
*PACIFIC CROSS HEALTH INSURANCE
PUBLIC COMPANY LIMITED*

Interim financial statements

*Three-month and six-month periods ended
June 30, 2019*

**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

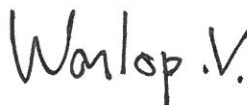
We have reviewed the statement of financial position of Pacific Cross Health Insurance Public Company Limited (the “Company”) as at June 30, 2019 and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019, and the related statement of changes in equity and cash flows for the six-month period ended June 30, 2019, 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 13, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

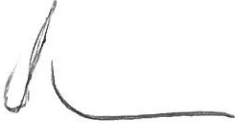
STATEMENT OF FINANCIAL POSITION

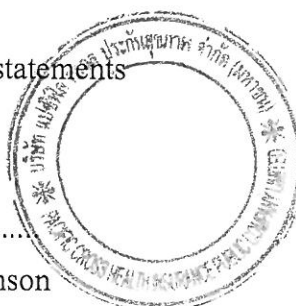
AS AT JUNE 30, 2019

UNIT : BAHT

		“Unaudited”	
		As at	As at
	Notes	June 30,	December 31,
		2019	2018
ASSETS			
Cash and cash equivalents	4	86,998,599	66,102,663
Premium receivables	5	41,111,248	40,859,514
Accrued investment income		2,245,597	1,782,040
Reinsurance assets	6	116,761,688	101,808,567
Due from reinsurers	7	16,720,966	15,357,475
Investments in securities	8	214,078,133	228,578,133
Equipment	9	1,196,727	2,058,790
Intangible assets		327,835	422,976
Other assets	10	3,729,286	3,677,896
TOTAL ASSETS		483,170,079	460,648,054

See condensed notes to the financial statements


 Mr. Thomas Prentice Thomson




 Mr. Thanachat Kaewjaipetch

PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

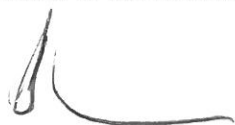
STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2019

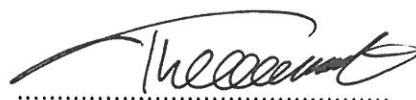
UNIT : BAHT

		"Unaudited"	
		As at	As at
	Notes	June 30, 2019	December 31, 2018
LIABILITIES AND EQUITY			
LIABILITIES			
Insurance contract liabilities	11	251,055,160	216,083,242
Due to reinsurers	12	84,236,708	78,283,765
Employee benefit obligations		824,506	753,729
Other liabilities	13	23,308,645	28,979,852
TOTAL LIABILITIES		<u>359,425,019</u>	<u>324,100,588</u>
EQUITY			
SHARE CAPITAL			
Authorized share capital			
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
ACCUMULATED DEFICIT			
Unappropriated (deficit)		(376,254,940)	(363,452,534)
TOTAL EQUITY		<u>123,745,060</u>	<u>136,547,466</u>
TOTAL LIABILITIES AND EQUITY		<u>483,170,079</u>	<u>460,648,054</u>

See condensed notes to the financial statements



Mr. Thomas Prentice Thomson

Mr. Thanachat Kaewjaipetch

UNIT : BAHT

Earnings per share

16 Baht

0.14

0.20

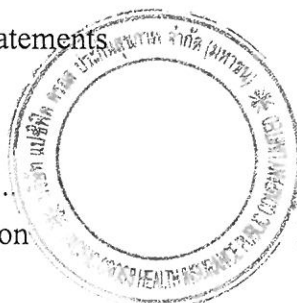
See condensed notes to the financial statements

Mr. Thomas Prentice Thomson

Mr.Thanachat Kaewjaipetch

UNIT : BAHT

Mr.Thanachat Kaewjaipetch



PACIFIC CROSS HEALTH INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

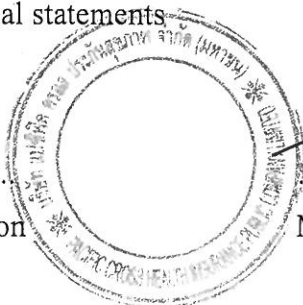
“UNAUDITED”

