



Annual Report 2017

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LIFETIME HEALTH GUARDIAN FOR ALL



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ANNUAL REPORT 2017

Message from the Chairman



Dr. Boon Vanasin

Chairman and Founder of the Company

The year 2017 has been a remarkable year for Thonburi Healthcare Group Public Company Limited (“the Company”) as it celebrates the 40th anniversary and the opening of new outpatient building (OPD3) to accommodate expansion in the number of customers, which reflects confidence in quality and standard of service of the Company.

On 7 December 2017, the Company successfully listed its 849,080,000 ordinary shares on the Stock Exchange of Thailand (ticker symbol: “THG”). I wish to express my gratitude to the Company’s directors, management and IPO team for their devotion during the past two years of preparation for the listing. It had been hard work for the team in ensuring that the Company’s operational system is in compliance with applicable laws and regulations. The proceeds raised from the initial public offering was used as repayment of loan from financial institution and the Company’s working capital. The number of shareholders of the Company had increased from 3,475 shareholders to 8,218 shareholders (as of 29 December 2017).

In respect of the operating performance for the year 2017, revenues and profit of the Company has increased from medical services, healthcare solutions provider and other businesses:

	Year 2016	Year 2017	% growth
Total revenues	Baht 6,229 million	Baht 6,611 million	6.1
Net profits	Baht 511 million	Baht 554 million	8.4

Thonburi Hospital (growth in net profit of 16%) and Thonburi 2 Hospital (growth in net profit of 4.8%) for being the important force in generating additional revenues to the Company, while the Company is still in the process of investment and development of projects locally and overseas and revenues from such projects will be recognized in the year 2018.

During the past year, investment and revenues from overseas projects consist of joint venture for construction of hospital and provision of advisory service for hospital project. At the beginning of November 2017, the Company opened a new hospital called ‘Welly Hospital’ in Weihai, Shandong Province, the Republic of China. It is the first Thai hospital in the Republic of China, which receives much interest from the public. Ar Yu International Hospital in Myanmar is currently under construction and is expected to commence its operation in the middle of the year 2018. In addition, the Company generates revenues from provision of advisory service for hospital projects in the Republic of China and Saudi Arabia.

Another important step of the Company is the development of business to accommodate aging society to which the Company gives priority and considered the project as its main mission. ‘Jin Wellbeing County’, the first project of the Company to be awarded ‘Honorable Mention’ for Environment for Aging Design Showcase at 2018 Environment for Aging Design Showcase, the United States. It was the only project from Asia to be awarded at the global event. The key principle of the project is to provide healthcare and medical services to elders with understandings in the society and environment suitable to physique of elders. One of the services offered by the project includes facilitation of daily life of the resident by the working team and the resident can choose among the services offered such as assistance to a sitting position, preparation of food and drugs, exercising, and other types of assistance, for instance in the event of falls or emergency treatments. The project also offers recreational activities and consulting on emotions of, and physical therapy for, elders to make sure that they are mentally and physically healthy. All family members of the elders are welcome to reside in the same community as if the residence is their home. There is understanding neighbors and green area and rich natural environment, and the elders will not feel alone while their children are away for work or school

during daytime. In addition, the project has 24-hour care for patients who are unable to look after themselves. Therefore, all family members can rest assured that health of their beloved elder is in good hands of specialists.

Jin Wellbeing County is a project which truly demonstrates love and care of children towards their elders. The Company is proud to be a part of the driving force behind Thailand’s quality aging society, including giving motivation to family members to take care of their elders with understandings. The environmental impact assessment (EIA) of the project has been approved and the first phase of the project has commenced construction, with the investment value of over Baht 3,700 million.

In addition, the Company was granted leasehold right in the building of the Thai Red Cross Society for development of Thonburi Rehabilitation Hospital (Bumrungruang Road). The project will use high technology to treat elderly patients, including patients of different age range and is expected to commence operations during the year 2018.

I thank you all shareholders for your continued support and confidence in the vision and mission of the Company to protect your happiness in all stages of life. I thank our executives and employees for their helps in driving the Company forward professionally to become a sustainable business under applicable regulations and ethics. This is consistent with the Company’s vision, which states that “We are the medical business group, who is more than just a hospital. We understand and wish to provide access to medical services to most of the population in order to develop high quality of life.”



