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RESILIENCE





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CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report of King Wai Group (Thailand) Public Company Limited (KWG) for the year ended 31st December, 2020. I would like to preface the report by extending my sincerest gratitude for your continued support.

GROUP STRATEGY AND OUTLOOK

2020 will be remembered as the year of COVID-19. As the pandemic swept the globe, it caused an unprecedented public health crisis that threw the world economy into a recession.

Billions of people and countless businesses – from global conglomerates to small and medium-sized enterprises – are facing the most serious threat that many have ever faced.

Thailand's economy was of no exception and contracted by 6.1 percent in 2020. The global economic recovery helped Thai exports to see a smaller-than-expected contraction in the fourth quarter of 2020. However, the gaining momentum of economic recovery has been interrupted by the new wave of COVID-19 outbreak which started in mid-December 2020 and has persisted until now. The spread of COVID-19 has at the same time affected the full-year 2020 statistics of the property sector, as evidenced by the number of newly-launched residential units and the transfer of property ownership in the Bangkok Metropolitan Region– both of which have seen a significant decline.

Despite the many difficulties encountered by all economies and businesses in 2020, we remain confident in business back-to-normal and full-scale recovery of Thai economy after vaccination by more people in 2021, with further government stimulation measures and the reopening of the country to foreign tourists. We strongly believe in our chosen strategy to shift the business focus from real estate to financial services. After completion of the transaction with Manulife by the end of first quarter, while reinforcing the management teams of our life insurance company, general insurance company and asset management company, we will reposition ourselves as niche players with more operational efficiency and synergy to provide better and more holistic financial services and protection to our clients.

COMMITMENT TO GOOD GOVERNANCE

The Board of Directors are committed to the highest standard of corporate governance and corporate social responsibility to enhance efficiency, effectiveness, transparency and accessibility of the management for the confidence and long-term benefits of all stakeholders. The company's corporate governance practices continue to be in line with the principles of good corporate governance for listed companies, as set by the Stock Exchange of Thailand and Security Exchange Committee. Furthermore, the Company intends to uphold complete disclosure and transparency of information for all shareholders.

I would like to express my sincerest appreciation to our shareholders, customers, business partners, as well as to the Board, Management team and employees for their immense efforts and contribution. The pandemic has provided us with an opportunity to work together even closer and demonstrate our commitment and reliability to all of our stakeholders. With your trust and support and our execution of the strategies, I am confident that the Company is well positioned to face the challenges in this VUCA era and to achieve significant results for the enhancement of shareholders' value.



Dr. King Wai Chan
Chairman of Board of Directors



VICE CHAIRMAN STATEMENT



DEAR SHAREHOLDERS,

The Global COVID-19 pandemic has recorded hundreds of millions of infections. The coronavirus caused widespread economic turmoil devastating the world economy in the 2020. The severity of COVID-19 is evident, all sectors have been affected in different ways. United States and the EU countries have seen the steepest downgrades in economic growth projections. On the other hand, China is expected to record positive growth for the year and lead the World's economy recovery driven from its effective epidemic prevention. The signing of Regional Comprehensive Economic Partnership (RCEP) on 15th November 2020 is expected to be the growth engine in directing the economic recovery post-COVID 19. As the World's biggest regional free trade agreement representing 30% of the World's population and global GDP, the 10-member of the Association of Southeast Asian Nations (ASEAN) and its five major trading partners - China, Japan, South Korea, Australia, and New Zealand, could use the regional trading bloc to expand intra-regional trade, services, and infrastructure investment and improve their industries' competitiveness.

The COVID-19 vaccine rollout gives the World an expectation of recovery. According to the World Health Organization, Thailand is one of the best countries being able to effectively control and prevent the spread of COVID-19. To revive the Thai economy, the Government has beefed up fiscal stimulus packages and extra accommodative monetary policy to drive recovery. An increased demand of inflation hedged asset in a low rated environment could turn into an increase revenue from the sale of real estate to the Group.

King Wai Group (Thailand) PLC has managed to weather the tough year satisfactorily - due mainly to the determination and perseverance of all our staff members. The teams work seamlessly and push forward the plans to strategize projects in order to delivering remarkable effort in delivering sales and excellent services. The group endeavor to ensure all the stakeholders to be confident for the company's future growth to become a leading global conglomerate.

Since King Wai Group made foray to investing in Thailand in 2014, the Group have developed our Business Ecosystem in real estate, insurance and asset management where business synergies are being created to offer our customers 360 degrees of services and products. With this customer-centric philosophy, the Board of Directors approved King Wai Capital in acquiring Manulife Insurance (Thailand) Public Company Limited and Manulife Asset Management (Thailand) Company Limited to serve Thailand's burgeoning demand in the insurance market.

Insurance sector is one of the economic systems which plays an pivotal role in supporting economic stability and growth. The impact of COVID-19 on global insurance markets has been severe diminished investment income returns, weaker premium growth prospects and large claim exposures decreased profitability. The short-term negative impact of pandemic of COVID-19 is ineludible. However, on a positive note, people have become more risk adverse and health-conscious. We expect this will drive demand of insurance over the long term. In 2020, Thai government adjusted the tax-deductible program which has a positive effect on insurance and asset management. Our growing capabilities in digitization and innovation ensure that we are ready for new opportunities. Particularly, Manulife has established a very advanced digital platform in Thailand with attractive product offerings which we will equip ourselves in the post-COVID era.

King Wai Group aims for sustainable growth. We adopt the concept of doing business with responsibility towards all the stakeholders and with awareness on efficient management of Environmental, Social and Corporate Governance (ESG). In the meantime, we remain committed to social responsibility as a way to help and develop Thai society sustainably - particularly in offering opportunities and maximize the youth potential. King Wai Group has sponsored the Belt and Road Scholarship Program in Hong Kong for four consecutive years. Every year, each selected student receive scholarship to study for a 4-year undergraduate degree at leading universities in Hong Kong.

King Wai Group is committed and determined to remain a strong, customer-centric, innovative, and sustainable business conglomerate. We also constantly search for new opportunities that will strengthen our existing businesses and further promote the synergies between business. Our ultimate goal is to provide the maximum returns for our stakeholders. To capture high-potential opportunities, we have reinforced the management teams consisting of professionals from more diverse backgrounds with cross-industry expertise. As a workplace, King Wai Group endeavors to provide an environment that fosters the growth of our employees so they can reach their full potential.

Another challenging year has passed with evident proof on the strength of King Wai Group (Thailand) PLC. On behalf of the Company's Executive Board, I would like to thank the management and all the employees for their determination and hard work in helping to expand our growth. I would like to extend my sincere gratitude to shareholders and all the stakeholders, business partners, financial institutions and related agencies for unending support and trust.

Respectfully yours,



Antonio Hang Tat Chan
Vice Chairman and Chief Executive Officer

VISION

TO BUILD A STRONG, SUSTAINABLE AND DIVERSIFIED BUSINESS ENTERPRISE, DRIVEN BY ESTABLISHED GOALS TO CREATE SHAREHOLDER'S VALUE AND BE MINDFUL OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES.

MISSION

WE COMMIT TO CREATING VALUES AND MAXIMIZING LONG-TERM SUSTAINABLE RETURNS WHILE BEING MINDFUL OF OUR OVERALL RESPONSIBILITIES.

SLOGAN

RESPONSIBILITY CREATES VALUE,
MISSION INSPIRES ENDEAVOR.



CORE VALUES



RESPONSIBILITY

We are responsible for our actions and understand their impact on to others. We respect local culture, community and heritage. We will strive to uphold the highest standards of corporate governance, ethics and environmental policy.



QUALITY

We strive for professional excellence to the highest standards possible to deliver supreme quality products and services.



SUSTAINABILITY

We are a responsible institution who makes a difference by building and supporting sustainable communities and environment. We strive for providing sustainable growth and ethical returns.



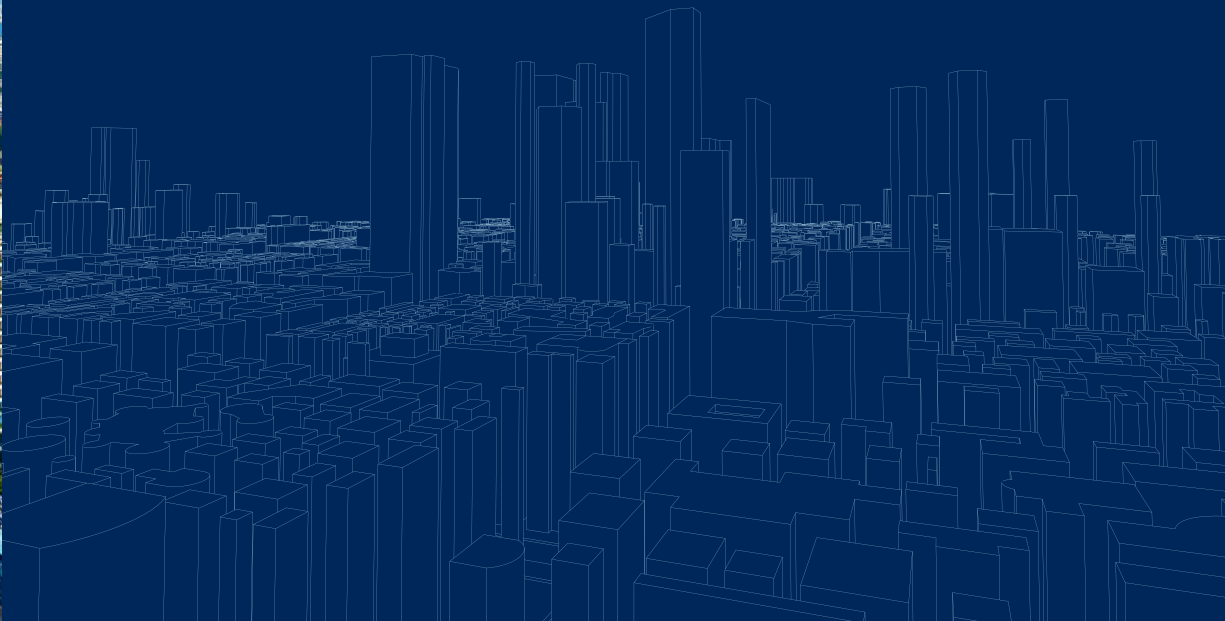
PEOPLE

We value and strengthen relationship with all our stakeholders including, but not limit to, customers, shareholders, communities, suppliers, contractors, partners and employees.



CREATIVITY

We emphasize on continually enhancing our products, services and cultures by embracing innovation and encouraging the pursuit of new opportunities.





GROUP FINANCIAL HIGHLIGHT 2020

King Wai Group (Thailand) Public Company Limited and its Subsidiaries

	UNIT	31 DECEMBER 2020	31 DECEMBER 2019	31 DECEMBER 2018
Total Assets	Million Baht	8,447.8	7,847.2	8,170.2
Total Liabilities	Million Baht	6,148.6	5,181.0	5,111.0
Total Shareholders' Equity	Million Baht	2,299.2	2,666.2	3,059.2
Net Tangible Assets for the year	Million Baht	1,769.6	2,319.1	2,771.9
Liquidity Ratio				
Current Ratio	Times	0.78	1.04	1.66
Quick Ratio	Times	0.09	0.16	0.44
Financial Policy Ratio				
Debt Equity Ratio	Times	2.67	1.94	1.67
Total Revenues	Million Baht	237.5	100.2	764.5
Total Expenses	Million Baht	530.4	418.6	509.3
Profit/(Loss) before finance cost and tax	Million Baht	(285.7)	(318.4)	255.2
Net Profit/(Loss) for the year	Million Baht	(367.3)	(392.3)	69.1
Total Number of Listed Shares	Million Shares	1,317.1	1,317.1	1,317.1
Net Profit/(Loss) per share for the year	Baht	(0.28)	(0.30)	0.06
Net Profit/(Loss) per share (of the company) for the year	Baht	(0.26)	(0.29)	0.03
Profitability Ratio				
Gross Profit Margin	%	(2.6)	(82.79)	2.53
Net Profit Margin	%	(154.62)	(391.53)	9.04
Return on Equity	%	(14.79)	(13.70)	2.65
Efficiency Ratio				
Return on Total Assets	%	(4.51)	(4.90)	1.07
Total Assets Turnover	Times	0.03	0.01	0.02
Financial Policy Ratio				
Interest Coverage Ratio	Times	(25.41)	(6.24)	(8.39)



AWARD AND RECOGNITION 2020

KING WAI GROUP CEO ANTONIO CHAN WINS MASTER ENTREPRENEUR AWARD FROM THE PRESTIGIOUS ASIA PACIFIC ENTERPRISE AWARDS (APEA) 2020

20 November 2020, Mr. Antonio Chan, Vice Chairman and Chief Executive Officer of King Wai Group (Thailand) PLC has been selected as the winner in the Master Entrepreneur category under Property Development Industry of the prestigious Asia Pacific Enterprise Awards (APEA) 2020, Regional Edition. He has successfully transformed KWG from a regional company into a global conglomerate with businesses spanning across the financial and property sectors. This year, there are 7 leading companies in Thailand have won the awards in various fields. Antonio honors the award among businessman from 14 countries, due to his outstanding performance and tenacity in developing successful businesses, whilst not neglecting the social responsibilities that comes with leadership.





BOARD OF DIRECTORS



DR. KING WAI CHAN

CHAIRMAN OF BOARD OF DIRECTORS / CHAIRMAN OF EXECUTIVE COMMITTEE

EDUCATION / TRAINING

- Honorary Academician from University of Oxford
- Honorary Doctorate degree from PSB Paris School of Business

WORK EXPERIENCES

- Chairman of Board of Directors, Chairman of Executive Committee of King Wai Group (Thailand) Public Company Limited
- Chairman of Hong Kong King Wai Group Company Limited
- Chairman of King Wai Financial Holdings (Shanghai) Company Limited
- Member of 12th National Committee of CPPCC (Chinese People's Political Consultative Conference) and the Associate Director of the Committee for Economic Affairs in CPPCC.
- Chairman of The Hong Kong China Chamber of Commerce
- Chairman of Bauhinia Valley Development Center
- Vice President of China Enterprise Confederation
- Honorable Chairman of Thai - Chinese Chamber of Commerce
- Vice Chairman of China Center for International Economic Exchanges
- Executive Vice President of China Overseas Chinese Entrepreneurs Association



MR. ANTONIO HANG TAT CHAN, IFA, IPA, IA

VICE CHAIRMAN OF BOARD OF DIRECTORS / MEMBER OF EXECUTIVE COMMITTEE / CHIEF EXECUTIVE OFFICER

DATE OF APPOINTMENT

18 May 2016

EDUCATION / TRAINING

- Master of Business Administration, Switzerland
- Bachelor of Commerce from University of Toronto, Canada

WORK EXPERIENCES

- Vice Chairman of Board of Directors, Member of Executive Committee, CEO of King Wai Group (Thailand) Public Company Limited
- Chairman of the Board of Director, Chairman of Investment Committee, Member of Risk and Capital Management Committee of King Wai Insurance Public Company Limited
- Chairman of the Board of Directors, Manulife Insurance (Thailand) Public Company Limited
- Chairman of the Board of Director, Manulife Asset Management (Thailand) Company Limited
- Vice Chairman of Hong Kong King Wai Group Company
- Vice Chairman, King Wai Financial Holdings (Shanghai) Company Limited (in China)
- Vice Chairman, King Wai Property Development Company Limited (in China)
- Thai-Chinese Chamber of Commerce - Director
- Thai Young Chinese Chamber of Commerce - Honorable President
- Thai Chamber of Commerce & Industry - Vice Chairman
- Chinese People's Political Consultative Conference - Tianjin Municipal Committee Fellow Member
- China Chamber of International Commerce - Vice Chairman
- China Federation of Overseas Chinese Entrepreneurs - Executive Vice Chairman
- Council for Promoting South-South Cooperation - Vice Chairman
- Beijing Overseas Chinese Chamber of Commerce - Executive Vice Chairman
- China Federation of Industry & Commerce - Tianjin Standing Fellow Member
- Hong Kong China Chamber of Commerce - Executive Vice President
- Hong Kong Mainland International Investment Society - Executive Vice Chairman
- China Hong Kong Economic Trading International Association - OBR International Business Committee - Co-Chairman
- Federation of Hong Kong Chiu Chow Community Organizations - Director
- International Teochew Youth Federation Council - Vice President
- The 10th International Teochew Youth Convention - Honorary Chairman



MR. HANG LEE CHAN

VICE CHAIRMAN OF BOARD OF DIRECTORS /
MEMBER OF EXECUTIVE COMMITTEE.

DATE OF APPOINTMENT

20 June 2016

EDUCATION / TRAINING

- Bachelor degree in Economics and Financial Management from University of Toronto, Canada

WORK EXPERIENCES

- Vice Chairman of Board of Directors, Member of Executive Committee of King Wai Group (Thailand) Public Company Limited
- Chairman of Shanghai KJT.com International Trading Company Limited

- Chairman of King Wai Supply-Chain Management Company Limited
- Director of King Wai Property Development Company Limited
- Executive Director & Legal Representative of King Wai Oasis City (Tianjin) Property Development Company Limited
- Executive Director & Legal Representative of International Commodities Exchange & Exhibition Company Limited



MR. YUPENG HUANG

DIRECTOR / MEMBER OF EXECUTIVE COMMITTEE /
DEPUTY CHIEF EXECUTIVE OFFICER /
ACTING OF COMPANY SECRETARY

DATE OF APPOINTMENT

18 May 2016

EDUCATION / TRAINING

- Bachelor degree in Environmental Engineering from Tongji University, China
- Executive education from University of Michigan's Ross School of Business, USA

WORK EXPERIENCES

- 2012 - 2012 Director and China Portfolio Manager of Deutsche Bank
- 2012 - 2014 General Manager Corporate Development of Shui On Land

CURRENT POSITION POSITION IN LISTED COMPANY

- Director, Member of Executive Committee, Deputy CEO and acting of Company Secretary of King Wai Group (Thailand) Public Company Limited

POSITIONS IN OTHER COMPANY

- Deputy CEO of Hong Kong King Wai Group Company Limited
- CEO, Member of Investment Committee, Member of Risk and Capital Management Committee of King Wai Insurance Public Company Limited



MR. BOONYONG YONGCHAROENRAT

DIRECTOR

DATE OF APPOINTMENT

19 May 2016

EDUCATION / TRAINING

- Master of Business Administration from Beijing Economic Management Cadre College, China

WORK EXPERIENCES

- 2013 - Present, Director of Thai-China Cultural Industries Group

CURRENT POSITION POSITION IN LISTED COMPANY

- Director of King Wai Group (Thailand) Public Company Limited

POSITIONS IN OTHER COMPANY

- Director of Thai-China Cultural Industries Group

Remark :

Resigned from the directorship to the company, effective from 17 february 2021.



MR. SHAOSAN ZHENG

DIRECTOR



MRS. JIRAPORN PIMPOORASH

DIRECTOR / MEMBER OF EXECUTIVE COMMITTEE /
DEPUTY CHIEF EXECUTIVE OFFICER /
ACTING OF COMPANY SECRETARY

DATE OF APPOINTMENT

20 Jun 2016

EDUCATION / TRAINING

- Bachelor degree, Analytical Chemistry from Guangdong University of Technology, China

WORK EXPERIENCES

- 2008-2016 Vice President of Guangzhou Textile Industry and Trading Company Limited

CURRENT POSITION POSITION IN LISTED COMPANY

- Director of King Wai Group (Thailand) Public Company Limited

POSITIONS IN OTHER COMPANY

-

DATE OF APPOINTMENT

27 May 2004

EDUCATION / TRAINING

- Master of Business Administration, Kasetsart University, Thailand
- Bachelor of Accountancy and Higher Diploma in Auditing, Chulalongkorn University, Thailand
- Director Certification Program (DCP) 62/2005

WORK EXPERIENCES

- 2004 - Present, Managing Director, Audit and Certified Public Accountant of S & J Business Consultant Company Limited

CURRENT POSITION POSITION IN LISTED COMPANY

- Independent Director/ Chairman of Audit Committee of King Wai Group (Thailand) Public Company Limited

POSITIONS IN OTHER COMPANY

- Independent Director/ Chairman, Audit Committee of King Wai Insurance Public Company Limited
- Managing Director, Audit and Certified Public Accountant of S & J Business Consultant Company Limited
- Certified Public Accountant registration number 6023



PROFESSOR CHUKIAT PRAMOOLPOL

INDEPENDENT DIRECTOR /
MEMBER OF AUDIT COMMITTEE

DATE OF APPOINTMENT

21 Dec 2004

EDUCATION / TRAINING

- Master of Business Administration, Wharton School, University of Pennsylvania, USA
- Bachelor of Law, Thammasat University, Thailand

WORK EXPERIENCES

- 2004 – 2012 Advisor of Thaiwivat Public Company Limited

CURRENT POSITION POSITION IN LISTED COMPANY

- Independent Director, Member of Audit Committee of King Wai Group (Thailand) Public Company Limited

POSITIONS IN OTHER COMPANY

- Independent Director / Chairman of Risk and Capital Management Committee of King Wai Insurance Public Company Limited
- Lecturer of Siam University



MR. SOMPRASONG MAKKASAMAN

INDEPENDENT DIRECTOR /
MEMBER OF AUDIT COMMITTEE

DATE OF APPOINTMENT

27 May 2004

EDUCATION / TRAINING

- Master of Business Administration, Kasetsart University, Thailand
- Bachelor of Law, Chulalongkorn University, Thailand
- Director Accreditation Program (DAP) 35/2005
- Director Certification Program (DCP) 62/2005
- Audit Committee Program (ACP) 9/2005

WORK EXPERIENCES

- 2005 – Present, Audit Committee of Unique Engineering and Construction Public Company Limited

CURRENT POSITION POSITION IN LISTED COMPANY

- Independent Director/ Member, Audit Committee of King Wai Group (Thailand) Public Company Limited
- Audit Committee of Unique Engineering and Construction Public Company Limited

POSITIONS IN OTHER COMPANY

- Independent Director, Member of Audit Committee of King Wai Insurance Public Company Limited
- Partner of Executive Director of Legal Advisory Council Limited



CORPORATE INFORMATION

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS

Dr. King Wai Chan (Chairman)
Mr. Antonio Hang Tat Chan
Mr. Hang Lee Chan
Mr. Yupeng Huang
Mr. Boonyong Yongcharoenrat
Mr. Shaosan Zheng
Mrs. Jiraporn Pimpoorash
Professor Chukiat Pramoolpol
Mr. Somprasong Makkasaman

EXECUTIVE COMMITTEE

Dr. King Wai Chan (Chairman)
Mr. Antonio Hang Tat Chan
Mr. Hang Lee Chan
Mr. Yupeng Huang

AUDIT COMMITTEE

Mrs. Jiraporn Pimpoorash (Chairman)
Professor Chukiat Pramoolpol
Mr. Somprasong Makkasaman

COMPANY SECRETARY

Mr. Yupeng Huang

REGISTERED OFFICE

HEAD OFFICE:

Jewellery Centre Building,
30th Floor, 138/108 Nares Road, Sipraya,
Bangrak, Bangkok 10500 Thailand

BRANCH OFFICE:

47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa, Sathorn,
Bangkok 10120 Thailand
Telephone No.: (662) 129-5999
Telefax: (662) 129-5998
Website: www.kwgthai.com

SHARE REGISTRAR

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building,
93 Ratchadapisek Road, Dindaeng District,
Bangkok 10400, Thailand
Telephone No.: (662) 009-9000
Telefax: (622) 009-9991
Website: www.tsd.co.th

AUDITOR

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand) No. 3356
Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
AIA Sathorn Tower, 23-27th Floor, 11/1
South Sathorn Road, Yannawa, Sathorn,
Bangkok 10120 Thailand
Telephone No.: (662) 034 0000

SECURITY SYMBOL

KWG

NATURE OF BUSINESS

Property Development

REGISTRATION NUMBER

0107537001951

REGISTERED CAPITAL

Baht 26,073,968,320.00

PAID-UP CAPITAL

Baht 13,170,592,600.00

TOTAL SHARES

1,317,059,260 shares at par value of Baht 10 per share

THAI-KAMI COMPANY LIMITED

Shares held by KWG : 100%
Registration No : 0105527002589
Business : Property Development
Register Capital : Baht 374,750,000
Par Value : Baht 10 per share
Total Share Issued : 37,475,000 shares
Registered Office : Jewellery Centre Building,
30th Floor, 138/108
Nares Road, Sipraya,
Bangrak, Bangkok
10500 Thailand
Telephone : (662) 129 5999
Telefax : (662) 129 5998

GOLD STAR PROPERTY CO., LTD.

Shares held by KWG : 100%
Registration No : 0105533031129
Business : Property Development
Register Capital : Baht 409,100,000
Par Value : Baht 100 per share
Total Share Issued : 4,091,000 shares
Registered Office : Jewellery Centre Building,
30th Floor, 138/108
Nares Road, Sipraya, Bangrak,
Bangkok 10500 Thailand
Telephone : (662) 129 5999
Telefax : (662) 129 5998

TOP PROPERTY CO., LTD.

Shares held by KWG : 100%
Registration No : 0105533031137
Business : Property Development
Register Capital : Baht 1,213,400,000
Par Value : Baht 100 per share
Total Share Issued : 12,134,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

CORNERSTONE REALTY CO., LTD.

Shares held by KWG : 100%
Registration No : 0105547125821
Business : Property Development
Register Capital : Baht 1,000,000
Par Value : Baht 100 per share
Total Share Issued : 10,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

KWG EXPLORE LIMITED

Shares held by KWG : 100%
Registration No : 0105544113407
Business : Property Development
Register Capital : Baht 1,000,000
Par Value : Baht 100 per share
Total Share Issued : 10,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

NVV DEVELOPMENT CO., LTD.

Shares held by KWG : 100%
Registration No : 0105559178356
Business : Property Development
Register Capital : Baht 230,000,000
Par Value : Baht 100 per share
Total Share Issued : 2,300,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

PRARAM4 LIMITED

Shares held by KWG : 100%
Registration No : 0105560081361
Business : Property Development
Register Capital : Baht 1,000,000
Par Value : Baht 100 per share
Total Share Issued : 10,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

S31 LIMITED

Shares held by KWG : 100%
Registration No : 0105560082758
Business : Property Development
Register Capital : Baht 1,000,000
Par Value : Baht 100 per share
Total Share Issued : 10,000 shares
Registered Office : 47th Floor, Empire Tower, No.1
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone : (662) 129 5999
Telefax : (662) 129 5998

S61 LIMITED

Shares held by KWG	: 100%
Registration No	: 0105560055190
Business	: Property Development
Register Capital	: Baht 101,000,000
Par Value	: Baht 100 per share
Total Share Issued	: 1,010,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998

AEC CITY CO., LTD.

Shares held by KWG	: 100%
Registration No	: 0105556058074
Business	: Property Development
Register Capital	: Baht 88,200,000
Par Value	: Baht 100 per share
Total Share Issued	: 882,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998

KING WAI CONSTRUCTION LIMITED

Shares held by KWG	: 100%
Registration No	: 0105560100438
Business	: Property Construction
Register Capital	: Baht 1,000,000
Par Value	: Baht 100 per share
Total Share Issued	: 10,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998

KING WAI CAPITAL LIMITED

Shares held by KWG	: 100%
Registration No	: 0105561056262
Business	: Investment
Register Capital	: Baht 1,000,000,000
Par Value	: Baht 100 per share
Total Share Issued	: 10,000,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998

KING WAI MEDIA LIMITED

Shares held by KWG	: 100%
Registration No	: 0105560083487
Business	: Marketing and Advertisement
Register Capital	: Baht 1,000,000
Par Value	: Baht 100 per share
Total Share Issued	: 10,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998

KING WAI INSURANCE PUBLIC COMPANY LIMITED

Shares held by KWGCAP	: 99%
Registration No	: 0107556000019
Business	: Insurance
Register Capital	: Baht 679,000,000
Par Value	: Baht 5 per share
Total Share Issued	: 135,800,000 shares
Registered Office	: 15 th Floor, U Chu Liang Building, No.968 Rama IV Road, Silom, Bangrak, Bangkok 10500
Telephone	: (662) 624 1000
Telefax	: (662) 238 0836

KING WAI PROPERTY LIMITED

Shares held by KWG	: 100%
Registration No	: 0105560083525
Business	: Property Management
Register Capital	: Baht 1,000,000
Par Value	: Baht 100 per share
Total Share Issued	: 10,000 shares
Registered Office	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: (662) 129 5999
Telefax	: (662) 129 5998



POLICY AND BUSINESS OVERVIEW

The Company registered as a Public Limited Company on 1 June 1994. On 18 May 2016, KWT1499 (Thailand) Company Pte. Ltd. (KWT1499), which is a subsidiary of King Wai Group, became major shareholder of the Company with 100,000,000 shares in the Company, equivalent to 48%.

Following the change of major shareholder, the Company was renamed as King Wai Group (Thailand) Public Company Limited and changed ticker symbol to “KWG” on 20 June 2016 on the Stock Exchange of Thailand. Real estate development is the core business of KWG, which has the registered capital of Baht 26,073,968,320, the paid-up capital of Baht 13,170,592,600, as of 31 December 2020.

In 2018, King Wai Capital Co., Ltd., subsidiary wholly owned by the Company has completed the acquisition of QBE Insurance (Thailand) PCL and later rename it to be King Wai Insurance Public Company Limited, therefore the Company has subsidiary to operate the insurance services concerned with Non-life insurance such as Engineering Insurance, Marine insurance, Third party liability insurance, Professional Indemnity and Production Protection etc. As of December 31, 2019, King Wai Insurance has the registered and paid-up capital of Baht 679,000,000.

KING WAI GROUP

King Wai Group is one of the leading conglomerate Hong Kong based, China’s well-known and most prolific property developers, with a successful corporate history of more than 30 years.

The founder, Dr. King Wai Chan, a member of the National Committee of CPPCC and founding Chairman of the Hong Kong China Chamber of Commerce has extensive network and experience in industrial, finance, international trade and real estate sectors.

In the early years, the Group was dedicated to the investment in textile industry. In the late 1980s, Dr Chan saw the great potential of future economic growth of China and shifted the focus to property development, which has subsequently contributed tremendously to the country, working to meet the needs of its citizens.



Since mid-1990s, King Wai Property Development Co., Ltd had been established in Shanghai, growing from a burgeoning company into one of China's forward-looking real estate developers.

The Group has then consistently maintained its position as a forward-thinking pioneer in the industry, developing a large part of properties in cities around Yangtze River Delta, Pearl River Delta and Bohai Sea Rim region thanks to its dedication and foresight.

Through the consistent efforts to improve living quality, the group developed one of its flagship projects - the Shanghai King Wai City Oasis. The Shanghai King Wai Oasis project is a large-scale mixed-use ecological community with 1.8 million square meters of gross floor areas, dominated by residential masterpiece, retail shopping mall, hotel and other commercial spaces. It is accredited as "China's first ecological residential role model" by the Ministry of Environmental Protection. The "King Wai City Oasis" brand is now expanded to various cities.

Currently, the King Wai Group has developed into a conglomerate with impressive and diverse range of businesses in Property Development, Financial Services, E-Commerce & Supply Chain and many other investments throughout Greater China and south East Asia.

The Group has added to its portfolio of business interests on a global scale, investing in ventures related to its core businesses and associated industries.

With the belief "give back to society from which we take", Chairman Dr. Chan has made many donations in education and community welfare on behalf of the group, which deems donation an integral part and continues to support those less fortunate. Starting since 2017, Dr. Chan provides scholarship to 10 Thai students each year. He donates full scholarships to selected Thai student to study bachelor degree in Universities in Hong Kong. This is part of "One Belt One Road" program which is collaboration between Ministry of Education of Thailand and Education Bureau of Hong Kong.

Since the founding, Dr. Chan believed, "Responsibility creates value, Mission inspires endeavor". With this spirit, the group maintains its focus on providing affordable luxury properties for real people through the development of buildings that are as accessible and exceptional as they are.

KWG is well-known and respected in the market for delivering award-winning services across the residential developments. Our reach and capabilities are further reinforced by a strategic network of residential offices in Shanghai, along with long-standing partnerships, which help facilitate solutions for all projects from residential developments to community services.

Today, as a key phase of the development process, KWG's approach begins with a unique blend of skills and expertise, coupled with the ability to optimize every opportunity. The Group is actively expanding its business by investing in financial services, cross-border supply chain sector at Qianhai Shenzhen and asset management business which is under development in Beijing.

The Group firmly believes our long-term success is built on a strong sense of responsibility for our stakeholders and the larger community of which we are an integral part. The Group has long been supporting in various community services and is the sole sponsor for six consecutive years of "China International Credit and Risk Management Conference" organized by China Council for the Promotion of International Trade and American assurance credit and national commerce association, aiming to promote the development of China's national credit system and the advancement of financial risks management. The Group is also the sole sponsor of the two annual "China Overseas Investment Summit" organized by Hong Kong China Chamber of Commerce, China National Committee and departments.

KWG'S BUSINESS OVERVIEW

PROPERTY BUSINESS

As at 31 December 2020, KWG operated one landed residential developments in Bangkok under the W Villa by KWG brand. Featured with modern architecture, tropical landscaping and quality finishing. Villa Arcadia Srinakarin has been sold out since 2018. The developments are well-connected to the central business district (CBD) via major transportation modes. Homebuyers of the properties include those from middle-and upper-middle market segments.

In 2020, KWG (Thailand) has developed 1 condominium project in Bangkok while other 2 planned developments will follow as scheduled.

Additionally, KWG holds a 28.36% stake in an office development, we Jewellery Centre Building, located at the fringe of Bangkok's CBD. The leased premise, as of 31 December 2020, is accounted for 88.53 %.

INSURANCE BUSINESS

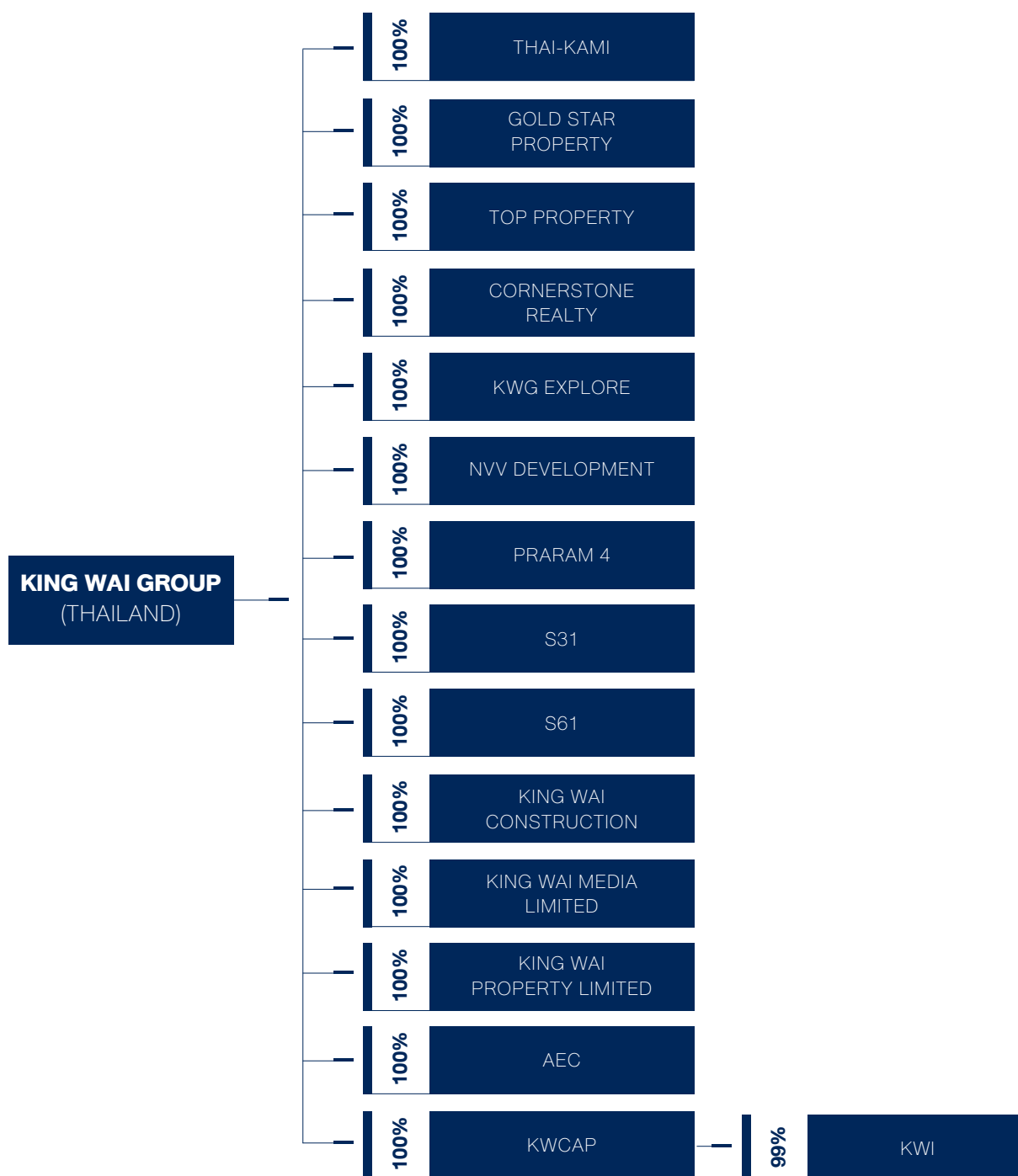
After the success of business expansion in Thailand, King Wai Group also aims to continue expanding into the financial service sector including insurance business. On 16 May 2018, KWG (Thailand) completed its acquisition of QBE Insurance (Thailand) and renamed the company as "King Wai Insurance Public Company Limited" or "KWI"

Being a member of King Wai Group, King Wai Insurance Public Company Limited continues to strive to deliver the best professional service to our customers. Our experience and expertise within the insurance sector, allows us to be trusted insurance partner. We maintain strong agency and broker relationships, as well as being able to deliver solutions to our direct clients. This ensures that we have insurance solutions. In addition to our expertise in meeting the needs of the market with generic insurance lines, we have developed specialist expertise in Marine, Professional Indemnity.



