revenue	11,220,500	17,362,295	9,203,761	8,744,048	3,848,845	3,864,091	631,674	484,639	(1,164,654)	(632,679)	23,740,126	29,822,394
Profit (loss) before income tax expense	1,628,848	1,950,772	(1,198,412)	(207,746)	237,995	(187,087)	165,959	(93,907)	(458,875)	-	375,515	1,462,032
Segment assets as at 31 December	54,502,028	50,303,219	18,634,190	21,268,251	15,995,735	15,256,663	9,408,573	8,021,444	(7,547,853)	(7,339,172)	90,992,673	87,510,405
Segment liabilities as at 31 December	42,233,791	40,860,136	16,104,086	18,088,336	15,415,404	14,662,189	6,221,302	5,721,459	(4,213,214)	(4,956,713)	75,761,369	74,375,407
Advisory Fee Income												
Revenue of segment 4 - other businesses includes advisory fee income of Baht 188.89 million in connection with a transaction between a foreign company and a related company for the year ended 31 December 2019. The principal costs associated with this service were timecosts of management and staff of the Group.												

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31 Operating expenses

		<u>After business restructuring</u> Consolidated financial statements	<u>Before business restructuring</u> Combined financial statements		Separate financial statements
		Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	<i>Note</i>	<i>(in thousand Baht)</i>			
Personnel expenses	33	1,371,824	1,423,395	49,786	-
Information technology expenses		224,190	125,472	-	-
Building and equipment expenses	33	142,950	113,837	337	-
Depreciation and amortisation	33	120,972	143,090	113	-
Tax expenses		76,045	35,047	734	-
Professional fee		69,638	59,279	4,074	100
Investment expenses		46,808	48,103	-	-
Subcontractor cost		37,557	33,583	-	-
Transportation expenses		32,469	90,400	-	-
Marketing management fee		21,160	65,495	507	-
Service and rental expenses		487	58,410	19,316	100
Bad debts and doubtful accounts		(8,681)	335,640	-	-
Other		227,081	48,665	1,438	55
Total		<u>2,362,500</u>	<u>2,580,416</u>	<u>76,305</u>	<u>255</u>

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32 Employee benefit expenses

		<u>After business restructuring</u>	<u>Before business restructuring</u>		
	<i>Note</i>	Consolidated financial statements	Combined financial statements	Separate financial statements	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
		Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	
		<i>(in thousand Baht)</i>			
Wages and salaries		1,399,380	1,474,897	38,413	-
Defined benefit plan	25	59,250	59,733	2,670	-
Defined contribution plan		60,869	49,357	943	-
Social security fund contribution		2,051	-	121	-
Welfare expenses		72,356	78,466	743	-
Allowance		2,560	-	711	-
Others		149,096	91,810	6,185	-
Total		<u>1,745,562</u>	<u>1,754,263</u>	<u>49,786</u>	<u>-</u>

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.

33 Expenses by nature

		<u>After business restructuring</u>	<u>Before business restructuring</u>		
	<i>Note</i>	Consolidated financial statements	Combined financial statements	Separate financial statements	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
		Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	
		<i>(in thousand Baht)</i>			
Personnel expenses					
Included in benefits payments and insurance claims expenses		200,888	172,206	-	-
Included in other underwriting expenses		172,850	158,662	-	-
Included in operating expenses	31	1,371,824	1,423,395	49,786	-
Total		<u>1,745,562</u>	<u>1,754,263</u>	<u>49,786</u>	<u>-</u>

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	<u>After business restructuring</u>	<u>Before business restructuring</u>	<u>Separate financial statements</u>	
<i>Note</i>	Consolidated financial statements	Combined financial statements	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
<i>Depreciation and amortisation expenses</i>				
Included in direct rental costs	1,424,960	1,119,119	-	-
Included in operating expenses	31 <u>120,972</u>	<u>143,090</u>	<u>113</u>	-
Total	<u>1,545,932</u>	<u>1,262,209</u>	<u>113</u>	-
<i>Building and equipment expenses</i>				
Included in benefits payments and insurance claims expenses	4,812	4,866	-	-
Included in other underwriting expenses	1,095	3,166	-	-
Included in direct rental costs	280,157	276,014	-	-
Included in operating expenses	31 <u>142,950</u>	<u>113,837</u>	<u>337</u>	-
Total	<u>429,014</u>	<u>397,883</u>	<u>337</u>	-

34 Income tax expense

Income tax recognised in profit or loss

	<u>After business restructuring</u>	<u>Before business restructuring</u>	<u>Separate financial statements</u>	
<i>Note</i>	Consolidated financial statements	Combined financial statements	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
<i>(in thousand Baht)</i>				
Current tax expense				
Current year	402,045	884,757	-	-
Adjustment for prior years	<u>(54,675)</u>	<u>3,452</u>	<u>-</u>	<u>-</u>
	<u>347,370</u>	<u>888,209</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	(246,152)	(456,699)	15,847	-
Recognition of previously unrecognised tax losses	<u>(4,674)</u>	<u>(4,501)</u>	<u>-</u>	<u>-</u>
	<u>(250,826)</u>	<u>(461,200)</u>	<u>15,847</u>	<u>-</u>
Total income tax expense	<u>96,544</u>	<u>427,009</u>	<u>15,847</u>	<u>-</u>

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	<u>After business restructuring</u>			<u>Before business restructuring</u>		
	Consolidated financial statements			Combined financial statements		
	2019			2018		
	Before	Tax	Net of	Before	Tax	Net of
<i>Income tax</i>	tax	(expense)	tax	tax	(expense)	Tax
		benefit			benefit	
			(in thousand Baht)			
Recognised in other comprehensive income						
Foreign currency translation differences for foreign operations	(2,906)	-	(2,906)	(13)	-	(13)
Revaluation of property, plant and equipment	332,651	(66,530)	266,121	-	-	-
Available for sale financial assets	1,979,932	(395,987)	1,583,945	(1,765,197)	353,039	(1,412,158)
Defined benefit plan actuarial gains (losses)	(29,040)	5,808	(23,232)	15,347	(3,069)	12,278
Total	2,280,637	(456,709)	1,823,928	(1,749,863)	349,970	(1,399,893)

Separate financial statements

	Year ended 31 December			For the period from 29 June 2018 (date of incorporation) to 31 December		
	2019			2018		
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense)	tax	Tax	(expense)	Tax
		benefit			benefit	
			(in thousand Baht)			
Defined benefit plan actuarial gains (losses)	651	(130)	521	-	-	-
Total	651	(130)	521	-	-	-

Reconciliation of effective tax rate

	<u>After business restructuring</u>		<u>Before business restructuring</u>	
	Consolidated financial statements		Combined financial statements	
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense	20	375,515	20	1,450,013
Income tax using the Thai corporation tax rate		75,103		290,003
Income not subject to tax		(59,020)		(55,962)
Expenses for tax incentive		(98,389)		(28,431)
Expenses not deductible for tax purposes		196,880		167,485
Recognition of previously unrecognised tax losses		(4,674)		(4,501)
Current year losses for which no deferred tax was recognised		47,354		54,963
Under (over) provided in prior years		(54,675)		3,452
Others		(6,035)		-
Total	26	96,544	29	427,009

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Reconciliation of effective tax rate

	Separate financial statements			
	For the period from 29 June 2018 (date of incorporation) to 31 December 2018			
	Year ended 31 December 2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense	20	81,300	20	(255)
Income tax using the Thai corporation tax rate		16,260		(51)
Expenses for tax incentive		(11,651)		
Expenses not deductible for tax purposes		989		-
Current year losses for which no deferred tax was recognised		10,249		51
Total	19	15,847	-	-

Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	1,466,409	1,433,772	(1,746,334)	(1,503,173)
Set off of tax	(1,102,699)	(1,148,612)	1,102,699	1,148,612
Net deferred tax assets (liabilities)	363,710	285,160	(643,635)	(354,561)

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	3,283	-	(19,260)	-
Set off of tax	(3,283)	-	3,283	-
Net deferred tax assets (liabilities)	-	-	(15,977)	-

Movements in deferred tax assets and liabilities for the years were as follows:

	After business restructuring		
	Consolidated financial statements (Charged) / credited to:		
	At 1 January 2019	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income
			At 31 December 2019
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	924,582	168,567	1,093,149
Provision for employee benefits	48,033	11,390	65,231
Other liabilities	28,086	11,031	39,117

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	After business restructuring			
	Consolidated financial statements			
	(Charged) / credited to:			
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019
		<i>(in thousand Baht)</i>		
Tax loss carry forward	239,762	(145,444)	-	94,318
Others	38,005	4,298	-	42,303
Total	1,433,772	26,829	5,808	1,466,409
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)	908	(66,497)	(580,690)
Property, plant and equipment	(481,487)	173,729	-	(307,758)
Derivatives	(16,626)	46,649	-	30,023
Others	(1,108)	(447)	-	(1,555)
Total	(1,503,173)	219,323	(462,484)	(1,746,334)
Net	(69,401)	246,152	(456,676)	(279,925)

