



Form Por. Phor. Wor. 1
of 2nd Quarter of 2018

**King Wai Insurance Public
Company Limited**
968 U Chuliang Building 15th Fl.
Rama IV Road, Silom, Bangrak
10500, Thailand
Tel: (662) 624 1000
Fax: (662) 238 0836
www.kwgi.co.th

**บริษัท คิง ไว ประกันภัย
จำกัด (มหาชน)**
เลขที่ 968 อาคารอู่จ้อเหลียง ชั้น 15
ถนนพระราม 4 แขวงสีลม เขตบางรัก
กรุงเทพมหานคร 10500
โทรศัพท์: (662) 624 1000
โทรสาร: (662) 238 0836

Information Disclosure Form (Form Por. Phor. Wor. 1)
of 2nd Quarter of 2018
King Wai Insurance Public Company Limited



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Section 1 Certification of information disclosed

We have reviewed the information contained in disclosure with care in our capacity and hereby certify that the information is accurate, complete, not false, and has no misleading statement or omission of any material information which should be informed and hereby certify its accuracy and true of information disclosed herein.

Name

Position

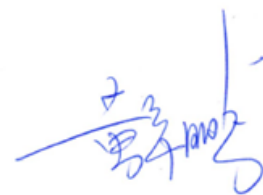
Signature

(Mr Antonio Hang Tat Chan) Chairman of the Board of Directors



(Mr Yupeng Huang)

Chief Executive Officer



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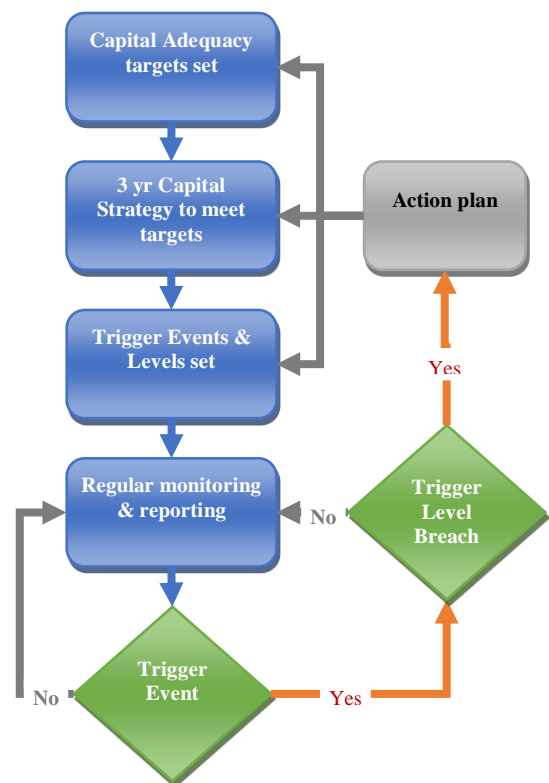
บริษัท คิง ไว ประกันภัย จำกัด (มหาชน)
เลขที่ 968 อาคารอ็อจือเหลียง ชั้น 15
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Section 2 Disclosure Details

1. Capital adequacy

Capital Management Framework describes the process for ensuring capital adequacy over time is as follows:

- capital adequacy targets are set against measurable benchmarks;
- 3-year capital strategy and plans are developed to meet capital targets;
- ‘trigger events’ for identifying potential breaches of capital targets are developed;
- regular monitoring of financial performance against capital targets (including stress tests and forecasting);
- action plan developed, approved and implemented where the occurrence of a trigger event results in breach of a trigger level or a regulatory requirement;
- capital adequacy targets, capital strategy and trigger events are reviewed and amended as appropriate.



All elements of this process are subject to oversight, review and/or approval by the Board.

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Disclosed on 14 August 2018

Unit : Million Baht

Item	1 st Quarter		2 nd Quarter		3 rd Quarter	
	2018	2017	2018	2017	2018	2017
Capital Adequacy Ratio (Percentage)	250	223	133	189	-	-
Total Capital Available: TCA	421	442	272	372	-	-
Total Capital Required: TCR	169	190	205	197	-	-

Remarks

- Notification of the Office of Insurance Commission on categorizing type of the capital including procedure, process and condition for calculating the capital of non-life insurance company specifies that the registrar may set a minimum requirement for monitoring the companies which their Capital Adequacy Ratio (CAR) is lower than 140%
- Capital refers to the capital per appraisal costs according to the Office of Insurance Commission about asset and liability valuation of non-life insurance company.
- The second quarter refers to the financial statement of the first 6 months and the third quarter refers to the financial statement of 9 months.

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2. Financial statements

The quarterly financial statements reviewed by the auditor.

*KING WAI INSURANCE PUBLIC
COMPANY LIMITED*

Interim financial statements

*Three-month and six-month periods ended
June 30, 2018*



บริษัท ดีลอยท์ ทูเช่ โทรมัตสึ จำกัด
สอบบัญชี จำกัด
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
11/1 ถนนสาทรใต้
แขวงยานนาวา เขตสาทร
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

KING WAI INSURANCE PUBLIC COMPANY LIMITED

(FORMERLY QBE INSURANCE (THAILAND) PUBLIC COMPANY LIMITED)

We have reviewed the statement of financial position of King Wai Insurance Public Company Limited (formerly QBE Insurance (Thailand) Public Company Limited) as at June 30, 2018, and the statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018, and the related statements of changes in equity and cash flows for the six-month period ended June 30, 2018, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

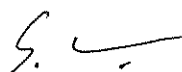
Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Other Matter

The statement of financial position of King Wai Insurance Public Company Limited (formerly QBE Insurance (Thailand) Public Company Limited) as at December 31, 2017, presented herein as comparative information, were audited by another auditor, whose audit report thereon dated March 26, 2018 expressed an unmodified opinion.

The statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2018, were reviewed by another auditor, whose review report thereon dated May 14, 2018, concluded that nothing had come to her attention that caused her to believe that the aforementioned interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting"

The statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2017, and the related statement of changes in shareholders' equity and cash flows for the six-month period ended June 30, 2017, presented herein as comparative information, were reviewed by another auditor, whose review report thereon dated August 11, 2017, concluded that nothing had come to her attention that caused her to believe that the aforementioned interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting"



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
August 14, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KING WAI INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

UNIT : BAHT

	Notes	"UNAUDITED"	
		As at June 30, 2018	As at December 31, 2017
ASSETS			
Cash and cash equivalents	4	343,877,295	113,720,175
Premium receivables - net	5	87,606,936	147,164,949
Accrued investment income		317,321	1,402,102
Reinsurance assets	6	673,536,127	522,708,777
Due from reinsurers	7	7,396,482	12,390,325
Investment			
Investments in securities	8	607,527,965	1,334,026,800
Equipment	9	5,169,893	6,624,312
Deferred acquisition costs		41,331,430	63,003,958
License costs	10	16,711,451	16,711,451
Other assets	11	73,004,836	46,987,946
TOTAL ASSETS		<u><u>1,856,479,736</u></u>	<u><u>2,264,740,795</u></u>

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See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2018

UNIT : BAHT

	Notes	"UNAUDITED"	
		As at June 30, 2018	As at December 31, 2017
LIABILITIES AND EQUITY			
LIABILITIES			
Insurance contract liabilities	12	862,860,398	935,603,376
Due to reinsurers	13	606,268,801	670,542,370
Unearned fee and commission income		43,441,370	82,403,740
Employee benefits obligations		12,294,031	12,723,503
Deferred tax liabilities	14	3,342,290	3,342,290
Other liabilities	15	41,099,703	104,088,226
TOTAL LIABILITIES		1,569,306,593	1,808,703,505
EQUITY			
Shar Capital			
Authorized share capital			
73,000,000 ordinary shares of Baht 5.00 each		365,000,000	365,000,000
Issued and paid-up share capital			
73,000,000 ordinary shares of Baht 5.00 each		365,000,000	365,000,000
Premium on share capital		122,520,000	122,520,000
Retained earnings (deficits)			
Appropriated			
Legal reserve		15,438,000	15,438,000
Unappropriated		(219,050,160)	(49,705,573)
Other component of equity		3,265,303	2,784,863
TOTAL EQUITY		287,173,143	456,037,290
TOTAL LIABILITIES AND EQUITY		1,856,479,736	2,264,740,795

See condensed notes to the financial statements



KING WAI INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
 "UNAUDITED"

UNIT : BAHT

	Notes	2018	2017
REVENUES			
Gross written premiums	16	92,550,947	232,641,665
<u>Less</u> Premiums ceded	16	<u>(231,587,989)</u>	<u>(176,755,810)</u>
Net written premiums		(139,037,042)	55,885,855
<u>Add</u> Unearned premium reserve decreased from previous year	16	11,503,378	13,054,712
Net premium earned		(127,533,664)	68,940,567
Fee and commission income	16	60,183,455	55,346,066
Net investment income		3,144,782	5,421,285
Gains on investment in securities		63,500	-
Other income		15,086	75,424
Total revenues		<u>(64,126,841)</u>	<u>129,783,342</u>
EXPENSES			
Claims incurred	16	50,828,687	247,784,637
<u>Less</u> Claims refundable from reinsurers	16	<u>(35,107,749)</u>	<u>(163,872,456)</u>
Commission and brokerage expenses	16	26,605,641	42,679,104
Other underwriting expenses	16	9,867,692	18,282,899
Operating expenses		20,471,915	25,956,955
Total expenses		<u>72,666,186</u>	<u>170,831,139</u>
Loss before income tax		(136,793,027)	(41,047,797)
Income tax revenue		-	(14,114,681)
Net loss		<u>(136,793,027)</u>	<u>(26,933,116)</u>

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KING WAI INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
 "UNAUDITED"

UNIT : BAHT

	Notes	2018	2017
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain from remeasuring to fair value of available-for-sale investment	8	(2,086,940)	-
Gain from reclassification of investment	8	1,324,696	-
Actuarial gain on defined employee benefit plans		1,242,684	-
Other net comprehensive gain for the periods - net of income tax		480,440	-
Total comprehensive loss for the periods		<u>(136,312,587)</u>	<u>(26,933,116)</u>
Loss per share			
Basic loss per share	17 Baht	<u>(1.87)</u>	<u>(0.37)</u>



See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED”

