

# Contents

## PREFACE

## PAGE

<i>Message From The Chairman</i>	57-57
<i>Report From The Audit Committee</i>	58-59
<i>Company Profile and Report of Board of Directors</i>	60-65
<i>Summary of the Company' s Financial Information</i>	66-69
<i>Operating Revenue</i>	70-70
<i>Summary of Economic Status and Competition in 2009</i>	71-74
<i>Key Success Factors</i>	75-75
<i>Risk Factors</i>	76-78
<i>Shareholders and Management</i>	79-81
<i>Analysis of The Company' s Financial Position and Results of Operations</i>	82-84
<i>Financial Statements and Auditors' Report</i>	85-85



## *MESSAGE FROM THE CHAIRMAN CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED*

---



we all know that the over all economic situation in 2009 had affected most of the business varieties and resulted in recessive growth and slow down development. The rate of Thai economic growth has also demonstrated the negative direction for all business sectors both the governmental and private organizations. This can be the consequences from external and internal factors: the unstability of the political issues, the delayed authorization of Marb-ta-put industrial projects, the fluctuation of monetary value, the epidemic of influenza 2009, and unstability of the world trade businesses or collapsing of big western companies. Lastly, the economic collapsing of the Bubaï from economic imbalance also affected over all world economic growth. All of the fore coming factors are undoubtedly influenced and slow down economic growth during the fiscal year of 2009.

Whatever the external or domestic economic constraints are, Lanna Hospital has put a great effort to confront with the situation and continuously improving the quality of health services in order to comply with the Hospital Accreditation. Health personnel development and service improvement are strengthened for high efficiency and patient's satisfaction in order to meet with the condition that “ **Lanna Hospital is one of the safest hospital.**”

The continuous improvement in all related health services during the last year are not only from the managerial point of view but mostly from the good cooperation of all health personnel, doctors, nurses, and others including the valuable feed back from the committee and shareholders. The number of patients in 2009 has increasing and revenue productivity revealed increasing by 9.50 percent comparing to the previous year while the cost and related expenditures increased only 5.32 percent. This makes the net profit to be 67.61 percent increment or very successful outcome of the health services.

On behalf of Board Director, I would like to extend my gratitude to all shareholders for your confidence and support the company. We are all feel very happy to be honored and trusted by the customers or patients for the safety health care and supporting the hospital.

For the new year of 2010, the trend shows the same pattern comparing to last year. We may extrapolated that growth and health productivities of health care of Lanna Hospital in the coming year will be the same or better than the previous year.

(Dr. Racha Somburanasin)

Chairman Board of Directors



## **STATEMENT OF THE AUDIT COMMITTEE FOR THE YEAR 2009**

---

To The Shareholders

On 31<sup>st</sup> December 2009, the Board of Chiang Mai Ram Medical Business Public Co., Ltd., designated the Audit Committee comprising 3 independent directors as follows:

- |    |              |           |                                 |
|----|--------------|-----------|---------------------------------|
| 1. | Dr. Suthisak | Kanaprach | Chairman of the Audit Committee |
| 2. | Mr. Krirk    | Jittalan  | Audit Committee                 |
| 3. | Miss Papat   | Supaokit  | Audit Committee                 |

The Committee's areas of responsibilities are as follows:

1. To review the company's financial reporting process to ensure accuracy and adequacy;
2. To ensure that the company has suitable and efficient internal control system and internal audit;
3. To review the performance of the company to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the company;
4. To consider, select, nominate and recommend remuneration of the company's external auditor;
5. To attend the meeting and confer with the auditor without the attendance of the management.
6. To consider and approve the appointment, removal, transfer or termination and to consider granting gratuities to head of the Internal Audit Office.
7. To review the disclosure of information of the company in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness;
8. To perform any other act as assigned by the board of directors with approval of the audit committee;
9. To report directly to the Company's Board of Directors.
10. To prepare a report on monitoring activities of the audit committee and disclose it in an annual report of the company, and have such report signed by the Chairman of the Audit Committee.

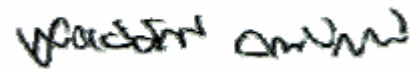
During 2009, the Audit Committee held 3 meetings to independently consider matters of importance. They also attended the meeting with an auditor and internal auditor and if necessary. The concerned directors would be invited to the meeting to provide additional information or to explain matters in question as follows:

1. Review 2009 trimester and annual financial statements of the company in order to ensure that the company's financial statements were in an accurate manner as specified in the matters of importance. The company information was sufficiently disclosed in accordance with the generally accepted accounting standards.



2. Review the company's disclosure of related transactions and transactions that may lead to conflict of interest to ensure that the company adhered to the procedure of normal business conditions and regulatory requirements specified by The Stock Exchange of Thailand.
3. Review the internal control system including the approval of the audit programme, acknowledgement of audit result, and the compliance and rectification of the result in order to emphasize that such internal control system was in accordance with international standard and in a substantially adequate manner as reported to the Board of Directors.
4. Review the company's operation to ensure that it conducted its business in compliance with law and all other legal and regulatory provisions.
5. Consider and select auditors and set their appropriate audit fee for consideration of the Board of Directors.

In conclusion, the Audit Committee agreed with the auditors that the company's financial statements were in a true and accurate manner and in compliance with generally accepted accounting standards and the Securities and Exchange Act. The company's operation in 2009 was considered satisfactory.



(Dr. Suthisak Kanaprach)

Chairman of the Audit Committee

December 31, 2009





# COMPANY PROFILE

## CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

Public Company Registration No. : 0107536001621 (PLC. 236)

Head Office : No. 8 Boonruangrit Road, Tumbon Sripoom  
Amphur Muang, Chiang Mai,  
Thailand 50200  
Tel. (66-53) 920300  
Fax. (66-53) 224880

Branch Office : No. 1 Sukkasem Road, Tumbon Paton  
Kwang Nakornping, Amphur Muang,  
Chiang Mai, Thailand 50300  
Tel. (66-53) 999777  
Fax. (66-53) 999799  
Home Page: [www.lanna-hospital.com](http://www.lanna-hospital.com)

Type of Business : Health Care Services; "Lanna Hospital"

Status as at December 31, 2008	Authorized registered capital	408,433,330.00	Baht
	Paid-up capital	402,312,500.00	Baht
	Number of Paid-up Ordinary Shares	40,231,250	Shares
	Par Value Per Share	10.00	Baht

Date listed on the Stock Exchange of Thailand : October 17, 1994

Identification : CMR

Transfer agent and registrar : Thailand Securities Depository Co., Ltd.  
4, 6-7 Fl., The Stock Exchange of Thailand Building  
62 Ratchadapisek Rd., Klongtoey Bangkok 10110  
Tel. (02) 359-1200-01  
Fax. (02) 359-1259



Auditor	:	Mr. Pichai	Dachanapirom	;	Registration No. 2421
		Mr. Pojana	Asavasontichai	;	Registration No. 4891
		Miss Chantra	Wongsri-udomporn	;	Registration No. 4996
		Miss Wannisa	Ngambuathong	;	Registration No. 6838
		Mr. Thanawut	Piboonsawat	;	Registration No. 6699

Dharmniti Auditing Company Limited

267/1 Pracharaj Sai 1 Road

Bangsue, Bangkok 10800

Tel. 02-587-8080 Fax. 02-586-0301

---

Law Consultant	:	None
----------------	---	------

---

Financial Consultant	:	<b>Avantgarde Capital Co., Ltd.</b>
----------------------	---	-------------------------------------

The Millennia Building Room no. 1905  
19<sup>th</sup> Floor, 62 Lungsuan Road, Bangkok 10330  
Tel. 02-651-8787 FAX. 02-651-8788

---

Principal Banker	:	<b>Thai Farmers Bank Public Co., Ltd.</b>
------------------	---	---

Tha-Phae Branch  
169 Tha-Phae Road Amphur Muang  
Chiang Mai

**Thai Military Bank Public Co., Ltd.**  
Siyak Kuang Sing-Chiang Mai Branch  
275/5 Chang Phuak Road  
Amphur Muang Chiang Mai



# CURRICULUM VITAE

## BOARD OF DIRECTORS & EXECUTIVE COMMITTEE

### CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

#### BOARD OF DIRECTORS

		POSITION
1.	DR. RACHA SOMBOONRANASIN	Chairman
2.	DR. AMNUAY CHINGCHAYANURAK	Vice Chairman
3.	DR. VARAPHAN UNACHAK	Director/ Executive Committee Chairman
4.	DR. DUSIT SRISAKUL	Director/ Managing Director
5.	DR. TEERAYUTH NIYOMGOOL	Director
6.	DR. SUMETH HANDAGOON	Director
7.	DR. AURCHAT KANJANAPITAK	Director
8.	DR. CHAMNAN CHANAPAI	Director
9.	DR. SUTHISAK KANAPRACH	Independent Director
10.	MR. KRIRK JITTALAN	Independent Director
11.	MISS PAPAT SUPAOKIT	Independent Director

#### EXECUTIVE COMMITTEE

	NAME	POSITION
1.	DR. VARAPHAN UNACHAK	Executive Committee Chairman
2.	DR. SUMETH HANDAGOON	Executive Director
3.	DR. DUSIT SRISAKUL	Executive Director
4.	DR. TEERAYUTH NIYOMGOOL	Executive Director

#### AUDIT COMMITTEE

	NAME	POSITION
1.	DR. SUTHISAK KANAPRACH	Audit Committee Chairman
2.	MR. KRIRK JITTALAN	Audit Director
3.	MISS PAPAT SUPAOKIT	Audit Director**

**Remark** \*\* The audit committee has adequate expertise and experience to review creditability of the financial reports.



## ***COMPANY BACKGROUND***

1976	A group of investors from the Faculty of Medicine, Chiang Mai University, Lawyers and Businessmen in Chiang Mai founded the “Lanna Hospital” with a registered capital of 20 million baht and operations began on 1 July.
1981	The company annexed an additional 4.5 storey wing with 65 beds the existing wing to enable the hospital to accommodate more patients. Combined with the original 60-bed wing, the hospital was now had 125 beds.
1983	The company began to extend the existing out-patients building were increased to 4 and a post-operation room was added. In addition, the operating theatre supplies and preparation room were also expanded. The extensions were completed and the building was ready for use in 1984.
1992	The hospital was expanded to a 180-bed hospital. A new 6-storey wing was constructed (including basement floor). The number of beds was increased by 42. Construction was completed in 1994 and the registered capital was increased to 40 million baht.
1993	At an extraordinary meeting of shareholders, a resolution was passed authorising the Board of Directors to alter the status of the company from a company limited to a public company. Registration was made with the Ministry of Commerce on 26 December, 1993 and the name of the company was changed to Chiang Mai Medical Services Public Co., Ltd. (LNH). - The value of shares was changed from 100 baht per share to 10 baht per share and the registered capital increased to 120 million baht.
1994	On 17 October, the company received permission to register on the Securities Exchange of Thailand.
1995	The hospital became part of the Thonburi Hospital network.
1996	On March 25, 1996 The Thonburi Hospital Public Company Limited invested in LNH and becoming a major share holder of LNH with the ownership of 6.35 million shares or 52.91% of the Company's paid up capital.
1999	We received the ISO 9002 certification.
2003	- We received the ISO 9001 : 2000 certification from UKAS Quality Management. - Construction began on an additional 2-storey building to extend the existing Out- patients and opening the Health Check Up Centre. The building was ready for use in 2004.
2005	Renovation of the 1 <sup>st</sup> Floor of B Building to expand the existing Out-patients Service Area. The building would be ready for utilization early in 2006.



2007

- In March, Thonburi Hospital Public Company Limited sold 4.60 shares or 38.33% of LNH's ownership to a group of persons V.R. & S.C. and Police Colonel Wittaya Wongpaiboon resulting in a change of major shareholder/ management structure (more details in major shareholders)
- On March 4, 2007, LNH issued 6 million new registered common shares and offered these new shares to existing shareholders at the ratio of 2 existing shares for 1 newly issued share at the price of THB 20 per share. The capital increase will be used to improve the quality of LNH' s services and to finance the construction of its New-Patient Building which is currently re-plan to be the Cancer and the Geriatric Centers. The issue has been informed to the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on 2 November 2007.
- Board of Directors/ Management: During April 2007, there were changes in the BOD structure which composes of 9 members including 2 existing members from LHN' s board, 3 members from CMR, 3 independent audit committees (one specializes in Accounting and Finance and appointed on 10 August 2007) and 1 member from outside. Moreover, some improvement was made to the internal operation. However, there was no significant change in management policy and every hospital still has CEO (full-time) to manage and control the daily operation to conform with the company's management policy.
- The resolution of the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on November 2, 2007 approved the issuance of new common shares of not exceeding 22,843,333 shares or 55.93% of the company' s paid up capital to purchased shares, via share swap, from the all CMR' s shareholders excluding Ramkhamhaeng Hospital Public Company Limited (RAM). LNH' s BOD will consider the allotment of remaining shares from the swap transaction to public or specific investor or other proper arrangement.

2008

- The company registered paid-in capital with the Ministry of Commerce Thailand on February 25, 2008 which would be traded on Stock Exchange since March 4, 2008.
- Regarding to a meeting of shareholders, the company' s name had been changed to "Borisat Chiang Mai Ram Turakit Karnpad Chamkad (Mahachon)" in Thai and the name in Roman alphabets is "Chiang Mai Ram Medical Business Public Company Limited" as already registered on June 23, 2008.



## Type of Business and Nature of Operation

LNH was established in 1974 by the jointed investment between groups of medical school professors (Chiang Mai University), attorneys, and businesspeople in Chiang Mai Province to operate medical care center under the name “Lanna Hospital”. On December 23, 1993 the resolution of the General Meeting of shareholders approved the transformation of LNH to be publicly owned company and LNH was finally listed in the Stock Exchange of Thailand under Health Care Services Sector on October 17, 1994.

During 1995-1996, Thonburi Hospital Plc. Invested in LNH and becoming a major share holder of LNH with the ownership of 52.91%. In March 2007, Thonburi Hospital however sold 38.33% of LNH' s ownership to a group of persons V.R & S.C. and Police Colonel Wittaya Wongpaiboon resulting in a change of major shareholder / management structure as follow;

MAJOR SHAREHOLDERS	NUMBER OF SHARES	%
1. V. R & S. C. Group <sup>(1)</sup>	4,349,876	24.17
2. Pol. Col. Wittaya Wongpaiboon	4,299,923	23.89
3. Thonburi Hospital Public Company Limited	2,588,610	14.38
4. Others	6,761,591	37.20
TOTAL	18,000,000	100.00

Remark : (1) Directly hold by Dr. Wiroj Onganunkun and Dr. Supachai Chotibutr

The resolution of the CMR' s Extraordinary General Meeting of shareholders, No 2/2007 on November 2, 2007 approved the issuance of new common shares of not exceeding 22,843,333 shares or 55.93% of the Company's paid up capital to purchase shares, via share swap, from the all Chiangmai Ram Hospital Company Limited 's shareholders excluding Ramkhamhaeng Hospital Public Company Limited (RAM).

CMR's BOD will consider the allotment of remaining shares from the swap transaction to public or specific investor or other proper arrangement.



# SUMMARY OF THE COMPANY' S FINANCIAL INFORMATION

## 1. THE COMPANY' S FINANCIAL POSITION DURING 2007-2009

### SEPARATE FINANCIAL STATEMENTS

Thousand Baht

	2009	%	2008	%	2007	%
Current Assets	102,008	7.41	70,980	6.08	175,624	41.94
Total Assets	1,375,949	100.00	1,166,079	100.00	418,699	100.00
Current Liabilities	117,467	8.54	75,774	6.49	54,819	13.09
Total Liabilities	274,067	19.92	75,774	6.49	54,819	13.09
Total Shareholders' Equity	1,101,882	80.08	1,090,305	93.50	363,880	86.90
Number of Share Capital	40,231,250		40,231,250		18,000,000	
Book Value per Share	27.39		27.10		20.22	
Par Value per Share	10		10		10	

In 2009, the Company' s current assets increased from 2008 amounting to Baht 31.03 million due to account receivable amounting to Baht 24.26 million and the Company' s total liabilities in 2009 increased from 2008 amounting to Baht 198.29 million due to increasing in long-term loan from financial instructions.

In the total shareholder' s equity increased from 2008 amounting to Baht 11.58 million, the profit for the year 2009 amount of Baht 51.81 million and paid dividend of Baht 40.23 million.

### CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht

	2009	%	2008	%
Current Assets	335,970	12.12	227,267	9.15
Total Assets	2,772,523	100.00	2,484,753	100.00
Current Liabilities	1,026,008	37.01	467,237	19.29
Total Liabilities	1,301,579	46.95	1,238,233	49.83
Shareholders' Equity of parent company	1,091,748	39.38	958,965	38.59
Minority Shareholders' interest	379,196	13.68	287,555	11.57
Number of Share Capital	40,231,250		40,231,250	
Book Value per Share	27.14		23.84	
Par Value per Share	10		10	

In 2009 the company had the increasing of asset from 2008 in the amounting to Baht 287.77 million, the increasing of total liabilities in the amounting of Baht 63.35 million and the increasing of total shareholder' s equity in the amounting of Baht 224.42 million the main reason from the increasing of net profit.



