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*PACIFIC CROSS HEALTH INSURANCE  
PUBLIC COMPANY LIMITED*

*Interim financial statements*

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

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of Pacific Cross Health Insurance Public Company Limited (the "Company") as at June 30, 2018 and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018, and the related statement 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 No. 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".



Wonlop Vilaivaravit  
Certified Public Accountant (Thailand)  
Registration No. 6797

**BANGKOK**  
August 10, 2018

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

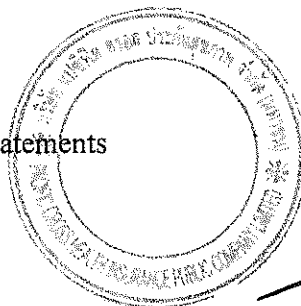
UNIT : BAHT

	Notes	"Unaudited"	
		As at June 30, 2018	As at December 31, 2017
<b>ASSETS</b>			
Cash and cash equivalents	4	61,413,749	91,120,215
Premium receivables	5	32,037,873	35,667,003
Accrued investment income		1,044,725	752,460
Reinsurance assets	6	81,552,365	37,375,455
Due from reinsurers	7	12,416,468	10,620,303
Investments in securities	8	203,360,344	166,260,344
Equipment	9	3,157,118	4,235,816
Intangible assets		523,410	250,531
Other assets	10	3,855,849	3,357,894
<b>TOTAL ASSETS</b>		<u>399,361,901</u>	<u>349,640,021</u>

See condensed notes to the financial statements



Mr. Thomas Prentice Thomson




Mr. Thanachat Kaewjaipecth

PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2018

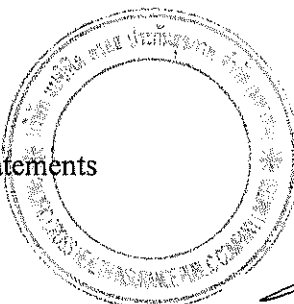
UNIT : BAHT

	Notes	"Unaudited"	
		As at June 30, 2018	As at December 31, 2017
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Insurance contract liabilities	11	194,537,143	163,641,612
Due to reinsurers	12	54,876,626	33,880,921
Employee benefit obligations		906,671	792,507
Other liabilities	13	17,448,311	20,871,623
<b>TOTAL LIABILITIES</b>		<u>267,768,751</u>	<u>219,186,663</u>
<b>EQUITY</b>			
<b>SHARE CAPITAL</b>			
Authorized share capital	14		
20,000,000 ordinary shares of Baht 25 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued and paid-up share capital			
20,000,000 ordinary shares of Baht 25 each		500,000,000	500,000,000
<b>ACCUMULATED DEFICIT</b>			
Unappropriated (deficit)		<u>(368,406,850)</u>	<u>(369,546,642)</u>
<b>TOTAL EQUITY</b>		<u>131,593,150</u>	<u>130,453,358</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>399,361,901</u>	<u>349,640,021</u>

See condensed notes to the financial statements

.....  
Mr. Thomas Prentice Thomson

.....  
Mr. Thanachat Kaewjaipetch



**PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018**

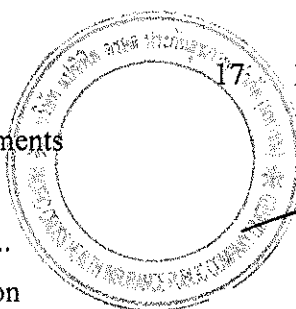
“UNAUDITED”

UNIT : BAHT

	Notes	2018	2017
<b>Revenues</b>			
Gross premium written		87,131,430	66,091,084
<u>Less</u> Premium ceded		(33,424,362)	(324,118)
Net premium written		53,707,068	65,766,966
<u>Less</u> Unearned premium reserve (increase) decrease from previous period		721,062	(15,029,358)
Net premium earned		54,428,130	50,737,608
Fee and commission income		12,870,716	129,647
Net investment income		830,776	821,497
Other income		1,259,857	1,335,885
Total revenues		69,389,479	53,024,637
<b>Expenses</b>			
Claims incurred		45,444,841	34,217,512
<u>Less</u> Claim recovered from reinsurers		(19,360,840)	(5,985,195)
Commissions and brokerage expenses		12,296,921	9,441,528
Other underwriting expenses		10,665,149	6,747,094
Operating expenses	16	15,801,558	14,640,720
Finance cost		526,134	554,094
Total expenses		65,373,763	59,615,753
Profit (loss) before income tax expense		4,015,716	(6,591,116)
Income tax expense		-	-
<b>Net income (loss)</b>		4,015,716	(6,591,116)
Other comprehensive income (loss)		-	-
<b>Net comprehensive income (loss)</b>		4,015,716	(6,591,116)
<b>Earnings (loss) per share</b>			
<b>Basic earnings (loss) per share</b>		17 Baht	0.20 (0.36)