UNIT : BAHT

	Notes	2018	2017
Revenues			
Gross written premiums	16	199,817,422	514,476,069
<u>Less</u> Premiums ceded	16	(328,442,904)	(566,292,255)
Net written premiums		(128,625,482)	(51,816,186)
<u>Add</u> Unearned premium reserve decreased from previous year	16	46,909,303	198,609,049
Net premium earned		(81,716,179)	146,792,863
Fee and commission income	16	98,708,785	102,770,693
Net investment income		7,400,531	11,037,456
Gains on investment in securities		118,050	-
Other income		371,126	247,235
Total revenues		24,882,313	260,848,247
Expenses			
Claims incurred	16	382,025,234	411,299,151
<u>Less</u> Claims refundable from reinsurers	16	(310,425,550)	(254,477,113)
Commission and brokerage expenses	16	56,971,122	89,054,802
Other underwriting expenses	16	21,566,811	30,098,777
Operating expenses		44,089,283	49,943,021
Total expenses		194,226,900	325,918,638
Loss before income tax		(169,344,587)	(65,070,391)
Income tax revenue		-	(13,424,945)
Net loss		(169,344,587)	(51,645,446)

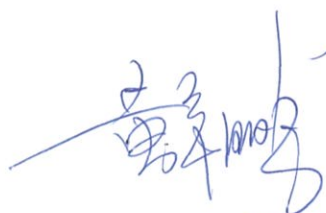


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KING WAI INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
 "UNAUDITED"

UNIT : BAHT

	Notes	2018	2017
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain from remeasuring to fair value of available-for-sale investment	8	(2,086,940)	-
Gain from reclassification of investment	8	1,324,696	-
Actuarial gain on defined employee benefit plans		1,242,684	-
Other net comprehensive gain for the periods - net of income tax		480,440	-
Total comprehensive loss for the periods		<u>(168,864,147)</u>	<u>(51,645,446)</u>
Loss per share			
Basic loss per share	17 Baht	<u>(2.32)</u>	<u>(0.71)</u>





See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED”

UNIT : BAHT

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total other components of equity	Total Equity
			Appropriated legal reserve	Unappropriated	Deficit on revaluation of available-for-sale investments	Surplus on reclassification of investments	Actuarial gain on defined employee benefit plans		
Beginning balance as at January 1, 2017	365,000,000	122,520,000	15,438,000	85,728,020	-	-	-	588,686,020	
Total comprehensive loss for the period	-	-	-	(51,645,446)	-	-	-	(51,645,446)	
Ending balance as at June 30, 2017	365,000,000	122,520,000	15,438,000	34,082,574	-	-	-	537,040,574	
Beginning balance as at January 1, 2018	365,000,000	122,520,000	15,438,000	(49,705,573)	-	-	2,784,863	456,037,290	
Total comprehensive income (loss) for the period	-	-	-	(169,344,587)	(2,086,940)	1,324,696	1,242,684	(168,864,147)	
Ending balance as at June 30, 2018	365,000,000	122,520,000	15,438,000	(219,050,160)	(2,086,940)	1,324,696	4,027,547	287,173,143	



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See condensed notes to the financial statements

KING WAI INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED”

UNIT : BAHT

	Note	2018	2017
CASH FLOWS PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Written premium received from direct insurance		241,045,193	485,181,487
Cash paid from reinsurance		(268,829,668)	(182,060,265)
Investment income		5,294,257	14,024,749
Loss incurred from direct insurance		(307,036,129)	(265,727,665)
Commission and brokerage paid to direct insurance		(42,099,605)	(82,894,298)
Other underwriting expenses		(23,037,773)	(33,500,153)
Operating expenses		(101,553,230)	(148,621,463)
Other income		371,127	247,235
Other expense		5,029	-
Income tax expense		(2,930,690)	(4,198,418)
Investments in securities		729,051,682	244,591,728
Net cash provided by operating activities		230,280,193	27,042,937
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES			
Deposits at financial institutions		(5,986)	(5,933)
Sale of equipment		-	102,804
Purchase of equipment		(117,087)	(277,859)
Net cash used in investing activities		(123,073)	(180,988)
Net increase in cash and cash equivalents		230,157,120	26,861,949
Cash and cash equivalents as at January 1,		113,720,175	63,930,382
Cash and cash equivalents as at June 30,	4	343,877,295	90,792,331

See condensed notes to the financial statements



KING WAI INSURANCE PUBLIC COMPANY LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018
“UNAUDITED”

1. GENERAL INFORMATION AND OPERATION OF THE COMPANY

King Wai Insurance Public Company Limited (formerly QBE Insurance (Thailand) Public Company Limited) (the “Company”) is a limited company incorporated in Thailand on January 2, 2013. The Company’s registered address is at U Chuliang Building, 15th Floor, 968 Rama IV Road, Silom, Bangrak, Bangkok. The main objective of the Company is non-life insurance. On June 21, 2018, the Company registered to change the name from QBE Insurance (Thailand) Public Company Limited to King Wai Insurance Public Company Limited.

As at December 31, 2017, the major shareholders of the Company are Sinkaonamahasarn Company Limited which holding 50.74% of the Company’s share capital and QBE Asia Pacific Holdings Limited Company Limited which holding 47.49% of the Company’s shares. The ultimate parent company is QBE Insurance Group Limited, which was incorporated in Australia.