## 2. THE RESULTS OF THE COMPANY' S OPERATIONS DURING 2007-2009

### SEPARATE FINANCIAL STATEMENTS

Thousand Baht

AUDITED

	2009	%	2008	%	2007	%
Medical Service Income	500,130	99.12	455,284	98.80	338,432	97.35
Other Income	4,428	0.88	5,517	1.20	9,211	2.65
<b>Total Revenues</b>	<b>504,558</b>	<b>100.00</b>	<b>460,801</b>	<b>100.00</b>	<b>347,643</b>	<b>100.00</b>
Cost of Medical Services	342,500	67.88	332,244	72.10	233,566	67.19
Administrative Expenses	85,967	17.04	82,250	17.85	64,559	18.57
Finance costs	6,488	1.29	868	0.19	8	0
Corporate Income Tax	17,796	3.53	14,529	3.15	13,420	3.86
<b>Total Expenses</b>	<b>452,751</b>	<b>89.73</b>	<b>429,891</b>	<b>93.29</b>	<b>311,553</b>	<b>89.62</b>
<b>Net Profit (Loss)</b>	<b>51,807</b>	<b>10.27</b>	<b>30,910</b>	<b>6.71</b>	<b>36,090</b>	<b>10.38</b>
Basic earnings (loss) per share (Baht)	1.29		0.84		2.27	

In 2009 the company has the net profit amounting to Baht 51.81 million compare to 2008 which has profit of Baht 30.91 million it has the profit increase as Baht 20.90 million or 67.61% due to 2009 the company has the increasing of revenue from medical treatment 9.85%, which is more than increasing cost of medical treatment 3.09%.





## CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht

### AUDITED

	2552	ร้อยละ	2551	ร้อยละ	2550	ร้อยละ
Medical Service Income	1,666,219	93.10	1,487,888	97.64	1,038,204	97.19
Dividend Income	15,061	0.84	14,211	0.93	14,211	1.33
Gain from debt restructuring	73,385	3.16	-	-	-	-
Reversal of doubtful debts loans	18,000	1.01	-	-	-	-
Reversal of loss from Impairment of Investment in related Company	-	-	-	-	6,375	0.60
Other Income	14,651	1.76	13,726	0.90	7,157	0.67
Participating Profit in Associated company	2,419	0.14	7,959	0.52	2,274	0.21
<b>Total revenue</b>	<b>1,789,735</b>	<b>100.00</b>	<b>1,523,784</b>	<b>100.00</b>	<b>1,068,221</b>	<b>100.00</b>
Cost of Services	1,162,715	64.97	1,074,818	70.54	726,134	67.98
Administrative Expenses	245,546	13.72	241,171	15.83	139,755	13.08
Lose from Impairment in Goodwill	-	-	85,862	5.63	-	-
Interest Expenses	50,034	2.80	52,739	3.46	54,505	5.10
Corporate Income Tax	72,969	4.08	54,177	3.56	38,293	3.58
<b>Total Expenses</b>	<b>1,531,264</b>	<b>85.56</b>	<b>1,508,767</b>	<b>99.01</b>	<b>958,687</b>	<b>89.75</b>
<b>Net Profit (Loss)</b>	<b>258,471</b>	<b>14.44</b>	<b>15,017</b>	<b>0.99</b>	<b>109,534</b>	<b>10.25</b>
<b>ATTRIBUTABLE TO</b>						
Equity Holder of the CHIANG MAI RAM HOSPITAL CO., LTD.	166,831		(8,412)		109,534	
Minority Shareholders' Interest of CHIANG MAI RAM HOSPITAL CO., LTD.	91,641		23,429			

In 2009 the operation of the company and subsidiary companies have the net profit in the amounting of Baht 258.47 million compare with 2008 that had net profit in the amounting of Baht 15.02 million. The net profit increase in the amounting of Baht 243.45 million due to gain from debt restructuring in the amount Baht 73.38 million and reversal of doubtful debts of loan in the amounting of Baht 18 million. The increasing of revenue from medical treatment in the amounting of Baht 178.33 million.



# **FINANCIAL RATIO**

## **MANUFACTURING AND SERVICE**

### LIQUIDITY RATIO

Current Ratio	Current Assets / Current Liabilities	=	0.87	time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	=	0.75	time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	=	0.70	time
Receivable Turnover	Sales / Account Receivable (Average)	=	15.20	time
Number of day' s Sales in Receivables	360 / Receivable Turnover	=	24	days
Inventory Turnover	Sales / Inventory (Average)	=	30.57	time
Number of day's Sales in Inventory	360 / Inventory Turnover	=	12	days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	=	12.77	time
Number of day' s Payment	360 / Account Payable Turnover	=	28	days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	=	8	days

### PROFITABILITY RATIO

Gross Profit Ratio	Profit before tax / Sales	=	31.52	%
Net Profit Ratio	Net Profit / Total Revenue	=	10.27	%
Rate of Return on Common Stock Equity	Net Profit / Equity	=	4.73	%

### EFFICIENCY RATIO

Rate of Return on Assets	Net Profit / Total Assets (Average)	=	4.08	%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	=	22.45	%
Assets Turnover	Total Revenue / Total Assets (Average)	=	0.40	time

### FINANCIAL POLICY RATIO

Debt to Stockholders Equity	Total Liabilities / Equity	=	0.25	time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	=	11.73	time

### INVESTMENT INFORMATION

Book Value Per Share	Equity / Share fully paid on year-end	=	27.39	Baht
Earning Per Share	Net Profit / Share fully paid on year-end	=	1.29	Baht

### Growth Rate

Total Assets (Increase)	=	18	%
Total Liabilities (Increase)	=	269.69	%
Operating Revenue (Increase)	=	9.85	%
Operating Expenses (Increase)	=	4.52	%
Net Profit (Increase)	=	67.61	%



# Operating Revenue

Chiang Mai Ram Medical Business Public Company Limited operates Lanna Hospital which is a 180-bed private hospital. At present the hospital has 37 examination rooms with the capacity for servicing 1,100 out-patients daily. The average daily numbers of patients are 830 for OPD and 106 for IPD.

Lanna Hospital is a general hospital with specialists in every department. It has modern medical equipments ready for 24 hour service. In addition service amenity and emergency equipment are also available in all patients' room.

Revenue generated from services provided by the hospital can be classified as follow :

## - SEPARATE FINANCIAL STATEMENTS

Thousand Baht	2009		2008		2007	
	Amount	%	Amount	%	Amount	%
General Patient	368,458	73.03	370,372	80.38	256,367	73.74
OPD Patient	136,538	27.06	141,258	30.65	100,451	28.89
IPD Patient	231,920	45.96	229,114	49.72	155,916	44.85
SOCIAL INSURANCE	131,672	26.10	84,912	18.43	82,065	23.61
OTHER REVENUE <sub>(1)</sub>	4,428	0.88	5,517	1.20	9,212	2.65
TOTAL REVENUE	504,558	100.00	460,801	100.00	347,644	100.00

**Note :** (1) Other Income includes interest income, financial support from creditors/ business partners, Reversed investment items, salvage sales.

## - CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht	2009		2008		2007	
	Amount	%	Amount	%	Amount	%
General Patient						
OPD Patient	567,981	31.78	501,109	33.06	359,365	33.71
IPD Patient	843,998	47.22	800,325	52.80	580,423	54.45
SOCIAL INSURANCE	191,172	10.70	121,832	8.04	40,797	3.83
REVENUE NATION HEALTH SECURITY OFFICE	63,068	3.53	64,622	4.26	57,619	5.41
OTHER REVENUE	121,097	6.78	27,937	1.84	27,743	2.60
TOTAL REVENUE	1,787,316	100.00	1,515,825	100.00	1,065,947	100.00



# SUMMARY OF ECONOMIC STATUS IN 2009

---

## The Industrial Condition

Nowadays, Thai economy is decreasing due to the political problem in the country in the end of 2006. It effected to the unobvious policy formulation and the direction of the country as well as the appreciation of Thai baht in 2007 to 2009. These factors affected to the export industry, the economic condition and the investment of private sector. Moreover, the domestic consumption was declining also. Thus, the government had to issue the measurement to stimulate and push the economic growth forward to flow the money back to the economic system faster.

Regarding to the above situation effecting to several industries, the private hospital business is unavoidably affected too. For this reason, therefore, it has effected to the industrial condition and the rivalry of private hospital business since 2006 to the present as following;

### **(1) Government Policy**

**Government Policy:** According to the Act of Medical Fee of Government Official, it has more limitation to consider the medical expense disbursement in the private hospitals. Therefore, the bureaucrats turn to use the service of public hospitals instead.

**Social Security Project :** Due to the diminishing economy and the lack of purchasing power, the private hospitals have to seriously emphasize the patients from the social security, regarding to the Labor and Social Welfare Act, to be their main patients s in the long run. However, there are several private hospitals in Chiang Mai participating in the social security project while the amount of social security patients is still the same. This situation causes more severe competition.

**Health for All Project :** It was established by the government in 2001. In this group, the public and private hospitals divide the patients by geography. In addition, the government also fixes the compensation. Thus, there is no the competition between the hospitals joining in this project, for instance, Changpuek Hospital. Anyway, there are many hospitals not attending to the project such as Lanna Hospital, Chiang Mai Ram Hospital and Theppanya Hospital. There may be some patients, which are the customers of the hospital group, choose the service of the hospitals participating in the project instead.



## **(2) Decreasing Purchasing Power**

Due to the declining economy, there are several businesses which reduce the production capacity or close down. The rate of unemployed people is increasing. The welfare of executives and staffs, both in public and private sector, are controlled for the organization survival. People have to cut down the unnecessary expense; at least they change to use the service of public hospitals because the medical fee is lower than the private hospitals or use the service of the government project.

## **(3) Growth of Private Hospitals**

Most of private hospitals face a problem about growth and have to postpone many projects. It is observable that the number of private hospitals and hospital beds remains the same as 2008. This is the result from the government policy concerning with the medical treatment and the declining purchasing power. It effects to the amount of patients in the private hospitals and the income meanwhile the cost (which are medicine and medical supplies, the doctor fee etc.) is subject to increase. Hence, many hospitals have to adjust the marketing strategies to be concordant with the present situation, for example, the patients from the insurance companies, the medical treatment program (annual health check-up program or childbearing) etc. These factors enlarge the higher rivalry compared with the last year.

## **(4) Service Improvement of Public Hospitals**

The public hospitals improve the quality of service to compete with the private hospitals. It is another reason that the patients turn to use the public hospitals instead because the fee is cheaper and the service standard is equal to the private hospitals.

## **Rivalry Condition**

The analysis of industrial rivalry condition by Five Forces method composes of the five factors analysis. They are the entry barrier, the substitute products, the power of buyer and the power of supplier which can be concluded that the hospital business is the moderate competition business.

- (1) **Entry Barrier:** The entry of new competitors in the hospital business is rarely founded because of the high capital incentive and the insufficient staffs especially the limited amount of qualified and specific medical personnel.



- (2) **Substitute Products:** At present, the public hospitals starts to develop the service to compete with the private hospitals such as there are some special clinics opening after working hour in the public hospitals. However, compared with the private hospitals, the quality of service of the private hospitals is more flexible and able to maintain the better service. Additional, other substitute products such as the drugstores or clinics might affect the private hospitals having the target patients in the middle and low level.
- (3) **Power of Buyer:** According to the diminishing economy, the purchasing power of general consumer is decreasing too. The partial patients turn to use the service of public hospitals, the social security project and the health for all project. The rivalry between private hospitals seems to be intensifying and the strategies are changed to be suitable for the type and needs of present patients. Nevertheless, the target group of both Lanna Hospital and Chiang Mai Ram Hospital are general patients in the middle and top level who prefer the quality of service and/or the quality of doctor than the medical fee.
- (4) **Power of Supplier:** The power of supplier in the hospital business is quite low because there are a lot of domestic and foreign manufacturers. Most of them offer the products to the doctors or the concerning people for purchase consideration. Besides, the incorporation between Lanna Hospital and other hospitals in Chiang Mai Ram group including the rights to use the purchasing system of Ramkhamheang network is the way to increase the bargaining power to the organization.
- (5) **Competitor :** Regarding the 2009 statistic prepared by the Public Healthcare at Chiang Mai, there are 42 hospitals providing service for IPD patient. 11 hospitals out of those are private hospitals providing general healthcare service, and 8 hospitals out of them have more than 100 beds, being the same size as LNH. Meccomic Hospital, presently, is the biggest private hospital in Chiang Mai providing 400 beds or equivalent to 25.91%. Chiang Mai Ram Hospital provides 220 beds or equivalent to 14.25% and Lanna Hospital 180 beds or equivalent to 11.66%. After the merger between LNH and the CMR group, they will become the biggest hospital in Chiang Mai or providing up to 609 beds or equivalent to 39.44%. This merger transaction, also, means the reduction of competitors.



Competition among hospitals mostly focuses on the service, quality of doctors, and modern medical equipments. If compared medical equipments among hospitals in Chiang Mai, CMR may considered CMR providing the latest new technology of medical equipment, such as CT 64 Slices. The following table shows comparison of registered beds and the beds in services.

Name of Hospital	Beds of Registered	%
LANNA HOSPITAL	180	11.66
CHIANG MAI RAM HOSPITAL	220	14.25
THAPPANYA HOSPITAL	109	7.06
CHANG PEUAK HOSPITAL	100	6.47
LANNA HOSPITAL AND CHIANG MAI RAM HOSPITAL GROUP	609	39.44
McCORMICK HOSPITAL	400	25.91
CENTRAL MEMORIAL HOSPITAL	120	7.77
RUAM PAT HOSPITAL	100	6.47
RAJAVEJ HOSPITAL	100	6.47
KLAIMOR HOSPITAL	56	3.63
SIAMRAD HOSPITAL	50	3.24
OTHERS	109	7.07
<b>TOTAL</b>	<b>1,544</b>	<b>100.00%</b>



# Key Success Factors

---

The competition among private and government hospitals have increased during this time so that many changes are needed in order to keep our existing clients and to gain new clients. Therefore, to gain the advantages of this development, the company has created strategies or key success factors as follows.

1. **Personnel Development Policy**

Lanna Hospital has focused on personnel development policy for over 30 years.

2. **Marketing Policy**

In order to support the demands of the clients, Lanna Hospital has expanded its business to the community by taking part in their activities and disseminating useful information to them. Following our marketing strategies, We have increased the number of satellite clinics in surrounding districts and nearby provinces.

3. **Administration Policy**

Lanna Hospital has a firm policy to reduce operating cost and to increase efficiency in medical treatment and associated services.

4. **Quality Policy**

Lanna Hospital has implemented personnel development for our employees to provide the best services to our clients. The hospital received the ISO 9001 : 2000 certification on 27<sup>th</sup> February 2003, received the ISO 15189 certification and now is in the process of obtaining Hospital Accreditation (HA) certification.





# RISK FACTORS

---

Hospital business is the basic necessity of life and expands in accordance with the increase in population. Also, it may grow when the population has higher education level, economic conditions and social status together with the continuous development of the country. The risk in medical business is less than other general businesses. However, there are certain cases of risk which may affect future company operations. They are as follows.

## *External Factor*

### **1.1.1 Economic Situation of the Country**

Slow economics' growth rate in Thailand has been caused by political issue, bird flue, problem in southern of Thailand, the fluctuation of gas price, etc. This economics has impacted industry, capital investment and also expenditures as corporate or individual. As the sickness of people being uncontrollable factor and need to be cured by doctor, healthcare industry has moderate impact by the slow economics.

### **1.1.2 Competition in Medical Services Business**

As a result of slow economics' growth rate has caused the reduction in the ability and purchasing power of Thai people, and increasing the competition among hospitals. However, LNH has reviewed its marketing strategy by maintaining its quality of service and type of service that relate to both current and new patients' demand. Both LNH and CMR may considered healthcare service provider at the same level. The merger between them, therefore, means the reduction of competitors in the industry, and become the biggest private hospital in Chiang Mai and northern part of Thailand.

## *Business Operation*

### **1.2.1 Risk from Personnel Shortage**

Lack of expert in healthcare service. The number of people in Chiang Mai and provinces nearby, while the number of doctors and nurses limit. This limitation may cause insufficient doctor and nurse to cure patients. However, LNH has set the compensation and benefits at the appropriated rate and inline with the industry. Additional, the merger of LNH and the CMR group has caused sharing this limitation resource and reduce the lack of doctors or nurse.

### **1.2.2 Risk from Sued by patient**

Sued by patient or related person to patient. If any patient or related person to the patient is not satisfied with medical program while the healthcare service related to life and healthy of patients, he or she may sue the hospital for the compensation. This, also, affect the reputation of the hospital. However, LNH has never been sued by any patient or related person to the patient since start its services.



### 1.3 Investment and Finance

#### 1.3.1 Investment on medical equipment

In case of less number of patient, it causes low return compared to high investment cost of medical equipment. Therefore, the merger of LNH and the CMR group shall allow LNH or the CMR group to share high-cost medical equipment.

