

IMAPDM221/2023

September 18, 2023

Subject : Submission of the Opinion of Independent Financial Advisor Report

To : Board of Directors and Manager of Stock Exchange of Thailand
and Shareholders of Bangkok Insurance Public Company Limited

As Independent Financial Advisor of Bangkok Insurance Public Company Limited, Discover Management Company Limited has provided the Opinion of the Independent Financial Advisor on the Shareholding and Management Restructuring Plan, and the Delisting of Securities of Bangkok Insurance Public Company Limited as Part of the Restructuring Plan of Bangkok Insurance Public Company Limited.

Please be informed accordingly

(Mr. Vuthichai Tumasaroj)
Director

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Director

- Translation -

Opinion of the Independent Financial Advisor on the
Shareholding and Management Restructuring Plan,
and the Delisting of Securities

of

Bangkok Insurance Public Company Limited



by

Discover Management Company Limited



September 22, 2023

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Abbreviation

Full Name	Abbreviation
Bangkok Insurance Public Company Limited	: The “Company” or BKI
Shareholding and Management Restructuring Plan of the Company; the delisting of ordinary shares of the Company from the Stock Exchange of Thailand; the making of a tender offer for ordinary shares of the Company; the establishment of a new holding company, and the listing of ordinary shares in the new incorporated holding company as securities in the SET	: Shareholding and Management Restructuring Plan
BKI Holdings Public Company Limited, which is a holdings company established for the Shareholding and Management Restructuring Plan	: The Holdings Company
Public Limited Company that has listed securities in the Stock Exchange of Thailand	: Listed Company
A company with a license to conduct non-life insurance business, in accordance to non-life insurance law	: Non-Life Company
Non-Life Insurance Act, B.E. 1992 (as amended)	: Non-Life Insurance Act
Office of Insurance Commission	: OIC
Capital Adequacy Ratio	: CAR
Office of the Securities and Exchange Commission	: SEC
The Stock Exchange of Thailand	: SET
Discover Management Company Limited	: DISCOVER
Extraordinary General Meeting of Shareholders	: EGM
Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2551 (as amended).	: Notification Tor Jor. 12/2551
Notification of the Capital Market Supervisory Board No. TorJor. 34/2552 Re: Criteria for Offering the Sale of Newly Issued Securities with a Tender Offer for the Existing Securities of Listed Companies for Restructuring of Shareholding and Management (as amended)	: Notification on Restructuring of Shareholding and Management
Notification of the Stock Exchange of Thailand Re: Guidelines for Voluntary Delisting of Securities B.E. 2564	: Notification on Voluntary Delisting of Securities
Registration statement for securities offering and tender offer form	: The Tender Offer Form or Form 69/247-1
PricewaterhouseCoopers ABAS Company Limited	: PwC
Sasin Graduate Institute of Business Administration of Chulalongkorn University	: SMC

Opinion of the Independent Financial Advisor on
the Shareholding and Management Restructuring Plan, and the Delisting of Securities

September 22, 2023

IMAPDM220/2023

Subject: Opinion of the Independent Financial Advisor on the Shareholding and Management Restructuring Plan, and
the Delisting of Bangkok Insurance Public Company Limited

To: The Board of Directors and Shareholders of
Bangkok Insurance Public Company Limited

References:

- 1) Resolution of the Board of Director of the Company No. 3/2023 dated August 11, 2023.
- 2) BKI's Shareholding and Management Restructuring Plan.
- 3) Delisting Request Form (F10-6).
- 4) Draft of BKI's Regulation (Only as Amended).
- 5) BKI's One Report as of December 31, 2020 – 2022.
- 6) Audited Financial Statements by BKI's certified public accountant for the 12-month period ended December 31, 2020 – 2022 and for 6-month period ended June 30, 2023.
- 7) Other related documents, agreements, and interviews with relevant management of the Company.

Disclaimers

1. In preparing this report, Discover Management Company Limited (IFA or Discover) has relied on information provided by the information received from the Company and the information that the Company disclosed to the public or on the website of the Securities and Exchange Commission (www.sec.or.th), the website of the Stock Exchange of Thailand (www.set.or.th) and other information disclosed to the public including public information from other sources and information from interviewing with the relevant management of the Company.
2. IFA conducted studies using knowledge, competence and caution by adhering to the professional basis. However, IFA shall not be responsible for profits or losses and any impacts resulting from the Transaction .
3. IFA considered and provided opinion on the prevailing market conditions and currently available information. If the market conditions and information change in the future, the results of the study in this report may be affected.
4. This report is not intended to guide any decision making about the operation of the Company or does not have an objective to persuade to buy or sell the Company's shares or other companies related to this report.
5. In preparing this IFA's opinion report, IFA certifies that IFA has studied and analyzed various information as mentioned above with the professional standard and justified based on fair analysis by taking into account the interests of shareholders as important. However, IFA's opinion based on the assumption that the information and documents obtained from the Company and interviews with the management team and related staff along with the information disclosed to the public are accurate and genuine at the time IFA prepared this report. Therefore, if the information is inaccurate and/or ingenuine and/or incomplete and/or changes significantly in the future, it may affect the opinion of IFA. Therefore, IFA cannot confirm the impact on the Company and shareholders from such factors. In addition, the opinion of IFA is intended to provide an opinion to the shareholders only on the Delisting of the Securities which is part of the Company's Shareholding and Management Restructuring Plan.
6. As details above, the decision to vote, approve or not approve the Shareholding and Management Restructuring Plan is at the discretion of each shareholder. Shareholders are advised to carefully study all information contained in the Opinion of IFA Report and all of the documents sent together with the invitation of the Meetings of the Shareholders in order to make reasonable decision on the approval of the Shareholding and Management Restructuring Plan. However, IFA's opinion does not endorse the success of the Shareholding and Management Restructuring Plan including other impacts that may occur, and IFA is not responsible for any impact that may arise whether directly or indirectly.

Executive Summary

From the resolutions of the Board of Directors' meeting No.3/2023 held on August 11, 2023, approval has been obtained to propose to the shareholders' meeting for consideration and approval of the Shareholding and Management Restructuring Plan and other related arrangements ("Transactions") to the Company. These consist of the following:

- 1) To approve the Shareholding and Management Restructuring Plan of the Company
- 2) To approve the Delisting of the Company's Shares from the Stock Exchange of Thailand ("SET")
- 3) To approve the amendment to the Company's Articles of Association to be consistent with the Shareholding and Management Restructuring Plan
- 4) To approve the delegation of authority to administrative department to pertaining to the Shareholding and Management Restructuring Plan

Furthermore, the consideration of the foregoing items is deemed connected and constitutes mutually dependent conditions. If any one item of these proposals does not receive approval, it shall be considered that the approval granted for other items is thereby revoked, and there shall be no further deliberation on any other items. Additionally, if the Company's share that the shareholders intend to sell to the Holding Company, is less than 75% of the total shares already offered for sale by the Company, the Holding Company will annul the endeavor to make a proposition for the acquisition of the Company's securities. The Company will also abstain from pursuing actions as approved subsequently.

In addition, the number of the Company's shares held by the Holding Company After the completion of the tender offer must lead the Company to become a subsidiary operating the core business of the Holdings Company pursuant to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2015, as amended. The Company has already held preliminary discussions with the concerned authorities, both the SEC and the SET, and is in the process of applying for preliminary approval in writing for the Shareholding and Management Restructuring from the SET. The Company expects to submit requesting the preliminary approval within September 2023 and expects that SET consideration of the Shareholding and Management Restructuring Plan will be able to be announced during October 2023 after the Extraordinary General Meeting of Shareholders No. 1/2023, which will to be held on October 6, 2023. However, if the SET approves the Shareholding and Management Restructuring Plan but imposes conditions that are crucial to investors' decision or any conditions that must be additionally approved by the shareholders' meeting, the Board of Directors will resubmit the matter to the shareholders' meeting to allow for the Company to comply with such conditions.

From this, the restructuring of shareholding and management must receive approval by no less than three-fourths of the total number of shares held by shareholders who attended the shareholder's meeting and have the right to vote, and the delisting of securities from the SET in accordance to the Shareholding and Management Restructuring Plan must also receive approval by no less than three fourths of the total number of shares held by shareholders who attended the shareholder's meeting and have the right to vote.

The Company's objectives for the restructuring of shareholding and management in order to conduct business as a Holding Company are made with the following rationale and reasoning:

- 1) The restructuring of shareholding and management of the Company in order to conduct business as a Holding Company allows the Holdings Company to invest and hold shares in insurance-related businesses, as well as promotes flexibility for investing in other businesses. This will increase long-term returns for the shareholders and enhance competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company.

Presently, the Company conducts non-life insurance business under the supervision of the OIC in accordance to the Notification of Office of Insurance Commission Re: Investment in Other Business by Non-Life Companies B.E. 2013 (as amended), such as

- a) The Company may not invest in domestic and international equity instruments totaling more than 30.00% of its investment assets, unless allowed otherwise by conditions and criteria specified by the OIC.
- b) The Company may not invest in more than 10.00% of total issued equity instruments issued by a private company in Thailand, except for investments in equity instruments in order to conduct other business operations or investments in equity instruments issued by Road Accident Victims Protection Company Limited.
- c) The Company may not invest in more than 10.00% of total issued foreign equity instruments issued by a juristic person incorporated under foreign law and all issued foreign equity instruments must have the characteristics as specified by the OIC.
- d) The Company may not invest in some types of assets as specified by the OIC, such as equity instruments that are not listed on the SET, not currently traded publicly as free float due to the regulations of the SET, or not listed in the foreign stock exchange at more than 5.00% of investment assets by the Company.

Following the completion of the Company's restructuring, the Company will continue to operate its insurance business under the provisions of the Insurance Act as before, with the Holding Company holding its shares. The Holding Company will have the capability to invest in insurance-related businesses or businesses that promote the insurance business, as well as in other businesses, without investment limitations.

- 2) The restructuring of the Company into a Holding Company, where the Holding Company can invest by holding shares in businesses beyond those directly related to the insurance industry, will open up opportunities for the Holding Company to attract co-investors or business partners interested in various aspects of the Holding Company's business. Having co-investors or business partners will enable the Holding Company to raise capital for investments and expand its business in the future.
- 3) Restructuring of the Company into a Holding Company will enhance clarity in conducting business, allowing for full-scale expansion and development of the business. This will enable better access to target customer groups and a broader reach, resulting in positive outcomes for consumers. By establishing specialized

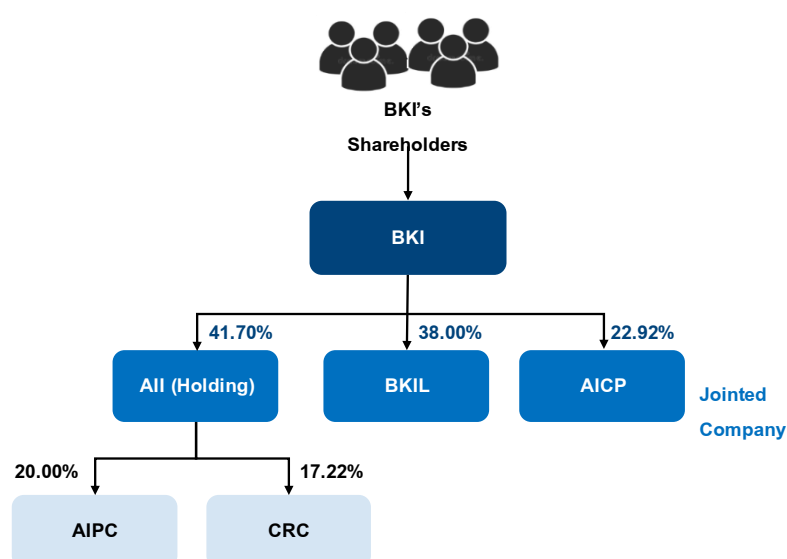
management teams for each business area, it will grant autonomy in strategy development and decision-making to create the best customer experience and increase competitiveness in the industry.

- 4) The restructuring of the Company into a Holding Company will increase the potential to attract personnel and experts who possess knowledge and expertise aligned with the business requirements. This will be achieved by fostering an organizational culture tailored to each business area, creating a unique and suitable environment for each business to preparing to invest in other businesses in the future, such as technology businesses or providing information technology services, etc.

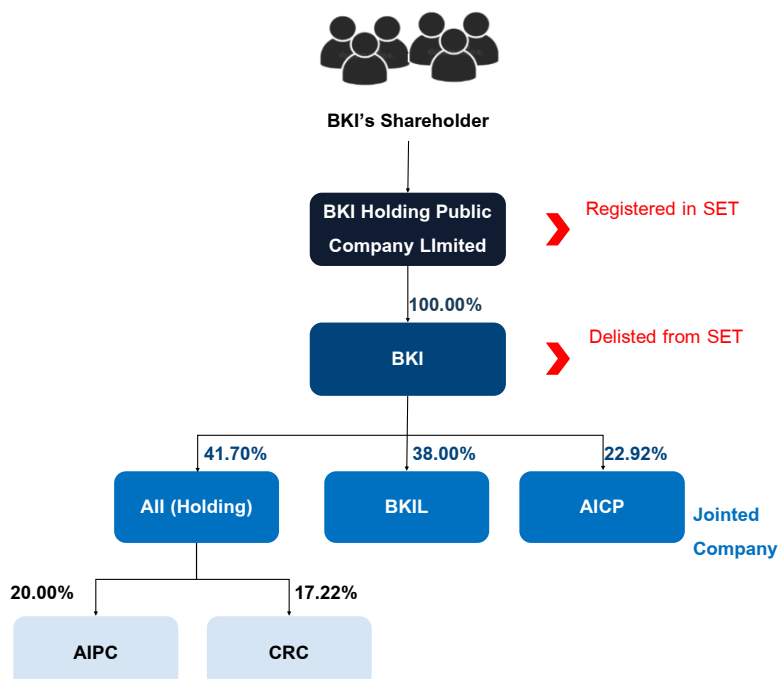
Details of the rationale and reasoning for the restructuring of shareholding and management of the Company can be found in Part 1 Topic 2.4 of this report.

Under the Shareholding and Management Restructuring Plan, which is carried out in accordance to the Notification of the Capital Market Supervisory Board No. TorJor. 34/2552 Re: Criteria for Offering the Sale of Newly Issued Securities with a Tender Offer for the Existing Securities of Listed Companies for Restructuring of Shareholding and Management (as amended) (“Notification TorJor. 34/2552”), the Company will establish a holding company as a public limited company under the name “**BKI Holdings Public Company Limited**” (the “Holdings Company”). This is done in order to have the Holdings Company make a tender offer for all securities of the Company, and the Holdings Company will issue and offer the newly issued ordinary shares to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company. After the completion of the tender offer, the Holdings Company will submit an application for listing its ordinary shares in the Stock Exchange of Thailand (“SET”) in place of the Company’s ordinary shares that are going to be delisted from the SET at the same time. The shareholding structure before and after the restructuring of shareholding and management and the delisting of securities are illustrated as follows:

- 1) Shareholding Structure Before the Shareholding and Management Restructuring Plan (As of August 11, 2023)



2) Shareholding Structure After the Shareholding and Management Restructuring Plan



Remark:

All (Holding) = Asian Insurance International (Holding) Limited

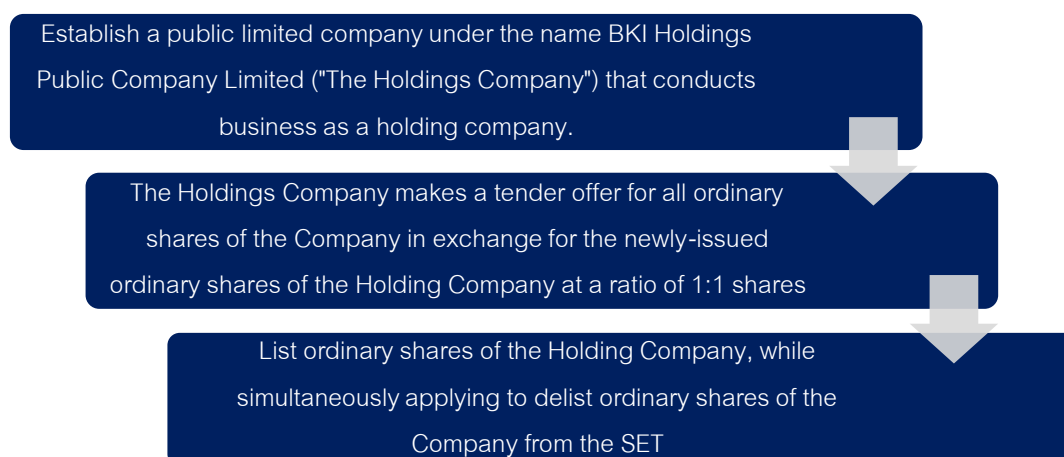
BKIL = Bangkok Insurance (Lao) Company Limited

AICP = Asia Insurance (Cambodia) Public Company Limited

AIPC = Asia Insurance (Philippines) Corporation

CRC = Cambodian Reinsurance Company

Under the restructuring of shareholding and management of the Company, the Company must perform the following procedures:



- (1) The Company will establish the Holdings Company as a public limited company with an initial registered capital of THB 10,000.00 at THB 10.00 per share, comprising of 1,000 ordinary shares. The directors, management, and staff members of the Company will be the initial shareholders with a combined shareholding ratio of 100%. In this regard, the Holdings Company will reduce all the registered capital once the restructuring of shareholding and management has been completed. However, the Holding Company will increase its registered capital to have the same structure as the Company's current registered capital. (Details of the Holdings Company can be found in Part 1 Topic 2.2 of this report).
- (2) After the Shareholding and Management Restructuring Plan has been preliminarily approved by the SET and the Holdings Company has been granted approval from the SEC to issue and offer the newly issued securities, the Holdings Company will make a tender offer to buy all securities of the Company (Details of the Holdings Company can be found in Part 1 Topic 2.1 of this report).
- (3) After the end of the tender offer period, the Holdings Company will submit an application for listing its ordinary shares on the SET in place of the Company's ordinary shares that are going to be delisted from the SET at the same time in accordance to Notification TorJor. 34/2552.