See condensed notes to the financial statements

.....  
Mr. Thomas Prentice Thomson



.....  
Mr. Thanachat Kaewjaipetch

PACIFIC CROSS HEALTH 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
<b>Revenues</b>			
Gross premium written		166,280,336	142,888,828
<u>Less</u> Premium ceded		(68,516,344)	(1,080,746)
Net premium written		97,763,992	141,808,082
<u>Less</u> Unearned premium reserve (increase) decrease			
from previous period		10,360,009	(46,211,377)
Net premium earned		108,124,001	95,596,705
Fee and commission income		25,728,661	432,298
Net investment income		1,385,297	1,494,775
Other income		2,222,946	2,194,760
Total revenues		137,460,905	99,718,538
<b>Expenses</b>			
Claims incurred		85,227,431	73,661,388
<u>Less</u> Claim recovered from reinsurers		(23,054,214)	(16,197,812)
Commissions and brokerage expenses		23,197,871	18,021,580
Other underwriting expenses		18,960,178	14,596,064
Operating expenses	16	31,003,677	30,938,371
Finance cost		986,170	970,510
Total expenses		136,321,113	121,990,101
Profit (loss) before income tax expense		1,139,792	(22,271,563)
Income tax expense		-	-
<b>Net income (loss)</b>		1,139,792	(22,271,563)
Other comprehensive income (loss)		-	-
<b>Net comprehensive income (loss)</b>		1,139,792	(22,271,563)

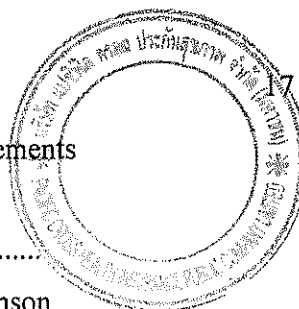
**Earnings (loss) per share**

**Basic earnings (loss) per share** Baht 0.06 (1.22)

See condensed notes to the financial statements

.....  
Mr. Thomas Prentice Thomson

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Mr. Thanachat Kaewjaipetch



PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED”

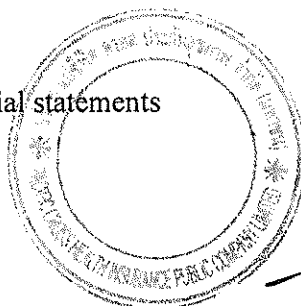
UNIT : BAHT

	Note	Issued and paid-up share capital	Accumulated deficit Unappropriated (Deficit)	Total Equity
<b>Beginning balance as at January 1, 2017</b>		452,000,000	(365,792,549)	86,207,451
Shares capital increased	14	33,000,000	-	33,000,000
Comprehensive loss		-	(22,271,563)	(22,271,563)
<b>Ending balance as at June 30, 2017</b>		<u>485,000,000</u>	<u>(388,064,112)</u>	<u>96,935,888</u>
<b>Beginning balance as at January 1, 2018</b>		500,000,000	(369,546,642)	130,453,358
Comprehensive income		-	1,139,792	1,139,792
<b>Ending balance as at June 30, 2018</b>		<u>500,000,000</u>	<u>(368,406,850)</u>	<u>131,593,150</u>

See condensed notes to the financial statements



Mr. Thomas Prentice Thomson




Mr. Thanachat Kaewjaipetch

PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

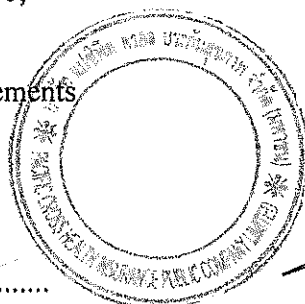
“UNAUDITED”