	Before business restructuring				
	Combined financial statements				
	(Charged) / credited to:				
	At 1 January 2018	Business restructuring	Profit or loss	Other comprehensive income	At 31 December 2018
			<i>(in thousand Baht)</i>		
Deferred tax assets					
Premium due and uncollected	10,205	-	24,650	-	34,855
Reinsurance receivables	-	-	1,826	-	1,826
Hire purchase and finance lease receivables	16,006	-	85	-	16,091
Subrogation	-	-	16,340	-	16,340
Inventories	1,479	-	9,128	-	10,607
Loans	44,923	-	30,662	-	75,585
Insurance contract liabilities	301,354	105,913	517,315	-	924,582
Provision for employee benefits	37,354	3,886	9,862	(3,069)	48,033
Other liabilities	39,726	-	(11,640)	-	28,086
Derivatives	3,419	-	(3,419)	-	-
Tax loss carry forward	279,640	-	(39,878)	-	239,762
Others	9,446	10,022	18,537	-	38,005
Total	743,552	119,821	573,468	(3,069)	1,433,772
Deferred tax liabilities					
Available for sale securities	(842,686)	795	-	353,039	(488,852)
Revaluation surplus on land and building	(512,733)	-	(2,367)	-	(515,100)
Property, plant and equipment	(381,627)	-	(99,860)	-	(481,487)
Derivatives	(2,549)	-	(14,077)	-	(16,626)
Others	(643)	-	(465)	-	(1,108)
Total	(1,740,238)	795	(116,769)	353,039	(1,503,173)
Net	(996,686)	120,616	456,699	349,970	(69,401)

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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	
Deferred tax asset				
Provision for employee benefits	-	3,413	(130)	3,283
Total	-	3,413	(130)	3,283
Deferred tax liability				
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:

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements 2019	Combined financial statements 2018	2019	2018
			<i>(in thousand Baht)</i>	
Property, plant and equipment	146	1,718	-	-
Tax loss carry forward	92,778	77,643	10,300	51
Total	92,924	79,361	10,300	51

The above tax losses will expire in 2019 - 2024. 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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35 Basic earnings per share

The calculations of basic earnings (losses) per share for the separate financial statements for year ended 31 December 2019 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 before and after business restructuring, 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 (see note 4).

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements	Combined financial statements	Year ended 31 December 2019	For the period from 29 June 2018 (date of incorporation) to 31 December 2018
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 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	304,918	1,039,205	65,453	(255)
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January 2019/2018 and 29 June 2018	1	1	1	1
Effect of share issued related to business restructuring of the Group	21,958	10,407	9,652	-
Effect of shares issued related to entire business transfer	730,140	730,140	320,941	-
<i>Weighted average number of ordinary shares outstanding (basic) at 31 December 2019 and 2018</i>	752,099	740,548	330,594	1
Earnings (losses) per share (basic) (in Baht)	0.41	1.40	0.20	(255)

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36 Risks management and financial instruments

36.1 Financial risk management policies

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 derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

36.2 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% (2018 : 140%) 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.

36.3 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.

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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.

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 2019, 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 83 basis points (2018: 25 - 43 basis points). Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points (2018: 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%, -1% to +5%, +1% of the, net of reinsurance recoveries.

	Change in variable (%)	2019 Increase (decrease) in liabilities (in thousand Baht)	Increase (decrease) in profit and equity
<i>Southeast Insurance Public Company Limited</i>			
Increase in expected loss ratio	5	190,501	(152,401)
Decrease in expected loss ratio	5	(189,933)	152,947
<i>The Thai Insurance Public Company Limited</i>			
Increase in expected loss ratio	1	14,890	(11,912)
Decrease in expected loss ratio	1	(16,295)	13,036
	Change in variable (%)	2018 Increase (decrease) in liabilities (in thousand Baht)	Increase (decrease) in profit and equity
<i>Southeast Insurance Public Company Limited</i>			
Increase in expected loss ratio	5	158,962	(127,170)
Decrease in expected loss ratio	5	(200,832)	160,666
<i>The Thai Insurance Public Company Limited</i>			
Increase in expected loss ratio	1	15,556	(12,445)
Decrease in expected loss ratio	1	(14,795)	11,836

36.4 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 risk by considering the risk of investments together with the return on such investments and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt borrowings.

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	After business restructuring			Before business restructuring			
	Consolidated financial statements 2019			Combined financial statements 2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Floating interest rate <i>(in thousand Baht)</i>	Fixed interest rate	Non-interest bearing	Total
Financial liabilities							
Short-term loans from financial institutions	-	10,340,006	-	4,109,211	5,410,489	-	9,519,700
Short-term loans from other parties	-	60,000	-	-	70,000	-	70,000
Current portion of long-term loans from financial institutions	36,000	2,027,389	-	30,000	1,707,005	-	1,737,005
Long-term loans from financial institutions	87,000	3,572,090	-	129,000	3,741,450	-	3,870,450
Financial lease liabilities	-	587,867	-	-	416,214	-	416,214
Total financial liabilities	123,000	16,587,361	-	4,268,211	11,345,158	-	15,613,369
	Separate financial statements			Separate financial statements			
	2019			2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Floating interest rate <i>(in thousand Baht)</i>	Fixed interest rate	Non-interest bearing	Total
Financial assets							
Loans							
Short-term loans to related parties	-	4,048,000	-	-	-	-	-
Current portion of long-term loans to related parties	-	1,412,568	-	-	-	-	-
Long-term loans to related parties	-	173,700	-	-	-	-	-
Total financial assets	-	5,634,268	-	-	-	-	-
Financial liabilities							
Short-term loans from financial institutions	-	5,852,604	-	-	-	-	-
Total financial liabilities	-	5,852,604	-	-	-	-	-

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At 31 December 2019 and 2018, 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)	After business restructuring				Total
		Consolidated financial statements				
		2019				
		Within 1 year	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	197,790	160,028	1,101		358,919
Investments in securities						
Government and state enterprise debt securities	1.20 - 6.80	2,932,991	8,957,751	7,211,745		19,102,487
Private debt securities	1.85 - 5.28	1,297,236	5,574,045	11,595,628		18,466,909
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	100,250	-		1,261,561
Loans						
Mortgage loans	5.00 - 15.00	24,900	-	342,577		367,477
Other loans	5.08	312	2,070	296		2,678
Short-term loans to related parties	-	-	-	-		-
Current portion of long-term loans to other parties	5.00 - 12.00	50,813	-	-		50,813
Long-term loans to other parties	5.00 - 12.00	507	706,704	-		707,211
Total financial assets		5,665,860	15,511,236	19,151,347		40,328,443
Financial liabilities						
Short-term loans from financial institutions	0.01 - 3.62	10,340,006	-	-		10,340,006
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	2,027,398	-	-		2,027,398
Long-term loans from financial institutions	3.50 - 3.95	-	3,572,090	-		3,572,090
Financial lease liabilities	3.50 - 3.90	260,249	327,618	-		587,867
Total financial liabilities		12,687,653	3,899,708	-		16,587,361
Before business restructuring						
Combined financial statements						
2018						
	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	0.08 - 16.29	247,128	277,607	3,619		528,354
Investments in securities						
Government and state enterprise debt securities	1.00 - 6.80	1,347,835	8,533,124	6,855,487		16,736,446
Private debt securities	2.10 - 5.28	473,005	3,873,309	10,063,439		14,409,753
Foreign debt securities	4.88	-	10,607	-		10,607

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Before business restructuring					
Combined financial statements					
2018					
	Average interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Deposits at banks with original maturity over 3 months	0.60 - 2.03	1,441,711	100,000	-	1,541,711
Loans					
Mortgage loans	5.00 - 15.00	24,900	-	289,228	314,128
Other loans	5.28	45	2,742	366	3,153
Short-term loans to related parties	3.70	14,700	-	-	14,700
Current portion of long-term loans to other parties	5.50 - 9.00	20,808	-	-	20,808
Long-term loans to other parties	5.28 - 9.00	-	157,493	293,767	451,260
Total financial assets		<u>3,570,132</u>	<u>12,954,882</u>	<u>17,505,906</u>	<u>34,030,920</u>
Financial liabilities					
Short-term loans from financial institutions	3.50 - 3.95	5,410,489	-	-	5,410,489
Short-term loans from other parties	2.75	70,000	-	-	70,000
Current portion of long-term loans from financial institutions	3.50 - 4.03	1,707,005	-	-	1,707,005
Long-term loans from financial institutions	3.50 - 4.03	-	3,741,450	-	3,741,450
Financial lease liabilities	3.50 - 4.00	177,629	238,585	-	416,214
Total financial liabilities		<u>7,365,123</u>	<u>3,980,035</u>	<u>-</u>	<u>11,345,158</u>
Separate 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					
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		<u>5,460,568</u>	<u>173,700</u>	<u>-</u>	<u>5,634,268</u>
Financial liabilities					
Short-term loans from financial institutions	0.01 - 1.00	5,852,604	-	-	5,852,604
Total financial liabilities		<u>5,852,604</u>	<u>-</u>	<u>-</u>	<u>5,852,604</u>

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 2019 was 4 - 10% per annum (2018: 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.

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Interest rate swap contract

On 31 December 2019, the Group entered into an interest rate swap agreement for a long-term loan amounted of Baht 1,600 million (2018 : Baht 1,000 million) for swapping a floating interest rate to a fixed interest rate of 3.75% and 4.05% per annum (2018: 3.75% and 3.83% per annum), with settlement in December 2022 - December 2024 (2018: December 2022 - July 2023) and entered into an interest rate swap agreement for the investments in available for sale debentures of Baht 2,056 million (2018 : 2,101.76 million) for swapping fix interest rate to floating interest rate 1.63% per annum (2018: 1.80% per annum).

