



โรงพยาบาลลานนา เชียงใหม่
www.lanna-hospital.com



ศูนย์โรคปวดหลัง



ศูนย์มะเร็งสตรี



ศูนย์บอลลูก

ขยายหลอดเลือดหัวใจ

“เราจะเป็นโรงพยาบาลเอกชนชั้นนำในจังหวัดเชียงใหม่
ที่มีคุณภาพมาตรฐาน บริการประทับใจ”



บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน)
CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

Contents

<i>PREFACE</i>	<i>PAGE</i>
STATEMENT OF THE AUDIT COMMITTEE FOR THE YEAR 2018	3-4
COMPANY PROFILE	5-9
COMPANY BACKGROUND	10-11
TYPE OF BUSINESS AND NATURE OF OPERATION	12-14
SUMMARY OF THE COMPANY' S FINANCIAL INFORMATION	15-17
FINANCIAL RATIO	18-20
OPERATING REVENUE	21-21
SUMMARY OF ECONOMIC STATUS AND COMPETITION IN 2018	22-25
KEY SUCCESS FACTORS	26-26
RISK FACTORS	27-32
DIVIDEND POLICY	33-33
MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)	34-38
SHAREHOLDER' S STRUCTURE AND MANAGEMENT	39-39
MAJOR SHAREHOLDERS	40-40
BOARD OF DIRECTORS	41-43
FINANCIAL STATEMENTS AND AUDITORS' REPORT	44-44



STATEMENT OF THE AUDIT COMMITTEE FOR THE YEAR 2018



To The Shareholders

On 31st December 2018, 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:

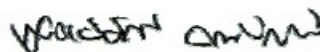
1. To review the company's financial reporting process to ensure accuracy and adequacy;
2. To ensure that the company has suitable and efficient internal control system and internal audit;
3. To review the performance of the company to ensure compliance with the securities and exchange law, regulations 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 2018, the Audit Committee held 5 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 2018 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 2018 was considered satisfactory.



(Dr. Suthisak Kanaprach)

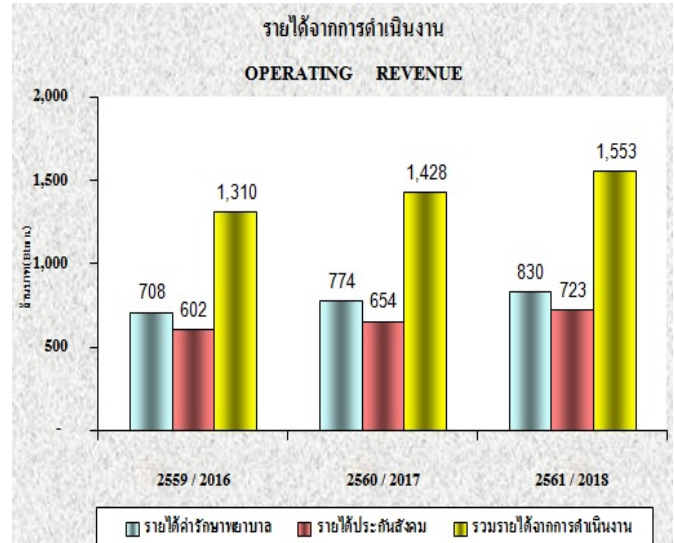
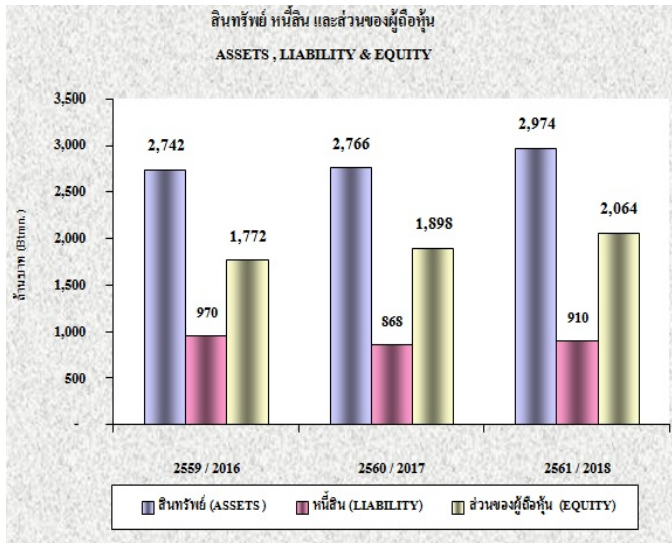
Chairman of the Audit Committee

December 31, 2018

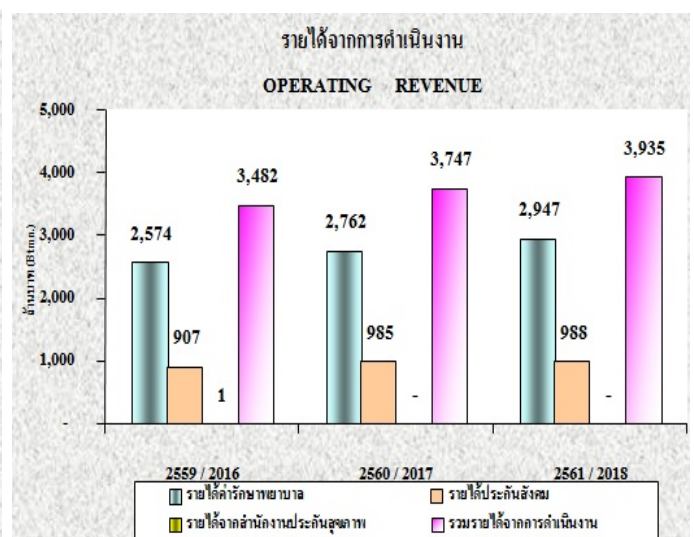
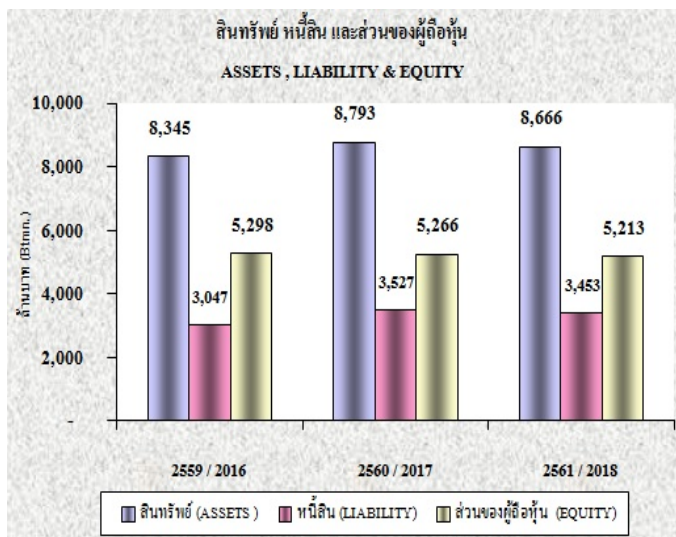


FINANCIAL HIGHLIGHTS

SEPARATE FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS



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

Type of Business : Health Care Services; “Lanna Hospital” and “Lanna Hospital 2”

Status as at December 31, 2018	Authorized registered capital	408,433,330.00	Baht
	Paid-up capital	402,312,500.00	Baht
	Number of Paid-up Ordinary Shares	4,023,125,000	Shares
	Par Value Per Share	0.10	Baht

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

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



COMPANY PROFILE

Auditor	:	1. Mr. Pojana Asavasontichai	;	Registration No. 4891
		2. Miss Wannisa Ngambuathong	;	Registration No.6838
		3. Miss Sulalit Ardsawang	;	Registration No.7517
		4. Mr. Peradate Pongsathiansak	;	Registration No.4752
		5. Miss Thanyaporn Tangthanopajai	;	Registration No.9169
		6. Mr. Suwat Maneekanoksakul	;	Registration No.8134
		7. Miss Soraya Tintasuwan	;	Registration No.8658

Dharmniti Auditing Company Limited

267/1 Pracharaj Sai 1 Road

Bangsue, Bangkok 10800

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

Law Consultant	:	None
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Financial Consultant	:	None
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Principal Banker	:	Thai Farmers Bank Public Co., Ltd. Tha-Phae Branch 169 Tha-Phae Road Amphur Muang Chiang Mai
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Thai Military Bank Public Co., Ltd.
Siyak Kuang Sing-Chiang Mai Branch
275/5 Chang Phuak Road
Amphur Muang Chiang Mai



COMPANY PROFILE

CURRICULUM VITAE BOARD OF DIRECTORS & EXECUTIVE COMMITTEE CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS

NAME			POSITION
1.	DR. RACHA	SOMBOONRANASIN	Chairman
2.	DR. VARAPHAN	UNACHAK	Director/ Executive Committee Chairman
3.	DR. DUSIT	SRISAKUL	Director/ Managing Director
4.	DR. TEERAYUT	NIYOMKUL	Director
5.	DR. SUMETH	HANDAGOON	Director
6.	DR. CHAMNAN	CHANAPAI	Director
7.	MR. SITHI	PANUPATTANAPONG	Director
8.	MR. CHAISITH	VIRIYAMETAKUL	Director
9.	MR. RUECHID	KANJANAPITAK	Director
10.	DR. SUTHISAK	KANAPRACH	Independent Director
11.	MR. KRIRK	JITTALAN	Independent Director
12.	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. TEERAYUT	NIYOMKUL	Executive Director



COMPANY PROFILE

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.

RISK MANAGEMENT COMMITTEE

NAME			POSITION
1.	DR. VARAPHAN	UNACHAK	Risk Management Committee Chairman
2.	DR. SUMETH	HANDAGOON	Risk Management Director
3.	DR. DUSIT	SRISAKUL	Risk Management Director
4.	DR. TEERAYUT	NIYOMKUL	Risk Management Director
5.	DR. SUPACHAI	SINTRIRAT	Risk Management Director

NOMINATION AND REMUNERATION COMMITTEE

NAME			POSITION
1.	DR. DUSIT	SRISAKUL	Nomination and Remuneration Committee Chairman
2.	DR. TEERAYUT	NIYOMKUL	Nomination and Remuneration Director
3.	DR. SUPACHAI	SINTRIRAT	Nomination and Remuneration Director
4.	DR. PRAMUK	UNACHAK	Nomination and Remuneration Director
5.	DR. SIRA	HANDAGOON	Nomination and Remuneration Director



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.
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 st Floor of B Building to expand the existing Out-patients Service Area. The building would be ready for utilization early in 2006.
2007	<ul style="list-style-type: none"> In March, Thonburi Hospital Public Company Limited sold 4.60 million 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.



	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.
2011	On October 26, 2011 CMR has received a copy of the Tender Offer from the Vibhavadi Medical Center Public Company Limited. Tender offer Period 25 business days starting from October 31, 2011 to December 2, 2011. The amount of securities held by VIBHA after the tender offer is 33,694,722 Ordinary Shares or 83.75% of total issued and paid-up shares of the Company.
2012	During June – September 2012, CMR has investment in common share of Hariphunchai Memorial Hospital Company Limited, by purchase from current shareholder, in the amount 16,010,000 shares or 80.05% of total shares. At present, CMR holds 86.70% of total shares.
2015	The hospital was expanded to a 225-bed hospital. A new 5-storey wing was constructed, the number of beds was increased by 30. The extensions were completed and the building was ready for use in 2015.
2016	To the change of par value of the Company' s ordinary shares from THB 10.00 to THB 0.10 per share, and registered with the Ministry of Commerce Thailand on February 25, 2016.
2018	<p>The Board approved the 2 investment projects,</p> <ol style="list-style-type: none"> 1. The construction of Lanna Hospital 3 Project; The new hospital building on the land of the company managed name “Lanna Hospital 3” covering an area of 29 Rai 56 sq.. It is a 220-bed hospital with 5 storey buildings, It is expected to be completed and open by 2021. 2. Approved the Company and its subsidiaries to invest in the Ramkhamhang Hospital Chiangmai Company Limited, the number of shares is 32,400,000 shares or 81.00% of the registered capital of the company 400,000,000 baht into 40,000,000 ordinary shares. To operate a new Private Hospital Business under the name "Ramkhamhaeng Hospital, Chiang Mai". It is expected to be completed and open by 2022.



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 ⁽¹⁾	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).

In the first quarter, 2012, the Company had additional invested in Chiang Mai Ram Hospital Co., Ltd. by acquisition from pre-acquisition shareholder of that subsidiary company of 2,000 shares at prices of Baht 29 which determined by management , totalling Baht 58,000.00. The results of additional investment, the Company has shareholding portion in its subsidiary of 56.25%.

Later, during 2015, the Company had additional invested Chiang Mai Ram Hospital Co., Ltd. by acquisition from pre-acquisition shareholder of that subsidiary company. The results of additional investment, as at December 31, 2015, the Company has shareholding portion in its subsidiary of 56.37%.

On October 26, 2011 CMR has received a copy of the Tender Offer from the Vibhavadi Medical Center Public Company Limited. Tender offer Period 25 business days starting from October 31, 2011 to December 2, 2011. The amount of securities held by VIBHA after the tender offer is 33,694,722 Ordinary Shares or 83.75% of total issued and paid-up shares of the Company.



Type of Business and Nature of Operation

During April 26, 2012 to June 30, 2012, the Company invested in Hariphunchai Memorial Hospital Co., Ltd. totalling 200,000 shares at Baht 10 per share and 13,523,250 shares at Baht 14.50 per share with the total amounted to Baht 198.09 million and has percentage of holding portion in Hariphunchai Memorial Hospital Co., Ltd. 68.62% of issued and paid-up shareholding.

At the Company's board of director meeting No. 4/2013 held on July 9, 2013, the meeting approve to acquire the ordinary shares increase of its subsidiary of Hariphunchai Memorial Hospital Co., Ltd. The subsidiary has appropriation the increase of share capital at the ratio of 2 original ordinary shares to 1 ordinary share increase at Baht 20 per share. The Company has acquired the 10 million of shares capital increase amounting to Baht 200 million and the Company has fully paid up the shares on December 17, 2013. Then the Company has changed the shareholding from 80.05% to 86.70%

At the Extraordinary General Meeting of Shareholders No. 1/2013 held on December 16, 2013 of subsidiary, Hariphunchai Memorial Hospital Co., Ltd., it has resolved to reduce the Company's share capital from Baht 300 million to Baht 150 million, which has been reduced from Baht 10 per share to Baht 5 per share. The capital reduction of Baht 150 million has been divided into 30 million ordinary shares at Baht 5.00 per share without returning capital to shareholders but such amount will be used to offset the Company's retained earnings. The subsidiary has registered of the capital reduction with the Ministry of Commerce on December 26, 2013.

In 2018 The Board approved the 2 investment projects,

1. The construction of Lanna Hospital 3 Project; The new hospital building on the land of the company managed name "Lanna Hospital 3" covering an area of 29 Rai 56 sq.. It is a 220-bed hospital with 5 storey buildings, It is expected to be completed and open by 2021.

2. Approved the Company and its subsidiaries to invest in the Ramkamhang Hospital Chiangmai Company Limited, the number of shares is 32,400,000 shares or 81.00% of the registered capital of the company 400,000,000 baht into 40,000,000 ordinary shares. To operate a new Private Hospital Business under the name "Ramkhamhaeng Hospital, Chiang Mai". It is expected to be completed and open by 2022.

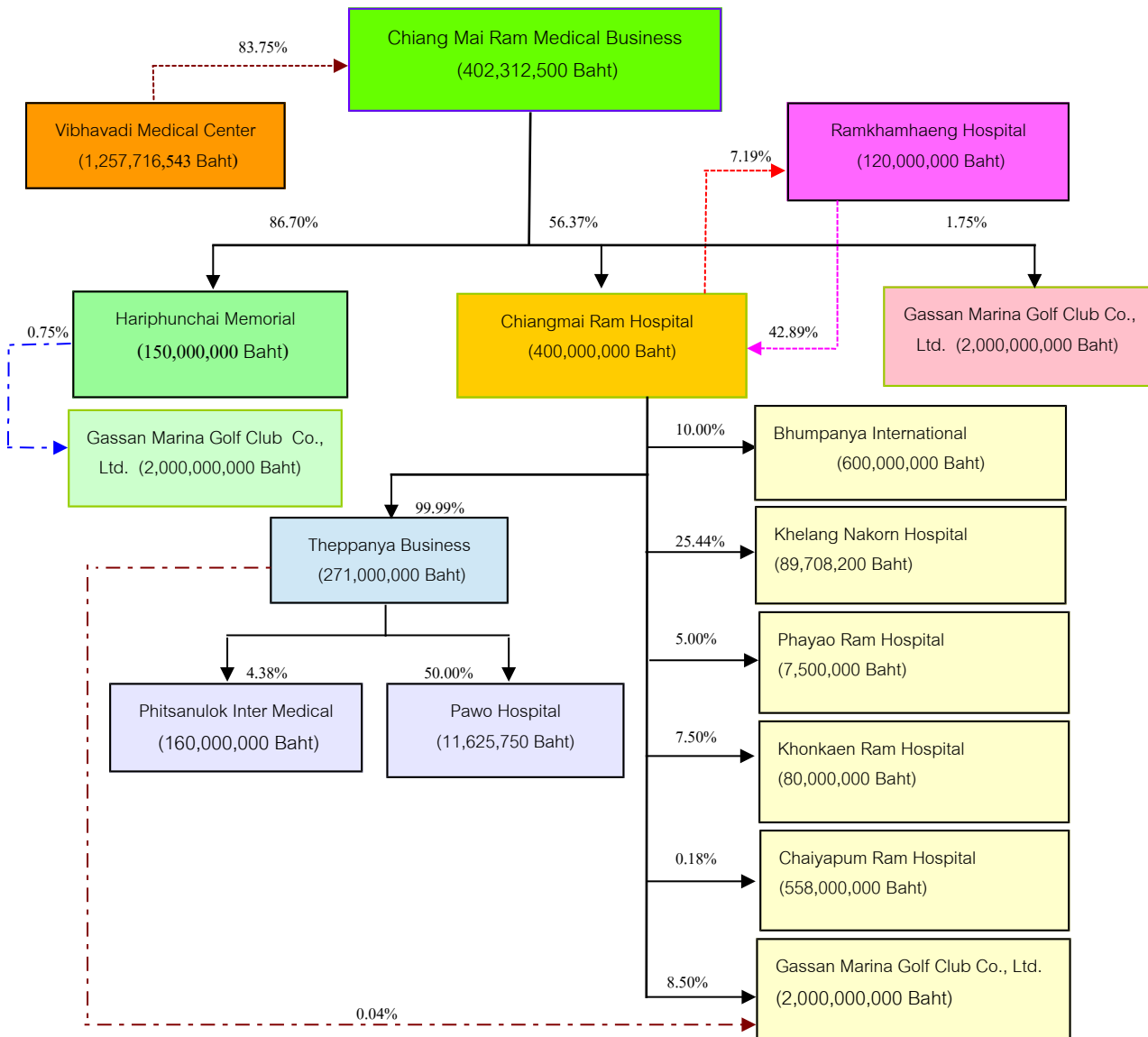
Investments in companies

	Name	Address	Type of Business	Number of Paid-up Ordinary Shares	Number of shares	% Share holding
1.	Chiangmai Ram Hospital Company Limited	8 Boonruangrit Road, Tumbon Sripoom, Amphur Muang, Chiang Mai Tel. 053-920300	Health Care Services	40,000,000 Shares Par value Bt. 10.00 per share	22,546,250	56.37%
2.	Hariphunchai Memorial Hospital Company Limited	109-111 M. 4 Lumphun-Banthi Rd. T. Banklang, Muang Lumphun	Health Care Services	30,000,000 Shares Par value Bt. 5.00 per share	26,010,000	86.70%



Type of Business and Nature of Operation

The Chart of Investments in companies



SUMMARY OF THE COMPANY FINANCIAL INFORMATION

1. THE COMPANY' S FINANCIAL POSITION DURING 2016-2018

SEPARATE FINANCIAL STATEMENTS

Thousand Baht

	2018	%	2017	%	2016	%
Current Assets	533,899	17.95	386,423	13.97	367,898	13.42
Total Assets	2,974,313	100.00	2,765,808	100.00	2,742,143	100.00
Current Liabilities	759,051	25.52	644,615	23.31	634,167	23.13
Total Liabilities	910,270	30.60	868,156	31.39	969,866	35.37
Total Shareholders' Equity	2,064,043	69.40	1,897,652	68.61	1,772,277	64.63
Number of Share Capital	4,023,125,000		4,023,125,000		4,023,125,000	
Book Value per Share	0.51		0.47		0.44	
Par Value per Share	0.10		0.10		0.10	

In 2018, the company had total assets increased from the year 2017 worth 209 million baht due to Property, Plant and Equipment increased by 64 million baht. Short-term loans to related parties increased by 52 million baht. Cash and cash equivalents increased 49 million baht. Total liabilities of the company in 2018 increased from 2017. Amount of 42 million baht due to the increase in bank overdrafts and short-term loans from financial institutions of 250 million baht, long-term loans from financial institutions of 114 million baht and short-term loans from related parties decreased by 94 million baht in shareholders' equity in 2018, an increase of 166 million baht.

CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht

	2018	%	2017	%	2016	%
Current Assets	1,086,202	12.53	1,007,239	11.45	816,592	9.79
Total Assets	8,666,493	100.00	8,793,358	100.00	8,344,817	100.00
Current Liabilities	2,106,608	24.31	1,868,071	21.24	1,794,257	21.50
Total Liabilities	3,452,774	39.84	3,527,467	40.12	3,046,752	36.51
Equity attributable to owners of the parent	3,617,119	41.74	3,577,969	40.69	3,526,554	42.26
Non-controlling interests	1,596,600	18.42	1,687,922	19.20	1,771,511	21.23
Number of Share Capital	4,023,125,000		4,023,125,000		4,023,125,000	
Book Value per Share	0.90		0.89		0.88	
Par Value per Share	0.10		0.10		0.10	

In 2018, total assets decreased from the year 2017 in the amount of 127 million baht due to the decrease in available-for-sale investments of 314 million baht, cash and cash equivalents decreased by 103 million baht, trade receivables increased 150 million baht, Land, Property, Plant and Equipment increased increased by 82 million baht, total liabilities decreased by 75 due to the reduction of long-term loans from financial institutions in the amount of 298 million baht Short-term loan from related parties decreased by 179 million baht and the increase in bank overdrafts and short-term loans from financial institutions in the amount of 409 million baht in the shareholders' equity decreased by 52 million baht.



SUMMARY OF THE COMPANY FINANCIAL INFORMATION

2. THE RESULTS OF THE COMPANY'S OPERATIONS DURING 2016-2018

SEPARATE FINANCIAL STATEMENTS

	2018	%	2017	%	2016	%
Revenues						
Revenue from medical treatment	1,553,250	92.70	1,428,561	94.28	1,310,300	90.54
Dividend Income	110,559	6.60	75,442	4.98	7,803	0.54
Other Income	11,684	0.70	11,184	0.74	129,105	8.92
Total Revenues treatment	1,675,493	100.00	1,515,187	100.00	1,447,208	100.00
Expenses						
Cost of Medical	1,043,072	62.25	934,236	61.66	840,564	58.08
Administrative Expenses	194,673	11.62	189,987	12.54	175,575	12.13
Finance costs	23,298	1.39	26,922	1.78	21,318	1.47
Income Tax Expenses	58,973	3.52	54,591	3.60	77,901	5.39
Total Expenses	1,320,016	78.78	1,205,736	79.58	1,115,358	77.07
Profit for the year	355,477	21.22	309,451	20.42	331,850	22.93
Other comprehensive income						
Actuarial gain (loss) on define employee benefit plans	0.00	0.00	1,234	0.08	2,826	0.20
Income tax relating to not to be reclassified	0.00	0.00	(247)	(0.02)	(565)	(0.04)
Other comprehensive income for the year, net of income tax	0.00	0.00	987	0.07	2,261	0.16
Total comprehensive income for the year	355,477	21.22	310,438	20.49	334,111	23.09
Basic earnings (loss) per share (Baht)	0.09		0.08		0.08	

The Company's operating results for the year 2018 showed a net profit of 355.47 million baht, compared to the year 2017 with a net profit of 309.45 million baht will be seen that the company's net profit increased by 46.03 million baht or 14.87% over the same period last year. the company's total revenues in 2018 increased by Baht 160.31 million or 10.58% of the total expenses increased by Baht 114.28 million or 8.66%.



SUMMARY OF THE COMPANY FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht	2018	%	2017	%	2016	%
Revenue from medical treatment	3,935,328	98.22	3,747,637	98.05	3,482,323	98.45
Dividend Income	17,485	0.44	21,117	0.55	18,507	0.52
Other Income	42,597	1.07	46,620	1.22	37,119	1.05
Share of Profit of Associates	10,749	0.27	6,932	0.18	(641)	(0.02)
Total revenue	4,006,516	100.00	3,822,306	100.00	3,537,308	100.00
Cost of medical treatment	2,831,873	70.68	2,554,963	66.84	2,337,068	66.07
Administrative Expenses	512,264	12.79	489,208	12.80	476,162	13.46
Finance costs	90,888	2.27	87,351	2.29	56,676	1.57
Income Tax Expenses	104,105	2.60	123,003	3.22	151,222	4.28
Total Expenses	3,539,130	88.33	3,254,525	85.15	3,020,128	85.38
Profit for the year	467,386	11.67	567,781	14.85	517,180	14.62
Items that will not be reclassified to profit or loss						
Actuarial gain (loss) on define employee benefit plans	0.00	0.00	3,151	0.08	11,561	0.33
Actuarial loss on define employee benefit plans	0.00	0.00	(20)	(0.00)	-	-
Income tax relating to not to be reclassified	0.00	0.00	630	0.02	(2,312)	(0.07)
Unrealized gain on valuation of available-for-sale securities	(326,287)	(8.14)	(448,490)	(11.73)	1,265,766	35.78
Income tax relating to may be reclassified	65,257	1.63	89,698	2.32	(253,153)	(7.16)
Other comprehensive income for the year, net of income tax	(261,030)	(6.52)	(361,333)	(9.45)	1,021,862	28.89
Total comprehensive income for the year	206,356	5.15	206,448	5.40	1,539,042	43.51
Profit attributable to						
Owners of the parent	375,379	9.37	440,484	11.52	387,685	10.96
Non-controlling interests	92,007	2.30	127,297	3.33	129,495	3.66
Total comprehensive income attributable to						
Owners of the parent	228,236	5.70	236,478	6.19	964,695	27.27
Non-controlling interests	(21,880)	(0.55)	(30,030)	(0.79)	574,347	16.24

The operating results of the Company and its subsidiaries for the year 2018 showed a net profit of 467.39 million baht. Compared to 2017, the net profit was 567.78 million baht, will be seen that the company's profit dscreased by 100.39 million baht due to the revenue increase. The amount of 184.21 million baht or 4.82%, while the total expenses increased by 284.60 million baht or 8.74%, can be seen that the income increased less than the expenditure due to in 2018, the two subsidiaries, Theppanya Business Co., Ltd. and Hariphunchai Memorial Hospital Co., Ltd. had notified the results for medical services fee for the amount that exceeds the hospital's refund amount. The percentage of detected AdjRW was incorrect from the refunded amount of medical services fee in 2015 at the amount of Baht 85.40 million.



FINANCIAL RATIO

MANUFACTURING AND SERVICE

SEPARATE FINANCIAL RATIO				
Type of Ratio		2018	2017	2016
LIQUIDITY RATIO				
Current Ratio	Current Assets / Current Liabilities	0.73 time	0.60 time	0.58 time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	0.55 time	0.51 time	0.44 time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	0.41 time	0.48 time	0.46 time
Receivable Turnover	Sales / Account Receivable (Average)	6.30 time	6.59 time	6.81 time
Number of day' s Sales in Receivables	365 / Receivable Turnover	58 days	56 days	54 days
Inventory Turnover	Sales / Inventory (Average)	39.56 time	45.16 time	43.26 time
Number of day's Sales in Inventory	365 / Inventory Turnover	10 days	8 days	8 days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	14.81 time	14.66 time	14.49 time
Number of day' s Payment	365 / Account Payable Turnover	25 days	25 days	25 days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	43 days	40 days	38 days
PROFITABILITY RATIO				
Gross Profit Ratio	Profit before tax / Sales	32.85%	34.60%	35.85%
Net Profit Ratio	Net Profit / Total Revenue	21.22%	20.42%	22.93%
Rate of Return on Common Stock Equity	Net Profit / Equity	17.95%	16.86%	19.65%
EFFICIENCY RATIO				
Rate of Return on Assets	Net Profit / Total Assets (Average)	12.39%	11.24%	13.36%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	37.41%	34.13%	43.50%
Assets Turnover	Total Revenue / Total Assets (Average)	0.58 time	0.55 time	0.58 time
FINANCIAL POLICY RATIO				
Debt to Stockholders Equity	Total Liabilities / Equity	0.44 time	0.46 time	0.55 time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	15.32 time	13.36 time	16.27 time



FINANCIAL RATIO

<u>SEPARATE FINANCIAL RATIO</u>				
Type of Ratio		2018	2017	2016
<u>INVESTMENT INFORMATION</u>				
Book Value Per Share	Equity / Share fully paid on year-end	0.51 Baht	0.47 Baht	0.44 Baht
Earning Per Share	Net Profit / Share fully paid on year-end	0.09 Baht	0.08 Baht	0.08 Baht
<u>Growth Rate</u>				
Total Assets (Increase)		7.54%	0.86%	23.25%
Total Liabilities (decrease)		4.85%	(10.49)%	56.61%
Operating Revenue (Increase)		8.73%	9.03%	7.15%
Operating Expenses (Increase)		2.47%	8.21%	7.44%
Net Profit (decrease)		14.87%	(6.75)%	(4.90)%

CONSOLIDATED FINANCIAL RATIO

<u>CONSOLIDATED FINANCIAL RATIO</u>				
Type of Ratio		2018	2017	2016
<u>LIQUIDITY RATIO</u>				
Current Ratio	Current Assets / Current Liabilities	0.52 time	0.54 time	0.46 time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	0.38 time	0.40 time	0.32 time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	0.32 time	0.45 time	0.46 time
Receivable Turnover	Sales / Account Receivable (Average)	8.34 time	9.59 time	9.64 time
Number of day' s Sales in Receivables	365 / Receivable Turnover	44 days	38 days	38 days
Inventory Turnover	Sales / Inventory (Average)	25.06 time	24.62 time	24.80 time
Number of day's Sales in Inventory	365 / Inventory Turnover	15 days	15 days	15 days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	13.58 time	12.70 time	12.42 time
Number of day' s Payment	365 / Account Payable Turnover	27 days	29 days	29 days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	32 days	25 days	24 days



FINANCIAL RATIO

CONSOLIDATED FINANCIAL RATIO				
Type of Ratio		2018	2017	2016
PROFITABILITY RATIO				
Gross Profit Ratio	Profit before tax / Sales	28.04%	31.82%	32.89%
Net Profit Ratio	Net Profit / Total Revenue	9.39%	11.54%	10.96%
Rate of Return on Common Stock Equity	Net Profit / Equity	10.43%	12.40%	12.39%
EFFICIENCY RATIO				
Rate of Return on Assets	Net Profit / Total Assets (Average)	7.59%	9.08%	10.06%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	16.20%	19.90%	23.03%
Assets Turnover	Total Revenue / Total Assets (Average)	0.46 time	0.45 time	0.49 time
FINANCIAL POLICY RATIO				
Debt to Stockholders Equity	Total Liabilities / Equity	0.95 time	0.99 time	0.86 time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	8.58 time	10.79 time	16.49 time
INVESTMENT INFORMATION				
Book Value Per Share	Equity / Share fully paid on year-end	0.90 Baht	0.89 Baht	0.88 Baht
Earning Per Share	Net Profit / Share fully paid on year-end	0.09 Baht	0.11 Baht	0.10 Baht



OPERATING REVENUE

Chiang Mai Ram Medical Business Public Company Limited operates Lanna Hospital which is a 180-bed private hospital and Lanna Hospital 2 which is a 30-bed private hospital. At present the hospital has 70 examination rooms with the capacity for servicing 2,200 out-patients daily. The average daily numbers of patients are 1,830 for OPD and 210 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	2018		2017		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
General Patient	830,568	49.57	774,229	51.10	708,236	48.94	611,192	46.94
SOCIAL INSURANCE	722,682	43.13	654,332	43.18	602,064	41.60	611,699	46.98
OTHER REVENUE	122,243	7.30	86,626	5.72	136,908	9.46	79,069	6.07
TOTAL REVENUE	1,675,493	100.00	1,515,187	100.00	1,447,208	100.00	1,301,960	100.00

- CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht	2018		2017		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
General Patient	2,947,471	73.76	2,762,228	72.40	2,573,908	72.75	2,285,729	68.31
SOCIAL INSURANCE	987,857	24.73	985,409	25.83	907,546	25.65	939,889	28.09
REVENUE NATION HEALTH SECURITY OFFICE	-	-	-	-	868	0.03	62,156	1.86
OTHER REVENUE	60,441	1.51	67,736	1.78	55,626	1.57	58,188	1.74
TOTAL REVENUE	3,995,769	100.00	3,815,373	100.00	3,537,948	100.00	3,345,962	100.00



The Industrial Condition

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 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 2017. 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) **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.

SUMMARY OF ECONOMIC STATUS IN 2018

- (3) **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.
- (4) **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.
- (5) **Competitor :** Regarding the 2018 statistic prepared by the Public Healthcare at Chiang Mai, there are 43 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 24.27%. Chiang Mai Ram Hospital provides 220 beds or equivalent to 13.35% and Lanna Hospital 210 beds or equivalent to 12.75%. After the merger between LNH and the CMR group, they will become the biggest hospital in Chiang Mai or providing up to 599 beds or equivalent to 36.35%. 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. The following table shows comparison of registered beds and the beds in services.



SUMMARY OF ECONOMIC STATUS IN 2018

Name of Hospital	Beds of Registered	%
LANNA HOSPITAL + LANNA HOSPITAL 2	210	12.75
CHIANG MAI RAM HOSPITAL	220	13.35
THAPPANYA HOSPITAL	109	6.61
THAPPANYA HOSPITAL 2	60	3.64
LANNA HOSPITAL AND CHIANG MAI RAM HOSPITAL GROUP	599	36.35
McCORMICK HOSPITAL	400	24.27
RAJAVEJ HOSPITAL	150	9.10
CENTRAL MEMORIAL HOSPITAL	120	7.28
KLAIMOR HOSPITAL	119	7.22
CHIANGMAI MEDICAL CENTER HOSPITAL	100	6.07
BANGKOK HOSPITAL CHIANG MAI	59	3.58
CHIANGMAI HOSPITAL	50	3.04
OTHERS	51	3.09
TOTAL	1,648	100.00%



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 40 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 15189 certification and received the 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.

1. External Factor

1.1 Economic Situation of the Country

The negative growth rate of Thai economy has affected all business sectors. As a consequence, the public and private sectors have realized the necessity to adjust their. It was the result of Domestic and international factors affecting the global economy, such as the political change, the fluctuation of gas price, the fluctuation of the monetary value event to the fluctuation of the world economy and the failure a large company in the westerner 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.

1.2 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 CMH 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.

2. Business Operation

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, CMR 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.



RISK FACTORS

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, CMR has never been sued by any patient or related person to the patient since start its services.

3 Investment

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.

3.2 Investment in Chiangmai Ram Hospital Company Limited (CMH)

After an investment in Chiangmai 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 2018, while Bhum Panya International Company Limited still lost due to interest from loaning money and not available service. On the contrary, CMH already prepared an allowance of full amount of capital impairment.

4 Financial

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue any derivative financial instruments.

4.1 Interest Rate Risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term loan. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.



RISK FACTORS

4.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable and short-term / long-term loans to related parties. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

4.3 Foreign currency risk

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

4.4 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

5. LOANS RISK

SHORT-TERM LOANS TO RELATED PARTIES

The consolidated financial statements for the years ended December 31, 2018 and 2017, the movement of short-term loans to related parties were as follows:

	Interest rate per annum (%)	Baht			
		Consolidated financial statements			
		Balance as at	Transaction during the year		Balance as at
		December 31, 2017	Increase	Settlement	December 31, 2018
Khonkaen Ram Hospital Co., Ltd.	7	18,000,000.00	-	-	18,000,000.00
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Gassan Marina Golf Club Co., Ltd.	4.5	86,000,000.00	-	(10,000,000.00)	76,000,000.00
Gassan Chiangmai Property Co., Ltd.	4.5	-	7,500,000.00	-	7,500,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	-	49,200,000.00	(2,400,000.00)	46,800,000.00
Total		134,000,000.00	56,700,000.00	(42,400,000.00)	148,300,000.00



RISK FACTORS

	Interest rate per annum (%)	Baht			
		Separate financial statements			
		Balance as at	<u>Transaction during the year</u>		Balance as at
		December 31, 2017	<u>Increase</u>	<u>Settlement</u>	December 31, 2018
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Chiangmai Ram Hospital Co., Ltd.	3.75	-	60,000,000.00	-	60,000,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	-	24,000,000.00	(2,400,000.00)	21,600,000.00
Total		30,000,000.00	84,000,000.00	(32,400,000.00)	81,600,000.00

The Company and the subsidiary company loan to related parties in the form of bill of exchange due at call. The interest will be paid every month. The said loan had no security.

LONG-TERM LOANS TO RELATED PARTIES

The consolidated financial statements for the years December 31, 2018 and 2017 the movements of long-term loans to related parties were as follows:

	Consolidated financial statements			
	Balance as at	<u>Transaction during the year</u>		Balance as at
	December 31, 2017	<u>Increase</u>	<u>Settlement</u>	December 31, 2018
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	-	5,625,000.00
Gassan Khuntan Golf and Resort Co., Ltd.	24,000,000.00	-	-	24,000,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
<u>Less</u> Allowance for doubtful accounts				
Bhumpanya International Co., Ltd.	(29,228,729.89)	-	-	(29,228,729.89)
Net	29,625,000.00	-	-	29,625,000.00

As at December 31, 2018 and 2017, long-term loans to Phayao Ram Hospital Co., Ltd. was in the form of bill of exchange with interest at the rate of 8.00% per annum and loan period of 10 years. This loan had no any guarantee.

As at December 31, 2018 and 2017, long-term loans to Gassan Khuntan Golf and Resort Co., Ltd. was in the form of contract. This loan had guarantee by 240,000 shares of Gassan Khuntan Golf and Resort Co., Ltd. with interest at the rate of 5% per annum.

As at December 31, 2018 and 2017, long-term loans to Bhumpanya International Co., Ltd. was in the form of contract with interest at the rate of 4.50% per annum, this loan had no any guarantee. From July 2014, this loan had do not charge interest.



RISK FACTORS

6 Other factors which may affect investment

6.1 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.

6.2 Future Commitment for share issuance;

- None

6.3 Resolution to issue share;

- None

6.4 BOI Privilege;

- None

6.5 Commitments and Contingent Liabilities;

As at December 31, 2018 and 2017, the Company and its subsidiaries had commitments and contingent liabilities were as follows :

6.5.1 Capital commitment

The Company and its subsidiaries were committed to obligations under agreements with several companies for the construction of buildings, interior decoration, water system improvement and other at the total amount of Baht 42.43 million and Baht 34.63 million, respectively (The separate at the total amount of Baht 20.19 million and Baht 1.14 million, respectively).

The Company and its subsidiaries have paid Baht 21.46 million and Baht 22.07 million, respectively, (The separate at the total amount of Baht 6.94 million and Baht 0.57 million, respectively) under the terms of the contract and has outstanding commitments under the agreement at Baht million 20.97 and Baht 12.56 million, respectively (The separate at the total amount of Baht 13.25 million and Baht 0.57 million, respectively).



RISK FACTORS

6.5.2 Operating lease commitments

The Company and its subsidiaries had commitment to pay for medical maintenance contracts outstanding, as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Payment within</u>				
1 year	10,512,761.33	3,714,142.98	3,985,527.58	2,508,085.40
2 - 5 year	4,147,758.66	13,643,827.33	1,952,860.60	1,206,057.58
	<u>14,660,519.99</u>	<u>17,357,970.31</u>	<u>5,938,388.18</u>	<u>3,714,142.98</u>

6.5.3 Guarantees

The Company and its subsidiaries had commitments to a bank guarantee for electricity usage, guarantee for post department, guarantee for social security office and bank aval Baht 40.04 million and Baht 46.78 million, respectively (The separate amount of Baht 22.41 million and Baht 22.27 million, respectively).



DIVIDEND POLICY

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 2018, the company has dividend payment for the operation from January 1, 2017 to December 31, 2017 has been Baht 0.047 per share or 61.10% of the net profit after tax and has been paid to shareholders on May 23, 2018.

The Dividend During 2013-2018

	<i>The Dividend During 2013-2017</i>				
	2013	2014	2015	2016	2017
Number of Share Par = 0.10 (BAHT)	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000
Earning Per Share	0.050	0.058	0.087	0.080	0.080
Dividend Per Share (BAHT)	0.030	0.036	0.042	0.046	0.047
Dividend payout Ratio	60.61	61.82	47.96	55.77	61.10
AMOUNT (BAHT)	120,693,750.00	144,832,250.00	167,362,000.00	185,063,750.00	189,086,381.61
PAID DATE	26/05/2014	25/05/2015	25/05/2016	25/05/2017	23/05/2018



MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

Management Discussion and Analysis : MD&A)

1. Performance Summary

(CMR), Chiang Mai Ram Medical Business Public Company Limited' s overall operation of the year 2018, comparing to the past year; the company and subsidiaries' net profit has decreased 100.39 million baht or 17.68%. Due to the Company and its subsidiaries had total revenues of 4,006.52 million baht, an increase of 184.21 million baht or 4.82%, while the cost of medical treatment for the company and its subsidiaries had cost. Medical treatment 2,831.87 million baht, an increase of 276.91 million baht or 10.84% and administrative expenses 512.26 million baht, an increase of 23.06 million baht or 4.71% increase financial cost by 3.54 million baht or 4.05% and income tax expenses of Baht 104.10 million decrease 18.90 million baht or 15.36% the details and the description below,

2 Results in Performance and Making Profit Ability

2.1. Performance

2.1.1 Income

In the year 2018, the company and subsidiaries has total income of 3,935.33 million baht, comparing to the year 2017 which was 3,747.64 million baht, it has increased by 187.69 million baht or 5.01%. This number comes from; the company itself, 124.69 million baht, Chiangmai Ram Hospital Company Limited and the subsidiary company 92.02 million baht, and the Hariphunchai Memorial Hospital decreasing by 40.21 million baht but gross margin fell. Since 2018 years due to in 2018, the two subsidiaries, Theppanya Business Co., Ltd. and Hariphunchai Memorial Hospital Co., Ltd. had notified the results for medical services fee for the amount that exceeds the hospital's refund amount. The percentage of detected AdjRW was incorrect from the refunded amount of medical services fee in 2015 at the amount of 85.40 million bath and increased costs from receiving doctors. To expand the service and the beginning of the annual salary for nurses and staff with the annual adjustment according to the policy to maintain the personnel.

