

Nam Seng Insurance Public Company Limited
Report and financial statements
For the period from 1 January 2023 to
1 September 2023 (Dissolution date)

Independent Auditor's Report

To the Shareholders of Nam Seng Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements of Nam Seng Insurance Public Company Limited ("the Company"), which comprise the statement of financial position as at 1 September 2023 (Dissolution date), and the related statements of comprehensive income, changes in owners' equity and cash flows for the period from 1 January 2023 to 1 September 2023, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nam Seng Insurance Public Company Limited as at 1 September 2023, and its financial performance and cash flows for the period from 1 January 2023 to 1 September 2023 under the basis discussed in Note 2 to the financial statement.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 1.2 to the financial statements, an extraordinary general meeting of shareholders of the Company approved the dissolution of the Company on 1 September 2023 and the Company registered its dissolution with the Ministry of Commerce on 28 September 2023. As a result, the Company has changed the basis used for the preparation of the financial statements for the period from 1 January 2023 to 1 September 2023 from the basis used in the preparation of the 2022 financial statements, which was in accordance with Thai Financial Reporting Standards under the going concern assumption, to a basis whereby assets are stated at the lower of carrying amount and net realizable values and liabilities are stated at their estimated settlement amounts from continuing operation, adjusted to reflect the estimated obligation under onerous contracts from dissolving the Company. The differences between the carrying amount and the recognised amount of the assets and the liabilities for the preparation of the financial statements are recognised in profit or loss for the current period. All assets and liabilities outstanding as at 1 September 2023 are classified as current. The Company elected not to present the corresponding figures. My opinion is not modified in respect of this matter.

Responsibilities of the Liquidator for the Financial Statements

The liquidator is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards under the basis discussed in Note 2 to the financial statement, and for such internal control as the liquidator determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Company registered the dissolution, and accordingly, the going concern basis of accounting is no longer appropriate. The liquidator is then responsible for selecting another basis of accounting which comprises measurement, classification and presentation which are appropriate in the circumstances to prepare the financial statements and for disclosing the fact that the financial statements are not prepared on a going concern basis of accounting, the reason why the Company is not regarded as a going concern and another basis of accounting on which the financial statements are prepared together with the carrying amount and the recognised amount of the assets and the liabilities for the preparation of the financial statements and the reason why the Company does not present the comparative information.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the liquidator.

- Conclude on the appropriateness of the liquidator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. If I conclude that the use of the going concern basis of accounting is no longer appropriate, I am required to consider the appropriateness of the alternative basis of accounting that the liquidator uses to prepare the financial statements and the adequacy of disclosure of the fact that the financial statements are not prepared on a going concern basis of accounting. If I determine that the alternative basis of accounting is acceptable and the disclosure is adequate, I am required to include an Emphasis of Matter paragraph in the auditor's report about the alternative basis of accounting that the liquidator uses to prepare the financial statements and the reason therefor. If the alternative basis of accounting that the liquidator selects is inappropriate or the disclosure is inadequate, I will express an adverse opinion on the financial statements. In this regard, my conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the liquidator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am responsible for the audit resulting in this independent auditor's report.



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 20 December 2023

Nam Seng Insurance Public Company Limited

Statement of financial position

As at 1 September 2023

(Unit: Baht)

	<u>Note</u>	
Assets		
Current assets		
Cash and cash equivalents	7	20,488,152
Other account receivable - parent company	6, 14	755,820,902
Total current assets		<u>776,309,054</u>
Total assets		<u><u>776,309,054</u></u>

The accompanying notes are an integral part of the financial statements.

Nam Seng Insurance Public Company Limited


Statement of financial position (continued)

As at 1 September 2023

(Unit: Baht)

	<u>Note</u>	
Liabilities and owners' equity		
Liabilities		
Current liabilities		
Income tax payable		15,152,335
Total current liabilities		<u>15,152,335</u>
Total liabilities		<u>15,152,335</u>
Equity		
Share capital		
Registered		
20,000,000 ordinary shares of Baht 10 each		<u>200,000,000</u>
Issued and paid-up		
13,900,000 ordinary shares of Baht 10 each		139,000,000
Premium on share capital		594,436,835
Retained earnings		
Appropriated		
Statutory reserve	9	24,848,787
General reserve		6,163,850
Unappropriated		<u>(3,292,753)</u>
Total owners' equity		<u>761,156,719</u>
Total liabilities and owners' equity		<u>776,309,054</u>

The accompanying notes are an integral part of the financial statements.