After the restructuring of shareholding and management, the business operations of the Company can be categorized into two business groups as follows:

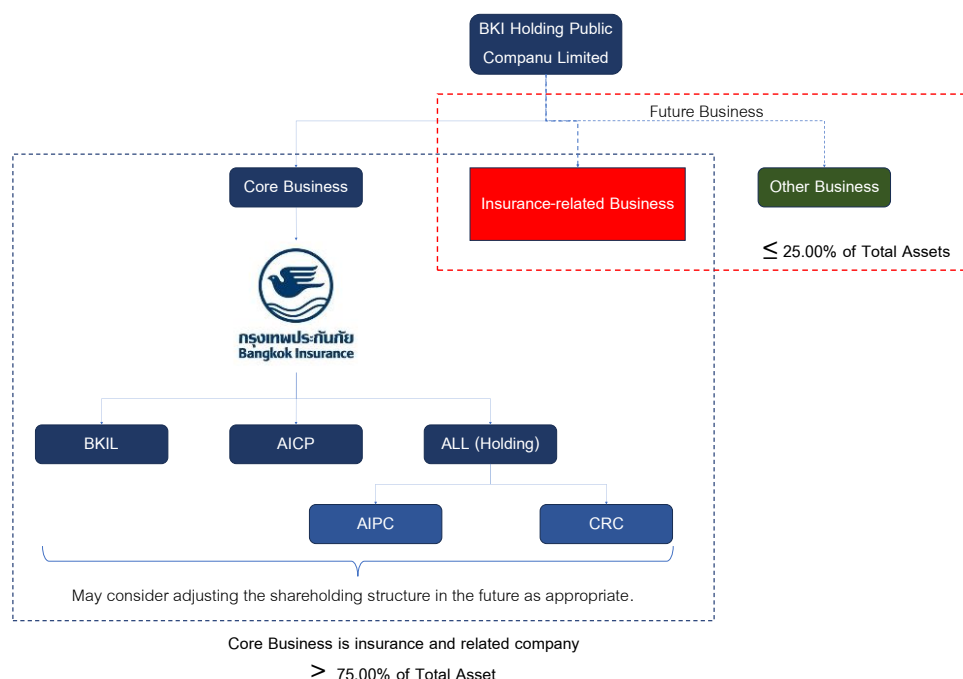
- 1) **Core business group** ; The core business group is insurance-related business and other related business, which has an asset size of no less than 75.00% of total assets from the Holdings Company.
- 2) **Other business group** ; Non-insurance related business, which has an asset size of no more than 25.00% of total assets from the Holdings Company. The Holdings Company will consider investments in businesses that can lend support to the insurance business, and/or businesses with a high rate of return in order to increase long-term returns for the shareholders.

However, the Holdings Company will continue to focus on investments in companies conducting insurance-related business.

According to the Shareholding and Management Restructuring Plan, the Holdings Company has no intention to invest in other businesses aside from the non-life insurance business and businesses relating to or supporting non-life insurance business in 12-months periods. If the Holdings Company intends to invest in other businesses in the future, then the Holdings Company will consider investments in businesses with appropriate returns and risks at an acceptable level, which will go through the proper procedures for investment considerations. It should be noted that the Holdings Company may not exceed more than 25.00% in proportion of total assets. However, the Holding Company may change the investment proportion in the future, but it still has to comply with the related rules and regulations of the SEC and the Stock Exchange of Thailand.

The supervision and management of the operations of the Company and the Holdings Company can be found detailed in Part 1 Topic 2.5 of this report.

Business Operation Structure After the Restructuring of Shareholding and Management



According to the analysis of the IFA on the reasonableness of the Shareholding and Management Restructuring Plan and the Delisting of Securities, the IFA is of the opinion that entering into this Transaction is appropriate based on the following reasons:

1. The share swap ratio of one ordinary share of the Company to one ordinary share of the Holdings Company, and the securities swap price being equal to the cost of each shareholder is appropriate, since the Holdings Company is a newly established company for the purpose of entering into this transaction and has yet to perform any business operations, then the operating results of the Hold Company after the securities swap can reflect the financial position and operating results of the Company, including all subsidiaries.
2. Reduce investment restrictions, since the Company conducts nonlife insurance business under the supervision of the OIC in order to appropriately manage risks, including those arising from the scope and proportion of investments in various securities. This results in the Company investing in vary securities in order to increase returns to shareholders of the Company. The restructuring into a Holding Company can reduce such restrictions, in which the Holdings Company can utilize the dividends of the Company in the management of investments to increase long-term returns for the shareholders and enhance competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company. The source of funds to be used in the investment of supporting businesses of insurance and/or other businesses will come from future dividends of the Company.
3. Reduce restrictions in conducting other business, whereby after the completion of the Shareholding and Management Restructuring Plan, the business expansions of the Holdings Company enables the Holdings Company to increase flexibility in management and enhance competitiveness against other businesses, including other businesses operating under the structure of an insurance company.

4. Clear risk management separated into business groups. in which the restructuring of the Company to conduct business as a Holding Company allows the Holdings Company to clearly separate the scope of business operations of each business group and appropriately manage the risk without affecting the operations of the non-life insurance business under the supervision of the OIC. The Holdings Company can also freely consider the investment in businesses with higher risk or lower risk than operations of the insurance business at an appropriate proportion in order create higher and stable returns to the shareholders of the Company's group.
5. Diversification of risk from investments in many types of business. whereby after the completion of the restructuring of shareholding, the Holdings Company will be able to invest in operations of other types of business aside from non-life insurance; therefore, when compared to the original shareholding structure, the Holdings Company has the ability to manage and diversify risks from investments in the insurance business as well as other businesses in the future. In the scenario of uncertainty in the non-life insurance industry, the Company will be less affected due to the diversification of risks and reduction in overreliance on non-life insurance business revenues.
6. The Company can continue business operations into the foreseeable future as intended. even after the delisting of securities of the Company from the SET removes the Company's ability to receive benefits from being a listed company, such as the opportunity to raise capital through various means in the SET. However, the Company has other methods of raising capital to support future business operations, such as raising capital through the Holdings Company, so it is expected that the Company can continue business operations into the foreseeable future.
7. Shareholders who accepted the tender offer remains as shareholders of a listed company and have the chance to receive returns from future operating results after the restructuring of shareholding.

However, there are disadvantages and risks from entering into this transaction that shareholders should consider to better form a decision on the resolution to approve this transaction, detailed as follows:

1. Increased costs and costs arising from entering into the Transaction for the Holdings Company. whereby after the restructuring of shareholding and management, the corporate governance and management structure of the Holdings Company will remain the same as it had been for the Company. There are a total of 11 directors, along with the appointment of subcommittees within the Holding Company, which will oversee and manage operations both within the Holding Company itself and its subsidiaries in a coordinated manner. (Note that no subcommittees related to the direct insurance business operations within the Holding Company will be established.) The newly appointed subcommittees of the Holding Company will consist of similar components and numbers of individuals as those in the subsidiaries, comprising 5 subcommittees, as detailed below:
 - 1) The Audit Committee
 - 2) The Risk Management Committee
 - 3) The Corporate Governance and Sustainability Committee
 - 4) The Remuneration and Nomination Committee and
 - 5) The Investment Committee

The Board of Directors and the committees of the Holdings Company will oversee the operation of the non-life insurance business by the Company in accordance to the regulations and policies relevant to the Company and the Holdings Company to ensure transparency, efficiency, and compliance to the laws and regulations of the SEC, SET, OIC, and other relevant regulatory bodies.

Therefore, the Holding Company will give rise to additional costs from compensation to directors, staff, and other expenses for example of auditing fee, consulting fee, website creation fee and registration fees of various agencies of approximately THB 10.00 million per year. However, since the Holdings Company is a newly established company with ongoing investments studying in other businesses in accordance with the Shareholding and Management Restructuring Plan, the executives that operate in both the Company and the Holdings Company will not receive additional salaries from the Holdings Company. However, When the Holding Company was listed on SET, the Board of Directors of the Holdings Company will receive directors' remuneration based on the number of meetings held according to the director remuneration rate requested for approval through the Holding Company's shareholders' meeting.

2. Increase in management procedures. in which the Company may need to obtain approval from the resolutions of the Board of Directors' meeting of the Company and/or the shareholders' meeting of the Holdings Company (depending on circumstance), which results in the increase of management procedures and time spent to consider and approve transactions, since after the restructuring plan, the Company will become a subsidiary of a listed company in the SET. When the Company enters into an important or material transaction, such as the acquisition or disposition of assets, or related party transactions, it must follow the rules and regulations of the SEC and SET.
3. Risks from unsuccessful transactions in the listing and delisting of securities, and the approval of other contractual counterparties and relevant regulatory bodies. in which the Shareholding and Management Restructuring Plan, the tender offer for securities, and other related processes must receive approval or agreement from contractual counterparties, which depends on the terms and conditions of each contract, and related regulatory bodies, including the SEC and SET. Therefore, in the scenario that the Company and/or the Holdings Company does not receive approval or permission from the regulatory bodies mentioned above or does not hold enough shares in the Holdings Company to meet the necessary criteria, entering into the Transaction may not succeed. However, the IFA observes that the Company is prepared to enter into the Transaction from how various processes and arrangements are still in accordance to the Shareholding and Management Restructuring Plan (details founds in Part 1 Topic 2.7 of this report), as well as the progress in the preparation of documentation for disclosure and/or the approval from contractual properties and relevant regulatory bodies. Ultimately, it is at the discretion of the contractual counterparties and relevant regulatory bodies to pass their approval or agreement onto the Company.
4. Risks from unexpected performance in operating results of the Holdings Company. whereby after the restructuring of shareholding, shareholders of the Company will become shareholders of the Holdings Company, which plans to have business expansions into operating other businesses aside from non-life insurance business. Therefore, in the scenario that the expansions into operating other businesses do not perform as well as expected in the future, the shareholders will bear risks from these operations.

5. In the scenario that shareholders do not accept the tender offer and the Company delists its securities from the SET, shareholders may lack securities trading liquidity, have limitations in returns from investment, have the inability to receive tax benefits, and have less access to news and information of the Company.

Considering the advantages, disadvantages, and risks, together with the fairness of the share swap ratio and securities swap price mentioned above, the IFA is of the opinion that shareholders of the Company **should approve** the Shareholding and Management Restructuring Plan and the Delisting of Securities and **accept** the tender offer. Nevertheless, the decision to vote and approve entering into the transaction is at the discretion of the shareholders. The shareholders should carefully study the information and consider the reasoning, advantages, disadvantages, related risks and limitations, as well as the opinions relating to each aspect of the transaction as per the appended documents to the Invitation to the Shareholders' Meeting with prudence and care before coming to an appropriate resolution regarding the decision of entering into the transaction.

Discover Management Company Limited, as the IFA of the Company, hereby certifies that it has studied and analyzed the aforementioned information, and prudently performed its duties in accordance with professional standards. The opinion rendered is based on an objective and unbiased analysis of the information with consideration to the interests of retail investors of the Company.

Part 1: Approval for the Shareholding and Management Restructuring Plan, and the Delisting of Securities

1. Origin of the Transaction

From significant business changes because of technology, traditional businesses, especially those related to finance, such as banking business securities business and insurance business significantly affected. The Company was aware of such changes. Therefore, Sasin Management Consulting (“SMC”) was hired to study the feasibility, and guidelines for long-term business planning for the Company to be able to adapt to changing technology and be able to compete in business sustainably.

This is from a study by SMC through the 5 C Framework concept (Company, Competitors, Customers, Collaborators and Climate). It was found that changes in technology have a direct impact on the Company, environment and risks, customers, competitors and regulators. This is one way to solve all problems for the Company's shareholders, get the most benefit and reduce business risks (especially the insurance business) is the establishment of a holding company (“Holding Company”). According to the results of the study, the establishment of the Holding Company will enable the Company to be able to adapt to changes that will occur in the future, making the Company more agile in management and be able to maintain the ability to compete sustainably. During the past 5 years, many companies that are finance-related and listed on the stock exchange, such as Siam Commercial Bank Public Company Limited, Dhipaya Insurance Public Company Limited, Thaivivat Insurance Public Company Limited, and Finansia Syrus Public Company Limited, have restructured their shareholding structure by using the Holding Company structure in the restructuring.

From the additional study of SMC, it was found that the establishment of a Holding Company will not only make the Company able to compete in a sustainable manner, but also make the Company able to grow significantly from other related businesses which at the present, the Company still have some limitations in doing such business due to related laws.

2. Characteristics and Details of the Transaction

From the resolutions of the Board of Directors' meeting of Bangkok Insurance Public Company Limited No.3/2022 held on August 11, 2023, approval has been obtained to propose to the shareholders' meeting for consideration and approval of the Shareholding and Management Restructuring Plan and other related arrangements (“Transactions”) to the Company. These consist of the following:

- 1) The Shareholding and Management Restructuring Plan of the Company and other plans that are related to shareholding and management restructuring of the Company shall include the shareholding and management restructuring of the Company, the delisting of the Company's ordinary shares from the Stock Exchange of Thailand (“SET”), the tender offer for the Company's ordinary shares, the establishment of a new holding company, and the listing of ordinary shares of the newly established holding company on the SET (collectively called the “Shareholding and Management Restructuring Plan”).

The Company will arrange to establish the Holding Company, incorporated as a public limited company under the Shareholding and Management Restructuring Plan under the name of **BKI Holdings Public Company Limited** (the “Holding Company”) with an initial registered capital of THB 10,000 divided into

1,000 ordinary shares with a par value of THB 10 per share. The Holding Company will make a tender offer for all securities of the Company in exchange for the same type of securities of the Holdings Company at a swap ratio of 1:1. After the completion of the tender offer, the ordinary shares of the Holding Company will be listed on the SET in replacement of the Company's ordinary shares which will be delisted from the SET on the same day.

- 2) Request for approval of the delisting of ordinary shares of the Company from the SET in accordance to the Shareholding and Management Restructuring Plan
- 3) The amendment to the Company's Articles of Association will be made to be consistent with the Shareholding and Management Restructuring Plan due to the necessity for the Holding Company to establish policies for the supervision and management of its subsidiaries and affiliated companies (with the the Company being designated as a subsidiary of the Holding Company), these policies will be incorporated into the articles of association of the Holding Company. This enables the Holding Company to effectively oversee and ensure that its subsidiaries and affiliated companies adhere to the prescribed measures, regulatory mechanisms, and business management practices. Such amendment is in accordance with the policy of the parent company, as well as Public Company Act, Civil and Commercial Code, Securities and Stock Exchange Laws, and other relevant laws, including announcements, regulations, and rules pertaining to the Securities and Exchange Commission, Capital Market Supervisory Board, and Stock Exchange of Thailand.
- 4) The delegation of authority to the Chairman of the Executive Committee and Head director, or any individual appointed by the Chairman of the Executive Committee and Head Director, grants them the power to carry out any actions related to the Shareholding and Management Restructuring Plan under the authority framework approved by shareholders in order to facilitate flexibility in implementing the Shareholding and Management Restructuring Plan.

The Company's objectives for the restructuring of shareholding and management in order to conduct business as a Holding Company are as follows:

- 1) The restructuring of shareholding and management in order to conduct business as a Holding Company reduces investment restrictions.
- 2) The restructuring of shareholding and management in order to conduct business as a Holding Company can involve investment through shareholding in various other businesses.
- 3) The restructuring of shareholding and management in order to conduct business as a Holding Company enhances clarity in conducting business.
- 4) The restructuring of shareholding and management in order to conduct business as a Holding Company increases the potential to attract personnel and experts who possess the necessary knowledge and expertise aligned with the business's requirements.

(Additional Details can be found in Part 1 Topic 2.4 of this report).

In this regard, for the Shareholding and Management Restructuring Plan, theses must be done under the following conditions.

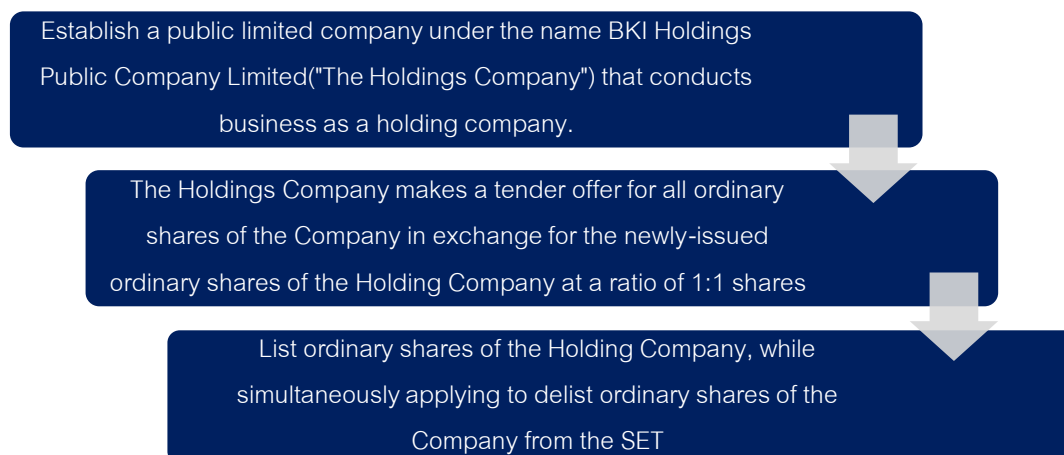
List	Shareholder approval
1. Adjusting the shareholding and management structure of the Company	With a vote of not less than three-fourths of the total number of shares of the shareholders attending the meeting and having the right to vote.
2. Request for delisting of the Company's shares from being a listed security on the Stock Exchange.	With a vote of not less than three-fourths of the total number of shares of the shareholders attending the meeting and having the right to vote.
3. Amendments to the Company's regulations to be in line with the Company's Shareholding and Management Restructuring Plan.	With a vote of not less than three-fourths of the total number of shares of the shareholders attending the meeting and having the right to vote.
4. Delegation of authority to the Chairman of the Executive Board and the President or those assigned by the Chairman of the Executive Board and the President Is authorized to take any action related to the Shareholding and Management Restructuring Plan Under the authority framework approved by shareholders.	With a majority vote of the shareholders who attended the meeting and cast their votes.