36.5 Foreign currency risk

The Group is exposed to foreign currency risk relating to investment in debt securities which are denominated in foreign currencies and borrowings in foreign currencies. The Group primarily utilises cross currency swap contracts and foreign currency forward contracts to hedge such financial assets and liabilities denominated in foreign currencies.

At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
United States Dollars				
Cash and cash equivalents	145,690	56,601	-	-
Investments in debt securities	2,077,387	2,494,411	-	-
Borrowings	-	(489,222)	-	-
Gross exposure in the statements of financial position	2,223,077	2,061,790	-	-
Cross currency swaps contracts	(1,969,654)	(1,874,144)	-	-
Foreign currency forward contracts	-	-	-	-
Net exposure	253,423	187,646	-	-
Euro				
Cash and cash equivalents	21,434	5,812	-	-
Gross exposure in the statements of financial position	21,434	5,812	-	-
Singapore Dollars				
Cash and cash equivalents	104,622	119,763	-	-
Gross exposure in the statements of financial position	104,622	119,763	-	-
Hong Kong Dollars				
Cash and cash equivalents	61,878	22,971	-	-
Gross exposure in the statements of financial position	61,878	22,971	-	-

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	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Japan Yen				
Cash and cash equivalents	9,211	561	-	-
Borrowings	(3,935,201)	(5,900,478)	(5,852,604)	-
Gross exposure in the statements of financial position	(3,925,990)	(5,899,917)	(5,852,604)	-
Foreign currency forward contracts	5,429,863	5,338,226	5,429,837	-
Net exposure	1,503,873	(561,691)	(422,767)	-
Other currencies				
Cash and cash equivalents	69,624	39,852	-	-
Gross exposure in the statements of financial position	69,624	39,852	-	-

36.6 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.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on agents, brokers, reinsurers, borrowers and debt securities on an ongoing basis. At the reporting date there were no significant 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 because the Group maintains a panel of reinsurers that the Group 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 because 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 Group has lent to insured parties is less than the cash value of their policies with the Group. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Group is able to derive from the assets pledged as security.

36.7 Liquidity risk

The Group monitors its liquidity risk and maintains a level liquid assets deemed adequate for loss reserves, outstanding claims benefit payments, loan payables and 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 liquid assets which are classified by the length of time the reporting date to the date of their maturity are represented in Noted 36.4.

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As at 31 December 2019 and 2018, long-term insurance contract liabilities are aged by estimating timing of the net cash flows as follows:

	After business restructuring			
	Consolidated financial statements			
	2019			
	Estimated timing of the net cash flows			
	Within	Between		Total
	1 year	1 - 5 years	Over 5 years	
	<i>(in thousand Baht)</i>			
Long-term technical reserves	4,339,784	23,333,184	11,932,874	39,605,842
	Before business restructuring			
	Consolidated financial statements			
	2018			
	Estimated timing of the net cash flows			
	Within	Between		Total
	1 year	1 - 5 years	Over 5 years	
	<i>(in thousand Baht)</i>			
Long-term technical reserves	6,130,487	18,580,342	11,705,683	36,416,512

36.8 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.

36.9 Fair values of financial assets and liabilities

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable market data as much as possible. 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability are 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 has no transference between levels of the fair value hierarchy at the end of the reporting period.

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The following methods and assumptions were used by the Group in estimating fair value of financial assets and financial liabilities as disclosed herein.

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, policy loans, other receivables, due to reinsurers, unpaid policy benefits, loss reserves and outstanding claims and other payables except for held to maturity securities and derivative assets and liabilities as disclosed the fair value in note 11 and 12 respectively.

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.

The fair value for debts and equities securities and unit trust were disclosed in note 11.

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 flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate. In addition, the Group tested for reasonableness by comparing with the market price from financial institutions which are derivative issuers.

36.9.1 Financial assets and liabilities carried at fair value

Carrying amount 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 for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The following table analyses financial assets and liabilities measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Carrying Amount	After business restructuring Consolidated financial statements			Total
		Fair value			
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2019					
<i>Financial assets and liability measured at fair value</i>					
Derivative assets	161,679	426	161,253	-	161,679
Available for sale securities	52,828,288	7,627,867	45,729,546	-	53,357,413
Government and state enterprise securities	2,136,042	-	2,432,668	-	2,432,668
Private debt securities	616,367	-	892,913	-	892,913
Equity securities	1,454,765	354,562	1,056,156	-	1,410,718
Derivative liabilities	(322,666)	-	(322,666)	-	(322,666)

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	Carrying Amount	Before business restructuring Combined financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2018					
<i>Financial assets and liability measured at fair value</i>					
Derivative assets	132,410	3,434	128,976	-	132,410
Available for sale securities	47,534,350	7,676,718	39,857,632	-	47,534,350
Government and state enterprise securities	2,859,988	-	2,859,988	-	2,859,988
Private debt securities	527,011	-	527,011	-	527,011
Equity securities	2,263,225	809,088	1,454,137	-	2,263,225
Derivative liabilities	(136,783)	-	(136,783)	-	(136,783)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2019					
<i>Financial asset measured at fair value</i>					
Derivative asset	(103,047)	-	(103,047)	-	(103,047)

36.9.2 Financial assets and liabilities not measured at fair value

The fair value of significant financial assets and liabilities not measured at fair value were cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivable and assets, operating lease receivables, hire-purchase and finance lease receivables, policy loans, mortgage loans, other loans, other receivables, borrowings, reinsurance payable and other payables did not have significant differences with carrying value as shown in the statement of financial position as at 31 December 2019 and 2018 except for held to maturity debt securities which fair value is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date and disclosed in note 11.

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37 Securities and assets pledged with the Registrar

37.1 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:

	<u>After business restructuring</u>		<u>Before business restructuring</u>	
	Consolidated		Combined	
	financial statements		financial statements	
	2019		2018	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	<u>21,304</u>	<u>20,000</u>	<u>22,042</u>	<u>20,000</u>

37.2 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:

	<u>After business restructuring</u>		<u>Before business restructuring</u>	
	Consolidated		Combined	
	financial statements		financial statements	
	2019		2018	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and state enterprise debt securities	8,019,383	7,351,500	6,787,691	6,596,500
Private debt securities	<u>1,855,774</u>	<u>1,630,000</u>	<u>1,795,637</u>	<u>1,630,000</u>
Total	<u>9,875,157</u>	<u>8,981,500</u>	<u>8,583,328</u>	<u>8,226,500</u>

37.3 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:

	<u>After business restructuring</u>		<u>Before business restructuring</u>	
	Consolidated		Combined	
	financial statements		financial statements	
	2019		2018	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	<u>29,889</u>	<u>29,330</u>	<u>28,614</u>	<u>28,000</u>

37.4 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:

	<u>After business restructuring</u>		<u>Before business restructuring</u>	
	Consolidated		Combined	
	financial statements		financial statements	
	2019		2018	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government state enterprise debt securities and Bank of Thailand bonds	<u>1,039,971</u>	<u>822,175</u>	<u>1,136,025</u>	<u>1,125,000</u>

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38 Restricted and collateral securities

As at 31 December, debt securities and time deposits at banks were pledged as collateral as follows:

	After business restructuring	Before business restructuring
	Consolidated financial statements 2019	Combined financial statements 2018
	<i>(in thousand Baht)</i>	
<i>Deposits at banks - time deposits</i>		
Bail bonds	<u>4,526</u>	<u>5,032</u>
<i>Government bonds (book value)</i>		
Electricity usage	<u>2,214</u>	<u>2,113</u>

39 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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	63,887	48,867	185,467	155,108
Increased during the year	<u>8,619</u>	<u>15,020</u>	<u>29,526</u>	<u>30,359</u>
At 31 December	<u>72,506</u>	<u>63,887</u>	<u>214,993</u>	<u>185,467</u>

40 Commitments with non-related parties

	After business restructuring	Before business restructuring	Separate financial statements	
	Consolidated financial statements 2019	Combined financial statements 2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for :</i>				
Intangible assets and equipment	<u>36,679</u>	<u>51,453</u>	<u>-</u>	<u>-</u>
<i>Investment commitments – Bills of exchange</i>				
Within one year	100,000	-	-	-
After one year but within five years	<u>200,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Total	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	36,454	17,313	148	-
After one year but within five years	<u>39,757</u>	<u>19,049</u>	<u>148</u>	<u>-</u>
After five years	106	136	-	-
Total	<u>76,317</u>	<u>36,498</u>	<u>296</u>	<u>-</u>

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	After business restructuring	Before business restructuring	Separate	
	Consolidated financial statements	Combined financial statements	financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Forward securities contracts	2,487,132	2,812,010	-	-
Cross currency swap	1,922,710	506,050	-	-
Foreign currency forward contracts	5,532,910	5,807,726	5,532,910	-
Interest rate swap	3,656,245	3,101,165	-	-
Deposit at banks which pledged for Bank overdrafts	10,001	-	-	-
Bank guarantees	532,628	509,232	-	-
Total	14,141,626	12,736,183	5,532,910	-

As at 31 December 2019, the Group has commitments in respect of investments in several series of bills of exchanges issued by financial institutions amounting to Baht 300 million (31 December 2018: Baht 300 million). These investments have a duration since 2020 to 2022 (31 December 2018: 2020 to 2022) and are payable based on the contract terms.

As at 31 December 2019, the Group entered into operating lease agreements for building and other services for the period of 1 year to 5 years (31 December 2018: 1 year to 5 years).