Liquidator

Nam Seng Insurance Public Company Limited
Statement of comprehensive income
For the period from 1 January 2023 to 1 September 2023

(Unit: Baht)

	Note	
Profit or loss:		
Revenues		
Gross premium written		1,961,841,922
Less: Premium ceded to reinsurers		(120,245,837)
Net premium written		1,841,596,085
Less: Unearned premium reserves increased from prior years		(51,750,024)
Net earned premium		1,789,846,061
Commission and brokerage income from reinsurers		28,392,185
Net investment revenues		47,268,538
Losses on investments		(177,969,999)
Fair value loss		65,850,911
Profit from entire business transfer	6	1,784,180,303
Rental income		10,286,834
Other income		2,659,660
Total revenues		3,550,514,493
Expenses		
Long-term insurance policy reserve increased		46,482,920
Gross claims		1,046,378,617
Less: Claim recovery from reinsurers		(56,889,342)
Commission and brokerage expenses		330,916,346
Other underwriting expenses		186,048,495
Operating expenses	10	180,019,139
Finance cost		62,614
Reversal expected credit loss	11	39,153,000
Total expenses	12	1,772,171,789
Profit before income tax expenses		1,778,342,704
Less: Income tax expenses	8	(16,149,529)
Profit for the period		1,762,193,175

The accompanying notes are an integral part of the financial statements.

Nam Seng Insurance Public Company Limited
Statement of comprehensive income (continued)
For the period from 1 January 2023 to 1 September 2023

(Unit: Baht)

	<u>Note</u>	
Other comprehensive income:		
Items to be recognised in profit or loss in subsequent periods:		
Gain on revaluation of available-for-sale investments measured at fair value through other comprehensive income		114,234,691
Less: Tax expense		(22,846,938)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		<u>91,387,753</u>
Items not to be recognised in profit or loss in subsequent periods:		
Actuarial loss		(1,574,596)
Add: Benefit tax		314,919
Items not to be recognised in profit or loss in subsequent periods - net of income tax (loss)		<u>(1,259,677)</u>
Other comprehensive income for the period		<u>90,128,076</u>
Total comprehensive income for the period		<u><u>1,852,321,251</u></u>
Earnings per share		
Basic earnings per share	15	
Profit for the period		<u><u>126.78</u></u>

The accompanying notes are an integral part of the financial statements.

Nam Seng Insurance Public Company Limited

Statement of changes in owners' equity

For the period from 1 January 2023 to 1 September 2023

(Unit: Baht)

	Note	Issued and paid-up		Premium on share capital	Retained earnings			Unappropriated	Other component of owner's equity	Total
		share capital	share capital		Statutory reserve	Appropriated	General reserve			
Balance as at 1 January 2023		139,000,000	594,436,835	594,436,835	24,848,787	6,163,850	591,256,930	(91,387,753)	1,264,318,649	
Profit for the period		-	-	-	-	-	1,762,193,175	-	1,762,193,175	
Other comprehensive income for the period		-	-	-	-	-	(1,259,677)	91,387,753	90,128,076	
Total comprehensive income for the period		-	-	-	-	-	1,760,933,498	91,387,753	1,852,321,251	
Dividend paid	13	-	-	-	-	-	(2,355,483,181)	-	(2,355,483,181)	
Balance as at 1 September 2023		139,000,000	594,436,835	594,436,835	24,848,787	6,163,850	(3,292,753)	-	761,156,719	

The accompanying notes are an integral part of the financial statements.

Nam Seng Insurance Public Company Limited

Statement of cash flows

For the period from 1 January 2023 to 1 September 2023

(Unit: Baht)

Cash flows from (used in) operating activities	
Direct premium written	2,090,416,040
Cash paid on reinsurance	(85,818,551)
Interest income	38,631,422
Dividends income	8,016,106
Rental and other income	13,030,342
Losses paid on direct insurance	(1,069,194,520)
Commission and brokerage expenses on direct insurance	(351,546,480)
Other underwriting expenses	(191,674,951)
Operating expenses	(202,360,343)
Dissolution expense	(33,030,336)
Income taxes	(32,615,870)
Cash received from brokers	(2,893,194)
Proceeds from sales of investment in securities	973,326,690
Cash paid for purchase of investment in securities	(996,550,470)
Loans and accrued interest	8,294,749
Net cash from operating activities	166,030,634
Cash flows from (used in) investing activities	
Cash received from premises and equipment	66,407
Cash paid on premises and equipment	(4,681,034)
Net cash from used in investing activities	(4,614,627)
Cash flows from (used in) financing activities	
Cash received from entire business transfer	1,737,737,446
Repayment of lease liabilities	(804,849)
Dividends paid	(2,355,483,181)
Net cash used in financing activities	(618,550,584)
Net increase (decreased) in cash and cash equivalents	(457,134,577)
Cash and cash equivalents at beginning of the period	477,398,261
Decreased in allowance for expected credit losses	224,468
Cash and cash equivalents at end of the period	20,488,152

The accompanying notes are an integral part of the financial statements.