INVESTMENT STRUCTURE OF KWG

AS AT 31 DECEMBER 2020



INVESTMENT POLICY IN SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company is focused on investments within the property sector to be in line with our main business of property development for sale. Besides current subsidiaries and associate companies, we will consider further invest in property, finance and others supply chain business which supported to each other business when opportune.



NATURE OF BUSINESS

KWG is an Asia leading conglomerate. Its core businesses cover property development, financial services, e-commerce and supply chain, through the global operations in Greater China and South East Asia. In Thailand, the Group operates in property and financial services sector through King Wai Group (Thailand) Public Company Limited, an entity listed on the Stock Exchange of Thailand.

BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

KWG and its subsidiaries are in the main business of property development of properties for sale as well as the leasing of a commercial building.

PROPERTY DEVELOPMENT FOR SALE SINGLE DETACHED HOUSE DEVELOPMENT

VILLA ARCADIA SRINAKARIN

Comprising 365 detached houses within a gated community, Villa Arcadia Srinakarin is situated close to the Suvarnabhumi International Airport. It is well-connected to the central business district (CBD) via the highway and the Kanchanaphisek Outer Ring Road. The development enjoys convenient access to amenities such as prestigious international schools, hospitals and shopping centers which are located in its vicinity. The new Yellow monorail line, expected to commence operations in 2021, will further enhance the commute between Villa Arcadia Srinakarin and the CBD.

Phase One, comprising 209 units, is 100% sold. Phase two comprises 156 houses, is about 100% sold as on 31 December 2019.



W VILLA BY KWG

W Villa by KWG is single detached house project which is continued development from Villa Arcadia Watcharapol. Well-connected by the Ramindra-At Narong Expressway and Kanchanaphisek Outer Ring Road, the development is about a 30-minute drive from the CBD. Nearby six-lane road, Phahonyothin-Rattanakosin Sompotch connects the development to east and west of Bangkok. The vicinity where Villa Arcadia Watcharapol is located is well-known for its variety of food and beverage outlets. Moreover, well-known schools and hospitals are located in the vicinity.



Currently, there is an extension of the Green Line Sky Train to Phaholyothin Road nearby the project. Therefore, it is easy to travel to the business center in Sukhumvit area and connect to Samut Prakan Province. The transportation connected the area with the new Gray monorail line that is on the process of EIA. The Gray monorail line will further improve accessibility from the CBD to the Chao Phraya River.

The company has foreseen the potential of the project as well as the trend of infrastructure expansion both in the transportation system and the expansion of the surrounding area. Although during the past year, the overall economy of the country including the real estate business is in a recession, but the company has continued to develop and invest in the projects in order to meet the needs of customers and the market.

The company has therefore completely renovated the clubhouse and the project main entrance, including improving facilities and garden. The project gained a huge response from a large number of customers visiting. We are able to sell houses in the project, even though they have not yet been officially launched. Moreover, the new phase plans to officially launch in 2021 as the company sees the prospect of the single-detached house market, which has the market demand, albeit it affected by the impact of COVID 19.

CONDOMINIUM DEVELOPMENT

Condominium development “S61 By KWG” Condominium project at Sukhumvit 61

Low rise condominium located in peaceful Sukhumvit 61. Soi Sukhumvit 61 was awarded “Model Street” by the Bangkok Metropolitan Administration because of its cordial, cleanliness and quietness. The project is close to upscale dining and living Sukhumvit 55 (Thonglor) and Sukhumvit 63 (Ekkamai). The project is easy to commute via skytrain.

The COVID-19 affects the condominium market and make it over supplies. Therefore, the developers try to sell their existing products by reducing selling price, launching the various promotions to attract customers and they have delayed the new project investment during the past year. From this situation, it is expected that the number of products in the market will be decreased during these 1-2 years.

The company will adjust the development plans after delaying them to explore the conditions from the effects of COVID-19 over the past year. Although, the situation has not improved, the company is preparing to bring the project to the market and move on to the develop at the right moment.

“S31 BY KWG” CONDOMINIUM PROJECT AT SUKHUMVIT 31

Low rise condominium, located in residential area of Sukhumvit 31. The project is located close to one of Thailand's top university, Srinakharinwirot University (Prasarnmit). The project is easy to commute to Bangkok's CBD and travel to prime shopping centers. The project is on EIA approval process.

“RAMA 4 BY KWG” CONDOMINIUM AT RAMA IV

High rise condominium located on Rama IV Road. The project is located just next door to Bangkok's CBD and opposite Thailand's top university, Chulalongkorn University and Chulalongkorn hospital. BTS and MRT stations are in walking distance. The project is easy access to prime shopping centers and the private and international schools.

MIX-USE PROJECT DEVELOPMENT

AEC CITY PROJECT

Land in Chachoengsao city, Chachoengsao Province, The company has acquired a land plot, 18-2-16 Rai in Nong Jok district, Bangkok and 32 plots, 1,978-4-22 Rai in Chachoengsao city, Chachoengsao Province. The total land area is 1,997-2-38 Rai or 33 plots.

The company has a plan to develop mix-use project. This project is being studied the design and preparing the document to Eastern Economic Corridor Department (EEC) for approving project including consulting with involving departments to study method, prohibition, and limitation as well as prevention guidelines of development project. We also consult with consulting with Chachoengsao office of public works, town & country planning, some business partners. We want to ensure that the project is developed in the effective way.

Development plan in Chachoengsao area consist of wellness center .i.e. study, research and management of health, modern distribution center, residential and commercial area. Due to the current situation, the company has revised its development plan with greater emphasis on seeking partners and venture capitalists, so the project could develop faster with more potential.

NVV PROJECT

The 2,605-0-49.6 Rai of Land in Wang Noi district was acquired by KWG. It is nearby Phaholyothin main road, easy to connect to north east or north of Thailand. The land location is also near the eastern outer ring which is convenience to travel to the southern and the west of Thailand and near the large scale industry estate. At The back of the land plot has Bang Pa-In - Nakhon Ratchasima Intercity Motorway Project. The route alignment starts where it connects with the northern segment of the existing Outer Ring Road (or Kanchanaphisek Road) at Bang Pa-In District of Ayutthaya Province, Saraburi Province and ends at the approach to the western Nakhon Ratchasima bypass in Muang District, Nakhon Ratchasima Province. This route connects Bangkok, central region and the center of the north eastern to get closer in addition, it supports the connection to Cambodia, Laos, Vietnam and Southern China. This rout expects to open in 2021.

Development plan in Ayutthaya province consists of education center .i.e. School, residential and commercial area. As of now, NVV project is proceeding to contact alliance and design for its master plan. In 2021, the company plans to develop the first phase after the delay, due to the impact of the economic recession. We plan to start from residential development in order to stimulate the potential of the land as a whole, Having the community as the starter, it will create the opportunities for project. The first phase is in the study and redesigned progress.

OTHER OPERATIONS

JEWELLERY CENTRE BUILDING

Jewellery Centre Building, a 34-storey commercial building, is located at the fringe of the Bangkok's Central Business District (CBD) along Nares Road, Sipraya Sub-district, Bangrak District, Bangkok. It is located in walking distance to a subway station and a skytrain station. The building was about 89% leased out as on 31 January 2020.

Revenue of King Wai Group (Thailand) Public Company Limited (KWG) and its Subsidiaries

As at 31 December 2020

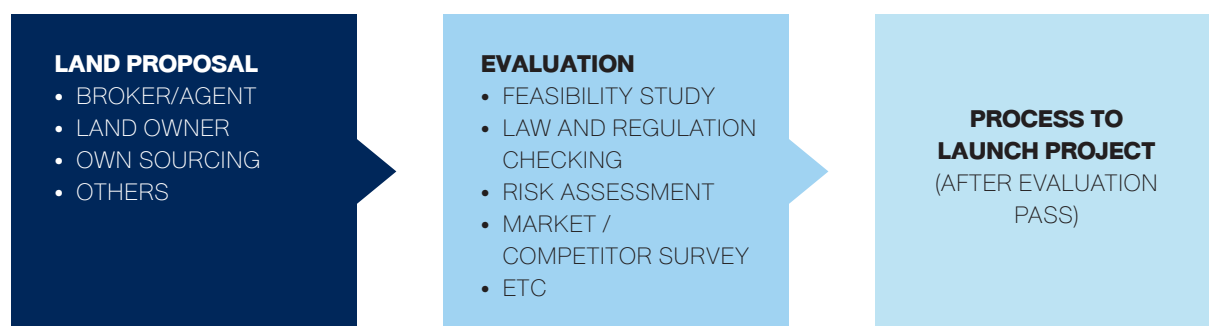
Product Line / Business Group	Operated by	% Shares held by KWG	Revenue (Million Baht)									
			2020	%	2019	%	2018	%	2017	%	2016	%
Lease and Services Of Office space	KWG	-	44.79	18.30	46.16	37.87	46.87	6.04	42.44	6.59	40.82	7.09
Sale of land and houses	Thai-Kami	100%	-	-	13.80	11.32	200.15	25.79	342.38	53.18	266.30	46.24
	Gold Star	100%	-	-	-	-	-	-	21.22	3.30	21.30	3.70
	Top Property	100%	19.40	7.93	-	-	-	-	-	-	-	-
Non-life Insurance income	King Wai Insurance	%99.05	171.58	70.10	27.70	22.72	(64.29)	(8.28)	-	-	-	-
Others	-	-	8.99	3.67	34.24	28.09	593.30	76.45	237.81	36.93	247.49	42.97
Total	-	-	244.76	100.0	121.90	100.0	776.03	100.0	643.85	100.0	575.91	100.0

PROCUREMENT

The Company has strict procurement procedure in place. KWG emphasizes on the transparency and law and regulation compliance in the procurement process. All employees need to comply with the procedure without any exception.

LAND ACQUISITION

KWG seeks to acquire well-located land plots at competitive prices for real estate project developments for sale and/or for lease. The Company works closely with land owners, real estate agents and broker firms to source sites that are well-located and well-served by amenities. The Company has developed a list of reliable contacts including real estate agents and brokerage firms with established track records. KWG also retains and updates its database of land and property prices in Bangkok and areas in the vicinity collated from government and other reliable sources. The Company has clear and examinable procedures for acquisition of land plots, and also times development timelines to ensure the best time to enter the market.



Note

KWG records and conduct background checking of broker/ agent and land owner.

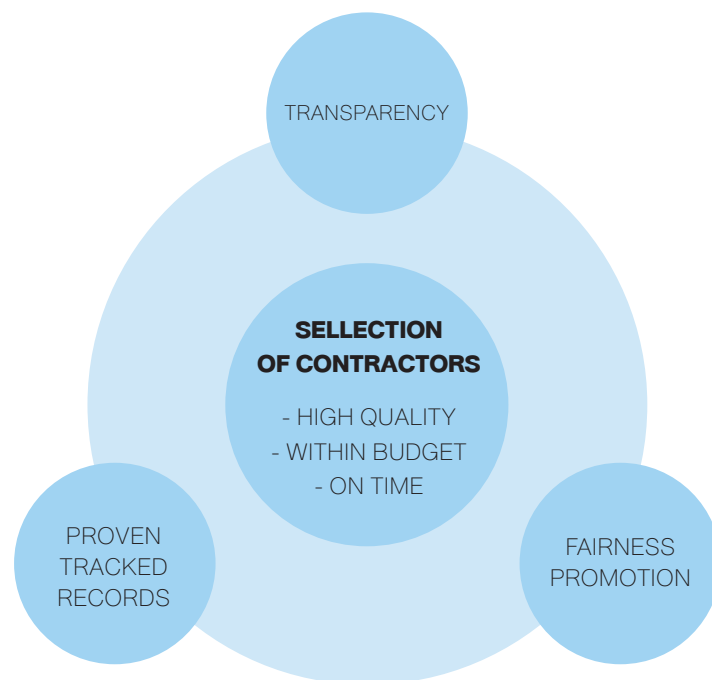
PROCUREMENT OF CONSTRUCTION MATERIAL

Most of KWG's construction materials are generally procured through its main contractors. KWG also maintains a database of prices of construction materials collated from government and other reliable sources. The Company enforces stringent guidelines and transparent purchase procedures to ensure quality and price of the materials. KWG will continue to work closely with trusted suppliers to deliver quality materials on time and within budget. Most of KWG's construction materials are sourced and purchased locally. In some cases, the Company purchases some materials on its own.

SELECTION OF CONTRACTORS

KWG has a strict and transparent evaluation process for appointment of its contractors and will continue to maintain and grow a reliable network of quality contractors.

In selecting its contractors, KWG works with contractors with a good track record and strong financials for tender procedures. KWG conducts background checks including past projects, market reputation and financial records. The Company places strong emphasis on the transparency of the hiring process, which promotes fair competition among contractors. KWG will continue to hire and work with quality contractors to produce high quality products on time and within budget.



INSURANCE BUSINESS

After the success of business expansion in Thailand, King Wai Group also aims to continue expanding into the financial service sector including insurance business. On 16 May 2018, KWG (Thailand) completed its acquisition of QBE Insurance (Thailand) and renamed the company as “King Wai Insurance Public Company Limited” or “KWI”

Being a member of King Wai Group, King Wai Insurance Public Company Limited continues to strive to deliver the best professional service to our customers. Our experience and expertise within the insurance sector, allows us to be trusted insurance partner. We maintain strong agency and broker relationships, as well as being able to deliver solutions to our direct clients. This ensures that we have insurance solutions. In addition to our expertise in meeting the needs of the market with generic insurance lines, we have developed specialist expertise in Marine, Professional Indemnity.

BUSINESS PRODUCT

COMMERCIAL PROPERTY

King Wai Insurance Property insurance provide the security of financial protection against property damage that can result in costly operational interruptions. All typical physical business assets are eligible for cover, including: stock, buildings, furniture, fixtures, fittings, plants, and all other contents.

- **COMMERCIAL FIRE INSURANCE**
offers protection against losses from fire and explosions and features optional additional cover for different budgets.
- **PROPERTY ALL RISKS INSURANCE**
provides cover against all risks that aren't specifically excluded in the policy.

MARINE

As a specialist marine insurer, King Wai Insurance provides insurance protection for commercial hull, Transport Operators' Liability, Ports & Terminals Insurance, and Ship Builders' Risk Insurance.

- **COMMERCIAL HULL INSURANCE**
covers physical loss and/or damage to the hull and machinery of merchant vessels operating within Far East waters.
- **TRANSPORT OPERATORS' LIABILITY INSURANCE**
covers the legal liabilities of various occupations, including freight forwarders, multimodal transport operators, NVOC, road hauliers, logistics / warehousing operators, against damage to third party property that is under their care, custody and control.



- **PORTS & TERMINALS INSURANCE**

protects Port Authorities, terminal operators, container freight stations, and stevedores against liability for damage to vessels, cargoes or property belonging to customers as well as third-party property damage and liability for death or bodily injuries to third parties arising out of the insured's operations.

- **SHIP BUILDERS' RISK INSURANCE**

covers physical loss and/or damage to vessels while it is under construction or conversion.

CONSTRUCTION & ENGINEERING

With our specialist expertise, we can provide the customer with comprehensive financial protection against many areas of risk, including work-in-progress or material damage to the project as well as liability cover against third-party claims arising from engineering and construction works. Our flexible approach also means the customer policies can be tailored to specific needs as we provide cover for:

- Contractors' All Risks
- Erection All Risks
- Electronic equipment
- Boiler
- Machinery breakdown and option to include delay in startup cover or additional cost of working.

BUSINESS SECURE

King Wai Insurance Business Secure is tailored to protect customers against risks that concern to their business the most, providing a comprehensive coverage in one single insurance policy. We offer different coverage options to suit a particular business. The package provides overall protection against a variety of risks for small and medium sized commercial business.

- **FIRE AND DEFINED PERILS**

protects against damage from fire, lightning, windstorms, vehicle or aircraft impact, water damage (excluding floods), earthquakes, explosion, hail, smoke, strikes and riots, as well as vandalism and malicious acts

- **BUSINESS INTERRUPTION**

provides the extra benefit of temporary relocation

- **ELECTRICAL DAMAGE**

protects against damage to electronic equipment caused by lightning or resulting from a fire

- **FIXED GLASS**

- **MONEY**

covers against loss due to robbery and gang robbery, including money inside the premises, money inside safe and strong room and money outside premises whilst in transit

GENERAL LIABILITY

King Wai Insurance offers a wide range of products that will protect customer's business against legal liabilities that may arise from accidental bodily injuries or property damage to any third party, including;

- Products Liability Insurance
- Public Liability Insurance
- Combined General Liability Insurance (both public and products liability)

OUR COMPREHENSIVE LIABILITY COVERAGE INCLUDES:

- Third-party bodily injuries or death
- Third-party property damage
- Personal injury
- Legal costs
- Joint Insureds/cross liability

PROFESSIONAL INDEMNITY

This cover protects senior executives against the risk of liability arising from their duties.

SCOPE OF COVER

- Out-of-court settlements
- Compensatory damages awarded by the court against directors and officers
- Defence costs and expenses
- Advance payment of defence costs and expenses
- Legal proceedings brought against any past, present and future directors and/or officers for wrongful acts committed by them in the course of their duties (coverage is also provided for employees in a managerial or supervisory capacity)
- Costs for legally compellable attendance, investigation or enquiry into the affairs of the company
- Employee actions brought by fellow officers, directors and employees alleging employment practice errors such as unfair dismissal, unlawful discrimination or sexual harassment

OPTIONAL EXTENSIONS

- Cover for legal proceedings brought against directors and/or officers while sitting on external positions
- Cover can be provided for the company for security claims, employment-related matters and the cost of engaging a public relations consultant in prescribed events.

GROUP PERSONAL ACCIDENT

To help ease the potential financial burden on customer due to an accident, King Wai Insurance has designed a personal accident insurance product to fit individual needs. King Wai Insurance Personal Care offers 24-hour, worldwide cover against various accidents and injuries. Anyone between the ages of one and 65 years old can apply for cover.

BASIC COVER

- Loss of life, limbs or sight
- Permanent disability
- Medical expenses per occurrence
- Murder/assault
- Driving or riding as a passenger of a motorcycle

COMMERCIAL MOTOR

King Wai Insurance's Commercial Vehicle insurance will provide the necessary coverage to safeguard customer's company. The benefits include:

- Third-party legal liabilities cover in the event of a death or bodily injuries to a third party or the loss of or damage to third-party property involving customer company's vehicle
- Comprehensive cover against third-party legal liabilities as well as the loss of or damage to customer company's motor vehicle

PERSONAL PRODUCT HOME PACKAGE

King Wai Insurance offers a number of covers at competitive prices. Through our Home Silver, Home Gold or Home Platinum Packages, King Wai's Home Secure provides home protection that will suit customer's personal needs as well as their budget.

BASIC COVER

- Building and contents
- Personal liability
- Worker's compensation
- Worldwide personal accident
- Electrical damage
- Temporary accommodation
- Additional items
- Burglary
- Accidental damage to fixed glass

PERSONAL ACCIDENT

King Wai Insurance Personal Care offers 24-hour, worldwide cover against various accidents and injuries. Anyone between the ages of one and 65 years old can apply for cover. There is also no requirement for a medical examination or a medical certificate.

BASIC COVER

- Loss of life, limbs or sight
- Permanent disability
- Medical expenses per occurrence
- Murder/assault
- Driving or riding as a passenger of a motorcycle

MOTOR

We also offer a comprehensive policy that includes additional cover for damage to customer vehicle or theft along with third-party liability. The benefits include:

COMPREHENSIVE COVER

- Third-party risks for bodily injuries and material damage
- Loss of or damage to customer's motor vehicle 24-hour Motor Assistance Service Centre hotline: (66)2-624-1000

THIRD PARTY LIABILITY COVER

- Death or bodily injuries to third parties
- Loss of or damage to third-party properties

PLEASURE CRAFT

COVERAGE

- Clean-up costs
- Comprehensive all-risks cover for hull and machinery (including accidental and malicious damage)
- Fishing, diving and water sports equipment cover
- Personal accident
- Third-party liability
- Transit damage
- Water skiers and/or aquaplaning liability



MARKET ANALYSIS

KWG conducts regular market research to keep abreast of market trends. The company collects primary and secondary data of;

- Economy data of Thailand, Region and World
- Real Estate Market data
- Strategies of competitors and performances
- Any other indicators for market trend
- Other related information

KWG monitors the market for any changes via reports by established and reliable real estate analysis companies, actual and forecasted indicative data from the government and other reliable sources. KWG also collects data from our own survey on the competitors which we keep us update on the competition.

The Company has identified and defined market opportunities and issues through regular analyses. The Company has detailed action plans in place which it will implement when opportune.

THAILAND ECONOMY

The recession overwhelms Thai economy in 2020, due to the COVID-19 situation that affected the global economy. The economy is hitting hard in the export and tourism sectors, owing to international travel restrictions.

Thailand Economic Data

% Growth Year on Year	2017	2018	2019	2020	2021(F)
Gross Domestic Product (GDP)	3.9	4.2	2.4	-6.6	3.3
Inflation rate	0.7	1.1	0.7	-0.9	0.8
Private Consumption	3.2	4.7	4.5	-1.1	2.5
Export of Good and Service	9.3	7.0	-3.3	-7.5	4.5

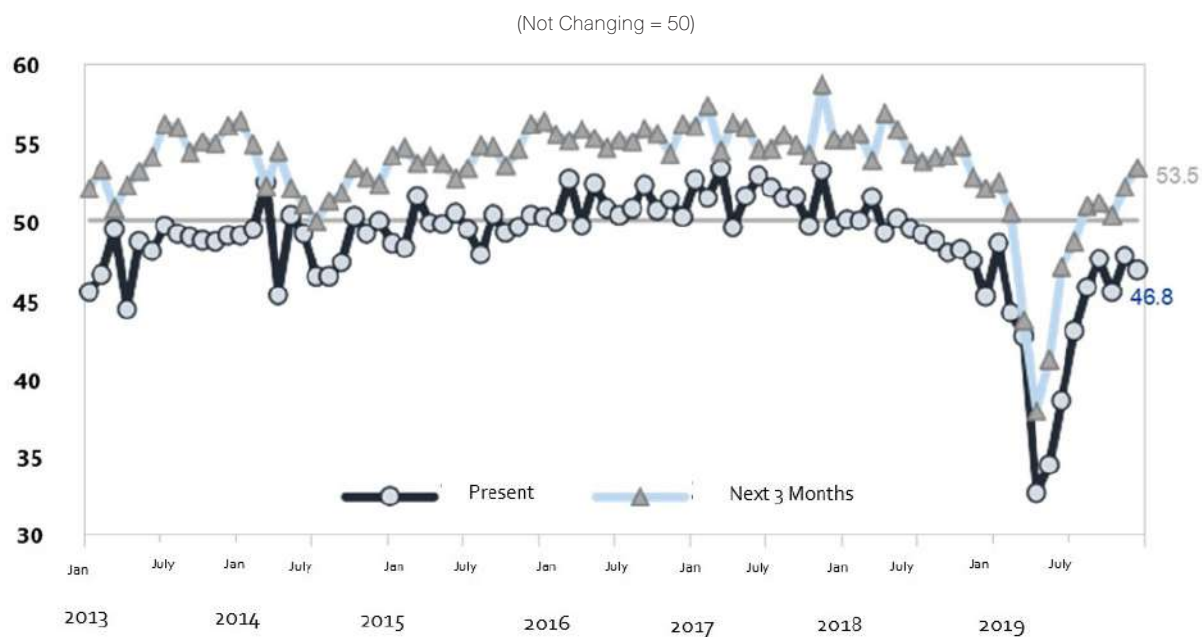
Source

National Economics and Social Development Council - NESDC

The Thai economy in 2021 is still in a phase of recovery amid the risk factors from the COVID-19 epidemic. However, factors supporting the economic expansion :

- Discovery of vaccine by the end of 2020 is a great hope for the tourism sector and it will play a huge role in determining the direction of economic recovery in 2021.
- The economic recovery and the world trade volume are increasing under the new US president's policy of promoting trade. The policy supports international investment and ASEAN is one of the regions that the US is interested to invest in. Thailand is considering the potential investment target which paves away for the expansion of the Eastern Economic Corridor or EEC.
- 2021 Government spending, under the budget framework and economic measures, remains a major drive of the country's economy.

BUSINESS SENTIMENT INDEX (BSI)



Source
Bank of Thailand

CONSUMER CONFIDENCE INDEX (CCI)



Source
University of Thai Chamber of Commerce

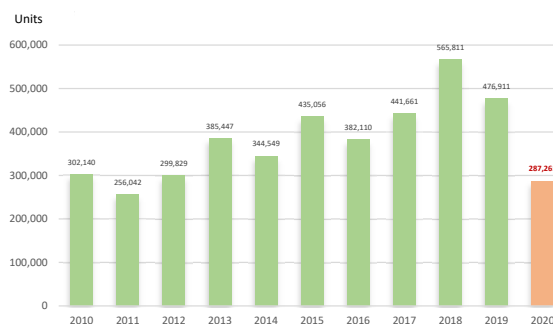
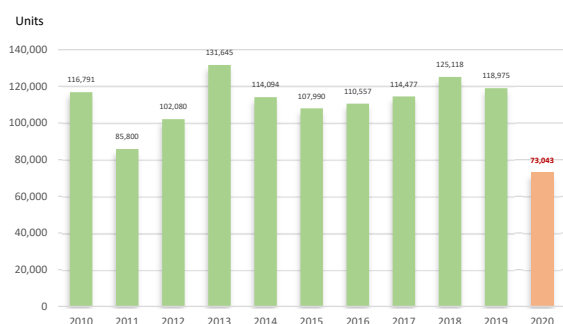
OVERALL PROPERTY MARKET

The Agency for Real Estate Affairs (Thailand) reported that compared with 2019, it is found that the housing supply in 2020 decreased in terms of the number of projects, number of residential units, and project value. The number of new residential projects were 324 projects, decreasing 141 projects or 30% from 2019. The number of sales units in 2020 stood at 73,043 units, decreasing 38.6% from 2019. In the same way, the value of projects added to the market in 2020 decreased 39.7% or 189,650 million Baht. And the total projects value in 2020 are 287,261 million Baht.

Due to the COVID-19 epidemic began in early 2020, Thailand has declared an emergency decree to control the situation since second quarter of 2020. And in the third quarter, the economic situation started to recover after the initial relaxation of the lock down measurement. Until the November, the circumstance tended to improve with number of selling units and the market finally reached highest selling value, because the large developers pushing their sales on the low-rise project and condominium. These projects mainly located nearby sky train.

Until December, Thailand has faced the new Covid-19 crisis. The infection was beginning from migrant workers in Samut Sakhon province and spreading throughout the country. The pandemic affects the economy making the number of units sold in December 2020 slow down and causing an economic forecast of 2020 and 2021 hit the recession. The real estate industry faced a volatility. The number of units sold in 2020 is 65,279 units, a decrease of 34.6% of 34,583 units from 2019.

SUPPLY PROJECT LAUNCHES IN 2009-2020



Source

Agency for Real Estate Affairs

In 2021 forecast, the real estate situation will adapt to the COVID-19 situation. The behavior of the consumer will change to New Normal. The market will focus more on low-rise housing. The price war competition will be declined comparing to 2020 and the customers are more interested in buying house through online channels.

LANDED HOMES

SINGLE-DETACHED HOUSE

Agency for Real Estate Affairs (Thailand) reported that in 2020 the new launched units are at 10,045 units, a decrease of 3,039 units or 23.2% from 2019. There are 36,861 units remaining supply in the market, a decrease of 645 units or 1.7 % in 2020. The sold units are 10,690 units decreasing 320 units or 2.9% compared with 2019.

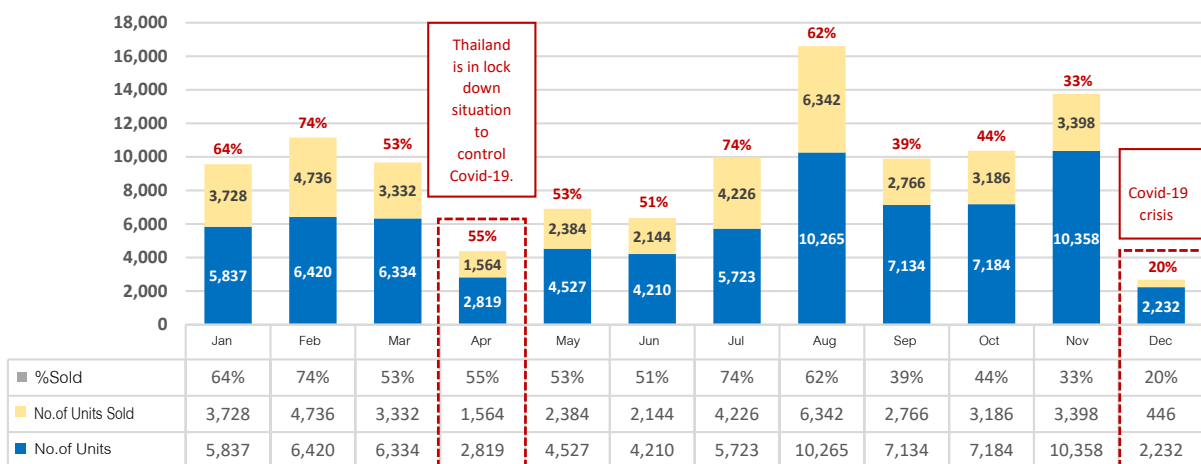
TOWN HOUSE

Agency for Real Estate Affairs (Thailand) reported that in 2020 the new launched units are at 29,100 units, a decrease of 2,887 units or 9.0% from 2019. There are 75,053 units remaining supply in the market, a decrease of 8,543 units or 12.8% in 2020. The sold units are 20,557 units decreasing 8,142 units or 28.4% compared with 2019.

CONDOMINIUM

Agency for Real Estate Affairs (Thailand) reported that in 2020 the new launched units are at 25,906 units, a decrease of 40,461 units or 60.9 % from 2019. There are 90,841 units remaining supply in the market, a decrease of 3,041 units or 3.2 % in 2020. The sold units are 28,947 units decreasing 25,356 units or 46.7 % compared with 2019.

HOUSING UNITS, NEWLY LAUNCHED (JAN-DEC 2020)



Source

Agency for Real Estate Affairs



ASSETS OF THE COMPANY

As at 31 December 2020

JEWELLERY CENTRE BUILDING

Company : King Wai Group (Thailand) Public Company Limited

Location : 138 Nares Road, Sipraya Sub-District, Bangrak District, Bangkok, Thailand

ลักษณะทรัพย์สิน : 34-storey commercial building covering a total gross area of 42,833.78 sq.m.

Asset Area : The Company holds 28.36% of the total gross area (12,145.64 sq.m.) of the building

Net Book Value : Baht 396,180,856.23

Appraisal Value : Baht 404,500,000.00

Appraisal Date : 4 January 2021

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : Mortgage

LAND AT AYUTTHAYA

Company : NVV Development Company Limited

Location : Phahonyothin (Tor Lor 1) Road, Lamsai Sub-District, Wongnoi District, Ayutthaya Province, Thailand

Type of Asset : Vacant land and field

Asset Area : The Company holds a total gross area of 2,605-0-89.6 rai

Net Book Value : Baht 1,859,300,000.00

Appraisal Value : Baht 1,859,300,000.00

Appraisal Dated : 4 January 2021

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : Mortgage

LAND AT CHACHOENGSAO

Company : AEC City Co., Ltd.

Location : Liap Khlong Phra Ong Chao Chaianuchit Road (Chor Chor. 3028), Soi Ruam Phatthana 15, Klongluangpang, Muang, ChaChoengsao Thailand and Lam Toi Ting, Nong Chok, Bangkok, Thailand

Type of Asset : Vacant land

Asset Area : The Company holds a total gross area of 1,997-2-38.0 rai

Net Book Value : Baht 1,733,387,000.00

Appraisal Value : Baht 1,733,387,000.00

Appraisal Dated : 8 January 2021

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

LAND AT CHACHOENGSAO

Right / Possession : Freehold

Collateral : None

LAND AT RAMA 4

Company : Praram 4 Limited

Location : Adjacent to Rama IV Road, Sipraya Sub-District, Bangrak District, Bangkok, Thailand

Type of Asset : Vacant land (ready for construction)

Asset Area : The Company holds a total gross area of 0-3-4 rai

Net Book Value : Baht 378,075,710.45

Appraisal Value : Baht 343,520,000.00

Appraisal Dated : 28 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

LAND AT SUKHUMVIT 31

Company : S31 Limited

Location : 221/2 Soi Sukhumvit 31, Klongton Sub-District, Prakanong District, Bangkok, Thailand

Type of Asset : Vacant land (ready for construction)

Asset Area : The Company holds a total gross area of 0-2-54.5 rai

Net Book Value : Baht 169,107,838.48

Appraisal Value : Baht 147,600,000.00

Appraisal Dated : 26 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

LAND AT SUKHUMVIT 61

Company : S61 Limited

Location : Adjacent to Soi Sukhumvit 61, Sukhumvit Road, North Klongton Sub-District, Wattana District, Bangkok, Thailand

Type of Asset : Vacant land (ready for construction)

Asset Area : The Company holds a total gross area of 1-1-98.4 rai

Net Book Value : Baht 475,366,230.99

Appraisal Value : Baht 568,480,000.00

Appraisal Dated : 26 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : Mortgaged

LAND AT TAK

Company : Thai-Kami Company Limited

Location : 1 Moo 5, Phaholyothin (TorLor. 1) Road, Mai Ngam Sub-District, Muang Tak District, Tak Province, Thailand

Type of Asset : The land is vacant with the factory having ceased operations since 2000, and was demolished in 2015. The machinery has been divested as at early 2002.

Asset Area : The Company holds a total gross area of 60–2–59.1 rai

Net Book Value : Baht 25,472,000.00

Appraisal Value : Baht 25,472,000.00

Appraisal Dated : 5 January 2021

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

SUKHAPIBAN 3 MANSION

Company : Gold Star Property Company Limited

Location : 22/1 Sukhapiban 3 Road, Hua Mak Sub-District, Bang Kapi District, Bangkok, Thailand

Type of Asset : 19-storey residential condominium with 1,024 units

Asset Area : The Company owns 2 units with a total gross area of 119.21 sq.m.

Net Book Value : Baht 2,390,000.00

Appraisal Value : Baht 2,860,000.00

Appraisal Dated : 29 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

THE TRIO CHIANG MAI (PREVIOUSLY “CHIANG MAI VIP TOWER”)

Company : Thai-Kami Company Limited

Location : 118 Moo 1, Huay Kaew Road, Chang Pueak Sub-District, Muang District, Chiang Mai Province, Thailand

Type of Asset : Four-storey commercial building

Asset Area : The Company owns four units with a total area of 890.88 sq.m

Net Book Value : Baht 23,200,000.00

Appraisal Value : Baht 26,730,000.00

Appraisal Date : 29 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

VILLA ARCADIA SRINAKARIN

Company : Thai-Kami Company Limited

Location : Bang Kaew Sub-District, Bang Phli District, Samut Prakan Province, Thailand

Type of Asset : Freehold land which will yield 365 units of two-storey detached houses
VAS Phase 1: All sold
VAS Phase 2: All sold

Asset Area : The Company holds a total area of 0-2-74 rai

Net Book Value : Baht 13,659,280.29

Appraisal Value : Baht 15,140,000.00

Appraisal Dated : 25 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : None

W VILLA BY WKG

Company : Top Property Company Limited

Location : Soi Watcharapol, Tha Raeng Sub-District, Bang Khen District, Bangkok, Thailand

Type of Asset : Freehold land which will yield 270 units of two-storey detached houses when completed.
VAW: 19 units available. 223 pieces of land slots available.

Asset Area : 72 - 1- 11.40 Rai

Net Book Value : Baht 875,412,875.58

Appraisal Value : Baht 1,034,720,000.00

Appraisal Dated : 25 November 2019

Appraisal Company : Agency For Real Estate Affairs Co., Ltd.

Right / Possession : Freehold

Collateral : Mortgage



RISK FACTORS



Recognizing that risk management is an integral part of KWG's strategic and operational processes, the Company has in place a risk management framework to ensure swift response to potential challenges, as well as the ability and agility to leverage new opportunities and adapt in the changing business environment.