#### 1.3.2 Investment in Pisanulok Intervejakarn

After an investment in Chiang Mai Ram Hospital, CMR will has sub-companies; Theppanya Business Company Limited and the co-operative company is Khelangnakorn Hospital. Furthermore, there are 4 concerning hospitals which are Phayao Ram Hospital Company Limited, Bhum Panya International Company Limited, Chaiyaphum Ram Company Limited and Khonkaen Ram Company Limited. The turnover of these companies will effect the investment capital of CMR in the future and some companies had better business profits on 31 December 2009, while Bhum Panya International Company Limited still lost due to interest from loaning money and not available service. On the contrary, CMR already prepared an allowance of full amount of capital impairment.

### 1.4 Investment in Chiangmai Ram Hospital (CMR)

#### 1.4.1 No loan agreement within the CMR group.

As at 31 December 2009, CMR has lend to Phoompanya at the amount of THB 29.93 million without any loan agreement, and presently CMR recorded loss on that investment in full amount.

### 1.5 Other factors which may affect investment

#### 1.5.1 Lawsuit

Lanna Hospital (LNH) : The owner of land, located at Chiang Mai with the title deed no. 49732, has allowed LNH to use that piece of land as an entrance to Building B of the hospital and to parking lot for staff, but presently the owner would like to cancel the permission to use that entrance without any notice. Therefore, LNH has requested the court to order the land owner to allow LNH to pass. Regarding court's order, LNH has still used that entrance since February 2006 to present.

1.5.2 Future Commitment for share issuance ; None

1.5.3 Resolution to issue share ; None

#### 1.5.4 Contingencies and Commitments

Bank guarantee for electricity and the Office of Social Security at the amount of THB 1.36 million and THB 9.93 million respectively.

1.5.5 BOI Privilege ; None



### Dividend Policy

YEAR	NOBER OF SHARE	DIVIDEND PER SHARE (BAHT)	AMOUNT (BAHT)	PAID DATE
2008	40,231,250	1.00	40,231,250	MAY 26, 2009
2007	40,231,250	1.50	60,346,875	MAY 27, 2008
2006	12,000,000	2.00	24,000,000	MAY 22, 2007

Board of Directors will propose to the company' s shareholders to pay dividend of at least 50% of the net profit after tax, and depend on business plan and use of fund in the future.

In 2009, the company has dividend payment for the operation from January 1, 2008 to December 31, 2008 has been Baht 1.00 per share or 130.16% of the net profit after tax and has been paid to shareholders on May 27, 2009.



## Shareholder' s Structure of the Chiang Mai Ram Medical Business Public Company Limited

Issued Share  = 40,231,250 shares	As at Dec. 31, 2009  No. of Share holders				As at Dec. 31, 2008  No. of Share holders			
	Juristic Person		Ordinary person		Juristic person		Ordinary person	
	(person)	(share)	(person)	(share)	(person)	(share)	(person)	(share)
<b>Nationality</b>								
Thai Shareholders	11	19,319,155	802	20,910,895	10	17,807,660	829	22,422,390
Foreign Shareholders	1	1,200	0	0	1	1,200	0	0
<b>Total Shareholders</b>	<b>12</b>	<b>19,320,355</b>	<b>802</b>	<b>20,910,895</b>	<b>11</b>	<b>17,808,860</b>	<b>829</b>	<b>22,422,390</b>
<b>Distribution of Share Holding***</b>								
Shareholders holding Over 0.5 %	3	19,231,837	11	6,548,165	2	17,720,342	11	6,548,165
Shareholders holding Under 0.5 %	9	88,518	791	14,362,730	9	88,518	818	15,874,225
<b>Total number of share Holdings</b>	<b>12</b>	<b>19,320,355</b>	<b>802</b>	<b>20,910,895</b>	<b>11</b>	<b>17,808,860</b>	<b>829</b>	<b>22,422,390</b>

### STRUCTURE OF SHAREHOLDERS

The structure of shareholders in 2009 was as follows:

Thai Shareholders	813 holding	40,230,050 shares	representing 100.00 %
Foreign Shareholders	1 holding	1,200 shares	representing 0.00 %

### Dispersion of Shareholders

- (A) Shareholders holding more than 0.5 % more than 201,100 shares per shareholder totalling 14 shareholders holding 25,780,002 shares representing 64.08 % shares released on the market.
- (B) Shareholders holding less than 0.5 % or less than 201,100 shares per shareholder totalling 800 shareholders holding 14,451,248 shares representing 35.92 % shares released on the market.



## MAJOR SHAREHOLDERS AS AT DECEMBER 31, 2009

Major Shareholders	No. of shares	Percentage
1. Thailand Securities Depository Co.Ltd., for Depositors *	15,716,227	39.07
2. DR. VARAPHAN UNACHAK	2,690,000	6.69
3. The Thonburi Hospital Public Company Limited	2,403,610	5.97
4. The Ramkhamhaeng Hospital Public Company Limited	1,112,000	2.76
5. DR. SUMETH HANDAGOON	1,002,400	2.49
6. V. R. & S. C. PARTNERSHIP	767,811	1.91
7. RUECHIT- ANNOP PARTNERSHIP BY MR. RUECHIT KANCHANAPITAK	433,304	1.08
8. DR. CHAMNAN CHANAPAI	353,100	0.88
9. DR. NAOWARAT THONGTHAI	321,850	0.80
10. MISS SASATHON CHOTIBUTR	296,800	0.74
11. DR. SAKAOWRAT KUNAVISARUT	255,300	0.63
12. MISS KANJANA SUWANTHAVIT	220,000	0.55
13. MR. KAJIT HUPANANON	210,000	0.52
14. OTHERS	14,448,848	35.91
<b>TOTAL</b>	<b>40,231,250</b>	<b>100.00</b>



## DIRECTOR' S SHAREHOLDING IN THE COMPANY

Name of Directors	Amount Change during the year (shares)	Amount Remaining as at Dec. 31, 2009 (shares)
DR. RACHA SOMBURANASIN	-	-
DR. AMNUAY CHINGCHAYANURAK	-	48,614
DR. VARAPHAN UNACHAK	-	2,690,000
DR. DUSIT SRISAKUL	-	-
DR. TEERAYUTH NIYOMGOOL	14,000	20,000
DR. SUMETH HANDAGOON	-	1,052,400
DR. AURCHAT KANJANAPITAK	-	470,760
DR. CHAMNAN CHANAPAI	-	353,100
DR. SUTHISAK KANAPRACH	-	10,000
DR. KRIRK JITTALAN	-	60,000
MISS PAPAT SUPAOKIT	-	-



# ANALYSIS OF THE COMPANY' S FINANCIAL POSITION AND RESULTS OF OPERATIONS

## 1. OPERATING PERFORMANCE AND FINANCIAL STATUS

(a) Appropriation of financial structure, sufficiency of liquidity, quality of assets,

profitability, efficiency :

Authorized Share Capital	(Baht)	408,333,330.00
Issue and Paid-up Share Capital	(Baht)	402,312,500.00
Total Assets	(Baht)	1,375,949,185.95
Total Liabilities	(Baht)	274,067,385.15
Shareholders' Equity	(Baht)	1,101,881,800.80
Net Profit	(Baht)	51,807,570.36

### Financial Structure of 2009

	Financial Structure		Capital Structure	
	Thousand Baht	%	Thousand Baht	%
Total Current Liabilities	117,467	8.54		
Long-Term Loans	156,600	11.38	156,600	12.44
<b>Total Liabilities</b>	<b>274,067</b>	<b>19.92</b>	<b>156,600</b>	<b>12.44</b>
SHAREHOLDERS' EQUITY				
Authorized 40,231,250 shares	402,312	29.24	402,312	31.97
Premium on share capital	629,437	45.75	629,437	50.02
Legal reserve	9,695	0.70	9,695	0.77
Retained earnings (deficit)	60,437	4.39	60,437	4.80
Total Shareholders' Equity	1,101,881	80.08	1,101,881	87.56
Total Liabilities and Shareholders' Equity	1,375,948	100.00	1,258,481	100.00



### Appropriation of Financial Structure

Debt to total assets	19.92%
Equity to total assets	80.08%
Long-term debt to long-term funds	14.36%
Equity to long-term funds	100.00%

The above analysis indicates that total debt in financial structure was 19.92% it is the short-term of 8.54% and long-term load of 11.38%. In other word, the company had shareholders' equity of 80.08 percent. Regarding short-term debts were covered by shareholders' equity.

### Appropriation of Capital Structure

Debt to total assets ratio	0.20	time
Debt to Equity	0.25	time
Profit to interest payable (Interest coverage ratio)	11.73	time
Book value per share	27.35	Baht

From the above data, the shareholders' equity to total debt ratio was 4 : 1 indicates that debtors had high collateral. The book value per share of Baht 27.39 indicated the ownership on the Company's assets.

### Sufficiency of Liquidity

Liquidity ratio	0.87	time
Quick ratio	0.75	time
Cash liquidity ratio	0.70	time
Interest coverage ratio	11.73	time

The above ratios indicate that the Company's liquidity was decreased from the previous year due to the investment of medical equipment.

### Assets Quality

Accounts receivable turnover	15.20	time
Collection period	24	days
Inventory turnover	30.51	time
Day sales of inventory	12	days
Accounts payable turnover	12.77	time
A/P settlement period	28	days
Fixed assets turnover	1.36	time
Total assets turnover	0.40	time





The correction period was 24 days because the company has sell on cash of 70.25% while sell on credit only 29.75%. The day sales of inventory was 12 days because the efficiency of manage the inventory.

The efficiency of assets utilization was 1 Baht of fixed assets generated revenue of approximately 1.36 Baht while the 1 Baht of total assets generated revenue of approximately 0.40 Baht.

#### Profitability

Gross profit	31.52 %
Return on net profit	10.27 %

The gross profit was 31.52 percent and return on net profit was 10.27% that increase from the previous year 4.50% and 3.48% respectively the main reason from the increased of revenue was more than the increasing of expenses.

#### Efficiency

Return on sales	10.27 %
Return on total assets	4.08 %
Return on equity	4.73 %

#### (b) Causes of Significant Changes in Transaction or Ratio

- None

#### (c) Extraordinary transactions which significantly affect the Company's financial position and result of operation

- None

#### (d) Major Subsequent Events

- None



FINANCIAL STATEMENTS AND AUDITORS' REPORT  
CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED  
DECEMBER 31, 2009 AND 2008



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED**

---

**CONSOLIDATED FINANCIAL STATEMENTS AND**

**SEPARATE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

## AUDITOR'S REPORT

To The Shareholders and Board of Directors of  
Chiang Mai Ram Medical Business Public Company Limited

I have audited the accompanying consolidated balance sheet of Chiang Mai Ram Medical Business Public Company Limited and subsidiaries as at December 31, 2009 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year then ended, and the balance sheet of Chiang Mai Ram Medical Business Public Company Limited as at December 31, 2009 and the related statements of income, changes in shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements for the year ended December 31, 2008 of Chiang Mai Ram Medical Business Public Company Limited and subsidiaries and the financial statements for the year ended December 31, 2008 of Chiang Mai Ram Medical Business Public Company Limited which are presented herewith for comparative purposes only, were audited by another auditor, and in his reported dated February 23, 2009, he expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chiang Mai Ram Medical Business Public Company Limited and subsidiaries as at December 31, 2009, and the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the year then ended and the financial position of Chiang Mai Ram Medical Business Public Company Limited as at December 31, 2009, and the results of its operations, the changes in its shareholders' equity and its cash flows for the year then ended, in conformity with generally accepted accounting principles.



(Mr. Pichai Dachanapirom)

Certified Public Accountant

Registration No. 2421

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 22, 2010

2010/134/9593

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2009	2008	2009	2008
<b>Current Assets</b>					
Cash and cash equivalents items	3.5, 4	124,568,850.57	55,512,339.60	43,206,548.65	36,973,978.33
Accounts receivable - net	3.6, 5, 36	140,858,751.59	102,951,134.55	45,041,743.78	20,785,105.20
Short-term loans to related company-net	6, 36	-	-	-	-
Inventories	3.7, 7	64,337,061.52	59,354,580.84	11,081,971.32	11,370,032.04
Other current assets		6,205,138.30	9,449,033.87	2,677,950.60	1,850,432.09
<b>Total Current Assets</b>		<b>335,969,801.98</b>	<b>227,267,088.86</b>	<b>102,008,214.35</b>	<b>70,979,547.66</b>
<b>Non-Current Assets</b>					
Investment in subsidiary companies	3.8, 8	-	-	761,368,250.00	760,845,250.00
Investment in associated companies	3.8, 9	29,410,779.76	28,513,539.27	-	-
Investment in related and other companies - net	3.8, 10	19,922,141.55	18,131,548.11	-	-
Investment in available-for-sale securities	3.8, 11	446,028,800.00	439,321,600.00	-	-
Long-term loans to related companies - net	12, 36	5,625,000.00	3,750,000.00	-	-
Property, plant and equipment - net	3.10, 13	1,866,747,972.74	1,611,170,817.13	491,993,735.64	242,258,675.04
Intangible asset - net	3.11, 14	11,841,590.67	7,030,970.09	5,170,299.73	1,139,960.43
Goodwill	3.9, 35	31,085,175.07	31,085,175.07	-	-
<b>Other non - current assets</b>					
Pledged fixed account	15	25,117,237.69	38,359,231.60	15,270,671.23	14,959,385.60
Prepaid payable - land fee	16	-	75,000,000.00	-	75,000,000.00
Other		774,115.00	5,122,810.22	138,015.00	896,667.70
<b>Total Non-Current Assets</b>		<b>2,436,552,812.48</b>	<b>2,257,485,691.49</b>	<b>1,273,940,971.60</b>	<b>1,095,099,938.77</b>
<b>TOTAL ASSETS</b>		<b>2,772,522,614.46</b>	<b>2,484,752,780.35</b>	<b>1,375,949,185.95</b>	<b>1,166,079,486.43</b>

Notes to financial statements form an integral part of these statements.

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (CONT.)

AS AT DECEMBER 31, 2009 AND 2008

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Current Liabilities					
Bank overdrafts	17	11,017,764.40	14,658,913.23	-	-
Accounts payable	36	108,972,271.02	111,349,835.46	25,328,842.67	28,292,525.23
Current portion of long-term liabilities					
Long-term loan from related company	21, 36	48,000,000.00	24,000,000.00	-	-
Long-term loan from financial institutions	22	51,204,000.00	12,000,000.00	37,200,000.00	-
Financial leases agreement	23	234,431.32	217,235.11	-	-
Liabilities under debt restructuring agreement	24	-	28,150,000.00	-	-
Short-term loan from subsidiary company	18, 36	-	-	-	10,000,000.00
Short-term loan from related persons and related companies	19, 36	56,500,000.00	87,000,000.00	5,000,000.00	-
Short-term loan from other persons	20	613,230,000.00	96,200,000.00	10,000,000.00	-
Other current liabilities					
Accrued corporate income tax		41,845,515.00	18,834,354.53	5,938,082.02	6,344,649.28
Accrued doctor fee		55,271,083.09	53,897,838.38	12,933,396.69	13,832,417.80
Accrued expenses	36	17,330,047.28	15,468,240.07	14,100,054.11	8,110,405.69
Accounts payable for assets		8,888,101.50	9,117,100.96	3,351,084.50	6,399,308.95
Other accounts payable		9,185,711.91	7,104,357.84	2,923,384.95	2,566,516.84
Other		4,329,478.38	1,239,555.57	692,540.21	228,182.20
Total Current Liabilities		1,026,008,403.90	479,237,431.15	117,467,385.15	75,774,005.99
Non-Current Liabilities					
Long-term loan from related company - net	21, 36	28,668,724.61	52,668,724.61	-	-
Accrued interest expense - related company	21, 36	35,907,251.70	35,907,251.70	-	-
Long-term loan from financial institutions - net	22	210,919,574.12	62,000,000.00	156,600,000.00	-
Liabilities under financial leases agreement - net	23	40,703.76	275,135.08	-	-
Liabilities under debt restructuring agreement - net	24	-	607,820,654.57	-	-
Others non-current liabilities		34,000.00	323,747.63	-	-
Total Non-Current Liabilities		275,570,254.19	758,995,513.59	156,600,000.00	-
TOTAL LIABILITIES		1,301,578,658.09	1,238,232,944.74	274,067,385.15	75,774,005.99

Notes to financial statements form an integral part of these statements.



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**BALANCE SHEETS (CONT.)**
**AS AT DECEMBER 31, 2009 AND 2008**
**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Note			(restated)		
<b>Shareholders' Equity</b>					
	Share capital	25			
	Authorized share capital				
	40,843,333 ordinary share at Baht 10 each	408,433,330.00	408,433,330.00	408,433,330.00	408,433,330.00
	Issued and paid-up share capital				
	40,231,250 ordinary share at Baht 10 each	402,312,500.00	402,312,500.00	402,312,500.00	402,312,500.00
	Premium on share capital	-	-	629,436,654.76	629,436,654.76
	Premium on share capital from business				
	combination in the reverse acquisition	35 575,862,500.00	575,862,500.00	-	-
	Less The legal subsidiary company investment in the legal				
	parent company	(5,505,750.00)	(4,982,750.00)	-	-
	Unrealized gain on investment in securities- available				
	for sale	201,342,191.56	194,634,991.56	-	-
	Retained earnings				
	Appropriated				
	Legal reserve	26 9,695,160.01	8,149,653.56	9,695,160.01	8,149,653.56
	Unappropriated	(91,958,449.90)	(217,012,221.47)	60,437,486.03	50,406,672.12
	Total shareholders' equity of parent company	1,091,748,151.67	958,964,673.65	1,101,881,800.80	1,090,305,480.44
	Minority shareholders' interest	379,195,804.70	287,555,161.96	-	-
	Total Shareholders' Equity	1,470,943,956.37	1,246,519,835.61	1,101,881,800.80	1,090,305,480.44
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,772,522,614.46</b>	<b>2,484,752,780.35</b>	<b>1,375,949,185.95</b>	<b>1,166,079,486.43</b>

Notes to financial statements form an integral part of these statements.



CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>REVENUES</b>					
Revenues from medical treatment		1,666,218,640.95	1,487,888,446.70	500,130,566.49	455,284,239.72
Reversal of doubtful debts of loans	6	18,000,000.00	-	-	-
Gain from debt restructuring	24	73,384,772.76	-	-	-
Other income					
Interest income		4,444,423.91	5,302,979.76	378,114.18	2,349,706.54
Dividend income		15,060,800.00	14,210,800.00	-	-
Others		10,207,556.19	8,422,874.58	4,049,823.14	3,167,560.86
Total revenues		1,787,316,193.81	1,515,825,101.04	504,558,503.81	460,801,507.12
<b>EXPENSES</b>					
Cost of medical treatment		1,162,715,149.96	1,074,818,267.79	342,499,955.91	332,243,884.75
Administrative expenses		215,612,149.78	199,486,626.33	82,797,191.39	76,301,375.99
Loss from impairment in goodwill		-	85,862,500.00	-	-
Bad debt and doubtful debts		11,468,717.80	22,441,552.03	647,811.02	3,338,430.00
Management benefit expenses	27	18,464,956.00	19,242,700.00	2,521,600.00	2,610,230.00
Total expenses		1,408,260,973.54	1,401,851,646.15	428,466,558.32	414,493,920.74
Share of profit from investments for using the equity method	9	2,418,730.49	7,959,397.45	-	-
Profit before financial cost and income tax expenses		381,473,950.76	121,932,852.34	76,091,945.49	46,307,586.38
Finance costs		50,034,244.88	52,739,394.66	6,488,468.72	868,150.50
Profit before income tax expenses		331,439,705.88	69,193,457.68	69,603,476.77	45,439,435.88
Income tax expenses	29	72,968,535.12	54,176,937.99	17,795,906.41	14,529,306.80
Net profit		258,471,170.76	15,016,519.69	51,807,570.36	30,910,129.08
Profit attribution					
Equity holder of the parent company		166,830,528.02	(8,411,707.43)	51,807,570.36	30,910,129.08
Minority shareholders' interest		91,640,642.74	23,428,227.12	-	-
Basic earnings per share	30				
Net profit of parent company		4.15	(0.22)	1.29	0.84
Weighted average number of ordinary shares (shares)		40,231,250	37,477,152	40,231,250	36,829,747

Notes to financial statements form an integral part of these statements.

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



		Baht						Minority shareholders' interest (restated)	Total
		Shareholders' Equity of Parent Company					Total		
		Issued and paid-up share capital	The legal subsidiary company investment in the legal parent company	Unrealized gain(loss) in securities - available for sale	Retained earnings				
					Appropriated legal reserve	Unappropriated (restated)			
Note									
<u>Consolidated financial statements</u>									
		400,000,000.00	-	398,472,945.17	6,345,138.71	(237,018,842.96)	567,799,240.92	-	567,799,240.92
	11	-	-	(26,828,800.00)	-	-	(26,828,800.00)	-	(26,828,800.00)
		-	-	(26,828,800.00)	-	-	(26,828,800.00)	-	(26,828,800.00)
		-	-	-	-	(8,411,707.43)	(8,411,707.43)	23,428,227.12	15,016,519.69
		-	-	(26,828,800.00)	-	(8,411,707.43)	(35,240,507.43)	23,428,227.12	(11,812,280.31)
	26	-	-	-	1,804,514.85	(1,804,514.85)	-	-	-
	26, 37.2	-	-	-	-	(60,346,875.00)	(60,346,875.00)	-	(60,346,875.00)
	35	755,862,500.00	-	-	-	-	755,862,500.00	-	755,862,500.00
	8	-	(4,982,750.00)	-	-	-	(4,982,750.00)	-	(4,982,750.00)
Minority shareholders' interest in the reverse acquisition of									
	35, 37.2	(177,687,500.00)	-	(177,009,153.61)	-	90,569,718.77	(264,126,934.84)	264,126,934.84	-
		978,175,000.00	(4,982,750.00)	194,634,991.56	8,149,653.56	(217,012,221.47)	958,964,673.65	287,555,161.96	1,246,519,835.61
	11	-	-	6,707,200.00	-	-	6,707,200.00	-	6,707,200.00
		-	-	6,707,200.00	-	-	6,707,200.00	-	6,707,200.00
		-	-	-	-	166,830,528.02	166,830,528.02	91,640,642.74	258,471,170.76
		-	-	6,707,200.00	-	166,830,528.02	173,537,728.02	91,640,642.74	265,178,370.76
	26	-	-	-	1,545,506.45	(1,545,506.45)	-	-	-
	26	-	-	-	-	(40,231,250.00)	(40,231,250.00)	-	(40,231,250.00)
	8	-	(523,000.00)	-	-	-	(523,000.00)	-	(523,000.00)
		978,175,000.00	(5,505,750.00)	201,342,191.56	9,695,160.01	(91,958,449.90)	1,091,748,151.67	379,195,804.70	1,470,943,956.37

Notes to financial statements form an integral part of these statements.

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		Baht				
		Issued and paid-up	Premium	Retained earnings		Total
		share capital	on share capital	Appropriated	Unappropriated	
Note				legal reserve		
<u>Separate financial statements</u>						
Beginning balance at January 1, 2008		180,000,000.00	95,886,654.76	6,345,138.71	81,647,932.89	363,879,726.36
Net profit		-	-	-	30,910,129.08	30,910,129.08
Dividend payment	26	-	-	-	(60,346,875.00)	(60,346,875.00)
Legal reserve	26	-	-	1,804,514.85	(1,804,514.85)	-
Increase in capital	8, 25	222,312,500.00	533,550,000.00	-	-	755,862,500.00
Ending balance at December 31, 2008		402,312,500.00	629,436,654.76	8,149,653.56	50,406,672.12	1,090,305,480.44
Net profit		-	-	-	51,807,570.36	51,807,570.36
Dividend payment	26	-	-	-	(40,231,250.00)	(40,231,250.00)
Legal reserve	26	-	-	1,545,506.45	(1,545,506.45)	-
Ending balance at December 31, 2009		402,312,500.00	629,436,654.76	9,695,160.01	60,437,486.03	1,101,881,800.80

Notes to financial statements form an integral part of these statements.

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit	258,471,170.76	15,016,519.69	51,807,570.36	30,910,129.08
Adjustment to net profit(loss) for cash received (paid) from operations				
Depreciation	93,590,383.48	76,017,631.49	30,431,817.07	27,044,345.95
Amortized of computer software	2,203,072.76	393,226.23	880,646.04	15,600.24
Bad debt and doubtful debt-accounts receivable	11,177,458.45	20,029,108.30	647,811.02	3,338,430.00
Reversal of doubtful debt of loans to related company	(18,000,000.00)	18,000,000.00	-	-
Doubtful debt-interest receivable	1,607,580.13	1,592,721.27	-	-
Doubtful debt-withholding taxes	(1,800,325.55)	1,846,182.78	-	-
Dividend income	(15,060,800.00)	(14,210,800.00)	-	-
Loss from impairment of investment in related companies (reversal)	(782,593.44)	1,118,451.89	-	-
Amortization of interest financial leases agreements	29,376.89	51,168.42	-	-
Suspended interest expenses under debt restructuring agreement	-	37,478,001.30	-	-
Gain from debt restructuring agreement	(73,384,772.76)	-	-	-
Loss from amortization of fixed assets	899.78	2.00	899.78	53,246.47
(Gain) loss from sales of fixed assets	524,770.45	(1,373,614.67)	295,095.73	(391,145.97)
Gain from sales of investment in other company	(1,008,000.00)	-	(1,008,000.00)	-
Loss from impairment of good will	-	85,862,500.00	-	-
Interest received	(4,444,423.91)	(5,302,979.76)	(378,114.18)	(2,349,706.54)
Interest expenses	50,034,244.88	15,210,224.94	6,488,468.72	868,150.50
Corporate income tax	72,968,535.12	54,176,937.99	17,795,906.41	14,529,306.80
Participating profit in associated company	(2,418,730.49)	(7,959,397.45)	-	-
<b>CASH FROM OPERATING BEFORE CHANGE IN OPERATING</b>				
<b>ASSETS AND LIABILITIES ITEMS</b>	373,707,846.55	297,945,884.42	106,962,100.95	74,018,356.53
<b>(INCREASE) DECREASE IN OPERATING ASSETS ITEMS</b>				
Accounts receivable	(49,085,075.49)	(26,804,916.18)	(24,904,449.60)	(10,121,551.42)
Inventories	(4,982,480.68)	(12,650,448.67)	288,060.72	(227,581.31)
Other current assets	3,228,500.06	(202,048.84)	108,104.48	(452,594.79)
Other non-current assets	5,366,850.77	(2,360,788.27)	758,652.70	(412,152.70)

Notes to financial statements form an integral part of these statements.



CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Accounts payable	(2,377,564.44)	8,992,943.34	(2,963,682.56)	2,892,465.90
Accrued doctor fees	1,373,244.71	7,381,774.40	(899,021.11)	8,006,811.80
Accrued expenses	2,727,491.59	7,039,000.53	5,989,648.42	1,625,380.35
Other accounts payable	2,081,354.07	(1,277,107.92)	356,868.11	232,053.75
Other current liabilities	965,488.64	(8,244,320.99)	35,449.96	(802,480.40)
Other non-current liabilities	(289,747.63)	184,733.50	-	-
Cash paid for corporate income tax	(49,957,374.65)	(69,668,139.04)	(18,202,473.67)	(13,063,336.26)
Cash provided (used) from operating activities	282,758,533.50	200,336,566.28	67,529,258.40	61,695,371.45
CASH FLOW FROM INVESTING ACTIVITIES				
Cash payment from short-term loans to related company	(18,000,000.00)	-	-	-
Cash received from short-term loans to related company	36,000,000.00	-	-	-
Cash payment in long-term loans to related companies	(1,875,000.00)	(3,750,000.00)	-	-
(Increase) decrease in pledged fixed account	13,241,993.91	(9,081,095.60)	(311,285.63)	(4,794,922.72)
Cash payment from investment in subsidiary company	(523,000.00)	(4,982,750.00)	(523,000.00)	(4,982,750.00)
Cash received from dividend in associated company	1,521,490.00	1,217,192.00	-	-
Cash received from dividend in related companies	5,000,000.00	4,150,000.00	-	-
Cash received from dividend in available-for-sale-securities	10,060,800.00	10,060,800.00	-	-
Cash payment from purchase of fixed assets	(265,496,720.73)	(117,843,979.40)	(202,305,571.59)	(32,466,419.93)
Cash payment from purchase of computer software	(7,013,693.34)	-	(4,910,985.34)	-
Cash received from sale of fixed assets	413,067.50	3,458,517.03	133,067.50	1,171,686.00
Cash payment in accounts payable for assets	(9,056,385.55)	(7,985,190.28)	(6,338,593.54)	(8,917,857.26)
Cash payment in prepaid payable - land fee	-	-	-	(75,000,000.00)
Cash payment in deposit for assets	-	(782,170.00)	-	-
Cash received from interest received	2,798,591.21	6,131,924.58	450,491.19	2,499,080.42
Cash provided (used) from investing activities	(232,928,857.00)	(119,406,751.67)	(213,805,877.41)	(122,491,183.49)

Notes to financial statements form an integral part of these statements.

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts	(3,641,148.83)	(5,796,007.98)	-	-
Cash payment in short-term loans from financial institution	-	(45,000,000.00)	-	-
Cash received from short-term loans from subsidiary company	-	-	1,100,000.00	30,000,000.00
Cash payment in short-term from subsidiary company	-	-	(11,100,000.00)	(20,000,000.00)
Cash received from short-term loans from related persons and related companies	204,120,000.00	49,000,000.00	5,000,000.00	-
Cash payment in short-term loans from related persons and related companies	(234,620,000.00)	(50,700,000.00)	-	-
Cash received from short-term from other persons	527,930,000.00	24,600,000.00	10,000,000.00	-
Cash payment in short-term loans from other persons	(10,900,000.00)	(8,500,000.00)	-	-
Cash received from long-term loans from financial institution	208,000,000.00	-	200,000,000.00	-
Cash payment in long-term loans from financial institution	(19,876,425.88)	(7,000,000.00)	(6,200,000.00)	-
Cash payment in debt under financial leases agreements	(246,612.00)	(530,481.96)	-	-
Cash payment in liabilities under debt restructuring agreement	(562,585,881.81)	(24,010,000.00)	-	-
Cash payment from dividend	(40,231,250.00)	(60,346,875.00)	(40,231,250.00)	(60,346,875.00)
Cash payment from interest expenses	(48,721,847.01)	(46,869,999.34)	(6,059,560.67)	(815,213.34)
Net cash provided from (used in) from financing activities	19,226,834.47	(175,153,364.28)	152,509,189.33	(51,162,088.34)
Net increase (decrease) in cash and cash equivalent	69,056,510.97	(94,223,549.67)	6,232,570.32	(111,957,900.38)
Cash and cash equivalents items from the reverse acquisition	-	119,244,050.75	-	-
Cash and cash equivalents as at beginning balance	55,512,339.60	30,491,838.52	36,973,978.33	148,931,878.71
Cash and cash equivalents as at ending balance	124,568,850.57	55,512,339.60	43,206,548.65	36,973,978.33

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non cash flows items :

Unrealized gain (loss) on investment

revaluation from investments in available-for-sale-securities	6,707,200.00	(26,828,800.00)	-	-
Cost of business combination in the reverse acquisition	-	755,862,500.00	-	-
Investment in subsidiary company	-	-	-	755,862,500.00

Notes to financial statements form an integral part of these statements.

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**1. GENERAL INFORMATION**

The Company was registered on 11 February 1975 and later registered as a public company on 23 December 1993, registration number 0107536001621 (as before number Bor Mor Jor 236) with its registered head office located at 1, Sukkasem Road, Tambon Paton, Amphur Muang, Chiangmai.

Its main and subsidiary companies' business activity is the providing of medical services the Company services as known in "Lanna Hospital".

**2. BASIS OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARATION**

2.1 The Company has prepared the consolidated financial statements for a reverse acquisition and issued in the name of the Company, the legal parent but considered to be the acquires for accounting purpose, whose controlled by Chiang Mai Ram Hospital Co., Ltd., the legal subsidiary company but considered to be the acquirer for accounting purpose, after ordinary share exchange on February 25, 2008 as follows:

2.1.1 The assets and liabilities of Chiang Mai Ram Hospital Co., Ltd. and its subsidiary company before the business combination with the Company are recognized and measured in the consolidated financial statements by the book value.

2.1.2 Retained earnings and the outstanding balance of other equities in the consolidated financial statements are recognized by the last amount of retained earnings and outstanding balance of other equities of Chiang Mai Ram Hospital Co., Ltd. and its subsidiary company before the business combination with the Company.

2.1.3 Value of issued equity instrument in the consolidated financial statements is recognized by the aggregated amount between value of ordinary shares of the pre-acquisition shareholders' of Chiang Mai Ram Hospital Co., Ltd. to exchange shares with the Company and value of cost of business combination which is the fair value of the ordinary shares of Chiang Mai Ram Hospital Co., Ltd. that exchanged in the business combination.

2.1.4 The structure of equity in the consolidated financial statements is shown by the number of ordinary shares of the Company which include the new ordinary shares issued by the Company in the business combination.

2.1.5 The minority interest in the consolidated financial statements is reflected by proportion of participating profit (loss) of minority shareholders in the book value before business combination of net assets as of the date of business combination. Moreover, the result of operation of Chiang Mai Ram Hospital Co., Ltd. and its subsidiaries.