In addition, even though the matter above has been approved by the shareholder meeting but if the number of shares that there are those who intend to sell the Company's shares (in the process of making a tender offer for the securities of the Holdings Company) is less than 75 percent of the total number of voting rights of the Company. The Holding Company will cancel the tender offer for the Company's securities and the Company will not proceed with the approved agenda.

2.1 Details of the Shareholding and Management Restructuring Plan, and the Delisting of Securities

Under the Shareholding and Management Restructuring Plan, which is carried out in accordance to the Notification of the Capital Market Supervisory Board No. TorJor. 34/2552 Re: Criteria for Offering the Sale of Newly Issued Securities with a Tender Offer for the Existing Securities of Listed Companies for Restructuring of Shareholding and Management (as amended) ("Notification TorJor. 34/2552"), the Company will establish a holding company as a public limited company under the name "**BKI Holdings Public Company Limited**" (the "Holdings Company") with an initial registered capital of Baht 10,000, divided into 1,000 ordinary shares with a par value of Baht 10 per share. The Holding Company will make a tender offer for all securities of the Company in exchange for the same type of securities of the Holdings Company at a swap ratio of 1:1 (i.e. 1 ordinary share of the Company for 1 ordinary share of the Holdings Company). After the completion of the tender offer, the ordinary shares of the Holding Company will be listed on the SET in replacement of the Company's ordinary shares which will be delisted from the SET on the same day.

Material Processes in the Shareholding and Management Restructuring Plan



Material processes in the restructuring of shareholding and management can be summarized as follows:

- (1) The Company will establish the Holdings Company as a public limited company with an initial registered capital of THB 10,000.00 at THB 10.00 per share, comprising of 1,000 ordinary shares. The directors, management, and staff members of the Company will be the initial shareholders with a combined shareholding ratio of 100%. The Holdings Company will reduce all the registered capital once the restructuring of shareholding and management has been completed. However, the Holding Company will increase its registered capital to have the same structure as the Company's current registered capital. (Details of the Holdings Company can be found in Clause 2.2 of this report).
- (2) After the Shareholding and Management Restructuring Plan has been preliminarily approved by the SET and the Holdings Company has been granted approval from the SEC to issue and offer the newly issued securities, the Holdings Company will make a tender offer to buy all securities of the Company with the following conditions:

Item	Detail
Types and characteristics of securities offered for purchase	106,470,000 registered and paid-up ordinary shares of the Company, as of August 11, 2023
Swap ratio and exchange price of securities	The Holdings Company will issue and offer the newly issued ordinary shares to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company. The swap price will be equal to the share cost of each respective shareholder of the Company.
Tender offer period	Tender offer period of 25 business days but, no more than 45 business days. The starting and ending date will be announced on a later date, which will be the final period of tender offer with no further extensions.(Final Period)
Conditions on the cancellation of the tender offer	As the tender offeror, the Holdings Company reserves the right to cancel the tender offer in the event of any of the scenarios detailed as follows:

Item	Detail
	<ol style="list-style-type: none"> 1) Events or actions not caused or held accountable by the Holdings Company that occurs after the SEC has accepted the registration statement for securities offering and tender offer form, but before the end of the tender offer period, which causes a significant adverse effect on the financial status or assets of the Company; or 2) The Company performs any action after the SEC has accepted the registration statement for securities offering and tender offer form, but before the end of the tender offer period, which causes a significant decrease in the value of shares. 3) If the number of shares of the Company which the shareholders of the Company expressed intention to sell to the Holding company is less than 75 percent of the total number of shares in the Company.
Cancellation period in which the offeree may cancel the tender of securities	Shareholders of the Company who express their intention to sell securities (offerees) may cancel the tender of securities within the first 20 business days of the tender offer period.

- (3) After the end of the tender offer period, the Holdings Company will submit an application for listing its ordinary shares on the SET in place of the Company's ordinary shares that are going to be delisted from the SET at the same time in accordance to Notification TorJor. 34/2552.

For the Shareholding and Management Restructuring Plan mentioned above to be put into effect, the Company must receive approval from the shareholders' meeting on the relevant agenda as follows:

- 1) To restructure shareholding and management, which includes the listing of ordinary shares of the Holdings Company on the SET. This agenda must receive approval by no less than three fourths of the total number of shares held by shareholders who attended the shareholders' meeting and have the right to vote, in accordance with the criteria stipulated in Notification TorJor. 34/2552.
- 2) To delist securities of the Company from the SET in accordance to the Shareholding and Management Restructuring Plan. This agenda must receive approval by no less than three fourths of the total number of shares held by shareholders who attended the shareholders' meeting and have the right to vote, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Procedures for Voluntary Delisting B.E. 2564 (2564).
- 3) To consider and approve the amendment to the Company's Articles of Association in accordance to the Shareholding and Management Restructuring Plan. This resolution must receive approval at the shareholders' meeting with no less than 3 out of 4 vote in favor from the total number of shares held by the attending shareholders who have the right to cast votes.
- 4) Delegation of authority to the Chairman of the Executive Board and the President or those assigned by the Chairman of the Executive Board and the President to have the authority to take any action related to the Shareholding and Management Restructuring Plan to provide flexibility in implementing the Shareholding and Management Restructuring Plan. This agenda must be approved by the shareholder meeting with a majority vote of the shareholders who attend the meeting and cast their votes.

In the consideration of the agenda items stated above, they are to be considered as dependent and conditional upon each other. Therefore, if any of the agenda items were not approved, then the other agenda items are to be considered as cancelled and will not be proposed for further consideration.

The number of shares of the Company held by the Holdings Company after the completion of the tender offer shall cause the Company to be regarded as a subsidiary operating the core business of a Holding Company in accordance to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities, B.E. 2558 (as amended).

Furthermore, the Company has engaged in preliminary discussions with relevant regulatory bodies, including the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange, and is in the process of seeking initial opinions in writing regarding the Shareholding and Management Restructuring Plan. The Company expects to submit requesting the preliminary approval within September 2023 and expects that SET consideration of the Shareholding and Management Restructuring Plan will be able to be announced during October 2023 after the Extraordinary General Meeting of Shareholders No. 1/2023, which will to be held on October 6, 2023. However, if the SET approves the Shareholding and Management Restructuring Plan but imposes conditions that are crucial to investors' decision or any conditions that must be additionally approved by the shareholders' meeting, the Board of Directors will resubmit the matter to the shareholders' meeting to allow for the Company to comply with such conditions. It should be noted that the aforementioned shareholding and management restructuring does not fall under the scope of requiring prior approval from the Office of the SEC, nor does it contradict or violate any insurance and regulatory laws or regulations of the Office of the SEC, as per the Registrar's Directive No. 11/2547, which mandates that insurance companies report and submit documents for changes in their registered listings, appointments, changes in management, or changes in shareholders within 15 days from the date of such changes, specifically for shareholders holding 5% or more of the Company's shares.

2.2 Summary of the Holdings Company

The Company has established the Holdings Company in order to enter into the transaction mentioned above on September 11, 2023, detailed as follows:

Information of BKI Holdings Public Company Limited

1) General Information

Company name	:	BKI Holdings Public Company Limited ("Holding Company")
Head office location	:	Bangkok Insurance Bld., 25 Sathon Tai Road Bangkok 10120
Telephone	:	02 285 7008
Type of business	:	Holding shares in other companies (Holding Company) and conducting business through subsidiaries and affiliates, which are engaged in the following businesses: 1.Fire insurance, 2. Motor vehicle insurance, 3. Cargo transportation insurance, 4. Miscellaneous insurance, 5. Reinsurance.
Registration Number	:	0107566000534

Registered capital : Initial registered capital of THB 10,000.00 at THB 10.00 per share, comprising of 1,000 ordinary shares with the directors, management, and staff members of the Company as the initial shareholders. with a combined shareholding ratio of 100%.

The Holdings Company will increase registered capital in an amount equal to the paid-up capital of the Company, an amount of THB 1,064,700,000 at THB 10.00 per share, comprising of 106,470,000 shares, by issuing and offering newly issued shares to the Company's existing shareholders to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company.

2) List of shareholders

The initial shareholders consist of the directors, management, and staff members of the Company. The list of initial shareholders is as follows:

No.	Name	Number of Shares (Share)	Shareholding Ratio(Percent)
1.	Mr. Chai Sophonpanich	300	30.00
2.	Dr. Apisit Anantanarat	150	15.00
3.	Mr. Jakkrit Chewanuntapornchai	70	7.00
4.	Ms. Paveena Juchuan	70	7.00
5.	Mr. Chawan Sophonpanich	70	7.00
6.	Ms. Lasa Sophonpanich	70	7.00
7.	M.L. Chalitpong Sanidvong	30	3.00
8.	Mr. Yingyot Sangchai	30	3.00
9.	Mr. Suphachai Assawaraks	30	3.00
10.	Mr. Tassapong Budsayaplakorn	30	3.00
11.	Mr. Pan Rodloytuk	30	3.00
12.	Mr. Anek Keereesathien	30	3.00
13.	Mr. Ekkamon Angwattana	30	3.00
14.	Mr. Kraiwut Chombhucotra	30	3.00
15.	Ms. Natsaran Woraratpanya	30	3.00
Total		1,000	100.00

The Holdings Company will reduce all the registered capital once the restructuring of shareholding and management has been completed.

3) Type of business

The Holding Companies will invest by holding shares in other businesses. and main businesses as follows:

3.1) Non-Life Insurance

3.2) Life Insurance

3.3) International Insurance

3.4) Insurance Related

4) List of Directors

The list of directors of the Holding Company as of the Holding Company registered date is as follows:

Name-Surname	Position
1. Mr. Chai Sophonpanich	Chairman of the Board of Director
2. VDC Col Plengsakdi Prakaspesat	Independent Director and Chairman of the Audit Committee
3. Mr. Chor.nun Petpaisit	Independent Director
4. Miss Potjaneer Thanavarani	Independent Director and Director of the Audit Committee
5. Mr. Singh Tangtaswas	Independent Director and Director of the Audit Committee
6. Mr. Suvarn Thansathit	Independent Director
7. Mr. Supadis Diskul	Independent Director
8. Mrs. Nintira Sophonpanich	Independent Director
9. Mr. Panus Thiravanitkul	Director and Director of the Corporate Governance and Sustainability Committee
10. Dr. Apisit Anantanatarat	Director and Chairman of Executive Board
11. Mr. Susumu Tatekami	Independent Director

Remark:

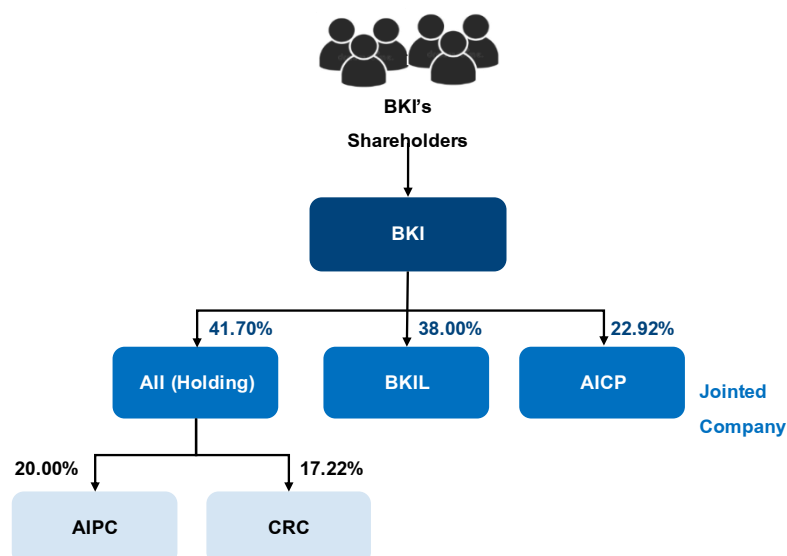
- (1) The authorized directors include Mr. Chai Sophonpanich, Mr. Panus Thiravanitkul, and Mr. Apisit Anantanatarat. Two out of these three directors have signed their names and affixed the company's official seal in unison.
- (2) The company's secretary is Mr. Anek Keereesathien.

Furthermore, there may be changes in the board of directors as deemed appropriate before the Holding Company submits an application for permission to offer new securities and a prospectus containing securities offering information, along with a takeover bid for securities, to the Office of the Securities and Exchange Commission and the Stock Exchange.

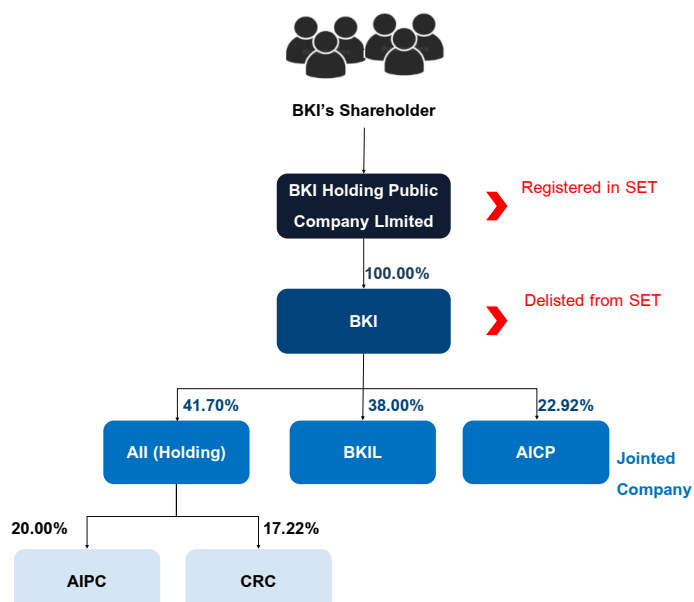
2.3 Shareholding Structure Before and After the Restructuring of Shareholding and Management, and the Delisting of Securities

The shareholding structure before and after the restructuring of shareholding and management, and the delisting of securities can be summarized as follows:

- 1) Shareholding Structure Before the Shareholding and Management Restructuring Plan (As of August 11, 2023)



2) Shareholding Structure After the restructuring of shareholding and management



Remark:

All (Holding) = Asian Insurance International (Holding) Limited

BKIL = Bangkok Insurance (Lao) Company Limited

AICP = Asia Insurance (Cambodia) Public Company Limited

AIPC = Asia Insurance (Philippines) Corporation

CRC = Cambodian Reinsurance Company

2.4 Rationale and Reasoning for the Restructuring of Shareholding and Management

The restructuring of the shareholding and management of the Company into a Holding Company is undertaken with the following objectives:

- 1) The restructuring of shareholding and management of the Company in order to conduct business as a Holding Company allows the Holdings Company to invest and hold shares in insurance-related businesses,

as well as promotes flexibility for investing in other businesses. This will increase long-term returns for the shareholders and enhance the competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company.

Presently, the Company conducts non-life insurance business under the supervision of the OIC in accordance to the Notification of Office of Insurance Commission Re: Investment in Other Business by Non-Life Companies B.E. 2013 (as amended), such as

- a) The Company may not invest in domestic and international equity instruments totaling more than 30.00% of its investment assets, unless allowed otherwise by conditions and criteria specified by the OIC.
- b) The Company may not invest in more than 10.00% of total issued equity instruments issued by a private company in Thailand, except for investments in equity instruments in order to conduct other business operations or investments in equity instruments issued by Road Accident Victims Protection Company Limited.
- c) The Company may not invest in more than 10.00% of total issued foreign equity instruments issued by a juristic person incorporated under foreign law and all issued foreign equity instruments must have the characteristics as specified by the OIC.
- d) The Company may not invest in some types of assets as specified by the OIC, such as equity instruments that are not listed on the SET, not currently traded publicly as free float due to the regulations of the SET, or not listed in the foreign stock exchange at more than 5.00% of investment assets by the Company.

Following the completion of the Company's restructuring, the Company will continue to operate its insurance business under the provisions of the Insurance Act as before, with the Holding Company holding its shares. The Holding Company will have the capability to invest in insurance-related businesses or businesses that promote the insurance business, as well as in other businesses, without investment limitations.

- 2) The restructuring of the Company into a Holding Company, where the Holding Company can invest by holding shares in businesses beyond those directly related to the insurance industry, will open up opportunities for the Holding Company to attract co-investors or business partners interested in various aspects of the Holding Company's business. Having co-investors or business partners will enable the Holding Company to raise capital for investments and expand its business in the future.
- 3) The restructuring of the Company into a Holding Company will enhance clarity in conducting business, allowing for full-scale expansion and development of the business. This will enable better access to target customer groups and a broader reach, resulting in positive outcomes for consumers. By establishing specialized management teams for each business area, it will grant autonomy in strategy development and decision-making to create the best customer experience and increase competitiveness in the industry.

- 4) The restructuring of the Company into a Holding Company will increase the potential to attract personnel and experts who possess knowledge and expertise aligned with the business requirements. This will be achieved by fostering an organizational culture tailored to each business area, creating a unique and suitable environment for each business to preparing to invest in other businesses in the future, such as technology businesses or providing information technology services, etc.

2.5 Corporate Governance and Management

After the restructuring of the shareholding and management, the corporate governance and management structure of the Holdings Company will remain the same as it had been for the Company. There are a total of 11 directors, along with the appointment of 5 subcommittees within the Holding Company, which will oversee and manage operations both within the Holding Company itself and its subsidiaries in a coordinated manner as follow:

- 1) The Audit Committee,
- 2) The Risk Management Committee
- 3) The Corporate Governance and Sustainability Committee
- 4) The Nomination and Remuneration Committee and
- 5) The Investment Committee

The Board of Directors and the committees of the Holdings Company will oversee the operation of the non-life insurance business by the Company in accordance to the regulations and policies relevant to the Company and the Holdings Company to ensure transparency, efficiency, and compliance to the laws and regulations of the SEC, SET, OIC, and other relevant regulatory bodies.