However, in the past year, the main risk factor for the real estate business was caused by external factors which could not be controlled. These are the effects of the COVID19 epidemic, including the vaccine uncertainty production and vaccine use. The overall situation will be affected in all economic sectors, especially, the tourism industry, real estate industry both for sale and rental space. Moreover, the manufacturing sector is also affected from COVID-19 since 2019 and it is expected to be hit again in 2021 as well.

KWG has identified the following key risks and the appropriate mitigating actions:

REAL ESTATE BUSINESS RISK FACTORS

1. RISK FROM DECLINING PURCHASING POWER BOTH DOMESTICALLY AND INTERNATIONALLY

The impact of COVID-19 is a key factor in the domestic and global economic stagnation. During the past year, there was a significant decline in domestic purchasing power, which directly affected the real estate business as the sales and transfers drop obviously. The incidence leads to a large number of projects remain in the market and it is expected that this will take about 2 years to fully discharge. Therefore, many companies face a shortage of cash flow, including office rental business and commercial space. A decreasing number of tenants leads to a decline in purchasing power. For foreign customers, although the government has the measures to stimulate purchasing capacity from abroad, it cannot guarantee to bring them back in 1-2 years due to the ongoing COVID-19 outbreak. The buying decision from abroad is still far from reaching.

The Company has considered the above factors and therefore has been doing more careful in planning projects during this period. We analyze the opportunities that are available from the current situation and found that currently, it is “the right time” to resume the development. Each developed project will take 1-3 years to complete and parallelly with the time that the remaining projects in the market will be outed of the oversupply state. The company will develop the project plan carefully. It will strictly be reaching appropriate timing, consumer demand, and meeting the real demand.

2. THE SEVERE COMPETITION IN THE REAL ESTATE BUSINESS

From the current situation where sales rate is falling due to the lost of purchasing power. The real estate companies in the market, therefore, try to stimulate sales in order to support liquidity, collecting cash, and stimulating the transfer to create circulating income. Many companies delay the launching of new projects and turn their strategy to sell the existing projects. This leads to a severe price war, for example, some of them offer the price reduction of 30-40%, issuing the various type of promotion campaigns, such as free-staying for two years, free of charge on the transfer date, common area fee exemption, give away cars, give away golds. They also guarantee returns income from rental, and guarantee returns income and buy back within a specified period to attract customers.

The severe competition in the market is currently inevitable. However, the company has not received much pressure or impact in this regard as it does not possess a large number of projects. It could have a good opportunity to develop and launch projects at the right time without being pressured by liquidity problems. The company is not necessary to enter a price competition or any various promotions war which will lead to have too low-income rate. Although a promotion must be in place, KWG will reasonably use it to compete in the market. It will maintain the value of the products while creating the benefit from the image of the company. It will also preserve the confidence in the value of products as well.

3. RISING HOUSEHOLD DEBT, PRIVATE SECTOR DEBT AND NPLS

Household credit at present is increasing. On January 1st, 2021, the Bank of Thailand (BOT) released a report of household debt at the end of Q3 / 2020 at 13.76 trillion baht, the highest rate in the past 18 years. The debt accounted for 86.6% of GDP and increasing 510 billion baht or 3.84% to 13.25 trillion baht from the same period last year.

Even though there are measurements to cope with income and liquidity but after the end of the measurement. The household sector may face a repayment problem as a result, the government needs to have additional measures at the end of the year and closely monitor the household debt situation.

Kasikorn Research Center state that the private sector's debt repayment ability, especially, ability the ratio of debt to equity (D / E) and the listed companies who have debt to equity more than twice of their business. It found that the tourism business when compared to the third quarter of 2015, the debt to equity was at 8.2%, but Q3 of 2020 rose to 38.5% or nearly 40% of all tourism listed companies. In the same way, the real estate and construction business's debt to equity is continuing to increase. NPLs are rising in 2021. The SMEs, which account for 26% of loans, are vulnerable. 50% of them are using measures to assist debtors. The current economic situation still greatly affects SMEs' income. If we look at the 2020 Non-Performing Loan: NPLs that hit with COVID-19, it is forecast at 3.35% rising and is likely to increase in 2021 to 3.53%. However, the NPLs are under the Bank of Thailand's debt management measure which will expire in 2021.

From the new COVID-19 outbreak situation at the end of 2020, it is expected that it may have a more severe impact than the first outbreak due to the higher number of infected people. Although the government tries to control the circumstance and provides flexibility in business operations in order to maintain the overall economic status, these conditions may affect credit approval decisions both for project development credit and retail property purchasing loans.

4. RISK FROM BUSINESS OPERATION UNDER RESTRICTED LAWS

Inconsistent business operation, KWG observes regulations of laws, rules, regulations, and requirements of government agencies all the time. It is therefore confident that all types of the Company products are in line with laws, properly permitted by the related government agencies, and complies with advice or order of the government agencies or other clearinghouse organizations until being well accepted by both customers and shareholders.

However, KWG is assured that our business operation applies the principle of good corporate governance, enabling to develop the product, and purchase materials and equipment, or procure the contractor by effective, transparent and accountable means. KWG, therefore, is confident and believes in its availability of principle of good corporate governance is for full retention of the interest of the Company itself and for shareholders. Thus, the illegal risk from business operations has not been exposed at all.

5. FOREIGN EXCHANGE RISK

KWG still hold some loans denominated in foreign currencies and is therefore subject to foreign exchange risk. The Company continues to seek funding options in Thai Baht to minimize its risk in foreign exchange fluctuations.



INSURANCE BUSINESS RISKS (KWI)

1. STRATEGIC RISK

The risk arises from defining policy, strategic, business plan and inappropriate implementation or not align with internal and external factors including the changes of society, technology and expectation of the public includes the following sub-categories.

- Product development
- Solicitation and distribution channel
- Assets and liability management

- Acquisition decision and negotiation
- Tax planning and decision and
- Investment strategy

Strategic risk factors are as follows.

- Changes in the external environment including competitive landscape, customer behavior and distribution models
- Business strategy and change, investment strategy, tax strategy and corporate governance
- Risks related to acquisitions and capital management

2. INSURANCE RISK

The risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to expectations. Includes the following sub-categories.

- Underwriting/pricing
- Insurance concentrations
- Reserving
- Claim management and
- Reinsurance

Insurance risk factors are as follows.

- Pricing and underwriting of individual insurance contracts
- Uncertainty around insurance relating to the timing and size of insurance claims reporting and settlement
- Accumulations of underwriting exposures to both catastrophic and gradual claims
- Effectiveness of the purchased reinsurance program

3. MARKET RISK

The risk of variation in the value of investments due to movements in market factors. Market factors include but are not limited to interest rates, credit spreads, foreign exchange rates, equity prices and commodity derivatives. Includes the following sub-categories.

- Investment market movement (including equity, interest rate, credit spreads), and
- Foreign exchange rate movement.

Market risk factors are as follows.

- Market dynamics
- Change in market value and/or volatility of portfolios
- Changes in interest rates or shape of yield curve
- Changes in spot/forward currency rates, volatility, and correlation

4. CREDIT RISK

The risk of not recovering money owed to the Company by third parties as well as the loss of value of assets due to deterioration in credit quality. The Company's exposure to credit risk results from financial transactions with securities issuers, debtors, brokers, policyholders, reinsurers, and guarantors. Includes the following sub-categories.

- Reinsurance counterparty credit and other recoveries
- Premium and other counterparty credits
- Investment counterparty credit

Credit risk factor is as follows.

- Credit worthiness of bond issuer, reinsurer, brokers, policyholders, or other debtors

5. LIQUIDITY RISK

The risk of insufficient liquid assets to meet liabilities as they fall due to policyholders and creditors or only being able to do so at excessive cost.

Liquidity risk factor are as follows.

- Cash inflows from premiums, investment income, capital injections, dividends, and loans
- Cash outflows for claims and redemptions, debt service requirements, tax payments, dividends, and expenses
- Cash collateral requirements

6. OPERATIONAL RISK

The risk of financial loss resulting from inadequate or failed internal processes, people, and systems or from external events. Includes the following sub-categories.

- Employment practices (people risks)
- Improper business practices
- Business and transaction processing
- Fraud Risk which is the risk from fraudulent acts or fraudulently ignorance in order to gain unlawful benefit, whether the beneficiary of the fraud will be a fraudulent person or any other related person. Fraud could be classified into two sub-categories as internal fraud and external fraud.

Operational risk factors are as follows.

- Process complexity
- Capability, experience, and training of employees
- Environmental or other external factors
- Internal Fraud is driven by acts of KWI employees intended to defraud KWI, misappropriate property or to circumvent regulations, law, or company policy.
- External Fraud is driven by acts of an external party intended to defraud KWI, misappropriate property or circumvent the law.

7. REPUTATION RISK

The risk of policy holders, partners, shareholders, and/or regulators has negative perspective on the company reputation which may impact to the decreasing of King Wai Group (Thailand) Public Company Limited (“KWG”) share price accordingly.

Reputational risk factors are as follows.

- Improper business practice or business support
- Management and staff behaviors
- Social issues

8. INFORMATION TECHNOLOGY RISK

The risk of the use of information technology in the business operation caused an impact to operation performance and have sub-categories as follows.

- Physical and environmental risk
- Personnel risk
- Equipment risk or Information Technology risk
- Management risk

Information Technology risk factors are as follows.

- Natural disasters or human harm such as fire, flood, power failure, protests, terrorism or serious situation which cause of damage to the information technology system.
- Personnel who are related to the Information Technology System which including the priority of accessing the inappropriate information or services.
- The failure of equipment or information technology systems and being threatened by various threats.
- Management that may not have a good plan which may affect to the Information Technology operation.

9. CATASTROPHE RISK

The risk of any one big event or continuity event causes the larger claim amount than expected. Then, company may not have sufficient liquid assets to meet those liabilities.

Catastrophe risk factors are as follows.

- Environmental change factor both manmade and natural
- Catastrophe risk exposure

10. EMERGING RISKS

The risk which has not occurred and never been identified but causes the losses to company. The emerging risk is difficult to identified and estimate in terms of occurrence and impact regarding the uncertainty and external factors. For example, political, law and regulation, society, technology, physical environment, natural revolution. To be considered as “emerging” risks, there must be as follows.

- Some uncertainty around the understanding of the risk, that is, uncertainty as to its emergence at all or as to the timing and impact in operational and financial terms, and
- Some evidence to support the potential for the risk occurring, that is, it must be realistic, and
- Potential for material impact to the Company's business from a financial and / or operational perspective.

A risk is no longer “emerging” when the risk is managed as “business as usual” or there is an ability to quantify, with some confidence, the likelihood of the occurrence and the impact in operational and financial terms.

Emerging risk factors are as follows.

- Globalization
- People and social revolution
- Technology Enhancement
- Climate changes

11. GROUP RISK

The risk of being part of the group and has potential impact both financial and non-financial from negative incident including financial loss of the group cause impact to subsidiaries resulting from internal and external factors.

Group risk factors are as follows.

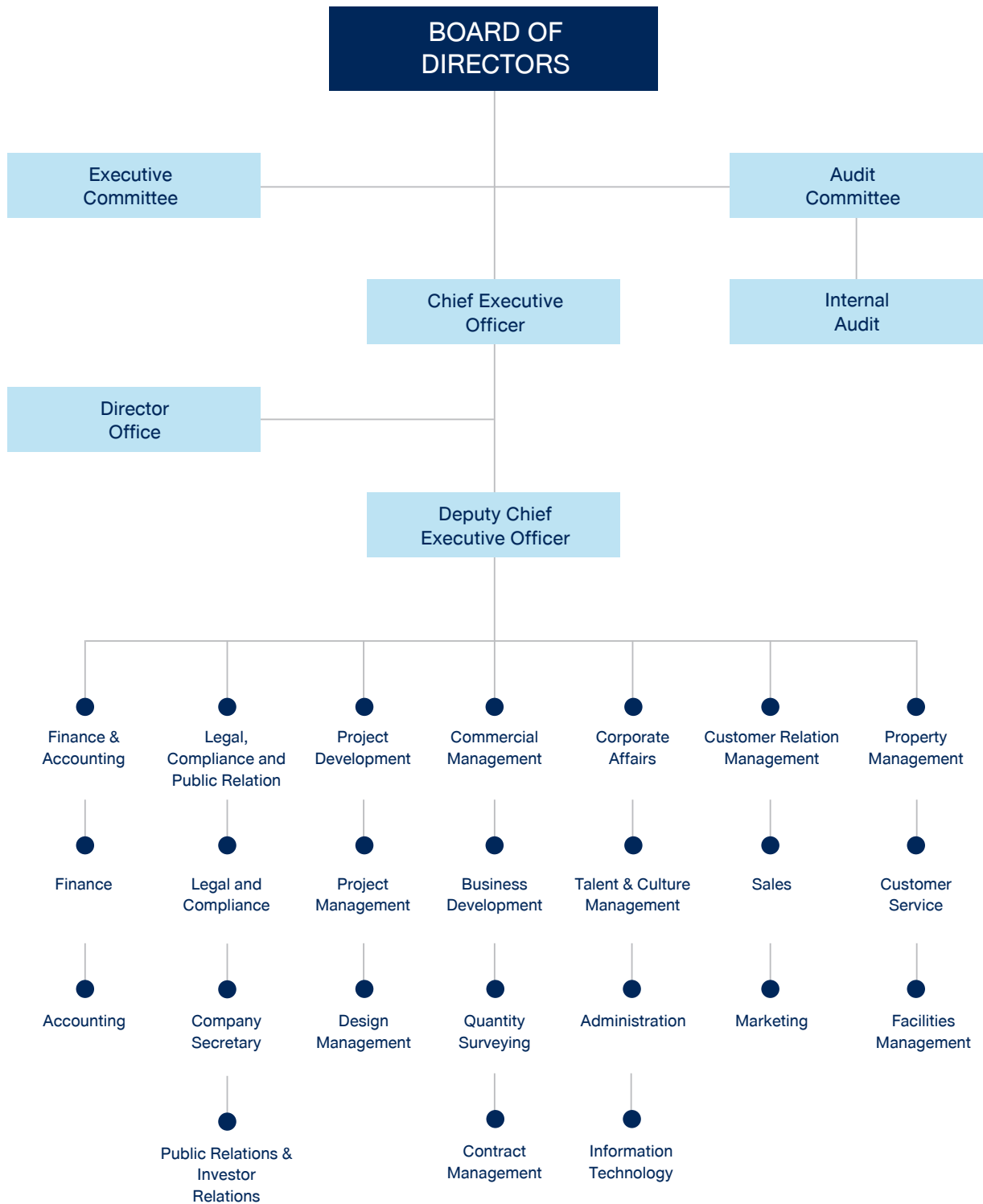
- Using group service
- Financial report consolidation
- Group brand awareness
- Group Fund manager



ORGANIZATION STRUCTURE

ORGANIZATIONAL STRUCTURE SECURITIES AND SHAREHOLDING INFORMATION.

As of December 31, 2020



SECURITIES AND SHAREHOLDING INFORMATION.

REGISTERED CAPITAL AND PAID - UP CAPITAL

The company has registered capital of 26,073,968,320 THB and fully paid-up of 13,170,592,600 THB, which is ordinary share of 1,317,059,260 shares, par value of 10 THB (Ten baht only).

SHAREHOLDERS

As of the record date on 30 December 2020 of the list in accordance with the book closing method, the top ten shareholders of the Company are as follows:

Top Ten Major Shareholder as of 30 December 2020

Shareholders	No. of Share	%
1. KWT1499 (THAILAND) COMPANY PTE. LTD.	615,460,000	46.73
2. Tommo (Thailand) Limited	503,345,070	38.22
3. Mrs. Jantira Luesakul	62,019,100	4.71
4. Mr. Boonyong Yongcharoenrat	12,178,615	0.92
5. King Wai International Holdings Company Limited	11,396,855	0.87
6. Thai NVDR Co., Ltd,	6,382,309	0.48
7. Mrs. Suporn Pornprasertsuk	4,590,000	0.35
8. Ms. Amporn Sriphothong	3,662,800	0.28
9. Ms. Pannin Kittipaporn	3,353,100	0.25
10. Mr. Sornprom Montriwat	3,276,200	0.25
Total	1,225,664,049	93.06
Minor shareholders	91,395,211	6.94
Total	1,317,059,260	100.00%

FOREIGN SHAREHOLDING LIMIT

The foreign shareholding limit of the Company is 49% of all the shares of the Company. This is in accordance with No. 11 of the Article of Association of the Company. As of 30 December 2020, the foreign shareholding of the Company is 47.64 % of all shares of the Company.

CROSS SHAREHOLDING

The Company does not have cross shareholding or pyramid shareholding structure in the company group and does not have cross shareholding with major shareholders or other shareholders. Therefore, there is no conflict of interest or business takeover process.

MINOR SHAREHOLDERS (FREE FLOAT)

As of 30 December 2020 which is the book closing date, the total number of shareholders of the Company is 1,895 shareholders. The shareholder in amount of 1,885 are minor shareholders (free float), accounting for 99.47 % of all the shareholders.

TREASURY STOCK

During the past year, the Company does not have a policy related to treasury stock.

ISSUANCE OF OTHER SECURITIES

None



MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

As at 31 December 2020, the Board of Directors comprises nine members according to the Company Registration Certificate of the Ministry of Commerce. All of whom are equipped with knowledge and experiences beneficial for the operation of the Company as follows:

Directors	Position	Total of KWG shares as of 31 December 2020
Dr. King Wai Chan	Chairman of Board of Directors, Chairman of Executive Committee	-
Mr. Antonio Hang Tat Chan	Vice Chairman of Board of Directors, Member of Executive Committee, Chief Executive Officer	-
Mr. Hang Lee Chan	Vice Chairman of Board of Director, Member of Executive Committee	-
Mr. Yupeng Huang	Director, Member of Executive Committee, Deputy Chief Executive Officer, Acting of Company Secretary	-
Mr. Boonyong Yongcharoenrat	Director	12,178,615
Mr. Shaosan Zheng	Director	-
Mrs. Jiraporn Pimpoorash	Independent Director, Chairman of Audit Committee	-
Prof Chukiat Pramoolpol	Independent Director, Member of Audit Committee	-
Mr. Somprasong Makkasaman	Independent Director, Member of Audit Committee	-

AUTHORIZED SIGNATORY DIRECTORS

Any of these two signatories – Dr. King Wai Chan, Mr. Antonio Hang Tat Chan, Mr. Yupeng Huang and Mr. Hang Lee Chan, affixed with the Company seal will be deemed valid.

THE BOARD OF DIRECTORS' MEETING

Directors' attendances at the meetings of the Board and Board Committee for the year 2020 are as follows:

Director's name	The Board of Director		The Audit Committee		The Executive Committee	
	2019	2020	2019	2020	2019	2020
1. Dr. King Wai Chan	-	-			-	-
2. Mr. Antonio Hang Tat Chan	-	-			-	-
3. Mr. Hang Lee Chan	9/9	14/14			-	-
4. Mr. Yupeng Huang	9/9	14/14			-	-
5. Mr. Boonyong Yongcharoenrat	9/9	14/14			-	-
6. Mr. Shaosan Zheng	-	-			-	-
7. Mrs. Jiraporn Pimpoorash	9/9	14/14	5/5	4/4	-	-
8. Prof Chukiat Pramoolpol	9/9	14/14	5/5	4/4	-	-
9. Mr. Somprasong Makkasaman	9/9	14/14	5/5	4/4	-	-

Remark

excluding the Annual General Meeting 2020

EXECUTIVE OFFICER

The definition of the Company's Executive as per the Notification of Securities and Exchange Commission (SEC) shall be the CEO, the Deputy CEO and the next four executives. As at 31 December 2020, the Executive consists of 7 persons:

Name	Position	Department / Function
Mr. Antonio Hang Tat Chan	Chief Executive Officer	Chief Executive Officer
Mr. Yupeng Huang	Deputy Chief Executive Officer	Deputy Chief Executive Officer
Mr. Somchai Warunpantulak	Chief Financial Officer	Finance & Accounting
Ms. Karnpitcha Thanaphat	Senior Vice President	HR & Admin & IT
Mr. Kroekits Leevongcharoen	Head of Contract Management and Business Development	Commercial Management
Mr. Chisarut Surakarn	Head of Project Development	Project Development
Mr. Paisan Supornpun	Senior Assistant Vice President	Accounting

COMPANY SECRETARY

The Company has appointed Mr. Yupeng Huang, Director, Deputy CEO as Acting of Company Secretary since 27 January 2020 to comply with the Securities and Exchange Act (No.4) B.E. 2551 (2008).

THE RESPONSIBILITIES OF THE COMPANY SECRETARY INCLUDE:

- 1) Overseeing activities of the Board and ensuring that they comply with the requirements of SET, SEC and are in compliance with corporate legislation as well as the Articles of Association of the Company.
- 2) Arranging the Shareholders and Board of Directors meetings in accordance with the laws and regulations, the Company's Articles of Association and best practices. This responsibility will involve the issuing of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record business transaction during the meetings as well as decisions made.
- 3) Maintaining the Company's statutory registers or books, including director registration, annual reports of the Company, notices and minutes of Board meetings and general shareholder meetings.
- 4) Ensuring that the directors and executives have filed reports on their interest and related persons' interests, as required by laws.

- 5) Communicating within internal business units and monitoring actions taken to ensure accuracy and compliance with the resolutions of Board and shareholder meetings.
- 6) Providing advice to the Board pertaining to laws, rules and regulations governing the Company's business, as well as monitoring compliance on a regular basis and reporting any significant changes to the Board.
- 7) Promoting understanding of corporate governance principles, providing relevant information, as well as monitoring compliance among the Board of Directors.
- 8) Coordinating between the Board and Executive.
- 9) Communicating and providing shareholders with information about the Company so as to enable them to exercise their rights.
- 10) Ensuring that disclosure of corporate information to regulatory agencies is in accordance with the relevant laws and regulations.
- 11) Taking any other actions as prescribed by the Capital Market Supervisory Board.

REMUNERATION OF THE DIRECTORS AND EXECUTIVE OFFICERS

DIRECTOR'S REMUNERATION

1. Financial Remuneration

The Company's policy on remuneration of the Directors shall be reviewed and approved by shareholders at the Annual General Meeting (AGM) each year. The Directors' scope of duties, roles and responsibilities are also taken in for consideration. During the AGM held on 19 June 2020, the Directors' remuneration was approved. The details are as follows:

Chairman of the Board	Baht 30,000.00/month
Board member	Baht 20,000.00/month

In 2020, the Company paid or payable in cash and kind to the Board of Directors to a total amount of Baht 2,280,000.

Name of Directors	Monetary Remuneration (Baht)				Other Membership (Baht)
	Board of Directors	Audit Committee	Executive Committee	Total (Baht)	
1. Dr. King Wai Chan	360,000.00	-	Nil	360,000.00	0.00
2. Mr. Antonio Hang Tat Chan	240,000.00	-	Nil	240,000.00	0.00
3. Mr. Hang Lee Chan	240,000.00	-	Nil	240,000.00	0.00
4. Mr. Yupeng Huang	240,000.00	-	-	240,000.00	0.00
5. Mr. Boonyong Yongcharoenrat	240,000.00	-	-	240,000.00	0.00
6. Mr. Shaosan Zheng	240,000.00	-	-	240,000.00	0.00
7. Mrs. Jiraporn Pimpoorash	240,000.00	Nil	-	240,000.00	0.00
8. Prof Chukiat Pramoolpol	240,000.00	Nil	-	240,000.00	0.00
9. Mr. Somprasong Makkasaman	240,000.00	Nil	-	240,000.00	0.00
Total	2,280,000.00	-	-	2,280,000.00	0.00

2. Non - Financial Remuneration

None and The Company does not have any policy related to ESOP and EJIP.

REMUNERATION FOR EXECUTIVE DIRECTORS

1. Financial Remuneration

The Company paid monetary remuneration, i.e. fixed salary and bonus to the executive officers and offered different forms of remuneration such as housing allowance, car allowance and phone bill allowance.

- 1.1 The 2020 remuneration for executive include existing executives and those executives who left during 2020.
- 1.2 Other remuneration are such as Provident Fund and Social Security fund.

2. Non - Financial Remuneration

Non-financial remunerations include health insurance and annual medical check-up.

EMPLOYEE REMUNERATION

The Company established and registered for employees to contribute to a voluntary provident fund on 1 October 2013. Mandatory contribution from the employee and the Company is stipulated at 5%.

The remuneration package offered to employees consists of a fixed salary and other benefits, i.e. commission, social security fund, provident fund and allowance. In addition, the Company offered benefits to improve employee satisfaction, loyalty and staff retention. These include health insurance, life insurance, long-term service award, annual leave, recreational activities and seasonal parties. In 2020, the Company paid a total of Baht 77,233,548.47 for the remuneration of employees.

Type of Remuneration	Amount (Baht)
Fixed Salary	69,050,519.00
Bonus	1,729,327.00
Allowance (Overtime, Provident Fund, Commission, etc.)	6,453,702.47

PERSONNEL

Total Number of Employees 78 persons

Employees classified by department as of 31 December 2020:

Department	Person	Department	Person
Director's Office	6	Quantity Surveying	1
Corporate Strategy	1	Business Development	3
Finance & Accounting	11	Corporate Affairs	1
Legal, Compliance and Risk Management and Public Relations	4	Talent & Culture Management	3
Public Relations & Investor Relations	3	Administration	9
Project Development	1	Information Technology	2
Design Management	1	Customer Relation Management	1
Project Management	9	Marketing & Sales	7
Facilities Management	6	Customer Service	3
Commercial Management	1	Internal Audit	1
Contract Management	4		

Note

Includes staff in KWG's subsidiaries but excludes staff in King Wai Insurance.

HUMAN RESOURCES POLICY

The Company emphasizes human resources development in capability enhancement and good relationship establishment among employees at all levels.

The Human Resources development policies of the Company are as follows:

- 1) Employees are encouraged to attend internal and external training programs.
- 2) Employees are encouraged to acquire and develop relevant knowledge, skills and competencies to enhance career advancement opportunities.
- 3) The Company's core values are communicated to employees. Whenever possible, the Company encourages employees to participate in activities as a team outside of work in order to strengthen relations and encourage teamwork.

Summary of courses and training conducted in 2020

Course	No. of Course	Attendance	Total (Hours)	Average per person (Hours)
In-house Training	27	499	474.85	6.08
External Training	22	37		

TRAINING PROGRAMMES

In 2020, the Company supported employees in both internal and external trainings programs, seminars and courses. The total training cost is in amount of Baht 148,921.



CORPORATE GOVERNANCE POLICY

The Company is committed to achieving high standards of corporate governance and has put in place self-regulatory controls to protect shareholders' interest and ensure long-term shareholder value. The Board of Directors has implemented best practices in corporate governance based on the Code of Business Conduct and efficiency and transparency.

The Company has also fully complied with the principles of good corporate governance and best practices recommended by the Stock Exchange of Thailand (SET) as follows:

A. RIGHTS OF SHAREHOLDERS

PROTECTION OF RIGHTS

The Company recognizes the importance of protecting the rights of shareholders' and promotes the exercising of these rights accurately and completely both Thai and English via Company website www.kwgthai.com and the SET website www.set.or.th. Shareholders can be confident that such rights are protected and treated with respects. The basic legal rights of shareholders include the right to buy, sell or transfer shares, receive dividends, obtain relevant and adequate information in a timely and regular basis, participate in shareholder meetings and express opinion or suggestion, propose the meeting agenda, vote for the appointment or removal of Directors and Auditors, determine their remuneration as well as partaking in decisions that could have material impact on the Company such as acquisitions and mergers, liquidations of subsidiary companies, dividend payment, amendment to the Memorandum and the Articles of Association or by-laws, capital increase or decrease.

Besides these basic rights, the Company has also implemented best practices to promote and facilitate exercising of rights for shareholders. The Company appointed the Thailand Securities Depository Co., Ltd. (TSD) as the Securities Registrar and to facilitate its shareholders in matters relating to the Company's share and securities registration.

The Company recognizes the importance of accurate, complete and transparent disclosure to its shareholders with regards to financial results and other relevant information through the SET and the Company's website in both Thai and English to ensure that shareholders have access to information in a timely manner.

SHAREHOLDERS' MEETING

The Company holds its Annual General Meeting once a year within four months after the end of its accounting period, in addition, the Company shall hold the Extraordinary General Meeting of the Shareholders in case that significant matter occurs during the year and requires resolution from the Shareholders' Meeting. Date, time, and venue for the meetings shall be convenient and easily accessible for shareholders. The Company shall not arrange meetings on holiday or commercial bank holiday and non-business days. Due to the epidemic of Coronavirus 2019 (COVID-19), the government has urged private sector to refrain from organizing activities which a large number of people or public gathering in order to prevent the epidemic. The Company is concerned about the safety and well-being of meeting attendances. For this reason, in 2020, the Company held the Annual General Meeting of the Shareholders by teleconference through an electronic device (E-AGM) on June 19, 2020, at 2.00 PM to 3.30 PM, at Bangkok Room, 47th Floor, No. 1 Empire Tower, South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok. The Company used the system of Conovance Co., Ltd., the service provider, which its system met the standard as set by ETDA; shareholders could attend the meeting through an electronic device conveniently.

In 2020, all relevant information was posted on the Company's website before the date of the meeting to ensure that shareholders had adequate time to review the relevant information. In addition, the Company did not add items to the meeting agenda without advance notice to ensure fairness to its shareholders. Shareholders were also informed of the rules of the meeting and voting procedures to allow fair and equal opportunity to ask questions as well as giving opinions, comment, and recommendations during the meeting.

Board members and management of the Company were in attendance to explain the Company's operational performance and policy, as well as answering relevant questions at the meeting.

These recommendations and questions were recorded in minutes of the meeting and disclosed on the Company's website within 30 days after the date of the meeting.

The Company has a policy to disclose to the SET relevant resolutions for each agenda item as well as voting results by 9.00 a.m. of the next working day after the shareholders' meeting at latest.

The Company published an announcement to invite minor shareholders to propose an agenda which should be considered in the Annual General Meeting of Shareholders in advance from 25 November 2019 - 15 January 2020 via the information system of the Stock Exchange of Thailand and the website of the Company and www.kwgthai.com in IR webpage for the Annual General Meeting of Shareholders 2020.

B. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company ensures equitable treatment of all shareholders. KWG has in place policies to disclose complete and accurate information, including shareholder's rights to attend the general meeting, and carries out the shareholder meeting procedures as specified by laws and regulations of the SET.

The Company strives to ensure the following:

- 1) Provide equitable and fair treatment to all shareholders whether they are minority, institutional or foreign investors, and to allow them to exercise their rights accordingly.
- 2) If shareholders are unable to attend and vote at the meeting, KWG will allow them to send proxies to vote on their behalf. The proxy form and proposed list of independent directors are attached in notice of the meeting. The shareholders and/or proxies are encouraged to use voting ballots for each agenda.
- 3) To avoid insider trading and conflict of interest, the Company stipulates measures that prevent Directors, Executives, employees and related persons from misusing and/or disclosing sensitive information relating to the Company. There has been no report of insider trading within the organization to-date.
- 4) The Company has guidelines in place for Directors and Executives to disclose their stake in the Company and relation to the Directors, if any. The Company also discloses information of its Directors and Executives shareholding in the Company and subsidiaries in accordance with the requirements from regulators such as the Office of Securities and Exchange Commission (SEC) and the SET.

The Company allows all its shareholders to access the Company's information, as well as providing a variety of channels of clear communications to its staff through the Company's website, or through other channels such as telephone, fax, post, or email. Interested parties can directly contact the Company at;

King Wai Group (Thailand) PCL

47th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand

Telephone : (662) 129-5999

Telefax : (662) 129-5998

or by e-mail: info@kwgthai.com or visit the Company's website: www.kwgthai.com for more information.

C. ROLE OF STAKEHOLDERS

The Company recognizes the legal rights and roles of stakeholders including its shareholders, employees, customers, business partners, creditors, competitors, communities, and society as a whole. All stakeholders shall be treated fairly in accordance with their legal rights as specified in relevant laws and regulations. These relevant laws and regulations are also published as manuals and distributed to all staff to ensure strict compliance. The manuals are also distributed to:

Shareholders : The Company is determined to conduct its business with prudence and transparency to ensure sustainable growth and enhance long-term value for its shareholders.

Employees : The Company recognizes that its employees are the core driving force for the organization. The Company strives to continually enhance staff competency levels by providing opportunities for career advancements and a fair reward system. The Company is committed to training and developing its workforce, as well as providing a safe working environment for everyone.

In 2020, the Company organized a total of 474.85 training hours, for its staff. This included both internal and external training sessions.

Customers : The Company is committed to provide quality products and services to all customers, as well as to assist and provide solutions to their needs, while protecting customer confidentiality at the same time, unless stipulated by law or with the customer's written consent. Maintain customer relationship as well as sustainable improvement of relationship.

Creditors : The Company has policies in place to ensure that creditors are treated with equality and fairness. In case of non-compliance with any one of the conditions laid out in the agreement, the Company will promptly notify the creditor to jointly consider and resolve the issue in a fair manner.

Business Partners : All employees are expected to provide accurate and complete disclosure on their shareholding interest and that of their related kin, so as not to impede decisions of potential buyers or sellers of shares. Employees should also refrain from accepting gifts and/or rewards from buyers or sellers as well as attending private functions hosted by them, so as to avoid any accusation of special assistance rendered at a later occasion.

Competitors : The Company respects competition by conducted oneself according to a fair competition framework and refrained from making false allegations or false statements that may destroy the reputation of the competitors and does not engage in deals and/or discussion with employees of its competitors on issues and/or information that may impact either party's business.

Community and Society : The Company is committed to positively impact the community and society in the four focus areas of education, sports, society and the environment, as well as arts and culture.

Others:

1) *Purchase of licensed software*

The Company purchases computer software which is duly licensed and prohibits illegal use of unlicensed computer software. If the need arises to install any additional software applications, the Information Technology Department will ensure the relevant licenses prior to installation.

2) *Medical Benefits*

Employees are each provided with a health insurance card from the insurance company, and are entitled to a benefit plan which covers medical costs in the participating hospitals. Employees are also provided a complimentary annual health checkup.

3) *Safety*

The Company provides training for appointed fire wardens and shares updated fire evacuation plans for employees, within the office building as well as for the projects.

D. DISCLOSURE AND TRANSPARENCY

The Company ensures that all information on its finances or any other issues, which are beneficial to related parties, are disclosed in an accurate, complete, transparent, and timely manner as prescribed in the requirements of the SEC and SET. The Company's financial statements are also prepared in accordance with the Accounting Standards and generally accepted accounting principles to reflect the real operating performance of the Company.

The Company discloses all information such as Form 56-1 and annual report (form 56-1 and 56-2) through various communication channels including the SET and the Company's website www.kwgthai.com in accordance with relevant regulations of related offices in both Thai and English to ensure that shareholders have timely access to information. Furthermore, the company coordinated with external IR to release presses to newspapers, magazines and journals to promote the business of the Company and the performance of the Company.

INVESTOR RELATIONS

The Company has appointed Mr. Yupeng Huang Deputy Chief Executive officer as an investor relations to provide timely information and news to shareholders. Interested parties can contact him directly for required information at;

King Wai Group (Thailand) PCL

47th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120
Thailand

Telephone : (662) 129-5999

Telefax : (662) 129-5998

or by e-mail: info@kwgthai.com or visit the Company's website: www.kwgthai.com for more information.

E. RESPONSIBILITIES OF THE BOARD

BOARD STRUCTURE

The Board consists of Directors with varied qualifications, skills, experiences, and expertise that are beneficial to the Company and in accordance with the requirements of the SET. Directors are appointed in accordance with the principles and procedures of laws and Articles of Association of the Company. In 2020, the Board comprised four (4) executive Directors and five (5) non-executive Directors.

INDEPENDENCE FROM THE MANAGEMENT

The Board acts independently from the management. There is a clear segregation of duties and responsibilities between the Board and management. The Board formulates policies, provides strategic business direction, as well as overseeing and ensuring that operations are carried out according to the highest levels of transparency and disclosure, and in accordance with the respective policies.

To ensure an appropriate balance of authority, increased accountability, and a greater capacity of the Board for independent decision-making, the Company has a clear division of responsibilities at the top level, with the Chairman of the Board and the Chief Executive Officer of the Company having clearly separated roles.

APPROPRIATENESS OF THE BOARD

Directors of the Company must have the qualifications and experiences that meet the needs of the Company and do not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge in their performance in the Company. The number of Directors on the Board is in accordance with Clause 16 of the Articles of Association which stipulates that "there shall be no less than five Directors and no less than half of the total number of Directors who must reside in the Kingdom of Thailand". Clause 22 has prescribed that one-third of the Directors must retire at each Annual General Meeting. Should the number not be divisible by three, the number must be closest to one-third. A retiring Director is eligible for re-election. In 2020, in the 2020 Annual General Meeting of Shareholders on 19 June 2020, there were three directors who retired by rotation, namely,

1. Dr. King Wai Chan Chairman of Board of Directors, Chairman of Executive Committee
2. Mr. Antonio Hang Tat Chan Board of Directors, Member of Executive Committee, Chief Executive Officer
3. Mrs. Jiraporn Pimpoorash Independent Director, Chairman of Audit Committee

The resolution of 2020 AGM was passed by the majority of all the votes of the shareholders attending the meeting and having the right to vote to reappoint all the three directors for another term.