Dr. Boon Vanasin
Chairman and Founder of the Company

Board of Directors



Dr. Boon Vanasin
Chairman



Dr. Tanatip Suppradit
Vice Chairman



Mrs. Kannika Ngamsophee
Independent Director
Chairman of Audit Committee (AC)
Member of Risk Management
Committee (RMC)



Mr. Virachai Srikajon
Independent Director,
Member of Audit Committee (AC)
and Chairman of Nomination and
Remuneration Committee (NRC)



Assoc. Prof. Dr. Visit Vamvanij
Independent Director
Chairman of Risk Management (RMC)



Dr. Vikrom Koompaichana
Independent Director



Dr. Linda Kraivit
Independent Director
Member of Risk Management
Committee (RMC)
Member of Nomination and
Remuneration Committee (NRC)
Member of Audit Committee (AC)



**Dr. Eugene Dyonisius
Maria Bernadette Kroon**
Independent Director



Mr. Timothy Emen Lertsmithivanta
Independent Director
Member of Nomination and
Remuneration Committee (NRC)



Mr. Chalermkul Apibunyopas
Director, Member of Executive
Committee (Excom),
Member of Risk Management
Committee (RMC)



Assoc. Prof. Dr. Aasis Unnanuntana
Director



Mr. Sita Meksawan
Director



Dr. Kajorn Thanapase
Director



Ms. Nalin Vanasin
Director



Dr. Tanatip Suppradit

Chairman of Executive Committee (Excom),
Chief Operation Officer (COO) Group 4



Mr. Wong Chow Ket

Chief Executive Officer (CEO)
Chief of Operation Officer
(COO) Group 3



Mr. Chalermkul Apibunyopas

Member of Risk Management
Committee (RMC)
Chief Operation Officer (COO) Group 1



Dr. Sudhichai Chokitchai

Chief Executive Officer
Member of Executive Committee
(Excom)



Ms. Thipawon Ruchiroatpipatana

Member of Executive Committee
(Excom)



Ms. Nalin Vanasin

Member of Executive
Committee (Excom)



**Prof. Dr. Somkiat
Wattanasirichaikoon**

Deputy Managing Director
Member of Executive
Committee (Excom)



**Assoc. Prof. Dr. Aasis
Unnanuntana**

Member of Executive
Committee (Excom)



**Ms. Anchalee
Chalvalitjareetham**

Director of Accounting
Acting for Director of
Financial (CFO)



Ms. Suwadee Puntpanich

Company Secretary
Acting for Chief Operation
Officer (COO) Group 2

Dr. Boon Vanasin (Age 79)

Chairman

Date appointment of Director

May 1977

becoming the Chairman of the Board on 31 August, 2015

Education

- Board Certified, Internal Medicine Branch and Gastrointestinal, John Hopkins University, USA
- Doctor of Medicine, Mahidol University

Training

1. Director Accreditation Program (DAP EN) Course 135/2017, IOD

Experience in the past 5 years

- 2015 - present Chairman Thonburi Healthcare Group PCL.
- 2014 - present Director Thonburi Heart Center Co., Ltd
- 2013 - Present Director Dental Siam Co., Ltd.
- 2011 - present Advisor Faculty Medicine, Siam University
- 1992 - present Advisor Mahidol University Alumni Association
- 1991 - present President Mahidol Witthayanusorn School Parents Association
- 1976 - present Founder and director Thonburi Healthcare Group PCL.

Dr. Tanatip Suppradit (Age 51)

Vice Chairman, Chairman of Executive Committee (Excom), Chief Operation Officer (COO) Group 4

Date of appointment

15 June, 2015

Effective on 7 September, 2015

Education

- MBA, Thammasat University
- Surgery, The medical council of Thailand
- Doctor of medicine, Chulalongkorn University

Training

1. Director Accreditation Program (DAP) Course 125/2016, IOD
2. How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD

Experience in the past 5 years

- 2017 - present Director Bumrungruang plaza Co., Ltd.
- 2017 - present Director Sirivej Chantaburi PCL.
- 2017 - present Director Rajyindee Hospital PCL.
- 2015 - present Vice Chairman, Chairman of Excom and COO Group 4 Thonburi Healthcare Group PCL.
- 2016 - present Director Utaradit Thonburi Hospital Co.,Ltd. Director Thonburi Realty Development Co., Ltd.
- 2014 - present Director Thonburi Heart Center Co., Ltd Director Premiere Home Health Care Co., Ltd.