In the initial stage after the restructuring of shareholding and management, the Chairman of Executive Board, the Chief Financial Officer, and the accountants of the Company will be the same for the Holdings Company. If the Holdings Company were to invest in a new business or have a change in the business plan, but maintain the same business operations, then the Holdings Company may change the corporate governance and management structure as the Holdings Company deemed necessary and appropriate. Members of the Board of Directors of the Company and the Holdings Company after the restructuring of shareholding and management are detailed as follows:

Name-Surname	Position in the Company	Position in the Holdings Company
1. Mr. Chai Sophonpanich	Chairman of the Board of Director	Chairman of the Board of Director
2. VDC Col Plengsakdi Prakaspesat	Independent Director and Chairman of the Audit Committee	Independent Director and Chairman of the Audit Committee
3. Mr. Singh Tangtaswas	Independent Director and Chairman of Remuneration and Nomination Committee	Independent Director and Chairman of Remuneration and Nomination Committee
4. Miss Potjanee Thanavaraniit	Independent Director and Director of the Audit Committee	Independent Director and Director of the Audit Committee
5. Mr. Chor.nun Petpaisit	Independent Director and Director of the Audit Committee	Independent Director and Director of the Audit Committee

Name-Surname	Position in the Company	Position in the Holdings Company
6. Mr. Suvarn Thansathit	Independent Director and Director of Remuneration and Nomination Committee	Independent Director Director of Remuneration and Nomination Committee
7. M.R. Supadis Diskul	Independent Director and Director of Remuneration and Nomination Committee	Independent Director and Director of Remuneration and Nomination Committee
8. Mrs. Nintira Sophonpanich	Independent Director and Chairman of Corporate Governance and Sustainability Committee	Independent Director Chairman of Corporate Governance and Sustainability Committee
9. Mr. Panus Thiravanitkul	Director and Director of Corporate Governance and Sustainability Committee	Director and Director of Corporate Governance and Sustainability Committee
10. Dr. Apisit Anantanarat	Chairman of Executive Board and Director and President	Director and Chairman of Executive Board *
11. Mr. Susumu Tatekami	Independent Director	Independent Director

* The organizational structure of the Company and the Holding Company have the highest executives of the management team which are Chairman of Executive Board.

In addition, for good corporate governance of subsidiaries or associated companies in the future and in accordance with the law and good corporate governance principles, the Company has established guidelines for the Holding Company to have policies and mechanisms for governance and take care of subsidiaries, such as sending individuals to be directors or executives of subsidiaries, at least according to the shareholding proportion in each company. Moreover, there are regulations or requirements that require the submission of such persons to be approved by the Board of Directors' meeting of the Holding Company and the scope of duties and responsibilities of directors and executives must be clearly defined. Then, there also a mechanism to supervise transactions between subsidiaries and/or the Company together with connected persons, acquisition or disposition of assets or any other important transactions of subsidiaries and/or associated companies which must receive a resolution from a meeting of the Board of Directors or Holding Company's shareholders' meeting prior to such transaction, etc. In this regard, the implementation of such a policy for subsidiaries that may occur in the future It also depends on the shareholding percentage of the holding company and the approval of future joint ventures.

The Holdings Company may consider changing the corporate governance structure and future management of the Holdings Company as necessary and appropriate if the Holdings Company starts a new business or the Holding Company changing its business plans but will continue to be governed by the business management policy above.

For the internal control system, the Holdings Company will establish an internal audit department to perform annual audits of the internal control system, which in the beginning the personnel will be on the same team as the Company. The scope of the audit will cover the risks and impacts that could arise in the various departments and work systems of the Holdings Company, and the findings from the audit report will monitored and reported to the audit

committee each quarter. The Holdings Company will adopt the Company's internal control system and risk management guidelines namely, the organization structure, good corporate governance policies, business ethics, anti-corruption policies, whistleblowing or complaint policies, connected and related party transaction policies, conflict of interest prevention policies, insider protection policies, enterprise risk management policies, dividend policies, investment policies, and the board committee charter, including the operation manual, to ensure that the Holdings Company's internal control system is sufficient, appropriate, and compliant with the rules and regulations of the SEC and SET.

The Company's Audit Committee has assessed the adequacy of the internal control system in accordance with the guidelines of the SEC in the 4th quarter of 2022 and reported to the Audit Committee No. 4/2022 on November 11, 2022. It found that the Company has complied with policies and procedures that are fully established and correct. As a result, the Company has an adequate and appropriate internal control system and there are no significant risks or impacts on the internal control system and operational processes.

During 2020-2022 and the 6 months period of 2023, the Company consecutively audited the internal control system. The internal audit department had to perform audits of the internal control system and reported internal control system to the audit committee each quarter by Mr. Vichien Moleewon, the first vice president as chairman of internal audit office of the Company. The Internal Audit Office will conduct an audit of the Company's internal control system according to the annual audit plan, divided into operational audits (Operation Audit) of 78 departments, which cover two associated companies, and audit of work systems and information (IT Audit) of 26 work systems.

In 2023, the Company has a plan to audit the internal control system which was presented to the Audit Committee. The Internal Audit Office has chosen to inspect according to the OIC's requirements and risky work systems according to the risk level of the plan or work system. From the internal control system inspection report for the second quarter of 2023, it was found that the Company had sufficient internal control system, since the Company rigorously adhered to the work systems and the audit committee intimately audited, inquired, and monitored as well as the Company's operation was under the control of the OIC. Moreover, the Company completely and rightly adhered policies and procedures, which cause the Company to have sufficient internal control system with no risk or crucial issue.

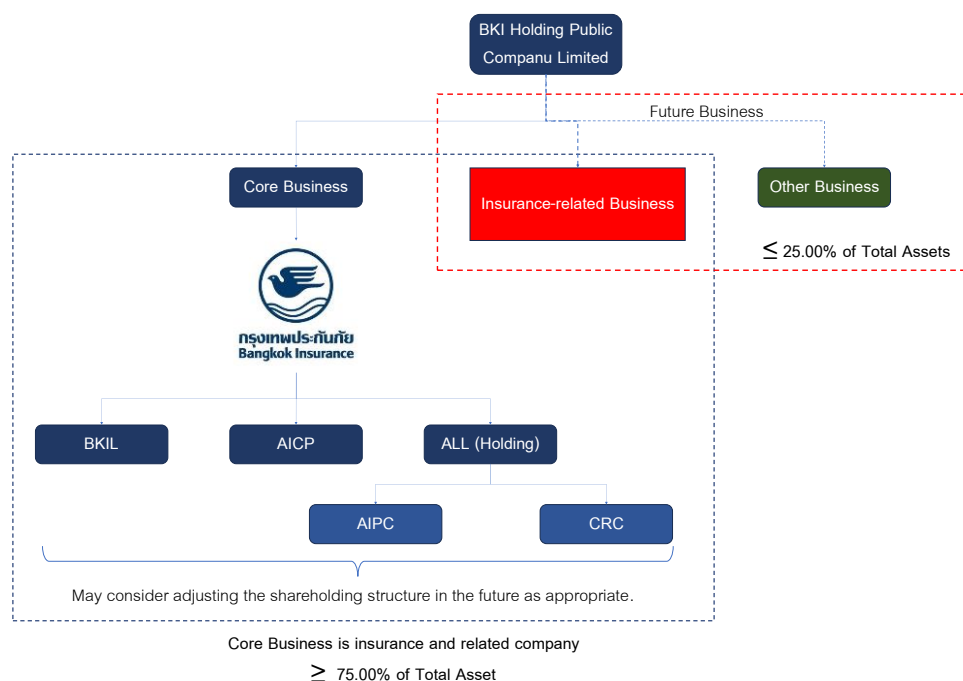
In addition, the Company hired an external auditor, namely PwC, who audited control environment, Internal control at process level and general control of information technology in all 10 areas as follows:

- | | |
|------------------------------------------------------------------|-------------------------------------------------------------------|
| (1) Product development and insurance premium rate determination | (6) Sales and Marketing |
| (2) Warranty and payment of insurance premiums | (7) Account Closure |
| (3) Reinsurance | (8) Salary calculation and payment |
| (4) Claims Management | (9) Review of related party transactions |
| (5) Investment | (10) Supervision of holding companies and/or associated companies |

This report on PwC's review of internal control systems does not include a review of the Holding Company because it is in the process of being established. It is expected to be completed by September 2023. However, the Company must complete the process before submitting an application for permission to offer newly issued securities to

2.6 Business Operations After the Restructuring of Shareholding and Management

The Company will establish the Holdings Company to conduct business by holding shares in other companies. After the restructuring of shareholding and management, the business operations of the Company can be categorized into two business groups as follows:



1) Core business group

The core business group of the Holdings Company is the insurance-related business, which has an assets size of no less than 75.00% of total assets from the Holdings Company. The core business group is comprised of 4 businesses as follows:

1.1) Non-life Insurance

The core business of the Holdings Company is to invest in the Company, and feasibility studies will be conducted on creating more value for the business.

1.2) Life Insurance

In the future, the Holding Company may consider the possibility of investing in the life insurance business in Thailand to strengthen the Holding Company even more.

1.3) International Insurance

The Holding Company has invested in the insurance business in different countries through subsidiary companies, namely in Laos, Cambodia, and the Philippines, with growth potential to create business opportunities. At present, after the Shareholding and Management Restructure, The international insurance business is still a associated company with the Company. If in the future, the Company considers investing in insurance-related businesses in other countries, it would consider utilizing the Holding Company for additional investments.

1.4) Insurance Related

The Holdings Company will consider investments in non-life insurance related businesses to strengthen its core business.

2) Other business group

The other business group is the non-insurance related business, which has an asset size of no more than 25.00% of total assets from the Holdings Company. The Holdings Company will consider investments in businesses that can lend support to the insurance business, and/or businesses with a high rate of return in order to increase long-term returns for the shareholders.

However, the Holdings Company will continue to focus on investments in companies conducting insurance-related business.

According to the Shareholding and Management Restructuring Plan, the Holdings Company has no intention to invest in other businesses aside from the non-life insurance business and businesses relating to or supporting non-life insurance business within 12-months. If the Holdings Company intends to invest in other businesses in the future, then the Holdings Company will consider investments in businesses with appropriate returns and risks at an acceptable level, which will go through the proper procedures for investment considerations and has been approved by the Board of Directors of the Holdings Company and/or in accordance with the investment regulations of the Holding Company and relevant legal criteria and will comply with the rules and regulations of the SEC, SET and other agencies related.

It should be noted that the Holdings Company may not exceed more than 25.00% in proportion of total assets. If any changes were to occur earlier than the intended twelve months, the Holdings Company will adhere to the rules and regulations of the SEC and SET.

2.7 Details of the Material Processes and Timeline of the Restructuring of Shareholding and Management

Details of the material processes and timeline of the restructuring of shareholding and management, and the delisting of securities is illustrated below. It should be noted that the timeline may be subject to change depending on the preparation of material documentation and the consideration from relevant regulatory bodies.

The Procedures and Timeline of the Shareholding and Management Restructuring

Timeline	Detail
August 11, 2023	From the resolutions of the Board of Directors' meeting, approval has been obtained to propose to the shareholders' meeting for consideration and approval of the following: <ol style="list-style-type: none"> 1. The Shareholding and Management Restructuring Plan 2. Delisting of securities of the Company from the SET 3. Amending the Company's regulations. 4. Delegation of the relevant authority. 5. Schedule the extraordinary annual shareholder meeting No.1/2023.
September 11, 2023	The Company establishes a holding company under the name "BK1 Holdings Public Company Limited"

Timeline	Detail
Within in September 2023	<p>The Company submits related documents to request preliminary approval from the SET in the following matters:</p> <ol style="list-style-type: none"> 1. The Shareholding and Management Restructuring Plan 2. The listing of newly issued ordinary shares of the Holding Company on the SET in replacement of the delisted shares of the Company.
Within in September 2023	<p>From the resolutions of the Board of Directors' meeting of the Holding Company:</p> <ol style="list-style-type: none"> 1. Increase registered capital to accommodate the share swap. 2. Allocation of new shares to increase capital for existing shareholders of the Company. 3. Make the tender offer for shares of the Company in a share swap transaction and other related transactions. 4. Submission of the application on the tender offer of newly issued securities along with the securities offering registration statement to the SEC. 5. Submission of the application to list ordinary shares of the Holdings Company on the SET to the SEC. 6. Schedule the annual shareholder meeting No.1/2023
October 6, 2023	<p>From the resolutions of the shareholders' meeting:</p> <ol style="list-style-type: none"> 1. The Shareholding and Management Restructuring Plan. 2. Delisting of securities of the Company from the SET 3. Amending the company's regulations. 4. Delegation of the relevant authority.
Within in October 2023	<p>From the resolutions of the shareholders' meeting of the Holding Company:</p> <ol style="list-style-type: none"> 1. Increase registered capital to accommodate the share swap. 2. Allocation of new shares to increase capital for existing shareholders of the Company. 3. The tender offer for shares of the Company in a share swap transaction and other related transactions. 4. Submission of the application on the tender offer of newly issued securities along with the securities offering registration statement to the SEC. 5. Submission of the application to list ordinary shares of the Holdings Company on the SET to the SEC.
Within in October 2023 (After the annual shareholder meeting)	SET notified the results of consideration of the Shareholding and Management Restructuring Plan.
Late October 2023	Holding Company submits Registration statement for securities offering and tender offer form (Form 69/247-1), to the Office of the Securities and Exchange Commission.
Within in Second Quarter of 2024 (After receiving approval from the SEC)	Upon receiving approval from the Office of the Securities and Exchange Commission, the Holding Company makes a tender offer for all of the securities of the Company from the existing shareholders of the Company for a period of 25 business days but not exceeding 45 business days (by means of a share swap).
Within in Second Quarter of 2024	After the completion of the tender offer period, If the number of shares of the Company that the shareholder intends to sell is more than 75 percent, the following steps will be taken.

Timeline	Detail
	<ul style="list-style-type: none"> The Holding Company registers the paid-up capital change (the registered capital amount will depend on the number of shares of the Company that the shareholders have exchanged). The Holding Company submits an application to the Stock Exchange to list the shares of the Holding Company as registered securities. The shares of the Holding Company are registered as registered securities, and the shares of the company are delisted from the Stock Exchange on the same day.

2.8 Potential Effects from the Restructuring of Shareholding and Management

2.8.1 Effects to the Financial Position and Operating Results of the Company

Under the Shareholding and Management Restructuring Plan, the Holdings Company will make a tender offer for all securities of the Company by issuing and offering newly issued ordinary shares to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company. This exchange of securities will not affect the financial position and operating results of the Company. (Not including fees and various expenses arising from the restructuring of the Company).

2.8.2 Effects to the Financial Position and Operating Results of the Holdings Company

If the Holdings Company can swap for 100.00% of total issued and outstanding shares with the Company, then the financial position and operating results of the Holdings Company and the Company will be the same in all aspects. (Not including fees and various expenses incurred from the restructuring of the Company.)

In the event that Holding Company can acquire less than 100% of the shares of the Company, Holding Company shall recognize the financial position and operating results of the Company in proportion to the shares that Holding Company can acquire. For example, if Holding Company can acquire 75% of the shares issued and outstanding of the Company, Holding Company shall recognize the financial position and operating results of the Company in the proportion of 75% as shown in the following table:

Scenario of 100% Share Swap with the Company	For the year ended			For the 6-months period ended
	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
Net profit (loss) attributable to the parent company (THB million)	2,695.60	1,045.88	(648.38)	1,684.99
Weighted average number of shares (Million shares)	106.47	106.47	106.47	106.47
Earnings (loss) per share (THB)	25.32	9.82	(6.09)	15.83

Scenario of 75% Share Swap with the Company	For the year ended			For the 6-months period ended
	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
Net profit (loss) attributable to the parent	2,021.70	784.41	(486.28)	1,263.75

Scenario of 75% Share Swap with the Company	For the year ended			For the 6-months period ended
	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
company (THB million)				
Weighted average number of shares (Million shares)	79.85	79.85	79.85	79.85
Earnings (loss) per share(THB)	25.32	9.82	(6.09)	15.83

2.8.3 Effects to the Shareholders of the Company and the Holdings Company

In the scenario that shareholders of the Company choose to swap their shares with shares of the Holdings Company as per the Shareholding and Management Restructuring Plan, the swap will not affect shareholders of the Company. This is due to the fact that shareholders of the Company will become shareholders of the Holdings Company which will operate a business as a holding company (Holding) by holding shares in the Company, and hold shares in other companies that engage in various types of business in the future.

The shareholders of the Company, including juristic persons, will not have tax liability from the share swap because it is a restructuring of the Company. The Revenue Department has deemed it appropriate to use the cost price of each shareholder in exchanging shares. In calculating corporate income tax in the case of future sales of the Holding Company shares, Shareholders must use the original cost of acquiring the Company's shares. The market price of the Company's shares on the date of the share swap cannot be used.