Subsequently, on May 16, 2018, the Company’s major shareholder is King Wai Capital Limited, which was registered in Thailand, holding 98.24% of the Company’s authorized share capital and the ultimate parent company is King Wai Group (Thailand) Public Company Limited, which was incorporated in Thailand.

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

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016. The Company presents the condensed notes to interim financial statements.

2.2 The statement of financial position as at December 31, 2017, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.

- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2018 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2018 should be read in conjunction with the audited financial statements for the year ended December 31, 2017.
- 2.5 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2017) also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2017.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2018 and December 31, 2017, consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Cash on hand	50,000	50,000
Deposits at bank - at call	343,827,295	113,670,175
Cash and cash equivalents	<u>343,877,295</u>	<u>113,720,175</u>

5. PREMIUM RECEIVABLES - NET

Premium receivables - net as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Within credit terms	37,344,029	73,376,804
Less than 30 days	27,538,024	28,130,787
31 - 60 days	10,369,999	7,539,586
61 - 90 days	571,207	11,848,854
Over 90 days	12,255,083	28,478,212
Total premium receivables	<u>88,078,342</u>	<u>149,374,243</u>
<u>Less</u> Allowance for doubtful accounts	<u>(471,406)</u>	<u>(2,209,294)</u>
Premium receivables - net	<u>87,606,936</u>	<u>147,164,949</u>

6. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Insurance reserve refundable from reinsurers		
Claim reserves	495,071,152	243,421,022
Unearned premium reserve		
- Unearned reinsurance premium reserve	178,464,975	279,287,755
Total reinsurance assets (see Note 12)	<u>673,536,127</u>	<u>522,708,777</u>

7. DUE FROM REINSURERS

Due from reinsurers as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Due from reinsurers	8,377,918	12,390,325
Less Allowance for doubtful accounts	(981,436)	-
Due from reinsurers	<u>7,396,482</u>	<u>12,390,325</u>

8. INVESTMENTS IN SECURITIES

Investment in securities as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018		As at December 31, 2017	
	Cost/ Amortized cost Baht	Fair value Baht	Cost/ Amortized cost Baht	Fair value Baht
Available-for-sale securities				
Government securities	607,774,986	605,688,046	-	-
Total available-for-sale investments	607,774,986	605,688,046	-	-
Less Unrealized loss	(2,086,940)	-	-	-
Total available-for-sale investments	<u>605,688,046</u>	<u>605,688,046</u>	-	-
Held-to-maturity securities				
Government securities	-		1,332,192,867	
Private enterprise debt securities	10,000,000		10,000,000	
Deposits at financial institutions with maturity over 3 months	1,277,799		1,271,813	
Total held-to-maturity securities	11,277,799		1,343,464,680	
Less Allowance for impairment	(10,000,000)		(10,000,000)	
Total held-to-maturity securities	<u>1,277,799</u>		<u>1,333,464,680</u>	
General investments				
Non-marketable equity securities	562,120		562,120	
Total general investments	562,120		562,120	
Total Investment in securities	<u>607,527,965</u>		<u>1,334,026,800</u>	

During the six-month period ended June 30, 2018, the Company had transferred investment in government securities from held-to-maturity investments to available-for-sale investments in accordance with the Company's investment policy. Transfers of investments on that date consist of following:

	Amortized Cost	Fair value	Gain from reclassification of investments recognized into other comprehensive income
	Baht	Baht	Baht
Government securities	<u>606,450,290</u>	<u>607,774,986</u>	<u>1,324,696</u>
	<u>606,450,290</u>	<u>607,774,986</u>	<u>1,324,696</u>

As at June 30, 2018 and December 31, 2017, certain government and state enterprise securities were pledged and used for assets reserved with the Registrar amounting to Baht 125.46 million and Baht 126.90 million, respectively (see Note 20).

As at June 30, 2018 and December 31, 2017, fixed deposit were used as collateral for insured driver amounting to Baht 0.68 million and Baht 0.67 million, respectively (see Note 21).

9. EQUIPMENT

Equipment as at June 30, 2018 and December 31, 2017 consisted of the following:

	Cost				Accumulated depreciation				Unit : Baht			
	As at January 1, 2018	Additions	Disposal	Write-Off	As at June 30, 2018	As at January 1, 2018	Depreciation	Disposal		Write-Off	As at June 30, 2018	Beginning balance of Equipment as at January 1, 2018
Furniture, fixture & fittings, leasehold improvement	16,700,581	-	-	-	16,700,581	16,673,175	4,187	-	-	16,677,362	27,406	23,219
Equipment	4,116,832	29,158	-	(26,400)	4,119,590	3,851,561	47,297	-	(21,372)	3,877,486	265,271	242,104
Vehicles	9,790,000	-	-	-	9,790,000	9,789,995	-	-	-	9,789,995	5	5
Computer equipment	25,860,693	87,929	-	-	25,948,622	19,529,063	1,514,994	-	-	21,044,057	6,331,630	4,904,565
Total	56,468,106	117,087	-	(26,400)	56,558,793	49,843,794	1,566,478	-	(21,372)	51,388,900	6,624,312	5,169,893