- 2.2 The Company has calculated the basic earnings per share in the each reporting period of the consolidated financial statements for a reverse acquisition by:
- 2.2.1 Basic earnings per share for the period that the reverse acquisition occurred is calculated by dividing the profit for the period by the weighted average of number of ordinary shares outstanding in the period based on:
- The number of ordinary shares outstanding from the beginning of the period to the date of acquisition is deemed to be the number of ordinary shares issued by the Company to the pre-acquisition shareholders' of Chiang Mai Ram Hospital Co., Ltd.
  - The number of ordinary shares outstanding from the date of acquisition to the end of the period is deemed to be the actual number of ordinary shares outstanding of the Company in the period.
- 2.2.2 Basic earnings per share in each comparative prior period before the date of acquisition is calculated by dividing the profit for the period of Chiang Mai Ram Hospital Co., Ltd. and its subsidiary company before the business combination with the Company by the number of ordinary shares issued by the Company to the pre-acquisition shareholders' of Chiang Mai Ram Hospital Co., Ltd. in the reverse acquisition.
- 2.3 In preparation of the consolidated financial statements, will only take its subsidiary company which is under the main control of Chiang Mai Ram Hospital Co., Ltd. who is the acquirer Chiang Mai Ram Medical Business Public Company Limited. in the reverse acquisition after having eliminated the remaining balances and transactions among themselves, Chiang Mai Ram Hospital Co., Ltd. holds shares in subsidiary and associated companies with the percentage of shareholdings in subsidiaries and associated companies as follows:

Company name	Type of business	Percentage of holding % of share capital		Head office
		2009	2008	
<b>Subsidiary company by indirect control from the reverse acquisition</b>				
Chiang Mai Ram Medical Business Public Co., Ltd.	Hospital	56.07	56.02	Chiang Mai
<b>Direct subsidiary and associated companies</b>				
<b>Subsidiary company</b>				
Theppanya Business Co., Ltd.	Hospital	99.99	99.99	Chiang Mai
<b>Associated company</b>				
Khelang Nakorn Hospital Co., Ltd.	Hospital	33.92	33.92	Lumphang
<b>Associated company held by Theppanya Business Co., Ltd.</b>				
Pawo Hospital Co., Ltd.	Hospital	50.00	50.00	Tak

- 2.4 In the preparation of the consolidated financial statements, for the accounting period of the investments of subsidiary companies are ended at the same period of Chiang Mai Ram Hospital Company Limited. The percentage of shareholding at 99.99% of the subsidiary companies, the Company is treated as holding of 100% of consolidated financial statements.
- 2.5 Accounting policy for subsidiary companies will utilize the same policy as the Parent Company.
- 2.6 In the preparation of the consolidated financial statements, for the years ended on December 31, 2008. Chiang Mai Ram Hospital Co., Ltd. combine revenue and expense of the Company since March 1, 2008 that hasn't combine revenue and expense since February 26-29, 2008 (total 4 days) was ignored because there is no significant transaction.



### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis for preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation B.E. 2552 for public limited company, issued under the Accounting Act B.E.2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 3.2 Adoption of new accounting standards during the year

3.2.1 The Federation of Accounting Professions (FAP) has issued Notification No. 12/2552 dated May 15, 2009, regarding the renumbering of Thai Accounting Standards to be the same as International Accounting Standards.

3.2.2 The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standards and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standards and accounting treatment guidance which are effective for the fiscal year beginning on or after January 1, 2009.

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 Impairment of Assets (revised 2007)

TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2007)

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

The management of the Company has assessed the effect of these accounting standards, financial reporting standards and accounting treatment guidance and believes that they do not have any significant impact on the financial statements for the current year.

b) Accounting standards which are not effective for the current year.

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (effective on January 1, 2012)

TAS 24 Related Party Disclosures (revised 2007) (effective on January 1, 2011)

TAS 40 Investment Property (effective on January 1, 2011)

The management of the Company is still evaluating the effect of these accounting standards to the financial statements for the year in which they are initially applied.

### 3.3 Recognition of revenues

- Service incomes is recognized when service are provided to customer.
- Revenue from rental is recognized over the term of rental agreement.
- Revenue from interest income is recognized over the term of borrowing and calculate from the outstanding principal.
- Dividend income is recognized when the right to receive the dividend is established.
- Other incomes are recognized on accrual basis.

### 3.4 Recognition of expenses

- Expenses are recognized on an accrual basis.
- Payment made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease.

### 3.5 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

### 3.6 Trade account receivable and other accounts receivable and allowance for doubtful accounts

Trade account receivable and other accounts receivable are stated at the net realizable value, allowance for doubtful accounts estimate from those account receivable and other accounts receivable which are likely to be uncollectible.

### 3.7 Inventories

Inventories are valued at cost price (FIFO is used for costing purpose) or net realizable value, whichever is the lower.

### 3.8 Investments

#### Investments in subsidiary and associated companies

Investments in subsidiaries are those companies in which the parent company, directly or indirectly, has power to govern the financial and operating policies of subsidiaries.

Investments in associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associated are stated by equity method. In case of the associates have capital deficiencies the recognition of Company's portion on such investments will be equal to zero only.

Investments in subsidiary companies and associated company are recorded at cost method in the separate financial statements and investments in associated company are recorded at equity in the consolidated financial statements.

#### Investments in related companies

Investments in related companies are those companies in which the Company has shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies classified as general investments, are stated at cost net after provision for impairment of investments. Loss on impairment of investment is included in the statements of income.

#### Investments in other companies

Investments in other companies are those companies in which the Company has shareholding but has no power to govern or participate in setting up any policy. Investments in other companies classified as general investments, are stated at cost net after provision for impairment of investments. Loss on impairment of investment is included in the statements of income.

### Investments in available-for-sale securities

Investment in available-for-sale securities are investments in listed securities stated at fair value with the objectives of long-term investments. Fair value which calculated on the balance sheets date by the latest bid of the last official day of the Stock Exchange of Thailand. The subsidiary company recognized its change in available-for-sale securities value as separated item in Shareholders' Equity, under "Unrealized gain (loss) on investment revaluation" and would be recorded in the income statement when there is a disposal of the investment. Average method is used for computation of cost of investments. When the decline in market value of the investments in the securities of each type is permanent, the losses declining from such valuation will be loss of impairment and recognized included in determining earnings.

### 3.9 Goodwill

Goodwill is the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized of the subsidiary and associated at the acquisition date.

Goodwill is initially measured at cost at the acquisition date and after that it shall be measured at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

### 3.10 Property, plant and equipment

Land for the Company and subsidiary companies is recorded at cost price.

Plant and equipments for the Company are recorded at cost price after deduction of accumulated depreciation and calculated on a straight-line method over their approximate useful-life

Plant and equipments for the first subsidiary company, which were taken in 1990, are calculated on sinking fund method, plant and equipments which were acquired after 2002, are calculated on a straight-line method over their approximate useful-life

Plant and equipments for the second subsidiary company, which were taken in 1994, are calculated on sinking fund method, plant and equipments which were acquired after 2002, are calculated on a straight-line method over their approximate useful-life

Plant and equipments for the Company and subsidiary companies are calculated on a straight-line method over their approximate useful-life as follows:

<u>Type of fixed assets</u>	<u>Years</u>
Land improvements	10
Buildings	20-50
Building improvements	10
Medical equipment	5-25
Furniture, fixture and equipment	5-25
Vehicles	5-10



The Company and subsidiary companies do not depreciate for construction in progress.

Expenditure related to improvement, life renewal or improvement of assets which will cause the present replacement prices of the assets materially increased will be combined as cost prices of assets. Given repairing fee and maintenance is recognized as expense in the accounting period that occurred. Gain or loss from disposal of land, plant and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expenses in the statement of income.

### 3.11 Intangible assets

Intangible assets are deferred computer software which is amortized by straight-line method for 5-10 years.

### 3.12 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment with cost, if as assets exceeds its recoverable amount; the Company will recognize an impairment loss in the statement of income.

#### Calculation of recoverable amount

- The recoverable amount is the greater of the asset's net selling price and value of usage. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairment

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized as revenue in the statement of income.

### 3.13 Operation leased contract

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

### 3.14 Financial leased contract

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessers will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets.

### 3.15 Accounts payable and others payable

Accounts payable and others payable were shown in cost method.

### 3.16 Financial instruments

The Company has no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheet include deposits at financial institutions, accounts receivable, accounts payable, bank overdrafts, loans from financial institutions, long-term loans and hire-purchase payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### 3.17 Using of accounting estimation

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

### 3.18 A provision of liabilities

The Company and subsidiary companies provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

### 3.19 Appropriation of retained earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

### 3.20 Employees benefit

The Company and subsidiary companies is recognized salary, wage, bonus and social security fund as expenses on date the transactions occurred.

### 3.21 Income tax

The Company and subsidiaries record income tax expense, based on the amount currently payable under the Revenue Code and at the rate specified by law.

Corporate income tax has been calculated on the profit before tax after adjusting of adding back certain provisions and expenses which are disallowable for tax computation purposes, deducting certain income which are exemption or allowable from income tax and loss brought forward from previous year (if any).

### 3.22 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing net profit with the weighted average number of the issued and paid-up shares at the end of the period. The company did not calculate the fully-diluted earnings per share since it has no ordinary share equivalents.

## 4. CASH AND CASH EQUIVALENTS ITEMS

Consist of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash	2,505,773.38	3,106,769.00	2,082,773.38	2,683,769.00
Bank deposit-saving accounts	120,616,405.36	62,668,652.22	46,435,093.36	39,715,704.88
Bank deposit-current accounts	(4,192,646.40)	(10,263,081.62)	(5,311,318.09)	(5,425,495.55)
Bank deposit - fix accounts	5,639,318.23	-	-	-
Total	124,568,850.57	55,512,339.60	43,206,548.65	36,973,978.33

Cash at bank - current account with credit balance, the Company has made an agreement to allow the bank to automatically transfer funds from savings account to such current account, in case of an overdraft.

## 5. ACCOUNTS RECEIVABLE

Accounts and notes receivable classified by their ages as follow :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Accrued income	41,038,772.07	11,481,686.05	22,675,907.07	1,242,278.08
Accounts and notes receivable classified by their ages				
within due period	33,904,788.58	31,660,390.17	9,850,174.62	7,820,532.01
over due period				
Less than and up to 3 months	55,810,636.31	50,862,722.79	10,452,180.38	11,978,555.21
Over 3 months up to 6 months	11,266,372.06	12,895,931.54	1,803,803.84	892,427.00
Over 6 months up to 12 months	10,762,395.95	14,560,063.91	1,590,840.87	1,947,055.55
Over more than 12 months	32,878,634.06	27,297,780.75	2,452,494.07	719,694.40
Total	185,661,599.03	148,758,575.21	48,825,400.85	24,600,542.25
Less Allowance for doubtful accounts	(44,802,847.44)	(45,807,440.66)	(3,783,657.07)	(3,815,437.05)
Accounts receivable - net	140,858,751.59	102,951,134.55	45,041,743.78	20,785,105.20



For the years ended December 31, 2009 and 2008, the movement of allowance for doubtful accounts was as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Allowance for doubtful accounts - beginning	(45,807,440.66)	(30,391,699.31)	(3,815,437.05)	(1,312,910.05)
<u>Add</u> Increase from business combination	-	(1,862,910.05)	-	-
<u>Add</u> Reserve within periods	(11,707,320.45)	(22,441,552.03)	(647,811.02)	(3,338,430.00)
<u>Less</u> Refund doubtful accounts within periods	-	2,412,443.73	-	-
<u>Less</u> Bad debt	12,711,913.67	6,476,277.00	679,591.00	835,903.00
Allowance for doubtful accounts - ending	<u>(44,802,847.44)</u>	<u>(45,807,440.66)</u>	<u>(3,783,657.07)</u>	<u>(3,815,437.05)</u>

## 6. SHORT-TERM LOAN TO RELATED COMPANY

The consolidated financial statements as at December 31, 2009 and 2008, the movement of short-term loans to related company was as follows:

	Baht			
	Consolidated financial Statements			
	Balance as at December 31, 2008	Increase	Settlement	Balance as at December 31, 2009
Khonkaen Ram Hospital Co., Ltd.	18,000,000.00	18,000,000.00	(36,000,000.00)	-
<u>Less</u> Allowance for doubtful accounts	<u>(18,000,000.00)</u>	-	18,000,000.00	-
Net	<u>-</u>	<u>18,000,000.00</u>	<u>(18,000,000.00)</u>	<u>-</u>

	Baht			
	Consolidated financial Statements			
	Balance as at December 31, 2007	Increase	Settlement	Balance as at December 31, 2008
Khonkaen Ram Hospital Co., Ltd.	18,000,000.00	-	-	18,000,000.00
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(18,000,000.00)</u>	-	<u>(18,000,000.00)</u>
Net	<u>18,000,000.00</u>	<u>(18,000,000.00)</u>	<u>-</u>	<u>-</u>

The Board of Director's meeting of the Chiangmai Ram Hospital Co., Ltd. dated on July 27, 2006 and September 28, 2006 and July 26, 2007 respectively resolved loan to Khonkaen Ram Hospital Co., Ltd. in the form of a bill of exchange as 10 times of shareholding on hand. The Company has to raise loan to as one time in amount of Baht 6 million total in amount of Baht 18 million with the annual interest rate of 8%. The loan to period is 1 year and pay interest expenses every month.

In the forth quarter of 2008, the subsidiary company fully considers the allowance for doubtful debt in the loan to the Khonkaen Ram Hospital Co., Ltd. since the management of the subsidiary company anticipates that it will not receive such debt.

In the third quarter of 2009, the subsidiary company has reversed entry of allowance for doubtful loan to Khonkaen Ram Hospital Co., Ltd. in amount of Baht 18 million, as the subsidiary company obtained settlement from loan which was fully set up the allowance for doubtful account and recognized as gain from reversing allowance for doubtful account in the statement of income.

## 7. INVENTORIES

Consist of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Medicine and Medical Supplies	58,958,173.00	54,200,196.38	5,756,563.47	6,272,595.75
Other Supplies	5,378,888.52	5,154,384.46	5,325,407.85	5,097,436.29
Total	64,337,061.52	59,354,580.84	11,081,971.32	11,370,032.04

## 8. INVESTMENT IN SUBSIDIARY COMPANY

Consist of :

Name of company	Paid-up capital Baht	% Share- holding %	Baht			
			Separate financial statements			
			Cost method		Dividend	
			2009	2008	2009	2008
Chiang Mai Ram Hospital Co.,Ltd.	400,000,000	56.07	761,368,250.00	760,845,250.00	-	-

On February 25, 2008, the Company has invested in Chiang Mai Ram Hospital Co., Ltd. by shares exchange with Chiang Mai Ram Hospital Co., Ltd. The Company has issued the increase shares to exchange such shares in the ratio of 1 increase share of the Company for 1 ordinary share of Chiang Mai Ram Hospital Co., Ltd., the price of exchanged shares are Baht 34 per share (which evaluated by the firm valuation by discounted cash flow method). Such the subsidiary company obtains the control to govern the financial and operation policies of the Company, which is a reverse acquisition. The Company has exchanged 22,231,250 shares, and obtains 55.58% of issued and paid-up shareholding of the legal subsidiary company. Such shares exchange causes the Company considered to be acquiree.

The Company had additional invested in that company by acquisition from pre-acquisition shareholders of that subsidiary company, by the closing price for the company's share as purchase share date as follow:

Date	Number of shares (shares)	Closing price (Baht/share)	Value (Baht)	% Share holding (%)
March 20, 2008	70,000	29.75	2,082,500	55.75
April 5, 2008	15,000	29.75	446,250	55.79
April 9, 2008	2,000	29.50	59,000	55.80
May 28, 2008	10,000	28.00	280,000	55.82
June 10, 2008	10,000	25.50	255,000	55.85
June 24, 2008	10,000	26.75	267,500	55.87
June 27, 2008	10,000	26.75	267,500	55.90
August 22, 2008	50,000	26.50	1,325,000	56.02
June 9, 2009	1,000	25.00	25,000	56.02
July 6, 2009	10,000	25.50	255,000	56.05
October 27, 2009	10,000	24.30	243,000	56.07
Total	198,000		5,505,750	



## 9. INVESTMENT IN ASSOCIATED COMPANIES

Consist of :

Name of company	Paid-up	% Share-	Consolidated financial statements			
	capital	holding	Equity method (Baht)		Cost method (Baht)	
	Baht	%	2009	2008	2009	2008
<u>Associated companies</u>						
Khelang Nakorn Hospital Co., Ltd.	44,854,100	33.92	29,410,779.96	28,513,539.27	15,667,600.00	15,667,600.00
Pawo Hospital Co., Ltd.	11,625,750	50.00	-	-	29,813,599.98	29,813,599.98
<u>Less</u> Allowance for impairment of investment			-	-	(29,813,599.98)	(29,813,599.98)
Total			29,410,779.76	28,513,539.27	15,667,600.00	15,667,600.00

Name of company	Type of business	Relationship	Dividend (Baht)	
			2009	2008
<u>Associated companies</u>				
Khelang Nakorn Hospital Co., Ltd.	Hospital	Related company by shareholder and director	1,521,490.00	1,217,192.00
Pawo Hospital Co., Ltd.	Hospital	Related company by shareholder and director	-	-
Total			1,521,490.00	1,217,192.00

The Board of Director's meeting of the Theppanya Business Co.,Ltd. on dated July 5, 2006, It is unanimously resolved to buy shares of Pawo Hospital Co., Ltd. from F & S 79 Co., Ltd. totaling 232,515 shares of Baht 128.22 each. Total of Baht 29,813,599.98 (Mutually Agreed Price), resulting the investment in shareholding proportion 50% of investment in a new associated company. That purchases shares, Theppanya Business Co.,Ltd. had into a loan agreement from Chiangmai Ram Hospital Co., Ltd. Baht 29,800,000.00 for paid the share.

Theppanya Business Co., Ltd. recognized participating loss in Pawo Hospital Co., Ltd. full value of investments such that company has deficit over equity.