2.1.2 Cost of Medication

In the year 2018, the cost of medication of the company and subsidiaries is 2,831.87 million baht, which is 276.91 million baht increased than the year 2017 or 10.84%. The increasing comes from the company 100.34 million baht or 11.65% and the subsidiaries, Chiangmairam hospital Co.,Ltd 114.04 million baht or 9.62% and the Hariphunchai Memorial Hospital Co.,Ltd 40.19 million baht or 18.06%. Cost of medication of the company and subsidiaries are composed of doctor's fee, nurse compensation, medicines and medical supply, which was increased by the numbers of patients.

In the year 2018, the proportion of cost of medication to income of medical fee is at 71.96%, comparing to the year 2017 which is 68.17%. It can be seen that the proportion of cost-to-income increases by 3.78 percent.



MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

2.1.3 Sale and Administrative Costs

The administrative cost of the year 2018 is 512.26 million baht which is more than 23.06 million baht from the year 2017 or 4.71%. Consequentially composed of employee compensation, remuneration of executive officers and board directors, land acquisition charges and overall selling and administrative costs of the year 2018 is 12.79% on the total income, comparing to the year 2017 which was 12.80%. For the financial cost, 90.89 million baht is the amount from the year 2017 which has increased by 3.54 million baht from the past year 4.05% and 2.27% of the total income.

The company and subsidiaries have income tax in the year 2018 at 104.11 million baht, comparing to the year 2017, it decreased by 18.90 million baht or 15.36%.

2.2 Ability to make profit

The company and subsidiaries have gross profit of 1,103.46 million baht in the year 2018, comparing to the year 2017, it has decreased by 89.22 million baht or 7.48%; the net profit of the year 2018 is 467.39 million baht, comparing to the year 2017, has decreased to 100.39 million baht or 17.68%. For EBITDA, the number is at 909.83 million baht comparing to the year 2017, which was 1,006.18 million baht. The margin before depreciation and amortization expense is 22.70% and 26.32% in the year 2017. This makes the consolidated financial statement has earnings per share by 0.09 baht in the year 2018 which decreased from 2017 by 0.11 baht.

Profit and Loss Statement	2018 (Baht)	2017 (Baht)	Change (%)
Profit from Medication	3,935,328,401.48	3,747,637,294.65	5.01
Share of profits from investments and corporates	10,746,492.80	6,932,329.41	55.02
Total Profit	4,006,516,293.29	3,822,306,302.58	4.82
Total Expenses	3,539,130,341.83	3,254,525,634.81	8.74
Net Profit (Net Loss)	467,385,951.46	567,780,667.77	(17.68)
Attribute to shared holders	375,378,979.58	440,484,119.25	(14.78)
Attribute to Non-Controlling interests	92,006,971.88	127,296,548.52	(27.72)



MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

3 Assets Management

3.1 Cash and cash equivalents in the year 2018 in the amount of 245.67 million baht compared to the year 2017 decreased by 102.59 million baht, because the company and subsidiaries had to repay long-term loans from financial institutions and short-term loans from related parties.

3.2 Trade accounts and notes receivable in 2018, amounting to 547.11 million baht, compared to 2017 increased by 150.31 million baht.

3.3 Inventory of 2018, 116.38 comparing to 2017 ; increased by 6.70 million baht which were medicines and pharmaceutical.

3.4 Available for-sale investments in 2018 of 2,295.14 million baht. Compared to the year 2017, a decrease of 314.15 reasons for the decline due to the divestment of subsidiaries increased by Baht 7.90 million in fair value adjustments.

3.5 The increase in funds for short-term loans to related parties in 2018 of 148.30 million baht in the year 2017 of 134 million baht, an increase of 14.30 million baht. The decreasing resulted by more loans in between period 56.70 million baht and paid back 42.40 million baht.

3.6 Investment in associates in the year 2018, amount of 114.83 million baht, increased from the year 2017 in the amount of 6.18 million baht, the company received share of profit from investment increased by 3.81 million baht and the share of profit from the investment in associate company increased 55.02 percent.

3.7 General investment in the year 2018, was 235.03 million baht, decreased by 7,080 baht comparing to 2017. The subsidiary recorded provision for impairment of investment in Chaiyapum Ram Hospital Co., Ltd increased respectively, due to this company had operations loss.

3.8 Property, plant and equipment in the year 2018, the company and subsidiaries had increased valued of fixed assets 82.29 million baht from the year 2017. Due to the company and subsidiaries has purchased the land and building to accommodate the growing number of patients. And the subsidiaries have improved wards used for a long time. And recognized as part of the building.

3.9 Investment property in 2018 increased by 16.78 million baht due to the transfer of the subsidiary's land. Building for rent into investment property increased by 19.42 million baht.

In conclusion, current assets in the year 2018 increased from 2017. The increase in trade receivables, cash and cash equivalents decreased and while non-current assets decreased. In respect of available-for-sale investments

3.10 Total liabilities of the Company and its subsidiaries as of 31 December 2018 amounted to 3,452.77 million baht, a decrease of 74.69 million baht or 2.12% from 2017, due to the increase in current liabilities of 238.54 million baht due to bank overdraft and short-term loans from financial institutions increased by 409.26 million baht, advance received from the Social Security Office increased by 54.54 baht, short-term loans from other persons decreased. The amount of 138.25 million baht and the long-term loans from financial institutions due within one year decreased by 43.98 million baht. Non-current liabilities decreased by 313.23 million baht due to the year 2018, the company had a decrease in long-term loans from financial institutions. In the amount of 253.65 million baht and deferred tax liabilities decreased by 63.96 million baht.



MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

STATEMENT OF FINANCIAL POSITION	2018 (Baht)	2017 (Baht)	Change (%)
Assets			
Total current assets	1,086,201,671.43	1,007,238,951.23	7.84
Total fixed assets	7,580,291,487.37	7,786,119,031.22	(2.64)
Total Assets	8,866,493,158.80	8,793,357,982.45	(1.44)
Total current debts	2,106,607,878.40	1,868,070,613.20	12.77
Total fixed debts	1,346,165,907.97	1,659,396,124.73	(18.88)
Total Debts	3,452,773,786.37	3,527,466,737.75	(2.12)
Total Share Holders	5,213,719,372.43	5,265,891,244.70	(0.99)

4. Liquidity

In 2018, the Company and its subsidiaries had cash provided by operating activities of 641.88 million baht, compared to the year 2017, decreased by 179.70 million baht. Cash flow from investing activities in 2018 amounted to 327.35 million baht, a decrease of 599.94 million baht compared to 2017, Changes that occur due to investment, Land purchase Building and Equipment decreased by Baht 666.65 million and Cash paid for purchase in available-for-sale investment decreased by Baht 59.78 million. The Company and its subsidiaries had cash flow from financing activities of Baht 417.18 million compared to 2017, decreased by Baht 682.54 million. This is caused by having cash received in short-term loans from financial institutions. Increased by 460 million baht and cash received from long-term loans from financial institutions decreased by 850 million baht. The above events resulted in the company having cash at the end of the period as of 31 December 2018 at 245.67 million baht when Comparing cash at the end of the period 31 December 2017 is 348.26 million baht.

From the ratio of cash flow above, it can be seen that the Company and its subsidiaries Current assets are less than current liabilities, with current assets less than 54.62% of current liabilities. And current liquidity ratio in 2018, decreased from 2017 was 0.02 times.

The ability to by debt and follow the conditions of loan was important, the ability of finding the good fund support, the company was able to pay debt and follow the condition of loan perfectly which impacted in getting good credit from financial institution; including that the company had high value insured assets that earned more credit and the ability to earn more fund then pay interests at 8.58 times.



MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

	2018 (Baht)	2017 (Baht)
Cash flow from operations	641,880,862.59	821,582,496.16
Cash flow from investment activities	(327,349,478.19)	(927,288,860.76)
Cash flow from funding	(417,118,176.49)	265,426,375.40
Cash flow and cash equivalent increased (decreased)	(102,586,792.09)	159,720,010.80
Cash flow and cash equivalent end of year	245,674,671.31	348,261,463.40
Liquidity Ratio	0.52 เท่า	0.54 เท่า
Current Liquidity Ratio	0.38 เท่า	0.40 เท่า
Cash flow Liquidity Ratio	0.32 เท่า	0.45 เท่า

5. Obligation liabilities and off-balance sheet liabilities management

- There was no obligation liabilities and off-balance sheet liabilities management.

6. Reports of off-operation income, significant in financial position and operation

- No impact

7. Important changes

- No impact

8. The impact of restructuring shareholders

- No impact



SHAREHOLDER' S STRUCTURE

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

Issued Share = 4,023,125,000 shares	As at Dec. 31, 2018 No. of Share holders				As at Dec. 31, 2017 No. of Share holders			
	Juristic Person		Ordinary person		Juristic Person		Ordinary person	
	(person)	(share)	(person)	(share)	(person)	(share)	(person)	(share)
<u>Nationality</u>								
Thai Shareholders	6	3,703,106,833	367	317,888,167	6	3,702,496,133	374	318,428,867
Foreign Shareholders	1	2,130,000	0	0	1	2,200,000	0	0
Foreign Shareholders	7	3,705,236,833	367	317,888,167	7	3,704,696,133	374	318,428,867
<u>Distribution of Share Holding***</u>								
Shareholders holding Over 0.5%	2	3,700,645,433	0	0	2	3,700,034,733	0	0
Shareholders holding Under 0.5 %	5	4,591,400	367	317,888,167	5	4,661,400	374	318,428,867
Total number of share holdings	7	3,705,236,833	367	317,888,167	7	3,704,696,133	374	318,428,867

STRUCTURE OF SHAREHOLDERS

The structure of shareholders in 2018 was as follows:

Thai Shareholders	373 holding	4,020,995,000 shares	representing 99.95%
Foreign Shareholders	1 holding	2,130,000 shares	representing 0.05%

Dispersion of Shareholders

- (A) Shareholders holding more than 0.5 % or more than 20,110,000 shares per shareholder totalling 2 shareholders holding 3,700,645,433 shares representing 91.98% shares released on the market.
- (B) Shareholders holding less than 0.5 % or less than 20,110,000 shares per shareholder totalling 372 shareholders holding 322,479,567 shares representing 8.02% shares released on the market.



MAJOR SHAREHOLDERS

AS AT DECEMBER 30, 2018

Major Shareholders	No. of shares	Percentage
1. Vibhavadi Medical Center Public Company Limited	3,310,000,000	82.27
2. Dr. Chaiyakarn Soonrotok	20,000,000	0.50
3. Mr. Thitikasame Nivasawate	11,750,000	0.29
4. Mr. Amphan Viprakasit	10,000,000	0.25
5. Mrs. Somjit Sethabuth	10,000,000	0.25
6. Miss Pavadee Jivawitchakul	10,000,000	0.25
7. Mrs. Boonsom Chaimongkul	6,000,000	0.15
8. Mr. Phunnang Panikabuth	5,000,000	0.12
9. Mrs. Ampai Srisawate	5,000,000	0.12
10. Mrs. Pensri Wateranan	5,000,000	0.12
11. Mrs. Kimheng Rungcharean	5,000,000	0.12
12. OTHERS	625,375,000	15.56
TOTAL	4,023,125,000	100.00

DIRECTOR' S SHAREHOLDING IN THE COMPANY

Name of Directors	Amount Change during the year	Amount Remaining as at Dec. 31, 2018
DR. RACHA SOMBURANASIN	-	-
DR. VARAPHAN UNACHAK	497,100	497,100
DR. DUSIT SRISAKUL	29,400	306,000
DR. TEERAYUTH NIYOMGOOL	-	20,000
DR. SUMETH HANDAGOON	-	-
DR. CHAMNAN CHANAPAI	-	-
MR. SITHI PANUPATTANAPONG	-	-
MR. CHAISITH VIRIYAMETTAKUL	-	38,985,000
MR. RUECHID KANJANAPITAK	-	-
DR. SUTHISAK KANAPRACH	-	-
DR. KRIRK JITTALAN	-	-
MISS PAPT SUPAOKIT	-	-



BOARD OF DIRECTORS

<div>  <div> ประวัติกรรมการและผู้บริหาร บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน) </div> </div>							
ชื่อ/ตำแหน่ง	อายุ	การศึกษา	การฝึกฝน ระหว่าง ผู้บริหาร	ปี การฝึกฝน	ประวัติการทำงาน 5 ปี ก่อนหลัง	ตำแหน่ง	บริษัท
 1. นพ.รัช สอมบุรสิน ประธานกรรมการบริษัท Dr.Racha Somburasin Chairman	79	Diplomate American Board of Radiology Certificate In Neuroradiology			2531 - ปัจจุบัน 2546 - ปัจจุบัน 2548 - ปัจจุบัน 2549 - ปัจจุบัน 2551 - ปัจจุบัน	ประธานกรรมการ กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร ประธานกรรมการ	บมจ. โรงพยาบาลรามคำแหง บจ. โรงพยาบาลศิริราช โรงพยาบาลสุโขทัย โรงพยาบาลศรีนครินทร์ บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 2. นพ. วรสิทธิ์ อุนจักร กรรมการบริษัท และ ประธานกรรมการบริหาร Dr.Viasaphan Unachak Director/Executive Committee Chairman	68	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2546	0.1	0.1	2536 - ปัจจุบัน 2536 - ปัจจุบัน 2538 - ปัจจุบัน 2550 - ปัจจุบัน 2550 - ปัจจุบัน	กรรมการบริหาร ผู้อำนวยการ ผู้อำนวยการ กรรมการบริษัท กรรมการบริษัท และประธานกรรมการ บริหาร	บมจ. โรงพยาบาลรามคำแหง โรงพยาบาลเชียงใหม่ ราม โรงพยาบาลเทพปัญญา โรงพยาบาลเชียงใหม่ บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 3. นพ.ดุสิต ศรีสกุล กรรมการ, กรรมการบริหาร, กรรมการผู้จัดการ และ ผู้อำนวยการโรงพยาบาล Dr.Dusit Srisakul Managing Director/Executive Director/Hospital Director	58	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2547	0.1		2534 - ปัจจุบัน 2543 - 2547 2543 - ปัจจุบัน 2544 - ปัจจุบัน 2547 - ปัจจุบัน 2547 - ปัจจุบัน	คณบดีแพทย์โรงพยาบาล ผู้อำนวยการฝ่ายแพทย์ กรรมการบริหาร กรรมการบริษัท ผู้อำนวยการโรงพยาบาล กรรมการผู้จัดการ	บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์
 4. นพ.ธีระยุทธ นิยมกุล กรรมการผู้จัดการ กรรมการบริหาร และ รองผู้อำนวยการโรงพยาบาล Dr.Teerayuth Niyomgool Director/Executive Director/Hospital Director	53	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	2540 - 2543 2544 - 2545 2545 - ปัจจุบัน 2547 - ปัจจุบัน 2547 - ปัจจุบัน 2550 - ปัจจุบัน	ผู้อำนวยการ ฝ่ายการแพทย์ คณบดี คณบดี รองผู้อำนวยการ โรงพยาบาล กรรมการบริหาร กรรมการและผู้จัดการ	รพ. บุคลากรอินเตอร์เนชั่นแนล โรงพยาบาลอินเตอร์เนชั่นแนล บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์
 5. นพ.สมธ สันทรธฤต กรรมการบริษัท และ กรรมการบริหาร Dr.Sumeth Handegoon Director/Executive Director	71	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ วุฒิบัตรศัลยกรรม มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	2536 - ปัจจุบัน 2538 - ปัจจุบัน 2538 - 2548 2550 - ปัจจุบัน 2550 - ปัจจุบัน	ผู้อำนวยการ ผู้อำนวยการ กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท และกรรมการบริหาร	โรงพยาบาลเชียงใหม่ราม โรงพยาบาลเทพปัญญา โรงพยาบาลพะเยา โรงพยาบาลเชียงใหม่ บมจ. เชียงใหม่รามธุรกิจ การแพทย์

BOARD OF DIRECTORS

<div>  <div> ประวัติกรรมการและผู้บริหาร บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน) </div> </div>								
ชื่อ/ตำแหน่ง	อายุ	การศึกษา	การสอบใบประกอบวิชาชีพ	อัตราค่าตอบแทน	ประวัติการทำงาน 5 ปี ก่อนหลัง	ตำแหน่ง	บริษัท	
 6. พันเอกชำนาญ ชนทวี กรรมการบริษัท Dr.Chamnan Chanapal Director	74	- พันศพลศาสตร์บัณฑิต มหาวิทยาลัยมหิดล - Cosmetic Restoration N.Y.	-	-	2531 - ปัจจุบัน 2540 - ปัจจุบัน 2546 - ปัจจุบัน 2548 - ปัจจุบัน 2549 - ปัจจุบัน 2551 - ปัจจุบัน	กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร	นม. โรงพยาบาลนครคันทรี่ บริษัท เอส แอนด์ เอส 79 จำกัด บริษัท โรงพยาบาลสินแพทย์ จำกัด บริษัท โรงพยาบาลวิภาวดี จำกัด โรงพยาบาลสุโขทัย โรงพยาบาลชัยภูมิ ราม นบ. เชียงใหม่รามธุรกิจการแพทย์	
 7. นายสิทธิ ชาญพัฒนพงศ์ กรรมการบริษัท Mr.Sit Panupattanasong Director	58	สถาบันกรรมการ สถาบันองค์โนโด้บริหารของเมธ้า Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2555	-	-	ปัจจุบัน	ประธานกรรมการ กรรมการบริษัท/ กรรมการบริหาร กรรมการบริษัท/ กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท	บริษัท สันติพร จำกัด นบ. โรงพยาบาลศิริราช บริษัท โรงพยาบาลวิภาวดี จำกัด บริษัท โรงพยาบาลศิริราช จำกัด นบ. โรงพยาบาลวิภาวดี (โรงพยาบาล) บริษัท ปิ่นอินทร์ พาร์ค สวิส จำกัด นบ. เชียงใหม่รามธุรกิจการแพทย์	
 8. นายชัยสิทธิ์ วิริยะเมธากุล กรรมการบริษัท Dr.Chalot Viriyamethakul Director	69	วิศวกรรมศาสตร จุฬาลงกรณ์มหาวิทยาลัย Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2547 Increasing your Corporate Value Through Effective Communication เมื่อปี 2546	0.97	-	2541 - ปัจจุบัน 2545 - ปัจจุบัน 2546 - ปัจจุบัน 2547 2550 - ปัจจุบัน 2552 - ปัจจุบัน 2555-ปัจจุบัน	กรรมการผู้จัดการ/ กรรมการบริหาร กรรมการบริหาร/ กรรมการบริหาร รองประธาน กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท	นบ. โรงพยาบาลศิริราช บริษัท โรงพยาบาลวิภาวดี จำกัด บริษัท โรงพยาบาลวิภาวดี จำกัด บริษัท โรงพยาบาลศิริราช จำกัด นบ. โรงพยาบาลวิภาวดี (โรงพยาบาล) บริษัท เบ็นสัน พาร์ค สวิส จำกัด บริษัท โฉมงามดีสคอต จำกัด นบ. เชียงใหม่รามธุรกิจการแพทย์	
 9. นายฤทธิชัย กาญจนพิทักษ์ กรรมการบริษัท Mr. Ruechid Kanjanapatak Director	39	สถาบันกรรมการศาสตร จุฬาลงกรณ์มหาวิทยาลัย MBA College of Management, MAHIDOL UNIVERSITY Director Accreditation Program, จากสมาคมส่งเสริม สถาบันกรรมการบริษัทไทย เมื่อปี 2541	-	-	2544 - 2546 2546 - ปัจจุบัน 2556 - ปัจจุบัน 2560 - ปัจจุบัน	สถาปนิก สถาปนิก ผู้บริหาร กรรมการบริษัท	เจริญ สถาปนิก REUN DESIGN STUDIO LEGACY GOLF CLUB นบ. เชียงใหม่รามธุรกิจการแพทย์	

BOARD OF DIRECTORS

<div>  <div> ประวัติกรรมการและผู้บริหาร บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน) </div> </div>							
ชื่อ/ตำแหน่ง	อายุ	การศึกษา	ประสบการณ์ บริหาร ผู้บริหาร	ตำแหน่ง การดำเนินงาน	ประวัติการทำงาน 5 ปี ย้อนหลัง		
					ระยะเวลา	ตำแหน่ง	บริษัท
 <p>10. นพ.สุทธิศักดิ์ คณาปราณี กรรมการอิสระและ ประธานกรรมการตรวจสอบ Dr.Sutthak Kanaprasch Independent , Director / Audit Committee Chairman</p>	54	<ul style="list-style-type: none"> - แพทยศาสตรบัณฑิต มหาวิทยาลัยมหิดล - บริหารธุรกิจมหาบัณฑิต - เศรษฐศาสตรมหาบัณฑิต - ศึกษาศาสตรมหาบัณฑิต - ศึกษาศาสตรมหาบัณฑิต - ศึกษาศาสตรมหาบัณฑิต 	-	-	2539 - ปัจจุบัน 2551 - ปัจจุบัน	กรรมการบริหาร กรรมการอิสระ และ ประธานกรรมการ ตรวจสอบ	บริษัท โรงพยาบาล สนามจันทร์ จำกัด บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 <p>11. นายเกริก จิตตาน กรรมการอิสระและกรรมการ ตรวจสอบ Mr.Kriak Jittalan Independent , Director / Audit Committee</p>	70	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	ปัจจุบัน 2552-ปัจจุบัน	กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการอิสระและ กรรมการตรวจสอบ	บริษัท สมศรี จำกัด บริษัท ซีโอบีเอส จำกัด บริษัท โอเอสเอส จำกัด ท.บ.ก. ผู้ตรวจ บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 <p>12. นางสาวพาทิร สุภากิจ กรรมการอิสระ และ กรรมการตรวจสอบ Miss Papat Supakit Independent , Director / Audit Committee</p>	34	ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย	-	-	2549-ปัจจุบัน 2551-ปัจจุบัน	Treasury Officer กรรมการอิสระ และ กรรมการตรวจสอบ	ธนาคาร HSBC บมจ. เชียงใหม่รามธุรกิจ การแพทย์

**FINANCIAL STATEMENTS AND AUDITORS' REPORT
CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED
DECEMBER 31, 2018 AND 2017**



CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Chiang Mai Ram Medical Business Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Chiang Mai Ram Medical Business Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Chiang Mai Ram Medical Business Public Company Limited and its subsidiaries as at December 31, 2018, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Chiang Mai Ram Medical Business Public Company Limited as at December 31, 2018, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirement that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition from general medical treatment

The revenue from medical treatment is significant amount in the consolidated and separate financial statements, representing 74% and 50% of total revenues, respectively. In addition, there are various components in revenues from hospital operation such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc., including discounts with parties, whereas the agreements contain various conditions for each party. I therefore focus with respect to the amount, value and timing of revenue recognition of the Company.