	Cost				Accumulated depreciation				Unit : Baht			
	As at January 1, 2017	Additions	Disposal	Write-Off	As at December 31, 2017	As at January 1, 2017	Depreciation	Disposal		Write-Off	As at December 31, 2017	Beginning balance of Equipment as at January 1, 2017
Furniture, fixture & fittings, leasehold improvement	20,488,863	25,524	(886,142)	(2,927,664)	16,700,581	20,457,412	9,450	(882,225)	(2,911,462)	16,673,175	31,451	27,406
Equipment	5,240,951	47,116	(1,137,847)	(33,388)	4,116,832	4,830,758	99,140	(1,046,908)	(31,429)	3,851,561	410,193	265,271
Vehicles	10,990,000	-	(1,200,000)	-	9,790,000	10,032,432	430,219	(672,656)	-	9,789,995	957,568	5
Computer equipment	23,253,892	5,060,230	(2,453,429)	-	25,860,693	18,337,457	3,600,431	(2,408,825)	-	19,529,063	4,916,436	6,331,630
Total	59,973,706	5,132,870	(5,677,418)	(2,961,052)	56,468,106	53,658,059	4,139,240	(5,010,614)	(2,942,891)	49,843,794	6,315,648	6,624,312

As at June 30, 2018 and December 31, 2017, certain leasehold improvement and equipment at cost of Baht 43.93 million and Baht 48.59 million, respectively, were fully depreciated but still in use.

Depreciation for the three-month periods ended June 30, 2018 and 2017 amounting to Baht 0.79 million and Baht 0.83 million, respectively, and depreciation for the six-month periods ended June 30, 2018 and 2017 amounting to Baht 1.57 million and Baht 1.67 million, respectively, were included in operating expenses.

10. LICENSE COSTS

License costs as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
License costs	67,000,000	67,000,000
<u>Less</u> Accumulated amortization	<u>(50,288,549)</u>	<u>(50,288,549)</u>
License costs	<u>16,711,451</u>	<u>16,711,451</u>

License costs were amortised on the straight-line method over 25 years. After January 1, 2008, the license costs which have been considered indefinite useful life assets are no longer subject to amortisation but are tested annually for impairment.

11. OTHER ASSETS

Other assets as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Prepaid income tax	29,452,168	26,521,478
Deposits	4,058,370	3,916,221
Receivables from the Revenue Department	31,902,651	13,390,984
Other receivables	<u>7,591,647</u>	<u>3,159,263</u>
Total other assets	<u>73,004,836</u>	<u>46,987,946</u>

12. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and reported	489,225,627	(438,642,152)	50,583,475
Claim incurred but not reported	134,009,000	(56,429,000)	77,580,000
	<u>623,234,627</u>	<u>(495,071,152)</u>	<u>128,163,475</u>
Premium reserve			
Unearned premium reserve	239,625,771	(178,464,975)	61,160,796
Total	<u>862,860,398</u>	<u>(673,536,127)</u>	<u>189,324,271</u>

	As at December 31, 2017		Unit : Baht
	Insurance liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and reported	421,998,522	(186,627,022)	235,371,500
Claim incurred but not reported	126,247,000	(56,794,000)	69,453,000
	<u>548,245,522</u>	<u>(243,421,022)</u>	<u>304,824,500</u>
Premium reserve			
Unearned premium reserve	387,357,854	(279,287,755)	108,070,099
Total	<u>935,603,376</u>	<u>(522,708,777)</u>	<u>412,894,599</u>

12.1 Insurance reserve for short-term insurance contract

12.1.1 Claim reserve

Claim reserves as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Balance as at beginning period/year	548,245,522	594,302,394
Claim incurred during the period/year	343,217,193	443,481,872
Changes in claims reserve incurred in previous period/year	31,046,041	24,536,787
Changes in claims reserve assumption	7,762,000	52,213,000
Claim paid during the period/year	(307,036,129)	(566,288,531)
Balance as at ending period/year	<u>623,234,627</u>	<u>548,245,522</u>

12.1.2 Unearned premium reserve

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Balance as at beginning period/year	387,357,854	551,434,209
Premium written for the period/year	199,817,422	878,649,696
Premium earned for the period/year	(347,549,505)	(1,042,726,051)
Balance as at ending period/year	<u>239,625,771</u>	<u>387,357,854</u>

12.1.3 Unexpired risk reserve

As at June 30, 2018 and December 31, 2017, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 89.40 million and Baht 165.37 million, respectively, is lower than the unearned premium reserve.

13. DUE TO REINSURERS

Due to reinsurers as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Reinsurance payables	546,686,642	455,960,211
Amount withheld on reinsurance	<u>59,582,159</u>	<u>214,582,159</u>
Total due to reinsurers	<u>606,268,801</u>	<u>670,542,370</u>

14. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at June 30, 2018 and December 31, 2017 were as follows:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Deferred tax liabilities	<u>3,342,290</u>	<u>3,342,290</u>

Deferred income tax assets are recognized only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Company did not recognize deferred income tax assets from temporary difference and loss carried forward as at June 30, 2018 and December 31, 2017 were as follows:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Temporary difference	181,891,199	387,422,838
Loss carried forward	<u>519,585,930</u>	<u>153,019,382</u>
	701,477,129	540,442,220
Income tax rate	20%	20%
Deferred tax assets	<u>140,295,426</u>	<u>108,088,444</u>

The loss carried forward as at June 30, 2018 and December 31, 2017 amounting of Baht 519.59 million and 153.02 million will gradually expire from 2021 to 2023.