UNIT : BAHT

	Issued and paid-up share capital	Accumulated deficit Unappropriated (Deficit)	Total Equity
Beginning balance as at January 1, 2018	500,000,000	(369,546,642)	130,453,358
Comprehensive income	-	1,139,792	1,139,792
Ending balance as at June 30, 2018	<u>500,000,000</u>	<u>(368,406,850)</u>	<u>131,593,150</u>
Beginning balance as at January 1, 2019	500,000,000	(363,452,534)	136,547,466
Comprehensive loss	-	(12,802,406)	(12,802,406)
Ending balance as at June 30, 2019	<u>500,000,000</u>	<u>(376,254,940)</u>	<u>123,745,060</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, 2019

“UNAUDITED”

UNIT : BAHT

	2019	2018
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Direct premium received	201,990,295	164,486,133
Cash paid from reinsurance	(6,798,037)	(11,884,841)
Other investment income	1,451,547	1,093,031
Other income	2,260,857	2,222,946
Claim incurred from direct insurance	(97,271,778)	(71,658,449)
Commission and brokerage paid from direct insurance	(28,777,542)	(22,247,713)
Other underwriting expenses	(24,891,093)	(19,007,846)
Operating expenses	(41,443,835)	(35,092,557)
Investments in securities	14,500,000	(37,100,000)
Net cash provided by (used in) operating activities	<u>21,020,414</u>	<u>(29,189,296)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash paid for purchases of equipment	-	(1,590)
Cash paid for purchases of intangible assets	(124,478)	(515,580)
Net cash used in investing activities	<u>(124,478)</u>	<u>(517,170)</u>
Net increase (decrease) in cash and cash equivalents	20,895,936	(29,706,466)
Cash and cash equivalents as at January 1,	<u>66,102,663</u>	<u>91,120,215</u>
Cash and cash equivalents as at June 30,	<u><u>86,998,599</u></u>	<u><u>61,413,749</u></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 SIX-MONTH PERIODS ENDED JUNE 30, 2019
“UNAUDITED”

1. GENERAL INFORMATION AND THE COMPANY'S OPERATION

Pacific Cross Health Insurance Public Company Limited (the “Company”) 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 authorized share capital.

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

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 2018) “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, 2018, 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, 2019 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, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.

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 and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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 interim financial statements.

However, new Thai Financial Reporting Standard involves changes to key principles is Thai Accounting Standard No. 15 "Revenue from Contracts with Customers". The core principle of this Standard is that an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

This Standard supersedes the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No. 11 "Construction Contracts", Thai Accounting Standard No. 18 "Revenue", Thai Accounting Standard Interpretation No. 31 "Revenue-Barter Transactions Involving Advertising Services", Thai Financial Reporting Standard Interpretation No. 13 "Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No. 15 "Agreements for the Construction of Real Estate" and Thai Financial Reporting Standard Interpretation No. 18 "Transfers of Assets from Customers".

The Company adopts Thai Financial Accounting Standard No. 15 "Revenue from Contracts with Customers" for revenue from rental and service which has no material impact to 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 Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standard No.4 (Revised 2018) “Insurance Contracts”

This revised financial reporting standard determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments”. An entity can elect to exempt from Thai Financial Reporting Standard No. 9 until annual periods beginning before January 1, 2023 or before Thai Financial Reporting Standard No. 17 “Insurance Contracts” is effective.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions has issued the accounting guidelines for financial instruments and disclosures on insurance business for the entity selects to temporarily exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments”. This accounting guidelines has been announced in the Royal Gazette on March 11, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, which allowed the adoption on this accounting guideline prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts this accounting guideline prior to the effective date, the entity is required to disclose such adoption. However, the Company’s management does not adopt such accounting guideline for financial instruments and disclosures on insurance business prior to the effective date.

Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

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

The Company’s management selects to temporarily exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments” until annual periods beginning before January 1, 2023 or before Thai Financial Reporting Standard No. 17 “Insurance Contracts” is effective. The other relevant accounting guidelines and TFRSs will be adopted 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 these TFRSs 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, 2018.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2019 and December 31, 2018, consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Cash on hands	29,674	28,695
Deposits at bank without fixed maturity dates	86,968,925	66,073,968
Total cash and cash equivalents	<u>86,998,599</u>	<u>66,102,663</u>

5. PREMIUM RECEIVABLES

Premium receivables as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Within credit terms	6,070,221	13,586,312
Less than 30 days	15,836,639	12,416,392
31 - 60 days	9,428,102	7,762,729
61 - 90 days	2,119,562	4,197,811
Over 90 days	8,117,612	3,211,614
Total premium receivables	41,572,136	41,174,858
Less Allowance for doubtful accounts	460,888	315,344
Total premium receivables	<u>41,111,248</u>	<u>40,859,514</u>

6. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Insurance reserve refundable from reinsurers		
Claim reserves	38,156,893	28,056,681
Unearned premium reserve		
- Unearned reinsurance premium reserve	78,604,795	73,751,886
Total reinsurance assets (see Note 11)	<u>116,761,688</u>	<u>101,808,567</u>

7. DUE FROM REINSURERS

Due from reinsurers as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Due from reinsurers	<u>16,720,966</u>	<u>15,357,475</u>

8. INVESTMENT IN SECURITIES

Investment in securities as at June 30, 2019 and December 31, 2018 consisted of the following:

	Interest rate		Unit : Baht	
	As at June 30, 2019 % p.a.	As at December 31, 2018 % p.a.	Cost method As at June 30, 2019 Baht	As at December 31, 2018 Baht
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	0.60 - 2.38	0.60 - 2.38	<u>214,078,133</u>	<u>228,578,133</u>
Total investment in securities			<u>214,078,133</u>	<u>228,578,133</u>

As at June 30, 2019 and December 31, 2018, investments in securities at carrying value amount of Baht 64.56 million and Baht 78.56 million, are deposited as collateral with the Registrar and assets reserved with the Registrar (see Note 19).

9. EQUIPMENT

Equipment as at June 30, 2019 and December 31, 2018 consisted of the following:

	Cost			Accumulated depreciation			Unit : Baht	
	As at January 1, 2019	Increase	Disposal / Write off	As at June 30, 2019	Depreciation	Disposal / Write off	Equipment - net as at January 1, 2019	Equipment - net as at December 31, 2019
Furniture and fixtures	6,723,207	-	-	6,723,207	(589,418)	-	1,005,119	415,701
Office equipment	5,262,972	134,316	(9,838)	5,387,450	(406,006)	8,883	1,053,671	781,086
Total	11,986,179	134,316	(9,838)	12,110,657	(995,424)	8,883	2,058,790	1,196,727

	Cost			Accumulated depreciation			Unit : Baht	
	As at January 1, 2018	Increase	Disposal / Write off	As at December 31, 2018	Depreciation	Disposal / Write off	Equipment - net as at January 1, 2018	Equipment - net as at December 31, 2018
Furniture and fixtures	6,723,207	-	-	6,723,207	(1,344,641)	-	2,349,760	1,005,119
Office equipment	5,417,039	1,590	(155,657)	5,262,972	(833,961)	155,643	1,886,056	1,053,671
Total	12,140,246	1,590	(155,657)	11,986,179	(2,178,602)	155,643	4,235,816	2,058,790

Depreciation for the three-month and six-month periods ended June 30, 2019 amount of Baht 0.46 million and Baht 1.00 million, respectively, were included in operating expenses.

As at June 30, 2019 and December 31, 2018, certain building and equipment at cost of Baht 6.02 million and Baht 1.11 million, respectively, were fully depreciated but still in use.