UNIT : BAHT

	2018	2017
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Direct premium received	164,486,133	142,543,655
Cash received (paid) from reinsurance	(11,884,841)	20,034,855
Other investment income	1,093,031	1,520,136
Other income	2,222,946	2,194,760
Claim incurred from direct insurance	(71,658,449)	(81,438,690)
Commission and brokerage paid from direct insurance	(22,247,713)	(17,996,873)
Other underwriting expenses	(19,007,846)	(14,634,957)
Operating expenses	(35,092,557)	(31,582,250)
Investments in securities	(37,100,000)	(21,124,788)
Net cash used in operating activities	<u>(29,189,296)</u>	<u>(484,152)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Cash paid for purchases of equipment	(1,590)	(60,727)
Cash paid for purchases of intangible assets	(515,580)	(60,000)
Net cash used in investing activities	<u>(517,170)</u>	<u>(120,727)</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Cash received from the capital increase	-	33,000,000
Net cash provided by financing activities	<u>-</u>	<u>33,000,000</u>
Net increase (decrease) in cash and cash equivalents	(29,706,466)	32,395,121
Cash and cash equivalents as at January 1,	91,120,215	66,986,399
<b>Cash and cash equivalents as at June 30,</b>	<u>61,413,749</u>	<u>99,381,520</u>

See condensed notes to the financial statements

.....  
Mr. Thomas Prentice Thomson



.....  
Mr. Thanachat Kaewjaipetch



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

**1. GENERAL INFORMATION AND THE COMPANY'S OPERATION**

Pacific Cross Health Insurance Public Company Limited was incorporated as a limited company under the Thai Civil and Commercial Code on June 13, 1977 and became a public limited company on January 17, 2013. The principal business of the company is the provision of non-life insurance in Thailand. The Company head office is located at 152 Chartered Square Building, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand.

The major shareholder company is Med-Sure Services Company Limited which was incorporated in Thailand, holding 69.15% of its share capital.

**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 statements of financial position as at December 31, 2017, presented herein for comparison, have 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 are 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 Thai Financial Reporting Standard (“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 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.

2.6 Thai Financial Reporting Standard 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 TFRS 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	Unit : Baht As at December 31, 2017
Cash on hands	20,734	26,355
Deposits at bank without fixed maturity dates	15,062,056	50,062,056
Deposits at bank with fixed maturity dates	46,330,959	41,031,804
Cash and cash equivalents	<u>61,413,749</u>	<u>91,120,215</u>

**5. PREMIUM RECEIVABLES**

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

	<b>As at June 30, 2018</b>	<b>Unit : Baht As at December 31, 2017</b>
Within credit terms	2,781,424	12,108,431
Less than 30 days	12,555,593	11,860,984
31 - 60 days	7,573,479	6,828,475
61 - 90 days	1,809,831	3,032,782
Over 90 days	7,464,843	2,363,005
Total premium receivables	<u>32,185,170</u>	<u>36,193,677</u>
<u>Less</u> Allowance for doubtful accounts	<u>147,297</u>	<u>526,674</u>
Premium receivables - net	<u>32,037,873</u>	<u>35,667,003</u>

**6. REINSURANCE ASSETS**

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

	<b>As at June 30, 2018</b>	<b>Unit : Baht As at December 31, 2017</b>
<b>Insurance reserve refundable from reinsurers</b>		
Claim reserves	17,432,207	3,440,091
Unearned premium reserve		
- Unearned reinsurance premium reserve	64,120,158	33,935,364
Total reinsurance assets (see Note 11)	<u>81,552,365</u>	<u>37,375,455</u>

**7. DUE FROM REINSURERS**

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

	<b>As at June 30, 2018</b>	<b>Unit : Baht As at December 31, 2017</b>
Due from reinsurers	<u>12,416,468</u>	<u>10,620,303</u>

**8. INVESTMENT IN SECURITIES**

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

	Interest rate		Unit : Baht	
			Cost method	
	As at June 30, 2018 % p.a.	As at December 31, 2017 % p.a.	As at June 30, 2018 Baht	As at December 31, 2017 Baht
<b>Held-to-maturity securities</b>				
Deposits at bank with maturity over 3 months	0.60 - 2.38	0.75 - 2.38	<u>203,360,344</u>	<u>166,260,344</u>
<b>Total investment in securities</b>			<u>203,360,344</u>	<u>166,260,344</u>

As at June 30, 2018 and December 31, 2017, investments in securities at carrying value amount of Baht 78.56 million and Baht 79.86 million, respectively, are deposited as collateral with the Registrar and assets reserved with the Registrar (see Note 20).