TERM OF DIRECTORS

The Company specifies the age of a director terms is 3 years. However, the Company believes that age or the duration of service is not as important as valuable knowledge and experiences each director bring for the benefit of the Company.

EFFECTIVENESS OF THE BOARD

The Board has in place adequate internal control systems to ensure that the Company's operations are carried out responsibly, with integrity and in accordance with the regulations of the SEC and SET. Together with the Audit Committee (AC), the Board safeguards the resources of the Company and ensures that procedures and policies are adhered to in the management of the Company.

The Board is responsible for the Company's internal control system. It ensures that appropriate policies are in place for effective functioning of the Company's business operations. The Company has appointed the internal auditor to audit the Company, then reports its findings to the Board of Directors and the AC.

The Board and the Audit Committee will then review all items to ensure compliance with relevant laws and regulations, as well as with internal policies with respect to the conduct of business. The Audit Committee will review the quarterly financial statements and report to the external auditors as well as Internal Audit team before seeking approval from the Board. The Audit Committee is satisfied that KWG and its subsidiaries have maintained adequate internal controls for the year 2020.

It is the Company's policy to appoint a Company Secretary in compliance with the applicable Securities and Stock Exchange Act (No.4) BE 2551 (2008) and principles of good corporate governance. The Company Secretary is further encouraged to attend appropriate training courses to enhance his or her skills.

The Board convenes on a quarterly basis and will call for additional meetings when required. The following reports and procedures are provided to the Board to allow them to better anticipate risks and key drivers ahead of events so that timely decisions can be made.

The reports and procedures include:

WHISTLE-BLOWER PROTECTION POLICY

The purpose of this policy is to encourage reporting in good faith of suspected reportable conduct by establishing clearly defined processes through which such reports may be made with confidence that employees and other reporting parties will be treated fairly and protected from reprisal. This policy is one channel through which the Company receives information on suspected reportable conduct and addresses them in an appropriate and timely manner.

"Reportable Conduct" refers to any act or omission by an employee or contract worker appointed by the Company, which occurred in the course of work, whether or not the said act is within the scope of their employment. It includes:

- 1) Dishonesty including, but not limited to, theft or misuse of Company's resources;
- 2) Fraud;
- 3) Corruption;
- 4) Illegal activities;
- 5) Other serious improper conduct;
- 6) Unsafe work practices or ;
- 7) Any other conduct which may cause losses, financial or otherwise, to KWG or be seen as being detrimental to KWG's reputation.

Staffs and/or shareholders may report their complaints directly to the following persons:

Receiving Officer	Contact Information	
Mr. Yupeng Huang	: Office	: (662) 129-5999
Director	: E-mail	: info@kwgthai.com
King Wai Group (Thailand) Public Company Limited	: Office Address	: 47 th Floor, Empire Tower, No.1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand

REPORTING PROCEDURE

- A Protected Report may be made orally or in writing. However, such reports should preferably be in writing to ensure a clear understanding of the matters raised. Oral reporting should be documented by the supervisor, Receiving Officer or AC Chairman, depending on who receives the report first. All communications relating to the allegations made in a Protected Report should also be in writing.
- The Receiving Officer will retain all documents related to Protected Reports in a safe, secure and proper manner.
- Protected Reports (whether oral or written) should be factual rather than speculative, but need not be conclusive evidence of the alleged Reportable Conduct. The report should include the nature of the alleged Reportable Conduct, the name(s) of the person(s) alleged to be involved, the date and description of the alleged wrongdoing(s) and other pertinent information. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.
- Whistle-Blowers must provide their names, phone numbers and addresses so that the Receiving Officer or AC Chairman may contact them for more information if need be.

Confidentiality

- Confidentiality of the identity of Whistle-Blowers and persons who participate (or who intend to participate) in investigations initiated under this policy will, to the extent possible, be maintained. Such persons should nevertheless be cautioned that their identity may become known for reasons outside of the control of all those involved in receiving the Protected Report and/or investigating the matters raised therein.
- The identity of the Investigation Subject(s) will similarly be maintained in confidence to the extent possible.

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management is a process designed to identify potential events that may impact the Company caused by changing economic, financial, social and legal situations, and to specify sufficient protection and suitable resolution measures to prevent and mitigate such risks, including analysis of circumstances as well as the probability of risky events occurring. KWG's enterprise risk management process is implemented on a quarterly basis.

INTERNAL AUDIT REPORT

An internal audit is conducted annually to review the adequacy and effectiveness of key controls, procedures and processes of the Company and its subsidiaries. A report is then generated to address three key areas, including the adequacy and effectiveness of existing internal controls and operational procedures, compliance with established policies and procedures, as well as the weaknesses and recommendations for improvement in the areas reviewed.

VISION, MISSION AND CORE VALUE

VISION : To build a strong, sustainable and diversified business enterprise, driven by established goals to create shareholder's value and be mindful of social and environmental responsibilities.

MISSION : We commit to creating values and maximizing long-term sustainable returns while being mindful of our overall responsibilities.

SLOGAN : Responsibility creates value, Mission inspires endeavor.

CORE VALUES;

- Responsibility: We are responsible for our actions and understand their impact on others. We respect local culture, community and heritage and will strive to uphold the highest standards of corporate governance, ethics and environmental policy.
- Quality: We strive for professional excellence to the highest standards possible to deliver supreme quality products and services.
- Sustainability: We are a responsible institution who makes a difference by building and supporting sustainable communities and environment. We strive for providing sustainable growth and profitable returns.
- People: We value and strengthen relationship with all our stakeholders including, but not limited to, customers, shareholders, communities, suppliers, contractors, partners and employees.
- Creativity: We emphasize on continually enhancing our products, services and also our cultures by embracing innovation and encouraging the pursuit of new opportunities.

Such strategic will be reviewed annually.

CODE OF CONDUCT

The Company has a Code of Conducts in place which is circulated to related parties, Directors, Executives and all employees. The policy addresses standards with regards to safety discrimination and workplace harassment, internal and external corruption or bribery, gifts as well as donations and contributions.

BOARD COMMITTEES

The Board currently comprises three committees, namely, the Board of Directors, the Executive Committee (EC) and the Audit Committee.

BOARD OF DIRECTORS

The Board of Directors assumes full authority over the management of the Company and ensures that the Company's operations meet its set objectives and complies with Articles of Association and shareholders' resolutions.

The principal functions of the Board are as follows:

- 1) Review and approve the Company's corporate policy and the authorization matrix.
- 2) Provide full and timely information disclosure to shareholders.
- 3) Be accountable to all shareholders by adopting best practices to enhance value for shareholders.
- 4) Manage the Company in accordance with relevant laws, objectives and Articles of Association of the Company including shareholders' resolutions.
- 5) Review, and where required, approve key strategies, objectives and plans of the Company and appropriate financial and operational matters.
- 6) Advise management on significant issues that may impact the Company.
- 7) Evaluate the adequacy of internal controls, risk management, financial reporting and compliance.
- 8) Nominate Directors and ensure that the structure and practices of the Board provide for sound corporate governance.
- 9) Supervise and appropriately remunerate senior management.

The Company's Board of Directors as at 31 December 2020 includes:

Directors	Position	Appointment Date
Dr. King Wai Chan	Chairman	18 May 2016
Mr. Antonio Hang Tat Chan	Vice Chairman	18 May 2016
Mr. Hang Lee Chan	Vice Chairman	20 Jun 2016
Mr. Yupeng Huang	Director	18 May 2016
Mr. Boonyong Yongcharoenrat	Director	19 May 2016
Mr. Shaosan Zheng	Director	20 Jun 2016
Mrs. Jiraporn Pimpoorash	Independent Director and Audit Committee	27 May 2004
Prof Chukiat Pramoolpol	Independent Director and Audit Committee	21 Dec 2004
Mr. Somprasong Makkasaman	Independent Director and Audit Committee	27 May 2004

EXECUTIVE COMMITTEE

The Executive Committee (EC) consists of two non-Executive Directors and two Executive Director with the competencies and expertise to oversee the business, assets, affairs, and performance of the Company. The EC focuses its activities regularly on the key requirements and policies of the Company.

Roles, Duties and Responsibilities of the Executive Committee

- 1) To operate the daily business of the Company in line with the Company's policy and budgets, set the directions, targets, organization and business operations of the Company, at the same time, monitor the Company's performance in achieving its targets.
- 2) To assess transactions of the Company and its subsidiaries which may have conflicts of interest with the Company. The EC would then have to propose the meeting of the AC and the Board before the transaction is approved.
- 3) To perform operations as assigned by the Board and to approve other business operations of the Company as delegated by the Board.
- 4) To approve credit and write-off debts within the authorized limits.
- 5) To approve the hiring of consultants and procurement of materials in accordance with procedures.

The Company's EC as at 31 December 2020 includes:

Dr King Wai Chan	Chairman
Mr. Antonio Hang Tat Chan	Member
Mr. Hang Lee Chan	Member
Mr. Yupeng Huang	Member

CHIEF EXECUTIVE OFFICER (CEO)

Mr. Antonio Hang Tat Chan, Chief Executive Officer, has the responsibility to manage and lead daily business operations of the Company.

Role, Duties and Responsibilities of the Chief Executive Officer

- 1) Responsible for daily business operations and management of the Company.
- 2) To assure that the operations are in accordance with the policies, work plans, and within budget as approved by the EC and/or the Board.
- 3) Be the authorized person to manage the Company's operation to be in line with the Company's objectives, regulations, policies, standards, requirements, instructions and the resolution of the Board meeting and/or the shareholders' meeting.
- 4) Manage and lead business operations, and at the same time, evaluate Company's performance on regular basis so that proper action will be taken to prevent or minimize risks associated with external and internal factors.
- 5) To oversee any binding agreements with regards to the Company's business, as well as evaluating opportunities which may be beneficial to the Company. This includes overseeing the drafting of contracts to be further submitted to the EC and/or the Board
- 6) Allocate sufficient funds for awards, and compensations to employees as previously approved by the Board.
- 7) To authorize employment, including transfer and rotation across departments/lines/sections, or termination of employment.
- 8) Determine rate of salary, compensation, bonus, and fringe benefits of employees.
- 9) To authorize and regulate issuance of announcements, and memorandums to ensure that the Company's policies are followed, to safeguard the Company's benefits, and to cultivate work discipline within the organization.
- 10) To perform other duties as assigned by the Board.

Actions of the Chief Executive Officer concerning the assignment of duties, responsibilities and authorization should not be in conflict with the interests of the Company and its subsidiaries. Such activities which may cause a conflict of interest have to be presented at the Board meeting or shareholders' meeting for consideration and approval in accordance with regulations of the Company, its subsidiaries, or applicable laws. However, there is an exception when such activities are part of regular business operations with a predetermined scope.

AUDIT COMMITTEE

The Audit Committee (AC) is appointed by the Board in accordance with the requirements of the SET. The AC convenes at least four times a year to review the Company's business operations. In 2020, the AC called for four (4) meetings.

Roles, Duties and Responsibilities of the Audit Committee

- 1) The AC is guided by the following terms of reference:
- 2) Review financial statements to ensure adequacy, accuracy and proper disclosure as required by accounting standards and relevant laws.
- 3) Review the efficiency of the internal audit system set by management.
- 4) Review business operations in accordance with the requirements of the Securities and Exchanges Act, Rules and Principle Standards of the SET or any other laws related to the Company's.

- 5) Consider, select, and nominate an independent person as the Company's auditor, and to propose the aforementioned person's remuneration, as well as to attend the meeting separately with external auditors to discuss any matters without the presence of management at least once a year.
- 6) Review relevant transactions for any conflicts of interest, adherence to related laws and regulations of compliance and to ensure that such transactions are transparent.
- 7) Ensure transparency and accuracy in the Company's disclosure of relevant transactions, conflicts of interest or any other operation which may cause significant impact on the Company.
- 8) Report on activities of the AC in the Company's annual reports which must be signed by the Chairman of the AC.
- 9) Perform any other act as assigned by the Board of Directors with the agreement of the AC.

The Company's Audit Committee as at 31 December 2020 includes:

Mrs Jiraporn Pimpoorash	Chairman
Prof Chukiat Pramoolpol	Member
Mr Somprasong Makkasaman	Member

Mrs Jiraporn Pimpoorash, with her extensive experience in the relevant industry for 30 years, is qualified to carry out the audits for KWG.

SELECTION OF DIRECTORS AND EXECUTIVE OFFICER

DIRECTORS AND EXECUTIVE OFFICER

The Board is responsible for the operations of the Company and has the duty to select qualified and accountable persons capable of maintaining good relations with the Board for Executive positions. To appoint the Directors and Management, the Company shall consider and propose qualified persons in accordance with the laws and the relevant regulations, including the Articles of Association of the Company.

The Board and AC will recommend such persons.

In appointing a member, the Board shall refer to the following for guidance:

Scenario 1 : In the event of expiration of a Director's term, the Board shall recommend suitable candidates for election at the Annual General Meeting.

Scenario 2 : In the event that an existing Director leaves before the expiration of his or her term, the Board shall appoint a qualified person in his or her place with voting of no less than three-fourths and shall hold the office until the expiration of the term. The person appointed as new Board member shall serve the remainder of that term.

INDEPENDENT DIRECTOR

The person who shall be qualified to be Independent Director must be in full compliance with the qualifications and independent criteria as prescribed by Capital Market Supervisory Board.

Qualifications of Independent Directors

- 1) Holding shares not exceeding 0.5% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such Independent Director;
- 2) Neither being nor ever was an Executive Director, employee, staff, advisor who receives salary, or controlling person of the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;

- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or subsidiary company;
- 4) Neither having nor ever had a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or controlling person;

The term 'business relationship' shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to debt payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such debt shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such debt shall include debt incurred during the period of one year prior to the date on which the business relationship with the person commences;

- 5) Neither being nor ever was an auditor of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person unless the foregoing relationship has ended no less than two years prior to the date of appointment;
- 6) Neither being nor ever was a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services unless the foregoing relationship has ended no less than two years prior to the date of appointment;
- 7) Not being an appointed Director or representative of Directors of the Company, major shareholder or shareholder who is related to major shareholder;
- 8) Not being a Director assigned by the Board to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company;
- 9) Not undertaking any business in the same nature and in competition to the business of the Company or subsidiary company or not being a significant partner in a partnership or being an Executive Director, employee, staff or advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or subsidiary company;
- 10) Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operation.

However, the Company has not fixed the maximum term for Independent Directors. The Company has taken into consideration the knowledge, competency and professional experience of each Independent Director and his/her contribution for the benefits of all stakeholders and the Company's business growth, as well as the individual's performance assessment throughout the term of directorship. Each Independent Director has proved that his/her independence is maintained without any conflict of interest and/or material interest with the Company.

ADDITIONAL TRAINING COURSES OR RELEVANT SEMINARS ATTENDED BY DIRECTORS

The Board encourages all Directors, Executives and the Company Secretary to attend training courses or participate in knowledge enhancement seminars, both internal and external, that support their work duties such as training courses offered by the Thai Institute of Directors (IOD), as well as courses arranged by other agencies so that they can apply the knowledge for the sound progress of the Company.

BOARD MEMBER MEETING POLICY

The Company requests for cooperation should be present at each meeting from all Directors to attend all meetings whenever possible. In 2020, there were fourteen (14) Board meetings, including meetings through an electronic device. The Company has fixed the minimum quorum where at least one-half of total number of Directors.

ORIENTATION OF NEW DIRECTORS

In case of new directors, the Company has identified the guideline to prepare the newcomers to be able to perform the duty as a director immediately. The Company Secretary will be responsible for:

1. Providing the legal information of the Company as well as other information such as the Articles of Association, the objectives of the Company, the organization structure and the Code of Business Conduct.
2. Arranging a meeting with the Chairman of the Board of Directors, Board of Directors, subcommittees and the Company's executives to be informed of the operations of the Company.

In 2020, there is no appointment of new directors so the orientation for new directors has not been organized.

CRIMINAL RECORD OF DIRECTORS AND EXECUTIVES

During the past years, there has been no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act or any other laws such as the submission of financial statements within a given timeframe. The Company does not have a negative reputation as a result of the failure of the Board of Directors or subcommittees. None of the non-executive directors resign from their position as a result of an issue related to corporate governance of the Company. There are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

In addition, the directors and executives of the Company do not violate against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act or any other civil or criminal laws and do not have any conflicts of interest with the Company. The directors and executives of the Company and subsidiary companies do not:

1. Commit insider trading;
2. Commit an act of corruption or misconduct.

ACQUISITION REPORT OF DIRECTOR AND EXECUTIVES

The directors and executives have the responsibility to provide an acquisition report and acquisition changes report in accordance with Section 59 of Securities and Exchange Act B.E. 2535 to the Securities and Exchange Commission within three days of the buying, selling, transferring and accepting transfer. They are also to refrain from trading securities of the Company during the period of one month before the disclosure of the financial statements to the public. Furthermore, the acquisition of directors and their spouse and the first four managers after the Chief Executive Officer as well as the Accounting Manager and Finance Manager must be reported in the Board of Directors' Meeting.

REPORT ON INTEREST OF DIRECTORS AND EXECUTIVES

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the company. The company is following the report such as;

1. Reporting

The directors and executives, meaning Chief Executive Officer, Deputy Chief Executive Officer, the first four managers after the Chief Executive Officer, those in the positions equivalent to the holders of the management position no. 4 and the executives in the highest position in the accounting or finance line of work must report his/her interest or a related person's interest to the Company.

2. Reporting Method

A report must be prepared and submitted to the Company Secretary. Should there be any changes in the information, a report must also be prepared and submitted to the Company Secretary within three days from the date of the information changes.

3. Reporting to the Board of Directors

The Company Secretary must report the interest of directors and executives and related persons to the Board of Directors' Meeting in every quarter for acknowledgement.

INSIDER INFORMATION CONTROL

The Company has adopted the insider trading policy, which is set out in its Code of Business Conduct.

The Company carefully monitors conflicts of interest by setting out clear policies and procedures regarding the safeguarding and utilization of sensitive information affecting trading of the Company's shares.

The policy prohibits internal stakeholders from trading in the securities of the Company if he/she is in possession of information which would, or would be likely to, have material effect on the financials of the Company.

It is outlined as follows:

- a) The Company carefully monitors the safeguarding and utilization of sensitive information which will affect the trading of the Company's shares. All Directors, Management and employees, including their spouse and children under the age of 20, are strictly prohibited to trade in the Company's securities within one month of the public disclosure of its inside information or financial statements.
- b) The Company is also required to file reports to the SET to disclose any changes in the Company's securities holdings for all Directors and management each time such changes occur.
- c) All staff of the Company are required to acknowledge this policy upon hire. The Company is also required to review this policy annually to ensure compliance. Any employee who fails to observe the insider trading policy will be subjected to disciplinary action, including dismissal, in addition to civil and criminal penalties.

In 2020, there is no director and executive enter into sell and buy the securities using internal Information.

AUDIT FEE

AUDIT FEE

The Company and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for auditing services and paid for audit fee expenses incurred in 2020 totaling of THB 7,180,000

Auditor's Fee for the Company	2,199,000 Baht
Auditor's Fee for subsidiaries:	4,981,000 Baht

In addition, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. is not a director, staff, employee or any position in the company pursuant to the article no. 121 of Public Limited Companies Act, B.E.2535 and has no relationship that is in conflict of interest with the subsidiaries, executives, major shareholder or relevant with that person. The auditor is independent and certified by the SEC. Furthermore, the Company has not used another service from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

In the same way, directors and executives of the Company have never been the staff or partner or the relevant of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. in the past two years.

NON-AUDIT FEE

There was no non-audit fee incurred in 2020.

The Company has emphasized the significance of good corporate governance as it is beneficial for the organizational development. The good corporate governance principles for listed companies of the Stock Exchange of Thailand have continuously been implemented. However, there are still rooms for improvements as follows:

1. INDEPENDENT DIRECTORS SHOULD HAVE A LIMITED TERM OF OFFICE OF NOT EXCEEDING A PERIOD OF NINE CONSECUTIVE YEARS FROM THE DATE OF BEING APPOINTED AS INDEPENDENT DIRECTORS.

Currently, there are three independent directors whose term of office has exceeded nine years. However, the Board has carefully considered the issue and opines that the qualifications of the independent directors of the Company meet with the requirements of the Capital Market Supervisory Board. Their knowledge and experiences are appropriate with the business operation of the Company. They have expressed their comments and ideas in an independent manner as well as efficiently performing their duties as independent directors of the Company.

2. THE COMPANY SHOULD CONSIDER TO APPOINT SUB-COMMITTEE SUCH AS THE NOMINATION AND REMUNERATION COMMITTEE, CORPORATE GOVERNANCE COMMITTEE AND RISK MANAGEMENT COMMITTEE

Currently, there are two sub committees which are The Audit Committee and the Executive Committee. All committees work fully with responsibility to make sure that the operation of the business is conducted to the ethics and operated under the regulations of the SEC and SET. However, the committees make sure that the management will apply the processes and policies for maximum benefit to shareholders and all stakeholders of the Company.



INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors pays close attention to efficiency assessment of the Company's internal control. This is to ensure that the Company's financial reports as well as information used for decision-making are accurate, complete and reliable. In this connection, the Audit Committee consisting of three members responsible for looking after and overseeing the internal control of the Company, ensuring that the policies and desirable practices which have been assigned are implemented in line with the plans outlined by the Board of Directors as well as in compliance with the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Board of Directors was of opinion that currently the Company's internal control systems were adequate and suitable to its business operations and that there were neither material problems nor deficiencies. The assessment took into consideration five key areas relating to the internal control systems, which included control environment, risk assessment, control activities, information & communication, and monitoring activities. The adequacy assessment of the internal control systems in each area could be summarized as follows:

CONTROL ENVIRONMENT

The Company has established clear business goals which are reviewed regular, ensuring that they take into account current situations. In order that the established goals could be achieved, the Company determines the level of the staff's remuneration, by annually taking into account the Company's performance as well as the employee performance appraisals in a rational manner. Furthermore, the Company has established written policies relating to good corporate governance, code of ethical practices, as well as prevention of conflicts of interest. It has also developed an appropriate organizational structure which will enable the management to operate efficiently. Importantly, duties and responsibilities of each work unit have been clearly separated from one another. The Company also recognizes the importance of succession planning. Emphasis has been placed on recruitment, development and preparations of replacements as well as grooming of a group of candidates for key positions through development and training of high potential and high caliber employees.



RISK ASSESSMENT

The Company has carried out the adequacy assessment of the internal control systems, using the Office of the Securities Exchange Commission's assessment form which is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In addition, the Company has undertaken assessments, using other formats such as risks arising from within and without organization as well as guidelines in relation to prevention of risks that may affect the implementation of the Company's various projects. It has also carried out an assessment of risks arising from different types of fraud and also from changes of the organizational leadership which may have an impact on business operations, internal control and finance, among others.

CONTROL ACTIVITIES

The Company has established the scope of responsibilities and power of high-ranking executives as well as their approval limits in writing. Their duties have also been clearly segregated to facilitate checks and balances. Moreover, the Company has established a policy on related party transactions, ensuring that they are in compliance with the laws and the requirements imposed by the Stock Exchange of Thailand, keeping the Company's best interests in mind.

INFORMATION & COMMUNICATION

The Company sends important information and supporting documents needed for decision making to the Board of Directors in advance, together with the notification of the meeting which always gives details related to agenda. In addition, the Company prepares minutes of each meeting, which cover opinions and resolutions adopted by the meeting. As well, the Company stores books of accounts and supporting documents in a systematic and orderly fashion. It also makes use of information technology in storing and managing information of each work unit.

MONITORING ACTIVITIES

The Company has established a system for monitoring its operating activities and its compliance with the code of ethical practices as well as rules relating to prevention of conflicts of interest. Moreover, it has established an internal audit office responsible for monitoring the implementation of the internal control systems of various work units in the organization. In this connection, the internal control systems are subject to regular assessments with the internal audit officers being required to submit audit reports directly to the Audit Committee. Emphasis is placed on monitoring the progress relating to the implementing corrective measures. In particular, when any material deficiencies are identified, the related reports must be submitted to the Audit Committee right away so that it could make necessary arrangements for having the deficiencies remedied in a timely manner.

HEAD OF INTERNAL AUDIT OFFICE

Mr. Napat Khayankarnavee currently serves as manager of the Company's Internal Audit Office. He has considerable experience of internal audit of listed companies, he also has a good understanding of the Company's activities and business operations.

In this connection, decisions related to appointment, removal or transfer of the head of the Company's Internal Audit Office must meet with the approval of the Audit Committee.



CONNECTED TRANSACTIONS

APPROVAL PROCEDURES OF CONNECTED TRANSACTIONS

The Company and its subsidiaries have connected transactions with connected persons who may have conflict of interest, all of which being made in a normal course of business of the Company and its subsidiaries. In approving the connected transaction, the Company and its subsidiaries proceed according to normal trading terms by referring to appropriate market rate and condition. In case where the transaction is not normal business transaction or without normal trading terms, such transaction must be presented to the Board of Directors' meeting for approval. Such transaction must be reported to the Company's Board of Directors for further acknowledgement accordingly. In entering into such transaction, it must be ensured that the transaction must provide maximum benefit to the Company.

The Audit Committee and the Company will oversee any future connected transactions together to ensure that they will be handled properly and approved in accordance with relevant procedures. In case where the Audit Committee does not have expertise in considering the transaction arisen, the Company will arrange to have person with expertise and skill, e.g. the Company's auditor or independent expert, to provide opinion on such connected transaction. Opinion of the Audit Committee or expert will be used as support for decision making of the Company's Board of Directors or shareholders as the case may be. The information on connected transactions will be disclosed in the notes to financial statements as audited by the Company and its subsidiaries' auditor. The connected transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notification, order or provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the connected transactions or the acquisition and disposal of the Company's asset in a strictly manner. The Company must also comply with the provision concerning the disclosure of information of connected transaction and acquisition or disposal of asset. In entering into any potential connected transaction in the future, the Company will proceed according to the measure stipulated above. It has a policy to operate in accordance with normal course of business by referring to appropriate market rate and condition to maximize benefit to the Company.

CONNECTED TRANSACTIONS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 AND 2019

Parties with Potential Conflict / Nature of Transaction	Type of Transaction	Value of transaction for the period ended (Baht)		Reason and Necessity of the Connected Transaction / Remark
		31 December 2020	31 December 2019	
1 K W Thai Commerce (BVI) Co., Ltd./ Common directors with the Company	Long-term loan, Accrued interest expense and interest expense for working capital and business expansion			The transactions have been reviewed and be considered that the interest rate charged is similar to the market rate and deemed reasonable in the ordinary course of business.
	1. Long-Term Loan	249,917,891	245,992,850	
	2. Accrued interest expense	133,956,372	119,823,909	
	3. Interest expense	12,264,968	12,199,478	
2 King Wai International and Holdings Co., Ltd./ Common directors with the Company	Long-term loan for working capital and business expansion			The transaction has been reviewed and be considered that the interest rate charged is competitive to the market rate and deemed reasonable in the ordinary course of business.
	- Long-term loan	1,024,564,906	1,024,564,906	
3 Mr. Narongsak Putthapornmongkol / Common director with the subsidiary (AEC City Co., Ltd.)	Short-term / Long-term loan for working capital and business expansion			The transaction has been reviewed and be considered that the interest rate charged is competitive to the market rate and deemed reasonable in the ordinary course of business.
	1. Short-Term Loan	180,460,541	-	
	2. Long-Term Loan	-	180,460,541	
	3. Interest expense	421,726	-	
4 Tommo (Thailand) Limited/ Common directors with the Company	Short-term loan for working capital and business expansion			The transaction has been reviewed and be considered that the interest rate charged is competitive to the market rate and deemed reasonable in the ordinary course of business.
	1. Short-Term Loan	1,330,799,850	70,000,000	
	2. Accrued interest expense	11,969,731	962,192	
	3. Interest expense	11,007,539	962,192	



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY POLICIES

KWG realizes and values an involvement in social responsibility as stated in one of the missions that “The Company is always committed to support and engage in social service and contribution,” to achieve The Company’s vision: sustainable growth of several aspects which include economic, environmental and social platforms. The adopted CSR policy will make the Company achieve the long-term business goal. Below are frameworks and guidelines to the Company’s CSR policies.

SUSTAINABILITY FRAMEWORK

As a responsible corporate institution, we seek to build trusting and lasting relationships with our many stakeholders to generate values in society and deliver the long-term shareholder returns. We strive to achieve the following for our key stakeholders:

CUSTOMERS :

To ensure customer-centric service and products

SHAREHOLDERS:

To deliver sustainable earnings and maximize shareholder returns

EMPLOYEES:

To provide employees a safe working environment, as well as empower them through training and development

BUSINESS PARTNERS:

To build long-term and mutually beneficial relationships

COMMUNITIES:

To be responsible for making a difference by building and supporting sustainable communities



BUSINESS ETHICS

KWG is in compliance with Thailand's laws and regulations as well as the Stock Exchange of Thailand's (SET) regulations on good corporate governance. The Company conducts its business with integrity, fairness, and impartiality, in an ethical and proper manner with all stakeholders, including customers, suppliers, communities and employees.

KWG employees are to comply with all laws and regulations and act in the best interest of the Company. The Company aims for sustainable growth and treats all shareholders equally.

INTELLECTUAL PROPERTY POLICY

KWG complies with Thailand's law on intellectual property. The Company encourages staff to respect intellectual property. Employees are prohibited against using the Company's resources, including computers, for unlawful activities. The Company also prohibits the use of unauthorized software without proper business licenses. Non-compliance will result in disciplinary action. Information Technology team has made random inspection for illegal use of unauthorized software on company computers from time to time. This is part of risk management process.

Records of software must be maintained and subsequent actions that verify sufficient software licenses kept. Proof of ownership must be documented and made available for all installed software. Paid invoices are a legitimate record of software licenses. This information is useful during a software audit.

ANTI-CORRUPTION

KWG has anti-corruption policies and measures to protect its businesses, resources, and reputation. KWG emphasizes anti-corruption by enhancing and supporting every level of employees to build good sense against all types of dishonesty and corruption along with policy's established, KWG has set trainings on Anti — corruption annually which all employees must signed the acknowledgement of policy. Beside the intension from the policy, KWG declared to be the part of the Private Sector Collective Action Coalition Against Corruption (CAC) on October 4th, 2017. Later, KWG was officially certified as a member of Private Sector Collective Action Coalition Against

Corruption (CAC) by the CAC council on June 30th, 2020. The certification is valid for another 3 years from the certified date. KWG is 1 of 1,011 companies which has been certified from CAC, KWG conducts business in accordance with the internal anti-corruption policies and practices that meet the criteria set by CAC, therefore the certified of CAC reflects the Company's commitment to conduct business under good corporate governance, ethics, transparency, and equitable treatment of all stakeholders.



THE ANTI-CORRUPTION POLICY IS AS FOLLOWS:

- The Company's employees must under no circumstances offer, promise, give or authorize the giving, directly or through third parties, of any bribe, kickback, illicit payment, benefit in-kind or any other advantage to any customer, supplier, contractor, or any other person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Facilitation payments are also considered bribery. Employees should not make any facilitation payments on behalf of the Company.
- Similarly, KWG staff must not under any circumstances solicit or accept, directly or indirectly, any bribe, kickback, illicit payment, benefit in-kind or any other advantage from any customer, supplier, contractor, or any other person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.
- The knowledge about anti - corruption is established via share point system of the company, including orientation session of new employees.
- The Company has developed the anti - corruption practice, which raises the knowledge and understanding thereof to employees periodically. In 2020, the anti - corruption activity was organized through the training session.

- The company has set forth whistleblowing policy for the internal and external complainant that witness any action which may be against the law, code of conduct or committing to fraud, corruption, misconduct, or any personnel of every level and other stakeholder. The company issue precise, neutral, and transparent procedure for complaint investigation and management in which whistleblowers and related witnesses are under protection measures of the company.
- The corruption risk is reviewed annually closely with revision (if any). Further information about the policies and related procedures are disclosed on the company's website (www.kwgthai.com) under Investor Relation, Anti - Corruption policy title.
- Reporting Mechanism: The Company has a channel of anti-corruption reporting in place. Employees are encouraged to lodge a protected report in relation to suspected reportable conduct to his supervisor and/or the Audit Committee Chairman.
- Investigation: The Company monitors all investigations closely. The Audit Committee Chairman will review the information gathered, following which he will interview and determine whether the circumstance warrants an investigation and if so, decide on the appropriate investigative process to be executed and corrective actions (if any) to be taken.

HUMAN RIGHTS

KWG is aware of the importance of basic human rights in order to promote the respects of the rights and freedoms with fairness by promoting equality. The company is also dedicated to support the human rights in order to fight against the uses of child labors.

The Company's policy prohibits discrimination of any kind, and will not tolerate any bias including but not limited to ethnicity, gender, religion, nationality, age or physical disability. KWG aims to provide a work environment that fosters mutual employee respect and promotes harmonious working relationships.

SAFETY

At KWG, safety is a core value. KWG conducts its business in a manner that protects the safety of all its employees and others involved in its operations, as well as customers and the public to achieve a zero-harm workplace. Project Management department has weekly safety review for construction procedure. The review is to protect and foresee the possibility of any harm.

All employees will be held accountable for filling out a report immediately after an injury occurs. Compliance with applicable laws and company safety rules and regulations is a condition of employment. Safety violation notice(s) shall be issued to any employee, subcontractor, or anyone on the jobsite violating the safety rules or regulations. Any violation of safety rules can result in suspension or immediate termination. It is KWG policy to inform about injury in workplace. The sign for no of injury would be installed in front of construction site. During 2018, the construction site of the Company achieved a zero-harm workplace.

FAIR TREATMENT TO LABOUR

The Company always recognizes that all employees are the company's most valuable asset and as a factor in the success of the Company's achievement. The Company has set a policy of fair treatment in terms of opportunities, returns, appointments, relocation as well as potential development by adhering to the following guidelines.

- Treat employees with respect, honor, dignity and privacy.
- Maintain a safe working environment for employees' life and assets.
- Focus on developing knowledge, employee competence by constantly evolving such as providing training, seminars, training and opportunities to all employees.
- Provide compensation for employees according to industry conditions, business competition, and nature of work, performance and the ability of the company in paying such compensation.
- Provide an opportunity to all staff members to make suggestions or complaints about their work condition and environment to benefit all parties and build a good working relationship.

POLICY FOR RESOURCE USAGE

The Company established the policy for resource use. Staff would operate with resource usage saving mindset. Within operation, staff encourages to do as examples below:

- Set up automatic screen saving mode when no one attends the computer. IT department set up the mode in every computer and inspects the usage of such mode.
- Paper saving. Staff encourages to print paper out when necessary only. 2-side paper usage is strong encouraged.
- Water saving: Water saving is encouraged in office usage and operation.
- Electricity saving: Electricity should be turned off when no one is in the room.

CARE FOR ENVIRONMENT

KWG strives to operate our business with environment care in mind. The Company conducts business with environmental friendly processes and targets to protect the environment. The Company's Project Management Department operates the construction procedure with environment friendliness policy. The policy is communicated to the Company's contractors, and the Company inspects the compliance.

RESPONSIBILITY TO EMPLOYEES

Well-trained employees are the key to company's success. With appropriate Training Development and Employee Relations Program, we would groomed them with needed skills and turn them to be the strongest resources in the company's future including to encourage the life-long learning culture to optimize resource, quality and capacity within the company.

Regarding to the overview of Training Development and Employee Relations Program of 2020, employees had attended the training totally 480.85 hours/60 man-days.

In the fiscal year calendar 2020, We have organized the Training and Activities as shown in the detail below:

1.) IN-HOUSE TRAINING PROGRAMS

- The Knowledge of Provident Fund in January 13, 2020
- Knowledge sharing session on social security in January 31, 2020
- Savings, Fund and Financial Planning in February 12, 2020
- Policy and Procedure anti-corruption in March 11, 2020
- Knowledge sharing session on Data Privacy (PDPA policy) in March 12, 2020
- Zoom & VPN Program Training in April 7 -10, 2020
- How to use Office 365 for USER in June 4, 2020
- Take a sip Leap 'N Learn: Ezy Chinese! in July - October 2020
- OFFICE NO SYNDROME in July 20, 2020
- SharePoint Training in July 23, 2020
- Introduction of Group Health + Life Insurance 2021 in November 25, 2020





2.) EMPLOYEE RELATIONS PROGRAMS

- KWG's Mid-Autumn Festival Party in October 1, 2020
- WELLNESS AT WORK (BASIC YOGA) in December 4, 2020
- KWG APPRECIATION LUNCH in December 23, 2020

RESPONSIBILITY TO CUSTOMERS

KWG is responsible for providing correct and accurate portrayal of its products and services as well as of the Company to our customers. The Company aims to deliver products of quality and value to customers. The Company provides after sales service and also has avenues for customer feedback.

KWG has continued to conduct Customer Relation Management (CRM) activities and has a policy to build and maintain mutual long-term relationship with customers. These activities give us a chance to strengthen the relationship with our residents and collect their feedback on their suggestion and preference for market trend, which helps us to gain the insights on the competitive advantage for our marketing plan.