In the scenario that shareholders of the Company choose not to swap their shares with shares of the Holdings Company and still holding the share after the delist of the securities of the Company from SET, they may be affected in the following ways:

- 1) Shareholders of the Company will not be able to trade the company's shares through the SET anymore, which will result in no reference market price for trading shares and make the Company's shareholders Unable to trade the Company's shares quickly and agilely and resulting in the lack of liquidity in stock trading.
- 2) Return from investing in the Company's shares that shareholders will receive will be limited in the form of dividends from the Company only, while the opportunity for shareholders to receive returns from capital gains arising from the difference in the share purchase price may decrease because there is no secondary market for trading and no reference market price for stock trading for the Company shares. In addition, the Company's shareholders There will be no opportunity to receive dividends from other businesses in which the Holding Company invests in the future.
- 3) The Company's shareholders, which is a natural person will no longer be entitled to the privilege of being exempted from capital gains tax on capital gains tax and on the transfer of the Company's shares. Also, both individuals and juristic persons are subject to pay for stamp duty on the transfer of the Company's shares.
- 4) Shareholders may receive less information about the Company because the Company will end its duty to act in accordance with the rules, announcements and other laws that determine the duties of listed companies in disclosing information or data, such as the regulations of the Stock Exchange of Thailand

regarding guidelines for disclosing information of listed companies. (including additional amendments), etc. In addition, when tender offer to purchase shares of the Company ended, if there are other shareholders other than the Holding Company Persons, acting in concert with the Holdings Company and persons according to Section 258 of the Securities and Exchange Act B.E. 1992 (including amendments) of the Holdings Company holding shares together in an amount not exceeding 5 percent of the total number of shares of the Company will result in (1) the Company ending its duties in preparing and submitting financial statements and other reports regarding financial status and operating results to the SEC Office in accordance with the announcement of the Capital Market Supervisory Board No. TorJor. 44/2013 regarding rules, conditions and reporting of information disclosure regarding financial status, and operating results of the issuing company (including additional amendments) (2) The Company, including its directors and executives will not be subject to regulations regarding the management of the securities issuing company as specified in Section 3/1 of the Securities and Exchange Act B.E. 1992 (including amendments) such as entering into transactions that connected and entering into transactions that are significant to the business, etc. and (3) directors, executives and auditors of the company will end their duty to prepare and disclose reports on the Company's securities holdings according to the announcement of the Office of the Securities and Exchange Commission No. SorChor. 38/2018 regarding the preparation of reports on changes in securities and derivatives holdings of directors, executives, auditors, plan preparers, and plan administrators. (including as amended)

However, because the Company is still a public limited company, the Company therefore has a duty to hold a shareholders' meeting and present the Company's annual financial statements for shareholders to consider including having to disclose information and deliver information as a public limited company according to the Public Limited Companies Act B.E. 1992 (as amended), such as information that must be disclosed in the shareholders' meeting annual report with balance sheet and income statement. If minor shareholders want to know information about the Company, such as the list of directors list of shareholders and the Company's annual financial statements, shareholders can also inspect and copy such information at the Department of Business Development, Ministry of Commerce. In addition, the Company is also responsible for preparing and disclosing information as necessary and relevant as a subsidiary of the Holding Company, which is a listed company, so that the Holding Company can prepare and disclose Information according to relevant regulations will be provided to relevant agencies and investors for further information or disclosing information of the Company to be in line with the supervision of the OIC.

- 5) Minority shareholders will not be able to balance power and monitor the Company's management of the Holding Company because the holding company will be able to control the direction of the business and determine various important policies of the Company. In addition, if the Holding Company can exchange the Company's shares more than or equal to 75% of the total number of shares of the Company, the

Holding Company can control the approval votes on important matters that require approval from the shareholders' meeting of the Company.

2.8.4 Risk Factors from the Listing and Delisting Process, and from the Approval of Other Counterparties and Relevant Regulatory Bodies

The Company's Shareholding and Management Restructure Plan and other related matters must be approved by the Company's shareholders' meeting and the Stock Exchange of Thailand. If such approval is not received, the Company will not be able to proceed with the Company's restructuring plan.

After the completion of the tender offer shall cause the Company to be regarded as a subsidiary operating the core business of a Holding Company in accordance to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities, B.E. 2015 (2015) (as amended).

The processes related to the restructuring of shareholding and management of the Company does not go against the Non-Life Insurance law nor regulations set by OIC, nor does it require approval from the OIC. The Company is only obligated to report any changes in its shareholders according to the prescribed form to the OIC.

In this regard, if the offer is made to acquire the entire business according to the Shareholding and Management Restructuring plan have less than 99.89 percent, 106,451,294 shares, or equal to the condition of 75 percent, 79,852,500 shares, accepted the offer, while Bangkok Bank Public Company Limited ("BBL") accepted the entire amount that BBL hold which equal to 10,613,194 shares, this may result in BBL becoming the number one shareholder holding shares in the Holding Company. more than 10 percent of the total number of shares sold, which BBL must notify and/or apply for permission from the Bank of Thailand or reduce the holding in the Holding Company to remain the same in the future.

However, BBL's holding of more than 10 percent of shares does not affect the shareholding and management restructuring plan, only BBL, as a shareholder who is a financial institution under the supervision of the Bank of Thailand. will be carried out in relation to consolidated supervisory guidelines and related regulations.

2.8.5 Effects of Holding Company to the Shareholding and Management Plan

In the future, the Holding Company may change the structure of the Company to suit the business environment, the law, and for the best interests of shareholders. If such action is taken, it will be transparent in accordance with good corporate governance guidelines. It will comply with the laws and regulations of the SEC, the Stock Exchange of Thailand, the OIC, and other relevant regulatory agencies.

3. Reasonableness of the Transaction

3.1 Reasonableness of the Shareholding and Management Restructuring Plan

3.1.1 Objectives and Necessity of the Shareholding and Management Restructuring Plan

The Company aims to restructure shareholding and management in order to conduct business as holding company with the following objectives of

- 1) To increase flexibility on business expansion, enhance business competitiveness, and reduce investment restrictions.

- 2) To make an opportunity for the Holding Company to have joint venture partners or business partners, who are interested in investing in various businesses of the Holding Company.
- 3) To clearly separate the scope and risk management of the business; to enhance the operational efficiency of each business group.
- 4) To increase the potential to attract personnel and experts with knowledge and expertise that meet the needs of the business. (Details of the shareholding and management restructuring plan appear in Part 1, Topic 2.1 of this report.)

Presently, the Company conducts non-life insurance business, which is considered as an important business related to the benefits of the people, under the supervision of the OIC in order to appropriately manage risks, including those arising from the scope and proportion of investments in various securities. For example, the Capital Adequacy Ratio ("CAR") at no lower than 140.00% or the Company's requirement of investments in domestic and international equity instruments totaling no more than 30.00% of investments assets, or the Company's requirement of investments in equity instruments issued by a private company in Thailand at no more than 10.00% of total issued equity instruments.

Therefore, the restructuring of the Company to conduct business as a Holding Company allows the Holdings Company to invest and hold shares in insurance-related businesses, as well as promotes flexibility for investing in other businesses. This will increase long-term returns for the shareholders and enhance competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company. The Company can also invest in other types of assets that are not listed in the requirements listed above, resulting in more variety and less restrictions in the business expansions or investments of the Company.

3.1.2 Comparison between Advantages and Disadvantages of entering into the Transaction of the Restructuring of Shareholding and Management Plan and the Delisting of Securities from the SET

Advantages of entering into the Transaction

1) Reduce investment restrictions

Since the Company conducts non-life insurance business under the supervision of the OIC in order to appropriately manage risks, including those arising from the scope and proportion of investments in various securities. This results in the Company capable to invest various asset to increase returns to shareholders of the Company, such as maintaining capital in accordance to the OIC, illustrated as follows:

Capital and the Capital Adequacy Ratio ("CAR")

Detail	Unit	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
OIC Regulation ^{1/}					
Capital	THB million	No less than 30.00			
Capital Adequacy Ratio : CAR	Percent	No less than 120.00	No less than 120.00	No less than 140.00	No less than 140.00

Detail	Unit	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
Information of the Company					
Capital	THB million	33,160.33	32,438.05	35,210.22	37,234.96
Capital Adequacy Ratio : CAR	Percent	251.10	205.10	193.41	193.99

Remark: 1/ Refer to the Notification of the Insurance Business Supervision and Promotion Commission on specifying the type and type of capital including the criteria, methods and conditions for calculating capital maintenance of non-life insurance companies, B.E. 2562, specifying the maintenance of capital adequacy ratio (Capital Adequacy Ratio : CAR) that is not less than 120.00 from 31 December 2019 until 31 December 2021 and not less than 140.00 percent from 1 January 2022 onwards.

The Company has an obligation to maintain the Capital Adequacy Ratio and follow the restrictions as designated by the OIC. Therefore, the restructuring into a Holding Company can reduce the restrictions mentioned above, in which the Holdings Company can utilize the dividends of the Company in the management of investments to increase long-term returns for the shareholders and enhance competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company.

2) Reduce restrictions in conducting other business

Presently, the Company conducts non-life insurance business under the supervision of the OIC in order to appropriately manage risks, including the scope of business operations of the Company, leading to restrictions in investments in other businesses. In accordance to the Notification of Office of Insurance Commission Re: Investment in Other Business by Non-Life Companies, the Company can only conduct a few types of other businesses outside of non-life insurance business, such as real estate leasing, support services to other parties, securities business, investments in shares of foreign insurance business, nursing facility business, and technology business beneficial to insurance business. Additionally, there is also criteria governing the shareholding ratio in the operations of other businesses, such as the total value of equity instruments held by the Company in the operations of other businesses must be no more than 15.00% of total assets of the Company.

After the completion of the restructuring plan, shareholders of the Company have the right to hold shares through the share swap of one share of the Company to one share of the Holdings Company, in which the business expansions of the Holdings Company are not restricted by the limitations of the nonlife insurance business as designated by the OIC. The Holdings Company will increase flexibility in management, enhance competitiveness against other businesses, including other businesses operating under the structure of a Holdings Company, such as Dhipaya Group Holdings Public Company Limited, Thai Group Holdings Public Company Limited, and Thaivivat Holdings Public Company Limited as in the future after Shareholding and Restructuring Plan, the Holding Company may be preparing to invest in other businesses, such as technology businesses, providing information technology services, etc.

From the Shareholding and Management Restructuring Plan, the Holdings Company aims to maintain the ratio of total insurance business group assets to be no more than 75.00% of total assets of the Holdings Company, and other business group assets to be no more than 25.00% of total assets of the Holdings Company. The Holdings Company will consider to invest in insurance support businesses and/or businesses with a high return in order to generate long-term returns for the shareholders. However, the Holdings Company will continue to focus on investments in companies conducting insurance-related business, since it is the business that the Holdings Company has expertise in, and for the twelve months following the tender offer, according to the Shareholding and Management Restructuring Plan and interviews with management of the Company, Holdings Company has no intention to invest in other businesses aside from the non-life insurance business and businesses relating to or supporting non-life insurance business. If the Holdings Company intends to invest in other businesses in the future, then the Holdings Company will consider investments in businesses with appropriate returns and risks at an acceptable level, which will go through the proper procedures for investment considerations. It should be noted that the Holdings Company may not exceed more than 25.00% in proportion of total assets for investments in other business to be in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 39/2016 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (as amended), whereby any investments, including investments in new businesses by the Company and the Holdings Company, will be in accordance to the investment framework and plan, which is approved by the Company and the Holdings Company through the consideration and selection of the investment board comprised of experienced experts on investments and insurance businesses. If any changes were to occur earlier than the intended twelve months, the Holdings Company will adhere to the rules and regulations of the SEC and SET.

The source of funds to be used in the investment of supporting businesses of insurance and/or other businesses will come from future dividends of the Company and other future companies. Presently, the dividend policy of the Company is at no less than 50.00% of profits after corporate income tax and dividend payments do not require approval from the OIC. However, future dividend payments of the Company are still subject to uncertainty and depends on the operating results of the Company, as well as the number of shares of the Company held by the Holdings Company after entering the Transaction of the restructuring of shareholding.

3) Clear risk management separated into business groups

The restructuring of the Company to conduct business as a Holding Company allows the Holdings Company to clearly separate the scope of business operations of each business group and appropriately manage the risk without affecting the operations of the non-life insurance business under the supervision of the OIC. This will be in accordance to the plan to conduct business operations after the restructuring of shareholding and management (details can be found in Part 1 Topic 2.6 of this report), in which the Holdings Company can freely consider the investment in businesses with higher risk or lower risk than operations of the insurance business at an appropriate proportion in order create higher and stable returns to the shareholders of the group. However, in any investments, including investments in new businesses by the Company and the

Holdings Company, will be in accordance to the investment framework and plan approved by the Company and the Holdings Company through the consideration and selection of the investment board comprised of experienced experts on investments and insurance businesses.

4) Diversification of risk from investments in many types of business

Presently, the Company conducts business and receives its main source of revenue from the non-life insurance business only. After the completion of the restructuring of shareholding, the Holdings Company will be able to invest in operations of other types of business aside from non-life insurance; therefore, when compared to the original shareholding structure, the Holdings Company has the ability to manage and diversify risks from investments in the insurance business as well as other business in the future. In the scenario of uncertainty in the non-life insurance industry, the Company will be less affected due to the diversification of risks and reduction in overreliance on non-life insurance business revenues.

5) Achieve Economies of Scale in the future by efficient management of existing resources

After the restructuring of shareholding, the Holdings Company can achieve Economies of Scale through management and use of existing expertise and resources to most benefit the business group. Support units for companies within the group may be established in the future, such as information technology services, financial, accounting, and investment services, personnel recruitment and development services, and legal services. This enables the Holdings Company to enhance the potential and/or acquire staff and resources with expertise in the appropriate fields in order to create the most benefit to the Holdings Company and affiliates. Additionally, the structure of shareholding and management after the restructuring plan allows the Holdings Company to more clearly analyze operating results on a per business basis and/or per company basis, which can be used to improve and adjust the strategic plan of the Holdings Company and affiliates in the future.

Disadvantages and Risks of entering into the Transaction

1) Increased costs and costs arising from entering the Transaction for the Holdings Company

The corporate governance and management structure of the Holdings Company will remain the same as it had been for the Company, in which most of the directors of the Company will also act as the directors for the Holdings Company and simultaneously oversee the Holdings Company and the Company totaling of 11 director and 5 sub-committee as following 1)The Audit Committee 2) The Risk Management Committee 3) The Corporate Governance and Sustainability Committee4) The Remuneration and Nomination Committee and 5) The Investment Committee. In corporate governance and administration, Holding Company will oversee the operation of the non-life insurance business by the Company in accordance to the regulations and policies relevant to the Company and the Holdings Company. To ensure transparency, efficiency, and compliance to the laws and regulations of the SEC, SET, OIC, and other relevant regulatory bodies. In the initial stage after the restructuring of shareholding and management, the Chairman of Executive Board, who are appointed to oversee accounting and financing, and the accountants of the Company will also perform those same duties for the Holdings Company.

Since the Holdings Company is a newly established company as a legal entity separate from the Company, the Board of Directors of the Holdings Company will have duties and responsibilities separate from Board of Directors of the Company, comprised of designating appropriate policies, framework, and guidelines for the various activities of the Holdings Company. Therefore, after the Holding Company have been listed in SET, the Holdings Company will pay director's remuneration and compensation for the subcommittees, which will be paid when there is a Board of Directors' meeting and/or meeting of the subcommittees to consider and approve transactions relating to the Holdings Company. The compensation will be paid for each meeting held in accordance to the rates approved by the resolutions of the shareholders' meeting, and for the executives that operates in both the Company and the Holdings Company, they will not receive additional salaries from the Holdings Company. The restructuring plan will also give rise to auxiliary costs to the Company and the Holdings Company relating to the restructuring plan aside from the main costs and other cost as per normal business, such auditing fee, consulting fee, website creation fee and registration fees of various agencies, which would amount to approximately THB 10.00 million per year which will come from loan form the Company. However, once the Holdings Company has been established and invests in other businesses in accordance to the shareholding restructuring plan, it is expected for the Holdings Company to generate revenues and profits from other business operations to re-imburse for the increased costs mentioned above, as well as the scenario of achieving Economies of Scale from managing and utilizing existing resources and expertise may increase profits generated from the normal course of operations.

2) Increase in management procedures

The Shareholding and Management Restructuring Plan will have the Company and the Holdings Company share the same supervision and management structure with the same Board of Directors and subcommittees, as well as supervision procedures in accordance to rules and policies of the Company and the Holdings Company and in accordance to the regulations and laws of the SEC, SET, OIC, and any other relevant regulatory bodies. Therefore, when the Company, as a subsidiary of a listed company in the SET, enters into an important or material transaction, such as the acquisition or disposition of assets, or related party transactions, such transactions may be subject to consideration for approval in the Board of Directors' meeting or shareholders' meeting of the Holdings Company (depending on the circumstance). This results in the increase of management procedures and time spent to consider and approve transactions. The increase in procedures and time spent may cause the company to be disadvantaged competitively when compared to other insurance companies that do not have the same shareholding structure.

3) Risks from unsuccessful transactions in the listing and delisting of securities, and the approval of other contractual counterparties and relevant regulatory bodies

The Shareholding and Management Restructuring Plan, the tender offer for securities, and other related processes must receive approval or agreement from contractual counterparties, which depends on the terms and conditions of each contract, and related regulatory bodies, including the SEC and SET. In addition, the number of shares of the Company held by the Holdings Company after the completion of the tender offer

shall cause the Company to be regarded as a subsidiary operating the core business of a Holding Company in accordance to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities, B.E. 2015 (2015) (as amended). Therefore, in the scenario that the Company and/or the Holdings Company does not receive approval or permission from the regulatory bodies mentioned above, or does not hold enough shares in the Holdings Company to meet the necessary criteria, the entering into the Transaction may not succeed.

Presently, the Company has had preliminary discussions with the regulatory bodies, including the SEC and the SET. If these regulatory bodies approve of the Shareholding and Management Restructuring Plan while establishing additional conditions that could impact the investors' decision, or conditions that require additional approval from the shareholders, the Company's Board of Directors will propose those conditions to the shareholders' meeting again for the Company to best comply to such conditions. On the other hand, the Shareholding and Management Restructuring Plan does not require approval from the OIC and does not go against the Non-Life Insurance law nor regulations set by the OIC. However, the Company has notified the OIC about the Shareholding and Management Restructuring Plan for their acknowledgement and preliminary discussions. However, upon the consideration of entering into the Transaction of the restructuring of shareholding, it has been noted that historically there have been listed companies that enacted similar transactions as the Company and was able to successfully request for approval from the SEC and SET, including relevant regulatory bodies. In this regard, The Company must have all qualifications to be listed on the SET according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The IFA observes that the Company is prepared to enter into the Transaction from how various processes and arrangements are still in accordance to the Shareholding and Management Restructuring Plan (details founds in Part 1 Topic 2.7 of this report), as well as the progress in the preparation of documentation for disclosure and/or the approval from contractual properties and relevant regulatory bodies. Ultimately, it is at the discretion of the contractual counterparties and relevant regulatory bodies to pass their approval or agreement onto the Company.