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	As at June 30, 2018	As at January 1, 2018	Depreciation	Disposal / Write off	As at June 30, 2018	Equipment - net as at January 1, 2018	Equipment - net as at June 30, 2018
Furniture and fixtures	6,723,207	6,723,207	(4,373,447)	(666,795)	-	(5,040,242)	2,349,760	1,682,965
Office equipment	5,417,039	5,281,029	(3,530,983)	(413,482)	137,589	(3,806,876)	1,886,056	1,474,153
Total	12,140,246	12,004,236	(7,904,430)	(1,080,277)	137,589	(8,847,118)	4,235,816	3,157,118

	Cost			Accumulated depreciation			Unit : Baht	
	As at January 1, 2017	As at December 31, 2017	As at January 1, 2017	Depreciation	Disposal / Write off	As at December 31, 2017	Equipment - net as at January 1, 2017	Equipment - net as at December 31, 2017
Furniture and fixtures	6,723,207	6,723,207	(3,028,805)	(1,344,642)	-	(4,373,447)	3,694,402	2,349,760
Office equipment	5,433,187	5,417,039	(2,808,328)	(827,918)	105,263	(3,530,983)	2,624,859	1,886,056
Total	12,156,394	12,140,246	(5,837,133)	(2,172,560)	105,263	(7,904,430)	6,319,261	4,235,816

Depreciation for the three-month periods ended June 30, 2018 and 2017 amounting to Baht 0.54 million and depreciation for the six-month periods ended of June 30, 2018 and 2017 amount of Baht 1.08 million, were included in operating expenses.

As at June 30, 2018 and December 31, 2017, certain building and equipment at cost of Baht 1.13 million and Baht 1.27 million, respectively, were fully depreciated but still in use.

**10. OTHER ASSETS**

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

	As at June 30, 2018	Unit : Baht As at December 31, 2017
Prepaid expenses	1,206,266	352,030
Deposits	1,353,117	1,271,117
Others	1,296,466	1,734,747
Total other assets	<u>3,855,849</u>	<u>3,357,894</u>

**11. 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 contract liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and agreed	20,770,359	(14,523,541)	6,246,818
Claim incurred but not reported	14,456,855	(2,908,666)	11,548,189
Premium reserve			
Unearned Premium reserve	159,309,929	(64,120,158)	95,189,771
Total	<u>194,537,143</u>	<u>(81,552,365)</u>	<u>112,984,778</u>

	As at December 31, 2017		Unit : Baht
	Insurance contract liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and agreed	15,398,846	(4,252,646)	11,146,200
Claim incurred but not reported	8,757,622	812,555	9,570,177
Premium reserve			
Unearned Premium reserve	139,485,144	(33,935,364)	105,549,780
Total	<u>163,641,612</u>	<u>(37,375,455)</u>	<u>126,266,157</u>

11.1 Insurance reserve for short term insurance contract

11.1.1 Claim reserves

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

	<b>As at June 30, 2018</b>	<b>Unit : Baht As at December 31, 2017</b>
Balance as at beginning period/year	24,156,468	55,189,581
Claim incurred and loss adjustment expenses during the period/year	78,290,061	138,893,939
Changing on estimated loss and assumptions used in calculating loss reserve	6,937,371	(11,147,426)
Claim paid during the period/year	<u>(74,156,686)</u>	<u>(158,779,626)</u>
Balance as at ending period/year	<u>35,227,214</u>	<u>24,156,468</u>

11.1.2 Unearned premium reserve

	<b>As at June 30, 2018</b>	<b>Unit : Baht As at December 31, 2017</b>
Balance as at beginning period/year	139,485,144	107,485,670
Premium written for the period/year	166,280,336	287,657,918
Earned premium for the period/year	<u>(146,455,551)</u>	<u>(255,658,444)</u>
Balance as at ending period/year	<u>159,309,929</u>	<u>139,485,144</u>

11.1.3 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 105.73 million and Baht 91.72 million, respectively, is lower than the unearned premium reserve.