Mrs. Kannika Ngamsophee (Age 61)

Independent Director Chairman of Audit Committee (AC) Member of Risk Management Committee (RMC)

Date of appointment

29 April, 2016

Education

- Master degree of Accounting, Thammasart University
- Master degree of Management, Sasin Graduate Institute Of Business Administration, Chulalongkorn University
- Bachelor degree of Accounting (2nd Honors), Thammasart University
- Bachelor degree of Laws, Thammasart University

Training

1. Director Certification Program (DCP) Course 21/2002, IOD
2. CMA Batch 3, Capital Market Academy
3. Class of 2009, Thailand National Defense College
4. Certified Public Accountant No.3156
5. MPPM, (Police Education Bureau Class of 1/2007
6. Advanced Strategic Management, IMD. Switzerland (2012)
7. International Trade Laws Certificate (Batch 1), The Thai Bar under the Royal Patronage

Experience in the past 5 years

- 2018 - present Chairman of AC Thonburi Healthcare Group PCL.
Member of RMC Thonburi Healthcare Group PCL.
- 2017 - present Director Bumrungruang plaza Co., Ltd
- 2017 - present Advisory of Monetary Policy Committee
Bank Of Thailand
- 2017 - present Public Sector Audit Evaluation Committee (PAEC)
Ministry of Administration (government sector)
- 2017 - present Director Premiere Home Health Care Co., Ltd.
- 2017 - present Asset Management Committee Vajiravudh College
- 2016 - present Independent Director Thonburi Healthcare Group PCL.
- 2016 - present Member of AC Social Securities Officer
- 2016 - present Independent Director and Chairman of AC
Scan Inter PCL.
- 2015 - present Independent Director and Member of AC
Global Green Chemical PCL.
- 2016 - 2018 Member of AC Thonburi Healthcare Group PCL.
- 2017 Independent Director, Member of
Audit Committee and CG&CSR
Thai Credit Guarantee Corporation (TCG)
- 2016 - 2017 Advisor -Internal Control Improvement
Siam Commercial Bank PCL.
- 2013 - 2017 Independent Director and Member of AC
Sukhumvit Asset Management Co., Ltd. (SAM)
- 2015 - 2016 First Executive Vice President
- Head of Audit Group
Siam Commercial Bank PCL.
- 2013 - 2015 Director and Chairman of Risk Management Committee
National Credit Bureau Co., Ltd. (NCB)
- 2011 - 2015 First Executive Vice President - Chief First Audit
and Compliance Office
Siam Commercial Bank PCL.
- 2009 - 2015 Director Vina Siam Bank, Vietnam
- 2011 - 2014 Director and Treasurer
Federation of Accounting Professions

Mr. Virachai Srikajon (Age 65)

Independent Director, Member of Audit Committee (AC) and Chairman of Nomination and Remuneration Committee (NRC)

Date of appointment

December 2015

Education

- Master of Business Administration, South Eastern University Washington D.C.
- Bachelor of Engineering Mechanical Engineer, Kasetsart University

Training

1. Director Accreditation Program (DAP) Course 9/2014, IOD
2. Director Certification Program (DCP) Course 102/2008, IOD
3. Senior Executive Program, Class 4 Capital Market Academy

Experience in the past 5 years

- 2015 - present Independent Director, Chairman of NRC
and Member of AC
Thonburi Healthcare Group PCL.
- 1991 - present Independent Director and Member of AC
Patkol PCL.
- 2012 - 2017 Director Thailand Professional Qualification
Institute (Public Organization)
- 2011 - 2017 Independent Director and Member of AC
Thai Storage PCL.

Assoc. Prof. Dr. Visit Vamvanij (Age 55)

Independent Director Chairman of Risk Management (RMC)

Date of appointment

29 April, 2016

Education

- Chulalongkorn University
- Clinical Fellow in Spine Surgery, Department of Orthopedics
- Special Spine Fellow in Orthopedic Surgery, State University of New York, USA
- Board Certified, Orthopedic Surgery, Mahidol University

Training

1. Director Certification Program (DCP) Course 221/2016, IOD
2. Risk Management Program for Corporate Leaders (RCL) Course 8/2017, IOD
3. Strategy and Innovation for Business in Asia (SIBA), Collage of Management, Mahidol University (CMMU) MIT-SLOAN School of Management
4. Hospital Management Executive Program, Singapore Management University (SMU)

Experience in the past 5 years

- 2017 - present Director Bumrungrum Plaza Co., Ltd.
- 2016 - present Independent Director and Chairman of RMC Thonburi Healthcare Group PCL.
- 2013 - present Hospital Director Siriraj Hospital
Executive Director Siriraj Piyamaharajkarun Hospital
- 2011 - 2013 Deputy Dean - Physical
Mahidol University Faculty of Medicine,
Resource and Environment Siriraj Hospital
- 2008 - 2011 Deputy Dean - Asset and Mahidol University
Faculty of Medicine, Supporting System
Siriraj Hospital