Nam Seng Insurance Public Company Limited

Notes to financial statements

For the period from 1 January 2023 to 1 September 2023

1. General information

1.1 Corporate information

Nam Seng Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is ERGO Insurance (Thailand) Public Company Limited (Formerly known as “ThaiSri Insurance Public Company Limited”), which was incorporated in Thailand. As at 1 September 2023, such major shareholder held 99.47 of the issued and paid-up share capital of the Company. The ultimate parent company of the group is Muenchener Rueckversincherungs Gesellsch.

The Company is principally engaged in the provision of non-life insurance while its head office is located in Bangkok and has 26 sub-branches located in other provinces. The Company’s registered office is located at No. 767 Krungthep-Nonthaburi Road, Bangsue Sub-district, Bangsue District, Bangkok.

On 9 December 2022, the Extraordinary General Meeting of Shareholders No. 1/2565 passed to approve the delisting of the Company’s securities from the Stock Exchange of Thailand (the “SET”), through a tender offer by ERGO Insurance Public Company Limited (the “ERGO”) to purchase all of the Company’s ordinary shares at the price of Baht 215.0 per share and approve the entire business transfer to ERGO. After the completion of the tender offer, ERGO will pay compensation in the aggregated amount of not exceeding Baht 2,988.5 million to the Company.

As a result of the tender offer made between 18 January - 22 March 2023, ERGO is a major shareholder, holds 99.47% of the Company’s issued and paid-up share capital.

On 8 April 2023, the Company (NSI) has complied with the Stock Exchange of Thailand (SET) rules and regulations re: Delisting of Securities, 2021. By virtue of Section 171 (4) of the Securities and Exchange Act B.E. 2535 (1992), The SET has approved the delisting of NSI’s common stocks from 8 April 2023 onwards. Hence, 7 April 2023 will be the last trading day of NSI’s common stocks.

1.2 Basis of preparation

The Company transferred its entire business to the parent company following the approval of the Extraordinary General Meeting of Shareholders No. 1/2565 on 1 September 2023. Presently, the Company is in the process of liquidation. Therefore, the going concern basis of accounting is no longer deemed suitable. Consequently, the Company has changed its basis of preparation for the period from 1 January 2023 to 1 September 2023, from the basis preparation based on the going concern assumption the year-end period of 31 December 2022, to a basis where assets are presented at the lower of their book value and the net realisable value, and liabilities are presented at the value or other considerations payable for obligations from ongoing operations, adjusted for commitments as per obligations arising on liquidation. The discrepancy between the book value and the value recognised by the Company for assets and liabilities in the preparation of these financial statements is recognised in profit or loss for the current accounting period.

2. Basis of preparation of the financial statements

The financial statement for the period from 1 January 2023 to 1 September 2023 have been prepared under a basis where assets are presented at the lower of their book value and the net realisable value, and liabilities are presented at the value or other considerations payable for obligations from ongoing operations, adjusted for commitments as per obligations arising on liquidation. The discrepancy between the book value and the value recognised by the Company for assets and liabilities in the preparation of these financial statements is recognised in profit or loss for the current accounting period.

Furthermore, the Company has classified these assets and liabilities as of 1 September 2023 as current assets and current liabilities. Nevertheless, the Company elected not to present comparative information since the information for the year ended 31 December 2022 was prepared on a ongoing basis, rendering it incomparable with the information for the current period.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language.

3. New financial reporting standards

Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

4. Summary of significant accounting policies

4.1 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect by amount specified in policy.

Reinsurance premium income is recognised as revenue on the date the insurance policy comes into effect or when the reinsurer places the statement of accounts with the Company.

(b) Commission and brokerage income

Commission and brokerage income are recognised as revenue in the period of service is provided.

(c) Investment revenue

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

Dividends are recognised when the right to receive payment is established.

(d) Gain (loss) on investment

Gain (loss) on investments consist of gain (loss) on disposal of investment net of the related expenses and impairments.

Gain (loss) on investment is recognised as revenue or expense on the transaction date.