4) Risks from unexpected performance in operating results of the Holdings Company

If the Shareholding and Management Restructuring plan is successful, the Holding Company will be the shareholder of the Company in proportion to the number of shareholders who accept the offer to purchase securities and will invest mainly in the insurance business with an investment proportion of not less than 75 percent of the Holding Company's total assets. Therefore, if the future performance of the Holding Company is not as expected, this will result in the investment returns of the Holding Company not being as expected by shareholders.

In the scenario that the Holdings Company can swap for 100.00% of total issued and outstanding shares with the Company, then the financial position and operating results of the Holdings Company and the Company will be the same in all aspects. However, in the scenario that the Holdings Company can swap for

less than 100.00% of total issued and outstanding shares with the Company, then the Holdings Company will recognize reduced operating results in proportion to the shares acquired from the swap by compare to the operating results for the 6-months ended June 30, 2023, detailed as follows:

Effects to the Financial Position and Operating Results of the Holdings Company

Operating results for the 6-month period of year 2023	Unit	Case 1 (100%)	Case 2 (75%)	Case 3 (50%)
Net profit (loss) for the period	THB million	1,684.99	1,263.75	842.50
Number of shares	Million shares	106.47	79.85	53.24
Net profit (loss) for the period per share	THB per share	15.83	15.83	15.83

3.2 Reasonableness of the Delisting of Securities

3.2.1 Objectives and Necessity of the Delisting of Securities

Under the Shareholding and Management Restructuring Plan, which is carried out in accordance to the Notification of the Capital Market Supervisory Board No. TorJor. 34/2552 Re: Criteria for Offering the Sale of Newly Issued Securities with a Tender Offer for the Existing Securities of Listed Companies for Restructuring of Shareholding and Management (as amended) ("Notification TorJor. 34/2552"), the Company will establish a holding company as a public limited company under the name "BKI Holdings Public Company Limited" (the "Holdings Company"). This is done in order to have the Holdings Company make a tender offer for all securities of the Company, and the Holdings Company will issue and offer the newly issued ordinary shares to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company. After the completion of the tender offer, the Holdings Company will submit an application for listing its ordinary shares in the Stock Exchange of Thailand ("SET") in place of the Company's ordinary shares that are going to be delisted from the SET at the same time (Details of the Shareholding and Management Restructuring Plan and the Delisting of Securities can be found in Part 1 Topic 2.1 of this report).

Therefore, the delisting of securities of the Company (BKI's ordinary shares that listed in stock exchange) is considered as a vital part of the Shareholding and Management Restructuring Plan, and the Company is obligated to acquire approval from the resolutions of the shareholders' meeting to delist securities of the Company from the SET in accordance to the Shareholding and Management Restructuring Plan. This agenda must receive approval by no less than three-fourths of the total number of shares held by shareholders who attended the shareholders' meeting and have the right to vote.

3.2.2 Comparison between Advantages and Disadvantages of the effects to the Company from the Delisting of Securities

Advantages

(1) **Reduction in costs for the Company**

The delisting of securities of the Company will reduce the costs relevant to maintaining the status as a listed company, such as annual fees. The reduction in costs will benefit the shareholders who do not accept the

tender offer after the shareholding restructure, since the Holdings company will have the increased costs from maintaining the status as a listed company.

(2) Reduce the process and burden of disclosing information for flexibility in business operations

The delisting of securities of the Company from being a listed security on the SET would make the company does not have to comply with the criteria of the SEC and the Stock Exchange related to continuing to be a listed company. However, the Company still need to disclose information and comply with the criteria for acquiring and disposing of assets, entering into a related transaction as a subsidiary of the Holdings Company which was registered after the completion of the tender offer.

However, if after the completion of the tender offer, the Company (a) still has other shareholders who are not the tender offeror; and those related to the offeror holding shares together not exceeding 5.00 percent of the total issued shares of the Company. or the number of shareholders does not exceed 100, or (b) there are still other shareholders who are not the offeror. and those related to the offeror holding more than 5.00 percent of the total issued shares of the company or the number of shareholders together exceeds 100, but the Company has received a letter of consent from all of the above shareholders that they do not wish to receive information in accordance with the announcement of the Capital Market Supervisory Board No. TorJor. 44/2556 regarding rules, conditions and methods for reporting disclosures of information regarding the financial position and operating results of companies issuing securities (compiled version) and do not wishing to receive protection according to the Securities and Exchange Act B.E. 2535 (and as amended) or (c) the Company's board of directors have the resolution to purchase shares from securities holders in general by disclosing the purpose of purchasing securities and a statement indicating that after purchasing securities, the Company will cease its duty to prepare and submit reports showing the financial status and operating results of the Company. etc. to the SEC Office, including the Company's executive directors and auditors will also be exempt from having to prepare and disclose securities holding reports.

Disadvantages

(1) Inability to receive benefits from being a listed company in the SET

When the Company has obtained approval from its shareholders and the securities market for the delisting of its registered securities from the SET, the Company will continue its core business as an insurance company under the supervision of the OIC. However, the Company will no longer be able to raise funds through the securities market by issuing financial instruments and subsequently registering them for trading on the secondary market. Nevertheless, the Company can still source capital through borrowing from financial institutions, issuing private shares, and can also raise funds and register them on the stock market through Holding Company' financial instruments in the future, in order to support future expansion.

3.2.3 Comparison between Advantages and Disadvantages of the effects to the Shareholders from the Delisting of Securities

Scenario of the Approval of Delisting Securities of the Company and the Shareholders Accept the Tender Offer

Advantage

- (1) Shareholders who accepted the Tender Offer remains as Shareholders of a listed company in the SET

Shareholders of the Company who accepted the tender offer can still retain the benefits as a shareholder of a listed company in the SET, such as share trading liquidity through the SET, the chance to receive investment returns in the form of capital gains, capital gain tax exemption from the sale of shares for individual shareholders, stamp duty exemption in the transfer of shares, and access to newsletters and information updates.

- (2) Chance to receive greater returns from future operating results after the Shareholding and Management Restructuring

Shareholders who accepted the tender offer will be able to swap shares to hold shares in the Holdings Company, which has plans for business expansions from only the non-life insurance business to operating related, supporting business and other business in the future. However, the shareholders should consider the advantages, disadvantages, and risks from entering into the restructuring of shareholding transaction before making a decision (Details can be found in Part 1 Topic 2.1 of this report).

Disadvantages

- (1) Risks from unexpected performance in operating results of the Holdings Company

In the scenario that shareholders approve of the delisting of securities of the Company from being a listed company, and accepts the tender offer from the Holdings Company to become shareholders of the Holdings Company, which plans to have business expansions into operating other businesses aside from non-life insurance business. Therefore, in the scenario that the expansions into operating other businesses do not perform as well as expected in the future, the shareholders will bear risks from these operations.

Scenario of the Approval of Delisting Securities of the Company and the Shareholders Do Not Accept the Tender Offer

Advantages

- (1) No risks from the operating results of the Holdings Company

In the scenario that shareholders approve of the delisting of securities of the Company from being a listed company, and do not accept the tender offer from the Holdings Company, the shareholders of the Company will maintain their shares, and the Company will continue to operate in the nonlife insurance business. The shareholders will not be affected or exposed to risk by operating results and the expansion into other businesses by the Holdings Company while retaining the ability to receive dividends from retained earnings or future operating results in accordance to the dividend policy of the Company.

Disadvantages

- (1) Lack of share trading liquidity

After the shares of the Company have been delisted from the SET, the shareholders of the Company will no longer be able to trade shares of the Company through the SET, which could result in the shares not having market prices to reference to and the shareholders may lack share trading liquidity.

(2) Limitations in returns from investment

Returns from investments that shareholders of the Company may receive could be limited to the form of dividend payments, while the chance to generate capital gains from the difference between sale price and cost of shares may be lowered, since there is no secondary market to facilitate trading and no market prices to reference in the trade of securities.

Presently, the dividend policy of the Company is at no less than 50.00% of profits after corporate income tax, of which in the operating results of the years 2020 – June 30, 2023 are as follow

Details	Unit	2020	2021	2022	6 months period of year 2023
Dividend per share	THB per share	15.00	15.00	15.50	7.50
Profit per share	THB per share	25.41	9.92	-6.00	15.87
Dividend payout ratio	Percent	59.03	151.21	n/a*	47.26

*Calculation is not feasible due to the net loss incurred from operations in the year 2022

However, future dividend payments of the Company are still subject to uncertainty and depend on the operating results of the Company.

(3) Inability to receive tax benefits

After the delisting of shares of the Company from the SET, individual shareholders of the Company will no longer receive capital gain tax exemption.

(4) Less access to news and information of the Company

After the delisting of shares of the Company from the SET, the Company will no longer have an obligation to prepare and deliver financial statements, or other reports in relation to the financial position and operating results to the SEC in accordance to the Notification of the Capital Market Supervisory Board No. TorJor. 44/2556 Re: Rules, Conditions, and Procedures for Disclosure regarding Financial and Non-financial Information of Securities Issuers. However, the Company must operate under the conditions as specified in the Announcement TorJor. 44/2556.

Moreover, the Company must still disclose information as a public company in accordance to the Public Limited Companies Act, B.E. 2535, such as news and information to be disclosed in the shareholders' meeting of the Company and annual reports. Shareholders can still make a copy of important documents of the Company, namely certificates, list of shareholders, and annual financial reports of the Company, from the Ministry of Commerce, and the shareholders may also rely on the information disclosure from the Holdings Company or information disclosure of the Company under the supervision of the OIC.

Scenario of Not Approval for the Delisting of Securities of the Company

If the resolutions of the shareholders' meeting do not approve the delisting of securities of the Company from the SET, then the Shareholding and Management Restructuring Plan along with other related arrangements will be unable to continue, since the agenda items are dependent and conditional upon each other. Therefore, the Company will maintain the status of a listed company in the SET and continue to operate in the non-life insurance business, so there is no effect to the shareholders. However, the shareholders will miss the opportunity to receive the benefits of the Holdings Company and its business expansion in the future, such as the increased returns that may arise from business expansion, and the enhanced business competitiveness.

3.2.4 Effects to the Taxation of Shareholders

Effects to the Taxation of Shareholders of the Company from the Tender Offer for Securities by Share Swap

In the tender offer of the Holdings Company to delist shares of the Company by share swap, shareholders who accepted the tender offer by share swap equates to the sale of ordinary shares of the Company in exchange for shares of the Holdings Company. The tax liabilities generated from the share swap are detailed as follows:

Scenario of individual shareholders

Shareholder will not have tax liabilities from the share swap nor from the capital gains generated from the trade of securities, since the price of the share swap transaction is equal to the share cost of individual shareholder; therefore, there is no gain generated from the swap.

Scenario of corporate shareholders

Shareholder will not have tax liabilities from the share swap nor from the capital gains generated from the trade of securities, since the price of the share swap transaction is equal to the share cost of corporate shareholder; therefore, there is no gain generated from the swap.

Effects to the taxation of the shareholders in the scenario that the Company compared to when the Company is not a listed company in the SET

To aid in the consideration of acceptance for the tender offer, in the scenario that the Company has been delisted, the shareholder will no longer receive tax benefits. The effects to the taxation of the shareholders in the scenario that the Company compared to when the Company is not a listed company in the SET can be summarized as follows:

	The Company is a listed company	The Company is not a listed company
Capital Gain		
Individual	Subject to tax exemption (No. 2 (23) and (75) of Ministerial Regulation No. 126 (B.E. 2509))	<ul style="list-style-type: none"> - Individuals residing in Thailand: subject to withholding tax in accordance to the progressive tax rate, and must include capital gains from sale of securities in the calculation of the annual tax filing - Individuals not residing in Thailand: subject to 15.00% withholding tax*

	The Company is a listed company	The Company is not a listed company
Corporate	<ul style="list-style-type: none"> - No withholding tax but must be included as income to calculate corporate income tax. - In the case of foreign juristic persons not conducting business in Thailand, there will be withholding tax of 15.00%* 	No Change
Dividend		
Individual	<ul style="list-style-type: none"> - Withholding tax of 10%. Investors can choose to include dividends as income for calculating annual personal income tax or not. The details are as follows. <ul style="list-style-type: none"> o Choose not to include it in the tax calculation (Final Tax) (Section 48 (3), paragraph 2 of the Revenue Code) or o Choose to include in tax calculation may receive a tax credit and pay income tax at a progressive rate (Section 47 bis of the Revenue Code) <p>Tax exemption only in the case of receiving dividends from companies that receive investment promotion (BOI) (Section 34 of the Investment Promotion Act B.E. 1977)</p>	No Change
Corporate	<ul style="list-style-type: none"> - 10% withholding tax - Exempt from tax only in the following cases <ol style="list-style-type: none"> 1. The investor is a listed company holding shares for at least 3 months before and 3 months after the date of announcement of dividend payment or profit sharing. (Section 65 bis (10) of the Revenue Code). <p>The investor holds at least 25% of the total shares in the company paying dividends with voting rights.</p>	No Change

Remark: *In the case of foreign investors, please study additional information regarding income tax exemptions according to double tax treaties. This is because it is subject to change according to the double tax treaty agreements of each country.

4. Fairness of the Swap Rate, Price, and Conditions of the Securities Swap Transaction

4.1 Fairness of the Swap Rate and Price in the Securities Swap

From the Shareholding and Management Restructuring Plan and the Delisting of Securities, the Company will establish a holding company in order to make a tender offer for all securities of the Company, whereby the Holdings Company approved the increase in registered capital and the tender offer of newly issued ordinary shares in order to swap with the ordinary shares of the Company at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company. After the completion of the tender offer, the Holdings Company will request for approval to list its ordinary shares on the SET in place of the Company's ordinary shares that are going to be delisted from the SET at

the same time and since the Holdings Company is a newly established company for the purpose of entering into this transaction and has yet to perform any business operations, then the operating results of the Hold Co. after the securities swap can reflect the financial position and operating results of the Company, including all subsidiaries.

In conclusion, the IFA views that the swap ratio of 1 ordinary share of the Company for 1 newly issued ordinary share of the Holding Company and the swap price at equal to cost of each shareholder are appropriate. It does not make the Company's shareholders who accepted the tender offer to lost benefits from this stock exchange Including the shareholders will not have any additional tax burden from accepting the said tender offer because the offer price will be equal to the cost price of each shareholder.

4.2 Fairness of conditions for entering into the Transaction

The IFA has considered the fairness of the conditions of entering into the transaction, from the conditions of the Company and the Holdings Company that must be fulfilled before the Shareholding and Management Restructuring Plan can be successful. Material processes of the Company and the Holdings Company are as follows:

1) Obtaining approval for entering into the Transaction from the shareholders' meeting of the Company

On October 6, 2023 at 2:00 p.m., which is scheduled to be the date of the Extraordinary General Meeting of Shareholders No. 1/2023 via electronic media (E-EGM), there are agendas as follows:

- Agenda 1 To consider certifying the minutes of the 30th Annual General Meeting of Shareholders on April 21, 2023.
- Agenda 2 To consider and approve Management Restructuring Plan of Bangkok Insurance Public Company Limited
- Agenda 3 To consider and approve the delisting of shares of the Company from the SET
- Agenda 4 To consider and approve the amendment to the Company's Articles of Association in accordance to the Shareholding and Management Restructuring Plan of Bangkok Insurance Public Company Limited
- Agenda 5 To consider and approve the delegation of authority related to the Shareholding and Management Restructuring of Bangkok Insurance Public Company Limited
- Agenda 6 To consider other matters (if any)

Incidentally, Agenda 2-5 are related agendas. and are mutually exclusive If any agenda If approval is not received, it will be considered that other approved agenda items are cancelled. and there will be no further consideration of other agenda items. In addition, if the number of the Company's shares which the shareholders of the Company expressed their intention to sell to the Holding Company is less than 75 percent of the total number of shares sold in the Company. The Holdings Company will cancel the tender offer for the Company's securities and the Company will not proceed with the approval.

2) Obtaining approval to enter into the Transaction from the shareholders' meeting of the Holdings Company

The Company will proceed to establish a Holding Company named " BKI Holdings Public Company Limited" with an initial registered capital of THB 10,000 at a par value of THB 10.00 per share, divided into 1,000 shares, with

executive directors and employees of the Company as the initial shareholder. The Holding Company's shareholders' meeting, which will initially be held within October 2023, must approve the following transactions:

1. Increase of registered capital to support the Company's share swap
2. Allocation of capital increase shares to existing shareholders of the Company
3. Making a tender offer for the Company's shares by swapping shares and other related operations
4. Submission of an application for permission to offer newly issued securities for sale and securities offering information registration form along with making a tender offer for securities to the SEC Office
5. Submission of an application form for the ordinary shares of the Holding Company to be listed on the SET to the Office of the SEC

3) Obtain approval and/or notified about the Shareholding and Management Restructuring Plan from/to insurance contract parties and other relevant contractual counter parties (if any)

The Company requests for approval and/or notified about the Shareholding and Management Restructuring Plan from/to insurance counterparties such as reinsurance parties and other relevant contractual counterparties (if any) about the Shareholding and Management Restructuring Plan to amend or waive certain conditions that are relevant to the change of control, which is expected to be arranged within October 2023.