Dr. Vikrom Koompaichana (Age 62)

Independent Director

Date of appointment

29 April, 2016

Education

- Honorary Doctorate in Humanities, Schiller International University
- Ph.D. of History of International Relations, Michigan State University
- Master of History of International Relations, Michigan State University
- Bachelor of Arts, Chulalongkorn University

Training

1. Director Accreditation Program (DAP) Course 63/2007, IOD
2. Anti-Corruption for Executive Program (ACEP) Course 7/2013, IOD
3. Successful Formulation & Execution of Strategy (SFE) Course 22/2014, IOD
4. Role of the Chairman Program (RCP) Course 39/2016, IOD
5. Advanced Audit Committee Program (AACP) Course 23/2016, IOD
6. Senior Executive Program, Class 14 Capital Market Academy

Experience in the past 5 years

- 2016 - present Independent Director Thonburi Healthcare Group PCL.
- 2015 - present Chairman of Risk Management Committee
MFC Asset Management PCL.
- 2014 - present Independent Director, Member of Audit Committee and Member of Nomination and
MFC Asset Management PCL.
- 2014 - present Member of Corporate Governance committee
Oishi Group PCL.
- 2010 - present Chairman Country Group Development PCL.
- 2010 - present Chairman Sport and Recreation Management Co., Ltd.
- 2010 - present Honorary Advisor British Chamber of Commerce
- 2007 - present Independent Director, Chairman of Audit Committee,
Chairman of Nomination and Remuneration Committee
Oishi Group PCL.
- 2013 - 2016 Director, Chairman of Corporate Governance Committee and Member of Executive Committee
Bangchak Petroleum PCL.
- 2012 - 2016 Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee
Securities and Exchange Commission (SEC)

Dr. Linda Kraivit (Age 45)

Independent Director, Member of the Risk Management Committee (RMC), Member of the Nomination and Remuneration Committee (NRC), and Member of the Audit Committee (AC)

Date of appointment

30 April, 2015

Education

- MBA, Marshall School of Business, University of Southern California, USA
- Doctor of Medicine, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

Training

1. Director Accreditation Program (DAP) Course 125/2016, IOD
2. How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD
3. Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD
4. Director Certification Program (DCP) Course 248/2017, IOD

Experience in the past 5 years

- 2018 - present** Member of AC Thonburi Healthcare Group PCL.
- 2015 - present** Independent Director, Member of RMC and Member of NRC Thonburi Healthcare Group PCL.
- 2017 - present** Director Premiere Home Health Care Co., Ltd.
- 2017** Assistant Director Chulalongkorn Hospital
- 2014 - 2016** Executive Director Chulabhorn Hospital
- 2012 - 2014** Advisor Thonburi Healthcare Group PCL.
- 2011** Executive Director Bangkok Dusit Medical Services PCL.

Dr. Eugene Dyonisius Maria Bernadette Kroon (Age 52)

Independent Director

Date of appointment

29 April, 2016

Education

- Freshman journalism/Spanish, University of Kansas, USA
- Pre-clinical Medicine, University of Amsterdam, Netherlands
- Clinical Medicine (Internships), University of Amsterdam, Netherlands
- Board certification, American Board of Family Medicine
- Family Medicine Specialty training, University of Hawaii

Training

1. Director Accreditation Program (DAP EN) Course 135/2017, IOD

Experience in the past 5 years

- 2016 - present** Independent Director Thonburi Healthcare Group PCL.
- 2012 - present** Clinical Research Physician Thai Red Cross AIDS Research
- 2012 - 2015** Clinical Research Physician, Department of Retrovirology Armed Forces Research Institute of Medical Sciences
- 2011 - 2012** Chief Executive Officer Ecron Acunova Co., Ltd.

Mr. Timothy Emen Lertsmithivanta (Age 50)

Independent Director, and Member of the Nomination and Remuneration Committee (NRC)

Date of appointment

29 April, 2016

Education

- Bachelor of Business Administration, Washington State University, USA

Training

1. Director Accreditation Program (DAP EN) Course 135/2017, IOD

Experience in the past 5 years

- 2016 - present** Independent Director and Member of NRC Thonburi Healthcare Group PCL.
- 2008 - present** Executive Director Oil R Us Co., Ltd.
- 2001 - present** Founder and Shareholder WTHK Holdings Company
- 2001 - 2010** Executive Director Goldimex Intertrade Co., Ltd.