Since April 2020, the company highly aware of safety due to the Covid-19 coronavirus epidemic situation. In all our projects have implemented strict screening measurement for visitors by measuring the body temperature, providing alcohol gel hand sanitizer service, and cleaning of the facilities regularly. The company also delivered the Healthy Kits to the residents to express highly concern and care for all of them.

In October, the company organized the Mid-Autumn Festival celebration, at the clubhouse area, by inviting the families to join the Chinese paper lanterns painting activity and giving them mooncakes. Later in November, KWG organized a creative D.I.Y cupcakes activity which was full of joy and overwhelmed with a friendly atmosphere. Also, there was merit making at W Villa project on the occasion of New Year in January 9, 2021. Every activity receives a good response and highly satisfaction from the residents.

1. THE COMPANY HAS AFTER-SALES SERVICE AND THE EFFECTIVE COMMUNICATION CHANNELS TO REGULARLY GET OPINIONS FROM OUR RESIDENTS.



2. THE COMPANY ALWAYS ARRANGES CUSTOMER RELATIONSHIP MANAGEMENT ACTIVITIES.



RESPONSIBLITY TO COMMUNITIES

King Wai Group (Thailand) Public Company Limited owns large land areas in Khlong Luang Prang Subdistrict, Mueang District, Chachoengsao Province, Bo Ta Lo Subdistrict, Wang Noi District, and Lam Sai Subdistrict, Wang Noi District, Ayutthaya Province, which are preparing to develop into a large mixed-used project. These areas connect to the community around them. During the time, when Thailand is facing a COVID-19 situation outbreak, the company cares for the communities surrounding the land. Therefore, we donates 3,000 pieces of facemasks to them on 27-29 April 2020 to three local authorities in Ayutthaya and Chachoengsao province. Facemasks are distributed to the representatives of the authority as below.

Ms. Orathai Thamyo, Head of Office of the Chief Administrator of the Lamsai Subdistrict Administrative Organizations, Ayutthaya province

Mr. Apiphat Jaipetch, Chief Executive of the Bo Ta Lo Subdistrict Administrative Organizations, Ayutthaya province

Mr. Vichai Singhanast, Chief Executive of the Khlong Luang Phaeng Subdistrict Administrative Organizations, Chachoengsao province.

The local authorities have delivered the facemasks on our behalf to the community around these areas to protect them from the epidemic. This activity represents KWG good concern and help easing the expense burdensome to the local authority because they need to seek the huge amount of facemasks distribute to the resident in order to protect them.



In March 2021, The Company donated the unused assets such as furniture, IT equipment, office equipment, which located in Villa Acadia Srinakarin's sales office, to Suan Kaew Foundation in order to be benefit to people in need.



In 2020, The company has another corporate social responsibility activity, KWG Happiness Sharing activity. We arranged this activity after inspected community nearby our land plot in Ayutthaya province, and found out that there is a dire shortage school; Wat Lad Sai School, Lam Sai Subdistrict, Wang Noi District, Ayutthaya Province.

The school located in the community nearby the Company's land. There are 16 teachers and 282 students (from kindergarten 1 to elementary grade 6), 80% of the students are indigent. The school is in the condition of lacking educational equipment. The school buildings, especially the nursing room built from wood, is decaying and dilapidated. Also, the nursing equipment is insufficient.

King Wai Group (Thailand) Public Company Limited, therefore, support the school development and educational development for students. As part of the KWG Happiness Sharing activity, 100,000 baht was donated to the school to improve the dilapidated nursing room and it has already completed in early 2021.

Meanwhile, in December 2020, we placed the donation boxes to collect the educational equipment, used items in a good condition from KWG and KWI employees, the residents of the Villa Arcadia Srinakarin, and W Villa by KWG, and the public in Empire Tower where located KWG headquarters. All the donated items were hands on to the director of the school to distribute to all students then.

On March 12, 2021, the management and staff of King Wai Group (Thailand) Public Company Limited and King Wai Insurance Public Company Limited jointly organized CSR "KWG Happiness Sharing" activity at Wat Lad Sai School, Lam Sai Sub-district, Wang Noi District, Ayutthaya Province. The company delivered a newly renovated nursing room, donated gift items, and gave lunch for more than 400 students.



RESPONSIBILITY TO INVESTORS

King Wai Group (Thailand) Public Company Limited takes best responsibility to our investors by providing transparent, clear, and accurate information. On January 20, 2020, the Company held a meeting of investors, shareholders, as well as the press conference for the financial, stock and economic media explaining the strategies, plans, visions, and projects the company plans to achieve in the future. Both meeting and conference were led by KWG executives; Khun Antonio Hang Tat Chan, Vice Chairman and Chief Executive Officer and Khun Yupeng Huang, Deputy Chief Executive Officer.



EDUCATION AND CHILDREN DEVELOPMENT

King Wai Group has sponsored the Belt and Road Scholarship Program for four consecutive years. At present, more than 40 Thai students with outstanding abilities who are recipients of the scholarship are studying for bachelor's degrees at Hong Kong top universities.

In 2020, King Wai Insurance Public Company Limited (KWI), a subsidiary of the Company Cooperation with the Community Children Foundation Under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn (CCF Thailand) continually the 7th year supporting the 25 Children in Chaiphum Province, 350 kilometers Northeast away from Bangkok.

- We continue sponsoring for the 8th year with CCF Thailand foundation from QBE since 2013
- The Sponsors 180,000 Baht per year for 25 children in Chaiphum. These 25 children are between 3 -15 years old or starting from kindergarten to grade 9
- Working by CCF Thailand foundation, they surveyed and proposed this group to QBE Thailand in 2013, and maintained the same Children — growing them up until they finished the primary compulsory education. Some kids may exit the program prior, if they have to move out to another province or need to stop studying with their family's reason.
- The KWI sponsorship at 180,000 THB/ year or 7,200 THB for each child will be managed by CCF Thailand when they have monthly report to be submitted to the foundation and shared to the donator.

PROGRESS AND SUSTAINABILITY REPORT

KWG follows the policy of corporate social responsibility as follows:

1. PROGRESS OF THE POLICY

KWG focuses on cultivating employees to understand the goals of the organization and communicates its corporate social responsibility policy to all employees through the corporate governance policy of the Company. It is widely accepted for all employees to follow the right direction in the same direction. We also encourage employees to attend workshops to enhance their work skills and participate in various activities in order to enhance awareness, participation and corporate social responsibility of the Company's personnel, KWG will consider appropriate CSR approach to business operation of the company, financial status and operating results of the Company to determine the budget and type of activities for that year.

2. SUSTAINABILITY REPORT

KWG has taken into consideration the framework of the implementation of social responsibility and defined policies. The report on Corporate Social Responsibility will be disclosed on the annual report or made available report for public afterwards.



DIVIDEND PAYMENT POLICY

DIVIDEND PAYMENT

Dividend payment is subject to the Company's realized profit from its normal business operations during that year. It also takes into consideration the Company's future performance as well as the operating environment and other provisions arising from new regulatory requirements including resolutions from the Board meetings and/or annual general meeting of shareholders.

DIVIDEND PAYMENT OF SUBSIDIARIES

Dividend payment of subsidiaries will depend on the operating performance of each subsidiary, its retained earnings, legal provision and other required provisions as appropriate for business operations.





MANAGEMENT DISCUSSION AND ANALYSIS

In Y2020, even the global economy had confronted with COVID-19 pandemic. Many countries had to extend their countries' lockdown measures to stop traveling, suspend some businesses operation, impose a curfew, resulting in an economic slowdown and adversely impacting to entrepreneurs to terminate their employee or close their businesses. The outbreak likely lead to job losses and each government has to reserve a huge budget in order to recover the economic from depression. The rate of public liabilities and household debts were rapidly spiked. Many countries have been experiencing waves of outbreak. The Global economic growth this year was expected to decrease to -4.2%. The COVID-19 vaccines were successfully produced and the vaccination has been rolled out in many countries and most of their population will have been vaccinated by Y2021. The vaccine passports would become a feature of foreign travel. The global economy growth in Y2021 is projected to potentially pick up at 5.5%.

The economy of Thailand is dependent on export and foreign tourism that adversely impact from global depression. In Y2020, the suspension of international traveling had Thai economy shrank by -6.1% from 2.3% growth in Y2019 that has been the worst depression since "Tum Yum Kung" financial crisis in Y1997, resulting to decrease in purchase power in real estate sector and uncertainty in buyer's career path. The oversupply in houses and condominium property have entrepreneurs dump their price, but the strategies still unachieved to boost enough incoming revenue. Many businesses decided to shut down from lockdown's measures. The tenants were unable to pay the rental and decided to terminate the lease contract or requested to waive the annual incremental fee. The company has to delay its condominium development until there are any significant economic recovery sign in the future. However, the COVID-19 vaccine development was succeeded and Thailand's national vaccine will roll out from Feb 2021. The global economy was expected to be rebuilt. Thailand is also expected to recover from not only the increment of its export volume, but also from the foreign tourists who will have returned in Y2021. Therefore, Thailand economy growth expectation in Y2021 will return to pick up at 3.0%.

Despite the company confronted with the economy depression from COVID-19 pandemic causes. The company maintains 7% of its revenue growth from property and rental service businesses with total 64.2 million Baht from 60.0 million in previous year. In Y2020, the company generated revenue from sales of property in the amount of 19.4 million Baht and revenue from office space rental in the amount of 44.8 million Baht or equivalent to 30% and 70% of total revenue from Property businesses. The increased revenue from sale of property was from launching W-VILLA at Watcharapol project. The gross margin of property business retained the same amount at 35.4 million Baht comparable to Y2019. Even, the rectification of old houses at Watcharapol area reduced the received margin, but the company still enable to receive higher margin from more lease units from office space businesses. The gross loss from Insurance business -41.5 million Baht, reduced by 66.5 million Baht comparable to gross loss -108.0 million Baht in Y2019 due to the net premium earned was elevated from -71.7 million Baht to 91.8 million Baht or 163.5 million Baht upside, increased by 228.0%. Fee and commission income was 79.7 million Baht, Net claim incurred -48.0 million Baht, Other underwriting expenses -84.3 million Baht. In Y2020, the insurance company's net losses were -367.3 million Baht, decreased by 25.1 million Baht or 6.4% downside comparable to net losses 392.4 million Baht in Y2019. The main reason of reduced net losses was from gross loss recovered by 66.5 million Baht comparable to Y2019 or reduced by 61.57%.

In Y2020, the Company had total assets of Baht 8,447.8 million, increased by Baht 600.6 million Baht or 7.65 % compared to 7,847.2 million Baht in Y2019. Total current assets were Baht 2,701.6 million, decreased by 57.7 million Baht or 2.09% downside compared to 2,759.3 million Baht in Y2019. The main increments were from an decrease of reinsurance assets to 81.8 million Baht, decreased by 204.6 million Baht or -71.44% compared to 286.4 million Baht in Y2019. The company had total non-current assets in the amount of 5,746.1 million Baht, increased by 658.2 million Baht, or 12.94% compared to 5,087.9 million Baht in Y2019. The main reason was due to the increment in Other non-current assets 1,010.6 million Baht, increased by 860.0 million Baht or 571.05% compared to 150.6 million Baht in Y2019, resulting from the acquisition of Manulife Group in the amount of 1,000 million Baht.

BUSINESS OPERATION

REVENUE

Income of the Company and its subsidiaries consists of revenue from rental service of the office building, sale of land and houses, and insurance business.

In Y2020, the Company generated 44.8 million Baht from rental service of the office building, decreased by 1.4 million Baht or -3.03% from 46.2 million Baht in Y2019. Revenue from sales of land and houses in 2020 amounted to 19.4 million Baht, increased by 5.6 million Baht or 40.58% from 13.8 million Baht in Y2019. Gross profit of property business was 35.4 million Baht, which is the same amount in Y2019 in spite of the adversely COVID-19 impacts in the property business. Revenue from insurance business contributed from net premium earned amounted 91.8 million Baht, increased by 163.5 million Baht or 228.03% from -71.7 million Baht in Y2019. The fee and commission income were 79.7 million Baht, decreased by 19.7 million Baht or -19.82% compared to 99.4 million Baht in Y2019. And the company had finance income 7.2 million Baht, decreased by 3.7 million Baht or -33.94% compared by 10.9 million Baht in Y2019, resulting from the investment income from insurance business.

EXPENSE

In Y2020, the Company incurred cost of property sold of 18.4 million Baht, increased 8.8 million Baht or 91.67% from 9.6 million Baht in Y2019. Cost of rental and services was 10.5 million Baht, decreased by 4.4 million Baht or -29.53% from 14.9 million Baht in Y2019. Net claim incurred was 48.0 million Baht, increased by 34.6 million Baht or 258.21% from 13.4 million Baht in Y2019. Commission and brokerage expenses were 80.7 million Baht, increased by 5.4 million Baht or 7.17% from 75.3 million Baht in Y2019. Other underwriting expenses were 84.3 million Baht, increased by 37.4 million Baht or 79.74% from 46.9 million Baht in Y2019. Selling expenses were 5.9 million Baht, decreased by 6.0 million Baht or -50.42% from 11.9 million Baht in Y2019, mainly due to the reduction of advertisement and expense. Administrative expenses were 277.2 million Baht, increased by 9.0 million Baht or 3.36% from 268.2 million Baht in Y2019, mainly due to the depreciation of Right-of-use Assets in accordance to TFRS16 which commencing in Y2020 and increment of consulting and professional fee. Loss from exchange rate from foreign currency loan was 5.5 million Baht, increased by 27.3 million Baht or 125.23% from Gain from exchange rate 21.8 million Baht in Y2019. The financial costs were 81.5 million Baht, increased by 7.5 million Baht or 10.14% from 74.0 million Baht, mainly due to loan from banks.

INCOME TAX EXPENSE

In Y2020, the deferred income tax from net valuation gain from fair value adjustment on its investment properties were 2,300 Baht, decreased by 24,499 Baht or -91.42% from 26,799 Baht in Y2019.

FINANCIAL POSITION

ASSETS

As ended of Y2020, the Company had total assets amounting to 8,447.8 million Baht, increased by 600.6 million Baht or 7.65% compared to 7,847.2 million Baht in Y2019. Total current assets were 2,701.6 million Baht, decreased by 57.7 million Baht or -2.09% compared to 2,759.3 million Baht in Y2019, mainly due to the Reinsurance assets (81.8 million Baht), decreased by 204.6 million Baht or -286.4 million Baht, Cash and Cash equivalent (218.6 million Baht), decreased by 4.9 million Baht or -2.19% compared to 223.5 million Baht in Y2019. Trade and other Receivable were 107.5 million Baht, decreased by 83.8 million Baht or -43.81% from 191.3 million Baht in Y2019. The cost of property development were 1,937.2 million Baht, an increase of 8.6 million Baht or 0.45% compared to 1,928.6 million Baht in Y2019, mainly due to a single detached house project at Watcharapol. Financial Assets and Investments in securities were 258.9 million Baht, decreased by 101.1 million Baht or -29.84% from 369.0 million Baht in Y2019. Total non-current assets were 5,746.1 million Baht, an increase of 658.2 million Baht or 12.94% from 5,087.9 million Baht in Y2019, mainly due to other non-current assets 1,010.6 million Baht, an increase of 860.0 million or 571.05% from 150.6 million Baht in Y2019. new acquisition of Manulife Group 1,000.0 million, resulting from an acquisition in an ownership stake of Manulife Group. The buildings, equipment and right -of-use assets were Baht 60.9 million increased by 3.2 million Baht or 5.55% from 57.7 million Baht in Y2019. The intangible assets were 168.9 million Baht increased by 24.2 million Baht or 16.72% from 144.7 million Baht in Y2019. The return from total assets were -4.51%, a decrease of 7.96% from -4.90% in Y2019. Total Assets Turnover Ratio was 0.03x, increased by 200.0% from 0.01x in Y2019.

LIABILITIES

As ended of Y2020, total liabilities were 6,148.6 million Baht, increased by 967.6 million Baht or 18.68% compared from 5,181.0 million Baht in Y2019, resulting from short-term loan from related companies 1,511.3 million Baht, increased by 1,441.3 million Baht or 2,059% from 70.0 million Baht in Y2019 and Current portion of long-term loan from a financial institution 631.5 million Baht, decreased by 196.3 million Baht or -23.71% from 827.8 million Baht in Y2019. Due to reinsurers were 92.8 million Baht, decreased by 159.1 million Baht or -63.16% from 251.9 million Baht in Y2019. Unearned premium and commission income were 15.1 million Baht, decreased by 43.3 million Baht or -74.14% from 58.4 million Baht in Y2019. Lease liabilities were 38.9 million Baht in accordance to TFRS16 which commencing in Y2020. Non-current provisions for employee benefits were 45.2 million Baht, increased by 9.1 million Baht or 25.21% from 36.1 million Baht in Y2019. Insurance Contract Liabilities were 305.0 million Baht, decreased by 207.6 million Baht or -40.50% from 512.6 million Baht in Y2019. The Debt to Equity Ratio was 2.67x, increased by 37.63% from 1.94x in Y2019. Quick Ratio was 0.09x, decreased by 43.75% from 0.16x in Y2019, while Current Ratio was 0.78x, decreased by 25.00% from 1.04x in Y2019.

SHAREHOLDERS' EQUITIES

As ended of Y2020, the Company posted a total shareholders' equity of 2,299.2 million Baht, decreased by 367.0 million Baht or 13.76% compared to 2,666.2 million Baht in Y2019, The owners of the parent were recorded at 2,208.5 million Baht, decreased by 511.5 million Baht or -18.81% compared to 2,720.0 million Baht in Y2019. Return on equity ratio was -14.79%, increased by 7.88% from -13.71% in Y2019.



REPORT OF THE AUDIT COMMITTEE

TO THE SHAREHOLDERS OF KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED

The Audit Committee of King Wai Group (Thailand) Public Company Limited (KWG) has been appointed by the KWG's Board of Directors. In the year 2020 the Audit Committee consists of 3 following independent directors with qualification and experience in accounting, audit, laws, management, and corporate governance.

- | | | |
|----|------------------------------|------------------------------------|
| 1. | Mrs. Jiraporn Pimpoorash | Chairperson of the Audit Committee |
| 2. | Professor Chukiat Pramoolpol | Member of the Audit Committee |
| 3. | Mr. Somprasong Makkasaman | Member of the Audit Committee |

Mr. Paisan Supornpun, the Senior Assistant Vice President, and Mr. Napat Khayankarnavee, the internal auditor of the Company has assisted as the Secretary to the Audit Committee.

The audit committee has performed duties entrusted by the periodically reviewed the consolidated and separate financial statements of the KWG's Board of Directors covering review financial statements, internal control of the Company. The Audit Committee has periodically meetings with the Company's executive directors about Company's plan and business and subsidiaries especially a significant subsidiary which is King Wai Insurance. The Audit Committee's role is in accordance with the Securities Act under the governance and the rules defined by the Stock Exchange of Thailand.

During the year 2020 the Audit Committee Members convened 18 meetings of which 14 meetings were Board of Directors meetings and 4 meetings were Audit Committee meetings. The Audit Committee meetings were occasionally attended by the Executive Directors of the Company to discuss and inform the Audit Committee of the Company's business. In every quarter, as part of Audit Committee meeting, the Audit Committee has arranged in the first part of meeting to meet with the Company's accounting responsible personnel and the Company's external auditor to acknowledge report and discuss significant findings during the course of audit. In the meeting to review annual financial statements upon yearend closing, the Audit Committee has arranged meeting with the external auditor only to discuss audit findings without participation of personnel from Company's management. The Audit Committee's role and meetings content could be summarized as follows;

1. REVIEW FINANCIAL STATEMENTS

The Audit Committee members together with KWG's executive accounting staff reviewed essential information of quarterly and annual consolidated and separate financial statements of the Company and subsidiaries for the year 2020 to ensure its compliance with Thailand financial reporting standard, its reliability and adequacy disclosures. The Audit Committee, every quarter, had a meeting with the Company's external auditor without participant of Company's executives or management to discuss and inquire issues noted or resulted from the audit by the external auditor. The Audit Committee reviewed and agreed with the external auditor on Key Audit Matters raised by the external auditor.

The Audit Committee is of the opinion that the financial statements of the Company and its subsidiaries are in accordance with the Financial Reporting Standard and with sufficient disclosures. The external auditors communicated to the Audit Committee that no material weaknesses in the control system were identified and no indication of inappropriate use of assets or concealment.

2. BUSINESS ACQUISITION

In the year 2020 KWG has considered expansion by acquisition life insurance business. The Audit Committee has acknowledged acquisition process done by the reputation financial and legal adviser. The management has acquired the life insurance business on the basis of business opportunity and capability.

3. CONNECTED TRANSACTIONS

The Audit Committee had considered and given opinion about the connected transactions that may give rise to a conflict of interest with the Company and its subsidiaries. The purpose is taking into account the interest of the stakeholders and adequate information in line with the conditions guided by the Stock Exchange of Thailand.

4. RISK MANAGEMENT PROCESS, INTERNAL CONTROL AND INTERNAL AUDIT SUPERVISION REVIEW

The Audit Committee has reviewed efficiency and effectiveness of risk management process, internal control plan resulted in KWG's operation. The Audit Committee has participated with the management to guide and encourage possible practice to cope with unexpected situation. In the year 2020 the management of KWG has complied with the Government's order and gone through pandemic crisis caused by COVID19. Based on risk management process and report from the internal auditor there were no significant unusual issues or matters found.

5. REGULATORY COMPLIANCE

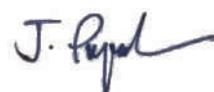
The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws related to the Company's business including Personal Data Act. In the year 2020 KWG has continue doing business at its best to carry on committed target. The Audit Committee has considered and approved KWG's self-evaluation for Countering Bribery report submitted to Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Audit Committee is of the opinion that the management of KWG has initiated strategic business plan to do business in Thailand that is in compliance with relevant regulations.

6. APPOINTMENT OF THE EXTERNAL AUDITOR FOR THE YEAR 2021

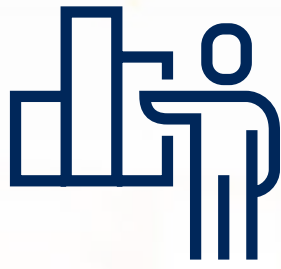
In selection of external auditor, the Audit Committee has considered the auditor's independence, competence, skill, experience and reasonable audit fees. The Audit Committee has agreed with the Board of Directors of KWG to select the firm of its comfortable deals. Therefore, the Audit Committee has agreed with the Board of Director of KWG to propose to the shareholders for approval to appoint Deloitte Touche Tomatsu Jaiyos Audit Co., Ltd. as the Company's and its subsidiaries' external auditor for the year ending December 2021. The appointed auditors were as follows:

Dr Suphamit Techamontrikul	C.P.A. (Thailand) registration No. 3356
Mr Choopong Surachutikarn	C.P.A. (Thailand) registration No. 4325
Mr Manoon Manusook	C.P.A. (Thailand) registration No. 4292
Ms Lasita Magut	C.P.A. (Thailand) registration No. 9039

In summary the Audit Committee was satisfied with the management of KWG in operating KWG's business with prudence, in line with the principles of good corporate governance. The Audit Committee was of the view that for the year ended December 31, 2020, the Company and its subsidiaries had performed at its proper benefit. The Company had established procedures that helped build confidence in Company's operation in accordance with laws and regulation with compilation and disclosure of adequate and reliable Company's financial information.



Mrs Jiraporn Pimpoorash
Chairman of the Audit Committee
4 March 2021



REPORT OF THE
INDEOENDENT
CERTIFIED PUBLIC
ACCOUNTANTS AND

FINANCIAL STATEMENT





REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of King Wai Group (Thailand) Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of King Wai Group (Thailand) Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.7 to the financial statements that the Group has adopted group of Financial Instruments Standards and Thai Financial Reporting Standard 16 “Leases” which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other components of shareholders’ equity of the current period. The Group also elected to adopt the Accounting Treatment Guidance on the temporary relief measures for additional accounting alternatives to alleviate the Impact of the COVID-19 outbreak issued by the Federation of Accounting Professions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Valuation of investment properties</p> <p>The Group owns many investment properties, consisting of land and buildings. The investment properties represent a material item of total assets in the consolidated and separate statements of financial position.</p> <p>The investment properties are stated at its fair value based on independent valuation by external appraisers. Valuation of investment properties is a key audit matter as the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.</p> <p>Accounting policy and detail of investment properties were disclosed in Notes 3.9 and 15 to the financial statements, respectively.</p>	<p>Key audit procedures include</p> <ul style="list-style-type: none"> ● Understanding of the Group design and implementation of the key internal controls over the valuation of investment properties. ● Performing operating effectiveness testing of key internal controls over the valuation of investment properties. ● Performing substantive audit procedures consist of: <ul style="list-style-type: none"> - Evaluating the qualification, competence and independence of the external appraisers. - Evaluating the appropriateness of key assumptions and valuation methodology used by the external appraisers in the valuation of the investment properties. - Considering the adequacy and appropriateness of the disclosure of fair value measurement of the investment property in note to the financial statements.

Key Audit Matters	Audit Responses
<p>Impairment of goodwill</p> <p>The consideration of impairment of goodwill is depended on the management's judgments and key assumptions. Therefore, the key audit matter is whether the valuation of goodwill and impairment of goodwill have been recognized in accordance with TFRSs.</p> <p>Accounting policies of goodwill and impairment and details of goodwill were disclosed in Notes 3.11, 3.13 and 17 to the financial statements, respectively.</p>	<p>Key audit procedures include</p> <ul style="list-style-type: none"> ● Understanding the impairment consideration process and related internal control procedures. ● Performing the operating effectiveness testing over the internal control procedures around impairment consideration process. ● Performing substantive audit procedures consist of: <ul style="list-style-type: none"> - Involving our internal specialists in assessing and testing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for goodwill. - Examining the correctness of the data used in the estimation of the impairment provision for goodwill with supporting documents and relative report. - Examining the correctness of the calculation of the impairment provision for goodwill.

Key Audit Matters	Audit Responses
<p>Recognition of premiums written</p> <p>Recognition of premiums written is a significant risk of material misstatement because the Group had a large number of policies which were derived from direct insurance, insurance brokers and reinsurers caused a variety of supporting documents. This may results that the Group records premium written in an inappropriate accounting period in which the transaction occurred. Key audit matter is whether the Group recognizes premiums written in a correct accounting period in which the transactions occurred in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies for revenue recognition is disclosed in Note 3.23 to the financial statements.</p>	<p>Key audit procedures include</p> <ul style="list-style-type: none"> ● Understanding operating procedures and internal control related to recognition of premiums written. ● Performing the design and implementation of internal controls procedures related to written premiums recognition. ● Performing the operating effectiveness testing over the internal control procedures around revenue recognition of premiums written. ● Performing substantive audit procedures consist of: <ul style="list-style-type: none"> - Examining the documents for the recognition of premiums written before and after the end of reporting period by consideration the policies effective date that has been recognized in an appropriate accounting period. - Performing analytical procedures on financial information relating premiums written.

Key Audit Matters	Audit Responses
<p>Loss reserves</p> <p>Loss reserves consists of liabilities from estimated loss incurred and reported and loss incurred but not reported (“IBNR”). Loss reserves are estimated based on the management’s judgement and an actuary using actuarial method which requires a number of key assumptions for estimation. Key audit matter is whether the measurement and recognition of loss reserves is in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policy for loss reserves and details of loss reserves were disclosed in Notes 3.18.2 and 25 to the financial statements, respectively.</p>	<p>Key audit procedures include</p> <ul style="list-style-type: none"> ● Understanding the operating procedures and internal control related to recognition of loss reserves. ● Performing the design and implementation of internal controls procedures related to loss reserves recognition. ● Performing the operating effectiveness testing over the internal control procedures around the recognition of loss reserves. ● Performing substantive audit procedures consist of: <ul style="list-style-type: none"> - Examining the loss reserves by considering the process of transaction approval and other significant supporting documents to determine whether loss reserves are recognized an appropriate value. - Inquiry of measurement criteria and key assumptions used in the estimation by actuary to assess an appropriateness of the calculation method and the key assumptions applied by the management and an actuary in assessing reserve for loss incurred and reported and loss incurred but not reported (“IBNR”), including evaluation of the reasonableness of key assumptions used together with evaluation of the actuary’s competency and independency. - Performing analytical procedures on financial information relating to loss reserves.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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 financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

February 23, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



STATEMENT OF FINANCIAL POSITION

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES AS AT DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	218,557,634	223,483,619	40,621,294	4,343,425
Trade and other current receivables	7	107,542,845	191,274,431	562,081,624	481,918,190
Reinsurance assets	8	81,784,156	286,422,307	-	-
Due from reinsurers	9	18,578,753	25,603,564	-	-
Short-term loan to a subsidiary	38.2	-	-	1,000,000,000	-
Cost of property development	10	1,937,211,936	1,928,604,971	-	-
Other current financial assets	13.1	101,695,698	-	405,750	-
Other current assets	11	236,271,749	103,916,708	225,201	1,159,353
Total Current Assets		2,701,642,771	2,759,305,600	1,603,333,869	487,420,968
NON-CURRENT ASSETS					
Refundable withholding tax		20,637,889	38,871,285	16,918,046	22,305,068
Restricted bank deposits	12	41,487,742	40,562,422	-	-
Other non-current financial assets	13.2	157,220,013	-	-	-
Investments in securities	13.3	-	369,023,325	-	475,300
Investments in subsidiaries	14	-	-	2,036,618,854	1,392,455,713
Long-term loans to subsidiaries	38.3	-	-	1,432,760,921	1,938,175,684
Investment properties	15	4,013,454,160	4,013,465,660	395,295,160	395,295,160
Plant, equipment, and right-of-use assets	16	60,909,344	57,714,865	50,454,160	30,534,730
Goodwill	17	272,899,088	272,899,088	-	-
Other intangible assets	18	168,895,438	144,725,794	2,668,779	2,824,651
Other non-current assets	19	1,010,629,650	150,600,159	6,195,527	4,700,936
Total Non-current Assets		5,746,133,324	5,087,862,598	3,940,911,447	3,786,767,242
TOTAL ASSETS		8,447,776,095	7,847,168,198	5,544,245,316	4,274,188,210

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



STATEMENT OF FINANCIAL POSITION (CONTINUED)

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from a financial institution	20	887,493,328	887,157,851	887,493,328	887,157,851
Trade and other current payables	21	284,097,495	288,659,158	38,668,361	34,016,255
Advances received from customers		9,738,700	5,717,950	-	-
Due to reinsurers	22	92,841,476	251,920,204	-	-
Unearned fee and commission income		15,106,234	58,369,536	-	-
Current portion of long-term borrowings from a financial institution	20	631,500,000	827,800,000	-	-
Current portion of long-term borrowings from a related party	38.6	-	245,992,850	-	-
Short-term borrowings from a related party	38.4	1,511,260,391	70,000,000	1,330,799,850	70,000,000
Current portion of lease liabilities	23	18,774,002	-	16,779,322	-
Other current liabilities		2,987,009	6,724,571	1,408,429	863,499
Total Current Liabilities		3,453,798,635	2,642,342,120	2,275,149,290	992,037,605
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institutions	20	731,204,478	465,955,873	-	-
Long-term borrowings from a subsidiary	38.5	-	-	51,934,664	51,758,429
Long-term borrowings from related person or parties	38.6	1,274,482,797	1,205,025,447	-	-
Lease liabilities	23	20,129,555	-	19,702,928	-
Deposit from customers		10,482,474	11,106,486	10,384,994	10,531,805
Prepayment from customers for housing estate juristic person		27,823,529	27,328,763	-	-
Non-current provisions for employee benefits	24	45,157,478	36,106,630	18,571,174	13,057,035
Insurance contract liabilities	25	304,989,912	512,572,927	-	-
Deferred tax liabilities	26	275,949,919	275,952,219	71,989,910	71,989,912
Other non-current liabilities		4,586,300	4,586,300	2,000,000	2,000,000
Total Non-current Liabilities		2,694,806,442	2,538,634,645	174,583,670	149,337,181
TOTAL LIABILITIES		6,148,605,077	5,180,976,765	2,449,732,960	1,141,374,786

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



STATEMENT OF FINANCIAL POSITION (CONTINUED)

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
27					
Authorizes share capital					
2,607,396,832 ordinary shares of Baht 10 each		26,073,968,320		26,073,968,320	
1,317,053,470 ordinary shares of Baht 10 each			13,170,534,700		13,170,534,700
Issued and paid-up share capital					
1,317,059,260 ordinary shares of Baht 10 each, fully paid		13,170,592,600	-	13,170,592,600	-
1,317,053,470 ordinary shares of Baht 10 each, fully paid		-	13,170,534,700	-	13,170,534,700
Share discount on ordinary shares		(8,884,032,751)	(8,883,980,236)	(8,884,032,751)	(8,883,980,236)
Difference from acquisition of assets under common control		(165,909,904)	(5,109,245)	-	-
Difference from acquisition of non-controlling interests		(136,284,018)	(136,284,018)	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	28	12,525,332	12,525,332	2,075,332	2,075,332
Unappropriated		(1,821,551,300)	(1,461,581,561)	(1,220,434,101)	(1,182,002,948)
Other components of shareholders' equity		33,199,030	23,935,506	26,311,276	26,186,576
TOTAL OWNERS OF THE PARENT		2,208,538,989	2,720,040,478	3,094,512,356	3,132,813,424
NON-CONTROLLING INTERESTS		90,632,029	(53,849,045)	-	-
TOTAL SHAREHOLDERS' EQUITY		2,299,171,018	2,666,191,433	3,094,512,356	3,132,813,424
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,447,776,095	7,847,168,198	5,544,245,316	4,274,188,210

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



STATEMENT OF COMPREHENSIVE INCOME

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues					
Revenue from sale of property		19,400,000	13,800,000	-	-
Rental and services income		44,786,470	46,158,672	45,180,094	46,563,550
Net premium earned	29	91,842,052	(71,661,474)	-	-
Fee and commission income		79,741,483	99,364,127	-	-
Gain on foreign exchange rate, net		-	21,801,319	167,388	-
Other income	30	1,773,770	1,722,017	43,324,548	21,914,007
Total Revenues		237,543,775	111,184,661	88,672,030	68,477,557
Expenses					
Cost of property sold		(18,358,418)	(9,615,709)	-	-
Cost of rental and services		(10,461,406)	(14,940,197)	(10,449,985)	(14,896,915)
Net claim incurred		(47,991,196)	(13,422,718)	-	-
Commission and brokerage expenses		(80,736,183)	(75,342,969)	-	-
Other underwriting expenses		(84,346,097)	(46,915,503)	-	-
Selling expenses		(5,898,550)	(11,894,235)	(858,043)	(2,156,652)
Administrative expenses	31	(277,163,911)	(268,232,609)	(131,309,104)	(123,650,091)
Loss on foreign exchange rate, net		(5,490,250)	-	-	-
Loss on fair value measuring financial assets		(69,550)	-	(69,550)	-
Loss from fair value adjustments on investment properties		(11,500)	(133,994)	-	(145,395)
Loss from impairment of investment in subsidiaries		-	-	(5,936,860)	(234,896,830)
Total Expenses		(530,527,061)	(440,497,934)	(148,623,542)	(375,745,883)
Loss from operating activities		(292,983,286)	(329,313,273)	(59,951,512)	(307,268,326)
Finance income	33	7,230,127	10,854,625	76,825,647	91,894,634
Finance costs	34	(81,512,120)	(73,973,244)	(46,571,852)	(37,547,988)
Loss before income tax expense		(367,265,279)	(392,431,892)	(29,697,717)	(252,921,680)
Income tax income	36	2,300	26,799	-	29,079
LOSS FOR THE YEAR		(367,262,979)	(392,405,093)	(29,697,717)	(252,892,601)

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



STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT					
	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income (loss)					
that will be reclassified to profit or loss					
Loss from remeasuring to fair value of financial assets		(1,866,552)	-	-	-
Gain from remeasuring to fair value of available-for-sale investment		-	1,291,925	-	16,550
Written-off gain from reclassification of investment from sale of financial assets		(778,708)	(94,301)	-	-
Total components of other comprehensive income (loss) that will be reclassified to profit or loss		(2,645,260)	1,197,624	-	16,550
Components of other comprehensive income that will not be reclassified to profit or loss					
Loss on investment in equity designated at fair value through other comprehensive income		(11,050,213)	-	-	-
Loss on remeasurements of defined benefit plans		-	(1,778,404)	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss		(11,050,213)	(1,778,404)	-	-
Other comprehensive income (loss) for the years, net of tax					
		(13,695,473)	(580,780)	-	16,550
Total comprehensive loss for the years					
		(380,958,452)	(392,985,873)	(29,697,717)	(252,876,051)
Loss attributable to:					
Owners of the parent		(351,173,501)	(378,815,617)	(29,697,717)	(252,892,601)
Non-controlling interests		(16,089,478)	(13,589,476)	-	-
		(367,262,979)	(392,405,093)	(29,697,717)	(252,892,601)
Total comprehensive loss attributable to:					
Owners of the parent		(364,738,867)	(379,390,723)	(29,697,717)	(252,876,051)
Non-controlling interests		(16,219,585)	(13,595,150)	-	-
		(380,958,452)	(392,985,873)	(29,697,717)	(252,876,051)
Losses per share					
Basic losses per share attributable to owners of the parent (Baht)					
	37	(0.26)	(0.28)	(0.02)	(0.19)