4) Obtain approval from the SEC and SET

The Company must obtain preliminary approval relating to the Shareholding and Management Restructuring Plan, including the listing of newly issued shares in the SET in place of the Company's shares, and request for approval to delist shares of the Company from the SET. The Company are expecting to seeks to obtain preliminary approval within September 2023 and expects the SET to announce the decision regarding their consideration of the Shareholding and Management Restructuring Plan in October 2023. After receiving approval from the shareholders' meeting of the Company, and in late October 2023 the Holdings Company are expecting to submit the application for approval on the tender offer of newly issued securities, and the registration statement for securities offering along with the tender offer form (Form 69/247-1) to the SEC. The SEC will consider the application for approval within 135 days after receiving all related documentation.

5) Tender offer of securities

After receiving approval from the SEC, the Holdings Company will make a tender offer for all securities of the Company from existing shareholders by share swap at a ratio of one ordinary share of the Company to one ordinary share of the Holdings Company (Details on the conditions for the tender offer of securities can be found in Part 1 Topic 2.1 of this report). After the completion of the tender offer, the number of shares of the Company held by the Holdings Company shall cause the Company to be regarded as a subsidiary operating the core business of a Holding Company in accordance to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities, B.E. 2015 (2015) (as amended).

Therefore, the IFA is of the opinion that the conditions of entering into this Transaction are appropriate, since terms and conditions related to entering into the Transaction are conventional conditions set by the SEC and SET, which other listed companies that have previously entered into a similar transaction was able to successfully request for approval and does not cause negative impact to the Company and shareholders.

Part 2: Summary of the Independent Financial Advisor Opinion

From the Shareholding and Management Restructuring Plan including the delisting of the Company's securities, the Independent Financial Advisor has an opinion that entering into such transactions is appropriate because;

1. The share swap ratio of one ordinary share of the Company to one ordinary share of the Holdings Company, and the securities swap price being equal to the cost of each shareholder is appropriate, since the Holdings Company is a newly established company for the purpose of entering into this transaction and has yet to perform any business operations, then the operating results of the Hold Co. after the securities swap can reflect the financial position and operating results of the Company, including all subsidiaries.
2. Reduce investment restrictions, since the Company conducts nonlife insurance business under the supervision of the OIC in order to appropriately manage risks, including those arising from the scope and proportion of investments in various securities. This results in the Company being capable of investing in various assets in order to increase returns to shareholders of the Company. The restructuring into a Holding Company can reduce such restrictions, in which the Holdings Company can utilize the dividends of the Company in the management of investments to increase long-term returns for the shareholders and enhance competitiveness of the Holdings Company without affecting the Capital Adequacy Ratio (CAR) of the Company. The source of funds to be used in the investment of supporting businesses of insurance and/or other businesses will come from future dividends of the Company.
3. Reduce restrictions in conducting other business, whereby after the completion of the restructuring plan, shareholders of the Company have the right to hold shares through the share swap of one share of the Company to one share of the Holdings Company. The business expansions of the Holdings Company to other business are now capable, which enables the Holdings Company to increase flexibility in management and enhance competitiveness against other businesses, including other businesses operating under the structure of an insurance company.
4. Clear risk management separated into business groups, whereby the restructuring of the Company to conduct business as a Holding Company allows the Holdings Company to clearly separate the scope of business operations of each business group and appropriately manage the risk without affecting the operations of the non-life insurance business under the supervision of the OIC. The Holdings Company can also freely consider investment in businesses with higher risk or lower risk than operations of the insurance business at an appropriate proportion in order create higher and stable returns to the shareholders of the group.
5. Diversification of risk from investments in many types of business, whereby after the completion of the restructuring of shareholding, the Holdings Company will be able to invest in operations of other types of business aside from non-life insurance; therefore, when compared to the original shareholding structure, the Holdings Company has the ability to manage and diversify risks from investments in the insurance business as well as other business in the future. In the scenario of uncertainty in the non-life insurance industry, the Company will be less affected due to the diversification of risks and reduction in overreliance on non-life insurance business revenues.
6. The Company can continue business operations into the foreseeable future as intended, even after the delisting of securities of the Company from the SET removes the Company's ability to receive benefits from being a listed

company, such as the opportunity to raise capital through various means in the SET; however, the Company has other methods of raising capital to support future business operations, such as raising capital through the Holdings Company, so it is expected that the Company can continue business operations into the foreseeable future.

7. Shareholders who accepted the tender offer remain as shareholders of a listed company and have the chance to receive returns from future operating results after the restructuring of the shareholding.

However, there are disadvantages and risks from entering this transaction that shareholders should consider to better form a decision on the resolution to approve this transaction, detailed as follows:

1. Increased costs arising from entering into the Transaction for the Holdings Company. The corporate governance and management structure of the Holdings Company will remain the same as it had been for the Company, in which most of the directors of the Company will also act as the directors for the Holdings Company and simultaneously oversee the Holdings Company and the Company totaling of 11 director and 5 sub-committee (There will be no sub-committees that are directly involved in operating the insurance business in the Holding Company.) as following
1) The Audit Committee 2) The Risk Management Committee 3) The Corporate Governance and Sustainability Committee 4) The Remuneration and Nomination Committee and 5) The Investment Committee. In corporate governance and administration, Holding Company will oversee the operation of the non-life insurance business by the Company in accordance to the regulations and policies relevant to the Company and the Holdings Company. To ensure transparency, efficiency, and compliance to the laws and regulations of the SEC, SET, OIC, and other relevant regulatory bodies. In the initial stage after the Shareholding and Management Restructuring, the Chairman of Executive Board, the who are appointed to oversee accounting and financing (CFO), and the accountants of the Company will also perform those same duties for the Holdings Company. Therefore, the Holdings Company will pay director's remuneration and compensation for the directors, staff, and other expenses such as auditing fee, consulting fee, website creation fee and registration fees of various agencies etc. which would amount to approximately THB 10.00 million per year. However, because the Holding Company was recently established and is in the process of making additional investments in other businesses according to the Shareholding and Management Restructuring Plan. The Board of Directors of the Holding Company will receive directors' remuneration based on the number of meetings held according to the director remuneration rate requested for approval through the Holding Company's shareholders' meeting and for executives who must perform duties in the Company and the Holding Companies, no additional salary will be received from the Holding company.
2. Increase in management procedures, in which the Company may need to obtain approval from the resolutions of the Board of Directors' meeting of the Company or of the Holdings Company, or the shareholders' meeting of the Holdings Company (depending on circumstance), which results in the increase of management procedures and time spent to consider and approve transactions, since after the restructuring plan, the Company will become a subsidiary of a listed company in the SET. When the Company enters into an important or material transaction, such as the acquisition or disposition of assets, or related party transactions, it must follow the rules and regulations regarding oversight set by the SEC and SET.

3. Risks from unsuccessful transactions in the listing and delisting of securities, and the approval of other contractual counterparties and relevant regulatory bodies, in which the Shareholding and Management Restructuring Plan, the tender offer for securities, and other related processes must receive approval or agreement from contractual counterparties, which depends on the terms and conditions of each contract, and related regulatory bodies, including the SEC and SET. Therefore, in the scenario that the Company and/or the Holdings Company does not receive approval or permission from the regulatory bodies mentioned above or does not hold enough shares in the Holdings Company to meet the necessary criteria, the entering into the Transaction may not succeed. However, the IFA observes that the Company is prepared to enter into the Transaction from how various processes and arrangements are still in accordance to the Shareholding and Management Restructuring Plan (details found in Part 1 Topic 2.7 of this report), as well as the progress in the preparation of documentation for disclosure and/or the approval from contractual counterparties and relevant regulatory bodies. Ultimately, it is at the discretion of the contractual counterparties and relevant regulatory bodies to pass their approval or agreement onto the Company.
4. Risks from unexpected performance in operating results of the Holdings Company, whereby after the restructuring of shareholding, shareholders of the Company will become shareholders of the Holdings Company, which plans to have business expansions into operating other businesses aside from non-life insurance business. Therefore, in the scenario that the expansions into operating other businesses do not perform as well as expected in the future, the shareholders will bear risks from these operations.
5. In the scenario that shareholders do not accept the tender offer and the Company delists its securities from the SET, shareholders may lack securities trading liquidity, have limitations in returns from investment, have the inability to receive tax benefits, and have less access to news and information of the Company.

Considering the advantages, disadvantages, and risks, together with the fairness of the share swap ratio and securities swap price mentioned above, the IFA is of the opinion that shareholders of the Company should approve the Shareholding and Management Restructuring Plan and the Delisting of Securities and accept the tender offer. Nevertheless, the decision to vote and approve entering into the transaction is at the discretion of the shareholders. The shareholders should carefully study the information and consider the reasoning, advantages, disadvantages, related risks and limitations, as well as the opinions relating to each aspect of the transaction as per the appended documents to the Invitation to the Shareholders' Meeting with prudence and care before coming to an appropriate resolution regarding the decision of entering into the transaction. Discover Management Company Limited, as the IFA of the Company, hereby certifies that it has studied and analyzed the aforementioned information, and prudently performed its duties in accordance with professional standards. The opinion rendered is based on an objective and unbiased analysis of the information with consideration to the interests of retail investors of the Company.

As details above, the decision to vote, approve or not approve the Shareholding and Management Restructuring Plan is at the discretion of each shareholder. Shareholders are advised to carefully study all information contained in the Opinion of IFA Report and all of the documents sent together with the invitation of the Meetings of the Shareholders in order to make reasonable decision on the approval of the Shareholding and Management Restructuring Plan.

IFA has prepared the original report in Thai language and translated report into English version for the understanding of Foreign Shareholders. However, if there is any text in the English version which does not match the text in the original report, the original report of Thai version shall be adhered as the main original version.

Discover Management Company Limited as an independent financial advisor hereby certify that the above opinions have been carefully considered and given in accordance with professional standards, taking into account the interests of minority shareholders.

Best Regards,

(Mr. Vuthichai Tumasaroj)

Director

(Ms. Kanokporn Pongjetanapong)

Director

(Mr. Vuthichai Tumasaroj)

Supervisor

Discover Management Company Limited

Contact: Discover Management Company Limited

02-651-4447

info@discoverym.com

Attachment 1

Summary of Bangkok Insurance Public Company Limited

1. General Information

Name of the

Company : Bangkok Insurance Public Company Limited (“the Company” or “BKI”)

Head office location : Bangkok Insurance Bld., 25 Sathon Tai Road Bangkok 10120

Telephone : 0 2285 8888

Type of business : The Company operates insurance business including fire insurance, marine and cargo Insurance, insurance for motor vehicles, miscellaneous insurance as well as reinsurance.

Company

Registration Number: 0107536000625

Website : www.bangkokinsurance.com

Registered capital : Registered capital of THB 1,064,700,000 consist of 106,470,000 ordinary shares of THB 10.00 each which are paid up capital of THB 1,064,700,000 consist of 106,470,000 ordinary shares of THB 10.00 each.

2. List of shareholders

As of May 26, 2023, BKI has registered and paidup capital of THB 1,064,700,000 consists of 106,470,000 ordinary shares of THB 10.00 each, which have 10 major shareholders as follows:

No.	List of shareholders	Number of Shares	Percent
1.	BANGKOK BANK PUBLIC COMPANY LIMITED	10,613,194	9.97
2.	NOMURA SECURITIES CO LTD-CLIENT A/C	3,376,000	3.17
3.	Chinsophonpanich Foundation	3,370,934	3.17
4.	C.R.HOLDING CO., LTD	3,332,934	3.13
5.	AIOI NISSAY DOWA INSURANCE CO., LTD.	2,989,599	2.81
6.	Mr. Chan Sophonpanich	2,884,377	2.71
7.	Mr. Chai Sophonpanich	2,643,380	2.48
8.	Mr. Min Tienworn	2,492,000	2.34
9.	Mr. Niti Osathanugrah	2,224,362	2.09
10.	Bangkok Insurance Public Company Limited	2,095,840	1.97
Top 10 shareholders		36,022,620	33.84
Other minority shareholders		70,447,380	66.16
Total		106,470,000	100.00

Source: SET

3. Name list of Board of Director

As of June 30, 2023, list of Board of Directors are as follows.

Name			Position
1.	Mr. Chai	Sophonpanich	Chairman and Authorized Director
2.	VDC Col Plengsakdi	Prakaspesat	Independent Director and Chairman of the Audit Committee
3.	Mr. Chor.nun	Petpaisit	Independent Director and Director of the Audit Committee
4.	Miss Potjane	Thanavaranit	Independent Director and Director of the Audit Committee
5.	Mr. Singh	Tangtaswas	Independent Director and Chairman of the Remuneration and Nomination Committee
6.	Mr. Suvarn	Thansathit	Independent Director and Director of the Remuneration and Nomination Committee
7.	M.R. Supadis	Diskul	Independent Director and Director of the Remuneration and Nomination Committee
8.	Mrs. Ninthira	Sophonpanich	Independent Director and Chairman of the Corporate Governance and Sustainability Committee
9.	Mr. Panus	Thiravanitkul	Director and Director of the Corporate Governance and Sustainability Committee and Authorized Director
10.	Dr. Apisit	Anantanatarat	Chairman of the Executive Board and President
11.	Mr. Susumu	Tatekami	Independent Director

Remark:

1/ The authorized directors include Mr. Chai Sophonphanit, Mr. Panus Thiravanitkul, and Mr. Apisit Anantanatarat. Two out of these three directors have signed their names and affixed the company's official seal in unison.

2/ The Company's secretary is Mr. Anek Kirisetthian..

4. Sub-Committee

Currently, the management structure of BKL consists of Sub-Committee appointed and directly reporting to the board of directors. These are divided into 6 committees as follows.

- 1) The Audit Committee
- 2) The Risk Management Committee
- 3) The Corporate Governance and Sustainability Committee
- 4) The Remuneration and Nomination Committee
- 5) The Investment Committee
- 6) The Products Governance Committee

4.1 The Audit committee

As of June 30, 2023, the Audit committee are as follows.

Name		Position
1.	VDC Col Plengsakdi Prakaspesat	Chairman of the Audit Committee
2.	Mr. Chor.nun Petpaisit	Director of the Audit Committee
3.	Miss Potjanee Thanavaranit	Director of the Audit Committee

4.2 Risk Management Committee

As of June 30, 2023, the Risk Management Committee are as follows.

Name		Position
1.	Dr. Apisit Anantanatarat	President of the Risk Management Committee
2.	Mr. Suphat Yookongbandhu	Executive Vice President of the Risk Management Committee
3.	Mr. Suphachai Assawaraks	Director of the Risk Management Committee
4.	Mr. Sorat Vonganankij	Director of the Risk Management Committee
5.	Ms. Paveena Juchuan	Director of the Risk Management Committee

4.3 Corporate Governance and Sustainability Committee

As of June 30, 2023, the Corporate Governance and Sustainability Committee are as follows.

Name		Position
1.	Mrs. Nintira Sophonpanich	Independent director and Chairman of the Corporate Governance and Sustainability Committee
2.	Mr. Panus Thiravanitkul	Director of the Corporate Governance and Sustainability Committee

4.4 Remuneration and Nomination Committee

As of June 30, 2023, the Remuneration and Nomination Committee are as follows.

Name		Position
1.	Mr. Singh Tangtaswas	Chairman of the Remuneration and Nomination Committee
2.	Mr. Suvarn Thansathit	Director of the Remuneration and Nomination Committee
3.	M.R. Supadis Diskul	Director of the Remuneration and Nomination Committee

4.5 Investment Committee

As of June 30, 2023, the Investment Committee are as follows.

Name		Position
1.	Mr. Chai Sophonpanich	Chairman of the Investment Committee
2.	Dr. Apisit Anantanatarat	Director of the Investment Committee
3.	Mr. Suphachai Assawaraks	Director of the Investment Committee

Name			Position
4.	Mr. Ekkamon	Angwattana	Director of the Investment Committee
5.	Ms. Natsarun	Woraratpanya	Director of the Investment Committee

4.6 The Products Governance Committee

As of June 30, 2023, the Products Governance Committee are as follows.

Name			Position
1.	Dr. Apisit	Anantanarat	President of the Products Governance Committee
2.	Mr. Yingyot	Sangchai	Director of the Products Governance Committee
3.	Mr. Anek	Keereesathien	Director of the Products Governance Committee
4.	Mr. Chaiyot	Soonhoa	Director of the Products Governance Committee
5.	Mr. Tirathana	Visetbhakdi	Director of the Products Governance Committee
6.	Ms. Nattsaran	Woraratpanya	Director of the Products Governance Committee
7.	Mr. Kitisak	Suriyaranapimol	Director of the Products Governance Committee
8.	Mr. Thaveewong	Chotemaneenophan	Director of the Products Governance Committee
9.	Mr. Yutthachai	Issawanish	Director of the Products Governance Committee

5. Management Committee

As of June 30, 2023, the Management Committee of BKI are as follows.

Name			Position
1.	Dr. Apisit	Anantanarat	Chairman of the Executive Board and President ^{1/}
2.	Mr. Suphat	Yookongbandhu	Executive Vice President ^{1/}
3.	Mr. Jakkrit	Chewanuntapornchai	Executive Vice President ^{1/}
4.	Ms. Paveena	Juchuan	Executive Vice President ^{1/}
5.	Mr. Chawan	Sophonpanich	Executive Vice President ^{1/}
6.	Ms. Lasa	Sophonpanich	Executive Vice President ^{1/}
7.	M.L. Chalitpong	Sanidvong	Senior Vice President
8.	Mr. Yingyot	Sangchai	Senior Vice President
9.	Mr. Theerayut	Kitvoraphat	Senior Vice President
10.	Mr. Suphachai	Assawaraks	Senior Vice President ^{1/} (Chief Financial Officer (CFO) and Chief Accountant
11.	Mr. Tassapong	Budsayaplakorn	Senior Vice President
12.	Mr. Pan	Rodloytuk	Senior Vice President
13.	Mr. Anek	Keereesathien	Senior Vice President and Company Secretary

Remark: 1/ The first four executive members following Chairman of the Executive Board, including those with management positions in the accounting or financial field that are department managers or Company executives or higher or equivalent.