I audited the revenue recognition from medical treatment by assessing and tested the effectiveness of the internal controls with respect to the revenue cycle by making enquiries of responsible persons, gaining an understanding and selecting samples to test the operation of the designed controls. In addition, I random audit the supporting documents for medical fee transactions occurring during the year and near the end of the reporting period. I also audited credit notes that the Company issued after the end of the period. In addition, I performed comparative data analysis of subdivide revenue account to detect possible irregularities in medical fee transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition from Social Security

The Company has the revenue from Social Security by entering into medical service provider agreement under Social Security Act, B. E. 2533. The revenues from Social Security in the consolidated and separate financial statements represent 25% and 43% of total revenues, respectively. The Company will receive the money from the Social Security Office in terms of insured persons who select the medical treatment with the hospitals. In addition, the Company will also gain the income from medical service fee for the cases with burden of disease risk and high-cost disease but the additional revenue from earnings each time has to be approved by the Social Security Office. However, the consideration process of the Social Security Office takes a long time. In the event that the Company has already provided the medical service to the insured persons, the Company has its right to gain the medical treatment fee according to the medical service agreement. The management then consider the estimation of medical service revenue for the cases with burden of disease risk and high-cost disease. This is significant estimation requiring the management to apply the high judgment. The specialists' opinion is also needed in considering the severity rate of the disease to estimate the revenue. I therefore focus with respect to the revenue recognition from Social Security as it has a significant risk to the financial statements.

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I made an understanding for the process of estimating the medical service revenue for the cases with burden of disease risk and high-cost disease by investigating the sources and reliability of the insured persons' information used in calculating the revenue estimate, assessing the appropriateness of severity rate of the disease by comparing with rules, method and conditions as announced by the Social Security Office, testing the calculation of revenue estimation for medical service in case burden of disease risk and high-cost disease including the comparison of receipts during the period and analyzing the difference cause compared to the estimated medical service revenue and reviewing the receiving of medical service fee for the cases with burden of disease risk and high-cost disease after the end of period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

● Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Soraya Tintasuwan.

Soraya U.

(Miss Soraya Tintasuwan)

Certified Public Accountant

Registration No. 8658

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 27, 2019

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018
ASSETS

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Current assets					
Cash and cash equivalents	4	245,674,671.31	348,261,463.40	150,330,131.71	101,709,697.79
Temporary investments	5	766,088.37	756,927.67	-	-
Trade receivables	6, 35	547,114,623.67	396,801,726.66	265,741,995.22	227,476,653.58
Short-term loans to related parties	7, 35	148,300,000.00	134,000,000.00	81,600,000.00	30,000,000.00
Inventories	8	116,375,719.21	109,676,659.75	30,902,757.53	21,832,105.04
Other current assets	35	27,970,568.87	17,742,173.75	5,324,521.16	5,404,791.21
Total current assets		1,086,201,671.43	1,007,238,951.23	533,899,405.62	386,423,247.62
Non-current assets					
Available-for-sale investments	9, 35	2,295,139,430.95	2,609,294,410.60	-	-
Investment in associaties	10	114,834,959.23	108,652,936.43	-	-
Investment in subsidiaries	11	-	-	1,199,682,750.00	1,199,682,750.00
Other long-term investments	12	235,026,160.00	235,033,240.00	35,000,000.00	35,000,000.00
Long-term loans to related parties	13, 35	29,625,000.00	29,625,000.00	-	-
Long-term loans to other persons		3,985,000.00	-	-	-
Investment property	14	81,768,398.04	64,989,328.45	-	-
Property, plant and equipment	15	4,454,649,780.05	4,372,362,227.75	1,170,413,055.71	1,106,189,011.96
Goodwill		298,492,518.72	298,492,518.72	-	-
Intangible asset	16	7,198,679.07	6,776,566.13	3,567,630.99	3,511,198.84
Fixed deposit used for pledged	17	44,487,956.68	43,441,645.34	22,706,629.13	22,537,820.82
Deferred tax assets	18	8,116,377.58	6,221,028.85	5,493,756.80	5,236,472.00
Other non-current assets		6,967,227.05	11,230,128.95	3,549,401.00	7,228,061.00
Total non-current assets		7,580,291,487.37	7,786,119,031.22	2,440,413,223.63	2,379,385,314.62
TOTAL ASSETS		8,666,493,158.80	8,793,357,982.45	2,974,312,629.25	2,765,808,562.24

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	19	670,794,959.90	261,532,859.79	470,000,000.00	220,000,000.00
Trade payables	35	209,247,835.56	207,780,886.01	73,692,142.49	67,170,587.73
Current portion of long-term liabilities					
Long-term loan from financial institutions	22	253,654,285.76	297,634,285.76	74,040,000.00	113,720,000.00
Finance leases agreements	23	1,102,345.99	753,453.97	-	-
Short-term loan from related parties	20, 35	589,853,817.50	630,353,817.50	9,000,000.00	103,000,000.00
Short-term loan from other persons	21	68,400,000.00	206,650,000.00	20,500,000.00	20,500,000.00
Other payables	35	18,386,679.24	14,445,362.84	4,230,197.17	4,681,298.87
Income tax payable		35,630,950.84	57,786,308.74	22,599,491.17	29,218,692.26
Accrued doctor fee		91,154,997.01	96,797,807.87	34,296,384.05	38,300,473.85
Accrued expenses	35	52,931,127.95	42,728,124.99	34,435,203.40	32,154,397.74
Dividend payable		6,446,113.54	6,069,375.54	6,306,813.54	6,037,075.54
Accounts payable for assets	35	42,015,479.06	31,595,556.22	8,542,067.97	8,322,275.23
Advance received from Social Security Office	27	54,539,246.45	-	-	-
Other current liabilities		12,450,039.60	13,942,773.79	1,408,963.38	1,510,690.43
Total current liabilities		2,106,607,878.40	1,868,070,613.02	759,051,263.17	644,615,491.65
Non-current liabilities					
Long-term loan from financial institutions	22	784,038,095.12	1,037,692,380.88	123,200,000.00	197,240,000.00
Liabilities under finance leases agreements	23	1,271,608.47	602,816.04	-	-
Deferred tax liabilities	18	466,464,658.13	530,428,777.09	-	-
Employee benefit obligations	24	90,714,922.80	80,113,594.80	27,326,949.00	25,609,481.00
Other non-current liabilities		3,676,623.45	10,558,555.92	691,347.87	691,347.87
Total non-current liabilities		1,346,165,907.97	1,659,396,124.73	151,218,296.87	223,540,828.87
TOTAL LIABILITIES		3,452,773,786.37	3,527,466,737.75	910,269,560.04	868,156,320.52

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2018	2017	2018	2017
Shareholders' equity					
Share capital					
Authorized share capital					
	4,084,333,300 ordinary share at Baht 0.10 each	408,433,330.00	408,433,330.00	408,433,330.00	408,433,330.00
Issued and paid-up share capital					
	4,023,125,000 ordinary share at Baht 0.10 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	575,862,500.00	575,862,500.00	-	-
	<u>Less</u> The legal subsidiary company investment in the legal parent company	(12,675,250.00)	(12,675,250.00)	-	-
Retained earnings					
Appropriated					
26	Legal reserve	81,686,666.00	81,686,666.00	81,686,666.00	81,686,666.00
	Unappropriated	1,625,870,961.57	1,439,578,363.60	950,607,248.45	784,216,420.96
	Other components of equity	944,061,474.87	1,091,204,018.01	-	-
	Total equity attributable to owners of the parent	3,617,118,852.44	3,577,968,797.61	2,064,043,069.21	1,897,652,241.72
11	Non-controlling interests	1,596,600,519.99	1,687,922,447.09	-	-
	Total shareholders' equity	5,213,719,372.43	5,265,891,244.70	2,064,043,069.21	1,897,652,241.72
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		8,666,493,158.80	8,793,357,982.45	2,974,312,629.25	2,765,808,562.24

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
REVENUES					
Revenues from medical treatment	35	3,935,328,401.48	3,747,637,294.65	1,553,250,479.26	1,428,560,797.49
Other income					
Interest income	35	8,426,920.85	8,138,043.61	709,148.31	2,413,400.48
Dividend income	9, 11, 12, 35	17,485,010.00	21,117,079.26	110,558,437.50	75,441,750.00
Gain from sales of investment		3,436,396.73	12,104,156.92	-	-
Others	35	31,093,071.43	26,377,398.73	10,975,045.47	8,771,270.54
Total revenues		3,995,769,800.49	3,815,373,973.17	1,675,493,110.54	1,515,187,218.51
EXPENSES					
Cost of medical treatment	35	2,831,872,531.53	2,556,971,128.16	1,043,071,947.14	934,235,868.43
Administrative expenses	35	512,263,793.85	487,200,127.85	194,672,562.56	189,986,874.87
Financial cost	35	90,888,396.95	87,351,230.66	23,298,141.44	26,922,619.59
Total expenses		3,435,024,722.33	3,131,522,486.67	1,261,042,651.14	1,151,145,362.89
Share of profit of associates	10	10,746,492.80	6,932,329.41	-	-
Profit before income tax expenses		571,491,570.96	690,783,815.91	414,450,459.40	364,041,855.62
Income tax expenses	28	104,105,619.50	123,003,148.14	58,973,250.30	54,590,848.04
Profit for the year		467,385,951.46	567,780,667.77	355,477,209.10	309,451,007.58
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on define employee benefit plans	24	-	(3,150,880.25)	-	1,234,326.00
Share of other comprehensive income of associates :					
- Actuarial loss on define employee benefit plans	10	-	(19,716.67)	-	-
Income tax relating to not to be reclassified	28.1	-	630,176.05	-	(246,865.20)
		-	(2,540,420.87)	-	987,460.80
Items that may be reclassified subsequently to profit or loss					
Unrealized loss on valuation of available-for-sale securities	5, 9	(326,287,349.58)	(448,490,563.13)	-	-
Income tax relating to may be reclassified	28.1	65,257,469.96	89,698,112.58	-	-
		(261,029,879.62)	(358,792,450.55)	-	-
Other comprehensive income for the year,					
net of income tax		(261,029,879.62)	(361,332,871.42)	-	987,460.80
Total comprehensive income for the year		206,356,071.84	206,447,796.35	355,477,209.10	310,438,468.38

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2018	2017	2018	2017
Profit attributable to					
Owners of the parent		375,378,979.58	440,484,119.25	355,477,209.10	309,451,007.58
Non-controlling interests		92,006,971.88	127,296,548.52	-	-
		<u>467,385,951.46</u>	<u>567,780,667.77</u>	<u>355,477,209.10</u>	<u>309,451,007.58</u>
Total comprehensive income attributable to					
Owners of the parent		228,236,436.44	236,478,091.00	355,477,209.10	310,438,468.38
Non-controlling interests		(21,880,364.60)	(30,030,294.65)	-	-
		<u>206,356,071.84</u>	<u>206,447,796.35</u>	<u>355,477,209.10</u>	<u>310,438,468.38</u>
Basic earnings per share	31				
Attributable to owners of the parent		<u>0.09</u>	<u>0.11</u>	<u>0.09</u>	<u>0.08</u>

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Baht

Consolidated financial statements

	Note	Equity attributable to owners of the parent							Non-controlling	Total		
		Issued and paid-up	Premium on share	The legal subsidiary	Retained earnings		Other components of equity			Total equity	interests	shareholder's
		share capital	capital from business	company investment	Appropriated	Unappropriated	Unrealized gain (loss)	Difference from	Total other	attributable to owners		equity
			combination in the	in the legal	legal reserve		on remeasuring	purchasing shares in	components	of the parent		
		reverse acqesition	parent company			available-for-sale	the sibsidiaries from	of equity				
						investment	non-controlling interest					
Beginning balance as at January 1, 2017		402,312,500.00	575,862,500.00	(12,675,250.00)	68,205,605.30	1,199,393,778.93	1,318,324,139.24	(24,868,816.86)	1,293,455,322.38	3,526,554,456.61	1,771,510,991.74	5,298,065,448.35
Legal reserve	26	-	-	-	13,481,060.70	(13,481,060.70)	-	-	-	-	-	-
Dividend	26	-	-	-	-	(185,063,750.00)	-	-	-	(185,063,750.00)	(53,558,250.00)	(238,622,000.00)
Total comprehensive income for the year												
Profit for the year		-	-	-	-	440,484,119.25	-	-	-	440,484,119.25	127,296,548.52	567,780,667.77
Other comprehensive income - net of income tax												
Loss on remeasuring available-for-sale investments		-	-	-	-	-	(202,251,304.37)	-	(202,251,304.37)	(202,251,304.37)	(156,541,146.18)	(358,792,450.55)
Share of other comprehensive income of associates		-	-	-	-	(11,114.28)	-	-	-	(11,114.28)	(8,602.39)	(19,716.67)
Actuarial loss on define employee benefit plans		-	-	-	-	(1,743,609.60)	-	-	-	(1,743,609.60)	(777,094.60)	(2,520,704.20)
Ending balance as at December 31, 2017		402,312,500.00	575,862,500.00	(12,675,250.00)	81,686,666.00	1,439,578,363.60	1,116,072,834.87	(24,868,816.86)	1,091,204,018.01	3,577,968,797.61	1,687,922,447.09	5,265,891,244.70
Dividend	26	-	-	-	-	(189,086,381.61)	-	-	-	(189,086,381.61)	(69,441,562.50)	(258,527,944.11)
Total comprehensive income for the year												
Profit for the year		-	-	-	-	375,378,979.58	-	-	-	375,378,979.58	92,006,971.88	467,385,951.46
Other comprehensive income - net of income tax												
Loss on remeasuring available-for-sale investments		-	-	-	-	-	(147,142,543.14)	-	(147,142,543.14)	(147,142,543.14)	(113,887,336.48)	(261,029,879.62)
Ending balance as at December 31, 2018		402,312,500.00	575,862,500.00	(12,675,250.00)	81,686,666.00	1,625,870,961.57	968,930,291.73	(24,868,816.86)	944,061,474.87	3,617,118,852.44	1,596,600,519.99	5,213,719,372.43

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht				
		Separate financial statements				
		Issued and paid-up	Premium	Retained earnings		Total
		share capital	on share capital	Appropriated	Unappropriated	shareholder's
Note				legal reserve		equity
Beginning balance as at January 1, 2017		402,312,500.00	629,436,654.76	68,205,605.30	672,322,763.28	1,772,277,523.34
Legal reserve	26	-	-	13,481,060.70	(13,481,060.70)	-
Dividend	26	-	-	-	(185,063,750.00)	(185,063,750.00)
Total comprehensive income for the year						
Profit for the year		-	-	-	309,451,007.58	309,451,007.58
Actuarial gain on define employee benefit plans		-	-	-	987,460.80	987,460.80
Ending balance as at December 31, 2017		402,312,500.00	629,436,654.76	81,686,666.00	784,216,420.96	1,897,652,241.72
Dividend	26	-	-	-	(189,086,381.61)	(189,086,381.61)
Total comprehensive income for the year						
Profit for the year		-	-	-	355,477,209.10	355,477,209.10
Ending balance as at December 31, 2018		402,312,500.00	629,436,654.76	81,686,666.00	950,607,248.45	2,064,043,069.21

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	467,385,951.46	567,780,667.77	355,477,209.10	309,451,007.58
Adjustment to profit for the year cash provided by (used in) from operations				
Depreciation	247,449,946.66	228,047,374.21	70,309,051.16	66,730,750.12
Amortization of computer software	3,144,886.56	3,522,251.39	1,333,097.85	1,114,673.91
Bad debt and doubtful debt - trade accounts receivable (reversal)	6,295,005.92	4,203,032.70	61,619.00	(2,787,288.00)
Loss from impairment of investment in related companies	7,080.00	62,580.00	-	-
Dividend income	(17,485,010.00)	(21,117,079.26)	(110,558,437.50)	(75,441,750.00)
Gain from sales of Investments	(3,436,396.73)	(12,104,156.92)	-	-
(Gain) loss from sales of fixed assets	(361,040.62)	1,356,405.11	(125,141.49)	41,828.05
Loss from write-off of fixed assets and intangible asset	4,786.03	6,162.69	-	6,162.69
Interest received	(8,426,920.85)	(8,138,043.61)	(709,148.31)	(2,413,400.48)
Provision for employee benefit	13,278,808.00	11,826,727.80	4,030,898.00	3,656,010.00
Interest expenses	90,888,396.95	87,351,230.66	23,298,141.44	26,922,619.59
Income tax expenses	104,105,619.50	123,003,148.14	58,973,250.30	54,590,848.04
Share of profit of associates	(10,746,492.80)	(6,932,329.41)	-	-
Profit from operating before change in operating assets and liabilities items	892,104,620.08	978,867,971.27	402,090,539.55	381,871,461.50
(Increase) Decrease in operating assets items				
Trade receivables	(156,607,902.93)	(16,207,883.59)	(38,326,960.64)	(18,788,294.16)
Inventories	(6,699,059.46)	(11,623,998.03)	(9,070,652.49)	(2,293,007.18)
Other current assets	(2,062,931.10)	(2,055,044.94)	241,962.45	(1,046,626.29)
Other non-current assets	(233,785.00)	89,995.89	-	-
Increase (decrease) in operating liabilities items				
Trade payables	1,466,949.55	13,262,865.58	6,521,554.76	6,918,470.79
Accrued doctor fees	(5,642,810.86)	9,368,044.94	(4,004,089.80)	4,547,825.79
Accrued expenses	10,433,023.19	6,400,705.88	2,264,087.29	7,535,565.02
Other payables	3,941,316.40	825,333.33	(451,101.70)	605,488.05
Advance received from social security office	54,539,246.45	(28,922,021.36)	-	(18,610,842.51)
Other current liabilities	(1,492,734.19)	(2,555,381.42)	(101,727.05)	(91,138.94)
Employee benefit obligations	(2,677,480.00)	(1,623,908.00)	(2,313,430.00)	(1,380,460.00)
Other non-current liabilities	(6,881,932.47)	(6,029,268.70)	-	521,465.86
Cash generated from the operation	780,186,519.66	939,797,410.85	356,850,182.37	359,789,907.93
Cash received from withholding tax	-	3,022,965.55	-	-
Cash paid for income tax	(138,305,657.07)	(121,237,880.24)	(65,849,736.19)	(50,896,599.14)
Net cash provided by operating activities	641,880,862.59	821,582,496.16	291,000,446.18	308,893,308.79