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



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY CONSOLIDATED FINANCIAL STATEMENTS

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BATH											
Attributions to Owners of the Parent											
		Difference from		Other components of shareholders' equity						Total	
Notes	Issued and paid-up share capital	Share discount on ordinary shares	acquisition of assets under common control and non-controlling interest	Retained earnings (deficit)		Surplus (deficit) on revaluation of investments	Loss on Investment in equity designated at fair value through other comprehensive income	Surplus on revaluation of assets	Total of other components of shareholders' equity	Attributions to owners of the Parent	Total shareholders' equity
				Appropriated - Legal reserve	Unappropriated						
Beginning balance as at January 1, 2019	13,170,534,700	(8,683,980,236)	(141,393,263)	12,525,332	(1,081,004,436)	(5,166,895)	1,604,723	26,311,276	22,749,104	3,069,431,201	3,069,177,306
Changes in shareholders' equity for the year											
Total comprehensive income (loss) for the year	-	-	-	-	(390,577,125)	1,279,807	(89,405)	-	1,196,402	(379,390,729)	(392,585,873)
Ending balance as at December 31, 2019	13,170,534,700	(8,683,980,236)	(141,393,263)	12,525,332	(1,461,581,561)	(3,887,088)	1,511,318	26,311,276	23,935,506	2,720,040,478	2,666,191,433
Beginning balance as at January 1, 2020											
- as reported	13,170,534,700	(8,683,980,236)	(141,393,263)	12,525,332	(1,461,581,561)	(3,887,088)	1,511,318	26,311,276	23,935,506	2,720,040,478	2,666,191,433
Impact of first-time adoption of new accounting standards	-	-	-	-	(8,796,238)	22,828,890	-	-	22,828,890	14,032,652	14,032,652
Beginning balance as at January 1, 2020											
- restated	13,170,534,700	(8,683,980,236)	(141,393,263)	12,525,332	(1,470,377,799)	18,941,802	1,511,318	26,311,276	46,764,396	2,734,073,130	2,680,224,085
Change in shareholders' equity for the year											
Increase in ordinary shares	57,900	(52,515)	-	-	-	-	-	-	-	5,385	5,385
Increase in change in ownership interest in a subsidiary	-	-	(160,800,659)	-	-	-	-	-	-	(160,800,659)	(160,000)
Total comprehensive loss for the year	-	-	(302,193,922)	12,525,332	(1,821,051,300)	17,092,982	740,008	(10,945,236)	(13,565,366)	(364,738,867)	(360,558,452)
Ending balance as at December 31, 2020	13,170,592,600	(8,684,032,751)	(302,193,922)	12,525,332	(1,821,051,300)	17,092,982	740,008	26,311,276	33,199,000	2,208,638,989	2,299,171,018

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



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED) SEPARATE FINANCIAL STATEMENTS

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	Issued and paid-up share capital	Share discount on ordinary shares	Other components of shareholders' equity					UNIT : BAHT
				Retained earnings (deficit)		Total of other			
				Appropriated - Legal reserve	Unappropriated	Surplus (deficit) on revaluation of available-for-sale investments	Surplus on revaluation of assets	components of shareholders' equity	
Beginning balances as at January 1, 2019		13,170,534,700	(8,883,980,236)	2,075,332	(929,110,347)	(141,250)	26,311,276	26,170,026	3,385,689,475
Changes in shareholders' equity for the year									
Total comprehensive income (loss) for the year		-	-	-	(252,892,601)	16,550	-	16,550	(252,876,051)
Ending balances as at December 31, 2019		13,170,534,700	(8,883,980,236)	2,075,332	(1,182,002,948)	(124,700)	26,311,276	26,186,576	3,132,813,424
Beginning balances as at January 1, 2020 - as reported		13,170,534,700	(8,883,980,236)	2,075,332	(1,182,002,948)	(124,700)	26,311,276	26,186,576	3,132,813,424
Impact of first-time adoption of new accounting standards	2.7	-	-	-	(8,733,436)	124,700	-	124,700	(8,608,736)
Beginning balances as at January 1, 2020 - restated		13,170,534,700	(8,883,980,236)	2,075,332	(1,190,736,384)	-	26,311,276	26,311,276	3,124,204,688
Changes in shareholders' equity for the year									
Increase in ordinary shares	27	57,900	(52,515)	-	-	-	-	-	5,385
Total comprehensive loss for the year		-	-	-	(29,697,717)	-	-	-	(29,697,717)
Ending balances as at December 31, 2020		13,170,592,600	(8,884,032,751)	2,075,332	(1,220,434,101)	-	26,311,276	26,311,276	3,094,512,356

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



STATEMENT OF CASH FLOWS

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax		(367,265,279)	(392,431,892)	(29,697,717)	(252,921,680)
Adjustments for:					
Depreciation	16	49,359,011	29,917,143	25,824,161	8,845,196
Amortization	18	1,526,103	197,770	155,872	176,992
Unrealised (gain) loss on foreign exchange rate		5,792,637	(21,791,819)	-	-
Loss from written-off withholding tax		7,463,717	-	4,172,559	-
Gain on sales of financial assets		(988,840)	-	-	-
Gain from sales of investments in securities		-	(94,301)	-	-
Loss from remeasuring on financial assets		69,550	-	69,550	-
Gain on sales of fixed assets		(315,850)	(1,061,217)	(50,908)	-
Loss on written-off fixed assets		-	2,536,959	-	-
Loss from impairment of building and equipment		-	1,652,295	-	-
Loss on written-off intangible assets		592,554	-	-	-
Loss from fair value adjustments on investment properties		11,500	133,994	-	145,395
Premium reserve (increase) decrease		(33,579,747)	3,810,662	-	-
Claim incurred but not report (increase) decrease		(499,782)	9,585,135	-	-
Employee benefit expenses		9,880,404	12,528,875	5,514,139	5,897,274
Loss from diminution (reversal) of allowance for diminution in value on cost of property development		4,456,532	(25,835,371)	-	-
Interest income	33	(7,230,126)	(276,540)	(76,825,647)	(91,894,634)
Interest expense	34	81,512,120	73,973,244	46,571,852	37,547,988
Loss on impairment of investment in a subsidiary		-	-	5,936,860	234,896,830
Loss from operations before changes in operating assets and liabilities		(249,215,496)	(307,155,063)	(18,329,279)	(57,306,639)
Changes in operating assets (increase) decrease					
Trade and other current receivables		84,159,069	30,821,989	(3,341,662)	835,353
Reinsurance assets		238,717,680	99,291,444	-	-
Due from reinsurers		7,024,811	(15,282,814)	-	-
Cost of property development		(13,142,902)	(107,838,609)	-	-
Other current assets		(133,297,102)	(3,822,129)	(7,909)	172,232
Other non-current assets		(860,029,491)	(6,731,657)	(1,494,591)	(830,728)
Operating liabilities increase (decrease)					
Trade and other current payables		(44,459,168)	(25,207,777)	(2,535,538)	(3,880,858)
Advance received from customers		4,020,750	4,722,950	-	-
Due to reinsurers		(159,078,728)	100,452,531	-	-
Unearned fee and commission income		(43,263,302)	22,364,784	-	-
Other current liabilities		(3,737,562)	5,188,980	544,930	(351,830)
Non-current provisions for employee benefits		(829,556)	(88,000)	-	-
Insurance contract liabilities		(207,583,015)	(217,984,443)	-	-
Other non-current liabilities		(129,246)	(389,177)	(146,811)	(197,093)
Cash paid from operating activities		(1,380,843,258)	(421,656,991)	(25,310,860)	(61,559,563)

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



STATEMENT OF CASH FLOWS (CONTINUED)

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Income tax paid		(3,706,634)	(3,708,403)	(2,958,070)	(3,514,542)
Cash received from withholding tax		14,476,313	-	4,172,533	-
Cash received from income tax		942,061	-	942,061	-
Net cash used in operating activities		(1,369,131,518)	(425,365,394)	(23,154,336)	(65,074,105)
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in restricted bank deposits		(925,320)	(3,711,712)	-	-
Cash paid for other current financial assets		(100,000,000)	-	-	-
Cash paid for other non-current financial assets		(137,770,777)	-	-	-
Cash receipt from sales of other non-current financial assets		357,806,398	-	-	-
Cash paid for investments in securities		-	(133,952,149)	-	-
Cash receipt from sales of investment in securities		-	147,876,806	-	-
Cash paid for purchases of investment in subsidiaries		-	-	(650,000,000)	-
Cash paid for short-term loans to subsidiaries		-	-	(1,000,000,000)	-
Cash paid for long-term loans to subsidiaries		-	-	(177,973,168)	(242,542,204)
Cash receipt from long-term loan to subsidiaries		-	-	674,040,000	134,069,540
Cash receipt from short-term loan to other company		-	1,000,000	-	-
Cash paid for purchase of investment properties	5.1	-	(254,404)	-	(254,404)
Cash paid for purchase of plant and equipment	5.2	(2,832,788)	(28,113,272)	(1,013,679)	(4,695,317)
Cash receipt from sales of equipment		317,953	1,769,505	53,000	-
Cash paid for purchase of computer program	5.3	(11,586,381)	(44,052,659)	-	(122,529)
Cash receipt from interest income		6,890,442	279,870	3,875	135,148
Net cash provided by (used in) investing activities		111,899,527	(59,158,015)	(1,154,889,972)	(113,409,766)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash receipt from short-term borrowings from a financial institution		-	214,920,000	-	214,920,000
Cash repayment for short-term borrowings from financial institutions		-	(70,000,000)	-	(70,000,000)
Cash receipt from short-term borrowings from related company		1,430,799,850	70,000,000	1,430,799,850	70,000,000
Cash repayment for short-term borrowings from related company		(170,000,000)	-	(170,000,000)	-
Cash receipt from long-term borrowings from financial institutions		79,600,000	269,969,640	-	-
Cash repayment for long-term borrowings from financial institutions		(13,830,000)	(234,000,000)	-	-
Cash receipt from long-term borrowings from subsidiaries		-	-	9,524,165	23,372,496
Cash payment for redemption of bill of exchange		-	(90,000,000)	-	(90,000,000)
Cash payment for lease liabilities		(23,135,576)	-	(19,242,289)	-
Cash receipt from share capital		5,385	-	5,385	-
Cash payment for interest expenses		(51,133,653)	(55,711,319)	(36,764,934)	(33,043,812)
Net cash provided by financing activities		1,252,306,006	105,178,321	1,214,322,177	115,248,684
Net increase (decrease) in cash and cash equivalents		(4,925,985)	(379,345,088)	36,277,869	(63,235,187)
Cash and cash equivalents at beginning of years		223,483,619	602,828,707	4,343,425	67,578,612
Cash and cash equivalents at ending of years	6	218,557,634	223,483,619	40,621,294	4,343,425

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



NOTES TO THE FINANCIAL STATEMENTS

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES (THE "GROUP")

King Wai Group (Thailand) Public Company Limited (the "Company") was registered in Thailand as a public company limited on June 1, 1994. The head office of the Company is located at 30th Floor, Jewellery Centre Building, 138/108 Nares Road, Sipraya, Bangrak, Bangkok 10500 and its branch is located at 47th Floor, Empire Tower Building, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

The principle businesses of the Group are trading, rent and real estate operations, a holding company and non-life insurance.

The Company's major shareholder is KWT1499 (Thailand) Company Pte. Ltd. is incorporated in Singapore and Tommo (Thailand) Limited is incorporated in Thailand under King Wai Group which holds 46.73% and 38.22%, respectively, of the Company's share capital.

Detail of the Company's subsidiaries as at December 31, 2020 and 2019 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)		
			2020	2019	
<i>Direct subsidiaries</i>					
Thai-Kami Co., Ltd.	Property development	Thailand	100.00	100.00	
Top Property Co., Ltd.	Property development	Thailand	100.00	61.00	
Gold Star Property Co., Ltd.	Property development	Thailand	100.00	100.00	
Cornerstone Realty Co., Ltd.	Property development	Thailand	99.98	99.98	
KWG Explore Limited	Property development	Thailand	99.98	99.98	
NVV Development Co., Ltd.	Property development	Thailand	100.00	100.00	
S31 Limited	Property development	Thailand	99.98	99.98	
S61 Limited	Property development	Thailand	100.00	100.00	
Praram4 Limited	Property development	Thailand	99.98	99.98	
King Wai Construction Limited	Construction	Thailand	99.98	99.98	
King Wai Media Limited	Advertising and marketing services	Thailand	99.98	99.98	
King Wai Property Limited	Property management and agent	Thailand	99.98	99.98	
AEC City Co., Ltd.	Property development	Thailand	100.00	100.00	
King Wai Capital Limited	Holding	Thailand	100.00	100.00	
<i>Indirect subsidiaries</i>					
King Wai Insurance PCL.	Non-life insurance	Thailand	99.05	99.05	

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

Coronavirus Disease 2019 Pandemic

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

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.
- 2.3 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.3) B.E. 2562” dated December 26, 2019, which was effective for financial periods beginning on or after January 1, 2020 onwards.
- 2.4 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.5 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Group and the Company for the year then ended which were audited.
- 2.6 The consolidated financial statements are the consolidation between the Group’s accounts by eliminated intercompany transactions and balances including unrealized gain (loss) from these financial statements. The accounting policies of subsidiaries are adjusted to comply with the parent company in preparation of the consolidated financial statements. The non-controlling interests’ information is separately presented in the consolidated statements of financial position and the consolidated statements of comprehensive income.

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except the financial reporting standard as follow:

Group of Financial Instruments Standards

In the current year, the Group has initially applied Group of Financial Instruments Standards. The Group has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9 as follows:

1) Classification and measurement of financial assets and financial liabilities

Financial assets - debt securities

The Group has classified its financial assets - debt securities as subsequently measured at either amortized cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at Amortized Cost (AMC) only if both following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model.

- A financial asset measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized as gain or losses in statement of comprehensive income. The measurement of credit impairment is based on the expected credit loss model.

- A financial asset measured at Fair Value Through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gain and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss.

Financial assets - equity securities

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such equity instruments continue to be recognised in profit or loss (if any).

2) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

In particular, TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

3) Disclosure in relation to the initial application of TFRS 9

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

CONSOLIDATED FINANCIAL STATEMENTS					
	TAS 105 Carrying amount as at December 31, 2019 Thousand Baht	Reclassifications Thousand Baht	Remeasurements Thousand Baht	TFRS 9 Carrying amount as at January 1, 2020 Thousand Baht	Categories
Assets					
Investment in securities	369,023	(369,023)	-	-	
Other current financial assets	-	475	-	475	Debt security measured at fair value through profit or loss
Other current financial assets	-	1,284	-	1,284	Debt security measured at amortised cost
Other non-current financial assets	-	366,702	-	366,702	Debt security measured at fair value through other comprehensive income
Other non-current financial assets	-	562	22,704	23,266	Equity security measured at fair value through other comprehensive income
Shareholders' equity					
Unappropriated retained deficits	-	-	(125)	(125)	
Other components of shareholders' equity	(2,376)	-	22,829	20,453	
SEPARATE FINANCIAL STATEMENTS					
	TAS 105 Carrying amount as at December 31, 2019 Thousand Baht	Reclassifications Thousand Baht	Remeasurements Thousand Baht	TFRS 9 Carrying amount as at January 1, 2020 Thousand Baht	Categories
Assets					
Investment in securities	475	(475)	-	-	
Other current financial assets	-	475	-	475	Debt security measured at fair value through profit or loss
Shareholders' equity					
Unappropriated retained deficits	-	-	(125)	(125)	
Other components of shareholders' equity	(125)	-	125	-	

Besides, other financial assets and liabilities can be classified as follow:

- Cash equivalents are classified as financial assets measured at amortised cost.
- Trade and other current receivables, reinsurance assets, due from reinsurers, other current assets, long-term loans to subsidiaries and other non-current assets are classified as financial assets measured at amortized cost.
- Short-term borrowings from a financial institution, trade and other current payables, advances received from customers, due to reinsurers, unearned fee and commission income, short-term borrowings from a related party, long-term borrowings from financial institutions, long-term borrowings from subsidiaries, long-term borrowings from related persons or parties, lease liabilities, insurance contract liabilities and other non-current liabilities are classified as financial liabilities measure at amortised cost.

The application of TFRS 9 has had no impact on the consolidated and separate cash flows of the Group and the Company.

Thai Financial Reporting Standards No. 16 “Leases”

Thai Financial Reporting Standards No. 16 “Leases” provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Financial impact of the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at its carrying amount as if TFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 3.90% - 5.15%.

The following table shows the operating lease commitments disclosed applying TAS 17 "Leases" as at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on retained earnings as at January 1, 2020

	CONSOLIDATED FINANCIAL STATEMENTS Thousand Baht	SEPARATE FINANCIAL STATEMENTS Thousand Baht
Operating lease commitments as at December 31, 2019	62,965	56,594
Short-term leases and leases of low-value assets	(262)	(262)
Effect of discounting the above amounts	(3,105)	(2,881)
Lease liabilities recognized as at January 1, 2020	<u>59,598</u>	<u>53,451</u>

Impact of initial application of TFRS 9 and 16 on financial position

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9 and 16 for the current year.

Impact on assets, liabilities and equity as at December 31, 2019	As previously reported Thousand Baht	CONSOLIDATED FINANCIAL STATEMENTS		As restated Thousand Baht
		TFRS 9 adjustments	TFRS 16 adjustments	
		Thousand Baht	Thousand Baht	
Assets				
Investment in securities	369,023	(369,023)	-	-
Other current financial assets	-	1,634	-	1,634
Other non-current financial assets	-	390,093	-	390,093
Right-of-use assets	-	-	50,926	50,926
Total effect on net assets		<u>22,704</u>	<u>50,926</u>	
Liabilities				
Lease liabilities	-	-	59,598	59,598
Total effect on net liabilities		<u>-</u>	<u>59,598</u>	
Shareholders' equity				
Unappropriated retained deficit	(1,461,582)	(125)	(8,672)	(1,470,379)
Other components of shareholders' equity	23,935	22,829	-	46,764
Total effect on shareholders' equity		<u>22,704</u>	<u>(8,672)</u>	
SEPARATE FINANCIAL STATEMENTS				
Impact on assets, liabilities and equity as at December 31, 2019	As previously reported Thousand Baht	TFRS 9 adjustments	TFRS 16 adjustments	As restated Thousand Baht
		Thousand Baht	Thousand Baht	
		Thousand Baht	Thousand Baht	
Assets				
Investment in securities	475	(475)	-	-
Other current financial assets	-	350	-	350
Right-of-use assets	-	-	44,842	44,842
Total effect on net assets		<u>(125)</u>	<u>44,842</u>	
Liabilities				
Lease liabilities	-	-	53,451	53,451
Total effect on net liabilities		<u>-</u>	<u>53,451</u>	
Shareholders' equity				
Unappropriated retained deficit	(1,182,003)	(125)	(8,609)	(1,190,737)
Other components of shareholders' equity	26,186	125	-	26,311
Total effect on shareholders' equity		<u>-</u>	<u>(8,609)</u>	

Thai Financial Reporting Standard No.4 “Insurance Contracts”

The Federation of Accounting Professions issued Thai Financial Reporting Standard No.4 “Insurance Contracts”, which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures” if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2023 or before Thai Financial Reporting Standard No. 17 “Insurance Contracts” becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption and provide comparison information of the entity that applies temporary exemption with those that apply Thai Financial Reporting Standard No. 9 and Thai Financial Reporting Standard No. 7.

The Group’s management has assessed eligibility to apply such temporary exemption and concluded that the Group is eligible to apply such temporary exemption. However, the Group’s management elect to apply Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures” which is effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on 22 April 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36 “Impairment of Assets”.
- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

2.8 Thai Financial Reporting Standard No.16 “Leases”

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

The Group has not elected to apply the lease relief to prepare financial statements for the year ended December 31, 2020.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

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

Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits at financial institutions with original maturities of 3 months or less, and excluding deposits at financial institutions used as collateral.

3.2 Trade and other current receivables

a) Policies applicable from January 1, 2020

Trade and other receivables are stated at their invoice value less allowance for expected credit losses, if any.

The allowance for expected credit losses has disclosed in Note 3.8.

b) Policies applicable prior to January 1, 2020

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts, if any.

An allowance for doubtful accounts is calculated on the expect uncollectible debts based on past collection experience and the analysis of aging of each debtor.

3.3 Premium due and uncollected and allowance for doubtful debt

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

3.4 Reinsurance assets

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

3.5 Due to and due from reinsurers

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

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

3.6 Cost of property development

- 3.6.1 Cost of property development is stated at the lower of cost or net realizable value. The project cost consists of land and single detached house, land under development, land development cost, construction in progress, other development costs, condominium units held for sales and borrowing costs. Borrowing costs will stop being recognized as cost when construction projects have been completed and are no longer developing.
- 3.6.2 Borrowing costs for the construction or production of an asset that necessarily takes a substantial period of time to get ready for use or sale that have been included as capitalized until the assets are ready to be used according to the purpose. The other borrowing costs are recognized as expenses in the period incurred. Borrowing costs consist of interest and other costs arising from the borrowing.

3.7 Investments

Policies applicable prior to January 1, 2020

- 3.7.1 Investments in subsidiaries in the separate financial statements are stated at cost less allowance for impairment. The Company recognized loss from impairment of investment in subsidiaries in the statement of profit or loss and other comprehensive income without the goodwill amortization. Investment in subsidiaries represent the investment in those companies has been controlled both directly or indirectly by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- 3.7.2 Investments in marketable securities held for trading purposes are classified as current assets and are carried at fair value. Gain or loss on changes in market values are recognized in the statement of profit or loss and other comprehensive income. The fair value of trading investments is determined as last bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand. If the Group disposes part of its holding investments, 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. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as gain (loss) on disposal of trading investments.
- 3.7.3 Marketable equity securities other than those securities held for trading are classified as available-for-sale securities. Investments held as available for sale are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognized in other components of equity through other comprehensive income. Impairment losses are recognized in the statement of comprehensive income. When these investments are derecognized, the cumulative gain or loss previously recognized directly in other comprehensive income is recognized in the statement of comprehensive income.

3.7.4 Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity. These securities are carried at amortised cost using the effective yield method less impairment loss. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

3.7.5 Investments in non-marketable equity securities are classified as general investments. These investments are carried at cost less impairment loss, if any. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

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

3.8 Financial instruments

Policies applicable from January 1, 2020

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, other comprehensive income or amortized cost. The classification is derived by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

General investment has been classified as equity securities designated at fair value through other comprehensive income (FVTOCI). Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and designated all equity securities that are not held for trading as FVTOCI on initial TFRS 9.

Expected credit loss recognition

Financial assets - debt securities

The Group recognized a loss allowance for expected credit losses on debt instrument measured at amortized cost or at fair value through other comprehensive income based on expect credit losses model. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial assets – Equity securities

The Group recognized allowance for impairment loss of equity securities that are measured at fair value through other comprehensive income as there is evidence to support that securities are impaired.

The Group recognized gain or loss on impairment, loss allowance on impairment through other comprehensive income and not devalued book value of financial assets in the financial statement.

Adjustment for expected credit loss

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, other receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

3.9 Investment properties

Investment property that is held to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

The Group measured investment property initially at its cost, including related transaction costs. After initial recognition, the Group measure the investment property at fair value, which has been determined by the independent professional appraisers.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditures include professional fees for legal services, property transfer taxes and other related transaction costs.

The Group recognized gain or loss arising from a change in the fair value of investment property in the statement of comprehensive income for the period in which it arises.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

If an item of owner occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under TAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in gain on asset revaluation. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised gain on asset revaluation, with any remaining decrease charged to profit or loss.

3.10 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses, if any.

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 labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for separately by major components.

Gains and losses on disposal of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net as profit or loss in the statement of comprehensive income.

The cost of replacing a part of an item of plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

Buildings, and buildings improvement	2 years 1 month - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

No depreciation is provided on construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.11 Business combinations and goodwill

Business combinations are accounted by using the acquisition method. The Company (acquirer) measures the cost of the acquisition by using the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree for each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, being the excess of cost of business combination over the fair value of the net identifiable assets, of the acquired business.

Goodwill is subsequently carried at cost less any allowance for impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to get the benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units). Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future periods.

3.12 Intangible assets

License costs

Prior to 2008, license costs were amortized on a straight-line basis over 25 years which have not been amortized since January 1, 2008, the license costs which have been considered in definite useful life assets are no longer subject to amortization but are tested annually for impairment.

Where the carrying amount is greater than its estimated recoverable amount, an impairment loss will be charged to the statements of comprehensive income.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

Computer program	7-10 years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.13 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to other comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use or 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 recognized as an expense in the statement of comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment 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 amortization, as if no impairment loss had been recognized.

3.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.15 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges in relation to the liabilities. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized as an expense in the statement of comprehensive income over the period of the borrowings.

3.16 Employee benefits

3.16.1 Provident fund

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

3.16.2 Long-term benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The Group records employee benefits obligation under the Labor Protection Act and other long-term benefits obligation under the Group's employment policy using the Projected Unit Credit Method calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover and assumption of future salary increases. The employee benefits obligation is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Group until retirement age. Discount rate used to calculate the employee benefit obligations is based on yield rate of government bond.

Gains (losses) on remeasurements of defined benefit plans arising from post-employment benefits are recognized in other comprehensive income.

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

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

3.17 Provisions

Provisions are recognized as liabilities in the statement of financial position when the Group have a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.18 Insurance contract liabilities

3.18.1 Unearned premium reserve

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

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

3.18.2 Loss reserve and outstanding claims

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

3.18.3 Unexpired risks reserve

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

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

3.19 Income tax

Income tax income (expense) represents the sum of the current tax and deferred tax.

Current tax

The current tax is tax that has to pay by calculating on taxable profit for the year. Taxable profit differs from profit that reported in the statement of comprehensive income because it excludes items that can count as income or taxable expenses in other years, and not include the items that cannot count as taxable income or taxable expenses. Current tax is calculated by using tax rates that have been enacted or subsequently enacted at the statement of financial position date.

Deferred tax

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

The Group calculated deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when the Group have a legally enforceable right to set off the recognized amounts and the Group intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when deferred tax assets and liabilities are relate to income taxes levied by the same taxation authority.

The Group have presented income tax expenses or income related to profit or loss in the statement of comprehensive income. Deferred income tax are recognized directly in the statement of changes in shareholders' equity if the income tax relate to the transactions that recognized directly in shareholder's equity.

3.20 Foreign currency transactions

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

3.21 Leases

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

a) Policies applicable from January 1, 2020

The Group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Plant and equipment" policy.

The Group as lessor

Assets leased out under operating leases are included in the statement of financial position in the part of investment property and recorded at fair value. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

b) Policies applicable prior to January 1, 2020

The Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

The Group as lessor

Assets leased out under operating leases are included in the statement of financial position in the part of investment property and recorded at fair value. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

3.22 Insurance contract classification

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

3.23 Revenue recognition

Revenue from sales of property

Revenue from sales of property comprised of revenue from sales of land and detached houses and sales of condominium units that are recognized at a point in time as income when control of the asset has been transferred to the buyer.

Rental and services income

Rental and services income comprised of rental income from investment properties and services for utilities that are recognized on an accrual basis over the period of the contracts based on a straight-line basis.

Premium written

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

Reinsurance premium income

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

Premium ceded

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

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

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

Interest income is recognized as income on an accrual basis. Dividends income are recognized as income on the declaration date.

Other income is recognized as income on an accrual basis.

3.24 Expenses recognition

Claims and losses adjustment expenses

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

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

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

Claim recovery from reinsurers

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

Commission and brokerage fees expenses

Commissions and brokerages are expended when incurred.

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

Other underwriting expenses

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

Other expenses is recognized as expenses on an accrual basis.

3.25 Cost of property sold

For cost of sales of land and single detached house and condominium units, the Group has allotted total development costs which are expected to occur (also considering actual costs incurred) to the land and single detached house and condominium units sold on the basis of the sales area and the selling price and recognized as cost of property sold in the statement of comprehensive income.

Expenses related to sales, such as specific business taxes, transfer fees are recognized as expense when it is sold.

3.26 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

3.27 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing net income (loss) by the number of weighted average ordinary shares outstanding at the end of the year. In the case of a capital increase, the number of shares is equal to the weighted average according to the time of the subscription received for the increase in issued and paid-up share capital. As at December 31, 2020 and 2019, the Group does not have any common share equivalents outstanding which would have had a dilutive effect on earnings (loss) per share.

3.28 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (see Note 39).

3.29 Fair value measurements

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. USE OF MANAGEMENT'S JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

4.1.1 Impairment of investments

The carrying amounts of the investments in subsidiaries are reviewed at the end of each reporting period. The Group recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Group determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the identifying asset.

4.1.2 Project development costs estimation

In calculating cost of land and houses sold, the subsidiaries have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

4.1.3 Deferred tax assets

The Group recognizes deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. The Group's management uses judgments based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized at the end of reporting period.

4.1.4 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 24.

4.2 Key sources of estimation uncertainty

The Group has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's investment properties were valued by independent professionally qualified valuers ("independent valuers") who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 47.2.6.

4.2.3 Loss reserves

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

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

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Non-cash transactions of investment properties for the years ended December 31, were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other payables and retention payable for purchasing investment properties as at January 1,	20	129	20	129
<u>Add</u> Purchase of investment properties	-	145	-	145
<u>Less</u> Cash paid for purchase of investment properties	-	(254)	-	(254)
Other payables and retention payable for purchasing investment properties as at December 31,	20	20	20	20

5.2 Non-cash transactions of plant and equipment for the years ended December 31, were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other payables and retention payable for purchasing plant and equipment as at January 1,	2,415	27,188	85	4,093
<u>Add</u> Purchase of plant and equipment	1,844	5,515	940	687
<u>Less</u> Provision for dismantling and removal cost	-	(2,174)	-	-
<u>Less</u> Cash paid for purchase of plant and equipment	(2,832)	(28,114)	(1,014)	(4,695)
Other payables and retention payable for purchasing plant and equipment as at December 31,	1,427	2,415	11	85

5.3 Non-cash transactions of intangible assets for the years ended December 31, were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other payables for purchasing intangible assets as at January 1,	29,900	613	496	613
<u>Add</u> Purchase of intangible assets	26,288	73,339	-	5
<u>Less</u> Cash paid for purchase of intangible assets	(11,586)	(44,052)	-	(122)
Other payables for purchasing intangible assets as at December 31,	44,602	29,900	496	496

5.4 Significant non-cash items in the consolidated and separate financial statements for the years ended December 31, were as follows:

- 5.4 Significant non-cash items in the consolidated and separate financial statements for the years ended December 31, were as follows:

Type of Transactions	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Increased (decreased) in surplus on revaluation of investments held as available-for-sale	-	1,198	-	(17)
Net offsetting of interest receivable and interest payable	-	-	90,024	93,653

- 5.5 Change in liabilities from financing activities consisted of the following:

As at December 31, 2020

	CONSOLIDATED FINANCIAL STATEMENTS				
	Financing cash flows		Non-cash changes		Balance as at December 31, 2020 Thousand Baht
	Cash received	Cash paid	Difference on translating exchange rate	Other Changes	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Short-term borrowings from a financial institution	887,158	-	-	335	887,493
Short-term borrowings from related person or party	70,000	1,430,800	(170,000)	180,460	1,511,260
Long-term borrowings from financial institutions	1,293,756	79,600	(13,830)	3,178	1,362,704
Long-term borrowings from related person or parties	1,451,018	-	3,925	(180,460)	1,274,483
Lease Liabilities	59,598	-	(23,135)	2,441	38,904
Total	3,761,530	1,510,400	(206,965)	5,954	5,074,844

As at December 31, 2019

	CONSOLIDATED FINANCIAL STATEMENTS				
	Financing cash flows		Non-cash changes		Balance as at December 31, 2019 Thousand Baht
	Cash received	Cash paid	Difference on translating exchange rate	Other Changes	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Short-term borrowings from a financial institution	741,493	214,920	(70,000)	745	887,158
Short-term borrowings from a related party	-	70,000	-	-	70,000
Bill of exchange	88,146	-	(90,000)	1,854	-
Long-term borrowings from financial institutions	1,252,738	269,970	(234,000)	5,048	1,293,756
Long-term borrowings from related person or parties	1,466,027	-	(15,009)	-	1,451,018
Total	3,548,404	554,890	(394,000)	7,647	3,701,932

As at December 31, 2020

As at December 31, 2020	SEPARATE FINANCIAL STATEMENTS					
		Financing cash flows		Non-cash changes		
	Balance as at January 1, 2020	Cash received	Cash paid	Net offsetting with long-term loans	Other changes	Balance as at December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term borrowings from a financial institution	887,158	-	-	-	335	887,493
Short-term borrowings from a related party	70,000	1,430,800	(170,000)	-	-	1,330,800
Long-term borrowings from subsidiaries	51,758	9,524	-	(9,347)	-	51,935
Lease liabilities	53,451	-	(19,242)	-	2,273	36,482
Total	1,062,367	1,440,324	(189,242)	(9,347)	2,608	2,306,710

As at December 31, 2019

As at December 31, 2019	SEPARATE FINANCIAL STATEMENTS					
		Financing cash flows		Non-cash changes		
	Balance as at January 1, 2019	Cash received	Cash paid	Net offsetting with long-term loans	Other changes	Balance as at December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term borrowings from a financial institution	741,493	214,920	(70,000)	-	745	887,158
Short-term borrowings from a related party	-	70,000	-	-	-	70,000
Bill of exchange	88,146	-	(90,000)	-	1,854	-
Long-term borrowings from subsidiaries	51,520	23,372	-	(23,134)	-	51,758
Total	881,159	308,292	(160,000)	(23,134)	2,599	1,008,916

6. CASH AND CASH EQUIVALENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cash on hand	592	632	360	360
Current deposit at banks	26,848	9,061	15,371	2,078
Saving deposit at banks	168,223	211,399	24,890	1,905
3-month fixed deposit at banks	22,895	2,392	-	-
Total cash and cash equivalents	218,558	223,484	40,621	4,343

As at December 31, 2020, savings accounts and 3-month fixed accounts bear interest at the rates between 0.100% - 0.250% per annum and 0.250% per annum, respectively (2019: 0.100% - 0.625% per annum and 0.800% per annum, respectively).

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables	661	698	661	698
Other receivables - related parties	-	-	875	1,694
Other receivables - other parties	15,780	6,184	4,553	14
<u>Less</u> Loss allowance	<u>(709)</u>	<u>(788)</u>	<u>-</u>	<u>-</u>
	15,732	6,094	6,089	2,406
Premium receivables, net	51,265	120,303	-	-
Interest receivables - related parties	-	-	551,597	475,210
Interest receivables - other parties	4	12	-	-
Prepaid expenses	8,497	4,800	3,420	2,112
Prepaid premium ceded	301	4,249	-	-
Deferred acquisition costs	24,566	50,585	-	-
Accrued investment income	685	337	-	-
Advance payments	6,493	4,894	976	2,190
Total trade and other current receivables	<u>107,543</u>	<u>191,274</u>	<u>562,082</u>	<u>481,918</u>

Aging analysis of trade receivables is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables under credit term	618	698	618	698
Trade receivables due for payment				
- 31 - 60 days	4	-	4	-
- 180 - 240 days	39	-	39	-
Total trade receivables	<u>661</u>	<u>698</u>	<u>661</u>	<u>698</u>

Aging analysis of premium receivables, net are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Within credit terms	34,020	67,731	-	-
Premium receivables due for payment				
- Not over 90 days	10,310	50,266	-	-
- Over 90 days	7,687	2,905	-	-
Total premium receivables	52,017	120,902	-	-
<u>Less</u> Loss allowance	<u>(752)</u>	<u>(599)</u>	<u>-</u>	<u>-</u>
Total premium receivables, net	<u>51,265</u>	<u>120,303</u>	<u>-</u>	<u>-</u>

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

8. REINSURANCE ASSETS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Insurance reserve refundable from reinsurers				
Loss reserves	15,977	56,698	-	-
Unearned premium reserve				
- Unearned reinsurance premium reserve	65,807	229,724	-	-
Total reinsurance assets (see Note 25)	81,784	286,422	-	-

9. DUE FROM REINSURERS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Due from reinsurers	18,614	25,712	-	-
<u>Less</u> Loss allowance	(35)	(108)	-	-
Due from reinsurers, net	18,579	25,604	-	-

Aging analyzes for due from reinsurers as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Within credit terms	2,264	14,422
Not over 12 months	10,040	6,508
Over 1 year to 2 years	2,395	2,478
Over 2 years	3,915	2,304
Total due from reinsures	18,614	25,712
<u>Less</u> Loss allowance	(35)	(108)
Due from reinsures, net	18,579	25,604

10. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Land and single detached house	93,325	44,618	-	-
Land under development	879,835	879,835	-	-
Land development cost	261,106	270,027	-	-
Construction in progress	47,101	108,464	-	-
Other development costs	641,415	606,774	-	-
Condominium units held for sales	25,590	25,590	-	-
	1,948,372	1,935,308	-	-
<u>Less</u> Allowance for diminution in value	(11,160)	(6,703)	-	-
Total cost of property development	1,937,212	1,928,605	-	-

As at December 31, 2020 and 2019, the first subsidiary mortgaged the land and single detached house, land under development and construction in progress amounting to Baht 475 million and Baht 457 million, respectively, as a collateral for secured long-term borrowings from financial institutions (see Note 20.2).