As at 31 December 2019, the Group entered into cross currency swap contracts with financial institutions for the investments in available for sale debentures of USD 77.94 million equivalents to Baht 2,487.13 million (31 December 2018: USD 85.44 million equivalents to Baht 2,812.01 million).

As at 31 December 2019, the Group entered into cross currency swap contracts with financial institutions to protect against exchange and floating interest rate risk from borrowings of JPY 6,643 million equivalents to Baht 1,922.71 million (31 December 2018: USD 15 million equivalents to Baht 506.05 million).

As at 31 December 2019, the Group and the Company entered into foreign currency forward contracts with a financial institution for borrowings of JPY 19,675 million, respectively equivalents to Baht 5,532.91 million, respectively (31 December 2018: JPY 19,867.43 million, respectively equivalents to Baht 5,807.73 million, respectively).

As at 31 December 2019, the Group entered into interest rate swap contracts with financial institutions for the investments in available for sale debentures of Baht 2,056.25 million (31 December 2018: Baht 2,101.17 million).

As at 31 December 2019, the Group entered into interest rate swap contracts with financial institutions for borrowings of Baht 1,600 million (31 December 2018: Baht 1,000 million).

As at 31 December 2019, the Group had commitments with a financial institution in respect to letters of guarantee issuance for the normal course of business amounting to Baht 532.62 million (31 December 2018: Baht 509.22 million).

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41 Contingent liabilities

As at 31 December 2019, significant lawsuits have been brought against the Group, in relation to insurance claims in the normal course of business for amount in dispute totaling approximately Baht 546.91 million (2018: Baht 632.57 million), of which the Group's share after recovery from reinsurance amounts to approximately Baht 164.64 million (2018: Baht 121.95 million). The Group has recognized part of contingent liabilities amounting to approximately Baht 24.47 million (31 December 2018: Baht 35.21 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.

42 Thai Financial Reporting Standard (TFRS) not yet adopted

New TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate Company's financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

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. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease, and recognises assets and liabilities only to the extent that there is a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 40. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

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The Group sub-leases some of its properties. Currently, the head lease and sub-lease contracts were classified as operating leases and recognised lease income and payment in profit or loss on a straight-line basis over the term of the leases. Under TFRS 16, the right-of-use assets recognised from the head leases are presented in investment property and measured at cost method. The Group reassess the classification of sub-leases and expects that they will reclassify as finance leases, resulting in recognition of finance lease receivables.

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The Group assessed the impact of applying TFRS 16 on the financial statements as 1 January 2020, which was an increase in right-of-use asset of approximately 1% of total assets and an increase in lease liabilities of approximately 1% of total liabilities.

43 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	2018		
	Separate financial statements		
	Before reclassifications	Reclassifications <i>(in thousand Baht)</i>	After reclassifications
<i>Statement of financial position</i>			
Other current assets	46	(46)	-
Other assets	-	546	546
Other payables	(301)	301	-
Other liabilities	-	(801)	(801)
		<u> -</u>	

Important Financial Ratio

Financial ratio	2019	2018	
ROE	2.15	7.76	Profit attributable to owners of the parent / average of total equity
ROA	0.34	1.29	Profit attributable to owners of the parent / average of total assets
DE ratio	5.01	5.78	Total liabilities / equity attributable to owners of the parent
Current ratio	0.97	0.97	Total current assets / total liabilities
Net Profit Margin	1.28	3.48	Profit attributable to owners of the parent / total revenue
Operating Profit Margin	12.19	14.61	Operating Profit Margin / total revenue
Interest coverage ratio	1.81	3.92	EBIT / Finance cost

Management Discussion and Analysis

Financial Highlights

Table 1: Statement of Financial Position

(Unit : THB mm)	As of		% Change
	31 December 2019	31 December 2018	
Total assets	90,993	87,510	3.98%
Total liabilities	75,761	74,375	1.86%
Total shareholders' equity	15,231	13,135	15.96%
Registered and paid-up capital	7,521	-	100.00%

Financial position

Total shareholders' equity of SEG as of 31 December 2019 and 31 December 2018 were Baht 15,231 million and Baht 13,135 million respectively. The growth in shareholders' equity derived from net profit for the period and increase in unrealized gain on remeasurement of investments mainly from life insurance business.

Issued and paid-up share capital as of 31 December 2019 and 31 December 2018 were Baht 7,521 million and Baht 10,000 respectively. The Company was incorporated on 29 June 2018 with ordinary shares of Baht 10,000 through an issuance of 1,000 ordinary shares with a par value of Baht 10 each. The Company registered the increased in its ordinary shares to Baht 7,536,411,860 through an issuance of 753,640,186 additional ordinary shares with a par value of Baht 10 each on 1 August 2018 for restructuring plan and as consideration transferred for entire business transfer with related company. The Extraordinary General Meeting of Shareholder of the Company held on 30 January 2019, the shareholders approved a decrease in Company's ordinary share by Baht 10,000 which it was the initial ordinary shares when incorporated company.

Table 2: Operating Result for the year ended 31 December 2019 and 31 December 2018

(Unit : THB mm)	As of		% Change
	31 December 2019	31 December 2018	
Total revenues	23,740	29,822	-20.39%
Total expenses	23,365	28,360	-17.62%
Net profit	279	1,023	-72.73%

Total revenues

Total revenues of SEG for the year ended 31 December 2019 and 31 December 2018 decreased by Baht 6,082 million mainly due to decrease in net earned premium from life insurance business total Baht 6,392 million from decreasing of first year and renewal premium on single premium policy through bancassurance.

Total expenses

Total expenses of SEG for the year ended 31 December 2019 and 31 December 2018 decreased by Baht 4,996 million mainly due to decrease in long term technical reserve totaling Baht 6,447 million from single premium policy

Net profit

Net profit of SEG for the year ended 31 December 2019 and 31 December 2018 was Baht 279 million and Baht 1,023 million, respectively that decreased by Baht 744 million.

The decrease in net profit for the year ended 31 December 2019 was mainly from increase in net insurance claims expenses of non-life insurance business by Baht 941 million, mostly resulted from motor insurance. Meanwhile company had good control in operating expenses that decreased from previous year by Baht 218 million.

Details of Directors, Management, and Company Secretary

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
1. Mr. Charoen Sirivadhanabhakdi Chairman	76	<ul style="list-style-type: none"> Honorary Doctoral Degree in Social Administration Mahamakul Buddhist University Honorary Doctoral Degree in Marketing Rajamangala University of Technology Isan Honorary Doctoral Degree in Buddhism (Social work) Mahachulalongkornrajavidyalaya University Honorary Doctorate Degree in Business Administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University Honorary Doctoral Degree in Hospitality Industry and Tourism Christian University of Thailand Honorary Doctoral Degree in Sciences and Food Technology Rajamangala University of Technology Lanna Honorary Doctoral Degree in International Business Administration University of the Thai Chamber of Commerce Honorary Doctoral Degree in Management Rajamangala University of Technology Suvarnabhumi Honorary Doctor of Philosophy in Business Administration Mae Fah Luang University Honorary Doctoral Degree in Business Administration Eastern Asia University Honorary Doctoral Degree in Management Huachiew Chalermprakiet University 	281,103,971 (37.38)	<ul style="list-style-type: none"> Spouse: Khunying Wanna Sirivadhanabhakdi - Director Parents: Mrs. Atinant Bijananda - Director and Mr. Thapana Sirivadhanabhakdi - Director 	<ul style="list-style-type: none"> July 2018 – Present 2017 – Present 2017 – Present 2017 – Present 1997 – Present 2017 – Present 2016 – Present 2013 – Present 2013 – Present 2006 – Present 2003 – Present 2001 – Present 2002 – Present 2001 – Present 1987 – Present 	<ul style="list-style-type: none"> Chairman Chairman / Executive Chairmah Chairman Chairman Chairman Chairman 	<ul style="list-style-type: none"> Thai Group Holdings Public Company Limited Southeast Life Insurance Public Company Limited Southeast Insurance Public Company Limited Southeast Capital Co.,Ltd. Southeast Corporation Co.,Ltd. TCC Asset World Corporation Limited Big C Supercenter Public Company Limited Fraser Centrepoint Limited Fraser and Neave, Limited Siriwana Co.,Ltd. Thai Beverage Public Company Limited Beer Thai (1991) Public Company Limited TCC Land Co.,Ltd. Berti Jucker Public Company Limited TCC Corporation Limited 	<ul style="list-style-type: none"> Holding Company Life insurance Non-life insurance Leasing Investment and loan Holding Company Department store Property development Food & beverage and publishing Investment and loan Beverage Beverage Investment and loan Commerce Investment and loan