15. OTHER LIABILITIES

Other liabilities as at June 30, 2018 and December 31, 2017 consisted of the following:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Accrued management fees	-	33,590,000
Commission payable	17,108,332	23,778,611
Accrued expenses	11,552,936	24,199,677
Advance premium	-	383,144
Other payables	12,438,435	22,136,794
Total other liabilities	<u>41,099,703</u>	<u>104,088,226</u>

16. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the management of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month and six-month periods ended June 30, 2018 and 2017, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The reporting of underwriting information classified by type of insurance for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	For the three-month period ended June 30, 2018				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums	2,032,342	(3,564,177)	3,855,146	90,227,636	92,550,947
<u>Less</u> Premium ceded to reinsurers	<u>(34,799,025)</u>	<u>(29,138,580)</u>	<u>(3,546,778)</u>	<u>(164,103,606)</u>	<u>(231,587,989)</u>
Net written premiums	(32,766,683)	(32,702,757)	308,368	(73,875,970)	(139,037,042)
<u>Add (less)</u> Unearned premium reserve (increased) decreased from the previous period	<u>1,774,722</u>	<u>10,916,821</u>	<u>(1,222,415)</u>	<u>34,250</u>	<u>11,503,378</u>
Net earned premiums	(30,991,961)	(21,785,936)	(914,047)	(73,841,720)	(127,533,664)
Fee and commission income	13,447,604	7,870,758	1,604,382	37,260,711	60,183,455
Total underwriting income	<u>(17,544,357)</u>	<u>(13,915,178)</u>	<u>690,335</u>	<u>(36,581,009)</u>	<u>(67,350,209)</u>
Underwriting expenses					
Gross claim paid	152,034	5,361,080	1,394,572	43,921,001	50,828,687
<u>Less</u> Claim paid recovered from reinsurers	<u>(44,137)</u>	<u>(3,325,038)</u>	<u>(355,892)</u>	<u>(31,382,682)</u>	<u>(35,107,749)</u>
Commission and brokerage expenses	376,144	1,950,234	557,419	23,721,844	26,605,641
Other underwriting expenses	211,662	523,811	388,760	8,743,459	9,867,692
Total underwriting expenses	<u>695,703</u>	<u>4,510,087</u>	<u>1,984,859</u>	<u>45,003,622</u>	<u>52,194,271</u>
Loss on underwriting before operating expenses	<u>(18,240,060)</u>	<u>(18,425,265)</u>	<u>(1,294,524)</u>	<u>(81,584,631)</u>	<u>(119,544,480)</u>
Operating expenses					20,471,915
Loss on underwriting after operating expenses					<u>(140,016,395)</u>
					Unit : Baht
					For the three-month period ended June 30, 2017
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums	2,423,819	27,532,686	2,348,184	200,336,976	232,641,665
<u>Add (less)</u> Premium ceded to reinsurers	<u>18,053,162</u>	<u>(15,232,402)</u>	<u>(8,198,572)</u>	<u>(171,377,998)</u>	<u>(176,755,810)</u>
Net written premiums	20,476,981	12,300,284	(5,850,388)	28,958,978	55,885,855
<u>Add</u> Unearned premium reserve decreased from the previous period	<u>1,325,420</u>	<u>1,706,364</u>	<u>4,489,515</u>	<u>5,533,413</u>	<u>13,054,712</u>
Net earned premiums	21,802,401	14,006,648	(1,360,873)	34,492,391	68,940,567
Fee and commission income	(8,789,185)	8,381,535	6,290,705	49,463,011	55,346,066
Total underwriting income	<u>13,013,216</u>	<u>22,388,183</u>	<u>4,929,832</u>	<u>83,955,402</u>	<u>124,286,633</u>
Underwriting expenses					
Gross claim paid	1,919,427	15,720,253	10,196,934	219,948,023	247,784,637
<u>Add (less)</u> Claim paid recovered from reinsurers	<u>23,118,019</u>	<u>(6,635,017)</u>	<u>(5,725,818)</u>	<u>(174,629,640)</u>	<u>(163,872,456)</u>
Commission and brokerage expenses	1,142,215	4,504,737	1,966,628	35,065,524	42,679,104
Other underwriting expenses	200,247	2,506,788	185,019	15,390,845	18,282,899
Total underwriting expenses	<u>26,379,908</u>	<u>16,096,761</u>	<u>6,622,763</u>	<u>95,774,752</u>	<u>144,874,184</u>
Profit (loss) on underwriting before operating expenses	<u>(13,366,692)</u>	<u>6,291,422</u>	<u>(1,692,931)</u>	<u>(11,819,350)</u>	<u>(20,587,551)</u>
Operating expenses					25,956,955
Loss on underwriting after operating expenses					<u>(46,544,506)</u>