Mr. Chalermkul Apibunyopas (Age 62)

**Director, Member of the Risk Management Committee (RMC),
Member of the Executive Committee (Excom),
Chief Operation Officer (COO) Group 1, and Hospital Director (Thonburi 2 Hospital)**

Date of appointment

May 1993

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration, Dhurakij Pundit University
- Bachelor of Science, Computer, University of Baltimore
- Mini MBA in Health, Chulalongkorn University

Training

1. Director Accreditation Program (DAP) Course 125/2016, IOD
2. Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD

Experience in the past 5 years

- 2017 - present Director Rajyindee Hospital PCL.
2015 - present Director, Member of Excom, Member of RMC and COO Group 1 Thonburi Healthcare Group PCL.
1993 - present Hospital Director Thonburi 2 Hospital
Director Modula Software Expertise Co., Ltd.
2001 - 2017 Director Thonburi Hospital

Assoc. Prof. Dr. Aasis Unnanuntana (Age 42)

Director, and Member of the Executive Committee (Excom)

Date of appointment

30 April, 2015

Education

- Master of Science, Clinical Epidemiology and Health Service Researches, Weill Cornell University
- Certificate, Metabolic Bone Diseases, Hospital for Special Surgery
- Certificate, Adult Reconstructive Surgery, University Hospital Case Medical Center, Cleveland
- Certificate, Adult Reconstructive Surgery and Total Joint Replacement, Stanford Hospital and Clinics
- Thai Board of Orthopedic Surgery, Mahidol University
- Doctor of Medicine (First Degree Honor), Mahidol University

Training

1. Director Accreditation Program (DAP) Course 128/2016, IOD

Experience in the past 5 years

- 2017 - present Director Bumrungruang plaza Co., Ltd.
2015 - present Director, Member of Excom Thonburi Healthcare Group PCL.
2012 - present Alternate member of Siriraj Institutional Review Board Committee Siriraj Hospital
2011 - 2015 Assistant Director of Siriraj Faculty of Medicine, Orthopaedic training program, Department of Orthopaedic Surgery Mahidol University

Mr. Sita Meksawan (Age 43)

Director

Date of appointment

15 June, 2015

Effective on 7 September, 2015

Education

- Master of Applied Psychology Organization Psychology, Golden Gate University
- Bachelor of Social Science, Clinical Psychology, Kasetsart University

Training

1. Director Accreditation Program (DAP) Course 128/2016, IOD

Experience in the past 5 years

- 2016 - present Senior Human Resource Professional Office of Civil Service Commission
2015 - present Director Thonburi Healthcare Group PCL.
2010 - 2016 Human Resource Professional Office of Civil Service Commission
2004 - 2010 Human Resource Officer Office of Civil Service Commission

Dr. Kajorn Thanapase (Age 43)

Director

Date of appointment

15 June, 2015

Effective on 7 September, 2015

Education

- Ph.D. in Finance and Management, University of London, UK
- Master of Public Administration, International Relationship London School of Economics UK
- Master of Economics for development, Oxford University, UK
- Bachelor of Political Science, Chulalongkorn University (1st Class Honor, Gold Medal, King Bhumibol Awards)
- Certificate of Central Banking Seminar, Federal Reserve Bank of New York

Training

1. Director Accreditation Program (DAP EN) Course 125/2016, IOD
2. Director Certification Program Course (DCP) Course 230/2016, IOD

Experience in the past 5 years

- 2016 - present** Department of Director Bank of Thailand
2015 - present Director Thonburi Healthcare Group PCL.
2010 - 2016 Division Executive Bank of Thailand

Ms. Nalin Vanasin (Age 44)

Director and Member of the Executive Committee (Excom)

Date of appointment

June 2012

Education

- Master of Engineering-Economic Systems and Operations Research, Stanford University
- MBA Program, INSEAD Fontainebleau, France Bachelor of Science in Mathematical Economics, Columbia University

Training

1. Director Accreditation Program (DAP) Course 133/2017, IOD

Experience in the past 5 years

- 2018 - present** Member of Excom Thonburi Healthcare Group PCL.
2012 - present Director Thonburi Healthcare Group PCL.
2012 - present Director Food Coop Co., Ltd.
2012 - present Invertor and Manager Quince Eatery and Bar
2008 - 2011 Independent Corporate Trainer Quince Eatery and Bar
2005 - 2008 President and Business Development Director TRIA Integrative Wellness
2000 - 2003 Brand Manager Unilever (Thailand) Co., Ltd.