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from sales of temporary investments	-	6,500,000.00	-	5,000,000.00
Cash received from short-term loans to related companies	42,400,000.00	85,000,000.00	32,400,000.00	40,000,000.00
Cash paid for short-term loans to related companies	(56,700,000.00)	(96,000,000.00)	(84,000,000.00)	-
Cash paid for long-term loans to other persons	(3,985,000.00)	-	-	-
(Increase) decrease in fixed deposit used for pledge	(1,046,311.34)	2,369,852.73	(168,808.31)	9,266,926.35
Cash received from available-for-sale investments	118,885,274.39	112,118,682.49	-	-
Cash paid for purchase in available-for-sale investment	(123,820,802.91)	(64,040,622.41)	-	-
Dividend received from investment in subsidiaries	-	-	110,558,437.50	75,441,750.00
Dividend received from investment in associates	4,564,470.00	5,477,364.00	-	-
Dividend received from available-for-sale investment	15,910,010.00	16,467,079.26	-	-
Dividend received from investment in related companies	1,575,000.00	4,650,000.00	-	-
Cash paid for purchase of investment property	-	(283,871.00)	-	-
Cash paid for purchase of property, plant and equipment	(335,634,855.62)	(1,002,287,202.56)	(134,325,592.68)	(86,670,373.46)
Cash paid for purchase of computer software	(3,566,999.50)	(694,058.60)	(1,389,530.00)	(448,766.50)
Cash received from sale of building and equipment	1,638,516.50	402,744.88	137,432.00	40,706.00
(Increase) decrease in advance payment of assets	4,496,686.90	(5,122,688.15)	3,678,660.00	(7,178,660.00)
Cash received from interest received	7,934,533.39	8,153,858.60	547,455.91	2,411,368.95
Net cash provided by (used in) investing activities	(327,349,478.19)	(927,288,860.76)	(72,561,945.58)	37,862,951.34
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts	(2,362,899.89)	(27,819,646.78)	-	-
Cash received from short-term loans from financial institutions	560,000,000.00	100,000,000.00	300,000,000.00	100,000,000.00
Cash paid for short-term loans from financial institutions	(148,375,000.00)	(100,000,000.00)	(50,000,000.00)	(70,000,000.00)
Cash received from short-term loans from related parties	136,000,000.00	95,000,000.00	45,000,000.00	33,000,000.00
Cash paid for short-term loans from related parties	(176,500,000.00)	(7,000,000.00)	(139,000,000.00)	(20,000,000.00)
Cash received from short-term loans from other persons	1,500,000.00	21,000,000.00	1,000,000.00	1,000,000.00
Cash paid for short-term loans from other persons	(139,750,000.00)	(26,200,000.00)	(1,000,000.00)	(4,000,000.00)
Cash received from long-term loans from financial institution	-	850,000,000.00	-	-
Cash paid for long-term loans from financial institution	(297,634,285.76)	(313,453,125.36)	(113,720,000.00)	(136,798,171.57)
Cash paid for debt under financial leases agreements	(726,367.55)	(804,607.44)	-	-
Cash paid for dividend	(258,151,206.11)	(237,910,131.53)	(188,816,643.61)	(184,383,981.53)
Cash paid for interest expenses	(91,118,417.18)	(87,386,113.49)	(23,281,423.07)	(26,966,719.81)
Net cash provided by (used in) financing activities	(417,118,176.49)	265,426,375.40	(169,818,066.68)	(308,148,872.91)

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net increase (decrease) in cash and cash equivalent	(102,586,792.09)	159,720,010.80	48,620,433.92	38,607,387.22
Cash and cash equivalents as at beginning balance	348,261,463.40	188,541,452.60	101,709,697.79	63,102,310.57
Cash and cash equivalents as at ending balance	245,674,671.31	348,261,463.40	150,330,131.71	101,709,697.79

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash items :

- (Increase) decrease in account receivable

from sale of investment

3,769,605.38

(3,769,605.38)

-

-

- Increase (decrease) in account payable for assets

10,419,922.84

(29,566,685.60)

219,792.74

(12,172,780.37)

- Increase in assets under financial lease agreement

1,744,052.00

-

-

-

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. GENERAL INFORMATION

The Company was registered on February 11, 1975 and later registered as a public company on December 23, 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".

The major shareholder, Vibhavadi Medical Center Public Company Limited which is the Listed company on the Stock Exchanges of Thailand held the Company's shares at 83.55% of shareholding.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for preparation of the 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 by complying with Thai Financial Reporting Standards. 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 for public limited company, issued under the Accounting Act B.E. 2543.

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

The financial statements 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.

2.2 Basis of consolidated financial statements preparation

- a) 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. The Company has the excess of investment value over the book value at acquisition date (goodwill) in the amount of Baht 89.35 million

- b) In preparation of the consolidated financial statements, it is based on the conglomeration rules of subsidiary company which is under the direct or indirect control of Chiang Mai Ram Medical Business Public Co., Ltd.

Company name	Type of business	Percentage of share holding		Head office
		2018	2017	
Subsidiary company by direct control				
from the reverse acquisition				
Chiang Mai Ram Hospital Co., Ltd.	Hospital	56.37	56.37	Chiang Mai
Subsidiary company by direct control				
Hariphunchai Memorial Hospital Co., Ltd.	Hospital	86.70	86.70	Lumpoon
Direct subsidiary and associated companies				
Subsidiary company				
Theppanya Business Co., Ltd.	Hospital	99.99	99.99	Chiang Mai
Associated company				
Khelang Nakorn Hospital Co., Ltd.	Hospital	25.44	25.44	Lumphang
Associated company held by Theppanya Business Co., Ltd.				
Pawo Hospital Co., Ltd.	Hospital	50.00	50.00	Tak

- c) The accounting period of the investments of subsidiary companies are ended at the same period of Chiang Mai Ram Medical Business Public Co., Ltd. The percentage of shareholding at 99.99% of the subsidiary companies, the Company is treated as holding of 100% of consolidated financial statements and recorded under the cost method.
- d) Accounting policy for subsidiary companies will utilize the same policy as Chiang Mai Ram Medical Business Public Co., Ltd.
- e) Outstanding balances and significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

2.3 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors

TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement

TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues

Revenues from hospital operations, mainly consisting of medical fees, hospital room charge, and medicine charge, are recognized as income when services have been rendered or medicine delivered.

Revenue from medical fee in the social security service is recorded in accordance with rules, method and condition as specified by such agency.

Rental income and other income are recognized on an accrual basis.

Revenues from obtaining dividends are recognized as income when company exercise to obtain dividends.

Interest income is recognized on the accrual basis based on the effective interest rate.

3.2 Recognition of expenses

Expenses are recognized on an accrual basis.

3.3 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.

3.4 Trade receivables, other receivables and allowance for doubtful accounts

Trade and other receivables are stated at the amount expected to be collectible, allowance for doubtful accounts estimate from those trade and other receivables which are likely to be uncollectible.

3.5 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated on first-in first-out basis.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

3.6 Investments

Available-for-sale investments

Available-for-sale investments are investments in marketable equity securities which are held for an indefinite period of time and may be sold in response to liquidity needs, presented as long-term investment unless management intended to hold the investment for less than 1 year, presented as temporary investment.

Available-for-sale investments are stated at fair value. Fair value of listed equity are calculated on the financial statement date by the latest bid of the last working day of the period. The fair value of unit trusts are calculated on net asset value of unit trust which announced by the fund management company. Changes in the fair value of available-for-sale investments are recorded as a separate item under the other components of equity, and will be recorded as gain or losses in the statement of comprehensive income when the investment are sold. Average method is used for computation of cost of investments. When the decline in fair 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 calculating gain or losses for the period.

Investments in associates and subsidiaries

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 consolidated financial statements. In case of the associates have capital deficiencies the recognition of Company's portion on such investments will be equal to zero only.

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

Investments in associates and subsidiaries are stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income in the separate financial statements and investments in associates and subsidiaries are stated at equity in the consolidated financial statements.

General investments - investment in related parties and other companies

Related parties 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.

Other companies are those companies in which the Company has shareholding but has no power to govern or participate in setting up any policy.

General investments in related parties and other companies are stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income.

3.7 Goodwill

The Company and its subsidiaries use the acquisition method to account for business combinations and measure the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the Company and its subsidiaries measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

The Company and its subsidiaries account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is the excess of the cost of the business combination over the Company's interest in the fair value of the identifiable net assets of the subsidiary. If the Company's interest in the fair value of the identifiable net assets of the subsidiary exceeds the cost of the business combination, the excess is immediately recognized as gain in profit or loss.

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

3.8 Investment property

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation of investment property under building for rent category is calculated by the straight-line method over the estimated useful life of 30 years. Depreciation of investment property is included in determining income.

3.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

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.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line method over the useful lives.

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

Plant and equipment for the another subsidiary company, which were taken in 1994, are calculated on sinking fund method, plant and equipment which were acquired after 2002, are calculated on a straight-line method over their approximate useful lives. Their approximate useful lives of plant and equipment were 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 its subsidiaries do not depreciate for construction in progress.

The Company and its subsidiaries have reviewed the residual value and useful lives of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

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 comprehensive income.

3.10 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.11 Intangible assets

Intangible assets are deferred computer software which is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated on a straight-line method for 5 - 10 years.

3.12 Impairment of assets

As at the statement of financial position date, the Company and its subsidiaries assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

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 lessors 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 Trade and others payables

Trade and other payables were shown in cost method.

3.16 Financial instruments

The Company and its subsidiaries have 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, short-term loans from financial institutions, long-term loans, income tax payable, accrued expenses and finance lease 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 the financial reporting standards 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 Provisions

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 Employee benefits

Short-term employment benefits

The Company and its subsidiaries companies are recognized salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as apart of retained earning.

3.21 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.22 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non - deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.23 Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year with the weighted average number of the issued and paid-up shares at the end of the period.

3.24 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Accrued revenues from hospital operations

In determines the certain amount of receivable from the social security office provided to patients with severe diseases and of chronic diseases. In this regard, the amount of such income are set, adjusted and accrued based on the latest actual collection within current relative circumstances.

Impairment of investment

In determines the impairment of investment, which requires management to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Investment property/Depreciation

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review the useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

In determining the fair value disclosure of investment property, the management used the market approach supported by current valuations by an independent appraiser.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

In recording the initial recognition and measurement of goodwill and other intangible assets as at the acquired date and subsequent impairment testing, the management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4. CASH AND CASH EQUIVALENTS

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	3,540,193.75	5,992,310.93	2,301,870.75	4,837,004.18
Bank deposit - saving accounts	240,987,308.02	339,133,456.21	152,013,701.53	101,091,475.83
Bank deposit - current accounts	437,013.31	1,716,261.15	(3,985,440.57)	(4,218,782.22)
Bank deposit - fixed accounts 3 months	710,156.23	1,419,435.11	-	-
Total	245,674,671.31	348,261,463.40	150,330,131.71	101,709,697.79

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. TEMPORARY INVESTMENTS

Consisted of :

	Baht	
	Consolidated financial statements	
	2018	2017
Unit trust at cost	733,518.53	733,518.53
Add Unrealized gain on remeasuring market value of investment	32,569.84	23,409.14
Unit trust at fair value	766,088.37	756,927.67
Total temporary investments	766,088.37	756,927.67
Change in fair value increase (decrease)	9,160.70	11,923.06

6. TRADE RECEIVABLES

Trade receivables classified by their ages were as follow :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued income	354,373,604.57	219,853,147.13	208,434,602.05	159,178,290.73
Trade receivables classified by their ages				
within due period	107,878,820.25	82,900,580.01	30,252,777.74	26,653,810.56
over due period				
Less than and up to 3 months	75,194,240.66	81,895,448.45	25,833,528.36	40,068,159.56
Over 3 months up to 6 months	11,964,872.49	14,588,834.07	975,064.25	2,185,279.60
Over 6 months up to 12 months	9,253,725.68	13,883,611.24	941,183.82	578,263.40
Over more than 12 months	62,478,893.20	68,361,235.42	1,186,055.00	1,454,262.73
Total	621,144,156.85	481,482,856.32	267,623,211.22	230,118,066.58
Less Allowance for doubtful accounts	(74,029,533.18)	(84,681,129.66)	(1,881,216.00)	(2,641,413.00)
Trade receivables - net	547,114,623.67	396,801,726.66	265,741,995.22	227,476,653.58

For the years ended December 31, 2018 and 2017, the movement of allowance for doubtful accounts were as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Allowance for doubtful accounts - beginning	(84,681,129.66)	(84,999,930.15)	(2,641,413.00)	(9,484,050.70)
Add (Increase) Decrease during the year	(6,295,005.92)	(4,203,032.70)	(61,619.00)	2,787,288.00
Less Bad debt	16,946,602.40	4,521,833.19	821,816.00	4,055,349.70
Allowance for doubtful accounts - ending	(74,029,533.18)	(84,681,129.66)	(1,881,216.00)	(2,641,413.00)

7. SHORT-TERM LOANS TO RELATED PARTIES

For the years ended December 31, 2018 and 2017, the movement of short-term loans to related parties were as follows:

	Interest rate per annum (%)	Baht			
		Consolidated financial statements			
		Balance as at December 31, 2017	Transaction during the year		Balance as at December 31, 2018
			Increase	Settlement	
Khonkaen Ram Hospital Co., Ltd.	7	18,000,000.00	-	-	18,000,000.00
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Gassan Marina Golf Club Co., Ltd.	4.5	86,000,000.00	-	(10,000,000.00)	76,000,000.00
Gassan Chiangmai Property Co., Ltd.	4.5	-	7,500,000.00	-	7,500,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	-	49,200,000.00	(2,400,000.00)	46,800,000.00
Total		134,000,000.00	56,700,000.00	(42,400,000.00)	148,300,000.00

	Interest rate per annum (%)	Baht			
		Consolidated financial statements			
		Balance as at December 31, 2016	Transaction during the year		Balance as at December 31, 2017
			Increase	Settlement	
Khonkaen Ram Hospital Co., Ltd.	7	18,000,000.00	-	-	18,000,000.00
Vibharam Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	75,000,000.00	10,000,000.00	(55,000,000.00)	30,000,000.00
Gassan Marina Golf Club Co., Ltd.	4.5	-	86,000,000.00	-	86,000,000.00
Total		123,000,000.00	96,000,000.00	(85,000,000.00)	134,000,000.00

	Interest rate per annum (%)	Baht			
		Separate financial statements			
		Balance as at December 31, 2017	Transaction during the year		Balance as at December 31, 2018
			Increase	Settlement	
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Chiangmai Ram Hospital Co., Ltd.	3.75	-	60,000,000.00	-	60,000,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	-	24,000,000.00	(2,400,000.00)	21,600,000.00
Total		30,000,000.00	84,000,000.00	(32,400,000.00)	81,600,000.00

		Baht			
		Separate financial statements			
	Interest rate	Balance as at	Transaction during the year		Balance as at
	per annum (%)	December 31, 2016	Increase	Settlement	December 31, 2017
Hariphunchai Memorial Hospital Co., Ltd.	4.5	10,000,000.00	-	(10,000,000.00)	-
Vibharam Hospital Co., Ltd.	4.5	30,000,000.00	-	(30,000,000.00)	-
Vibharam (Amatanakorn) Hospital Co., Ltd.	4.5	30,000,000.00	-	-	30,000,000.00
Total		70,000,000.00	-	(40,000,000.00)	30,000,000.00

The Company and the subsidiary company loan to related parties in the form of bill of exchange due at call. The interest will be paid every month. The said loan had no security.

8. INVENTORIES

Consisted of :

		Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Medicine and medical supplies		112,560,017.58	106,208,267.89	30,902,757.53	21,832,105.04
Other supplies		3,815,701.63	3,468,391.86	-	-
Total		116,375,719.21	109,676,659.75	30,902,757.53	21,832,105.04

9. AVAILABLE-FOR-SALE INVESTMENTS

Consisted of :

		Baht			
		Consolidated financial statements			
		Investments at fair value		Dividend	
		2018	2017	2018	2017
Investment in marketable equities securities					
- common stock		137,425,634.42	125,284,103.79	15,910,010.00	16,467,079.26
Add Unrealized gain on remeasuring of					
investments		2,157,713,796.53	2,484,010,306.81	-	-
Total available-for-sale investments					
- at fair value		2,295,139,430.95	2,609,294,410.60	15,910,010.00	16,467,079.26

The consolidated financial statements for the years ended December 31, 2018 and 2017, the movement of available-for-sale investments were as follows:

	Baht	
	2018	2017
Beginning book value - net	2,609,294,410.60	3,097,540,405.33
Purchased investments	123,820,802.91	64,040,622.41
Sold investments	(111,679,272.28)	(103,784,130.95)
Changes in fair value	(326,296,510.28)	(448,502,486.19)
Ending book value - net	<u>2,295,139,430.95</u>	<u>2,609,294,410.60</u>

The consolidated financial statements for the years ended December 31, 2018 and 2017, changes in fair value, consisted of :

	Baht	
	2018	2017
Investment in marketable equity security - common stock		
- Ramkhamkaeng Hospital Public Co., Ltd.	(317,326,400.00)	(327,674,000.00)
- Other companies	(8,970,110.28)	(120,828,486.19)
Total	<u>(326,296,510.28)</u>	<u>(448,502,486.19)</u>

The consolidated financial statements as at December 31, 2018 and 2017, unrealized gain on remeasuring available-for-sale investments of owners of the parent was amount of Baht 968.93 million and Baht 1,116.07 million, respectively, and the non-controlling interests was amount of Baht 579.72 million and Baht 693.61 million, respectively.

10. INVESTMENT IN ASSOCIATES

Consisted of :

Name of associated company	Baht							
	Consolidated financial statements							
	Paid-up Capital (Baht)		Share-holding (%)		Equity method		Cost method	
	2018	2017	2018	2017	2018	2017	2018	2017
Khelang Nakorn Hospital Co., Ltd.	89,708,200.00	89,708,200.00	25.44	25.44	101,804,620.21	93,012,888.32	30,882,500.00	30,882,500.00
Pawo Hospital Co., Ltd.	11,625,750.00	11,625,750.00	50.00	50.00	13,030,339.02	15,640,048.11	29,813,599.98	29,813,599.98
Less Allowance for impairment of investment								
- Pawo Hospital Co., Ltd.					-	-	(16,783,260.96)	(14,173,551.87)
Total					<u>114,834,959.23</u>	<u>108,652,936.43</u>	<u>43,912,839.02</u>	<u>46,522,548.11</u>

Name of associated company	Type of business	Relationship	Baht	
			Consolidated financial statements	
			Dividend	
			2018	2017
Khelang Nakorn Hospital Co., Ltd.	Hospital	Related company by shareholder and director	4,564,470.00	5,477,364.00
Pawo Hospital Co., Ltd.	Hospital	Related company by shareholder and director	-	-
Total			4,564,470.00	5,477,364.00

Share of profit (loss) of associates in the consolidated financial statements for the years ended December 31, 2018 and 2017, were as follows:

	Baht	
	2018	2017
Khelang Nakorn Hospital Co., Ltd.	13,356,201.89	8,910,906.38
Pawo Hospital Co., Ltd.	(2,609,709.09)	(1,978,576.97)
Total	10,746,492.80	6,932,329.41

Share of profit (loss) of other comprehensive income of associates for the years ended December 31, 2018 and 2017, were as follows:

	Baht	
	2018	2017
Actuarial gain (loss) on define employee benefit plans		
Khelang Nakorn Hospital Co., Ltd.	-	(323,739.67)
Pawo Hospital Co., Ltd.	-	304,023.00
Total	-	(19,716.67)

Summarized financial information in respect of Khelang Nakorn Hospital Co., Ltd.

	Baht	
	2018	2017
Current assets	85,477,513.76	71,780,052.32
Non-current assets	371,726,527.67	341,964,708.43
Current liabilities	38,246,046.90	32,351,793.39
Non-current liabilities	18,782,600.60	15,776,268.00
Revenue	391,435,224.86	345,753,026.56
Profit for the year	52,563,962.65	35,027,147.73
Total comprehensive income for the year	52,563,962.65	35,027,147.73

Reconciliation of the above summarized financial information to the carrying amount of the interest in Khelang Nakorn Hospital Co., Ltd. recognized in the consolidated financial statements;

	Baht	
	2018	2017
Net assets	400,175,393.93	365,616,699.36
Proportion of the interest	25.44%	25.44%
Carrying amount of the interest	101,804,620.21	93,012,888.32

Summarized financial information in respect of Pawo Hospital Co., Ltd.

	Baht	
	2018	2017
Current assets	21,005,801.71	18,709,614.22
Non-current assets	17,868,921.41	20,319,178.99
Current liabilities	11,348,011.10	6,396,620.02
Non-current liabilities	1,466,034.00	1,352,077.00
Revenue	65,526,225.70	57,659,319.68
Profit (loss) for the year	(5,219,418.17)	(3,957,153.94)
Total comprehensive income for the year	(5,219,418.17)	(3,957,153.94)

Reconciliation of the above summarized financial information to the carrying amount of the interest in Pawo Hospital Co., Ltd. recognized in the consolidated financial statements;

	Baht	
	2018	2017
Net assets	26,060,678.02	31,280,096.19
Proportion of the interest	50.00%	50.00%
Carrying amount of the interest	13,030,339.02	15,640,048.11

11. INVESTMENT IN SUBSIDIARIES

Consisted of :

Name of Subsidiary companies	Paid-up capital		Share- holding (%)		Baht			
	(Million Baht)				Separate financial statements			
					Cost method		Dividend	
	2018	2017	2018	2017	2018	2017	2018	2017
Chiang Mai Ram Hospital Co.,Ltd.	400	400	56.37	56.37	768,537,750.00	768,537,750.00	84,548,437.50	67,638,750.00
Hariphunchai Memorial Hospital Co., Ltd.	150	150	86.70	86.70	431,145,000.00	431,145,000.00	26,010,000.00	7,803,000.00
Total					1,199,682,750.00	1,199,682,750.00	110,558,437.50	75,441,750.00

Summarized financial information in respect of Chiang Mai Ram Hospital Co., Ltd. , represents amounts before intragroup eliminations.