	For the six-month period ended June 30, 2018				Unit : Baht
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums	1,710,435	4,943,053	5,424,576	187,739,358	199,817,422
<u>Less</u> Premium ceded to reinsurers	<u>(37,435,343)</u>	<u>(36,960,070)</u>	<u>(4,458,292)</u>	<u>(249,589,199)</u>	<u>(328,442,904)</u>
Net written premiums	(35,724,908)	(32,017,017)	966,284	(61,849,841)	(128,625,482)
<u>Add (less)</u> Unearned premium reserve (increased) decreased from the previous period	<u>(7,920,046)</u>	<u>18,682,956</u>	<u>(327,589)</u>	<u>36,473,982</u>	<u>46,909,303</u>
Net earned premiums	(43,644,954)	(13,334,061)	638,695	(25,375,859)	(81,716,179)
Fee and commission income	20,517,006	14,302,177	2,380,318	61,509,284	98,708,785
Total underwriting income	<u>(23,127,948)</u>	<u>968,116</u>	<u>3,019,013</u>	<u>36,133,425</u>	<u>16,992,606</u>
Underwriting expenses					
Gross claim paid	(98,834)	34,452,053	1,548,882	346,123,133	382,025,234
<u>Add (less)</u> Claim paid recovered from reinsurers	<u>95,005</u>	<u>(27,810,647)</u>	<u>(317,221)</u>	<u>(282,392,687)</u>	<u>(310,425,550)</u>
Commission and brokerage expenses	754,765	4,882,238	1,171,499	50,162,620	56,971,122
Other underwriting expenses	184,612	533,517	585,488	20,263,194	21,566,811
Total underwriting expenses	<u>935,548</u>	<u>12,057,161</u>	<u>2,988,648</u>	<u>134,156,260</u>	<u>150,137,617</u>
Profit (loss) on underwriting before operating expenses	<u>(24,063,496)</u>	<u>(11,089,045)</u>	<u>30,365</u>	<u>(98,022,835)</u>	<u>(133,145,011)</u>
Operating expenses					44,089,283
Loss on underwriting after operating expenses					<u>(177,234,294)</u>
					Unit : Baht
	For the six-month period ended June 30, 2017				Total
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums	5,949,097	81,578,784	5,221,864	421,726,324	514,476,069
<u>Less</u> Premium ceded to reinsurers	<u>(9,946,450)</u>	<u>(77,740,668)</u>	<u>(20,218,248)</u>	<u>(458,386,889)</u>	<u>(566,292,255)</u>
Net written premiums	(3,997,353)	3,838,116	(14,996,384)	(36,660,565)	(51,816,186)
<u>Add</u> Unearned premium reserve decreased from the previous period	<u>8,416,386</u>	<u>18,656,179</u>	<u>28,936,002</u>	<u>142,600,482</u>	<u>198,609,049</u>
Net earned premiums	4,419,033	22,494,295	13,939,618	105,939,917	146,792,863
Fee and commission income	2,213,936	18,771,488	6,983,748	74,801,521	102,770,693
Total underwriting income	<u>6,632,969</u>	<u>41,265,783</u>	<u>20,923,366</u>	<u>180,741,438</u>	<u>249,563,556</u>
Underwriting expenses					
Gross claim paid	2,197,380	31,794,171	23,097,882	354,209,718	411,299,151
<u>Less</u> Claim paid recovered from reinsurers	<u>(2,775,000)</u>	<u>(14,620,282)</u>	<u>(11,025,558)</u>	<u>(226,056,273)</u>	<u>(254,477,113)</u>
Commission and brokerage expenses	2,525,860	8,913,170	4,971,933	72,643,839	89,054,802
Other underwriting expenses	348,045	4,772,665	305,498	24,672,569	30,098,777
Total underwriting expenses	<u>2,296,285</u>	<u>30,859,724</u>	<u>17,349,755</u>	<u>225,469,853</u>	<u>275,975,617</u>
Profit (loss) on underwriting before operating expenses	<u>4,336,684</u>	<u>10,406,059</u>	<u>3,573,611</u>	<u>(44,728,415)</u>	<u>(26,412,061)</u>
Operating expenses					49,943,021
Loss on underwriting after operating expenses					<u>(76,355,082)</u>

17. BASIC LOSS PER SHARE

Basic loss per share for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Net loss attributable to shareholders (Baht)	(136,793,027)	(26,933,116)	(169,344,587)	(51,645,446)
Weighted average number of ordinary shares in issue (Shares)	<u>73,000,000</u>	<u>73,000,000</u>	<u>73,000,000</u>	<u>73,000,000</u>
Basic loss per share (Baht)	<u>(1.87)</u>	<u>(0.37)</u>	<u>(2.32)</u>	<u>(0.71)</u>

18. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business.

As described in Note 1 to the interim financial statements regarding the change in major shareholder of the Company, resulting in the end of related party transactions with the Group of former major shareholders since May 16, 2018. The interim financial statements for the three-month and six-month periods ended June 30, 2018 have therefore presented business transactions with the Group of former major shareholders up to May 16, 2018. The Company presented business transactions with the Group of King Wai Group (Thailand) Public Company Limited, the current major shareholder, as related party transactions in the interim financial statements since May 16, 2018.