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years		
					Period	Position	Company Name
2. Khunying Wanna Sirivadhanabhakdi 1 st Vice Chairman	77	<ul style="list-style-type: none"> Honorary Doctoral Degree in Industrial Technology Chandrakasem Rajabhat University Honorary Doctoral Degree in Agricultural Business Administration Maejo Institute of Agricultural Technology (DAP) 2004 Thai Institute of Directors Association (IOD) Honorary Doctoral Degree (Management) from Mahidol University Honorary Doctorate of Philosophy (Business Management) University of Phayao Honorary Doctoral Degree Faculty of Business Administration and Information Technology from Rajamangala University of Technology Tawan-ok Honorary Doctor of Philosophy in Social Sciences Mae Fah Luang University Honorary Doctoral Degree in Business Administration Chiang Mai University Honorary Doctoral Degree in Agricultural Business Administration Maejo Institute of Agricultural Technology Honorary Doctoral Degree in Bio-technology Ramkhamhaeng University Director Accreditation Program (DAP) 2004 Thai Institute of Directors Association (IOD) 	281,103,971 (37.38)	<ul style="list-style-type: none"> Spouse: Mr. Charoen Sirivadhanabhakdi - Director Parents: Mrs. Atinant Bijananda - Director and Mr. Thapana Sirivadhanabhakdi - Director 	<ul style="list-style-type: none"> July 2018 – Present Vice Chairman Thai Group Holdings Public Company Limited January 2018 – Present Vice Chairmah Southeast Life Insurance Public Company Limited January 2018 – Present Vice Chairman Southeast Insurance Public Company Limited August 2018 – Present Vice Chairman Southeast Capital Co.,Ltd. 1997 – Present Vice Chairman Southeast Corporation Co.,Ltd. 2016 – Present Vice Chairman Big C Supercenter Public Company Limited 2013 – Present Vice Chairman Frasers Centrepoint Limited 2013 – Present Vice Chairman Fraser and Neave, Limited 2004 – Present Chairman Beer Thip Brewery (1991) Co.,Ltd. 2004 – Present Chairman Sangsom Group of Companies 2003 – Present Vice Chairman / 1st Executive Vice Chairman Thai Beverage Public Company Limited 2001 – Present Vice Chairman Bertl Jucker Public Company Limited 2017 – Present Vice Chairman TCC Corporation Limited Present Vice Chairman Bhumirajanagarindra Kidney Institute Foundation Present Director Siriraj Foundation Present Director Ramathibodi Foundation Present Director Crown Prince Hospital Foundation Present Director Elephant Reintroduction Foundation Present Director Committee for Recruitment and Promotion of Voluntary Blood Donors of the Thai Red Cross Society Present Director Sala Chalermkrung Foundation 	<ul style="list-style-type: none"> Holding Company Life insurance Non-life insurance Leasing Investment and loan Department store Property development Food & beverage and publishing Beverage Beverage Beverage Beverage Commerce Investment and loan Foundation Foundation Foundation Foundation Foundation Foundation Foundation 	

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
3. Mr. Areepong Bhoocha-oom Vice Chairman 2 nd / Chairman of the Corporate Governance Committee	63	<ul style="list-style-type: none"> Ph. D in Finance, University of Mississippi, USA M.A. in Finance, Marshall University, USA B. A. in International Management, Boston University, USA Director Certification Program (DCP) 3/2019, Thai Institute of Directors 	- None -	- None -	<ul style="list-style-type: none"> Vice Chairman 2nd / Chairman of the Corporate Governance Committee Director Chairman Chairman Vice Chairman Director Chairman Director 	<ul style="list-style-type: none"> Thai Group Holdings Public Company Limited Office of the Council of State Electricity Generating Authority of Thailand Thai Airways International Public Company Limited Thai Airways International Public Company Limited PTT Public Company Limited Krung Thai Bank Public Company Limited Bank of Thailand PTT Global Chemical Public Company Limited 	<ul style="list-style-type: none"> Holding Company Government division Electricity producer Airline business Airline business Energy & utilities Banking Government division Energy & utilities 	
4. Mr. Chotiphat Bijananda Director/ Chairman of the Executive Board/ Chairman of the Nomination and Remuneration Committee /Chief Executive Officer	58	<ul style="list-style-type: none"> MBA in Finance, University of Missouri - Columbia, USA Bachelor degree of Laws, Thammasat University Director Certification Program (DCP) 155/2012, Thai Institute of Directors 	- None -	<ul style="list-style-type: none"> Spouse: Mrs. Atinant Bijananda - Director 	<ul style="list-style-type: none"> July 2018-Present 2019 – Present 2008 – Present 2008 – Present 2008 – Present 2008 – Present 2018 – Present 2016 – Present 2014 – Present 2015 – Present 2013 – Present 2017 – Present 2016 – Present 2016 – Present 2013 – Present 2013 – Present 2011 – Present 2008 – Present 2007 – Present 2007 – Present 	<ul style="list-style-type: none"> Director of the Executive Board / Chairman of the Nomination and Remuneration Committee / Chief Executive Officer Chairman Chairman of Executive Board / Vice Chairman Chairman of Executive Board / Vice Chairman Chairman of Executive Board / Vice Chairman Director 2nd Vice Chairman Director Advisor Director 	<ul style="list-style-type: none"> Thai Group Holdings Public Company Limited Southeast Property Co.,Ltd. Southeast Life Insurance Public Company Limited Southeast Insurance Public Company Limited Southeast Capital Co.,Ltd. S Sofin Co., Ltd. Southeast Advisory Co.,Ltd. TCC Privilege Card Co.,Ltd. Southeast Academic Center Co.,Ltd. Asiatig House Co.,Ltd. Ticon Industrial Connection Public Company Limited Big C Supercenter Public Company Limited Big C Services Co.,Ltd. Fraser and Neave, Limited Fraser Centrepoint Limited Sermasuk Public Company Limited T.C.C. Technology Co.,Ltd. TCC Holding Co., Ltd. Southeast Corporation Co.,Ltd. 	<ul style="list-style-type: none"> Holding company Property development Life insurance Non-life insurance Leasing Developing technologies in the holding company of TCC and SEG Financial and investment advisor Credit card company for TCC's employees Trailing for holding company of TCC Renting and operating of self-owned or leased of non-residential buildings Property development Department store Life and Non-life insurance Food & beverage and publishing Property development Beverage Information system service Holding Company Investment and loan

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
5. Mrs. Atinant Bijananda Director/ Executive Director/ Member of the Nomination and Remuneration Committee/ Senior Deputy Chief Executive Officer	48	<ul style="list-style-type: none"> MBA, Imperial College London, UK MS. In Management, Boston University, USA Bachelor of Accounting, Thammasat University Director Accreditation Program (DAP) 10/2004, Thai Institute of Directors Director Certification Program (DCP) 46/2004, Thai Institute of Directors Finance for Non-Finance Director (FN) 10/2004 	- None -	<ul style="list-style-type: none"> Children: Mr. Charoen Sirivadhanabhakdi - Director and Khunying Wanna Sirivadhanabhakdi - Director Spouse: Mr. Chotiphat Bijananda - Director 	July 2018 – Present	Director/ Executive Director/ Member of the Nomination and Remuneration Committee/ Senior Deputy Chief Executive Officer	Thai Group Holdings Public Company Limited	Holding Company
					2019 – Present	Director	Southeast Properties Co., Ltd.	Property development
					2008 – Present	Director/ Vice Executive Chairman	Southeast Life Insurance Public Company Limited	Life insurance
					2008 – Present	Director/ Vice Executive Chairman	Southeast Insurance Public Company Limited	Non-life insurance
					2008 – Present	Director/ Vice Executive Chairman	Southeast Capital Co., Ltd.	Leasing
					2007 – Present	Director	Southeast Corporation Co., Ltd.	Investment and loan
					2016 – Present	Director	Southeast Advisory Co., Ltd.	Financial and investment advisor
					2014 – Present	Director	TCC Privilege Card Co., Ltd.	Credit card company for TCC's employees
					2015 – Present	Director	Southeast Academic Center Company Limited	Training for holding company of TCC
					2013 – Present	Director	Asiatig House Co., Ltd.	Renting and operating of self-owned or leased of non-residential buildings
6. Mr. Thapana Sirivadhanabhakdi Director / Member of the Corporate Governance Committee	45	<ul style="list-style-type: none"> 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 from Ramkhamhaeng University Master of Science Administration in Financial Economics Boston University, USA Bachelor of Business Administration (Finance) Boston University, USA Director Accreditation Program (DAP) 2004, Thai Institute of Directors 	- None -	- None -	July 2018 – Present	Director / Member of the Corporate Governance Committee	Thai Group Holdings Public Company Limited	Holding Company
					2008 – Present	Director	Southeast Life Insurance Public Company Limited	Life insurance
					2008 – Present	Director	Southeast Insurance Public Company Limited	Non-life insurance
					2008 – Present	Director	Southeast Capital Co., Ltd.	Leasing
					January 2008 – Present	President and Chief Executive Officer	Thai Beverage Public Company Limited	Beverage
					February 2013 – Present	Director	Fraser and Neave, Limited	Food & beverage and publishing
					January 2006 – Present	Vice Chairman	Oishi Group Public Company Limited	Food & Beverage
					February 2011 – Present	Chairman of the Executive Committee	Oishi Group Public Company Limited	Food & Beverage
					March 2015 – Present	Vice Chairman No.3	Sermsuk Public Company Limited	Beverage
					September 2011 – March 2015	Vice Chairman No.4	Sermsuk Public Company Limited	Beverage
January 2017 – Present	Chairman of the Executive Committee	Sermsuk Public Company Limited	Beverage					
September 2011 – January 2017	Vice Chairman of the Executive Committee No.1	Sermsuk Public Company Limited	Beverage					