Investment in Khelang Nakorn Hospital Co., Ltd. was computed the investment amount from the financial statement which was prepared by management has not performed any other audit by recognizing the participating profit in the associated company as follows:

	Baht	
	Consolidated financial statements	
	2009	2008
Khelang Nakorn Hospital Co., Ltd.	2,418,730.49	7,959,397.45
Pawo Hospital Co., Ltd.	-	-

## 10. INVESTMENT IN RELATED AND OTHER COMPANIES

Consist of :

				Baht			
				Consolidated financial statements			
		Paid-up	% Share-	Cost method		Dividend	
Name of company	Category	capital	%	2009	2008	2009	2008
<b><u>Related companies</u></b>							
Phayao Ram Hospital Co., Ltd.	Hospital	25,000,000.00	5.00	1,250,000.00	1,250,000.00	-	-
Khonkaen Ram Hospital Co., Ltd.	Hospital	80,000,000.00	7.50	13,050,000.00	13,050,000.00	3,000,000.00	2,400,000.00
Bhumpanya International Co., Ltd.	Education	600,000,000.00	10.00	60,000,000.00	60,000,000.00	-	-
Chaiyapum Ram Hospital Co., Ltd.	Hospital	271,140,000.00	0.37	1,200,000.00	1,200,000.00	-	-
Total				75,500,000.00	75,500,000.00	3,000,000.00	2,400,000.00
<b><u>Less</u></b> Allowance for impairment of investment							
Phayao Ram Hospital Co., Ltd.				(1,250,000.00)	(1,250,000.00)	-	-
Khonkaen Ram Hospital Co., Ltd.				-	(782,593.44)	-	-
Bhumpanya International Co., Ltd.				(60,000,000.00)	(60,000,000.00)	-	-
Chaiyapum Ram Hospital Co., Ltd.				(335,858.45)	(335,858.45)	-	-
Total				(61,585,858.45)	(62,368,451.89)	-	-
Total investment in related companies-net				13,914,141.55	13,131,548.11	3,000,000.00	2,400,000.00
<b><u>Other companies</u></b>							
Sriburin Hospital Co., Ltd.	Hospital	170,000,000.00	2.94	5,000,000.00	5,000,000.00	2,000,000.00	1,750,000.00
Phitsanulok Inter Medical Co, Ltd.	Hospital	160,000,000.00	4.37	1,008,000.00	7,000,000.00	-	-
Total investment in other companies				6,008,000.00	12,000,000.00	2,000,000.00	1,750,000.00
<b><u>Less</u></b> Allowance for impairment of investment							
Phitsanulok Inter Medical Co, Ltd.				-	(7,000,000.00)	-	-
Total investment in other companies-net				6,008,000.00	5,000,000.00	2,000,000.00	1,750,000.00
Total investment in related and other companies-net				19,922,141.55	18,131,548.11	5,000,000.00	4,150,000.00

Name of company	Category	Paid-up capital	% Share-holding %	Baht			
				Separate financial statements			
				Cost method		Dividend	
				2009	2008	2009	2008
<b>Other company</b>							
Phitsanulok Inter Medical Co, Ltd.	Hospital	160,000,000.00	4.37	-	7,000,000.00	-	-
<b>Less</b> Allowance for impairment of investment				-	(7,000,000.00)	-	-
Total investment in other company-net				-	-	-	-

In the second quarter of year 2009, the subsidiary company has reversed the provision for impairment of investment in Khonkaen Ram Hospital Co., Ltd. in amount of Baht 0.78 million due to the above company's better result of operations and dividend distribution. This reversing entry of the provision for impairment of investment was shown under "other income" in the consolidated statement of income.

At the Board of Directors' meeting held on November 10, 2009 they approved to sell the common shares of Phitsanulok Inter Medical Co., Ltd. in the amount of Baht 1,008,000 totalling 700,000 shares of Baht 1.44 each to Theppanya Business Co., Ltd., and recorded gain from sale of investment in the amount of Baht 1,008,000.00 in the statement of income.

## 11. INVESTMENTS IN AVAILABLE FOR - SALE - SECURITIES

Consist of :

	Baht			
	Consolidated financial statements			
	Investments		Dividend	
	2009	2008	2009	2008
Equity instruments in the marketable security				
Ramkhamhaeng Hospital Public Co.,Ltd.	67,677,454.83	67,677,454.83	10,060,800.00	10,060,800.00
<b>Add</b> Unrealized gain on investment in securities - available for sale	378,351,345.17	371,644,145.17	-	-
Net	446,028,800.00	439,321,600.00	10,060,800.00	10,060,800.00

For the years ended December 31, 2009 and 2008, the movement of investment in securities available for sale was as follows:

	Baht	
	2009	2008
Beginning book value - net	439,321,600.00	466,150,400.00
Changes in value on unrealized securities - available for sale	6,707,200.00	(26,828,800.00)
Ending book value - net	446,028,800.00	439,321,600.00

As at December 31, 2009 and 2008, the subsidiary company has pledged the whole amount of available for sale security against liabilities under debt restructuring agreement as in Note 24.

## 12. LONG TERM LOAN TO RELATED COMPANIES

The consolidated financial statements as at December 31, 2009 and 2008, the movement of long-term loans to related companies was as follows:

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2008	Increase	Settlement	Balance as at December 31, 2009
Phayao Ram Hospital Co., Ltd.	3,750,000.00	1,875,000.00	-	5,625,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
Less Allowance for doubtful accounts	(29,228,729.89)	-	-	(29,228,729.89)
Net	3,750,000.00	1,875,000.00	-	5,625,000.00

The consolidated financial statements as at December 31, 2008 and 2007, the movement of long-term loans to related companies was as follows:

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2007	Increase	Settlement	Balance as at December 31, 2008
Arharnpraram Co., Ltd.	-	3,750,000.00	-	3,750,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
Less Allowance for doubtful accounts	(29,228,729.89)	-	-	(29,228,729.89)
Net	-	3,750,000.00	-	3,750,000.00

As at December 31, 2009 and 2008, Long-term loans to Phayao Ram Hospital Co., Ltd. was in the form of bill of exchange with the annual interest rate of 8.00%. The loan to period is 10 years and this loan to has not any guarantee.

As at December 31, 2009 and 2008, Long-term loans to Bhumpanya International Co., Ltd. was in the form of contract with the annual interest rate of 5.50% of both two years and this loan to has not any guarantee.

### 13. PROPERTY, PLANT AND EQUIPMENT - NET

Consist of :

	Baht					
	Consolidated financial statements					
	Balance as at	Increase	Transfer in	Disposal	Transfer out	Balance as at
	December 31, 2008					December 31, 2009
Cost						
Land	476,971,554.00	250,200,000.00	-	-	-	727,171,554.00
Land improvements	8,414,608.62	-	-	-	-	8,414,608.62
Building	859,716,617.77	-	-	(3,070,000.00)	-	856,646,617.77
Building improvement	55,784,356.66	901,820.00	3,056,139.49	(8,139.25)	-	59,734,176.90
Medical equipment	577,652,211.32	48,533,765.55	11,600,000.00	(1,667,597.90)	-	636,118,378.97
Furniture, fixture and equipment	377,833,808.69	47,305,578.78	83,000.00	(4,455,121.39)	-	420,767,266.08
Vehicles	35,580,917.82	25,500.00	-	(872,000.00)	-	34,734,417.82
Assets in progressive construction	214,000.00	3,139,139.49	-	-	(3,139,139.49)	214,000.00
Medical equipment under installation	11,600,000.00	-	-	-	(11,600,000.00)	-
Total	2,403,768,074.88	350,105,803.82	14,739,139.49	(10,072,858.54)	(14,739,139.49)	2,743,801,020.16
Accumulated depreciation						
Land improvements	(8,017,944.46)	(62,611.44)	-	-	-	(8,080,555.90)
Building	(137,288,239.42)	(18,806,113.72)	-	2,560,327.28	-	(153,534,025.86)
Building improvement	(36,634,370.40)	(2,571,114.15)	-	8,135.25	-	(39,197,349.30)
Medical equipment	(330,259,771.81)	(40,021,182.32)	-	1,334,452.72	-	(368,946,501.41)
Furniture, fixture and equipment	(265,015,016.08)	(28,692,507.64)	-	4,359,680.47	-	(289,347,843.25)
Vehicles	(15,381,915.58)	(3,436,854.12)	-	871,998.00	-	(17,946,771.70)
Total	(792,597,257.75)	(93,590,383.39)	-	9,134,593.72	-	(877,053,047.42)
Net	1,611,170,817.13					1,866,747,972.74
					Baht	
					2009	2008
Depreciation for the years					93,590,383.39	76,017,631.49



	Baht					
	Separate financial statements					
	Balance as at	Increase	Transfer in	Disposal	Transfer out	Balance as at
	December 31, 2008					December 31, 2009
<b>Cost</b>						
Land	42,695,055.00	250,200,000.00	-	-	-	292,895,055.00
Land improvements	8,414,608.62	-	-	-	-	8,414,608.62
Building	118,921,005.14	-	-	-	-	118,921,005.14
Building improvement	55,784,356.66	901,820.00	3,056,139.49	(8,139.25)	-	59,734,176.90
Medical equipment	161,713,686.72	10,778,516.75	-	(1,667,597.90)	-	170,824,605.57
Furniture, fixture and equipment	157,536,734.60	15,550,491.44	83,000.00	(4,455,121.39)	-	168,715,104.65
Vehicles	9,619,822.12	25,500.00	-	-	-	9,645,322.12
Assets in progressive construction	214,000.00	3,139,139.49	-	-	(3,139,139.49)	214,000.00
Total	554,899,268.86	280,595,467.68	3,139,139.49	(6,130,858.54)	(3,139,139.49)	829,363,878.00
<b>Accumulated depreciation</b>						
Land improvements	(8,017,944.46)	(62,611.44)	-	-	-	(8,080,555.90)
Building	(47,459,057.52)	(3,064,933.44)	-	-	-	(50,523,990.96)
Building improvement	(36,634,370.40)	(2,571,114.15)	-	8,135.25	-	(39,197,349.30)
Medical equipment	(85,969,540.29)	(13,904,870.00)	-	1,334,452.72	-	(98,539,957.57)
Furniture, fixture and equipment	(128,504,665.68)	(9,953,455.16)	-	4,359,680.47	-	(134,098,440.37)
Vehicles	(6,055,015.47)	(874,832.79)	-	-	-	(6,929,848.26)
Total	(312,640,593.82)	(30,431,816.98)	-	5,702,268.44	-	(337,370,142.36)
Net	242,258,675.04					491,993,735.64

	Baht	
	2009	2008
Depreciation for the years	30,431,816.98	27,044,345.95

### Consolidated financial statements

As at December 31, 2009 and 2008 land with construction, plant and medical equipment with a book value of Baht 970.79 million and Baht 731.73 million respectively, was used as collateral for bank overdrafts, long-term loans from financial institutions and liability under debt restructuring agreement.

As at December 31, 2009 and 2008, the Company and subsidiary companies had assets with the depreciation fully calculated but still in use which had a cost value of Baht 516.86 and Baht 505.41 million respectively.

### Separate financial statements

As at December 31, 2009 and 2008 land and building with a book value of Baht 299.75 million and 50.88 million, respectively, were used by the Company as collateral for bank overdrafts and long term loan from financial institution.

As at December 31, 2009 and 2008 the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 209.25 million and Baht 201.82 million respectively.

#### 14. INTANGIBLE ASSETS

Intangible assets consist of :

	Baht			
	Consolidated financial statements			
	As at December 31, 2008	Increase	Transfer in (Transfer out)	As at December 31, 2009
Deferred computer software	7,942,449.70	6,592,629.17	1,328,313.96	15,863,392.83
Deferred computer software in progress	1,107,232.79	421,064.17	(1,328,313.96)	199,983.00
	9,049,682.49	7,013,693.34	-	16,063,375.83
<u>Less</u> Accumulated amortization	(2,018,712.40)	(2,203,072.76)	-	(4,221,785.16)
Deferred computer software - net	7,030,970.09			11,841,590.67

	Baht			
	Separate financial statements			
	As at December 31, 2008	Increase	Transfer in (Transfer out)	As at December 31, 2009
Deferred computer software	1,399,112.30	4,489,921.17	1,328,313.96	7,217,347.43
Deferred computer software in progress	1,107,232.79	421,064.17	(1,328,313.96)	199,983.00
	2,506,345.09	4,910,985.34	-	7,417,330.43
<u>Less</u> Accumulated amortization	(1,366,384.66)	(880,646.04)	-	(2,247,030.70)
Deferred computer software - net	1,139,960.43			5,170,299.73

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Amortization for the years	2,203,072.76	393,226.23	880,646.04	15,600.24

#### 15. PLEDGED FIXED ACCOUNT

In accordance with the consolidated financial statement as at December 31, 2009 and 2008, the Company and subsidiary companies pledges the fixed deposit of commercial banks which is fixed deposit carried the period of 3 months and 12 months, interest rate in the rate of 0.50-2.60% per annum and 1.40-4.25% per annum respectively while the interest of fixed deposit can be withdrawn. The Company and subsidiary companies pledges the fixed deposit to guarantee for using electricity, guarantee for post department, guarantee for social security office and guarantee for bank overdrafts value of Baht 25.12 million and Baht 38.36 million respectively, and the separate financial statements value of baht 15.27 million and baht 14.96 million respectively.

#### 16. PREPAID PAYABLE - LAND FEE

On February 28, 2008, the Company has paid deposit for land fee in amount of Baht 75.00 millions and fully received the refund on March 17, 2008. Later on May 29, 2008 the Company performed the purchasing and selling contract with Kor Ngern Estate Co., Ltd. While the Company agrees to purchase the 7 title-deeds piece of land in value according to the contract of Baht 250.00 million and repays deposit on 15, July 2008 in amount of Baht 75.00 million. On April 9, 2009, the Company paid the rest amount of land fee in amount of Baht 175 million and transferred the right of land in the same day.

## 17. CREDITS AND GUARANTEE

As at December 31, 2009 and 2008, the Company and subsidiary companies has obtained the credit line concerning to bank overdraft, long-term loan, and debt restructuring agreement from several commercial banks and financial institutions, totaling Baht 1,304 million. The Company has pledged fixed deposit, mortgaged land with construction, plant and medical equipment, guaranteed by the Company's directors, and beneficiary from insurance in assets of the company and subsidiary companies with the commercial banks and financial institution.

## 18. SHORT - TERM LOANS FROM SUBSIDIARY COMPANY

The separate financial statements as at December 31, 2009 and 2008, the movement of short-term loans from subsidiary company was as follows:

		Baht		
		Separated financial statement		
	Balance as at December 31, 2008	Increase	Settlement	Balance as at December 31, 2009
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	10,000,000.00	1,100,000.00	(11,100,000.00)	-

		Baht		
		Separated financial statement		
	Balance as at December 31, 2007	Increase	Settlement	Balance as at December 31, 2008
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	30,000,000.00	(20,000,000.00)	10,000,000.00

As at December 31, 2009 and 2008, short-term loans from subsidiary company was in the form of bill of exchange with the annual interest rate of 5.25-6.25%. The borrowing period is 3 months and this loan has not guarantee.

## 19. SHORT-TERM LOANS FROM RELATED COMPANIES AND RELATED PERSONS

Consist of:

		Baht			
		Consolidate financial statements		Separate financial statements	
		2009	2008	2009	2008
Related companies and relate persons		56,500,000.00	87,000,000.00	5,000,000.00	-

The consolidated financial statements as at December 31, 2009 and 2008, the movement of short-term loans from related companies and related persons was as follows:

		Baht		
		Consolidated		
	Balance as at December 31, 2008	Transaction during the year		Balance as at December 31, 2009
		Increase	Settlement	
Related companies				
Piyasiri Co., Ltd.	11,000,000.00	-	-	11,000,000.00
F & S 79 Co., Ltd.	40,000,000.00	182,120,000.00	(222,120,000.00)	-
Phayao Ram Hospital Co., Ltd.	4,000,000.00	-	(4,000,000.00)	-
Bangkok Center Detection and Treatment Center Co., Ltd.	11,000,000.00	3,000,000.00	(8,500,000.00)	5,500,000.00
Related persons				
Company's directors	21,000,000.00	19,000,000.00	-	40,000,000.00
Total	87,000,000.00	204,120,000.00	(234,620,000.00)	56,500,000.00



	Baht			
	Consolidated			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2007	Increase	Settlement	December 31, 2008
Related companies				
Piyasiri Co., Ltd.	11,000,000.00	-	-	11,000,000.00
F & S 79 Co., Ltd.	19,700,000.00	40,000,000.00	(19,700,000.00)	40,000,000.00
Phayao Ram Hospital Co., Ltd.	9,000,000.00	-	(5,000,000.00)	4,000,000.00
Chaiyapum Ram Hospital Co., Ltd.	21,000,000.00	-	(21,000,000.00)	-
Khelang Nakorn Hospital Co., Ltd.	-	5,000,000.00	(5,000,000.00)	-
Bangkok Center Detection and Treatment Center Co., Ltd.	11,000,000.00	-	-	11,000,000.00
Related persons				
Company's directors	17,000,000.00	4,000,000.00	-	21,000,000.00
Total	88,700,000.00	49,000,000.00	(50,700,000.00)	87,000,000.00

As at December 31, 2009 and 2008, short-term loans from related persons and related companies was in the form of promissory note with the annual interest rate of 5.25-6.25%. The borrowing period is 3-6 months and this loan has not guarantee.