The relationships between the Company and its related parties are summarized below:

Companies	Relationship	Type of business
Group of former major shareholders		
QBE Insurance Group Limited	Some common shareholders and directors	Insurance
Group of new major shareholders:		
King Wai Group (Thailand) Public Company Limited	Parent company	Commercial real estate investments
King Wai Capital Limited	Some common shareholders and directors	Holding company
Cornerstone Realty Company Limited	Some common shareholders and directors	Commercial real estate investments
Gold Star Property Company Limited	Some common shareholders and directors	Commercial real estate investments
Thai-Kami Company Limited	Some common shareholders and directors	Building materials
Top Property Co., Ltd.	Some common shareholders and directors	Commercial real estate investments

Significant balances and transactions were as follows:

	As at June 30, 2018	Unit : Baht As at December 31, 2017
Group of former major shareholders		
Assets		
Reinsurance assets		
Loss reserves	-	197,727,061
Due from reinsurance		
Receivables from reinsurance	-	4,829,952
Other assets		
Other receivables	-	369,945
Liabilities		
Insurance contract liabilities		
Claim reserve and outstanding claims	-	1,367,653
Due to reinsurers		
Reinsurance payables	-	373,531,656
Amount withheld on reinsurance	-	214,582,159
Other liabilities		
Management fee	-	33,590,000
Other payables	-	9,124,263

Group of new major shareholders

Assets		
Other assets		
Premium receivables	45,972	-

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Group of former major shareholders				
Income/(expenses)				
Premium ceded	(51,183,520)	(174,308,313)	(145,160,751)	(554,119,513)
Claims refundable from reinsurers	18,735,546	76,511,011	122,552,779	90,116,745
Fee and commission income	2,842,092	48,109,333	51,103,058	183,328,519
Management fee	(4,232,526)	(8,047,000)	(12,607,524)	(16,795,000)
Group of new major shareholders				
Income/(expenses)				
Premium ceded	42,788	-	42,788	-

The Company used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

The Company paid commissions and brokerages and other underwriting expenses as specified in agreement made between the Company. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Company has offered to other insurance broker companies.

The Company has entered into a Services Agreement with QBE Asia Pacific Holdings Limited to provide consultation and support services to the Company in respect of taxation, reinsurance and actuarial services, assistance with corporate planning and implementation of standard accounting procedures, system support and review visit by internal audit staff, among others. Such services shall be provided by Limited or its related entities for a management fee with effect from 2008.

The management fee is based on the recovery of expenses incurred by QBE Asia Pacific Holdings Limited or its related entities to support the Company's operations which as at June 30, 2018, the agreement was terminated because the Company changed its major shareholder on May 16, 2018.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and six-month periods ended June 30, 2018 and 2017, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Directors and key management personnel's remuneration				
Short-term benefits	4,857,209	6,563,382	11,703,543	14,494,805
Post-employment benefits	49,588	56,173	99,175	112,345
	<u>4,906,797</u>	<u>6,619,555</u>	<u>11,802,718</u>	<u>14,607,150</u>

Directors' remunerations for the years of 2018 and 2017 were approved by the annual general meeting of shareholders of the Company held on April 23, 2018 and April 21, 2017, respectively.

20. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at June 30, 2018 and December 31, 2017, certain investment in securities of the Company were pledged and used for assets reserved with the Registrar (see Note 8) in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding “Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557” as follows:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Deposits at banks	14,304,267	14,449,508
Assets reserved with the registrar		
Government and state enterprise securities	<u>111,160,696</u>	<u>112,447,510</u>
Total investment in securities under pledged	<u>125,464,963</u>	<u>126,897,018</u>

21. RESTRICTED ASSETS AND COMMITMENT

As at June 30, 2018 and December 31, 2017, the Company has fixed deposit in amount of Baht 0.68 million and Baht 0.67 million respectively, which were used as collateral in case where the insured driver is an alleged offender (see Note 8).

22. CONTINGENT LIABILITIES AND COMMITMENT

As at June 30, 2018 and December 31, 2017, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 5.79 million and Baht 8.37 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company’s management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company’s operating results.

23. OPERATING LEASE COMMITMENTS

The future lease payments under operating lease were as follows:

	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Within 1 year	8,715,495	3,802,667
Over 1 year to 5 years	572,000	754,000
Total	<u>9,287,495</u>	<u>4,556,667</u>

The Company recognized rental expense in the statements of profit and loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018 amounting to Baht 2.16 million and amounting to Baht 4.23 million, respectively. (For the three-month and six-month periods ended June 30, 2017 amounting to Baht 1.98 million and amounting to Baht 3.97 million, respectively).

24. FAIR VALUE MEASUREMENT

Certain financial assets of the Company were measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets were determined.

	<u>Fair value</u>		Fair value hierarchy	Valuation techniques and key inputs
	As at June 30, 2018 Baht	As at December 31, 2017 Baht		
<u>Financial assets</u>				
Government and state enterprise securities	605,688,046	-	Level 2	Discounted cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate

25. SIGNIFICANT AGREEMENT

On May 16, 2018, the Company terminated reinsurance agreement of quota share 50% with reinsurance company's group of former major shareholders and entered into a reinsurance agreement of quota share 80% with a new reinsurance company on the same date. Such agreement was to transfer risk of claims incurred but the financial impact of the event is uncertain. The Company recorded the reinsurance expense (net) for such transaction in the statement of profit or loss and other comprehensive income of Baht 138.40 million resulting from the different amount between premium ceded and claims refundable from reinsurers. The agreement is considering based on condition of insurance agreement by Office of insurance commission ("OIC") and the Company can terminate the agreement under criteria which agreed and specified in the agreement.

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 14, 2018.