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
7. Mr. Somchai Sujajapongse Director/ Executive Director/ Member of the Risk Management Committee / Member of the Corporate Governance Committee	56	<ul style="list-style-type: none"> Ph.D. Economics, Ohio State University, USA Master Degree in Economics, Ohio State University, USA Bachelor Degree in Economics, Chulalongkorn University Director Certification Program (DCP) 75/2006, Thai Institute of Directors 	- None -	- None -	July 2007 - Present	Vice Chairman of the Board	Univentures Public Company Limited	Business consulting
					April 2013 - Present	Director	Golden Land Property Development Public Company Limited	Property management
					November 2017 - Present	Vice Chairman/ Chairman of the Executive Committee	Amarin Printing and Publishing Public Company Limited	Media & publishing
					March 2013 - Present	Vice Chairman	Times Publishing Limited	Investment Holding
					November 2012 - Present	Director	InterBev Investment Limited	Investment
					July 2018 - Present	Director/ Executive Director/ Member of the Risk Management Committee/ Member of the Corporate Governance Committee	Thai Group Holdings Public Company Limited	Holding Company
					July 2018 - Present	Chairman	Thai Insurance Public Company Limited	Non-life insurance
					2015 - 2018	Permanent Secretary for Ministry of Finance	Ministry of Finance	Government agency
					2014 - 2015	Director General of Customs	Ministry of Finance	Government agency
					2011 - 2014	Director General	Ministry of Finance	Government agency
8. Mr. Apichai Boontharawara Director/ Executive Director/ Member of the Nomination and Remuneration Committee	63	<ul style="list-style-type: none"> Ph.D. of Economic, Washington University Master Degree of Business Administrative, Thammasat University Bachelor Degree of Economics, Thammasat University 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 	- None -	- None -	July 2018 - Present	Director/ Executive Director/ Member of the Nomination and Remuneration Committee	Thai Group Holdings Public Company Limited	Holding Company
					2019 - Present	Director	Southeast Properties Co., Ltd.	Property development
					2011 - Present	Director/ Vice Chairman of Executive Committee	Southeast Life Insurance Public Company Limited	Life insurance
					2011 - Present	Director/ Vice Chairman of Executive Committee	Southeast Insurance Public Company Limited	Non-life insurance
					2011 - Present	Director/ Vice Chairman of Executive Committee	Southeast Capital Co.,Ltd.	Leasing
					2016 - Present	Director	Southeast Advisory Co.,Ltd.	Financial and investment advisor
					2015 - Present	Director	Southeast Academic Center Co.,Ltd.	Training for holding company of TCC
					2013 - Present	Director	Asiatig House Co.,Ltd.	Renting and operating of self-owned or leased of non-residential buildings
					2014 - Present	Director	Concept Land 5 Co.,Ltd.	Property
					2014 - Present	Independent Director/ Mmber of Audit Committee	WHA Corporation Public Company Limited	Property developer on warehouses and factories
2017 - Present	Director	Kand Yong Electric Public Company Limited	Electronic equipment producer and seller					

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
9. Pol. Gen. Jate Mongkolhuthi Independent Director / Chairman of the Risk Management Committee	67	<ul style="list-style-type: none"> Master of Law, Chulalongkorn University Bachelor of Law, Ramkhamhaeng University Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Director Certification Program (DCP) 8/2004, Thai Institute of Directors Advance Audit Committee Program 14/2006, Thai Institute of Directors Finance for Non-Finance Director (FN) 30/2006 	- None -	- None -	July 2018 - Present	Independent Director/ Chairman of the Risk Management Committee	Thai Group Holdings Public Company Limited	Holding Company
					July 2018 - February 2019	Chairman of the Audit Committee	Thai Group Holdings Public Company Limited	Holding Company
					2013 - Present	Independent Director	Southeast Life Insurance Public Company Limited	Life insurance
					2013 - Present	Independent Director	Southeast Insurance Public Company Limited	Non-life insurance
					April 1999 - Present	Independent Director/ Member of the Audit Committee	Sino-Thai Engineering And Construction Public Company Limited	Construction services
					April 1999 - Present	Independent Director/ Member of the Audit Committee	Stp&I Public Company Limited	Construction services
10. Mr. Yothin Pibulkasetkij Independent Director / Member of the Audit Committee	74	<ul style="list-style-type: none"> Bachelor Degree of Accounting, Chulalongkorn University Advanced Bank Management, Asian Institute of Management, Philippines Financial Leadership Program, The Wharton School, University of Pennsylvania Director Certification Program (DCP) 127/2010, Thai Institute of Directors Company Secretary Program 18/2006, Thai Institute of Directors Advance Audit Committee Program 32/2010, Thai Institute of Directors 	- None -	- None -	November 2012 - Present	Vice Chairman / Independent Director/ Member of the Audit Committee	Lease It Public Company Limited	Leasing
					July 2018 - Present	Independent Director/ Member of the Audit Committee	Thai Group Holdings Public Company Limited	Holding Company
					2017 - Present	Independent Director	Southeast Life Insurance Public Company Limited	Life insurance
					2017 - Present	Independent Director	Southeast Insurance Public Company Limited	Non-life insurance
					June 2018 - Present	Independent Director	Southeast Capital Co.,Ltd.	Leasing
					2010 - Present	Chairman of the Audit Committee	Cambodian Commercial Bank, Royal Kingdom of Cambodia	Banking
11. Mr. Padungdej Indralak Independent Director / Member of the Audit Committee / Member of the Risk Management Committee	66	<ul style="list-style-type: none"> Bachelor Degree of Economics, Chulalongkorn University Postgraduate Diploma, North London Polytechnic Director Accreditation Program (DAP) 103/2013, Thai Institute of Directors 	- None -	- None -	July 2018 - Present	Independent Director/ Member of the Audit Committee / Member of the Risk Management Committee	Thai Group Holdings Public Company Limited	Holding Company
					2014 - Present	Independent Director	Southeast Life Insurance Public Company Limited	Life insurance
					2014 - Present	Independent Director	Southeast Insurance Public Company Limited	Non-life insurance
					2014 - Present	Independent Director	Southeast Capital Co.,Ltd.	Leasing
					2017 - Present	Independent Director/ Chairman of the Audit Committee	Sappe Public Company Limited	Beverage

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
12. Mrs. Kulpatra Sirodom Independent Director Chairman of the Audit Committee / Member of Corporate Governance Committee	64	<ul style="list-style-type: none"> Ph.D. in Finance University of Pittsburgh, Pittsburgh, PA, USA Master Degree in Finance West Virginia University, USA Bachelor Degree of Finance, Thammasat University Director Certification Program (DCP) 0/2000, Thai Institute of Directors Advance Audit Committee Program (AACCP) 29/2009, Thai Institute of Directors 	- None -	- None -	2014 – Present	Independent Director/ Chairman of the Audit Committee	Anz Bank (Thai) Public Company Limited	Banking
					2014 – 2017	Independent Director/ Chairman of the Audit Committee	Wuttisak Clinic Inter Group Co.,Ltd.	Skin treatments
					2013 – 2016	Independent Director/ Member of Audit Committee/ Member of the Risk Management Committee	Nok Airlines Public Company Limited	Airline business
					2013 – 2015	Deputy Managing Director	United Thai Shipping Corp Ltd.	Transportation service
					February 2019 – Present	Independent Director/ Chairman of the Audit Committee / Member of Corporate Governance Committee	Thai Group Holdings Public Company Limited	Holding Company
					July 2018 – Present	Independent Director	Thai Group Holdings Public Company Limited	Holding Company
					2019 – Present	Independent Director / Member of the Audit Committee /Member of the Nomination and Remuneration Committee	TISCO Financial Group Public Company Limited	Financial and Banking
					2019 – Present	Independent Director / Member of the Audit Committee	Tisco Bank Public company Limited	Banking
					2018 – Present	Independent Director/ Chairman of the Audit Committee	Mae Fah Luang Foundation under Royal Patronage Social Enterprise Thailand Association	Foundation
					2018 – Present	Director/ Chairman of the Audit Committee	Thailand Arbitration Center	Public organization
					2018 – Present	Director/ Treasurer	Social Enterprise Thailand Association	Association
					2017 – Present	Director/ Chairman of the Audit Committee	The Erawan Group Public Company Limited	Hotel
2017 – Present	Director/ Chairman of the Audit Committee	Thai Listed Companies Association	Association					
2016 – Present	Director/Chairman of Risk Management Committee	Thailand Clearing House Co.,Ltd	Subsidiary company of Stock Exchange of Thailand					
2016 – Present	Director	Thailand Securities Depository Co.,Ltd.	Subsidiary company of Stock Exchange of Thailand					
2015 – Present	Director	The Siam Commercial Foundation	Foundation					