10. OTHER ASSETS

Other assets as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Prepaid expenses	775,940	501,139
Deposits	1,362,198	1,548,148
Others	1,591,148	1,628,609
Total other assets	<u>3,729,286</u>	<u>3,677,896</u>

11. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019		Unit : Baht
	Insurance contract liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and agreed	34,485,872	(32,965,871)	1,520,001
Claim incurred but not reported	13,586,695	(5,191,022)	8,395,673
Premium reserve			
Unearned Premium reserve	202,982,593	(78,604,795)	124,377,798
Total	<u>251,055,160</u>	<u>(116,761,688)</u>	<u>134,293,472</u>

	As at December 31, 2018		Unit : Baht
	Insurance contract Liabilities	Reinsurance liabilities (see Note 6)	Net
Claim reserves			
Claim incurred and agreed	22,160,950	(25,217,274)	(3,056,324)
Claim incurred but not reported	11,446,644	(2,839,407)	8,607,237
Premium reserve			
Unearned Premium reserve	182,475,648	(73,751,886)	108,723,762
Total	<u>216,083,242</u>	<u>(101,808,567)</u>	<u>114,274,675</u>

11.1 Insurance reserve for short term insurance contract

11.1.1 Claim reserves

Claim reserves as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Balance as at beginning period/year	33,607,594	24,156,468
Claim incurred and loss adjustment expenses during the period/year	109,339,552	171,317,493
Changing on estimated loss and assumptions used in calculating loss reserve	4,838,234	(4,572,613)
Claim paid during the period/year	(99,712,813)	(157,293,754)
Balance as at ending period/year	<u>48,072,567</u>	<u>33,607,594</u>

11.1.2 Unearned premium reserve

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Balance as at beginning period/year	182,475,648	139,485,144
Premium written for the period/year	210,370,254	369,612,437
Earned premium for the period/year	(189,863,309)	(326,621,933)
Balance as at ending period/year	<u>202,982,593</u>	<u>182,475,648</u>

11.1.3 Unexpired risk reserve

As at June 30, 2019 and December 31, 2018, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 124.63 million and Baht 112.21 million, respectively, is lower than the unearned premium reserve.

12. DUE TO REINSURERS

Due to reinsurers as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Amount withheld on reinsurance	47,589,908	43,295,731
Reinsurance payables	36,646,800	34,988,034
Total due to reinsurers	<u>84,236,708</u>	<u>78,283,765</u>

13. OTHER LIABILITIES

Other liabilities as at June 30, 2019 and December 31, 2018 consisted of the following:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Commissions and brokerages payables	7,486,436	8,164,490
Other accrued expenses	9,684,202	15,413,311
Premium received in advance	3,505,820	2,930,050
Others	2,632,187	2,472,001
Total other liabilities	<u>23,308,645</u>	<u>28,979,852</u>

14. 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, 2019 and 2018, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

15. OPERATING EXPENSE

Operating expense for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of the following:

	Unit : Baht For the three-month periods ended June 30, 2019	2018
Employee expenses	8,993,578	7,862,089
Rental of equipment, building and service expense	1,215,769	1,208,535
Tax and duties	30,348	26,024
Depreciation and amortization	506,154	673,677
Doubtful debt expenses	(353,500)	(379,377)
Profession fees	753,750	662,500
Other operating expenses	7,045,184	5,748,110
Total Operating expenses	<u>18,191,283</u>	<u>15,801,558</u>

	Unit : Baht	
	For the six-month	
	periods ended June 30,	
	2019	2018
Employee expenses	18,390,571	15,561,757
Rental of equipment, building and service expenses	2,435,729	2,418,212
Tax and duties	106,209	101,602
Depreciation and amortization	1,090,565	1,322,977
Doubtful debt expense	145,544	(379,377)
Profession fees	1,552,500	1,325,000
Other operating expense	14,105,556	10,653,506
Total Operating expenses	<u>37,826,674</u>	<u>31,003,677</u>

16. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Baht	
	For the three-month	
	periods ended June 30,	
	2019	2018
Net profit (Baht)	2,807,492	4,015,716
Weighted average number of share capital (share)	<u>20,000,000</u>	<u>20,000,000</u>
Basic earnings per share (Baht)	<u>0.14</u>	<u>0.20</u>

	Unit : Baht	
	For the six-month	
	periods ended June 30,	
	2019	2018
Net profit (loss) (Baht)	(12,802,406)	1,139,792
Weighted average number of share capital (share)	<u>20,000,000</u>	<u>20,000,000</u>
Basic earnings (loss) per share (Baht)	<u>(0.64)</u>	<u>0.06</u>

17. 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	Related Company	Legal services

Significant balances and transactions with related companies were as follows:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
Underwriting and loss adjustment payable		
Major shareholder	3,305,292	4,129,782

	Unit : Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Service income				
Major shareholder	840,000	840,000	1,680,000	1,680,000
Underwriting and loss adjustment expenses				
Major shareholder	8,072,702	6,994,570	15,488,491	13,360,453
Legal consulting fee				
Related company	7,000	31,380	7,000	31,380

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.

18. DIRECTORS AND KEY MANAGEMENT'S REMUNERATION

During the three-month and six-month periods ended June 30, 2019 and 2018, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management recognized as expenses as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Directors and key management personnel's remuneration				
Short-term benefits	4,059,597	2,949,793	8,834,451	5,865,412
Directors remuneration	45,000	150,000	135,000	300,000
Post-employment benefits	3,503	16,509	7,005	33,018
	<u>4,108,100</u>	<u>3,116,302</u>	<u>8,976,456</u>	<u>6,198,430</u>

19. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at June 30, 2019 and December 31, 2018, 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:

	As at June 30, 2019	Unit : Baht As at December 31, 2018
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	61,060,761	75,060,760
Total investment in securities of pledged	<u>64,560,761</u>	<u>78,560,760</u>

20. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at June 30, 2019 and December 31, 2018 consisted of the following:

Where the Company is the lessee

Type of lease	Remaining periods		Unit : Baht
	Within 1 year	Over 1 year to 5 years	Total rental payment for the remaining periods
As at June 30, 2019			
Rental building and service	4,944,733	2,783,098	7,727,831
	<u>4,944,733</u>	<u>2,783,098</u>	<u>7,727,831</u>
As at December 31, 2018			
Rental building and service	5,265,454	2,093,966	7,359,420
	<u>5,265,454</u>	<u>2,093,966</u>	<u>7,359,420</u>

For the three-month and six-month periods ended June 30, 2019 and 2018, 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:

	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Rental and service fees	1,548,583	1,327,884	3,101,357	2,656,910

Where the Company is the lessor

Type of lease	Remaining periods		Unit : Baht
	Within 1 year	Over 1 year to 5 years	Total rental receive for the remaining periods
As at June 30, 2019			
Rental building and service - related party	560,000	-	560,000
	<u>560,000</u>	<u>-</u>	<u>560,000</u>
As at December 31, 2018			
Rental building and service - related party	2,240,000	-	2,240,000
	<u>2,240,000</u>	<u>-</u>	<u>2,240,000</u>

For the three-month and six-month periods ended June 30, 2019 and 2018, 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 :

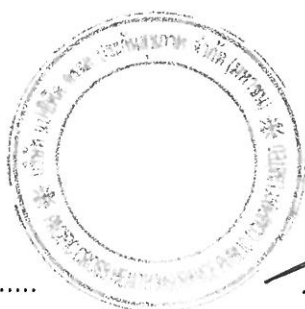
	For the three-month periods ended June 30,		Unit : Baht For the six-month periods ended June 30,	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental and service fees - related party	840,000	840,000	1,680,000	1,680,000

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 13, 2019.



Mr. Thomas Prentice Thomson




Mr. Thanachat Kaewjaipetch