	Baht	
	2018	2017
Current assets	487,745,883.15	519,918,230.48
Non-current assets	5,423,430,003.64	5,710,664,172.55
Current liabilities	1,312,270,827.50	1,183,402,508.32
Non-current liabilities	1,124,441,849.70	1,366,946,944.14
Non-Controlling interests	1,524,991,864.37	1,614,775,764.87
Revenue	2,216,234,848.88	2,133,445,399.57
Profit attributable to the non-controlling interests	89,554,998.48	119,030,488.63
Other comprehensive income (loss) to the non-controlling interests	(113,887,336.48)	(156,541,146.18)
Dividend paid to non-controlling interests	65,451,562.50	52,361,250.00
Net cash provide by operating activities	318,633,894.14	430,759,055.69
Net cash used in investing activities	(162,866,446.84)	(845,698,210.85)
Net cash provide by financing activities	(270,423,077.19)	503,950,665.19
Net cash increase (decrease)	(114,655,629.89)	89,011,510.03

Summarized financial information in respect of Hariphunchai Memorial Hospital Co., Ltd., represents amounts before intragroup eliminations.

	Baht	
	2018	2017
Current assets	135,906,502.40	117,628,031.38
Non-current assets	468,102,422.06	443,291,186.64
Current liabilities	106,635,907.48	56,783,171.31
Non-current liabilities	17,629,588.00	14,880,443.00
Non-Controlling interests	71,608,655.62	73,146,682.22
Revenue	333,796,653.39	343,919,932.49
Profit attributable to the non-controlling interests	2,451,973.40	8,266,059.89
Dividend paid to non-controlling interests	3,990,000.00	1,197,000.00
Net cash provide by operating activities	32,401,789.76	82,053,604.06
Net cash used in investing activities	(41,502,558.22)	(13,754,968.82)
Net cash used in financing activities	(27,450,827.66)	(36,197,521.69)
Net cash increase (decrease)	(36,551,596.12)	32,101,113.55

Investment in Ramkhamhaeng Chiangmai Hospital Company Limited

On December 25, 2018, Board of directors of the Company and its subsidiary resolved to approve Chiang mai ram medical business public company limited and Chiang mai ram hospital company limited to invest in the ordinary shares of Ramkhamhaeng Chiangmai Hospital Company Limited which is a newly established company on October 30, 2018. Such company has registered capital of Baht 400 million. Chiang mai ram medical business public company limited and Chiang mai ram hospital company limited will invest in such company 18% and 63% of the shares issued and paid up of such company. On February 27, 2019, such company has call up 30% of registered capital. The Company and its subsidiary have paid the shares in the total amount.

As at December 31, 2018, partial share certificates from investment in subsidiaries at the total cost of Baht 1,010.46 million were pledged as collateral for short-term loans from financial institutions.

12. OTHER LONG-TERM INVESTMENTS

Consisted of :

Name of company	Baht				Dividend (Baht)			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Related parties								
(shareholding by the Company or its subsidiary and co-direction)								
Phayao Ram Hospital Co., Ltd.	375,000.00	375,000.00	-	-	375,000.00	2,250,000.00	-	-
Khonkaen Ram Hospital Co., Ltd.	13,050,000.00	13,050,000.00	-	-	1,200,000.00	2,400,000.00	-	-
Bhumpanya International Co., Ltd.	60,000,000.00	60,000,000.00	-	-	-	-	-	-
Chaiyapum Ram Hospital Co., Ltd.	1,200,000.00	1,200,000.00	-	-	-	-	-	-
Gassan Marina Golf Club Co., Ltd.	220,000,000.00	220,000,000.00	35,000,000.00	35,000,000.00	-	-	-	-
Total	294,625,000.00	294,625,000.00	35,000,000.00	35,000,000.00	1,575,000.00	4,650,000.00	-	-
Less Allowance for impairment of investment								
Bhumpanya International Co., Ltd.	(60,000,000.00)	(60,000,000.00)	-	-	-	-	-	-
Chaiyapum Ram Hospital Co., Ltd.	(606,840.00)	(599,760.00)	-	-	-	-	-	-
Total	(60,606,840.00)	(60,599,760.00)	-	-	-	-	-	-
Total investment in related companies-net	234,018,160.00	234,025,240.00	35,000,000.00	35,000,000.00	1,575,000.00	4,650,000.00	-	-
Other companies								
(shareholding by its subsidiary but no co-director)								
Phitsanulok Inter Medical Co. Ltd.	1,008,000.00	1,008,000.00	-	-	-	-	-	-
Total investment in other companies	1,008,000.00	1,008,000.00	-	-	-	-	-	-
Total investments in related and other companies-net	235,026,160.00	235,033,240.00	35,000,000.00	35,000,000.00	1,575,000.00	4,650,000.00	-	-

Name of company	Type of business	Relationship	Holding portion (%)					
			Paid-up capital (Baht)		Consolidated		Separate	
			2018	2017	financial statements	2017	financial statements	2017
Related parties								
(share holding by the Company or its subsidiary and co-director)								
Phayao Ram Hospital Co., Ltd.	Hospital	Shareholders	7,500,000.00	7,500,000.00	5.00	5.00	-	-
		/co-directors						
Khonkaen Ram Hospital Co., Ltd.	Hospital	Shareholders	80,000,000.00	80,000,000.00	7.50	7.50	-	-
		/co-directors						
Bhumpanya International Co., Ltd.	Education	Shareholders	600,000,000.00	600,000,000.00	10.00	10.00	-	-
		/co-directors						
Chaiyapum Ram Co., Ltd.	Hospital	Shareholders	558,000,000.00	558,000,000.00	0.22	0.22	-	-
		/co-directors						
Gassan Marina Golf Club Co., Ltd.	Golf Club / Hotel	Shareholders	2,000,000,000.00	2,000,000,000.00	11.00	11.00	1.75	1.75
		/co-directors						
Other Companies								
(shareholding by its subsidiary but no co-director)								
Phitsanulok Inter medical Co., Ltd.	Hospital	Co- directors	160,000,000.00	160,000,000.00	4.38	4.38	-	-

Investment in Chaiyapum Ram Hospital Co., Ltd

In the year 2018 and 2017, the subsidiary recorded provision for impairment of investment in Chaiyapum Ram Hospital Co., Ltd in amount of Baht 7,080.00 and Baht 62,580.00, respectively, due to this company had operations loss.

13. LONG-TERM LOANS TO RELATED PARTIES

The consolidated financial statements for the years December 31, 2018 and 2017 the movements of long-term loans to related parties were as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2017	Increase	Settlement	December 31, 2018
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	-	5,625,000.00
Gassan Khuntan Golf and Resort Co., Ltd	24,000,000.00	-	-	24,000,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
	58,853,729.89	-	-	58,853,729.89
Less Allowance for doubtful accounts				
Bhumpanya International Co., Ltd.	(29,228,729.89)	-	-	(29,228,729.89)
Net	29,625,000.00	-	-	29,625,000.00

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2016	Increase	Settlement	December 31, 2017
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	-	5,625,000.00
Gassan Khuntan Golf and Resort Co., Ltd	24,000,000.00	-	-	24,000,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
	58,853,729.89	-	-	58,853,729.89
<u>Less</u> Allowance for doubtful accounts				
Bhumpanya International Co., Ltd.	(29,228,729.89)	-	-	(29,228,729.89)
Net	29,625,000.00	-	-	29,625,000.00

As at December 31, 2018 and 2017, long-term loans to Phayao Ram Hospital Co., Ltd. was in the form of bill of exchange with interest at the rate of 8.00% per annum and loan period of 10 years. This loan had no any guarantee.

As at December 31, 2018 and 2017, long-term loans to Gassan Khuntan Golf and Resort Co., Ltd. was in the form of contract. This loan had guarantee by 240,000 shares of Gassan Khuntan Golf and Resort Co., Ltd. with interest at the rate of 5% per annum.

As at December 31, 2018 and 2017, long-term loans to Bhumpanya International Co., Ltd. was in the form of contract with interest at the rate of 4.50% per annum, this loan had no any guarantee. From July 2014, this loan had do not charge interest.

14. INVESTMENT PROPERTY

Investment property consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2017	Increase	Decrease	December 31, 2018
<u>At cost</u>				
Land	16,150,475.90	-	-	20,783,809.15
Buildings for rent	50,909,865.34	-	-	65,691,745.71
Total	67,060,341.24	-	-	86,475,554.86
<u>Less</u> Accumulated depreciation				
buildings for rent	(2,071,012.79)	(1,913,291.65)	-	(4,707,156.82)
Investment property - net	64,989,328.45			81,768,398.04

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December	Increase	Decrease	December
	31, 2016			31, 2017
<u>At cost</u>				
Land	16,150,475.90	-	-	16,150,475.90
Buildings for rent	50,625,994.34	283,871.00	-	50,909,865.34
Total	66,776,470.24	283,871.00	-	67,060,341.24
<u>Less</u> Accumulated depreciation				
buildings for rent	(401,471.87)	(1,669,540.92)	-	(2,071,012.79)
Investment property - net	66,374,998.37			64,989,328.45

The subsidiary's investment property is land and buildings for rent which it was built in 2016, the subsidiary had land revalued by an independent appraisal which as at December 31, 2018 and 2017 the fair value was amount of Baht 32.19 million and Baht 25.01 million, respectively.

During 2018, the subsidiary transferred the property, plant and equipment which is land and building to the investment property as discussed in Note 15 to the interim financial statements.

For the year ended December 31, 2018 and 2017 the subsidiary had rental income from investment property in the amount of Baht 3.84 million and Baht 3.84 million, respectively and operating expenses in the amount of Baht 2.18 million and Baht 2.72 million, respectively, which were recognized in the statement of comprehensive income.

Investment property of the subsidiary are mortgaged as collateral of credit facilities from financial institutions as discussed in Note 19 and 22 to the financial statement.

15. PROPERTY, PLANT AND EQUIPMENT

Consisted of :

	Baht				
	Consolidated financial statements				
	Balance as at December 31, 2017	Increase	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2018
At cost					
Land	2,469,774,503.43	88,302,027.00	-	(4,633,333.25)	2,553,443,197.18
Land improvements	21,622,327.02	2,961,040.00	-	-	24,583,367.02
Building	1,509,818,458.24	7,781,015.48	(1,535,450.00)	(10,104,876.12)	1,505,959,147.60
Building improvement	114,092,129.62	1,830,000.57	(129,470.00)	17,834,269.12	133,626,929.31
Medical equipment	1,106,588,513.90	110,357,341.51	(11,575,915.02)	-	1,205,369,940.39
Furniture, fixture and equipment	924,219,972.53	56,013,007.10	(2,633,157.71)	71,885,106.19	1,049,484,928.11
Vehicles	57,441,470.23	6,982,030.00	(1,044,245.00)	-	63,379,255.23
Construction in progress	48,055,675.94	73,572,368.80	-	(94,396,379.56)	27,231,665.18
Total	6,251,613,050.91	347,798,830.46	(16,918,237.73)	(19,415,213.62)	6,563,078,430.02
Less Accumulated depreciation					
Land improvements	(12,961,854.58)	(1,357,925.50)	-	-	(14,319,780.08)
Building	(512,137,451.66)	(68,561,523.82)	1,535,449.00	722,852.38	(578,440,674.10)
Building improvement	(82,073,518.51)	(6,994,751.36)	129,469.00	-	(88,938,800.87)
Medical equipment	(713,829,697.57)	(74,758,369.61)	10,574,838.65	-	(778,013,228.53)
Furniture, fixture and equipment	(518,584,561.64)	(88,252,485.14)	2,351,977.17	-	(604,485,069.61)
Vehicles	(39,663,739.20)	(5,611,599.58)	1,044,242.00	-	(44,231,096.78)
Total	(1,879,250,823.16)	(245,536,655.01)	15,635,975.82	722,852.38	(2,108,428,649.97)
Property, plant and equipment, net	4,372,362,227.75				4,454,649,780.05

	Baht				
	Consolidated financial statements				
	Balance as at December 31, 2016	Increase	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2017
At cost					
Land	1,760,261,587.43	709,512,916.00	-	-	2,469,774,503.43
Land improvements	21,047,608.62	574,718.40	-	-	21,622,327.02
Building	1,477,713,582.81	29,774,636.55	-	2,330,238.88	1,509,818,458.24
Building improvement	110,818,645.90	1,680,000.00	(109,809.00)	1,703,292.72	114,092,129.62
Medical equipment	1,057,432,229.11	73,135,939.29	(24,122,499.50)	142,845.00	1,106,588,513.90
Furniture, fixture and equipment	880,350,832.79	90,815,894.73	(65,915,891.44)	18,969,136.45	924,219,972.53
Vehicles	56,056,490.23	1,916,980.00	(532,000.00)	-	57,441,470.23
Construction in progress	5,891,757.00	65,309,431.99	-	(23,145,513.05)	48,055,675.94
Total	5,369,572,733.89	972,720,516.96	(90,680,199.94)	-	6,251,613,050.91
Less Accumulated depreciation					
Land improvements	(11,645,872.03)	(1,315,982.55)	-	-	(12,961,854.58)
Building	(448,292,343.63)	(63,845,108.03)	-	-	(512,137,451.66)
Building improvement	(75,730,293.29)	(6,453,029.22)	109,804.00	-	(82,073,518.51)
Medical equipment	(665,012,555.75)	(72,915,559.71)	24,098,417.89	-	(713,829,697.57)
Furniture, fixture and equipment	(506,944,021.10)	(75,815,206.91)	64,174,666.37	-	(518,584,561.64)
Vehicles	(34,162,791.33)	(6,032,946.87)	531,999.00	-	(39,663,739.20)
Total	(1,741,787,877.13)	(226,377,833.29)	88,914,887.26	-	(1,879,250,823.16)
Property, plant and equipment, net	3,627,784,856.76				4,372,362,227.75

Baht					
Separate financial statements					
	Balance as at December 31, 2017	Increase	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2018
At cost					
Land	646,336,172.83	69,889,027.00	-	-	716,225,199.83
Land improvements	13,372,327.02	-	-	-	13,372,327.02
Building	279,023,022.49	-	-	-	279,023,022.49
Building improvement	114,092,129.62	1,830,000.57	(129,470.00)	17,834,269.12	133,626,929.31
Medical equipment	344,884,865.08	39,951,003.25	(1,712,175.02)	-	383,123,693.31
Furniture, fixture and equipment	302,695,150.19	3,953,594.31	(961,258.95)	-	305,687,485.55
Vehicles	14,213,822.12	220,000.00	(540,645.00)	-	13,893,177.12
Construction in progress	16,096,074.01	18,701,760.29	-	(17,834,269.12)	16,963,565.18
Total	1,730,713,563.36	134,545,385.42	(3,343,548.97)	-	1,861,915,399.81
Less Accumulated depreciation					
Land improvements	(10,720,071.61)	(495,771.84)	-	-	(11,215,843.45)
Building	(86,877,459.48)	(8,490,356.11)	-	-	(95,367,815.59)
Building improvement	(82,073,518.51)	(6,994,751.36)	129,469.00	-	(88,938,800.87)
Medical equipment	(220,064,003.63)	(28,713,776.95)	1,712,161.02	-	(247,065,619.56)
Furniture, fixture and equipment	(214,023,225.75)	(24,691,718.53)	948,984.44	-	(237,765,959.84)
Vehicles	(10,766,272.42)	(922,676.37)	540,644.00	-	(11,148,304.79)
Total	(624,524,551.40)	(70,309,051.16)	3,331,258.46	-	(691,502,344.10)
Property, plant and equipment, net	1,106,189,011.96				1,170,413,055.71

Baht					
Separate financial statements					
	Balance as at December 31, 2016	Increase	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2017
At cost					
Land	646,336,172.83	-	-	-	646,336,172.83
Land improvements	12,797,608.62	574,718.40	-	-	13,372,327.02
Building	279,023,022.49	-	-	-	279,023,022.49
Building improvement	110,818,645.90	1,680,000.00	(109,809.00)	1,703,292.72	114,092,129.62
Medical equipment	321,155,587.15	24,171,106.43	(584,673.50)	142,845.00	344,884,865.08
Furniture, fixture and equipment	279,117,812.10	11,845,037.08	(7,236,835.44)	18,969,136.45	302,695,150.19
Vehicles	13,050,822.12	1,163,000.00	-	-	14,213,822.12
Construction in progress	1,847,617.00	35,063,731.18	-	(20,815,274.17)	16,096,074.01
Total	1,664,147,288.21	74,497,593.09	(7,931,317.94)	-	1,730,713,563.36
Less Accumulated depreciation					
Land improvements	(10,229,089.09)	(490,982.52)	-	-	(10,720,071.61)
Building	(78,198,316.20)	(8,679,143.28)	-	-	(86,877,459.48)
Building improvement	(75,730,293.29)	(6,453,029.22)	109,804.00	-	(82,073,518.51)
Medical equipment	(193,377,177.23)	(27,271,463.90)	584,637.50	-	(220,064,003.63)
Furniture, fixture and equipment	(198,488,115.93)	(22,683,289.52)	7,148,179.70	-	(214,023,225.75)
Vehicles	(9,613,430.74)	(1,152,841.68)	-	-	(10,766,272.42)
Total	(565,636,422.48)	(66,730,750.12)	7,842,621.20	-	(624,524,551.40)
Property, plant and equipment, net	1,098,510,865.73				1,106,189,011.96

Consolidated financial statements

During 2018, the subsidiary has changed the objective to use some of building in Chiangmai Ram Health Center from operation assets to rental assets instead. Therefore, the subsidiary transferred property, plant and equipment to the investment property at net book value of Baht 18.69 million, starting from July 1, 2018 onwards.

As at December 31, 2018 and 2017, the Company and its subsidiaries had assets with the depreciation fully calculated but still in use which had a cost value of Baht 1,013.69 million and Baht 926.77 million, respectively.

As at December 31, 2018 and 2017, land and part of building with a book value of Baht 1,604.25 million and Baht 1,657.45 million, respectively, the Company and its subsidiaries used as collateral for bank overdrafts, long-term loans from financial institutions and liability under debt restructuring agreement.

As at December 31, 2018 and 2017, the Company and its subsidiaries had assets at net book value of Baht 4.24 million and Baht 2.38 million, respectively, were assets under the financial lease agreement.

Separate financial statements

As at December 31, 2018 and 2017, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 408.20 million and Baht 376.43 million, respectively.

As at December 31, 2018 and 2017, land and part of building with a book value of Baht 259.50 million and Baht 267.99 million, respectively, were used by the Company as collateral for bank overdrafts, short term loan and long term loan from financial institution.

16. INTANGIBLE ASSETS

Consisted of :

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2017	Increase	Transfer in (Transfer out)	Balance as at December 31, 2018
Deferred computer software	40,928,525.46	3,566,999.50	-	44,495,524.96
<u>Less</u> Accumulated amortization	(34,151,959.33)	(3,144,886.56)	-	(37,296,845.89)
Deferred computer software - net	<u>6,776,566.13</u>			<u>7,198,679.07</u>

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2016	Increase	Transfer in (Transfer out)	Balance as at December 31, 2017
Deferred computer software	40,234,466.86	694,058.60	-	40,928,525.46
<u>Less</u> Accumulated amortization	(30,629,707.94)	(3,522,251.39)	-	(34,151,959.33)
Deferred computer software - net	<u>9,604,758.92</u>			<u>6,776,566.13</u>

	Baht			
	Separate financial statements			
	Balance as at	Increase	Transfer in	Balance as at
	December 31, 2017		(Transfer out)	December 31, 2018
Deferred computer software	13,585,007.96	1,389,530.00	-	14,974,537.96
Less Accumulated amortization	(10,073,809.12)	(1,333,097.85)	-	(11,406,906.97)
Deferred computer software - net	<u>3,511,198.84</u>			<u>3,567,630.99</u>

	Baht			
	Separate financial statements			
	Balance as at	Increase	Transfer in	Balance as at
	December 31, 2016		(Transfer out)	December 31, 2017
Deferred computer software	13,136,241.46	448,766.50	-	13,585,007.96
Less Accumulated amortization	(8,959,135.21)	(1,114,673.91)	-	(10,073,809.12)
Deferred computer software - net	<u>4,177,106.25</u>			<u>3,511,198.84</u>

17. FIXED DEPOSIT USED FOR PLEDGE

As at December 31, 2018 and 2017, the Company and its subsidiaries 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 0.55 - 1.00% while the interest of fixed deposit can be withdrawn, to guarantee for using electricity, guarantee for post department, guarantee for social security office and bank aval value of Baht 44.49 million and Baht 43.44 million, respectively (the separate, guarantee for using electricity and social security office in the amount of Baht 22.71 million and Baht 22.54 million, respectively).