4.2 Expenses recognition

(a) Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expense when the insurance risk is transferred to another reinsurance company as the amounts contain in insurance policies.

(b) Gross claims

Gross claims consist of claims and losses adjustment expenses of direct insurance and reinsurance, and include those for both reported incurred claims and not yet reported incurred claims. The amounts included the incurred amounts of claims, related expenses, and loss adjustments of the current and prior periods' claims, less residual value and other recoveries (if any).

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

Claims of reinsurance are recognised as expenses when the reinsurer places the loss advice with the Company.

Claim recovery from reinsurers is recognised as a deduction item against gross claims when recording of claim from direct insurance in related with conditions and specified proportions in reinsurance contract.

(c) Commission and brokerage expenses

Commissions and brokerages are expenses when incurred.

(d) 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.

(e) Operating expenses

Operating expenses are operating expenses, not related to underwriting and claim, which are recognised as expenses on accrual basis.

(f) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.3 Classification of insurance contracts

The Company classifies insurance contracts and reinsurance contracts based on the nature of the insurance contracts. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholders. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the Company classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk. Financial risks are risks of changes in interest rates, exchange rate or price.

The Company classified contract based on assessment of the significance of the insurance risk at an inception of contract, for each contract. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contract after inception if insurance risk becomes significant.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Other account receivable

Other account receivable is stated at the net realisable value.

4.6 Impairment of financial assets

Allowances for expected credit losses of financial assets - debt instruments

The Company recognises expected credit loss on its financial assets which measured at amortised cost, investments in debt instruments measured at fair value through comprehensive income by applying the general approach.

Allowances for expected credit losses of financial asset - equity instrument

Recognition of loss from impairment of equity instruments classified as investments in available-for-sale securities is immediately recognised through profit or loss when there is an objective evidence supporting impairment of the instruments, which indicate that the cost of the investment in an equity instrument may not be recovered, and there is a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

4.7 Premises and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	20 years
Furniture, fixtures and office equipment	3 - 8 years
Vehicles	5 - 7 years

Depreciation is recognised in profit or loss. No depreciation is provided on land and work in process.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Employee benefits

(a) Short-term employee benefits

Salaries, wages, bonuses and contribution to the social security fund are recognised as expenses when incurred.

(b) Post-employment benefits

Defined contribution plan

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plan

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

The obligation under the defined benefit plan is determined by an independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income and directly against retained earnings.

4.9 Income taxes

Income taxes represent the sum of corporate income taxes currently payable and deferred income taxes.

(a) Current income taxes

Current income taxes are provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

(b) Deferred income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and its carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting period, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

The Company records deferred tax directly to equity if the taxes relate to items that are recorded directly to equity.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, buildings and equipment, right-of-use asset and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gain and loss on exchange are recorded as revenue or expense in profit or loss.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimate.

6. Entire Business Transfer

On 6 January 2023, the Company entered into an entire business transfer agreement with ERGO Insurance (Thailand) Public Company Limited ("ERGO"), the parent company, following the approval by the Company's Extraordinary General Meeting of Shareholders held on 1 September 2023. Under the agreement, the Company shall transfer its assets, liabilities, as well as various associated rights and obligations. The Company duly delivered the assets to the parent company on the date specified in the agreement, and, in consideration for the transfer, ERGO has to pay totaling Baht 3,134.5 million to the Company.

As of 1 September 2023, the Company received a partial business transfer payment with a remaining balance outstanding of Baht 755.8 million, which recognised receivable from business transfer under "Other receivables - parent company".

Assets and liabilities as at entire business transfer date are summarised below:

	(Unit: Baht)
Assets	
Cash and cash equivalents	638,233,586
Premium receivable - net	183,858,810
Investment assets	3,195,601,677
Premised and equipment	158,837,045
Others	577,740,543
Total assets	<u>4,754,271,661</u>
Liabilities	
Insurance liabilities	3,024,514,928
Employee benefit obligations	39,195,449
Other current liabilities	340,275,410
Total liabilities	<u>3,403,985,787</u>
Net asset as at entire business transfer date	1,350,285,874
Less: Price of entire business transfer	<u>3,134,466,177</u>
Profit from entire business transfer	<u>1,784,180,303</u>

7. Cash and cash equivalents

	(Unit: Baht)
	1 September 2023
Cash on hand	-
Deposits at banks with no fixed maturity date	20,488,152
Cash and cash equivalents - net	<u>20,488,152</u>

8. Income tax expenses

Income tax expenses for the period from 1 January 2023 to 1 September 2023 were made up as follows:

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Current income taxes:	
Current income tax charge	24,412,364
Deferred taxes:	
Relating to origination and reversal of temporary differences	(8,262,835)
Income tax expenses reported in profit or loss	<u>16,149,529</u>

Reconciliations between income tax expenses and the product of accounting profits for the period from 1 January 2023 to 1 September 2023 and applicable tax rate were as follows:

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Accounting profits before income tax expenses	<u>1,778,342,704</u>
Applicable tax rate	20%
Accounting profits before income tax expenses multiplied by the applicable tax rate	355,668,541
Tax effect of:	
- Non-taxable income	(357,652,469)
- Non-deductible expenses	307,180
- Taxable income	<u>17,826,277</u>
Income tax expenses reported in profit or loss	<u>16,149,529</u>

9. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

10. Operating expenses

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Personnel expenses	88,144,409
Premises and equipment expenses	35,809,240
Taxes and duties	1,651,250
Bad debts and doubtful accounts	1,794,637
Advertising expense	41,743,868
Other operating expenses	10,875,735
Total operating expenses	<u>180,019,139</u>

11. Expected credit losses

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Expected credit losses (reversal) from	
Cash and cash equivalents	(224,468)
Accrued investment income	75,886
Available-for-sale investments measured at fair value through other comprehensive income	39,277,090
Held-to-maturity investments measured at amortised cost	32,617
Loan and accrued interest	(8,125)
Total	<u>39,153,000</u>

12. Expenses by nature

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Long-term insurance policy reserves increased	46,482,920
Net claims	930,284,715
Commission and brokerage expenses	330,916,346
Contribution expenses	18,190,071
Other underwriting expenses	114,503,288
Employees expenses	180,462,476
Premises and equipment expenses	35,809,240
Bad debts and doubtful accounts	1,794,637
Advertising expenses	64,070,033
Other expenses	10,442,449
Finance cost	62,614
Expected credit losses	39,153,000
Total expenses by nature	<u>1,772,171,789</u>

13. Dividends paid

Dividends declared during for the period from 1 January 2023 to 1 September 2023 were as follows:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2023	Extraordinary General Meeting of the shareholders on 1 September 2023	2,355	169.46

14. Related party transactions

14.1 Nature of relationship

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship with the Company
Muenchener Rueckversicherungs Gesellsch ⁽¹⁾	Ultimate parent company
Munich Reinsurance Company (Singapore Branch) ⁽¹⁾	Affiliate branch of ultimate parent company
ERGO Insurance (Thailand) Plc. ⁽¹⁾	Parent company
Dung Seng Insurance Broker Co., Ltd. ⁽²⁾	Related by way of common shareholders
Asia Hotel Plc. ⁽³⁾	Related by way of common directors
Asia Pattaya Hotel Co., Ltd. ⁽³⁾	Related by way of common directors
Zeer Property Plc. ⁽³⁾	Related by way of common directors
Asia Airport Hotel Co., Ltd. ⁽³⁾	Related by way of common directors
N.S.B. Co., Ltd. ⁽³⁾	Related by way of common directors

⁽¹⁾ Since January 2023, it is a related party.

⁽²⁾ Since March 2023, it is not a related company

⁽³⁾ Since September 2023, it is not a related company

14.2 Related party transactions

During 2023, the Company had significant business transactions with its related parties. Such transactions, which were summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Baht)
	For the period from 1 January 2023 to 1 September 2023
Gross premium written	
Dung Seng Insurance Broker Co., Ltd. ⁽¹⁾	202.3
Commission and brokerage expenses	
Dung Seng Insurance Broker Co., Ltd.	34.4
Dividend paid	
Ergo Insurance (Thailand) Plc.	2,342.9

⁽¹⁾ Premium written from non-life insurance brokers

Transaction with related parties	Transfer pricing policy
Gross premium written	Normal commercial terms for underwriting
Commission and brokerage expenses	Normal commercial terms for non-life insurance broker
Dividend paid	According to the announced payment

14.3 Outstanding balances

As at 1 September 2023, the outstanding balances of transactions between the Company and those related parties were as follows:

	(Unit: Million Baht)
	1 September 2023
Other receivable - parent company	
ERGO Insurance (Thailand) Plc.	755.8

15. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the period.

16. Events after the reporting period

The Company has registered with the dissolution of its business operations on 1 September 2023, which approve by the Department of Business Development, Ministry of Commerce on 28 September 2023.

17. Approval of the financial statements

These financial statements were authorised for issue by the liquidator on 20 December 2023.