## 12. DUE TO REINSURERS

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

	As at June 30, 2018	Unit : Baht As at December 31, 2017
Amount withheld on reinsurance	33,169,398	12,996,750
Reinsurance payables	21,707,228	20,884,171
Total due to reinsurers	<u>54,876,626</u>	<u>33,880,921</u>

## 13. OTHER LIABILITIES

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

	As at June 30, 2018	Unit : Baht As at December 31, 2017
Commissions and brokerages payables	6,027,162	5,708,049
Other expenses payables	5,316,042	11,007,663
Premium received in advance	3,691,549	1,834,914
Others	2,413,558	2,320,997
Total other liabilities	<u>17,448,311</u>	<u>20,871,623</u>

## 14. SHARE CAPITAL

On February 20, 2017, the Extraordinary General Meeting of Shareholders approved the increase in the authorized share capital of the Company from 452,000,000 Baht to 470,000,000 Baht by issuing new 720,000 ordinary shares at Baht 25.00 per shares in the amount of Baht 18,000,000. The Company called and received subscriptions in full amount and registered share capital increase with the Department of Business Development, the Ministry of Commerce on March 22, 2017.

On May 22, 2017, the Extraordinary General Meeting of Shareholders approved the increase in the authorized share capital of the Company from 470,000,000 Baht to 485,000,000 Baht by issuing new 600,000 ordinary shares at Baht 25.00 per shares in the amount of Baht 15,000,000. The Company called and received subscriptions in full amount and registered share capital increase with the Department of Business Development, the Ministry of Commerce on June 15, 2017.



On November 22, 2017, the Extraordinary General Meeting of Shareholders approved the increase in the authorized share capital of the Company from 485,000,000 Baht to 500,000,000 Baht by issuing new 600,000 ordinary shares at Baht 25.00 per shares in the amount of Baht 15,000,000. The Company called and received subscriptions in full amount and registered share capital increase with the Department of Business Development, the Ministry of Commerce on December 19, 2017.

#### 15. 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 Thai Financial Reporting Standard.

The Company is operating its core business in a single segment which is non-life insurance business and in a single geographic area that is Thailand. Therefore, no operational and 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.

#### 16. OPERATING EXPENSE

Operating expense for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of the following:

	Unit : Baht	
	For the three-month periods ended June 30,	
	2018	2017
Employee expenses	7,862,089	7,914,555
Rental of equipment, building and service expense	1,208,535	1,208,256
Tax and duties	26,024	22,945
Depreciation and amortization	673,677	652,137
Doubtful debt expenses	(379,377)	505,627
Profession fees	662,500	575,000
Other operating expenses	5,748,110	3,762,200
Total Operating expenses	<u>15,801,558</u>	<u>14,640,720</u>

	Unit : Baht	
	For the six-month periods ended June 30,	
	2018	2017
Employee expenses	15,561,757	16,907,030
Rental of equipment, building and service expenses	2,418,212	2,407,223
Tax and duties	101,602	123,593
Depreciation and amortization	1,322,977	1,293,356
Doubtful debt expense	(379,377)	505,627
Profession fees	1,325,000	1,325,000
Other operating expense	10,653,506	8,376,542
Total Operating expenses	<u>31,003,677</u>	<u>30,938,371</u>

**17. BASIC EARNINGS (LOSS) PER SHARE**

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

	Unit : Baht	
	For the three-month periods ended June 30,	
	2018	2017
Net income (loss) (Baht)	4,015,716	(6,591,116)
Weighted average number of share capital (share)	20,000,000	18,305,534
Basic earnings (loss) per share (Baht)	<u>0.20</u>	<u>(0.36)</u>

	Unit : Baht	
	For the six-month periods ended June 30,	
	2018	2017
Net income (loss) (Baht)	1,139,792	(22,271,563)
Weighted average number of share capital (share)	20,000,000	18,305,534
Basic earnings (loss) per share (Baht)	<u>0.06</u>	<u>(1.22)</u>

The weighted average number of ordinary shares for calculate basic earnings (loss) per share for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	<b>2018</b>	<b>2017</b>
Number of ordinary shares outstanding at the beginning of the period	20,000,000	18,080,000
Average number of ordinary shares in issue during the period		
(720,000 shares x 101 days/365 days)	-	199,233
(600,000 shares x 16 days/365 days)	-	26,301
Weight average number of ordinary shares issued outstanding at the end of the period	<u>20,000,000</u>	<u>18,305,534</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. Transactions with the related parties are mainly as follows:

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

Companies	Relationship	Type of Business
Med-Sure Services Co., Ltd	Major shareholder	Medical services
Legal Concept Co., Ltd	Some common directors	Legal services

Significant balances and transactions with related companies were as follows:

	As at June 30, 2018	Unit :Baht As at December 31, 2017
Accrued service income Major shareholder	299,600	299,600
Underwriting and loss adjustment payable Major shareholder	2,681,445	2,982,422

	Unit :Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Service income				
Major shareholder	840,000	840,000	1,680,000	1,680,000
Underwriting and loss adjustment expenses				
Major shareholder	6,994,570	5,304,450	13,360,453	11,632,336
Legal consulting fee				
Related company	31,380	54,640	31,380	54,640

The Company paid underwriting and loss adjustment expense as specified in the agreement made between the Company and such related 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 companies.

The Company has service agreements with related companies for a term of 3 years. Service fee and conditions are contractually agreed prices.

The Company has legal consulting agreement with the related company. Legal consulting fee and conditions are contractually agreed prices.

#### 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:

	Unit :Baht			
	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	2,949,793	2,886,097	5,865,412	5,669,532
Directors remuneration	150,000	150,000	300,000	300,000
Post-employment benefits	16,509	38,996	33,018	77,992
	<u>3,116,302</u>	<u>3,075,093</u>	<u>6,198,430</u>	<u>6,047,524</u>

**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 deposited with the Registrar (see Note 8) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552" as follows:

	<b>As at June 30, 2018</b>	<b>Unit :Baht As at December 31, 2017</b>
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Deposits at bank with maturity over 3 months	3,500,000	3,500,000
Assets reserved with the registrar		
Deposits at bank with maturity over 3 months	75,060,760	76,359,462
Total investment in securities of pledged	<u>78,560,760</u>	<u>79,859,462</u>

**21. LONG-TERM LEASES AND SERVICE AGREEMENTS**

Long-term leases and service agreements as at June 30, 2018 and December 31, 2017 consisted of the following:

Where the Company is the lessee

Type of lease	Remaining periods		Unit :Baht Total rental payment for the remaining periods
	Within 1 year	Over 1 year to 5 years	
<b>As at June 30, 2018</b>			
Rental building and service	4,888,890	3,593,537	8,482,427
	<u>4,888,890</u>	<u>3,593,537</u>	<u>8,482,427</u>
<b>As at December 31, 2017</b>			
Rental building and service	5,164,948	5,955,696	11,120,644
	<u>5,164,948</u>	<u>5,955,696</u>	<u>11,120,644</u>

For the three-month and six-month periods ended June 30, 2018 and 2017, the Company recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follow:

	Unit :Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Rental and service fees	1,326,158	1,300,058	2,652,316	2,590,361

Where the Company is the lessor

Type of lease	Remaining periods		Unit :Baht
	Within 1 year	Over 1 year to 5 years	Total rental payment for the remaining periods
<b>As at June 30, 2018</b>			
Rental building and service - related party	3,360,000	560,000	3,920,000
	<u>3,360,000</u>	<u>560,000</u>	<u>3,920,000</u>
<b>As at December 31, 2017</b>			
Rental building and service - related party	3,360,000	2,240,000	5,600,000
	<u>3,360,000</u>	<u>2,240,000</u>	<u>5,600,000</u>

For the three-month and six-month periods ended June 30, 2018 and 2017, the Company recorded the rental and service - related party under operating agreements as other income in the statements of profit or loss and other comprehensive income as follow:

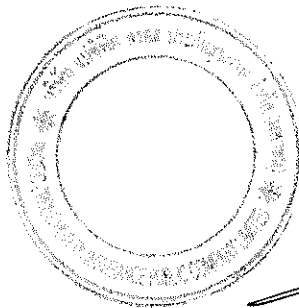
	Unit :Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Rental building and service - related party	840,000	840,000	1,680,000	1,680,000

**22. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were approved for issuance by the Company's authorized executive director on August 10, 2018.



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Mr. Thomas Prentice Thomson



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Mr. Thanachat Kaewjaipetch