18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets	8,116,377.58	6,221,028.85	5,493,756.80	5,236,472.00
Deferred tax liabilities	(466,464,658.13)	(530,428,777.09)	-	-
Deferred tax assets (liabilities) - net	<u>(458,348,280.55)</u>	<u>(524,207,748.24)</u>	<u>5,493,756.80</u>	<u>5,236,472.00</u>

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2018 and 2017 are summarized as follows:

	Baht		
	Consolidated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	December 31, 2017	In profit or loss In other comprehensive income	December 31, 2018
Deferred tax assets:			
Trade receivables	15,840,656.75	(2,412,718.39)	13,427,938.36
Employee benefits obligations	16,022,718.96	2,120,265.60	18,142,984.56
Total	31,863,375.71	(292,452.79)	31,570,922.92
Deferred tax liabilities:			
Unrealized gain on remeasuring available-for-sale investments	(496,806,743.23)	-	65,257,469.96
Property, plant and equipment	(59,264,380.72)	894,450.52	-
Total	(556,071,123.95)	894,450.52	65,257,469.96

	Baht		
	Consolidated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	December 31, 2016	In profit or loss In other comprehensive income	December 31, 2017
Deferred tax assets:			
Trade receivables	14,660,998.10	1,179,658.65	-
Employee benefits obligations	13,351,978.95	2,040,563.96	630,176.05
Total	28,012,977.05	3,220,222.61	630,176.05
Deferred tax liabilities:			
Unrealized gain on remeasuring available-for-sale investments	(586,504,855.81)	-	89,698,112.58
Property, plant and equipment	(60,158,831.24)	894,450.52	-
Total	(646,663,687.05)	894,450.52	89,698,112.58

	Baht		
	Separate financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	December 31, 2017	In profit or loss In other comprehensive income	December 31, 2018
Deferred tax assets:			
Trade receivables	114,575.80	(86,208.80)	-
Employee benefits obligations	5,121,896.20	343,493.60	-
Total	5,236,472.00	257,284.80	-

	Baht		
	Separate financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	December 31, 2016	In profit or loss In other comprehensive income	December 31, 2017
Deferred tax assets:			
Trade receivables	106,005.80	8,570.00	-
Employee benefits obligations	4,913,651.40	455,110.00	(246,865.20)
Total	5,019,657.20	463,680.00	(246,865.20)
			5,236,472.00

19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Bank overdrafts	4,169,959.90	6,532,859.79	-	-
Short-term loans from financial institutions	666,625,000.00	255,000,000.00	470,000,000.00	220,000,000.00
Total	670,794,959.90	261,532,859.79	470,000,000.00	220,000,000.00
<u>The credit facilities from financial institutions</u>				
Bank overdrafts	135	135	40	40
Short-term loans from financial institutions	950	450	740	290
<u>Interest rate (%)</u>				
Bank overdrafts	MOR	MOR	MOR	MOR
Short-term loans from financial institutions	2.825 - 4.20	3.35 - 4.20	2.825 - 4.20	3.35 - 4.20

Bank overdrafts and short-term loans from financial institutions were secured by the mortgage of the Company's and its subsidiaries land and buildings, the subsidiary's investment property, some of the Company's director and inclusive of the Company's partial share certificates form investment in subsidiaries.

In 2018, the Company has entered into the new credit agreement with two commercial banks as short-term loan in the form of promissory note at credit amount of baht 450 million and guaranteed by share certificates of subsidiaries.

In 2018, the subsidiary has entered into the new credit agreement as short-term loan in the form of aval promissory note at credit amount of Baht 50 million. Such credit agreement has no collateral.

20. SHORT-TERM LOANS FROM RELATED PARTIES

The consolidated financial statements for the years ended December 31, 2018 and 2017 the movement of short-term loans from related parties were as follows:

		Baht			
		Balance as at	Transaction during the year		Balance as at
		December 31, 2017	Increase	Settlement	December 31, 2018
Related persons					
Company's directors and relative		630,353,817.50	136,000,000.00	(176,500,000.00)	589,853,817.50
Total		630,353,817.50	136,000,000.00	(176,500,000.00)	589,853,817.50

		Baht			
		Balance as at	Transaction during the year		Balance as at
		December 31, 2016	Increase	Settlement	December 31, 2017
Related persons					
Company's directors and relative		542,353,817.50	93,000,000.00	(5,000,000.00)	630,353,817.50
Related company					
Gassan Chiangmai Property Co., Ltd.		-	2,000,000.00	(2,000,000.00)	-
Total		542,353,817.50	95,000,000.00	(7,000,000.00)	630,353,817.50

As at December 31, 2018 and 2017, short-term loans from related parties were in the form of promissory note with the annual interest rate of 3.25% - 4.50% and 4.25% - 4.50% per annum, respectively. This loan was period of 3 months and had no guarantee.

The separate financial statements for the years ended December 31, 2018 and 2017, the movement of short-term loans from related parties were as follows:

		Baht			
		Balance as at	Transaction during the year		Balance as at
		December 31, 2017	Increase	Settlement	December 31, 2018
Related persons					
Company's directors and relative		103,000,000.00	45,000,000.00	(139,000,000.00)	9,000,000.00
Total		103,000,000.00	45,000,000.00	(139,000,000.00)	9,000,000.00

		Baht			
		Balance as at	Transaction during the year		Balance as at
		December 31, 2016	Increase	Settlement	December 31, 2017
Related persons					
Company's directors and relative		70,000,000.00	33,000,000.00	-	103,000,000.00
Subsidiary					
Chiang Mai Ram Hospital Co., Ltd.		20,000,000.00	-	(20,000,000.00)	-
Total		90,000,000.00	33,000,000.00	(20,000,000.00)	103,000,000.00

As at December 31, 2018 and 2017, short-term loans from related parties was in the form of bill of exchange with interest at the rate of 3.25% - 4.50% and 4.25% - 4.50% per annum, respectively. This loan was period of 3 months and had no guarantee.

21. SHORT-TERM LOANS FROM OTHER PERSONS

The consolidated financial statements for the years ended December 31, 2018 and 2017, the movement of short - term loans from other persons were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2017	Increase	Settlement	December 31, 2018
Other persons	206,650,000.00	1,500,000.00	(139,750,000.00)	68,400,000.00

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2016	Increase	Settlement	December 31, 2017
Other persons	211,850,000.00	21,000,000.00	(26,200,000.00)	206,650,000.00

The separate financial statements for the years ended December 31, 2018 and 2017, the movement of short - term loans from other persons were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2017	Increase	Settlement	December 31, 2018
Other persons	20,500,000.00	1,000,000.00	(1,000,000.00)	20,500,000.00

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2016	Increase	Settlement	December 31, 2017
Other persons	23,500,000.00	1,000,000.00	(4,000,000.00)	20,500,000.00

As at December 31, 2018 and 2017, the Company and its subsidiaries short-term loans from other persons were in form of promissory notes, carried period of repayment three months with interest at the rate of 3.75% - 4.50% and 4.00% - 4.50% per annum, respectively. (the separate : at the rate of 3.75 % - 4.50% and 4.25% - 4.50% per annum, respectively). This loan had no guarantee.

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term loans from financial institution	1,037,692,380.88	1,335,326,666.64	197,240,000.00	310,960,000.00
Less : Current portion	(253,654,285.76)	(297,634,285.76)	(74,040,000.00)	(113,720,000.00)
Net	784,038,095.12	1,037,692,380.88	123,200,000.00	197,240,000.00

Movement of long-term loans for the years ended December 31, 2018 and 2017 were as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance as of beginning	1,335,326,666.64	798,779,792.00	310,960,000.00	447,758,171.57
Increase in during the year	-	850,000,000.00	-	-
Repayment during the year	(297,634,285.76)	(313,453,125.36)	(113,720,000.00)	(136,798,171.57)
Balance as of ending	1,037,692,380.88	1,335,326,666.64	197,240,000.00	310,960,000.00

As at December 31, 2018 and 2017, the Company and its subsidiaries had long-term loan facilities from local commercial banks in the amount of Baht 2,650 million (The separate: amount of Baht 963 million) which has been withdrawn amount of Baht 1,940 million and Baht 2,218 million, respectively, (the separate : amount of Baht 370 million and Baht 570 million, respectively).

The Company had loans from several local commercial bank consist of:

The 1st loan : 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 repay by monthly basis at Baht 3.10 million. The loan has grace period for 7 months after withdrawal the first installment of loan and to be repaid within 84 months.

The loan was repaid interest on monthly basis which bear interest at the rates are as follows:

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

On September 27, 2012, the Company entered into a long-term loan agreement with a local commercial bank to obtain the adjusted credit loan according to the original agreement Baht 393 million and the credit facility which has been withdrawn the additional long-term loan amounting to Baht 150 million with a term of payment in 60 months, and repaid in monthly of Baht 2.50 million. Such loan carries interest at the rate of 3 month fixed deposit plus 2% per annum. As at December 31, 2018 and 2017, such credit agreement has not yet been drawn down.

The 2nd loan : On December 17, 2013, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 160 million which has been withdrawn amounting to Baht 160 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 2.67 million, bear interest at the rate of 3 month fixed deposit plus 2.25% per annum. As at December 31, 2017, loan balance of Baht 31.84 million. In 2018, the company had fully paid the principal.

The 3rd loan : On December 17, 2013, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 40 million which has been withdrawn amounting to Baht 40 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 0.67 million, bear interest at the rate of 3 month fixed deposit plus 2.25% per annum. As at December 31, 2017, loan balance of Baht 7.84 million. In 2018, the company had fully paid the principal.

The 4th loan : On August 26, 2016, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 300 million which has been withdrawn amounting to Baht 300 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 5.00 million, bear interest at the rate of 3 month fixed deposit plus 2.00% per annum. As at December 31, 2018 and 2017, loan balance of Baht 160.00 million and Baht 220.00 million, respectively.

The 5th loan : On August 26, 2016, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 70 million which has been withdrawn amounting to Baht 70 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 1.17 million, bear interest at the rate of 3 month fixed deposit plus 2% per annum. As at December 31, 2018 and 2017, loan balance of Baht 37.24 million and Baht 51.28 million, respectively.

The three subsidiaries had loans from several local commercial bank consist of:

Chiang Mai Ram Hospital Co., Ltd

The 6th loan : On April 6, 2012, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 485 million which has been withdrawn amounting to Baht 350 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 5.9 million, bear interest at the rate of 3 month fixed deposit plus 3% per annum.

On May 16, 2015 Chiang Mai Ram Hospital Co., Ltd has withdrawn amounting to Baht 120 million. The loan has a term of repayment within 60 months after withdrawal the first installment of loan. The principal will be repaid by monthly basis at Baht 2.5 million and has grace period for 7 months, bear interest at the rate of 3 month fixed plus 2% per annum. As at December 31, 2018 and 2017, loan balance of Baht 27.50 million and Baht 57.50 million, respectively.

The 7th loan : On May 12, 2013, Chiang Mai Ram Hospital Co., Ltd., entered into a loan for saving energy agreement in Baht currency with a local commercial bank to obtain Baht 8 million credit facility. The loan be repaid within 4 years and 6 months, bear interest at the rate of 4% per annum. Principal and interest will be repaid by monthly basis at minimum Baht 150,000.00 after withdrawal the first installment of loan. Such loan has no any securities guaranteed. As at December 31, 2018 and 2017, such credit agreement has not yet been drawn down.

The 8th loan : On June 17, 2016, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 250 million which has been withdrawn amounting to Baht 250 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 4.2 million, bear interest at the rate of MLR minus 2% per annum. As at December 31, 2018 and 2017, loan balance of Baht 124.00 million and Baht 174.40 million, respectively.

The 9th loan : On May 24, 2017, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 600 million which has been withdrawn amounting to Baht 600 million. The loan has a term of repayment within 84 months. The interest at the rate of 1 year fixed deposit plus 1.75% per annum. The loan was repaid principal on monthly basis are as follows:

After withdrawal the first installment of loan	Repaid by monthly (million baht)
Installment 1 - 24	5.50
Installment 25 - 83	7.80
Installment 84	Repay the rest of principal and interest under the loan agreement

As at December 31, 2018 and 2017, loan balance of Baht 495.50 million and baht 561.50 million, respectively.

Theppanya Business Co., Ltd

The 10th loan : On November 8, 2010, Theppanya Business Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 24 million. The loan has a term of repayment within 5 years. The principal will be repaid by monthly basis at Baht 0.40 million after withdrawal the first installment of loan. The loan was repaid interest on monthly basis which bear interest at the rates are as follows:

After withdrawal the first installment of loan	Interest rate (per annum)
In the first - second year	MLR - 1.00%
In the third - fifth year	MLR - 0.50%

As at December 31, 2018 and 2017, such credit agreement has not yet been drawn down.

The 11th loan : On June 2, 2017, Theppanya Business Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 250 million which has been withdrawn amounting to Baht 250 million. The loan has a term of repayment within 84 months. The principal will be repaid by monthly basis at Baht 2.98 million after withdrawal the first installment of loan. The interest at the rate 3.50% per annum. As at December 31, 2018 and 2017, loan balance of Baht 193.45 million and 229.17 million, respectively.

Hariphunchai Memorial Hospital Co., Ltd.

The 12th loan : On February 21, 2013, Hariphunchai Memorial Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 70 million. The loan has a term of repayment within 5 years, bear interest at the rate of 3 month fixed deposit plus 2.5% per annum. The principal will be repaid by month basis, installment 1 -24 at Baht 1.00 million, installment 25 until terminating at Baht 1.30 million. As at December 31, 2017, loan balance of Baht 1.80 million. In 2018, the subsidiary had fully paid the principal.

These long-term loans from the financial institutions were secured by the mortgage of the Company's and its subsidiaries' land with construction, plant and medical equipment as discussed in Note 15 to the financial statements. However, the 7th loan of the subsidiary in the credit amount of Baht 8 million had no guarantee.

23. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Consisted of :

	Baht					
	Consolidated financial statements					
	2018			2017		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	1,102,345.99	158,462.52	1,260,808.51	753,453.97	75,354.71	828,808.68
Current portion due after one year not over five years	1,271,608.47	204,391.53	1,476,000.00	602,816.04	18,790.31	621,606.35
Total	2,373,954.46	362,854.05	2,736,808.51	1,356,270.01	94,145.02	1,450,415.03

As at December 31, 2018 and 2017, the subsidiaries had outstanding financial leases agreements comprised of 2 agreement and 1 agreements, respectively, from local leasing companies in the total leases amount of Baht 5,888,095.23 and Baht 4,144,043.23, respectively, with a term of payment in 60 months and repaid in monthly of Baht 105,067.39 and Baht 69,067.39, respectively.

Under the term of leases agreement referred to above the Company and its subsidiaries shall have to comply with certain conditions and restrictions as specified in the leases agreements.

Liabilities under financial leases agreements due with in one year were shown under current liabilities.

24. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position as at December 31, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Defined benefit obligations at beginning balance	80,113,594.80	66,759,894.75	25,609,481.00	24,568,257.00
Benefits paid by the plan	(2,677,480.00)	(1,623,908.00)	(2,313,430.00)	(1,380,460.00)
Current service costs and interest	13,278,808.00	11,826,727.80	4,030,898.00	3,656,010.00
Actuarial (gain) losses	-	3,150,880.25	-	(1,234,326.00)
Defined benefit obligations at ending balance	90,714,922.80	80,113,594.80	27,326,949.00	25,609,481.00

Expense recognized in the statements of comprehensive income for the years ended December 31, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service costs				
Cost of medical treatment	7,551,892.31	6,871,624.90	2,124,942.00	2,062,856.00
Administrative expenses	2,584,956.91	2,135,310.65	995,218.00	696,093.00
Management benefit expenses	26,097.80	23,873.45	-	-
Interest on obligation	3,115,860.98	2,795,918.80	910,738.00	897,061.00
Total	13,278,808.00	11,826,727.80	4,030,898.00	3,656,010.00

Principal actuarial assumptions in the estimates based on the actuarial principles

For the years ended December 31, 2018 and 2017

	Percentage		Percentage	
	Consolidated Financial statements		Separate Financial statement	
	2018	2017	2018	2017
Discount rate	3.48 - 3.63	3.48 - 3.63	3.63	3.63
Salary increase rate	3.00 - 6.70	3.00 - 6.70	5.27	5.27
Employee turnover rate	0.00 - 18.16	0.00 - 18.16	0.00 - 14.20	0.00 - 14.20
Disability rate	10.00 of mortality rate	10.00 of mortality rate	10.00 of mortality rate	10.00 of mortality rate
Mortality rate	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017, are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate				
1% increase	(11,765,179.00)	(10,358,867.00)	(3,785,707.00)	(3,279,880.00)
1% decrease	14,317,540.00	12,590,838.00	4,713,973.00	4,067,471.00
Salary increase rate				
1% increase	16,015,401.00	13,160,832.00	5,236,839.00	4,238,621.00
1% decrease	(13,280,639.00)	(10,996,967.00)	(4,256,313.00)	(3,478,451.00)
Employee turnover rate				
10% increase	(3,832,439.00)	(3,351,026.00)	(1,237,847.00)	(1,050,109.00)
10% decrease	4,177,508.00	3,649,936.00	1,352,924.00	1,147,770.00

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 27.36 million (The separate : amount of Baht 7.37 million), resulting in the decrease in profit approximately Baht 21.89 million (The separate : amount of Baht 5.90 million).

25. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2018 and 2017, the Company and its subsidiaries debt-to-equity ratio was 0.66 : 1 and 0.67 : 1, respectively and the Company's was 0.44 : 1 and 0.46 : 1, respectively.

26. DIVIDEND PAYMENT AND LEGAL RESERVE

26.1 Dividend payment and legal reserve of the Company

At the General Meeting of the Company's shareholders for the year 2018 held on April 26, 2018, the meeting unanimously approved the dividend payment for the operating result from January 1, 2017 to December 31, 2017 at Baht 0.047 per share to shareholders of 4,023.13 million ordinary shares amounting to Baht 189.09 million. The shareholders whose names appear in the Share Register as at March 15, 2018, shall be entitled to receive the dividends. The Company paid the dividends to the shareholders on May 22, 2018.

At the General Meeting of the Company's shareholders for the year 2017 held on April 27, 2017, the meeting unanimously approved the dividend payment for the operating result from January 1, 2016 to December 31, 2016 at Baht 0.046 per share to shareholders of 4,023.13 million ordinary shares amounting to Baht 185.06 million. The shareholders whose names appear in the Share Register as at March 14, 2017, shall be entitled to receive the dividends. The Company paid the dividends to the shareholders on May 23, 2017, including the legal reserve amounting to Baht 13.48 million.

26.2 Dividend payment and legal reserve of the subsidiary, Chiang Mai Ram Hospital Co., Ltd.

At the annual general meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018 approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at Baht 3.75 per share amounting to Bath 150 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 3.04 million. The dividend was paid on May 22, 2018.

At the annual general meeting of the shareholder's subsidiary company for the year 2017 held on April 22, 2017 approved to pay dividend for the year 2016 from the operating result since January 1, 2016 to December 31, 2016 at Baht 3.00 per share amounting to Bath 120 million. and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 6.32 million. The dividend was paid on May 22, 2017.

26.3 Dividend payment and legal reserve of the subsidiary - Theppanya Business Co., Ltd.

At the annual general meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018 approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at Baht 2.00 per share amounting to Bath 9.42 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 0.50 million. The dividend was paid on May 22, 2018.

26.4 Dividend payment and legal reserve of the subsidiary, Hariphunchai Memorial Hospital Co., Ltd.

At the annual general meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018 approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at Baht 1.00 per share amounting to Bath 30 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 1.58 million. The dividend was paid on April 30, 2018.

At the annual general meeting of the shareholder's subsidiary company for the year 2017 held on April 22, 2017 approved to pay dividend for the year 2016 from the operating result since January 1, 2016 to December 31, 2016 at Baht 0.30 per share amounting to Baht 9 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 0.48 million. The dividend was paid on May 22, 2017.

27. REVENUE FROM SOCIAL SECURITY

In 2018, the two subsidiaries, Theppanya Business Co., Ltd. and Hariphunchai Memorial Hospital Co., Ltd. had notified the results for medical services fee for the amount that exceeds the hospital's refund amount. The percentage of detected AdjRW was incorrect from the refunded amount of medical services fee in 2015 at the amount of Baht 85.40 million that results from the medical records examination of the Social Security Office by random method not less than 10 percent of the amount of information available at that time to consider in order to pay such refund medical services fee. Such random method was effective from July 1, 2014, onwards.

The resolution from the management of the two subsidiaries was to record the expected money return from the Social Security Office at the total amount by recording the reduction of income from medical treatment in the statement of comprehensive income for the year ended December 31, 2018 at the amount of Baht 85.40 million and stating the refund transactions of medical services fee from the Social Security Office as the funds received in advance in the statements of financial position. The Social Security Office refunded such deduction amount from the medical service for the medical services for in-patients with high cost diseases and for package payment at the total amount of Baht 25.76 million. The outstanding balance to be refunded from the hospital is totaled Baht 59.64 million. The Social Security Office will deduct the package payment of the medical services fee for 12 installments. In 2018, the Social Security Office has deducted one installment for the package payment of the medical services fee at the amount of Baht 5.10 million. As at December 31, 2018, the balance funds received in advance from Social Security Office is Baht 54.54 million in the statements of financial position.