6. Summary of Financial Statements

6.1 Statement of Financial Position as of December 31, 2020 to 2022 and June 30, 2023

Items	(Audited financial statement)						(Reviewed financial statement)	
	December 31, 2020		December 31, 2021		December 31, 2022		June 30, 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Assets								
Current Assets								
Cash and cash equivalents	141.56	0.24	561.73	0.88	648.19	0.91	783.57	1.07
Premium receivables	2,765.90	4.65	3,004.54	4.73	3,721.92	5.20	3,037.58	4.13
Accrued investment income	42.86	0.07	38.10	0.06	27.78	0.04	27.29	0.04
Reinsurance assets	7,560.17	12.71	7,930.46	12.49	14,206.55	19.86	14,821.75	20.15
Reinsurance receivables	389.32	0.65	628.97	0.99	475.96	0.67	412.96	0.56
Investment assets								
Investments in securities	44,424.09	74.66	47,047.50	74.09	48,121.24	67.27	50,395.26	68.51
Loans and interest receivables	1,476.42	2.48	1,400.12	2.20	1,164.36	1.63	1,061.05	1.44
Investment properties	117.93	0.20	100.70	0.16	83.47	0.12	74.93	0.10
Investments in associates	268.91	0.45	281.18	0.44	301.02	0.42	307.94	0.42
Premises and equipment	614.94	1.03	559.28	0.88	487.40	0.68	468.01	0.64
Right-of-use assets	886.56	1.49	901.26	1.42	861.80	1.20	840.14	1.14
Intangible assets	101.68	0.17	160.87	0.25	276.38	0.39	344.52	0.47
Other assets								
Corporate income tax awaiting refund	0.00	0.00	338.93	0.53	468.26	0.65	474.24	0.64
Account receivable on sales of securities	0.00	0.00	0.00	0.00	117.84	0.16	0.00	0.00
Others	713.45	1.20	546.20	0.86	572.77	0.80	507.60	0.69
Total assets	59,503.79	100.00	63,499.85	100.00	71,534.95	100.00	73,556.83	100.00
Liabilities								
Insurance contract liabilities	18,022.51	30.29	18,680.92	29.42	26,074.26	36.45	27,176.54	36.95
Due to reinsurers	2,737.45	4.60	3,188.39	5.02	3,779.32	5.28	3,330.61	4.53
Income tax payable	196.69	0.33	0.00	0.00	0.00	0.00	48.26	0.07
Lease liabilities	778.85	1.31	825.75	1.30	819.52	1.15	829.51	1.13
Employee benefit obligations	777.20	1.31	790.15	1.24	752.43	1.05	771.14	1.05
Deferred tax liabilities	2,984.54	5.02	3,716.95	5.85	4,018.47	5.62	4,160.89	5.66
Other liabilities								
Premiums received in advance	1,717.48	2.89	1,593.18	2.51	1,561.56	2.18	1,539.80	2.09
Commission payables	411.90	0.69	424.91	0.67	523.66	0.73	451.33	0.61
Accrued expenses	607.43	1.02	539.19	0.85	740.39	1.04	531.42	0.72
Account payable on purchases of securities	0.00	0.00	0.00	0.00	33.57	0.05	0.00	0.00
Other	926.67	1.56	922.31	1.45	1,069.32	1.49	1,050.56	1.43
Total liabilities	29,160.74	49.01	30,681.75	48.32	39,372.49	55.04	39,890.06	54.23

Items	(Audited financial statement)						(Reviewed financial statement)	
	December 31, 2020		December 31, 2021		December 31, 2022		June 30, 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Owner' equity								
Registered, issued and paid up								
106,470,000 ordinary shares of THB 10 each	1,064.70	1.79	1,064.70	1.68	1,064.70	1.49	1,064.70	1.45
Share premium	1,442.50	2.42	1,442.50	2.27	1,442.50	2.02	1,442.50	1.96
Retained earnings								
Appropriated – Statutory reserve	106.47	0.18	106.47	0.17	106.47	0.15	106.47	0.14
Appropriated – Other reserve	7,000.00	11.76	7,000.00	11.02	7,000.00	9.79	7,000.00	9.52
Unappropriated	5,373.11	9.03	4,748.93	7.48	2,537.17	3.55	3,295.55	4.48
Other component of owners' equity	15,356.27	25.81	18,455.50	29.06	20,011.62	27.97	20,757.55	28.22
Total owners' equity	30,343.05	50.99	32,818.10	51.68	32,162.45	44.96	33,666.77	45.77
Total liabilities and owners' equity	59,503.79	100.00	63,499.85	100.00	71,534.95	100.00	73,556.83	100.00

Source: the Company

6.2 Statement of Comprehensive Income as of December 31, 2020 to 2023 and 6 months ending on
2023

Items	(Audited financial statement)						(Reviewed financial statement)	
	December 31, 2020		December 31, 2021		December 31, 2022		June 30, 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Profit or loss:								
Gross premium written	22,858.22	127.04	24,510.99	132.88	26,676.28	110.62	13,868.65	137.63
Less: Premium ceded to reinsurers	(8,048.86)	(44.73)	(8,935.92)	(48.44)	(9,713.94)	(40.28)	(4,989.04)	(49.51)
Net premium written	14,809.36	82.31	15,575.07	84.44	16,962.34	70.34	8,879.61	88.12
Less: Unearned premium reserves increased from prior year	35.38	0.20	(338.33)	(1.83)	(908.98)	(3.77)	(312.07)	(3.10)
Earned premium	14,844.74	82.50	15,236.74	82.60	16,053.35	66.57	8,567.54	85.02
Fee and commission income	1,641.00	9.12	1,617.50	8.77	1,701.92	7.06	767.58	7.62
Investment revenue	1,127.22	6.26	1,052.97	5.71	1,022.77	4.24	638.29	6.33
Gains on investments	185.24	1.03	313.91	1.70	5,108.75	21.19	(1.29)	(0.01)
Share of profits in associates under the equity method	20.79	0.12	20.43	0.11	52.32	0.22	6.92	0.07
Other income	174.08	0.97	204.25	1.11	175.77	0.73	97.71	0.97
Total revenue	17,993.07	100.00	18,445.80	100.00	24,114.88	100.00	10,076.75	100.00
Expense								
Gross claims	12,327.28	68.51	13,833.49	75.00	26,974.06	111.86	6,579.37	65.29
Less: Claim recovery from reinsurers	(3,955.31)	(21.98)	(2,853.18)	(15.47)	(9,400.16)	(38.98)	(1,924.71)	(19.10)
Commissions and brokerages	2,865.23	15.92	3,032.44	16.44	3,409.07	14.14	1,831.77	18.18
Other underwriting expenses	2,375.42	13.20	2,195.54	11.90	2,639.78	10.95	1,210.08	12.01
Operating expenses	984.28	5.47	988.51	5.36	1,090.50	4.52	553.19	5.49
Investment expenses	86.43	0.48	89.03	0.48	97.16	0.40	44.63	0.44
Finance costs	39.34	0.22	40.83	0.22	41.88	0.17	20.66	0.21
Expected credit losses	60.32	0.34	4.28	0.02	7.80	0.03	5.39	0.05
Total expenses	14,782.99	82.16	17,330.94	93.96	24,860.08	103.09	8,320.38	82.57
Profit (loss) before income tax expenses	3,210.08	17.84	1,114.86	6.04	(745.20)	(3.09)	1,756.37	17.43
Add (less): Income tax revenues (expenses)	(504.49)	(2.80)	(58.98)	(0.32)	106.82	0.44	(66.37)	(0.66)
Net profit(loss)	2,705.60	15.04	1,055.88	5.72	(638.38)	(2.65)	1,689.99	16.77

Source: the Company

1. **Management Discussion and Analysis**

Year 2020

For 2020, the premium written income for all classes of insurance rose by 8.80 percent to THB 22,858.2 million, compared to 2019. Marine hull insurance and miscellaneous insurance achieved the highest growth rates of 35.66 percent and 14.81 percent, respectively, compared to 2019.

In 2020, the net underwriting experienced a return of THB 2,873.11 million, an increase of THB 630.87 million, or 28.14 percent, over 2019, due mainly to the fact that in 2020, the unearned premium reserve dropped by THB 1,296.34 million, resulting in a rise in the premium income of THB 1,661.14 million, compared to the year before.

The net investment income and other income in 2020 was THB 1,360.59 million, a decline of 16.25 percent, over 2019. When combined with a profit from underwriting, subtracted by operating expenses and financial costs, the Company's total income before income tax deduction was THB 3,210.08 million, a rise of 15.22 percent. After income tax deduction, the net income totaled THB 2,705.60 million, a growth of 10.37 percent, compared to 2019, or THB 25.41 per share, compared to THB 23.02 per share in 2019.

The Company has already made three interim dividend payments of THB 3.00 per share for the year 2020. The total dividend payment was THB 9.00 per share. The Board of Directors proposed to the shareholders to consider and approve the final dividend payment for the year 2020 at THB 6.00 per share so the annual dividend payment for the year 2020 shall be THB 14.00 per share. The proposed final dividend payment is subject to the approval of the 28th Annual General Meeting of Shareholders.

Based on the financial statements as of December 31, 2020, the total assets of the Company amounted to THB 59,503.79 million, a rise of 3.80 percent from THB 57,327.08 million in the previous year. This was accompanied by a significant alteration in assets, particularly a growth in net reinsurance assets, right-of-use assets (resulting from the start of use of TFRS 16 accounting standards from January 1, 2020), and net loans and interest receivables of THB 1,907.84 million, 886.56 million and 162.69 million, respectively, and a decline in investments in securities of THB 534.32 million.

Liabilities at 2020 year-end totaled Baht 29,160.74 million, a growth of THB 2,856.76 million, or 10.86 percent, over 2019. A significant change was a rise in insurance contract liabilities, lease liabilities, and due to reinsurers of THB 2,412.97 million, 738.79 million and 183.73 million, respectively, and a diminution in deferred tax liabilities of THB 492.22 million.

Owners' equity on December 31, 2020, equaled THB 30,343.05 million, a decline from THB 31,023.10 million, or 2.19 percent, in 2019. Significant components were a decrease of THB 1,829.70 million, or 10.65 percent, in other components of owners' equity, and a growth of THB 1,149.65 million, or 27.22 percent, in appropriated retained earnings.

Year 2021

For 2021, the premium written income for all classes of insurance rose by 7.2 percent to THB 24,510.99 million, compared to 2020. Marine hull insurance and miscellaneous insurance achieved the highest growth rates of 27.82 percent and 11.73 percent, respectively, compared to 2020.

In 2021, the net underwriting experienced a return of THB 645.96 million, a decrease of THB 2,227.15 million, or 77.52 percent, over 2020, resulting from a rise in claims of THB 2,608.34 million, representing 31.16 percent, compared to 2020, due mainly to a tremendous increase in claims for COVID-19 underwriting incurred by a situation of the spread of COVID-19 which caused a mounting number of infected people requesting claims.

The net investment income and other income in 2021 was THB 1,498.3 million, a growth of 10.1 percent, over 2020. When combined with a profit from underwriting, subtracted by operating expenses and financial costs, the Company's total income before income tax deduction was THB 1,114.86 million, drop of 65.27 percent. After income tax deduction, the net income totaled THB 1,055.88 million, a decline of 60.97 percent, compared to 2020, or THB 9.92 per share, compared to THB 25.41 per share in 2020.

The Company has already made, for the year 2021, three interim dividend payments of THB 3.50 per share for the first and second dividend payments, and THB 3.00 per share for the third dividend payment. The total dividend payment was THB 10.00 per share. The Board of Directors proposed to the shareholders to consider and approve for the final dividend payment for the year 2021 THB 5.00 per share, so the annual dividend payment for the year 2021 shall be THB 15.00 per share. The proposed final dividend payment is subjected to the approval of the 29th Annual General meeting of Shareholders.

Based on the financial statements as of December 31, 2021, the total assets of the Company amounted to THB 63,499.85 million, a rise of 6.72 percent from THB 59,503.79 million in the previous year. Assets with significant changes include investments in securities, which increased by THB 2,623.441 million, cash and cash equivalents, which increased by THB 420.217 million, and net reinsurance assets, which increased by THB 370.329 million and refunded juristic person which increased by THB 338.993 million.

Liabilities at 2021 year-end totaled THB 30,681.75 million, a growth of THB 1,521.01 million, or 5.22 percent, over 2020. A significant change was an expansion in deferred tax liabilities, insurance contract liabilities, and due to reinsurers of THB 732.42 million, 658.40 million and 450.94 million, respectively.

Owners' equity on December 31, 2021, equaled THB 32,818.10 million, a rise from THB 30,343.05 million, or 8.16 percent, in 2020. Significant components were an increase of THB 3,099.24 million, or 20.18 percent, in other components of owners' equity, and a decline of THB 624.18 million, or 11.62 percent, in unappropriated retained earnings.

Year 2022

In 2022, the Company had a total of THB 26,676.28 million in insurance premiums, an increase of 8.83 percent compared to 2021. The insurance policies that had the highest rate of expansion in 2022 were motor insurance and marine insurance, which expanded by 17.23 percent and 15.18 percent, respectively, compared to the previous year.

As for the results of the insurance business, there was a loss of THB 5,867.47 million, a decrease from the previous year's loss of THB 6,513.43 million, resulting in a profit of THB 645.96 million, a decrease of 1,008.34 percent. It was due to the increased cost of compensation, amounting to THB 6,593.58 million, or an increase of 60.05 percent, resulting from the COVID-19 pandemic, which caused an increase in the number of infected people and claims for compensation.

The Company's income from investments and other sources was THB 6,254.65 million, an increase of 317.46 percent compared to the previous year. When combined with the loss from the insurance business and deducted by the operating expenses and financial costs, the Company had a pre-tax loss of THB 745.20 million, a decrease of 166.84 percent from the previous year. After tax, the net loss was THB 638.38 million, a decrease of 160.46 percent from the previous year, or a loss of THB 6.00 per share, a decrease from a profit of THB 9.92 per share in 2021.

In terms of tax operations, the Company aims to conduct its business with honesty and integrity and to comply with tax laws. The Company recognizes the importance of being a good taxpayer, making appropriate and transparent tax payments, and being auditable. This demonstrates the Company's commitment to social responsibility, an important component in driving sustainable business growth and creating long-term value for stakeholders. The Company has established tax policies, which can be found at <https://bangkokinsurance.com/th/company/sustainability>.

Regarding the income tax expense ratio presented in the profit or loss statement as a percentage of accounting profit (loss) before income tax expense for the years 2022 and 2021, it was 14.33 percent and 5.29 percent respectively, different from the statutory tax rate of 20 percent. The main reason was adjustments for net tax impact on revenue or expense items that are not taxable income or tax-deductible expenses and tax loss carryforwards, as allowed by tax regulations.

Allocation of Dividends for the Year 2022: the Company has already allocated dividends for 3 periods, at THB 3.50 per share, for a total payout of THB 10.50 per share for the final period of the year 2022. The Board of Directors proposes that shareholders allocate dividends at THB 5.00 per share, with a total dividend payout in 2022 of THB 15.50 per share (The final dividend payment for the year 2022 will be considered for approval at the 30th/2023 shareholder meeting, as it is the last payment for the 2022 fiscal year).

In terms of financial status as of December 31, 2022, the company's assets were THB 71,534.95 million, an increase of 12.65 percent from THB 63,499.85 million in 2021. The significant changes in assets include an increase of THB 6,276.10 million in net reinsurance assets, an increase of THB 1,073.74 million in investments in securities, and an increase of THB 717.38 million in outstanding insurance premiums.

Regarding liabilities and owners' equity, the Company's liabilities were THB 39,372.49 million, an increase of THB 8,690.74 million or 28.33 percent from 2021. The significant changes in liabilities include an increase of THB 7,393.34 million in insurance contract liabilities, an increase of THB 590.92 million in reinsurer payables, and an increase of THB 301.51 million in tax liabilities awaiting settlement.

As of December 31, 2022, the Company's owners' equity was THB 32,162.45 million, a decrease of 2.00 percent from THB 32,818.10 million in 2021. The significant items include a decrease of THB 2,211.86 million or 46.57 percent in accumulated profits not yet allocated, and other components of owners' equity increased by THB 1,556.11 million or 8.43 percent.

6-month period of year 2023

June 30, 2566, the premium written income for all classes of insurance rose by 12.30 percent to THB 13,868.65 million, compared to the second quarter of 2022.

As for the results of the insurance business, there was a profit of THB 1,638.62 million, an increase from the previous year quarter's loss of THB 6,784.61 million. It was due to the cost of compensation resulting from the COVID-19 pandemic, which caused an increase in a profit of THB 8,423.22 million.

The Company's income from investments and other sources was THB 691.60 million, a decrease of 83.04 percent compared to the previous year's quarter. When combined with the profit from the insurance business and deducted by the operating expenses and financial costs, the Company had a pre-tax profit of THB 1,756.37 million, an increase from last year's quarter where pre-tax loss equals THB 3,236.37 million. After tax, the net profit was THB 1,689.99 million, an increase from the previous year's quarter where net loss of THB 3,151.88 million.

In terms of financial status as of June 30, 2023, the company's assets were THB 73,556.83 million, an increase of 2.83 percent from THB 71,534.95 million in 2022. The significant changes in assets include an increase of THB 2,274.03 million in investments in securities, a decrease of THB 684.35 million in outstanding insurance premiums, and an increase of THB 615.20 million in net reinsurance assets.

Regarding liabilities and owners' equity, the Company's liabilities were THB 39,890.06 million, an increase of THB 517.56 million or 1.31 percent from 2021. The significant changes in liabilities include an increase of THB 1,102.28 million in insurance contract liabilities, a decrease of THB 448.70 million in reinsurer payables, and a decrease of THB 208.97 million in tax liabilities awaiting settlement.

As of June 30, 2023, the Company's owners' equity was THB 33,666.77 million, an increase of 4.68 percent from THB 32,162.45 million in 2022. The significant items include an increase of THB 758.38 million or 29.89 percent in accumulated profits not yet allocated, and other components of owners' equity increased by THB 745.93 million or 3.73 percent.