As at December 31, 2020, the second subsidiary mortgaged the land and single detached house, land under development and construction in progress of the subsidiary including the construction in progress of another subsidiary at book value totaling Baht 380.21 million as a collateral for long-term borrowings from a financial institution (see Note 20.2) and the letter of guarantee issuance amounting to Baht 10 million (see Note 46).

As at December 31, 2019, another subsidiary mortgaged the land and single detached house, land under development and construction in progress amounting to Baht 13.66 million, as a collateral for the letter of guarantee issuance of the subsidiary amounting to Baht 3.83 million (see Note 46).

During the years ended December 31, 2020 and 2019, the subsidiaries recorded borrowing costs of Baht 41.93 million and Baht 50.48 million, respectively, were capitalized as other development costs. The capitalization rate of 4.29% to 4.96% and 4.86% to 4.94%, respectively.

11. OTHER CURRENT ASSETS

Other current assets as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Value-added tax receivables	76,068	68,725	-	952
Refundable income tax	20,275	25,835	-	-
Input vat	3	7,595	3	3
Undue input vat	692	1,762	222	204
Deposit (see Note 19)	139,234	-	-	-
Total other current assets	<u>236,272</u>	<u>103,917</u>	<u>225</u>	<u>1,159</u>

12. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Saving deposit at banks	3,880	3,322	-	-
3-month fixed deposit at banks	9,912	9,911	-	-
12-month fixed deposit at banks	27,696	27,329	-	-
Total restricted bank deposits	<u>41,488</u>	<u>40,562</u>	<u>-</u>	<u>-</u>

As at December 31, 2020 and 2019, the saving deposit at banks of a subsidiary amounting to Baht 3.88 million and Baht 3.32 million, respectively, is pledged as a collateral for the letter of guarantee issuance amounting to Baht 3.83 million. In addition, the 3-month fixed deposit at banks of another subsidiary amounting to Baht 10 million is pledged as collateral for the letter of guarantees issuance amounting to Baht 10 million (see Note 46). The 12-month fixed deposit at banks of the first subsidiary amounting to Baht 27 million represent the payments received from customers in accordance with sale and purchase agreement of land for maintenance and management of facilities and public service of the project under the contract to buy and sell land and houses. Such subsidiary will deliver the amount to the housing estate juristic person after its establishment.

13. FINANCIAL ASSETS AND INVESTMENT IN SECURITIES

13.1 Other current financial assets as at December 31, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Fair value Thousand Baht	SEPARATE FINANCIAL STATEMENTS Fair value Thousand Baht
Debt security measured at fair value through profit or loss		
Private debt securities	406	406
	Amortize cost Thousand Baht	Amortize cost Thousand Baht
Debt securities measured at amortize cost		
Cash at financial institutions - over due than 3 months		
but less than 12 months	101,290	-
Total other current financial assets	101,696	406

13.2 Other non-current financial assets as at December 31, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Fair value Thousand Baht	SEPARATE FINANCIAL STATEMENTS Fair value Thousand Baht
Debt security measured at fair value through other comprehensive income		
Government and state enterprise securities	145,004	-
Equity security measured at fair value through other comprehensive income		
Domestic equity securities	12,216	-
	Amortize cost Thousand Baht	Amortize cost Thousand Baht
Debt securities measured at amortize cost		
Private debt securities	10,000	-
<u>Less</u> Loss allowance	(10,000)	-
Total debt securities - amortize cost	-	-
Total other non-current financial assets	157,220	-

13.3 Investments in securities as at December 31, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPERATE FINANCIAL STATEMENTS	
	Cost/ Amortized cost Thousand Baht	Fair value Thousand Baht	Cost/ Amortized cost Thousand Baht	Fair value Thousand Baht
Available-for-sale investments				
Government and state enterprise securities	370,500	366,702	-	-
Private debt securities	5,000	475	5,000	475
Total	375,500	367,177	5,000	475
<u>Less</u> Unrealized loss	(3,923)	-	(125)	-
<u>Less</u> Allowance for impairment	(4,400)	-	(4,400)	-
Total available-for-sale investments	367,177	367,177	475	475
Held-to-maturity investments				
Private debt securities	10,000		-	
Deposits at financial institutions with maturity over 3 months	1,284		-	
Total	11,284		-	
<u>Less</u> Allowance for impairment	(10,000)		-	
Total held-to-maturity investments	1,284		-	
General investments				
Non-marketable equity securities	562		-	
Total general investments	562		-	
Total investment in securities	369,023		475	

As at December 31, 2020 and 2019, certain government securities were pledged and used for assets reserved with the Registrar amounting to Baht 40.25 million and Baht 124.66 million, respectively (see Note 40).

14. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as at December 31, consisted of the following:

Company's name	Type of business	SEPARATE FINANCIAL STATEMENTS											
		Paid-up share capital		Shareholding proportion		Cost method		Allowance for impairment of investments		Net book value under cost method			
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
		Thousand Baht	Thousand Baht	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Thai-Kami Co., Ltd.	Property development	374,750	374,750	100.00	100.00			374,750	(374,750)	-	-		
TOP Property Co., Ltd.	Property development	1,213,400	563,400	100.00	61.00	993,774	343,674	(343,674)	(343,674)	650,100	-		
Gold Star Property Co., Ltd.	Property development	409,100	409,100	100.00	100.00	409,100	409,100	(344,656)	(341,555)	64,444	67,545		
Conerstone Realty Co., Ltd.	Property development	1,000	1,000	99.98	99.98	999	999	(999)	(999)	-	-		
KWG Explore Limited	Property development	1,000	1,000	99.98	99.98	1,000	1,000	(1,000)	(1,000)	-	-		
NNV Development Co., Ltd.	Property development	230,000	230,000	100.00	100.00	230,000	230,000	-	-	230,000	230,000		
S31 Limited	Property development	1,000	1,000	99.98	99.98	1,000	1,000	-	-	1,000	1,000		
S61 Limited	Property development	101,000	101,000	100.00	100.00	101,000	101,000	-	-	101,000	101,000		
Praram4 Limited	Property development	1,000	1,000	99.98	99.98	1,000	1,000	-	-	1,000	1,000		
King Wai Construction Limited	Construction	1,000	1,000	99.98	99.98	1,000	1,000	(836)	-	164	1,000		
King Wai Media Limited	Advertising and marketing services	1,000	1,000	99.98	99.98	1,000	1,000	(1,000)	-	-	1,000		
King Wai Property Limited	Property management and agent	1,000	1,000	99.98	99.98	1,000	1,000	(1,000)	-	-	1,000		
AEC City Co., Ltd.	Property development	88,200	88,200	100.00	100.00	223,460	223,460	-	-	223,460	223,460		
King Wai Capital Co., Ltd.	Holding	1,000,000	1,000,000	100.00	100.00	999,998	999,998	(234,547)	(234,547)	765,451	765,451		
Total investments in subsidiaries						3,339,081	2,688,981	(1,302,462)	(1,296,525)	2,036,619	1,392,456		

The movements of investment in subsidiaries for the years ended December 31, were as follows:

SEPARATE FINANCIAL STATEMENTS		
	2020	2019
	Thousand Baht	Thousand Baht
Beginning balance of net book value	1,392,456	1,627,353
Increasing of investment in subsidiaries	650,100	-
<u>Less</u> Loss from impairment of investment in subsidiaries	<u>(5,937)</u>	<u>(234,897)</u>
Ending balance of net book value	<u>2,036,619</u>	<u>1,392,456</u>

Investing in subsidiaries

Top Property Co., Ltd.

At the Board of Directors' Meeting No. 8/2020 held on August 4, 2020, the BOD has resolved to approve the acquisition of shares in Top Property Co., Ltd., a subsidiary of the Company, from Hampshire Pte. Ltd. (there is common shareholder and directors) in amount of 2,197,259 shares divided to 1,864,199 ordinary shares and 333,060 preferred shares with par value of Baht 100, total amount is Baht 100,000 to restructure the subsidiary to not have the conflict of interest and it will be the flexibility in operating the subsidiary. In addition, the BOD has resolved to approve the capital increase in Top Property Co., Ltd. after the re-structure of such subsidiary has been done. The meeting resolved to register increasingly from Baht 563,400,000 to Baht 1,213,400,000 which is increase in the amount of Baht 650,000,000 divided to 6,500,000 shares, at a par value of Baht 100 to be the facilitate such subsidiary's project development. As a result, the Company's shareholding in Top Property Co., Ltd. increased from 61% up to about 100% of its registered capital. The Company already paid the fully paid-up share capital on August 19, 2020 and such subsidiary registered the increased share capital with the Department of Business Development, the Ministry of Commerce on August 21, 2020.

The net carrying amounts of net identifiable assets acquisition of shares in a subsidiary under common control were as follows:

	Thousand Baht
Cash and cash equivalents	14,044
Cost of property development	863,187
Interest payable - related companies	(311,693)
Long-term borrowings from related parties	(940,980)
Other assets / (Other liabilities) - net	(36,611)
Identifiable assets and liabilities	<u>(412,053)</u>
Fair value of consideration transferred equal to 39%	
(412,053 x 39%)	(160,701)
Consideration transferred	<u>(100)</u>
Difference from increasing proportion of shareholding in a subsidiary	<u>(160,801)</u>

Since the acquisition date up to December 31, 2020, Top Property Company Limited had net loss which were included in the financial performance for year ended December 31, 2020, in the amount of Baht 28.90 million.

15. INVESTMENT PROPERTIES

Movements of investments properties which measured at fair value for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Land	Buildings and offices for rent	Total	Land	Buildings and offices for rent	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2020	3,618,171	395,295	4,013,466	-	395,295	395,295
Subsequent expenditure	-	-	-	-	-	-
Loss from fair value adjustments on investment properties	(12)	-	(12)	-	-	-
As at December 31, 2020	<u>3,618,159</u>	<u>395,295</u>	<u>4,013,454</u>	<u>-</u>	<u>395,295</u>	<u>395,295</u>

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Land	Buildings and offices for rent	Total	Land	Buildings and offices for rent	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2019	3,618,159	395,295	4,013,454	-	395,295	395,295
Subsequent expenditure	-	145	145	-	145	145
Gain (loss) from fair value adjustments on investment properties	12	(145)	(133)	-	(145)	(145)
As at December 31, 2019	<u>3,618,171</u>	<u>395,295</u>	<u>4,013,466</u>	<u>-</u>	<u>395,295</u>	<u>395,295</u>

For the years ended December 31, 2020, the Group recognized rental income from investment properties in the consolidated and separate statements of comprehensive income of Baht 33.11 million and Baht 33.91 million, respectively.

As at December 31, 2020 and 2019, the Company mortgaged 18 units of office for rent at Jewellery Centre Building, contract with tenant, at cost of Baht 395.30 million and registration of a business collateral agreement under the lease agreements, as collaterals for secured short-term borrowings from financial institution (see Note 20.1).

As at December 31, 2020 and 2019, a subsidiary mortgaged land with a financial institution amounting to Baht 1,859 million as collaterals for secured long-term borrowings from a financial institution (see Note 20.2).

16. PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

Movements of plant, equipment and right-of-use assets for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					Balance as at December 31, 2020
	Balance as at January 1, 2020	Consequence from apply to TFRS 16 (see Note 2.7)	Additions	Disposal/ Write-off	Transfer in / (Transfer out)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost						
Buildings and buildings improvement	52,511	-	28	-	-	52,539
Right-of-use assets	-	96,549	-	-	-	96,549
Furniture, fixtures and office equipment	98,597	-	1,510	(1,820)	681	98,968
Vehicle	14,168	-	-	(2,488)	-	11,680
Total cost	<u>165,276</u>	<u>96,549</u>	<u>1,538</u>	<u>(4,308)</u>	<u>681</u>	<u>259,736</u>
Accumulated depreciation						
Buildings and buildings improvement	(34,522)	-	(15,831)	-	-	(50,353)
Right-of-use assets	-	(45,623)	(20,379)	-	-	(66,002)
Furniture, fixtures and office equipment	(62,216)	-	(11,734)	1,674	-	(72,276)
Vehicle	(10,574)	-	(1,415)	2,489	-	(9,500)
Total accumulated depreciation	<u>(107,312)</u>	<u>(45,623)</u>	<u>(49,359)</u>	<u>4,163</u>	<u>-</u>	<u>(198,131)</u>
Plant, equipment and right-of-use assets, net	57,964					61,605
Construction in progress	1,403	-	306	(72)	(681)	956
Less Allowance for impairment	<u>(1,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,652)</u>
Total plant, equipment and right-of-use assets	<u>57,715</u>					<u>60,909</u>

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2019	Additions	Disposal/ Write-off	Transfer in / (Transfer out)	Adjust transaction	Balance as at December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost						
Buildings and buildings improvement	51,296	1,215	-	-	-	52,511
Furniture, fixtures and office equipment	115,651	3,838	(19,946)	124	(1,070)	98,597
Vehicle	20,635	-	(6,467)	-	-	14,168
Total cost	187,582	5,053	(26,413)	124	(1,070)	165,276
Accumulated depreciation						
Buildings and buildings improvement	(18,537)	(15,985)	-	-	-	(34,522)
Furniture, fixtures and office equipment	(67,177)	(11,926)	16,752	-	135	(62,216)
Vehicle	(15,035)	(2,006)	6,467	-	-	(10,574)
Total accumulated depreciation	(100,749)	(29,917)	23,219	-	135	(107,312)
Plant and equipment, net	86,833					57,964
Construction in progress	436	462	(51)	(124)	680	1,403
Less Allowance for impairment	-	(1,652)	-	-	-	(1,652)
Total plant and equipment	87,269					57,715

Depreciation for the years ended December 31,

2020	Thousand Baht	49,359
2019	Thousand Baht	29,917

SEPARATE FINANCIAL STATEMENTS						
	Balance as at January 1, 2020	Consequence from apply to TFRS 16 (see Note 2.7)	Additions	Disposal/ Write-off	Transfer in / (Transfer out)	Balance as at December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost						
Buildings and buildings improvement	6,177	-	-	-	-	6,177
Right-of-use assets	-	87,718	-	-	-	87,718
Furniture, fixtures and office equipment	67,401	-	940	(1,335)	681	67,687
Total cost	73,578	87,718	940	(1,335)	681	161,582
Accumulated depreciation						
Buildings and buildings improvement	(5,072)	-	(47)	-	-	(5,119)
Right-of-use assets	-	(42,876)	(16,649)	-	-	(59,525)
Furniture, fixtures and office equipment	(38,652)	-	(9,129)	1,297	-	(46,484)
Total accumulated depreciation	(43,724)	(42,876)	(25,825)	1,297	-	(111,128)
Plant, equipment and right-of-use assets, net	29,854					50,454
Construction in progress	681	-	-	-	(681)	
Total plant, equipment and right-of-use assets	30,535					50,454

	Balance as at January 1, 2019 Thousand Baht	SEPARATE FINANCIAL STATEMENTS			Balance as at December 31, 2019 Thousand Baht
		Additions Thousand Baht	Transfer in / (Transfer out) Thousand Baht	Adjust transaction Thousand Baht	
Cost					
Buildings and buildings improvement	6,177	-	-	-	6,177
Furniture, fixtures and office equipment	67,395	563	124	(681)	67,401
Total cost	73,572	563	124	(681)	73,578
Accumulated depreciation					
Buildings and buildings improvement	(5,025)	(47)	-	-	(5,072)
Furniture, fixtures and office equipment	(29,854)	(8,798)	-	-	(38,652)
Total accumulated depreciation	(34,879)	(8,845)	-	-	(43,724)
Plant and equipment, net	38,693				29,854
Construction in progress	-	124	(124)	681	681
Total plant and equipment	38,693				30,535

Depreciation for the years ended December 31,

2020	Thousand Baht	25,825
2019	Thousand Baht	8,845

As at December 31, 2020 and 2019, certain plant and equipment of the Group in consolidated financial statements at cost of Baht 70.20 million and Baht 58.02 million, respectively, were fully depreciated but still use (the Company: Baht 20.71 million and Baht 21.57 million, respectively).

As at December 31, 2020 and 2019 the Group recorded provisions for costs of dismantling amounting to Baht 4.59 million which is including in leasehold and building improvement (the Company: Baht 2 million).

Right-of-use assets as at December 31, 2020 are classified by assets type are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Thousand Baht	SEPARATE FINANCIAL STATEMENTS Thousand Baht
Building and building improvements	27,027	25,890
Furniture, fixtures and office equipment	97	-
Vehicles	3,423	2,303
Total right-of-use assets	30,547	28,193

The amounts recognized in income statements for the year ended December 31, 2020 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Thousand Baht	SEPARATE FINANCIAL STATEMENTS Thousand Baht
Depreciation on right-of-use assets	20,379	16,649
Interest expense on lease liabilities	2,441	2,273

17. GOODWILL

Movement of goodwill for the years ended December 31, are as follow:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht
Beginning balance	272,899	272,899
Increased	-	-
Decreased	-	-
Ending balance	<u>272,899</u>	<u>272,899</u>

18. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Movements of other intangible assets other than goodwill for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2020 Thousand Baht	Additions Thousand Baht	Disposal/ Write-off Thousand Baht	Transfer in/ (Transfer out) Thousand Baht
Cost				
Computer program	3,722	-	-	28,961
License costs	67,000	-	-	-
Total cost	<u>70,722</u>	<u>-</u>	<u>-</u>	<u>28,961</u>
Accumulated amortization				
Computer program	(2,651)	(1,526)	-	-
License costs	(50,288)	-	-	-
Total accumulated amortization	<u>(52,939)</u>	<u>(1,526)</u>	<u>-</u>	<u>-</u>
Other intangible assets other than goodwill, net	17,783			
Computer program under installation	126,943	26,288	(593)	(28,961)
Less Allowance for impairment	-	(593)	593	-
Total other intangible assets other than goodwill	<u>144,726</u>			<u>168,895</u>

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Additions	Disposal/ Write-off	Adjust transaction	Balance as at December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost					
Computer program	2,864	469	-	389	3,722
License costs	67,000	-	-	-	67,000
Total cost	69,864	469	-	389	70,722
Accumulated amortization					
Computer program	(2,319)	(198)	-	(134)	(2,651)
License costs	(50,288)	-	-	-	(50,288)
Total accumulated amortization	(52,607)	(198)	-	(134)	(52,939)
Other intangible assets other than goodwill, net	17,257				17,783
Computer program under installation	54,073	72,870	-	-	126,943
Total other intangible assets other than goodwill	<u>71,330</u>				<u>144,726</u>

Amortization for the years ended December 31,

2020	Thousand Baht	1,526
2019	Thousand Baht	198

SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2020	Additions	Disposal/ Write-off	Balance as at December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost				
Computer program	1,433	-	-	1,433
Total cost	1,433	-	-	1,433
Accumulated amortization				
Computer program	(1,088)	(156)	-	(1,244)
Total accumulated amortization	(1,088)	(156)	-	(1,244)
Other intangible assets, net	345			189
Computer program under installation	2,480	-	-	2,480
Total other intangible assets	<u>2,825</u>			<u>2,669</u>

SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Additions	Disposal/ Write-off	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht
Cost				
Computer program	1,433	-	-	1,433
Total cost	1,433	-	-	1,433
Accumulated amortization				
Computer program	(912)	(176)	-	(1,088)
Total accumulated amortization	(912)	(176)	-	(1,088)
Other intangible assets, net	521			345
Computer program under installation	2,475	5	-	2,480
Total other intangible assets	<u>2,996</u>			<u>2,825</u>

Amortization for the years ended December 31,

2020	Thousand Baht	156
2019	Thousand Baht	176

19. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deposits	10,630	148,674	6,195	4,701
Right offering advisory expense	-	1,926	-	-
Advance payment for investment (see Note 42)	1,000,000	-	-	-
Total other non-current assets	<u>1,010,630</u>	<u>150,600</u>	<u>6,195</u>	<u>4,701</u>

As at December 31, 2019, a subsidiary had entered into Term Sheet as the terms for negotiation and preparation of the definitive Agreement to Sell and Purchase of the Lands amounting to Baht 139.23 million. Such subsidiary placed a refundable deposit (2020: see Note 11).

20. BORROWINGS FROM FINANCIAL INSTITUTIONS

Borrowings from financial institutions as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current				
Short-term borrowings from a financial institution	887,493	887,493	887,493	887,493
<u>Less</u> Deferred financing costs of short-term borrowings	<u>-</u>	<u>(335)</u>	<u>-</u>	<u>(335)</u>
Short-term borrowings from a financial institution, net	887,493	887,158	887,493	887,158
Current portion of long-term borrowings from a financial institution	<u>631,500</u>	<u>827,800</u>	<u>-</u>	<u>-</u>
Total current borrowings	<u>1,518,993</u>	<u>1,714,958</u>	<u>887,493</u>	<u>887,158</u>
Non-current				
Long-term borrowings from financial institutions	736,470	471,000	-	-
<u>Less</u> Deferred financing costs of long-term borrowings	<u>(5,266)</u>	<u>(5,044)</u>	<u>-</u>	<u>-</u>
Total non-current borrowings	<u>731,204</u>	<u>465,956</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>2,250,197</u>	<u>2,180,914</u>	<u>887,493</u>	<u>887,158</u>

20.1 Short-term borrowings from a financial institution

Short-term borrowings from a financial institution as at December 31, consisted of the follows:

				CONSOLIDATED AND SEPARATE	
No.	Credit facilities	Significant criteria of borrowings agreements		FINANCIAL STATEMENTS	
		Secured by	Interest	2020	2019
	Thousand Baht		% per annum	Thousand Baht	Thousand Baht
<u>The Company</u>					
1	1,500,000	Standby letter of credit	MLR minus fixed percentage as stipulated in the contract	671,493	671,493
2	216,000	Office suite at Jewellery Centre Building, contract with tenant	Fixed percentage as stipulated in the contract	216,000	216,000
		<u>Less</u> deferred financing costs of short-term borrowing		-	(335)
				<u>887,493</u>	<u>887,158</u>

As at December 31, 2020 and 2019, short-term borrowing facility of the Company was secured standby letter of credit and office suite at Jewellery Centre Building, contract with tenant (see Note 15).

Fair value

The fair value of short-term borrowings from a financial institution equal their carrying amount as the impact of discounting is not significant.

Credit facilities

The Group has the following undrawn committed short-term borrowing facilities from a financial institution as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Floating rate				
- expiring within one year	<u>828,507</u>	<u>828,507</u>	<u>828,507</u>	<u>828,507</u>

20.2 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at December 31, consisted of the following:

Contract No.	Credit facilities Thousand Baht	Payment term	Condition of loan	Secured by	Interest rate % per annum	CONSOLIDATED FINANCIAL STATEMENTS	
						2020 Thousand Baht	2019 Thousand Baht
Subsidiaries							
1	438,000	The principal is due for payment on monthly basis. The first principal repayment is due on the 7 th month from the date of amendment to the long-term borrowings		Mortgage of land	MLR minus a fixed percentage as stipulated in the contract	425,800	425,800
2	600,000*	The principal is due for payment on monthly basis. The first principal repayment is due on the 7 th month from the date of amendment to the long-term borrowings		Mortgage of land	MLR minus a fixed percentage as stipulated in the contract	600,000	600,000
3	606,072	The principal is due for payment within 60 months from agreement date. The first principal repayment is due on sale and release land and buildings.		Mortgage of land and future buildings	MLR minus a fixed percentage as stipulated in the contract	273,000	273,000
4	300,000	The principal is due for payment within 24 months from agreement date. The first principal repayment is due on sale and release land and buildings.		Mortgage of land	MLR minus a fixed percentage as stipulated in the contract	66,420	-
5	3,000	The principal is due for payment on monthly basis. The first principal repayment is due on the 1 st month from the first drawn down.		Mortgage of land	MLR	2,750	-
						1,367,970	1,298,800
						(5,266)	(5,044)
						1,362,704	1,293,756
						(631,500)	(827,800)
						731,204	465,956

* The long-term borrowing from such financial institution requires a subsidiary to maintain a debt to equity ratio as specified in the agreement. However, as at December 31, 2020, the subsidiary has a debt to equity ratio greater than a rate stipulated in the long-term borrowings agreement. Consequently, the Group classifies total long-term borrowing as current portion of long-term borrowings from financial institution in the consolidated statement of financial position. In addition, as at December 30, 2020, the subsidiary entered into amendment to the long-term borrowings by extend due to payment within June 27, 2023.

As at December 31, 2020 and 2019, two subsidiaries mortgaged the land and single detached house, land under development and construction in progress (see Note 10) and another subsidiary mortgaged the land which disclosed as investment properties (see Note 15) as collaterals for secured long-term borrowings from financial institutions.

Fair value

The carrying amount and fair value of long-term borrowings from financial institutions are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Book Value		Fair Value	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term borrowings from financial institutions	1,362,704	1,293,756	1,363,286	1,303,284
Total	<u>1,362,704</u>	<u>1,293,756</u>	<u>1,363,286</u>	<u>1,303,284</u>

The fair value of current portion of borrowings equal their carrying amount as the impact of discounting is not significant.

As at December 31, 2020 and 2019, the fair value of long-term borrowings is based on discounted future cash flows using a discount rate based upon the borrowing rate of 4.22% to 5.04% and 4.65% to 5.61% per annum, respectively, and are within level 3 of the fair value hierarchy.

Maturity of long-term borrowings from financial institutions as book value are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Within 1 year	631,500	827,800	-	-
Later than 1 year but not later than 5 years	731,204	465,956	-	-
Total	<u>1,362,704</u>	<u>1,293,756</u>	<u>-</u>	<u>-</u>

Long-term borrowing facilities from financial institutions

The Group has the following undrawn committed long-term borrowing facilities from financial institutions as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Floating rate				
- maturity over 1 year	553,072	333,072	-	-
Total	<u>553,072</u>	<u>333,072</u>	<u>-</u>	<u>-</u>

The facilities expiring within one year are annual facilities subject to review at various dates during the year.

21. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade payable - other parties	11,863	33,738	-	61
Other payables - business acquisition advisory	-	10,533	-	-
Other payables - related parties	-	-	126	-
Other payables - other parties	29,168	20,209	2,272	4,251
Commission and brokerage payable	12,894	22,290	-	-
Accrued expenses	66,024	62,164	10,267	10,842
Interest payables - related parties	143,498	118,752	21,297	13,621
Interest payables - other parties	7,703	6,238	4,669	5,210
Retention	12,948	14,735	37	31
Total trade and other current payables	<u>284,098</u>	<u>288,659</u>	<u>38,668</u>	<u>34,016</u>

22. DUE TO REINSURERS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Reinsurance payables	78,088	185,489	-	-
Amount withheld on reinsurance	14,753	66,431	-	-
Total due to reinsurers	<u>92,841</u>	<u>251,920</u>	<u>-</u>	<u>-</u>

23. LEASE LIABILITIES

Lease liabilities as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Maturity within 1 year	20,208	-	18,168	-
Maturity later than 1 year but not later than 5 years	<u>20,695</u>	<u>-</u>	<u>20,263</u>	<u>-</u>
	40,903	-	38,431	-
Less: Deferred interest expenses	<u>(1,999)</u>	<u>-</u>	<u>(1,949)</u>	<u>-</u>
Total	<u>38,904</u>	<u>-</u>	<u>36,482</u>	<u>-</u>
Classify:				
- Current portion of lease liability	18,774	-	16,779	-
- Lease liability	<u>20,130</u>	<u>-</u>	<u>19,703</u>	<u>-</u>
Total	<u>38,904</u>	<u>-</u>	<u>36,482</u>	<u>-</u>

24. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

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

Movements in the present value of defined benefit obligations for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Beginning balances of defined benefit plans	36,107	21,887	13,057	7,160
Past service cost	-	4,556	-	711
Current service cost	9,038	7,178	5,091	4,931
Interest cost	842	796	423	255
losses on remeasurements of defined benefit plans:				
- Effect of experience adjustment	-	205	-	-
- Effect of change in financial assumptions	-	1,573	-	-
Benefit paid during the years	(830)	(88)	-	-
Ending balances of defined benefit plans	45,157	36,107	18,571	13,057

Expenditures recognized in the statements of comprehensive income in respect of the defined benefit plans for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Past service cost	-	4,556	-	711
Current service cost	9,038	7,178	5,091	4,931
Interest cost	842	796	423	255
Loss on remeasurements of defined benefit plans	-	1,778	-	-
Total	9,880	14,308	5,514	5,897

The significant actuarial assumptions used to calculate post-employment benefit obligations as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
Financial assumption:		
Discount rate	1.50% - 3.41% per annum	1.50% - 3.41% per annum
Expected salary increase rate	4.00% - 6.00% per annum	4.00% - 6.00% per annum
Retirement age	60 years old	60 years old
Weighted average time	6-21 years	7-22 years

	SEPARATE FINANCIAL STATEMENTS	
	2020	2019
Financial assumption:		
Discount rate	3.24% per annum	3.24% per annum
Expected salary increase rate	6.00% per annum	6.00% per annum
Retirement age	60 years old	60 years old
Weighted average time	19 years	20 years

Significant actuarial assumptions - impact on increase / (decrease) in present value of defined benefit obligation as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assumptions				
Discount rate - increase 1%	(3,684)	(3,060)	(1,666)	(1,250)
Discount rate - decrease 1%	4,255	3,564	1,980	1,489
Future salary growth - increase 1%	4,763	3,544	2,293	1,569
Future salary growth - decrease 1%	(4,145)	(3,101)	(1,958)	(1,342)

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

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

The Labor Protection Act (No.7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which affected after 30 days from the date announced in Royal Gazette. This Labor protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Group has reflected the effect of such change by recognizing past service cost as an expense in the income statement of the period in which the law is effective.

25. INSURANCE CONTRACT LIABILITIES

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

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loss reserves						
Claim incurred and agreed	120,018	(9,446)	110,572	193,039	(45,442)	147,597
Claim incurred but not reported	34,161	(6,531)	27,630	38,386	(11,256)	27,130
	154,179	(15,977)	138,202	231,425	(56,698)	174,727
Premium reserve						
Unearned premium reserves	150,811	(65,807)	85,004	281,148	(229,724)	51,424
Total	304,990	(81,784)	223,206	512,573	(286,422)	226,151

As at December 31, 2020, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 65.70 million gross and Baht 76.66 million net of reinsurance (2019: amounting to Baht 101.04 million and Baht 54.30 million, respectively), is lower than the unearned premium reserve.

26. DEFERRED TAX LIABILITIES

The movements of deferred tax liabilities as at December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Fair value adjustments on investment property	Surplus on revaluation of assets	Amortization license cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2020	(266,032)	(6,578)	(3,342)	(275,952)
Charged to profit or loss (see Note 36)	2	-	-	2
Charged to other comprehensive income	-	-	-	-
As at December 31, 2020	(266,030)	(6,578)	(3,342)	(275,950)

	CONSOLIDATED FINANCIAL STATEMENTS			
	Fair value adjustments on investment property	Surplus on revaluation of assets	Amortization license cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2019	(266,059)	(6,578)	(3,342)	(275,979)
Charged to profit or loss (see Note 36)	27	-	-	27
Charged to other comprehensive income	-	-	-	-
As at December 31, 2019	(266,032)	(6,578)	(3,342)	(275,952)

	SEPARATE FINANCIAL STATEMENTS		
	Fair value adjustments on investment property	Surplus on revaluation of assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2020	(65,412)	(6,578)	(71,990)
Charged to profit or loss (see Note 36)	-	-	-
Charged to other comprehensive income	-	-	-
As at December 31, 2020	(65,412)	(6,578)	(71,990)

	SEPARATE FINANCIAL STATEMENTS		
	Fair value adjustments on investment property	Surplus on revaluation of assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht
As at January 1, 2019	(65,441)	(6,578)	(72,019)
Charged to profit or loss (see Note 36)	29	-	29
Charged to other comprehensive income	-	-	-
As at December 31, 2019	(65,412)	(6,578)	(71,990)

The Group has the unused tax losses but not recognized as deferred tax assets in the statement of financial position because the Group's managements considered that it is not probable that the Group will has future taxable profit which the tax loss can be utilized. The expiry date of unused tax losses of the Group consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Expiring within 1 year	93,640	64,991	19,610	6,577
Expiring over 1 year but not later than 5 years	1,104,929	915,794	112,588	119,682
	<u>1,198,569</u>	<u>980,785</u>	<u>132,198</u>	<u>126,259</u>

27. SHARE CAPITAL

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		Authorizes share capital		Issued and paid-up share capital	Share discount on ordinary shares
	Shares	Baht	Shares	Baht	Baht	Baht
As at January 1, 2019	1,317,053,470	13,170,534,700	1,317,053,470	13,170,534,700		(8,883,980,236)
Issuance of ordinary shares during the year	-	-	-	-	-	-
As at December 31, 2019	1,317,053,470	13,170,534,700	1,317,053,470	13,170,534,700		(8,883,980,236)
Issuance of ordinary shares during the year	1,290,343,362	12,903,433,620	5,790	57,900		(52,515)
As at December 31, 2020	<u>2,607,396,832</u>	<u>26,073,968,320</u>	<u>1,317,059,260</u>	<u>13,170,592,600</u>		<u>(8,884,032,751)</u>

At the Annual General Meeting of the Shareholder resolution for the year 2020 on June 19, 2020, it was resolved to approve to increase of the Company's registered capital from Baht 13,170,534,700 to Baht 26,073,968,320 by issuance of 1,290,343,362 new ordinary shares with a par value of Baht 10 each and offering to the existing shareholders in proportion of their shareholding at the rate of 1.0207 existing ordinary shares per 1 new ordinary shares by specifying the final sale price at Baht 0.93 per share. The Company will use the proceeds to increase the capital in KWCAP for the purchase of common shares of Baht 1,000 million in total (see Note 42). In addition, the capital increase proceeds exceeding the initial purchase price or the final purchase price for the purchase of 99.61% in MIT's shares and 48.86% in MAMT's shares shall be used as the Company's working capital and/or purchasing assets necessary for the Company's business operation. The Company has completed the registration of the increase in its paid-up capital with the Development of Business Department, Ministry of Commerce as at July 10, 2020.

However, from the share offering there were existing shareholders offered by 5,790 shares in amount of Baht 5,385. The Company received the fully paid-up share capital on August 10, 2020 and registered the increased paid-up share capital with the Department of Business Development, the Ministry of Commerce on August 21, 2020.

28. LEGAL RESERVE

According to the Public Company Limited Act, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward, if any, as reserve fund, until the reserve fund reaches not less than 10% of the authorized share capital.

Under the Civil and Commercial Code, the subsidiaries are required to set aside as a statutory reserve at least five percent of its net profit each time a dividend is declared until the reserve reaches ten percent of the registered share capital. The reserve is not available for dividend distribution until the subsidiaries finally wound up.

29. NET PREMIUM EARNED

Net premium earned for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gross premium written	339,602	544,126	-	-
<u>Less</u> Premiums ceded	<u>(214,180)</u>	<u>(619,598)</u>	<u>-</u>	<u>-</u>
Net premium written	125,422	(75,472)	-	-
<u>Add (less)</u> Unearned premium reserve (increased) decreased from previous year	<u>(33,580)</u>	<u>3,811</u>	<u>-</u>	<u>-</u>
Total net premium earned	<u>91,842</u>	<u>(71,661)</u>	<u>-</u>	<u>-</u>

30. OTHER INCOME

Other income for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Management fee income	-	-	43,108	21,565
Gain on sales of fixed assets	51	1,061	51	-
Others	1,723	661	166	349
Total other income	<u>1,774</u>	<u>1,722</u>	<u>43,325</u>	<u>21,914</u>

31. ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Personnel expenses	135,696	137,555	72,910	75,920
Premise and equipment expenses	24,530	35,385	4,851	18,626
Depreciation and amortization	47,492	28,994	25,815	8,858
Business acquisition advisory expenses	13,676	8,608	3,402	150
Loss on decrease in value of cost of property development	15,065	-	-	-
Others	40,705	57,691	24,331	20,096
Total administrative expenses	<u>277,164</u>	<u>268,233</u>	<u>131,309</u>	<u>123,650</u>

32. PROVIDENT FUND

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

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

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

For the years ended December 31, 2020 and 2019, the Group's contributions recorded as expenses were Baht 4.70 million and Baht 3.91 million, respectively and the Company's contributions recorded as expenses were Baht 0.76 million and Baht 0.81 million, respectively.