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
					2014 – Present	Director/ Chairman of the Audit Committee	Thai Wacoal Public Company Limited	Fashion
					1994 – Present	Director/ Chairman of the Audit Committee	Thai President Foods Public Company Limited	Food & beverage
13. Ms.Roongthong Jintanamalakij Executive Vice President, Strategies and Transformation	49	<ul style="list-style-type: none"> MBA, University of North Carolina Bachelor Degree of Commerce, Thammasat University 	- None -	- None -	October 2019 – Present	Executive Vice President, Strategies and Transformation	Thai Group Holdings Public Company Limited	Holding Company
					May 2018 – June 2019	Chairman of Executive Committee	Luxasia (Siam) Company Limited	Distributor
14. Miss. Orawan Vorapanya Executive Vice President, Operating Officer	57	<ul style="list-style-type: none"> MBA, Campbell University, USA Bachelor Degree of Accounting, Assumption University 	- None -	- None -	February 2020 – Present	Executive Vice President, Operating Officer	Thai Group Holdings Public Company Limited	Holding Company
					July 2018 – September 2019	Deputy Managing Director	The Thai Insurance Public Company Limited	Non-life insurance
					2013 – July 2018	Deputy Managing Director	Southeast Insurance Public Company Limited	Non-life insurance
					2015 – Present	Director	DL Engineering Solutions Company Limited	Engineering consulting
					2012 – 2013	Director – Treaty Reinsurance	AonRe (Thailand) Ltd.	Holding Company
15. Mr. Trirong Butragaht Executive Vice President, Business and develop Officer	50	<ul style="list-style-type: none"> Master Degree in Finance, International University Japan Bachelor Degree of Marketing, Thammasat University 	- None -	- None -	July 2018 – Present	Executive Vice President, Business and develop Officer	Thai Group Holdings Public Company Limited	Holding Company
					June 2018 – Present	Director	The Thai Insurance Public Company Limited	Non-life insurance
					2017 – Present	Deputy Managing Director	Southeast Corporation Co.,Ltd.	Investment and loan
					2018 – Present	Director	S Sofin Co.,Ltd.	Developing technologies in the holding company of TCC and SEG
					2015 – Present	Director	Fourspoons Co.,Ltd.	Beverage serving activities in store, of mostly non-alcoholic beverages
					2017 – Present	Director	Gentle And Natural Co.,Ltd.	Wholesale of cosmetics
16. Miss Fah Mahanavonnt Chief Financial Officer and supporting department	46	<ul style="list-style-type: none"> Master Degree in MS (CIS) Computer Information System, Assumption University Bachelor Degree of Accounting, Assumption University Certified Public Accountant No.6046 Director Certification Program (DCP) 131/2010, Thai Institute of Directors 	- None -	- None -	July 2018 – Present	Chief Financial Officer and supporting department	Thai Group Holdings Public Company Limited	Holding Company
					2019 – Present	Director	Southeast Properties Co., Ltd.	Property development
					2017 – Present	Deputy Managing Director in financial and supporting department	Southeast Insurance Public Company Limited	Non-life insurance
					2017 – Present	Director	Asiatig House Co.,Ltd.	Renting and operating of self-owned orleased of non-residential buildings
					2017 – Present	Director	S Sofin Co.,Ltd.	Developing technologies in the holding company of TCC and SEG

Name/Position	Age (year)	Education	Shareholding	Family Relationship Among the Executives	Work experience within the 5 preceding years			
					Period	Position	Company Name	Business type
17. Mrs. Pachara Ampompaisakkit Assistant Vice President of Accounting	38	<ul style="list-style-type: none"> MBA, National Institute of Development Administration Bachelor Degree of Accounting, Kasetsart University 	- None -	- None -	2016 – 2017	CFO	Chubb Samaggi Insurance Public Company Limited	Non-life insurance
					2005 – 2016	Thailand branch Manager and Chief Financial Officer	Ace Ina Overseas Insurance Limited Thailand Branch	Non-life insurance
18. Ms. Supaporn Rojana-amomchai Corporate Secretary	55	<ul style="list-style-type: none"> Master of Arts Program in Mass Communication, Thammasat University Bachelor of Arts (Communication Arts), Bangkok University Fundamentals Practice for Corporate Secretaries, Thai Listed Companies Association Advances for Corporate Secretaries, Thai Listed Companies Association 	- None -	- None -	March 2019 – Present	Assistant Vice President of Accounting	Thai Group Holdings Public Company Limited	Holding Company
					July 2018 – February 2019	Finance & Accounting Manager	Sharp Solar Solution Asia Co.,Ltd.	Solar maintenance business
					April 2016 – June 2018	Assistant Accounting Director	Southeast Capital Co.,Ltd.	Leasing
					October 2015 – March 2016	Accounting Manager	Eli Lilly Asia Inc-Thailand Branch	Pharmaceutical products
18. Ms. Supaporn Rojana-amomchai Corporate Secretary	55	<ul style="list-style-type: none"> Master of Arts Program in Mass Communication, Thammasat University Bachelor of Arts (Communication Arts), Bangkok University Fundamentals Practice for Corporate Secretaries, Thai Listed Companies Association Advances for Corporate Secretaries, Thai Listed Companies Association 	- None -	- None -	2017 – 2019	Corporate Secretary	Team Consulting Engineering and Management Public Company Limited	Engineering consulting
					2015 – 2017	Corporate Secretary	BT Wealth Industries Public Company Limited	Holding Company
					2013 – 2015	Assistant Director – Sales Promotion Activities	FWD Life Insurance Public Company Limited	Life insurance
					2007 – 2012	Manager – Sales Promotion Activities	Allianz C.P. Insurance Public Company Limited	Non-life insurance

Summary designation of Board of Directors of Thai Group Holdings Public Company Limited and the subsidiaries which operate core businesses

	Name	Designation in TGH	Designation in SELIC	Designation in SEIC	Designation in TIC	Designation in SECAP
1	Mr. Charoen Sirivadhanabhakdi	BOD	BOD	BOD	-	BOD
2	Khunying Wanna Sirivadhanabhakdi	BOD	BOD	BOD	-	BOD
3	Mr. Areepong Bhoocha-oom	BOD / CGC	-	-	-	-
4	Mr. Chotiphat Bijananda	BOD / EB / NRC	BOD / RMC / IC / EB	BOD / IC / EB	-	BOD / EB
5	Mrs. Atimant Bijananda	BOD / EB / NRC	BOD / IC / EB	BOD / IC / EB	-	BOD / EB
6	Mr. Thapana Sirivadhanabhakdi	BOD / CGC	BOD	BOD	-	BOD
7	Mr. Somchai Sujjapongse	BOD / RMC / EB / CGC	-	-	BOD / NRC / SPC / IC / EB	-
8	Mr. Apichai Boontherawara	BOD / EB / NRC	BOD / IC / EB	BOD / IC / EB	-	BOD / RMC / EB
9	Pol. Gen. Jate Mongkolhutti	BOD (ID) / RMC	BOD (ID)	BOD (ID)	-	-
10	Mr. Yothin Pibulkasetkij	BOD (ID) / AC	BOD / RMC	BOD / RMC	-	BOD / RMC
11	Mr. Padungdej Indralak	BOD(ID) / AC / RMC	BOD / RMC	BOD / RMC	-	BOD / RMC
12	Mrs. Kulpatra Sirodom	BOD (ID) / AC / CGC	-	-	-	-
13	Mr. Sanit Worapanya	-	BOD	BOD	-	BOD
14	Mr. Lhuckchai Suttichujit ¹	-	-	BOD / RMC / IC / EB	-	-
15	Ms. Orawan Vorapanya ²	-	-	-	BOD / SPC / RMC / EB	-
16	Mr. Trirong Buitraght	-	-	-	BOD / IC	-
17	Mr. Anon Chonmaitree	-	-	-	BOD / IC	-
18	Mr. Wisit Thonusin ³	-	-	-	BOD / SPC / RMC / EB	-
19	Mr. Somchai Wiwatwattana ⁴	-	-	-	BOD / AC / NRC	-
20	Mr. Suthanai Prasertsan	-	-	-	BOD / AC / NRC / RMC	-
21	Mrs. Apinya Poonyarit	-	-	-	BOD / AC / NRC	-

BOD = Board of Directors
 ID = Independent Director
 AC = Audit Committee
 EB = Executive Board
 RMC = Risk Management Committee
 IC = Investment Committee
 NRC = Nomination and Remuneration Committee
 SPC = Strategy and Policy Committee

Remark : ¹ Mr. Lhuckchai Suttichujit resigned from his position as a director of Southeast Insurance Public Company Ltd. effective as of 1 January 2020.

² Ms. Orawan Vorapanya resigned from her position of director of Thai Insurance Company Ltd. effective as of 6 September 2019.

³ Mr. Wisit Thonusin has been appointed as director of the Thai Insurance Public Company Ltd. effective as of 6 September 2019.

⁴ Mr. Somchai Wiwatwattana has been appointed as director of the Risk Management Committee, effective as of 13 September 2019.

⁵ Referring to the Board of Directors' meeting no. 6/2019 on 8 November 2019, the resolution called for dissolving of the following Sub-committees:

1. Policy and Strategy Committee and

2. Nomination and Remuneration Committee

Report of the Audit Committee

The Company's Board of Directors has appointed the Audit Committee ("the Committee") which consists of three (3) independent directors in accordance with the Board's resolution. The Committee's members are Pol. Gen. Jate Mongkolhutti as Chairman, Mr. Yothin Pibulkasetkij as Director, and Mr. Padungdej Intralak as Director. On 25 March 2019, Mrs. Kulpatra Sirodom was appointed to the position of Chairman of the Audit Committee, replacing Pol. Gen. Jate Mongkolhutti. Hence, the three directors have been performing their duty with Mr. Vichan Assawarangsi, Vice President of Internal Audit, serves as the Committee's secretary since 1 October 2019.

The Audit Committee performs their duty in accordance with the Board's mandate and within the framework stipulated by the Charter of Audit Committee. The Committee recognizes the importance of setting up an organized corporate structure with a monitoring system to oversee that the Company's business conducts is in compliance with the principle of good corporate governance. Moreover, the Audit Committee shall oversee the efficiency and effectiveness of the Company's risk management and internal control process.