28. INCOME TAX EXPENSE

28.1 Major components of income tax expense for the years ended December 31, 2018 and 2017 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	104,707,617.23	127,117,821.27	59,230,535.10	55,054,528.04
Deferred tax expense:				
Changes in temporary differences relating to the				
original recognition and reversal	(601,997.73)	(4,114,673.13)	(257,284.80)	(463,680.00)
Total	<u>104,105,619.50</u>	<u>123,003,148.14</u>	<u>58,973,250.30</u>	<u>54,590,848.04</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring available-for-sale investments	(65,257,469.96)	(89,698,112.58)	-	-
Actuarial gain (losses) on define employee benefit plans	-	(630,176.05)	-	246,865.20
Total	<u>(65,257,469.96)</u>	<u>(90,328,288.63)</u>	<u>-</u>	<u>246,825.20</u>

28.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit for the year	571,491,570.96	690,783,815.91	414,450,459.40	364,041,855.62
The applicable tax rate	20%	20%	20%	20%
Income tax expense at the applicable tax rate	114,298,314.19	138,156,763.18	82,890,091.88	72,808,371.12
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	4,761,625.50	(522,367.04)	169,928.24	(1,206,138.39)
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(1,612,200.00)	(3,135,490.73)	(22,111,687.50)	(15,088,350.00)
- Share of profit of associates	(2,149,298.56)	(1,386,465.88)	-	-
- Capital expenditure	(9,937,895.24)	(9,937,895.23)	(1,659,366.17)	(1,659,366.17)
- Others	(1,254,926.39)	(171,396.16)	(315,716.15)	(263,668.52)
Total reconciliation items	(10,192,694.69)	(15,153,615.04)	(23,916,841.58)	(18,217,523.08)
Total income tax expense	104,105,619.50	123,003,148.14	58,973,250.30	54,590,848.04

28.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 are summarized as follows:

	Consolidated financial statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	571,491,570.96		690,783,815.91	
Income tax expense at the applicable tax rate	114,298,314.19	20.00	138,156,763.18	20.00
Reconciliation items	(10,192,694.69)	(1.78)	(15,153,615.04)	(2.19)
Income tax expense at the average effective tax rate	104,105,619.50	18.22	123,003,148.14	17.81

	Separate financial statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	414,450,459.40		364,041,855.62	
Income tax expense at the applicable tax rate	82,890,091.88	20.00	72,808,371.12	20.00
Reconciliation items	(23,916,841.58)	(5.77)	(18,217,523.08)	(5.00)
Income tax expense at the average effective tax rate	58,973,250.30	14.23	54,590,848.04	15.00

29. OPERATING SEGMENT

The Company and its subsidiaries operate in one main reportable operating segment that is to provide the medical services in nature of General Hospital, Hospital in Social Security and the single geographical area of their operations is Thailand. The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the basis consistent with that used to assess operating profit or loss in the financial statements. Therefore, all revenues, operating profits and assets as reflected in the financial statements are the reporting of the reportable operating segment.

30. EXPENSES BY NATURE

The significant natures of expenses for the years ended December 31, 2018 and 2017 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Medical supplies and other supplies	623,646,729.27	545,197,118.28	208,838,470.95	176,392,125.97
Expenses from external medical service	137,988,665.74	115,092,394.49	129,132,376.47	110,944,338.65
Cost of lab and x-ray	91,953,951.51	86,423,018.92	53,255,004.51	49,122,975.68
Doctor fee	849,006,317.98	780,515,491.03	279,514,381.59	253,569,297.41
Cost of nutriment	50,259,954.41	48,333,046.50	15,456,822.00	14,210,858.50
Employee benefit expenses	814,766,427.06	750,466,088.39	301,359,766.22	324,342,212.35
Management benefit expense	59,112,585.75	56,780,765.45	10,728,700.00	10,768,700.00
Depreciation and amortization expenses	250,594,833.22	231,569,625.60	71,642,149.01	67,845,424.03
Repair and maintenance expenses	67,848,547.52	61,122,579.94	26,110,499.16	25,362,571.60
Utility expense	77,268,739.96	73,330,502.83	26,371,147.34	25,686,422.77

31. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares which are issued and paid-up during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the year of parent company (Baht)	375,378,979.58	440,484,119.25	355,477,209.10	309,451,007.58
Weighted average number of ordinary shares (Shares)	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000
Basic earnings per share (Baht per share)				
Profit for the year of parent company	0.09	0.11	0.09	0.08

32. FINANCIAL INSTRUMENTS

32.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue any derivative financial instruments.

32.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term loan. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2018 and 2017, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	As at December 31, 2018			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	241,697,464.25	-	3,977,207.06	245,674,671.31
Trade receivables	-	-	547,114,623.67	547,114,623.67
Short-term loans to related parties	-	148,300,000.00	-	148,300,000.00
Investment	-	-	2,645,766,638.55	2,645,766,638.55
Long-term loans to related parties	-	29,625,000.00	-	29,625,000.00
Bank deposit for using guarantee	44,487,956.68	-	-	44,487,956.68
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from				
financial institutions	4,169,959.90	666,625,000.00	-	670,794,959.90
Trade payables	-	-	209,247,835.56	209,247,835.56
Short-term loans from related parties	-	589,853,817.50	-	589,853,817.50
Short-term loans from other persons	-	68,400,000.00	-	68,400,000.00
Long-term loan from financial institutions	1,037,692,380.88	-	-	1,037,692,380.88
Finance leases agreements	-	2,373,954.46	-	2,373,954.46

Baht				
Consolidated financial statements				
As at December 31, 2017				
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	340,552,891.32	-	7,708,572.08	348,261,463.40
Trade receivables	-	-	396,801,726.66	396,801,726.66
Short-term loans to related parties	-	134,000,000.00	-	134,000,000.00
Investment	-	-	2,953,737,514.70	2,953,737,514.70
Long-term loans to related parties	-	29,625,000.00	-	29,625,000.00
Bank deposit for using guarantee	43,441,645.34	-	-	43,441,645.34
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from				
financial institutions	6,532,859.79	255,000,000.00	-	261,532,859.79
Trade payables	-	-	207,780,886.01	207,780,886.01
Short-term loans from related parties	-	630,353,817.50	-	630,353,817.50
Short-term loans from other persons	-	206,650,000.00	-	206,650,000.00
Long-term loan from financial institutions	1,335,326,666.64	-	-	1,335,326,666.64
Finance leases agreements	-	1,356,270.01	-	1,356,270.01

Baht				
Separate financial statements				
As at December 31, 2018				
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	152,013,701.53	-	(1,683,569.82)	150,330,131.71
Trade receivables	-	-	265,741,995.22	265,741,995.22
Short-term loans to related parties	-	81,600,000.00	-	81,600,000.00
Investment	-	-	1,234,682,750.00	1,234,682,750.00
Bank deposit for using guarantee	22,706,629.13	-	-	22,706,629.13
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from				
financial institutions	-	470,000,000.00	-	470,000,000.00
Trade payables	-	-	73,692,142.49	73,692,142.49
Short-term loan from financial institutions	-	9,000,000.00	-	9,000,000.00
Short-term loan from other persons	-	20,500,000.00	-	20,500,000.00
Long-term loan from financial institutions	197,240,000.00	-	-	197,240,000.00

	Baht			
	Separate financial statements			
	As at December 31, 2017			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	101,091,475.83	-	618,221.96	101,709,697.79
Trade receivables	-	-	227,476,653.58	227,476,653.58
Short-term loans to related parties	-	30,000,000.00	-	30,000,000.00
Investment	-	-	1,234,682,750.00	1,234,682,750.00
Bank deposit for using guarantee	22,537,820.82	-	-	22,537,820.82
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	220,000,000.00	-	220,000,000.00
Trade payables	-	-	67,170,587.73	67,170,587.73
Short-term loan from financial institutions	-	103,000,000.00	-	103,000,000.00
Short-term loan from other persons	-	20,500,000.00	-	20,500,000.00
Long-term loan from financial institutions	310,960,000.00	-	-	310,960,000.00

32.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable and short-term / long-term loans to related parties. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

32.4 Foreign currency risk

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

32.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

32.6 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

32.7 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at December 31, 2018 and 2017, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

Baht				
Consolidated financial statement				
As at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments-Unit trust	-	766,088.37	-	766,088.37
Available-for-sale investments - common stock	2,295,139,430.95	-	-	2,295,139,430.95
Total	2,295,139,430.95	766,088.37	-	2,295,905,519.32

Baht				
Consolidated financial statement				
As at December 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments-Unit trust	-	756,927.67	-	756,927.67
Available-for-sale investments - common stock	2,609,294,410.60	-	-	2,609,294,410.60
Total	2,609,294,410.60	756,927.67	-	2,610,051,338.27

During in the current year, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs for Level 2 valuations

The fair value of investments in investment units which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	Baht		
	Consolidated financial statements		
	Balance as at December 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2018
Bank overdrafts	6,532,859.79	(2,362,899.89)	-
Short-term borrowings from financial institutions	255,000,000.00	411,625,000.00	-
Short-term borrowings from related parties	630,353,817.50	(40,500,000.00)	-
Short-term borrowings from other persons	206,650,000.00	(138,250,000.00)	-
Long-term borrowings from financial institutions	1,335,326,666.64	(297,634,285.76)	-
Liabilities under a finance lease agreement	1,356,270.01	(726,367.55)	1,744,052.00
Total	2,435,219,613.94	(67,848,553.20)	1,744,052.00

	Baht		
	Consolidated financial statements		
	Balance as at December 31, 2016	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2017
Bank overdrafts	34,352,506.57	(27,819,646.78)	-
Short-term borrowings from financial institutions	255,000,000.00	-	-
Short-term borrowings from related parties	542,353,817.50	88,000,000.00	-
Short-term borrowings from other persons	211,850,000.00	(5,200,000.00)	-
Long-term borrowings from financial institutions	798,779,792.00	536,546,874.64	-
Liabilities under a finance lease agreement	2,160,877.45	(804,607.44)	-
Total	1,844,496,993.52	590,722,620.42	-

	Baht		
	Separated financial statements		
	Balance as at December 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2018
Short-term borrowings from financial institutions	220,000,000.00	250,000,000.00	-
Short-term borrowings from related parties	103,000,000.00	(94,000,000.00)	-
Short-term borrowings from other persons	20,500,000.00	-	-
Long-term borrowings from financial institutions	310,960,000.00	(113,720,000.00)	-
Total	654,460,000.00	42,280,000.00	-

	Baht			
	Separated financial statements			
	Balance as at	Cash flows	Non-cash	Balance as at
	December 31, 2016	Increase (decrease)*	transaction Increase	December 31, 2017
Short-term borrowings from financial institutions	190,000,000.00	30,000,000.00	-	220,000,000.00
Short-term borrowings from related parties	90,000,000.00	13,000,000.00	-	103,000,000.00
Short-term borrowings from other persons	23,500,000.00	(3,000,000.00)	-	20,500,000.00
Long-term borrowings from financial institutions	447,758,171.57	(136,798,171.57)	-	310,960,000.00
Total	751,258,171.57	(96,798,171.57)	-	654,460,000.00

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

34. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018 and 2017, the Company and its subsidiaries had commitments and contingent liabilities were as follows :

34.1 Capital commitment

The Company and its subsidiaries were committed to obligations under agreements with several companies for the construction of buildings, interior decoration, water system improvement and other at the total amount of Baht 42.43 million and Baht 34.63 million, respectively (The separate at the total amount of Baht 20.19 million and Baht 1.14 million, respectively).

The Company and its subsidiaries have paid Baht 21.46 million and Baht 22.07 million, respectively, (The separate at the total amount of Baht 6.94 million and Baht 0.57 million, respectively) under the terms of the contract and has outstanding commitments under the agreement at Baht million 20.97 and Baht 12.56 million, respectively (The separate at the total amount of Baht 13.25 million and Baht 0.57 million, respectively).

34.2 Operating lease commitments

The Company and its subsidiaries had commitment to pay for medical maintenance contracts outstanding, as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Payment within</u>				
1 year	10,512,761.33	3,714,142.98	3,985,527.58	2,508,085.40
2 - 5 year	4,147,758.66	13,643,827.33	1,952,860.60	1,206,057.58
	14,660,519.99	17,357,970.31	5,938,388.18	3,714,142.98

34.3 Guarantees

The Company and its subsidiaries had commitments to a bank guarantee for electricity usage, guarantee for post department, guarantee for social security office and bank aval Baht 40.04 million and Baht 46.78 million, respectively (The separate amount of Baht 22.41 million and Baht 22.27 million, respectively).

35. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company 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:

<u>Company and person' name</u>	<u>Relationship</u>
Vibhavadi Medical Center Public Co., Ltd.	Parent company
Chiang Mai Ram Hospital Co., Ltd.	Legal subsidiary company
Theppanya Business Co., Ltd.	Indirect subsidiary company by shareholding' Chiang Mai Ram Hospital Co., Ltd.
Hariphunchai Memorial Hospital Co., Ltd.	Subsidiary
Ramkhamhaeng Hospital Public Co., Ltd.	Related company by shareholder and directors
Vibharam Hospital Co., Ltd.	Indirect related company by one shareholder constitutes 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
Khelang Nakorn Hospital Co., Ltd.	Related company by shareholder and directors
Pawo Hospital Co., Ltd.	Related company by shareholder and directors
Vipharam (Amatanakorn) Hospital Co., Ltd.	Related company by shareholder and directors
Gassan Khuntan Golf and Resort Co., Ltd.	Indirect related company by one shareholder constitutes and constitutes common management in related company.
Gassan Marina Golf Club Co., Ltd.	Related company by shareholder and directors
Gassan Chiangmai Property Co., Ltd.	Related company by shareholder and directors
Ramkhamhaeng Chiang Mai Hospital Co., Ltd.	Related company by shareholder and directors
Dr. Thawatchai Tansathit, M.D.	Company's director
Dr. Voraphan Unachak, M.D.	Company's director
Dr. Dusit Srisakul, M.D.	Company's director

35.1 Inter-revenues and expenses

Pricing Policy	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Inter-transaction with subsidiary companies				
(Eliminated from consolidate financial statements)				
Revenues				
Revenues from diagnose and external medical service (1)	-	-	51,557,082.83	40,759,465.50
Medical supplies and other supplies (6)	-	-	224,948.00	156,360.00
Dividend income (2)	-	-	110,558,437.50	75,441,750.00
Interest income (3)	-	-	100,684.93	191,712.34
Other income (4), (6)	-	-	480,428.27	916,532.11
Expenses				
Expenses from external medical service (1)	-	-	65,174,291.82	57,679,781.17
Other expense (1)	-	-	280,684.37	517,976.20
Medical supplies and other supplies (6)	-	-	562,484.80	895,542.57
Interest expenses (5)	-	-	-	176,301.38
Inter-transaction with related persons and related companies				
Revenues				
Revenues from diagnose and external medical service (1)	257,980.00	61,315.00	-	-
Dividend Income (2)	15,371,800.00	18,446,800.00	-	-
Interest income (3)	7,239,021.32	7,114,069.49	166,438.36	1,886,301.30
Other income (4), (6)	1,900.00	-	-	-
Expenses				
Expense from external medical service (1)	27,851,408.18	11,673,408.04	4,360,662.02	2,494,543.92
Other expense (6)	5,187,449.06	2,395,874.54	2,196,617.56	1,378,773.89
Medical supplies and other supplies (6)	55,070,813.24	30,952,236.22	35,940,347.24	12,988,460.42
Interest expenses (5)	28,062,756.90	25,875,928.69	3,559,096.07	3,828,109.64
Dividend expenses (2)	64,337,501.25	51,470,001.00	-	-
Director' remuneration				
Short-term benefits	59,086,487.95	56,756,892.00	10,728,700.00	10,768,700.00
Long-term benefits	26,097.80	23,873.45	-	-
Total	59,112,585.75	56,780,765.45	10,728,700.00	10,768,700.00
Purchase of assets (6)	52,234,829.00	39,116,468.60	17,349,000.00	16,318,400.00

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 3.75% - 8.00% per annum
- (4) Contract price
- (5) Interest rate of 3.25% - 4.50% per annum
- (6) Mutually agreed price

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.

35.2 Inter assets

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	282,290.00	401,019.00
Theppanya Business Co., Ltd.	-	-	4,316,006.85	6,499,339.93
Hariphunchai Memorial Hospital Co., Ltd.	-	-	1,825,950.55	2,260,172.80
Related companies				
Ramkhamhaeng Hospital Public Co., Ltd.	4,157.00	4,157.00	-	-
Pawo Hospital Co., Ltd.	1,526,052.00	187,837.00	-	-
Khelang Nakorn Hospital Co., Ltd.	-	72.50	-	-
Total	<u>1,530,209.00</u>	<u>192,066.50</u>	<u>6,424,247.40</u>	<u>9,160,531.73</u>
Short-term loans				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	60,000,000.00	-
Related companies				
Khonkaen Ram Hospital Co., Ltd.	18,000,000.00	18,000,000.00	-	-
Ramkhamhaeng Chiang Mai Hospital Co., Ltd.	46,800,000.00	-	21,600,000.00	-
Vibharam (Amatanakorn) Hospital Co., Ltd.	-	30,000,000.00	-	30,000,000.00
Gassan Marina Golf Club Co., Ltd.	76,000,000.00	86,000,000.00	-	-
Gassan Chiangmai Property Co., Ltd.	7,500,000.00	-	-	-
Total	<u>148,300,000.00</u>	<u>134,000,000.00</u>	<u>81,600,000.00</u>	<u>30,000,000.00</u>
Other receivables				
Subsidiary companies				
Theppanya Business Co., Ltd.	-	-	-	250,000.00
Hariphunchai Memorial Hospital Co., Ltd.	-	-	-	250,000.00
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>
Interest receivable				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	99,567.12	-
Related companies				
Ramkhamhaeng Chiang Mai Hospital Co., Ltd.	179,036.55	-	67,232.88	-
Phayao Ram Hospital Co., Ltd.	59,793.39	52,191.78	-	-
Gassan Khuntan Golf and Resort Co., Ltd.	61,290.32	61,290.32	-	-
Gassan Marina Golf Club Co., Ltd.	290,465.75	-	-	-
Gassan Chiangmai Property Co., Ltd.	28,664.39	-	-	-
Bhumpanya International Co., Ltd.	28,938,674.69	28,938,674.69	-	-
Less Allowance for doubtful accounts	<u>(28,938,674.69)</u>	<u>(28,938,674.69)</u>	<u>-</u>	<u>-</u>
Net	<u>619,250.40</u>	<u>113,482.10</u>	<u>166,800.00</u>	<u>-</u>
Available-for-sale investment				
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	<u>2,243,704,600.00</u>	<u>2,561,031,000.00</u>	<u>-</u>	<u>-</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term loan				
Related companies				
Phayao Ram Hospital Co., Ltd.	5,625,000.00	5,625,000.00	-	-
Gassan Khuntan Golf and Resort Co., Ltd.	24,000,000.00	24,000,000.00	-	-
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	29,625,000.00	29,625,000.00	-	-

35.3 Inter liabilities

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	32,537.00	48,964.00
Theppanya Business Co., Ltd.	-	-	14,978.00	6,212.00
Hariphunchai Memorial Hospital Co., Ltd.	-	-	-	4,108.80
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	16,974,149.42	13,251,561.88	7,452,775.28	4,405,968.32
Vibharam Hospital Co., Ltd.	-	1,094,054.04	-	-
Total	16,974,149.42	14,345,615.92	7,500,290.28	4,465,253.12
Short-term loan				
Related persons				
Company's directors	589,853,817.50	630,353,817.50	9,000,000.00	103,000,000.00
Other payables				
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	510,060.00	64,050.00	91,000.00	41,000.00
Accrued expenses				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	819,376.35	299,972.65
Theppanya Business Co., Ltd.	-	-	3,792,675.92	6,573,910.82
Hariphunchai Memorial Hospital Co., Ltd.	-	-	-	2,479.00
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	368,976.29	97,687.41	368,976.29	97,687.41
Total	368,976.29	97,687.41	4,981,028.56	6,974,049.88
Accrued interest expense (Current liabilities)				
Related persons				
Company's Directors	-	20,547.95	-	-

		Baht	
		Consolidated financial statements	Separate financial statements
		2018	2017
Advance received interest			
Related company			
Phayao Ram Hospital Co., Ltd.		7,808.22	7,808.22
Payable for assets			
Related company			
Ramkhamhaeng Hospital Public Co., Ltd.		27,806,000.00	14,325,000.00
		4,932,500.00	4,810,000.00

36. EVENTS AFTER THE REPORTING PERIOD

On February 27, 2019, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2019 to adopt a resolution to pay a dividend of Baht 0.052 per share, or a total of Baht 209.20 million, to the shareholders in respect of the 2018 profit. The Company will be recorded after it is approved by the Annual General Meeting of the Company's shareholders.

37. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs

TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Director of the Company on February 27, 2019.