The separate financial statements as at December 31, 2009 the movement of short-term loans from related persons was as follows:

	Baht			
	Separated financial statement			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2008	Increase	Settlement	December 31, 2009
Related persons	-	5,000,000.00	-	5,000,000.00

As at December 31, 2009, short-term loans from related persons was in the form of bill of exchange with the annual interest rate of 5.25-5.50%. The borrowing period is 3 months and this loan has not guarantee.

## 20. SHORT - TERM LOANS FROM OTHER PERSONS

Consist of :

	Baht			
	Consolidate financial statements		Separate financial statements	
	2009	2008	2009	2008
Other persons	613,230,000.00	96,200,000.00	10,000,000.00	-

The consolidated financial statements as at December 31, 2009 and 2008, the movement of short - term loans from other persons was as follows:

	Baht			
	Balance as at December 31, 2008	Transaction during the year		Balance as at December 31, 2009
		Increase	Settlement	
Other persons	96,200,000.00	527,930,000.00	(10,900,000.00)	613,230,000.00

	Baht			
	Balance as at December 31, 2007	Transaction during the year		Balance as at December 31, 2008
		Increase	Settlement	
Other persons	80,100,000.00	24,600,000.00	(8,500,000.00)	96,200,000.00

As at December 31, 2009 and 2008, short-term loans from other persons, is loan in form of promissory notes, carried period of repayment three months of both two years, interest rate of 5.25-5.50% of both two years, while is not guarantee.

The separate financial statements as at December 31, 2009, the movement of short - term loans from other persons was as follows:

	Baht		
	Balance as at	Transaction during the year	Balance as at
	December 31, 2008	Increase      Settlement	December 31, 2008
Other persons	-	10,000,000.00      -	10,000,000.00

As at December 31, 2009, short-term loans from other persons, is loan in form of promissory notes, carried period of repayment three months, interest rate of 5.25% while is not guarantee.

## 21. LONG-TERM LOANS FROM RELATED COMPANIES

	Baht		
	Consolidated financial statements		
	Balance as at	Transaction during the period	Balance as at
	December 31, 2008	Increase      decrease	December 31, 2009
Ramkhamhaeng Hospital Pcl.	76,668,724.61	-      -	76,668,724.61
Less Current portion	(24,000,000.00)		(48,000,000.00)
Net	<u>52,668,724.61</u>		<u>28,668,724.61</u>

The consolidated financial statements for the year ended December 31, 2009 and 2008, the movement of long-term loans from related companies was not the movement.

In 2003, Chiang Mai Ram Hospital Co., Ltd. has made debt restructuring agreement with Ramkhamheang Hospital Public Co., Ltd., which consequent affected the adjustment relating to repayment condition as follows:

1. Monthly repayment of principal at minimum Baht 1 million until finish.
2. Interest expenses at the actual cost is suspended and will be paid after fully repayment of principal.  
(Since 2007, Chiang Mai Ram Hospital Co., Ltd. had suspended such principal repayment in accordance with the order of the creditor according to the debt restructuring agreement but settles the interest expenses on every 6 months)

## 22. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Consist of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Long-term loans from financial institution	262,123,574.12	74,000,000.00	193,800,000.00	-
Less : Current portion	(51,204,000.00)	(12,000,000.00)	(37,200,000.00)	-
Net	<u>210,919,574.12</u>	<u>62,000,000.00</u>	<u>156,600,000.00</u>	<u>-</u>

Movement of long - term loans for the years ended December 31, 2009 and 2008 as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Balance as of beginning	74,000,000.00	81,000,000.00	-	-
Increase in this periods	208,000,000.00	-	200,000,000.00	-
Repayment to long-term loans	(19,876,425.88)	(7,000,000.00)	(6,200,000.00)	-
Balance as of ending	262,123,574.12	74,000,000.00	193,800,000.00	-

#### Consolidated financial statements

1. On April 25, 2007, Theppanya Business Co.,Ltd. entered into a loan agreement in Baht currency with a local commercial bank to obtain Baht 81 million credit facility. The loan to be repaid within 7 years the term of payment for principal and interest are as follow:

The repayment of principal:

<u>Installment</u>	<u>Principal installment (Baht)</u>
1 - 12	grace period
13-48	1,000,000.00
49-84	1,250,000.00

The repayment of interest:

<u>After withdrawal the first installment of loan</u>	<u>Interest rate (per annum)</u>
In the first - second year	MLR - 1.00 %
In the third year	MLR - 0.50 %
In the forth - seventh year	MLR

Such long-term loan is guaranteed by mortgaging land with construction of the subsidiary company and some directors give fully guarantee as in Note 13.

2. On January 13, 2009, Chiang Mai Ram Hospital Co., Ltd. entered into a loan agreement in Baht currency with a local commercial bank to obtain Baht 8 million credit facility. The loan to be repaid within 4 year. Such loan carries interest at a certain percentage 4 per annum. Interest is payable on a monthly basis and principal will be repaid by monthly basis at minimum Baht 167,000 after withdrawal the first installment of loan. Such loan has no any guarantee.

#### Separate financial statements

On September 26, 2008 the Company entered into a loan agreement in Baht currency with a local commercial bank to obtain Baht 238 million credit facility. Principal will repaid by monthly basis at Baht 3.10 million. The loan has grace period for seven months after withdrawal the first installment of loan and to be repaid within eighty - four months.

<u>After withdrawal the first installment of loan</u>	<u>Interest rate (per annum)</u>
In the first - third year	MLR - 1.75 %
In the forth - fifth year	MLR - 1.50 %
In the sixth - seventh year	MLR - 1.25 %

As at December 31, 2009, the company withdrew the loan in amount of Baht 200 million.

As at December 31, 2009 The Company has mortgaged land and structure as collateral for loans obtained (See Note 13).

## 23. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT - NET

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities under financial lease agreement	287,702.00	534,314.00	-	-
<u>Less</u> Deferred interest expense	(12,566.92)	(41,943.81)	-	-
Current portion	(234,431.32)	(217,235.11)	-	-
Net	40,703.76	275,135.08	-	-

## 24. LIABILITIES UNDER DEBT RESTRUCTURING AGREEMENT

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities under debt restructuring agreement				
principle	-	454,907,083.07	-	-
Accrued interest expenses as of the date the debt restructuring agreement	-	135,007,371.67	-	-
Accrued interest expenses under debt restructuring agreement	-	65,095,562.39	-	-
Total	-	655,010,017.13	-	-
Accrued interest expenses under debt restructuring agreement in the periods	-	4,970,637.44	-	-
Payment during the periods	-	(24,010,000.00)	-	-
Total	-	635,970,654.57	-	-
<u>Less</u> Current portion	-	(28,150,000.00)	-	-
Net	-	607,820,654.57	-	-

On January 30, 2002, Chiang Mai Ram Hospital Co., Ltd. performed debt structuring agreement with the merchant bank and finance institute while debt burden the Chiang Mai Ram Hospital Co., Ltd. Incurred to the merchant bank and finance institutes as of the date the debt restructuring agreement is performed holds amount of Baht 883 million which divided into principle debt of Baht 686 million and accrued interest in amount of Baht 197 million. There is the term of principle and interest repayment as follows:



#### The repayment of principal

The principle is repayable every three months. The first installment is repayable on January 30, 2002 to December 31, 2016 while there is period of due date of principle repayment as follows:

	Thousand Baht	
	As at December 31, 2009	As at December 31, 2008
Due of 1 year	26,470	28,150
Due between 1 - 2 year	61,130	56,590
Due between 3 - 5 year	107,100	100,100
Due 5 year to complete agreement	256,736	294,746
	<u>451,436</u>	<u>479,586</u>

In the third quarter 2009, the Chiang Mai Ram Hospital Co., Ltd. has fully repaid the principle of debt restructuring agreement before due date in the outstanding balance at that date of Baht 410.47 million.

#### The repayment of interest

- From January 30, 2002 to June 30, 2008, it is computed in the MLR rate and repayable in the rate of 5% per annum. The rest is recorded as accrued interest suspended.
- From July 1, 2008 to December 31, 2016, the interest rate is MLR per annum and repayable in the rate of MLR.

Such loan is guaranteed by shares certificates in the whole available for sales security as in Note 11. Moreover, land, building and some medical instrument are mortgaged as in Note 13 as collateral.

On December 28, 2007, the Chiang Mai Ram Hospital Co., Ltd. repaid cash surplus to creditors according to the debt restructuring agreement in amount of Baht 48 million since the Company constitutes the surplus of liquidity.

In accordance with the debt restructuring agreement, the term is specified that if the Chiang Mai Ram Hospital Co., Ltd. can completely comply with the term in the debt structuring agreement, such commercial banks and finance institutes will consent to reduce repayment of accrued interest expenses under debt restructuring agreement in the rate of 50%.

In the fourth quarter 2009, the Chiang Mai Ram Hospital Co., Ltd. has repayment an accrued interest expenses under debt restructuring agreement, by received discount with the rate of 50% of accrued interest expenses in the amount of Baht 73.38 million, presented gain from debt restructuring in the statement of income.

## 25. SHARE CAPITAL

	Value	Separate financial statements			
		2009		2008	
	Par Value (Baht)	Amount (Share)	Amount (Baht)	Amount (Share)	Amount (Baht)
Authorized share capital					
Beginning - Ordinary shares	10	40,843,333	408,433,330.00	40,843,333	408,433,330.00
<u>Add</u> Increase ordinary shares	10	-	-	-	-
Ending - Ordinary shares	10	<u>40,843,333</u>	<u>408,433,330.00</u>	<u>40,843,333</u>	<u>408,433,330.00</u>
Issued and paid-up share capital					
Beginning - Ordinary shares	10	40,231,250	402,312,500.00	18,000,000	180,000,000.00
<u>Add</u> Increase ordinary shares	10	-	-	22,231,250	222,312,500.00
Ending - Ordinary shares	10	<u>40,231,250</u>	<u>402,312,500.00</u>	<u>40,231,250</u>	<u>402,312,500.00</u>

On February 25, 2008, the Company has issued 22,231,250 new ordinary shares so as to exchange with the ordinary shares of Chiang Mai Ram Hospital Co., Ltd. as in Note 35. Cause premium on ordinary share Baht 533.55 million, The Company has registered the shares capital increment at Ministry of Commerce.

## 26. DIVIDEND PAYMENT AND LEGAL RESERVE

In accordance with the Minutes of the Shareholders' meeting for the year 2009 held on April 26, 2009, it was resolved to approve payment dividend for the 2008 operating result at Baht 1 per share on 40.23 million ordinary shares, totaling Baht 40.23 million and appropriation to legal reserve at 5% of net profit for 2008 in the amount of Baht 1.54 million. The company paid cash dividend on May 26, 2009.

In accordance with the Minutes of the Shareholders' meeting for the year 2008 held on April 27, 2008, it was resolved to approve payment dividend for the 2007 operating result at Baht 1.50 per share on 40.23 million ordinary shares, totaling Baht 60.35 million and appropriation to legal reserve at 5% of net profit for 2007 in the amount of Baht 1.80 million.

## 27. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means except for doctor fees. The Company's management is the persons who are defined under the Securities and Exchange Act.

## 28. EXPENSES BY NATURE

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Medical supplies and other supplies	295,657,412.99	269,552,245.13	75,009,709.41	68,516,981.48
Expenses from external medical service	64,222,818.81	16,819,083.60	8,167,960.40	5,869,917.39
Cost of lab and x-ray	30,943,783.21	39,650,063.16	14,094,362.04	13,280,503.98
Doctor fee	425,973,921.66	408,002,860.22	165,200,799.14	171,211,432.08
Cost of nutriment	22,708,051.67	19,683,961.44	4,893,212.00	5,261,226.00
Employee benefit expenses	236,603,192.72	220,094,222.49	41,396,476.56	35,815,293.16
Depreciation and amortization expenses	95,793,456.15	76,410,857.72	31,312,463.02	27,059,946.19
Repair and maintenance expenses	32,306,100.76	28,982,131.69	10,651,659.98	10,541,706.65
Utility expense	42,188,539.98	38,413,300.48	13,236,359.61	11,229,975.85

## 29. CORPORATE INCOME TAX

For the years ended December 31, 2009 and 2008 The Company and its subsidiaries computed corporate income tax at 30% of accounting net profit after the adding adjusted transactions in accordance with the Revenue Code which is mainly provision doctor fee and expenditure for investment or improvement, amendment, extension or better improvement for assets which complies with royal decree No.460, doubtful debts-accounts receivable, depreciation of vehicles cost exceed Bath 1.00 million etc.

## 30. BASIC EARNINGS PER SHARE

For the years ended December 31, 2009 the Company computes primary profit per share by dividing net profit by weighted average number of ordinary shares as follows:

Date	Consolidated financial statements		
	Number of shares issued and paid up	Number of days	Average number of share
Jan. 1, 2009 - Dec. 31, 2009	40,231,250	365	14,684,406,250
Weighted average number of ordinary shares (shares)			40,231,250

Date	Separate financial statements		
	Number of shares issued and paid up	Number of days	Average number of share
Jan. 1, 2009 - Dec. 31, 2009	40,231,250	365	14,684,406,250
Weighted average number of ordinary shares (shares)			40,231,250

For the years ended on December, 2008 the Company computes primary profit per share by dividing net profit by weighted average number of ordinary shares as follows:

Date	Consolidated financial statements		
	Number of shares issued and paid up	Number of days	Average number of share
Jan. 1, 2008 - Feb. 25, 2008	22,231,250	56	1,244,950,000
Feb. 26, 2008 - Dec. 31, 2008	40,231,250	310	12,471,687,500
		366	13,716,637,500
Weighted average number of ordinary shares (shares)			37,477,152

Date	Separate Financial Statements		
	Number of shares issued and paid up	Number of days	Average number of share
Jan. 1, 2008 - Feb. 25, 2008	18,000,000	56	1,008,000,000
Feb. 26, 2008 - Dec. 31, 2008	40,231,250	310	12,471,687,500
		366	13,479,687,500
Weighted average number of ordinary shares (shares)			36,829,747

### 31. PRESENTATION OF FINANCIAL DATA SEGREGATED BY BUSINESS SECTOR

The Company and subsidiary companies operates mainly within the hospital business and only in Thailand. Medical service income classified by types of patient as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
In-patient department	843,998,001.18	800,324,621.64	231,920,258.98	229,113,713.00
Out-patient department	567,981,284.95	501,109,014.95	136,537,912.00	141,258,247.00
Social security	191,171,826.46	121,832,410.59	131,672,395.51	84,912,279.72
Revenue nation health security office	63,067,528.36	64,622,399.52	-	-
Total	1,666,218,640.95	1,487,888,446.70	500,130,566.49	455,284,239.72

### 32. FINANCIAL INSTRUMENTS

#### 32.1 Risk management

The company and subsidiary companies have no policy to deal in financial instruments for speculation or trading.

#### 32.2 Interest rate risk

The company and subsidiary companies have interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flow of the company and subsidiary companies which the company and subsidiary companies had assets and liabilities instruments to hedge against this risk as follow:

	Consolidated financial statements			
	2009		2008	
	Amount (million Baht)	Interest rate per annum %	Amount (million Baht)	Interest rate per annum %
Long-term loan to related company	5.63	5.50 - 8.00	3.75	8.00
Short-term loans from related persons and related companies	56.50	5.25 - 6.25	87.00	5.25 - 6.25
Short-term loans from other persons	613.23	5.25 - 5.50	96.20	5.25 - 5.50
Long-term loan from related company	76.67	5.50	76.67	5.50
Long-term loan from financial institution	262.12	MLR-1 and 4	74.00	MLR-1
Liability under debt restructuring agreement	-	MLR	635.97	MLR



	Separate financial statements			
	2009		2008	
	Amount (million Baht)	Interest rate per annum %	Amount (million Baht)	Interest rate per annum %
Short-term loans from related company	-	-	10.00	6.25
Short-term loans from related persons	5.00	5.25 - 5.50	-	-
Short-term loans from other persons	10.00	5.25	-	-
Long-term loan from financial institution	193.80	MLR-1	-	-

### 32.3 Credit risk

Risk from credit provision is risk which customers or counter party do not comply with the contract. Consequently, the Company incurred financial loss. The Company determines policy in the risk hedging by collecting some deposit or calling for collateral.

### 32.4 Foreign currency risk

The Company and the subsidiary companies do not hold risk from fluctuation of exchange rate in the oversea currencies since the trading activity of the Company and subsidiary companies are performed with domestic business.

### 32.5 Fair value

The carrying amount of financial assets and financial liabilities as presented in the balance sheets are mostly short-term. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

## 33. LIQUIDITY PROBLEMS

The consolidated financial statements as at December 31, 2009 and 2008 were shown that current liabilities exceed current assets by Baht 690.04 million and Baht 251.97 million respectively and has deficit in amount of Baht 91.96 million and Baht 217.01 million respectively and the separate financial statement as at December 31, 2009 and 2008 was shown that current liabilities exceed current assets by Baht 15.46 million and Baht 4.79 million, respectively. However, the group of companies still has a balance of credit available from banks and financial institutions amounting to Baht 71.34 million and the group of companies has a credit from related companies and related persons. The Company will not facing liquidity problems and it also can repay all liabilities on schedule.