33. FINANCE INCOME

Finance income for the years ended December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest income	63	277	76,826	91,895
Net investment income	7,167	10,578	-	-
Total finance income	<u>7,230</u>	<u>10,855</u>	<u>76,826</u>	<u>91,895</u>

34. FINANCE COSTS

Finance costs for the years ended December 31, consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest expenses	78,257	70,447	45,857	35,996
Financing fees	3,255	3,526	715	1,552
Total finance costs	<u>81,512</u>	<u>73,973</u>	<u>46,572</u>	<u>37,548</u>

35. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, from important expenses as the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost of construction	18,559	9,839	-	-
Staff costs	135,696	137,555	72,910	75,920
Depreciation and amortization	47,657	29,378	25,981	9,022
Marketing expenses	2,032	10,304	989	3,726
Repair and maintenance	6,883	7,681	1,649	1,796
Services and consulting fee	27,355	38,552	7,471	3,785
Utilities expenses	11,093	22,045	8,759	16,008
Special business tax	2,315	456	-	-

36. INCOME TAX INCOME (EXPENSE)

Income tax income (expense) for the years ended December 31, consisted of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Income tax expense from taxable income per income tax return	-	-	-	-
Deferred tax relating to the origination and reversal of temporary differences	2	27	-	29
Income tax income per the statements of comprehensive income	2	27	-	29

Reconciliations of income tax and the product of accounting loss multiplied by the applicable tax rate for the years ended December 31, consisted of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loss before income tax	(367,265)	(392,432)	(29,698)	(252,922)
Applicable tax rates (%)	20	20	20	20
Income tax using the corporation tax rate	(73,453)	(78,486)	(5,940)	(50,584)
Tax effect of non-deductible expenses (benefits)	73,451	78,459	5,940	50,555
Income tax income per the statements of comprehensive income	(2)	(27)	-	(29)
Effective tax rates (%)	(0.00)	(0.01)	(0.00)	(0.01)

The Group used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2020 and 2019. Income tax expense is calculated from loss before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

37. LOSSES PER SHARE

Basic losses per share is calculated by dividing the net loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Losses attributable to owners of the parent (Thousand Baht)	(351,174)	(378,816)	(29,698)	(252,893)
Weight average number of ordinary shares in issue (Thousand shares)	1,317,056	1,317,053	1,317,056	1,317,053
Basic losses per share (Baht)	(0.26)	(0.28)	(0.02)	(0.19)

There are no potential dilutive ordinary shares in issue during the reporting period. Thus, the dilutive losses per share is not presented.

38. RELATED PARTY TRANSACTIONS

Related person or parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions with related person or parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

Relationships between the Group and the Company with related person or parties are as follows:

The Company's name	Type of business	Type of relationship
<u>Subsidiaries</u>		
Thai-Kami Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Top Property Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Gold Star Property Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Cornerstone Realty Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
KWG Explore Limited	Property development	Direct shareholding, common shareholders and directorship
NVV Development Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
S31 Limited	Property development	Direct shareholding, common shareholders and directorship
S61 Limited	Property development	Direct shareholding, common shareholders and directorship

The Company's name	Type of business	Type of relationship
Param4 Limited	Property development	Direct shareholding, common shareholders and directorship
King Wai Construction Limited	Construction	Direct shareholding, common shareholders and directorship
King Wai Media Limited	Advertising and marketing services	Direct shareholding, common shareholders and directorship
King Wai Property Limited	Property management and agent	Direct shareholding, common shareholders and directorship
AEC City Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
King Wai Capital Limited	Holding	Direct shareholding, common shareholders and directorship
King Wai Insurance PCL.	Non-life insurance	Indirect shareholding and directorship
<u>Related companies</u>		
Tommo (Thailand) Limited	Holding	Common directorship
KW Thai Commerce (BVI) Company Limited	Holding	Ultimate parent company's subsidiary
King Wai International Holdings Company Limited	Holding	Common directorship

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Management fee income	Contractually agreed prices
Interest income	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate (MLR) and at the borrowing costs of the bank rate
Interest expenses	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate (MLR) and at the borrowing costs of the bank rate
Premium expenses	At price according to pricing with other customers and other insurance companies

Significant transactions with related parties are summarized as follows:

38.1 Transactions with related parties

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Transactions with subsidiaries:				
- Management fee income	-	-	43,108	21,565
- Interest income	-	-	76,822	91,759
- Interest expenses	-	-	2,272	2,341
- Premium expenses	-	-	361	149
Transactions with related companies:				
- Interest expenses	23,273	13,162	11,008	962
Transactions with a subsidiary's director:				
- Interest expenses	422	-	422	-

38.2 Short-term loan to and interest receivable from a subsidiary

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term loan to a subsidiary				
King Wai Capital Limited	-	-	1,000,000	-
	-	-	1,000,000	-
Interest receivables from short-term loan to a subsidiary				
King Wai Capital Limited	-	-	3,246	-
	-	-	3,246	-
Total	-	-	1,003,246	-

As at December 31, 2020, short-term loan to a subsidiary was unsecured and due to payment within 3 months to 1 year and bearing interest at the rate of 4.00% per annum (2019: Nil).

Fair value

The fair value of short-term loan to a subsidiary equal their carrying amount as the impact of discounting is not significant.

38.3 Long-term loans to and interest receivables from subsidiaries

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term loans to subsidiaries				
Thai-Kami Co., Ltd.	-	-	73,288	79,625
Top Property Co., Ltd.	-	-	98,516	666,086
Cornerstone Realty Co., Ltd.	-	-	173,352	217,893
KWG Explore Limited	-	-	1,194	508
NVV Development Co., Ltd.	-	-	262,375	213,961
S31 Limited	-	-	161,018	156,644
S61 Limited	-	-	129,869	103,028
Praram4 Limited	-	-	347,833	346,932
King Wai Media Limited	-	-	2,947	2,318
King Wai Property Limited	-	-	610	1,074
King Wai Capital Limited	-	-	28,687	527
AEC City Co., Ltd.	-	-	153,072	149,580
	-	-	1,432,761	1,938,176

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest receivables from long-term loans to subsidiaries				
Thai-Kami Co., Ltd.	-	-	129,722	126,234
Top Property Co., Ltd.	-	-	184,329	165,571
Cornerstone Realty Co., Ltd.	-	-	87,439	79,134
KWG Explore Limited	-	-	546	517
NVV Development Co., Ltd.	-	-	29,273	19,373
S31 Limited	-	-	22,881	16,301
S61 Limited	-	-	24,562	19,851
Praram4 Limited	-	-	50,869	36,472
King Wai Media Limited	-	-	291	188
King Wai Property Limited	-	-	101	64
King Wai Construction Limited	-	-	1	6
King Wai Capital Limited	-	-	2,526	1,970
AEC City Co., Ltd.	-	-	15,811	9,529
	-	-	548,351	475,210
Total	-	-	1,981,112	2,413,386

As at December 31, 2020 and 2019, long-term loans to subsidiaries amounting Baht 1,432.76 million and Baht 1,938.18 million, respectively, were unsecured and due to payment on June 30, 2022 and bearing interest at the rate of cost of lender's fund of 4.00% - 5.25% and 3.80% - 6.00% per annum, respectively.

Fair Value

The carrying amount and fair values of long-term loans to subsidiaries are as follows:

	SEPARATED FINANCIAL STATEMENTS			
	Book Value		Fair Value	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Long-term loans to subsidiaries	1,432,761	1,938,176	1,423,662	1,927,166

As at December 31, 2020 and 2019, the fair value of long-term loans to subsidiaries is based on discounted future cash flows using a discount rate based upon the borrowing rate of 4.31% and 4.25% per annum, respectively, and is within level 3 of the fair value hierarchy.

38.4 Short-term borrowings from and interest payable to related person or party

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Short-term borrowings from related person or party				
Tommo (Thailand) Limited	1,330,800	70,000	1,330,800	70,000
Subsidiary's director	180,460	-	-	-
	<u>1,511,260</u>	<u>70,000</u>	<u>1,330,800</u>	<u>70,000</u>
Interest payable to short-term borrowings from a related party				
Tommo (Thailand) Limited	11,970	962	11,970	962
	<u>11,970</u>	<u>962</u>	<u>11,970</u>	<u>962</u>
Total	<u>1,523,230</u>	<u>70,962</u>	<u>1,342,770</u>	<u>70,962</u>

As at December 31, 2020 and 2019, short-term borrowings from a related party were unsecured and due to payment within 3 months and 1 year, and bearing interest at the rate of 4.00% per annum. However, the Company can extend the loan as agreed upon the repayment is due.

As at December 31, 2020, the Company had short-term borrowings from subsidiary's director by promissory notes with no collateral, no interest and repayment at call.

Fair value

The fair value of short-term borrowings from related person or party equal their carrying amount as the impact of discounting is not significant.

38.5 Long-term borrowings from and interest payable to subsidiaries

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term borrowings from subsidiaries				
King Wai Construction Ltd.	-	-	213	36
Gold Star Property Co., Ltd.	-	-	51,722	51,722
	<u>-</u>	<u>-</u>	<u>51,935</u>	<u>51,758</u>
Interest payable from long-term borrowings from a subsidiary				
Gold Star Property Co., Ltd.	-	-	9,327	12,659
	<u>-</u>	<u>-</u>	<u>9,327</u>	<u>12,659</u>
Total	<u>-</u>	<u>-</u>	<u>61,262</u>	<u>64,417</u>

As at December 31, 2020 and 2019, long-term borrowings from subsidiaries was unsecured and due to payment on June 30, 2022 and bearing interest rate at the rate of cost of lender's fund of 4.00% - 5.25% and 3.80% - 6.00% per annum, respectively.

Fair Value

The carrying amount and fair values of long-term borrowings from subsidiaries are as follows:

	SEPARATED FINANCIAL STATEMENTS			
	Book Value		Fair Value	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term borrowings from subsidiaries	51,935	51,758	51,739	51,471

As at December 31, 2020 and 2019, the fair value of long-term borrowings from subsidiaries are based on discounted future cash flows using a discount rate based upon the borrowing rate of 4.28% and 5.13% per annum, respectively, and are within level 3 of the fair value hierarchy.

38.6 Long-term borrowings from and interest payable to related person or parties

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term borrowings from related person or parties				
KW Thai Commerce (BVI) Co., Ltd.	249,918	245,993	-	-
King Wai International and Holdings Co., Ltd.	1,024,565	1,024,565	-	-
Subsidiary's director	-	180,460	-	-
	1,274,483	1,451,018	-	-
<u>Less</u> current portion of long-term borrowings	-	(245,993)	-	-
	1,274,483	1,205,025	-	-
Interest payable from long-term borrowings to a related party				
KW Thai Commerce (BVI) Co., Ltd.	133,954	119,824	-	-
Total	1,408,437	1,324,849	-	-

As at December 31, 2020 and 2019, long-term borrowings from KW Thai Commerce (BVI) Co., Ltd. was an unsecured borrowing by SGD 11 million and due to payment on April 30, 2023 and bearing interest at the rate of cost of lender's fund plus 1.10% per annum which was 4.15% per annum.

As at November 3, 2017, a subsidiary entered into long-term borrowings agreements with King Wai International and Holdings Company Limited and the subsidiary's director which unsecured borrowings not bearing interest on the year 1st - 3rd and bearing interest at the rate MLR - 3.75% per annum for the 4th year onwards and due to payment on the fifth anniversary of the date of the agreement. In addition, upon request of the borrower in writing, the lender may agree to postpone the maturity date. Subsequently, on November 24, 2020, the s entered into Amendment No.1 to loan agreement with King Wai International and Holdings Company Limited by extend both due to payment on the eighth anniversary of the date of the agreement and not bearing interest on the year 1st - 5th.

Fair value

The carrying amount and fair values of long-term borrowings from related person or parties is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Book Value		Fair Value	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Long-term borrowings from related person or parties	1,274,483	1,451,018	1,275,368	1,450,231

As at December 31, 2020 and 2019, the fair value of long-term borrowings from related person or parties is based on discounted future cash flows using a discount rate based upon the borrowing rate of 4.01% and 3.95% per annum, respectively, and is within level 3 of the fair value hierarchy.

Long-term borrowings from related person or parties

The Group has the following undrawn committed long-term borrowings facilities from related person or parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020 Million Singapore Dollar	2019 Million Singapore Dollar
Floating rate - expiring within one year	3	3

38.7 Management remuneration

Key management of the Group includes directors (executive and non-executive) and members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Short-term benefits	42.05	45.30	24.10	27.30
Post-retirement benefits	18.95	21.20	18.50	21.30
Total	61.00	66.50	42.60	48.60

39. SEGMENT INFORMATION

The Group and the Company is engaged in development of real estate for sale, rental and service and non-life insurance.

Internal reporting reviewed by the chief operating decision maker is separated into 3 operating segments with different products and services as follows:

- The real estate business segment, which develops residential housing and condominium projects.
- The rental and service business segment, which provides rental and other services for its office space.
- The non-life insurance business segment, which provides non-life insurance.

	CONSOLIDATED FINANCIAL STATEMENTS							
	Real estate business segment		Rental and service business segment		Non-life insurance business segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Million	Million	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Revenues from external customers	19	14	45	46	172	29	236	89
Segment loss	(77)	(65)	(98)	(94)	(114)	(193)	(289)	(352)
Unallocated income (expenses)								
Other income							9	12
Gain (loss) on exchange rate, net							(5)	22
Finance costs							(82)	(74)
Loss before income tax expense							(367)	(392)
Income tax income							-	-
Loss for the year							(367)	(392)

	CONSOLIDATED FINANCIAL STATEMENTS							
	Real estate business segment		Rental and service business segment		Non-life insurance business segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Million	Million	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at December 31,								
Assets by segment	7,095	6,052	522	467	831	1,328	8,448	7,847
Liabilities by segment	3,230	3,174	2,389	1,077	530	930	6,149	5,181

The Group derives its revenue overtime and at a point in time for the year ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht
Revenues		
Revenue from external customers		
Major revenues		
Revenue recognition at a point of time		
Revenue from sale of property	19,400	13,800
Fee and commission income	79,741	99,364
Revenue recognition overtime		
Revenue from rental and service	44,786	46,159
Net premium earned	91,842	(71,661)
Other income	9,004	12,576
Total	<u>244,773</u>	<u>100,238</u>

40. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2020 and 2019, certain investment in securities of a subsidiary were pledged and used for assets reserved with the Registrar (see Note 13) in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding “Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557”, respectively, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
- Government bonds	14,449	14,666
Assets reserved with the registrar		
- Government bonds	25,801	109,996
Total investment in securities under pledged	<u>40,250</u>	<u>124,662</u>

41. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

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

42. SIGNIFICANT AGREEMENT

At the Board of Directors' Meeting No. 9/2019 held on December 4, 2019, it was resolved to approve King Wai Capital Co., Ltd. ("KWCAP"), a subsidiary of the Company, to purchase 322,746,861 ordinary shares in Manulife Insurance Thailand PCL. ("MIT") from OQC (Thailand) Limited ("OQC"), Manulife Financial Asia Limited ("Manulife Asia") and CDF (Thailand) Limited ("CDF") (collectively as the "Manulife Group") (representing approximately 99.61% of the total issued shares in MIT), and to purchase 17,200,001 ordinary shares in Manulife Asset Management (Thailand) Co., Ltd. ("MAMT") from Manulife Asia (representing approximate 48.86% of total issued shares in MAMT). The share acquisition in MIT and MAMT will enter the transaction with the total purchase price of Baht 1,000 million.

At the same time, there was approval of the execution of a share sale and purchase agreement (with conditions precedent) in respect of the Sale Shares among KWCAP (as the purchaser), the Manulife Group (as the sellers), and the Company (as the guarantor for the performance of KWCAP's obligations under the share sale and purchase agreement). The closing date shall take place on August 31, 2020 (or such other date as may be mutually agreed in writing between the parties). In addition, the agreement specify condition that the purchaser shall pay mutual agreed break fee by no later than five business days after the date on which this agreement is terminate in any of specified circumstances.

Subsequently on August 31, 2020, the Company and KWCAP entered into the Second Extension Letter to extend closing date take place from August 31, 2020 to November 30, 2020 and agreed to pay a non-refundable extension fee in the amount of Baht 135 million which was paid on September 11, 2020 and October 12, 2020 in the amount of Baht 62 million and Baht 73 million, respectively. However, if closing takes place in accordance with the share sale and purchase agreement and the Second Extension Letter, the amount of the Aggregate Consideration payable to Manulife Asia on the closing date shall be reduced by the net amount of the non-refundable extension fee.

Subsequently on November 30, 2020, the Company and KWCAP entered into the Third Extension Letter to extend closing date take place from November 30, 2020 to March 31, 2021 and agreed to pay a non-refundable additional extension fee in the amount of Baht 46 million which was already paid on November 26, 2020. However, if closing takes place in accordance with the share sale and purchase agreement and the Second and Third Extension Letter, the amount of the Aggregate Consideration payable to Manulife Asia on the closing date shall be reduced by the net amount of the non-refundable extension fee. In addition, on December 14, 2020, KWCAP paid additional advance payment for investment in the amount of Baht 819 million to Manulife Asia. Consequently, on December 31, 2020, KWCAP had advance aggregate consideration paid for investment in the amount of Baht 1,000 million (see Note 19) and KWCAP will proceed ordinary shares transferring and controlling within closing date of above Extension Letter.

43. CONTINGENT LIABILITIES AND COMMITMENTS

- 43.1 As at December 31, 2020 and 2019, lawsuits have been brought against a subsidiary, as insurer, from which the subsidiary estimates losses totaling Baht 4.98 million and Baht 3.97 million, respectively. Such amount has been set aside in the claim reserve and outstanding claims accounts. The subsidiary's management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the subsidiary's operating results.
- 43.2 As at April 10, 2020, the Company and a subsidiary were sued in relation to a breach of a hire of consulting service agreement. The plaintiff submitted a claim for master planning feasibility study on development project under the subsidiary's project. The plaintiff sued for the damages of Baht 10.96 million for abandoned works and interest of Baht 0.98 million, totaling Baht 11.94 million. However, the Company and the subsidiary are considering to defend the lawsuits, and since the Group's legal team and management believe that the Group will not have a material effect from the litigation. As at December 31, 2020, the Group does not recognize any provision in respect of this case.
- 43.3 As at June 22, 2020, two subsidiaries were sued in relation of a breach of a hire of work agreement. The same plaintiff submitted a claim for hiring as a consultant of interior design under the subsidiaries' projects. The plaintiff sued for the overdue balance of Baht 1.09 million and the interest expense of Baht 0.12 million, totaling of Baht 1.21 million. However, on August 6, 2020, two subsidiaries paid for principal to plaintiff amount of Baht 1.03 million and the court ordered the plaintiff to withdraw the lawsuit in August 18, 2020, and September 16, 2020.
- 43.4 As at September 3, 2020, three subsidiaries were sued in relation to a breach of a hire of work agreement. The same plaintiff submitted a claim for hiring as a consultant of interior design under the subsidiaries' projects. The plaintiff sued for the overdue balance of Baht 3.11 million. However, the subsidiaries are considering to defend the lawsuits and since the Group's legal team and management believe that the Group will not have a material effect from the litigation. As at December 31, 2020, the Group does not recognize any provision in respect of this case.
- 43.5 As at December 28, 2020, A subsidiary was sued in relation of a breach of a hire of work agreement. The same plaintiff submitted a claim for hiring as a consultant of interior design under the subsidiaries' projects. The plaintiff sued for the overdue balance of Baht 1.66 million and the interest expense of Baht 0.24 million, totaling of Baht 1.90 million. However, the subsidiaries are considering to defend the lawsuits and since the Group's legal team and management believe that the Group will not have a material effect from the litigation. As at December 31, 2020, the Group does not recognize any provision in respect of this case.

44. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

As at December 31, the Group has entered into operating lease agreements in respect of the lease of office equipment, vehicles and other. The terms of the agreements are generally from 1 to 5 years and have future minimum payments required under these non-cancellable operating leases agreements and related service agreements were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht
- Within 1 year	18.07	28.39	0.29	16.78
- Later than 1 year but not later than 5 years	9.84	39.28	0.35	34.06
Total	<u>27.91</u>	<u>67.67</u>	<u>0.64</u>	<u>50.84</u>

For the years ended December 31, 2020 and 2019, the Group recorded operating lease expense according to the long-term operating lease agreements in the consolidated statements of comprehensive income of Baht 15.73 million and Baht 36.18 million, respectively. The Company recorded operating lease expense according to the long-term operating lease agreements in the separate statements of comprehensive income of Baht 0.28 million and Baht 15.86 million, respectively.

45. CAPITAL COMMITMENTS

As at December 31, the Group has the outstanding capital commitments, which contracts have already been signed. These contracts are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht
Construction costs for projects	370.45	380.30	-	-
Acquisition of building improvement and equipment	-	0.19	-	-
Acquisition of computer program	9.52	5.62	1.40	1.40
Total	<u>379.97</u>	<u>386.11</u>	<u>1.40</u>	<u>1.40</u>

46. BANK GUARANTEES

As at December 31, the Group has the bank guarantees as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Bank guarantees	13.79	13.75	1.25	1.25

As at December 31, 2020 and 2019, a subsidiary pledged the 3-month fixed deposit at banks amounting to Baht 10.00 million as collateral for the letter of guarantees issuance amounting to Baht 10.00 million (see Note 12).

In addition, as at December 31, 2020, such subsidiary had a credit facility for the guarantee issuance letter amounting to Baht 10.00 million which were guaranteed by the Company and secured by the land and single detached house, land development and construction in progress of the subsidiary including the construction in progress of another subsidiary at book value totaling to Baht 380.21 million (see Note 10).

As at December 31, 2020, the second subsidiary pledged the saving deposit amounting to Baht 3.88 million as collateral for the letter of guarantees issuance amounting to Baht 3.88 million. And as at December 31, 2019, the second subsidiary pledged the saving deposit amounting to Baht 3.32 million and the land and single detached house, land development and construction in progress amounting to Baht 13.66 million as collateral for letter of guarantees issuance amounting to Baht 3.83 million (see Notes 10 and 12).

47. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND INSURANCE MANAGEMENT

47.1 Insurance risk

47.1.1 Insurance risk management policy

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

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

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, by the use of in-house pricing models relevant to specific portfolios and the markets in which the Group operates. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

Product design and development and price structure

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

Underwriting strategy

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

Reinsurance strategy

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

47.1.2 Sensitivity analysis

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

CONSOLIDATED FINANCIAL STATEMENTS 2020		
	Increase (decrease) in insurance contract liabilities Thousand Baht	Increase (decrease) in profit and equity Thousand Baht
Gross		
Loss ratio - 10% increase	13,956	(13,956)
Loss ratio - 10% decrease	(13,707)	13,707
Net		
Loss ratio - 10% increase	8,682	(8,682)
Loss ratio - 10% decrease	(8,433)	8,433

CONSOLIDATED FINANCIAL STATEMENTS 2019		
	Increase (decrease) in insurance contract liabilities Thousand Baht	Increase (decrease) in profit and equity Thousand Baht
Gross		
Loss ratio - 10% increase	10,534	(10,534)
Loss ratio - 10% decrease	(10,534)	10,534
Net		
Loss ratio - 10% increase	6,823	(6,823)
Loss ratio - 10% decrease	(6,823)	6,823

47.1.3 Concentration of insurance risks

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

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
2020					
Gross	11,256	40,916	13,448	239,622	305,242
Net of reinsurance	5,987	30,192	13,446	173,832	223,457
2019					
Gross	8,159	21,391	12,577	473,504	515,631
Net of reinsurance	6,370	10,550	12,577	199,414	228,911

47.2 Financial risk

47.2.1 Accounting policies

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

47.2.2 Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	CONSOLIDATED FINANCIAL STATEMENTS			
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at December 31, 2020				
Trade and other current payables	284,098	-	-	284,098
Short-term borrowings from a financial institution	887,493	-	-	887,493
Short-term borrowings from related person or party	1,511,260	-	-	1,511,260
Long-term borrowings from financial institutions	631,500	736,470	-	1,367,970
Long-term borrowings from related person or parties	-	1,274,483	-	1,274,483
Lease liabilities	20,208	20,695	-	40,903
Total	3,334,559	2,031,648	-	5,366,207

	SEPARATE FINANCIAL STATEMENTS			
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at December 31, 2020				
Trade and other current payables	38,668	-	-	38,668
Short-term borrowings from a financial institution	887,493	-	-	887,493
Short-term borrowings from a related party	1,330,800	-	-	1,330,800
Long-term borrowings from subsidiaries	-	51,935	-	51,935
Lease liabilities	18,168	20,263	-	38,431
Total	2,275,129	72,198	-	2,347,327

The analysis of the liquidity risk from insurance contracts which estimate base on an analysis of payment histories are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	Payment periods			
	Less than 1 year	1 - 5 years	5 - 10 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
2020				
Insurance contract liabilities				
Loss reserves and outstanding claims	137,042	17,137	-	154,179
2019				
Insurance contract liabilities				
Loss reserves and outstanding claims	82,399	142,649	6,376	231,424
Financing facilities				

The Group is using combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity.

The table below presents the cash inflows from financial assets:

CONSOLIDATED FINANCIAL STATEMENTS				
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at December 31, 2020				
Trade and other current receivables	74,179	-	-	74,179
Financial assets	101,696	157,220	-	258,916

SEPARATE FINANCIAL STATEMENTS				
	Less than 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at December 31, 2020				
Trade and other current receivables	558,662	-	-	558,662
Short-term loan to a subsidiary	1,000,000	-	-	1,000,000
Financial assets	406	-	-	406
Long-term loans to subsidiaries	-	1,432,761	-	1,432,761

The Group has access to financing facilities were unused as described below as at December 31, 2020 and 2019 in the amount of Baht 1,381.58 million and Baht 1,161.58 million, respectively (the Company: Baht 828.51 million). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Secured bank loan facilities with various maturity dates through to 2020 and which may be extended by mutual agreement:				
amount used	2,255,463	2,186,293	887,493	887,493
amount unused	1,381,579	1,161,579	828,507	828,507
	<u>3,637,042</u>	<u>3,347,872</u>	<u>1,716,000</u>	<u>1,716,000</u>

47.2.3 Credit risk

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

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

47.2.4 Interest rate risk

Interest rate risk is the risk of future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (see Note 20). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

The effective interest rates of borrowings as at December 31, 2020 and 2019 and the periods in which the loans mature or re-price were as follows:

As at December 31, 2020		CONSOLIDATED FINANCIAL STATEMENTS			
	Effective interest rate	Outstanding balance maturing			Total
		Within 1 year	1 - 5 years	Over 5 years	
	% per annum	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current liabilities					
Short-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	887,493	-	-	887,493
Short-term borrowings from a related party	4.00	1,511,260	-	-	1,511,260
Current portion of long-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	631,500	-	-	631,500
Non-current liabilities					
Long-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	-	731,204	-	731,204
Long-term borrowings from related person or parties	Interest free	-	249,918	-	249,918
Long-term borrowings from related person or parties	4.15	-	1,024,565	-	1,024,565
Total		3,030,253	2,005,687	-	5,035,940
As at December 31, 2019		CONSOLIDATED FINANCIAL STATEMENTS			
	Effective interest rate	Outstanding balance maturing			Total
		Within 1 year	1 - 5 years	Over 5 years	
	% per annum	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current liabilities					
Short-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	887,158	-	-	887,158
Short-term borrowings from a related party	4.00	70,000	-	-	70,000
Current portion of long-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	827,800	-	-	827,800
Current portion of long-term borrowings from related person or parties	4.15	245,993	-	-	245,993
Non-current liabilities					
Long-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	-	465,956	-	465,956
Long-term borrowings from related person or parties	Interest free	-	1,205,025	-	1,205,025
Total		2,030,951	1,670,981	-	3,701,932

As at December 31, 2020

As at December 31, 2020		SEPARATE FINANCIAL STATEMENTS			
	Effective interest rate	Outstanding balance maturing			Total
		Within 1 year	1 - 5 years	Over 5 years	
	% per annum	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current liabilities					
Short-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	887,493	-	-	887,493
Short-term borrowings from a related party	4.00	1,330,800	-	-	1,330,800
Non-current liabilities					
Long-term borrowings from subsidiaries	4.00 - 5.25	-	51,935	-	51,935
Total		2,218,293	51,935	-	2,270,228

As at December 31, 2019

As at December 31, 2019		SEPARATE FINANCIAL STATEMENTS			
	Effective interest rate	Outstanding balance maturing			Total
		Within 1 year	1 - 5 years	Over 5 years	
	% per annum	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current liabilities					
Short-term borrowings from financial institutions	MLR minus a fixed percentage as stipulated in the contract	887,158	-	-	887,158
Short-term borrowings from a related party	4.00	70,000	-	-	70,000
Non-current liabilities					
Long-term borrowings from subsidiaries	3.80 - 6.00	-	51,758	-	51,758
Total		957,158	51,758	-	1,008,916

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year and using an increase or decrease rate by considering the reasonably possible change in interest rates.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Increase Thousand Baht	Decrease Thousand Baht	Increase Thousand Baht	Decrease Thousand Baht
As at December 31, 2020				
Interest rates change by 1%				
Finance costs	35,863	(35,863)	22,183	(22,183)

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

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

	As at December 31, 2020						
	CONSOLIDATED FINANCIAL STATEMENTS					No Interest Thousand Baht	Average interest rate % per annum
	Period specified for fixing new interest rate				Variable Interest rate Thousand Baht		
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht			
Cash and cash equivalents	22,895	-	-	22,895	168,223	27,440	0.100 - 0.625
Financial assets							
Debt securities measured at amortization							
Cash at financial institutions - overdue than 3 months but less than 12 months	101,290	-	-	101,290	-	-	0.66
Debt security measured at fair value through profit or loss							
Private debt securities	-	-	-	-	-	406	-
Debt security measured at fair value through other comprehensive income							
Government and state enterprise securities	145,004	-	-	145,004	-	-	3.65
Total	269,189	-	-	269,189	168,223	27,846	

	As at December 31, 2019						
	CONSOLIDATED FINANCIAL STATEMENTS						
	Period specified for fixing new interest rate				Variable	No	Average
	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate	Interest	interest rate
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	% per annum
Cash and cash equivalents	2,392	-	-	2,392	211,399	9,693	0.100 - 0.800
Investments in securities							
Available-for-sale investments							
Government and state enterprise securities	135,710	230,992	-	366,702	-	-	3.65
Private debt securities	-	-	-	-	-	475	-
Held-to-maturity investments							
Deposits at financial institutions with maturity over 3 months	1,284	-	-	1,284	-	-	0.86
Total	139,386	230,992	-	370,378	211,399	10,168	

As at December 31, 2020							
SEPARATE FINANCIAL STATEMENTS							
	Period specified for fixing new interest rate				Variable	No	Average
	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate	Interest	interest rate
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	% per annum
Cash and cash equivalents	-	-	-	-	15,371	25,250	0.10 - 0.25
Financial assets							
Debt security measured at fair value through profit or loss							
Private debt securities	-	-	-	-	-	406	-
Total	-	-	-	-	15,371	25,656	

As at December 31, 2019							
SEPARATE FINANCIAL STATEMENTS							
	Period specified for fixing new interest rate				Variable	No	Average
	Within 1 year	1 - 5 years	Over 5 years	Total	Interest rate	Interest	interest rate
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	% per annum
Cash and cash equivalents	-	-	-	-	1,905	2,438	0.100 - 0.625
Investments in securities							
Available-for-sale investments							
Private securities	-	-	-	-	-	475	-
Total	-	-	-	-	1,905	2,913	

47.2.5 Foreign exchange risk

The Group exposed to foreign exchange risk arising mainly from borrowing denominated in Singapore Dollar. However, the borrowing due to a related party, for which the Group can manage the repayment schedule at the opportune exchange rate. The Group had no forward contracts.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to an increase and decrease in THB currency units against SGD currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and financial liabilities items for SGD currency at the reporting date and using an increase or decrease rate by considering the reasonably possible change in interest rates.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Strengthens Thousand Baht	Weakens Thousand Baht	Strengthens Thousand Baht	Weakens Thousand Baht
As at December 31, 2020				
Exchange rate change by 10%				
Net gain (loss) on foreign exchange rate	38,376	(38,376)	-	-

47.2.6 Fair value measurements

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

47.2.6.1 Financial assets or financial liabilities measured at fair value

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

CONSOLIDATED FINANCIAL STATEMENTS				
	Fair Value 2020 Baht	Fair Value 2019 Baht	Fair value hierarchy	Valuation techniques and key inputs
<u>Financial assets</u>				
Debt security measured at fair value through other comprehensive income				
Government and state enterprise securities	145,004	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Available-for-sale investments				
Government securities	-	366,702	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Debt security measured at fair value through profit or loss				
Private debt securities	406	-	Level 1	Net asset value of the last working day of the reporting period as announced on the mutual fund
Available-for-sale investments				
Private debt securities	-	475	Level 1	Net asset value of the last working day of the reporting period as announced on the mutual fund
Investment properties	4,013,454	4,013,466	Level 3	By independent professionally qualified valuers
Lease liabilities	38,904	-	Level 3	Discounted cash flow method
SEPARATE FINANCIAL STATEMENTS				
	Fair Value 2020 Baht	Fair Value 2019 Baht	Fair value hierarchy	Valuation techniques and key inputs
<u>Financial assets</u>				
Debt security measured at fair value through profit or loss				
Private debt securities	406	-	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Available-for-sale investments				
Private debt securities	-	475	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Investment properties	395,295	395,295	Level 3	By independent professionally qualified valuers
Lease liabilities	36,482	-	Level 3	Discounted cash flow method

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

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

47.2.6.2 Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, trade and other current receivables, reinsurance assets, due from reinsurers, short-term borrowings from financial institutions, trade and other current payables, advances received from customers, due to reinsurers, unearned fee and commission income, current portion of long-term borrowings from financial institutions, current portion of long-term borrowings from related parties, short-term borrowings from a related party and bill of exchange; the fair values approximate their carrying values due to the relatively short period to maturity.

The transactions disclosed in the following tables, are considered that the carrying amounts recognized in the consolidated and separate financial statements are different from their fair values. Valuation technique is net present value of expected cash inflow as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
	Fair value hierarchy	2020 Carrying amount Thousand Baht	Fair value Thousand Baht	2019 Carrying amount Thousand Baht	Fair value Thousand Baht
<u>Financial liabilities</u>					
Long-term borrowings from financial institutions	Level 3	1,362,704	1,365,246	1,293,756	1,303,284
Long-term borrowings from related person or parties	Level 3	1,274,483	1,275,368	1,451,018	1,450,231
SEPARATE FINANCIAL STATEMENTS					
	Fair value hierarchy	2020 Carrying amount Thousand Baht	Fair value Thousand Baht	2019 Carrying amount Thousand Baht	Fair value Thousand Baht
<u>Financial assets</u>					
Long-term loans to subsidiaries	Level 3	1,432,761	1,423,662	1,938,176	1,927,166
<u>Financial liabilities</u>					
Long-term borrowings from subsidiaries	Level 3	51,935	51,739	51,758	51,471

Valuation technique for financial instruments not measured at fair value of the Group are as follows:

Fair value of long-term borrowings from financial institutions, long-term borrowings from subsidiaries, long-term borrowings from related person or parties are determined by discounted cash flows method. Future cash flows are discounted using cost of debts of the Group.

The fair value of held-to-maturity investments and general investment which are insignificant value are determined based on their carrying value.

47.3 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

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

48. RECLASSIFICATION

Certain reclassification has been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current period's financial statements. Such reclassifications does not effect the previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Items	Previous presentation	Current presentation	CONSOLIDATED FINANCIAL STATEMENTS Thousand Baht	SEPARATE FINANCIAL STATEMENTS Thousand Baht
Interest income	Other income	Finance income	277	91,895
Net investment income	Other income	Finance income	10,578	-

49. EVENTS AFTER THE REPORTING PERIOD

- 49.1 On January 22, 2021, King Wai Capital Limited, a subsidiary, incorporated King Wai Insurance Brokers & Consultants Limited in Thailand with an authorized share capital of Baht 3,000,000, which comprised 30,000 ordinary shares at a par value of Baht 100 each. The subsidiary invested in 29,998 shares totaling Baht 2,999,800, which is a 99.99% shareholding.
- 49.2 At the Board of Directors' Meeting No. 1/2021 held on February 17, 2021, the BOD has resolved to approve the capital increase in NVV Development Co., Ltd., a subsidiary of the Company, the meeting resolved to register increasingly from Baht 230,000,000 to Baht 480,000,000 which is increase in the amount of Baht 250,000,000 divided to 2,500,000 shares, at a par value of Baht 100 to be used as the Company's working capital and/or purchasing assets necessary for the subsidiary's business operation.
- 49.3 At the Board of Directors' Meeting No. 2/2021 held on February 23, 2021, the BOD has resolved to approve the capital increase in King Wai Capital Ltd, a subsidiary of the Company, the meeting resolved to register increasingly from Baht 1,000,000,000 to Baht 1,050,000,000 which is increase in the amount of Baht 50,000,000 divided to 500,000 shares, at a par value of Baht 100 to be used for an acquisition of shares in King Wai Insurance PCL. 500,000 shares, at par value of Baht 100, in the amount of Baht 50,000,000.

- 49.4 At the Board of Directors' Meeting No. 1/2021 held on February 17, 2021 and No. 2/2021 held on February 23, 2021, it was resolved to approve the Company to borrow from a related company in the amount of Baht 60.00 million and Baht 10.00 million, respectively, for internal working capital with bearing interest at the rate of 4.00% per annum and due to payment within 1 year. However, the Company can extend the loan as agreed upon the repayment is due

50. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Board of Directors on February 23, 2021.





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