Mr. Wong Chow Ket (Age 58)

Chief Executive Officer (CEO), and Chief of Operation Officer (COO) Group 3

Date of appointment

August 2015

Education

- MBA, Loma Linda University Graduate School
- Hong Kong Adventist College, Bachelor of Science, Business Management
- Post-graduate Certificate, Ohio State University

Training

None

Experience in the past 5 years

- 2016 - present** Chief Executive Officer and COO Group 3 Thonburi Healthcare Group PCL.
2015- present President/CEO Thonburi International Holding Co., Ltd.
2014- 2015 Vice President, Director of Healthcare, Greater China AECOM (Asia) Limited
2012 - 2013 Chief Operating Officer Hong Kong Adventist Hospital
2004 - 2012 Director Health-pro Management

Dr. Sudhichai Chokitchai (Age 58)

Member of the Executive Committee (Excom) and Hospital Director (Thonburi Hospital)

Date of appointment

February 2017

Training

None

Education

- Bachelor degree of Science, Mahidol University
- Doctor of Medicine, Siriraj Hospital, Mahidol University
- Fellow of Thai Royal FR Internal medicine College of Physician

Experience in the past 5 years

- | | |
|----------------|--|
| 2018 - present | Member of Executive Committee Thonburi Healthcare Group PCL. |
| 2017 - present | Hospital Director Thonburi Hospital |
| 2016 - 2017 | Deputy Hospital Director Ladproa Hospital |
| 2015 - 2015 | Senior Director of Medical Service Development Bumrungrad International Hospital |
| 2014 - 2015 | Associate Medical Director Bumrungrad International Hospital |
| 2008 - 2013 | Chief Scientific Officer Novartis (Thailand) Co., Ltd. |

Ms. Thipawon Ruchiroatpipatana (Age 62)

Member of the Executive Committee (Excom) and Chief Financial Officer (Thonburi Hospital)

Date of appointment

February 2017

Training

1. How to Develop a Risk Management Plan (HRP), Course 11/2016, IOD
2. Mini MBA 2013, Chulalongkorn University

Education

- Master of Science (Human Resources) COPPIN STATE COLLEGE, MARYLAND, USA
- Bachelor of Accounting, University of the Thai Chamber of Commerce

Experience in the past 5 years

- | | |
|----------------|--|
| 2018 - present | Member of Excom Thonburi Healthcare Group PCL. |
| 2017 - present | Director Rajyindee Hospital PCL. |
| 2013 - Present | Director Dental Siam Co., Ltd. |
| 2010 - present | Chief Financial Officer Thonburi Hospital |
| 1978 - 1991 | Accountancy Thonburi Hospital |

Prof. Dr. Somkiat Wattanasirichaikoon (Age 58)

Member of the Executive Committee (Excom) and Deputy Managing Director

Date of appointment

15 May, 2017

Training

None

Education

- Doctor of Medicine, Mahidol University
- Clinical Medical, Faculty of Medicine, Siriraj Hospital
- Surgical Critical Care, Harvard University

Experience in the past 5 years

- | | |
|----------------|--|
| 2018 - present | Secretary of Numeration and Remuneration Thonburi Healthcare Group PCL. |
| 2017- present | Deputy Managing Director and Member of Excom Thonburi Healthcare Group PCL. |
| 2013 - present | Special Instructor, Department of Surgery Faculty of Medicine, Srinakharinwirot University (SWU) |
| 2008 - 2017 | Qualified member Phranakhon Si Ayutthaya Rajabhat Council |
| 2007 - 2011 | Dean, Faculty of Medicine Faculty of Medicine, Srinakharinwirot University (SWU) |

Ms. Anchalee Chalvalitjareetham (Age 42)

Director of Accounting, and Acting for Director of Financial (CFO)

Date of appointment

1 November, 2015

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accounting, Rajamangala University of Technology

Training

1. Director Accreditation Program (DAP) Course 126/2016, IOD

Experience in the past 5 years

- 2018 - present Director Utharadit Thonburi Hospital Co., Ltd.
- 2017 - present Acting for Director of Financial (CFO)
Thonbuti Healthcare Group PCL.
- 2016- present Director Rajthanee Realty Co.,Ltd.
Director Heart Center Thonburi Hospital
Director Thonburi Realty Development Co., Ltd.
- 2015 - present Director of Accounting
Thonburi Healthcare Group PCL.
- 2002 - 2015 Director of Audit
Pricewaterhouse Coopers ABAS Co.,Ltd.