## 34. CONTINGENT LIABILITIES AND OBLIGATIONS

34.1 In addition to the liabilities shown in the financial statements, the Company and the subsidiary company had other contingent liabilities as follows :

	Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Letter of guarantee	12.57	24.69	6.27	12.92

### 35. REVERSE ACQUISITION

According to the resolution of Director Meeting No. 9/2007 on September 2, 2007, and the resolution of the Extraordinary Meeting of Shareholders No. 2/2007 on November 2, 2007, the forum resolved that the Company entered into the share acquisition of Chiang Mai Ram Hospital Co., Ltd. by issuing the new ordinary shares of the Company to pre-acquisition shareholders of Chiang Mai Ram Hospital Co., Ltd. so as to exchange with 22,231,250 ordinary shares of Chiang Mai Ram Hospital Co., Ltd., the price of exchanged shares are Baht 34 per share (which evaluated by the firm valuation by discounted cash flow method). The Company has exchanged such shares on February 25, 2008, the effect from such acquisition causes the pre-acquisition shareholders of Chiang Mai Ram Hospital Co., Ltd. obtains the control over the Company, and thence the reverse acquisition is arisen.

The book value of assets and liabilities of Chiang Mai Ram Hospital Co., Ltd. and its subsidiary company (the acquirer for accounting purpose) before the business combination are as following:

	Baht
	Book value
	as at
	February 29, 2008
Cash and cash equivalents items	37,301,455.54
Accounts receivable	84,306,678.77
Short-term loans to related company	18,000,000.00
Inventories	34,205,580.59
Other current assets	12,534,278.95
Investment in associated companies	21,971,333.82
Investment in related and other companies-net	19,050,000.00
Long-term investment	466,150,400.00
Property, plant and equipment-net	1,075,266,985.00
Other non-current assets	21,346,851.86
Bank overdrafts	(3,083,529.95)
Accounts payable	(75,553,006.15)
Current portion	(42,193,568.52)
Short-term from related companies and other persons	(182,100,000.00)
Other current liabilities	(84,296,707.53)
Liability under debt restructuring agreement	(625,050,064.41)
Loan and accrued interest expenses from related company	(102,269,145.60)
Loan from financial institution	(81,000,000.00)
Assets-net	594,587,542.37
Less : Minority interest	(264,126,934.84)
Net acquired assets	330,460,607.53

The Fair value of assets and liabilities of Chiang Mai Ram Medical Business Public Co., Ltd. the acquiree for accounting purpose, as of the date of acquisition as follow:

	Baht
	Book value
	as at
	<u>February 29, 2008</u>
Cash and cash equivalent items	119,244,050.75
Account receivable	18,598,479.04
Inventories	8,952,281.35
Other current assets	5,447,561.01
Property, plant and equipment	498,980,104.38
Prepaid payable - land fee	75,000,000.00
Other non current assets	10,671,982.88
Short-term loans from financial institution	(45,000,000.00)
Account payable	(22,445,417.60)
Accounts payable for assets	(2,249,940.30)
Other current liabilities	(28,234,276.58)
Non current liabilities	<u>(50,000.00)</u>
Assets-net	638,914,824.93
<u>Add : Goodwill</u>	<u>31,085,175.07</u>
The value of the entity in accordance with present value method of cash flow (value firm).	<u>670,000,000.00</u>
Cost of business combination in the reverse acquisition	<u>755,862,500.00</u>
Loss from impairment in goodwill	<u>85,862,500.00</u>

The Company has fully amortized the cost of business combination that higher than the entity value which the independent appraiser computes according to present value method of cash flow (Discounted Cash Flow Method) only on the part that belonged to the Company by amount of Baht 85.86 million into loss from impairment in goodwill during the present period. Moreover, the Company recognized the value firm in accordance with present value method of cash flow over the fair of the equity of the identifiable assets and liabilities in amount of Baht 31.09 million as goodwill.

### 36. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company and its subsidiaries had significant business transactions with subsidiary companies, related companies and related persons. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies, related companies and related persons and are in ordinary course of business are summarized below:

#### Relationship among the companies

<u>Company and person' name</u>	<u>Relationship</u>
Chiang Mai Ram Hospital Co., Ltd.	Legal subsidiary company
Theppanya Business Co., Ltd.	Indirect subsidiary company by shareholding' Chiang Mai Ram Hospital Co., Ltd.
Ramkhamhaeng Hospital Public Co., Ltd.	Related company by shareholder and directors
F & S 79 Co., Ltd.	Related company by shareholder as directors of company
Vipharam Hospital Co., Ltd.	Indirect related company by one shareholder constitutes relation to the directors of related company and constitutes common management in related company.
Phayao Ram Hospital Co., Ltd.	Related company by shareholder and directors
Khonkaen Ram Hospital Co., Ltd.	Related company by shareholder and directors
Bhumpanya International Co., Ltd.	Related company by shareholder and directors
Chaiyapum Ram Hospital Co., Ltd.	Related company by shareholder and directors
Pawo Hospital Co., Ltd.	Related company by shareholder and directors
Phrae Ram Hospital Co., Ltd.	Related company by shareholder and directors
Piyasiri Co., Ltd.	Related company by shareholder and directors
Chiang Rai Business Co., Ltd.	Related by shareholder
Bangkok Center Detection and Treatment Center Co., Ltd.	Related company by shareholder and directors
Thawatchai Tansathit, M.D.	Company's director
Varaphan Unachak, M.D.	Company's director



### 36.1 Inter-revenues and expenses

		Baht			
	Pricing	Consolidated financial statements		Separate financial statements	
	Policy	2009	2008	2009	2008
<b>Inter-transaction with subsidiary companies</b>					
(Eliminated from consolidate financial statements)					
<b><u>Revenues</u></b>					
Revenues from diagnose and external					
medical service	(1)	-	-	9,662,837.90	6,060,013.00
<b><u>Expenses</u></b>					
Expenses from external medical service	(1)	-	-	23,992,410.95	5,957,336.85
Interest expenses	(6)	-	-	134,669.18	867,418.03

		Baht			
	Pricing	Consolidated financial statements		Separate financial statements	
	Policy	2009	2008	2009	2008
<b>Inter-transaction with related companies</b>					
<b><u>Revenues</u></b>					
Dividend income	(2)	13,060,800.00	13,677,992.00	-	-
Interest income	(3)	3,422,623.71	1,439,824.35	-	-
<b><u>Expenses</u></b>					
Expenses from external medical service	(1)	-	1,927,825.10	-	1,819,125.10
Medical equipment rental	(4)	1,336,536.14	8,019,216.84	-	-
Miscellaneous expenses		-	140,000.00		140,000.00
Interest expenses	(6)	9,079,557.39	9,862,542.09	-	-

Pricing Policy was as follows:

- (1) Price is according to unit price that agree with general customer by less discount 10-20 %
- (2) Unanimously of the minute of shareholder's meeting
- (3) Interest rate of 5.50% - 8.00% per annum and 5.25%-5.50% per annum respectively
- (4) Contract price
- (5) Mutually agreed price
- (6) Interest rate of 5.25 - 6.25% and 5.50%-6.00% per annum respectively

## 36.2 Inter assets

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>Accounts receivable</b>				
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	-	68,885.00	43,284.00
Related companies				
Theppanya Business Co., Ltd.	-	-	3,489,376.14	1,942,921.00
Ramkhamhaeng Hospital Public Co.,Ltd.	3,961.00	3,961.00	-	-
Khelang Nakorn Hospital Co., Ltd.	-	990.00	-	-
Phayao Ram Hospital Co., Ltd.	-	-	-	-
Total	<u>3,961.00</u>	<u>4,951.00</u>	<u>3,558,261.14</u>	<u>1,986,205.00</u>
<b>Short-term loan</b>				
Related company				
Khonkaen Ram Hospital Co., Ltd.	-	18,000,000.00	-	-
Less Allowance for doubtful accounts	-	(18,000,000.00)	-	-
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Interest Receivable</b>				
Related company				
Phayao Ram Hospital Co., Ltd.	60,060.95	59,775.12	-	-
Bhumpanya International Co., Ltd.	22,732,974.92	21,125,380.93	-	-
Less Allowance for doubtful accounts	(22,732,974.92)	(21,125,380.93)	-	-
Net	<u>60,060.95</u>	<u>59,775.12</u>	<u>-</u>	<u>-</u>
<b>Receivable from sales of investment</b>				
Related companies				
Theppanya Business Co., Ltd.	-	-	1,008,000.00	-
<b>Long-term loan</b>				
Related companies				
Phayao Ram Hospital Co., Ltd.	5,625,000.00	3,750,000.00	-	-
Bhumpanya International Co., Ltd.	29,228,729.89	29,228,729.89	-	-
Less Allowance for doubtful accounts	(29,228,729.89)	(29,228,729.89)	-	-
Net	<u>5,625,000.00</u>	<u>3,750,000.00</u>	<u>-</u>	<u>-</u>
<b>Investments in securities - available for sale</b>				
Related company				
Ramkhamhaeng Hospital Public Co.,Ltd.	446,028,800.00	439,321,600.00	-	-
<b>Advance payable</b>				
Related company				
Ramkhamhaeng Hospital Public Co.,Ltd.	20,000.00	-	-	-

### 36.3 Inter liabilities

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<b>Accounts payable</b>				
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	-	100,375.56	389,955.00
Related companies				
Theppanya Business Co., Ltd.	-	-	96.00	82,096.45
Ramkhamhaeng Hospital Public Co.,Ltd.	274,325.00	466,900.00	-	199,455.00
Khelang Nakon Hospital Co., Ltd.	2,000.00	-	-	-
Total	<u>276,325.00</u>	<u>466,900.00</u>	<u>100,471.56</u>	<u>671,506.45</u>
<b>Accrued expenses</b>				
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	-	159,332.00	-
Related company				
Theppanya Business Co., Ltd.	-	-	3,516,311.00	-
Ramkhamhaeng Hospital Public Co.,Ltd.	-	688,268.07	-	20,000.00
Total	<u>-</u>	<u>688,268.07</u>	<u>3,675,643.00</u>	<u>20,000.00</u>
<b>Other accounts payable</b>				
Related company				
Ramkhamhaeng Hospital Public Co.,Ltd.	150,000.00	-	-	-
<b>Short-term loan</b>				
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	-	-	10,000,000.00
Related companies				
Piyasiri Co., Ltd.	11,000,000.00	11,000,000.00	-	-
F & S 79 Co.,Ltd.	-	40,000,000.00	-	-
Phayao Ram Hospital Co., Ltd.	-	4,000,000.00	-	-
Bangkok Center Detection and Treatment Center Co.,Ltd.	5,500,000.00	11,000,000.00	-	-
Related persons				
Company's directors	40,000,000.00	21,000,000.00	5,000,000.00	-
Total	<u>56,500,000.00</u>	<u>87,000,000.00</u>	<u>5,000,000.00</u>	<u>10,000,000.00</u>
<b>Accrued interest expense(Current liabilities)</b>				
Subsidiary company				
Chiangmai Ram Hospital Co.,Ltd.	-	-	-	52,937.16
Related companies				
Bangkok Center Detection and Treatment Center Co.,Ltd.	11,979.45	-	-	-
Piyasiri Co., Ltd.	38,123.29	-	-	-
Ramkhamhaeng Hospital Public Co.,Ltd.	-	-	-	-
Related persons				
Company's Directors	67,561.64	-	-	-
Total	<u>117,664.38</u>	<u>-</u>	<u>-</u>	<u>52,937.16</u>
<b>Accrued interest expense(Non-current liabilities)</b>				
Related company				
Ramkhamhaeng Hospital Public Co.,Ltd.	35,907,251.70	35,907,251.70	-	-
<b>Long-term loans</b>				
Related company				
Ramkhamhaeng Hospital Public Co.,Ltd.	76,668,724.61	76,668,724.61	-	-
Less Current portion	(48,000,000.00)	(24,000,000.00)	-	-
Net	<u>28,668,724.61</u>	<u>52,668,724.61</u>	<u>-</u>	<u>-</u>

### 37. ADJUSTED ENTRY

37.1 In quarter 4 of 2008, the Company has calculated minority interest in the consolidated financial statements is reflected by proportion of participating profit (loss) of minority shareholders in the book value before business combination of net assets as of the date of business combination. Moreover, the result of operation of Chiang Mai Ram Hospital Co., Ltd. and subsidiary companies as in Note 2.1.5. The result of computation of participating profit (loss) of such new minority shareholders constitute the affected result as follows:

Million Baht			
	Consolidated financial statements (which are formerly reflected)	Adjusted entry increase (decrease)	Consolidated financial statements (restated)
<b>The consolidated balance sheets</b>			
Goodwill			
As of March 31, 2008	550.48	(433.53)	116.95
As of June 30, 2008	400.75	(283.80)	116.95
As of September 30, 2008	402.81	(285.86)	116.95
Minority shareholders' interest			
As of March 31, 2008	163.03	103.67	266.70
As of June 30, 2008	224.81	(12.76)	212.05
As of September 30, 2008	534.47	(317.24)	217.23
<b>The related consolidated statements of income</b>			
Attributable to			
Equity holder of the Chiang Mai Ram Hospital Co., Ltd.			
For the quarter ended on March 31, 2008	30.51	(4.38)	26.13
For the quarter ended on June 30, 2008	20.92	(2.82)	18.10
For the six months period ended on June 30, 2008	51.16	(6.92)	44.24
For the quarter ended on September 30, 2008	6.27	5.07	11.34
For the nine months period ended on September 30, 2008	24.20	31.38	55.58
Minority shareholders' interest of the Chiang Mai Ram Hospital Co., Ltd.			
For the quarter ended on March 31, 2008	1.64	(4.21)	(2.57)
For the quarter ended on June 30, 2008	(3.07)	(2.64)	(5.71)
For the six months period ended on June 30, 2008	(1.35)	(6.92)	(8.27)
For the quarter ended on September 30, 2008	(10.25)	5.07	(5.18)
For the nine months period ended on September 30, 2008	(44.83)	31.38	(13.45)



	Million Baht		
	Consolidated financial statements (which are formerly reflected)	Adjusted entry increase (decrease)	Consolidated financial statements (restated)
Basic earning per share of			
Chiang Mai Ram Hospital Co., Ltd. (The acquirer for accounting purpose)			
For the quarter ended on March 31, 2008	1.05	(0.15)	0.90
For the quarter ended on June 30, 2008	0.52	(0.07)	0.45
For the six months period ended on June 30, 2008	1.47	(0.20)	1.27
For the quarter ended on September 30, 2008	0.16	0.12	0.28
For the nine months period ended on September 30, 2008	0.66	0.86	1.52
Minority shareholders' interest of the Chiang Mai Ram Hospital Co., Ltd.			
For the quarter ended on March 31, 2008	0.06	(0.14)	(0.08)
For the quarter ended on June 30, 2008	(0.08)	(0.06)	(0.14)
For the six months period ended on June 30, 2008	(0.04)	(0.20)	(0.24)
For the quarter ended on September 30, 2008	(0.25)	0.12	(0.13)
For the nine months period ended on September 30, 2008	(1.23)	0.86	(0.37)

37.2 In quarter 2 of 2009 the Company has made adjustments by restating the consolidated financial statements due to in quarter 2 of 2008 the Company wrongly recorded dividend paid by reducing minority shareholder's interest in amount of Baht 60.35 million. These should reduce the retained earnings and the effected are as follow:

	Million Baht		
	Consolidated financial statements (which are formerly reflected)	Adjusted entry increase (decrease)	Consolidated financial statements (restated)
The Consolidate balance sheets			
Retained earnings			
As of June 30, 2008	(101.49)	(60.35)	(161.84)
As of September 30, 2008	(90.14)	(60.35)	(150.49)
As of December 31, 2008	(156.67)	(60.35)	(217.02)
Minority shareholder's interest			
As of June 30, 2008	212.06	60.35	272.41
As of September 30, 2008	217.23	60.35	277.58
As of December 31, 2008	227.21	60.35	287.56

### 38. RECLASSIFICATION

Certain amounts in the financial statements for the years ended December 31, 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2008		As at December 31, 2008	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Transactions in balance sheets</u>				
Property, plant and equipment - net	1,611,170,817.13	1,618,201,787.22	242,044,675.04	243,398,635.47
Intangible assets	7,030,970.09	-	1,353,960.43	-
Legal reserve	8,149,653.56	3,163,850.49	-	-
Unappropriated retained earnings	(217,012,221.47)	(151,679,543.40)	-	-
Minority shareholder's interest	287,555,161.96	227,208,286.96	-	-

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31, 2009		For the year ended December 31, 2009	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Transactions in the statements of income</u>				
Administrative expenses	199,486,626.33	240,443,083.36	76,301,375.99	81,522,240.99
Director's remuneration	-	727,795.00	-	727,795.00
Management benefit expenses	19,242,700.00	-	2,610,230.00	-
Bad debts and doubtful debts	22,441,552.03	-	3,338,430.00	-

### 39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved to issued by the authorized directors of the Company on February 22, 2010.