In 2019, the Committee held 11 meetings and all the members attended every meeting. The Committee had also conducted meeting with an external auditors without the presence of the Company's management to discuss about findings during the auditing process and the issues in which the auditors considered as material. The Committee also conducted one meeting with the Company's subsidiary where the internal audit members were present to acknowledge the overall issues from audit findings as well as exchanging opinions. The summary of the meetings are as follows:

1. Review of financial reports: The Committee has reviewed the quarterly and annual financial statements of the full year 2019 to determine and ensure the financial statements' reporting, disclosure, accounting policy, key items of accounting estimate, explanation, analysis, and the overall financial results are in conformity with legal requirement, general accepted accounting principles, adequate disclosure, and beneficial to readers. As a result, the external auditor has reviewed, verified, and opined an unqualified opinion without condition;

2. Review the adequacy of internal control system: The Committee has reviewed the quarterly internal control assessment prepared by the internal audit department. The Committee found that the internal control system of the Company is adequate for business operation. The Committee's findings are also in agreement with the opinion of the accounting auditors as they expressed no material concern or irregularity in the financial statements;

As for internal audit process, the Committee has monitored and reviewed the result of the Company and its subsidiaries' annual internal audit operating plan and reports regarding issues like operating policy, regulations and guidelines compliance, efficient use of Company's resources, safeguarding Company's assets, preventing and mitigation risks, and fraud. The Committee would like to assert that the Company has an effective internal audit plan and process and in conformity with the legal requirement of the Company's articles of association;

3. Review of connected transactions: In compliance with legal requirement and regulations of the Securities and Exchange Advisory Board and other related agencies, any related party transaction or conflict of interest shall be first be presented to the Audit Committee for review before proposing to the Board for further consideration. Nevertheless, the management shall report related transaction activity to the Committee on a quarterly basis. The Company will disclose any related transaction or conflict of interest in compliance with the legal requirement of Securities and Exchange Commission, the Stock Exchange of Thailand and legal agencies relating to the business of the Company;

4. Review good corporate governance: The Committee has reviewed the Company's business operational policy and ethical conduct disclosure to see if they are strictly followed in conformity with the SEC, SET, and legal requirement of the business code of conduct such as shareholders and stakeholders' rights, business ethics, and balanced management. The Committee opined with confidence that the Company has met all the requirement;

5. Consideration for nominating external auditor for 2019: The Committee has considered the selection of the external auditor and set audit fee for the year 2019. The considerations are based on experience, competency, independence, and suitable fee which to be proposed to Board and shareholders' approval in 2019. The Committee agreed to nominate KPMG PHOOMCHAI Audit Limited and the names of the auditors are as follows:

- | | | |
|------------------|------------------|---|
| 1. Mr. Chokechai | Ngawuthikul | 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 has placed utmost importance in overseeing the internal control and risk management process of the Company with continuous efforts. The Committee has performed its duties with independence, competency, prudence, provided constructive comments and recommendations, and transparent manner for the best interest of the Company's stakeholders with equal treatment. The Committee opined with confident that the Company's financial reporting is accurate and credible with adequate disclosure, properly managed, adequate and effective internal control system, and in conformity with the legal requirement of the Company's business codes of conduct.

On behalf of the Audit Committee



(Mrs. Kulpatra Sirodom)

Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

The Board of Directors of Thai Group Holdings Public Company Limited (“the Committee”) has appointed the Nomination and Remuneration Committee on 9 August 2019, during a meeting order No. 5/2019. The Committee is made up of at least three (3) members that consists of the following individuals Mr. Chotiphat Bijananda who serves as Chairman, Mrs. Atinant Bijananda as Director, and Mr. Apichai Boontherawara as Director. Ms. Supaporn Rojona-amornchai serves as Committee Secretary.

The Committee is responsible for assisting the Board in considering the Company’s nomination and remuneration for directors and top management. Among the duties include setting policy, plan and oversee a suitable procedures and implementation process, and review the compliance issues and legal conformity requirement. In essence, the Committee’s authority and responsibility are as follows:

1. Set policy, criteria, and process for searching qualified candidate to be appointed as director and top management for the Company and its subsidiaries. On a more important note, the screening process shall ensure the candidate’s qualification meets legal requirement and guidelines set forth. The policy then is proposed to the Board for consideration;
2. Oversee the Board’s structure and composition, whether it is an appropriate size and suitable for the Company’s businesses. The Board members’ qualifications shall include professional experience and business or industry-related expertise;
3. Oversee the director and executive’s remuneration to ensure it is in commensurate with the position and responsibility;
4. Consider and propose criteria for remunerating directors and executive chairman, including other benefits to the Board. The Board shall then determine and set clear and transparent remuneration and benefits policy to serve as a guideline for other executives, especially the Human Resources Executive Committee;
5. Create guidelines for directors and executive chairman’s performance evaluation to be propose to the Board for further guidance in evaluating annual remuneration to reflect position, responsibility, and risk factors in achieving the Company’s business objective, including factor such as creating long-term shareholders value;
6. Disclose policy on remuneration and other benefits, criteria considerations, and the opinions of the Nomination and Remuneration Committee in the Company’s annual report;
7. Set up and oversee the Succession Plan’s procedures and process to ensure leadership and business operations continuity.

In conclusion, the Company’s Nomination and Remuneration Committee consisting of qualified individuals have been appointed by the Board. These appointed directors possess extensive expertise, proficiency, and professional experience which is considered a tremendous value to the Company’s business operations. The directors are highly motivated and conduct their duty in conformity with business ethics. They have devoted sufficient time, attentiveness, and work responsibly for the Company.

On behalf of the Nomination and Remuneration Committee



(Mr. Chotiphat Bijananda)

Chairman of the Nomination and Remuneration Committee

Report of the Corporate Governance Committee

Recognizing the immense importance of good corporate governance for the Company and its subsidiaries when conducting its businesses, conformity with legal requirement and standard of business practice are paramount. Therefore, the Board of Thai Group Holdings Public Company Limited “Company” has appointed the Corporate Governance Committee, in accordance with the Board’s resolution on 9 August 2019, meeting No. 5/2019, to be responsible for drafting, implementing, and overseeing the success of good corporate governance implementation in order for the Company and its subsidiaries to achieve its business objective. The Committee is consisted of four (4) members with Mr. Areepong Bhoocha-oom serving as the Chairman of the Corporate Governance Committee, Mr. Thapana Sirivadhanabhakdi as director, Mrs. Kulpatra Sirodom as director, and Mr. Somchai Sujjapongse as director. Ms. Viryn Charoenwai serves as the Committee Secretary. The duty and responsibility of the Committee are as follows:

1. Propose a corporate governance and corporate social responsibility policy for the Company and its subsidiaries;
2. Oversee the Company’s code of conduct to ensure conformity with principles of good corporate governance of the OIC, the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand;
3. Oversee the Company and its subsidiaries’ business conduct conforms with the legal requirement, business codes of conduct, articles of association, and compliance policy;
4. Review the Company’s corporate governance policy to ensure its compliance standards is effective and independence;
5. Incorporate a provision for ethical business practice to serve as a framework and guidelines for the Company’s directors, executives, staff, and business partners. Propose this plan to the board for approval.
6. Consistently review criteria of good corporate governance practice of the Company to ensure its conformity with the international standards and open to suggestion from other related governance organizations, including CG assessment evaluation. The review outcome shall be proposed to Board for approval;
7. Monitor corporate governance practices of the directors and management to ensure conformity of good corporate governance.

In conclusion, the Company’s Corporate Governance Committee comprises of individuals who have been appointed by the Board. These appointees possess professional experience, business expertise, and competency which considered to be a tremendous value to the Company’s business operation. Moreover, the members are highly motivated and performed their duty responsibly with good ethical conduct. They have devoted sufficient time and attentiveness to the Company.

On behalf of the Corporate Governance Committee



(Mr. Areepongse Bhoocha-oom)
Chairman of the Corporate Governance Committee

Report of the Risk Management Committee

The Board of Directors of Thai Group Holdings Public Company Limited “Company” has appointed the Risk Management Committee that composed of well qualified individuals with professional experience and expertise in their respective industry. At the present, the Committee members consist of three (3) the following individuals:

1. Pol. Gen. Jate	Mongkolhutti	Chairman of the Risk Management Committee
2. Mr. Somchai	Sujjapongse	Director of the Risk Management Committee
3. Mr. Padungdej	Intralak	Director of the Risk Management Committee

In 2019, the Committee conducted one (1) meeting. The Committee has performed their duty as stipulated by the Board and the Company’s Charter of risk management as follows:

1. Set policy and propose to the Board for consideration regarding the overall risks for the Company and its subsidiaries as well as risk appetite that is suitable for the Company’s business operations, including other material risks that may impact the business;
2. Set strategy that is aligned with the Company’s risk policy. The risk strategy is evaluated, monitored, and managed to the acceptable risk level;
3. Review the adequacy of the policy, risk management, and its implementation effectiveness as intended;
4. Submit risk assessment report regularly to the Board to determine any adjustment needed to align with the Company’s risk criteria and policy. The report is also shared with the Audit Committee and/or Corporate Governance and Compliance Committee to determine any adjustment is needed to align with the Company’s risk criteria and policy;
5. Propose a concise risk management criteria and policy for the Board approval;
6. Supervise risk management of the Company and its subsidiaries and report to the Board as mandated

On behalf of the Risk Management Committee

Pol. Gen. 

(Jate Mongkolhutti)

Chairman of the Risk Management Committee

Management's Responsibility for Financial Reporting

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 31 December 2019.



(Mr. Charoen Sirivadhanabhakdi)
Chairman of the Board



(Mr. Chotiphat Bijananda)
Chief Executive Officer