Ms. Suwadee Puntpanich (Age 37)

Company Secretary, Acting for Chief Operation Officer (COO) Group 2, and Acting for Chief Executive Officer (Hospital Phuket Province Administration Organization)

Date of appointment

9 December, 2015

Education

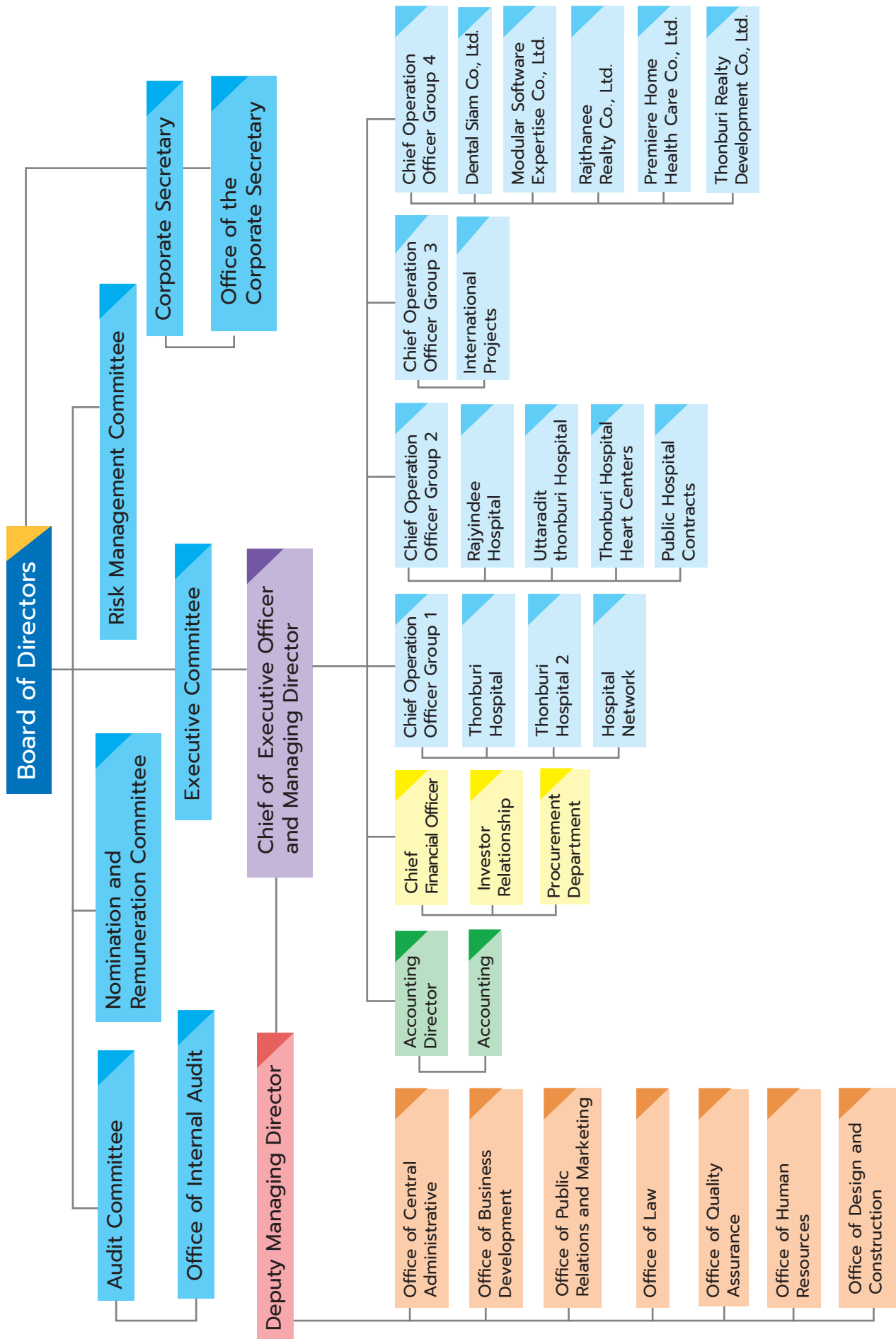
- (Studying) Faculty Public Health, Chulalongkorn University
- Master of communication arts (Speech), Chulalongkorn University
- Bachelor of Arts, mass communications, Chiangmai University

Training

1. Director Accreditation Program (DAP EN) Course 125/2016, IOD
2. How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD
3. Company Secretary Program (CSP) Course 71/2016, IOD
4. Company Reporting Program (CRP) Course 17/2017, IOD
5. Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD

Experience in the past 5 years

- 2018 - present Acting for Chief Executive Officer
Hospital Phuket Province
Administration Organization
- 2017- present Director Bumrungruang Plaza Co., Ltd.
Acting for COO Group 2
Thonburi Healthcare Group PCL.
- 2016 - present Secretary of Executive Committee
Thonburi Healthcare Group PCL.
- 2015 - present Company Secretary,
Secretary of Risk Management Committee
Thonburi Healthcare Group PCL.
- 2015 - 2018 Secretary of Numeration and Remuneration
Thonburi Healthcare Group PCL.
- 2015 - 2017 Director Premiere Home Health Care Co., Ltd.
- 2011 - 2015 Personal Secretary of Formal Deputy Prime Minister
- 2010 - 2015 Personal Assistant to Dr. Boon Vanasin
Thonburi Healthcare Group PCL.
- 2010 - 2011 Secretary of Advisor to the Deputy Prime Minister



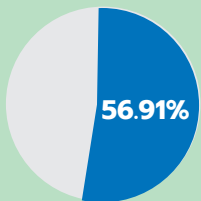
Shareholder structure of the Company



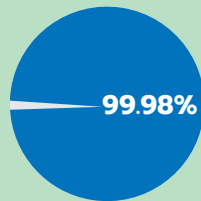
data as of 22 February, 2017

Healthcare business

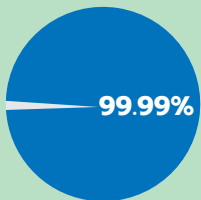
Subsidiary



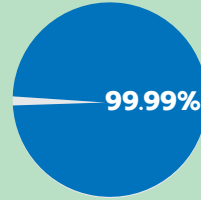
Rajyindee Hospital PCL.



Thonburi Hospital Heart Centers Co.,Ltd.

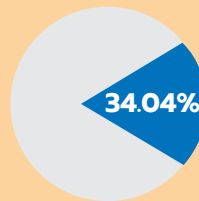


Uttaradit-thonburi Hospital Co.,Ltd.

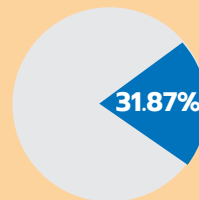


Bamrungmaung Plaza Co., Ltd.

Associates

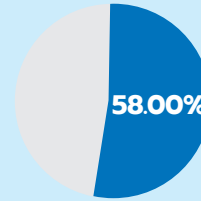


Ubonrak Co., Ltd.

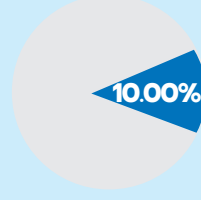


Sirivej Chanthaburi PCL.

Joint Venture



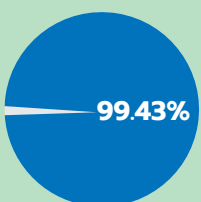
Weihai Thonburi Healthcare Investment Co.,Ltd.¹



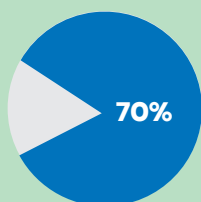
ARYU International² Health Care Co.,Ltd.

Other businesses involved

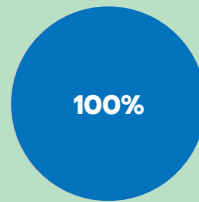
Subsidiary



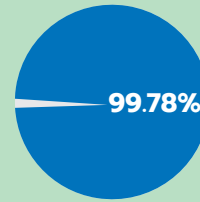
บจก. กันตสยาม



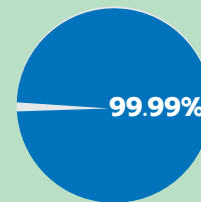
บจก. โมดูลล่า ซอฟแวร์ เอ็กซ์เพอร์ติส



บจก. ราชธานี เรือลติ



บจก. รนบุรีพัฒนาที่ดิน



บจก. พรีเมียร์ โฮม เฮลท์ แคร์

Other Investment³

Note : /1 Weihai Thonburi Healthcare Investment Co., Ltd. is a joint venture of the Company. (Holds 58% of the share capital with WEGO Holding Co., Ltd. (holding 42%) by WEGO Holding Co., Ltd. established in China.

/2 The Company is increasing its investment in ARYU International Health Care Company Limited from 10% to 40%.

/3 Other investments are investments in ordinary shares of the Company. Holds more than 10% as follows:

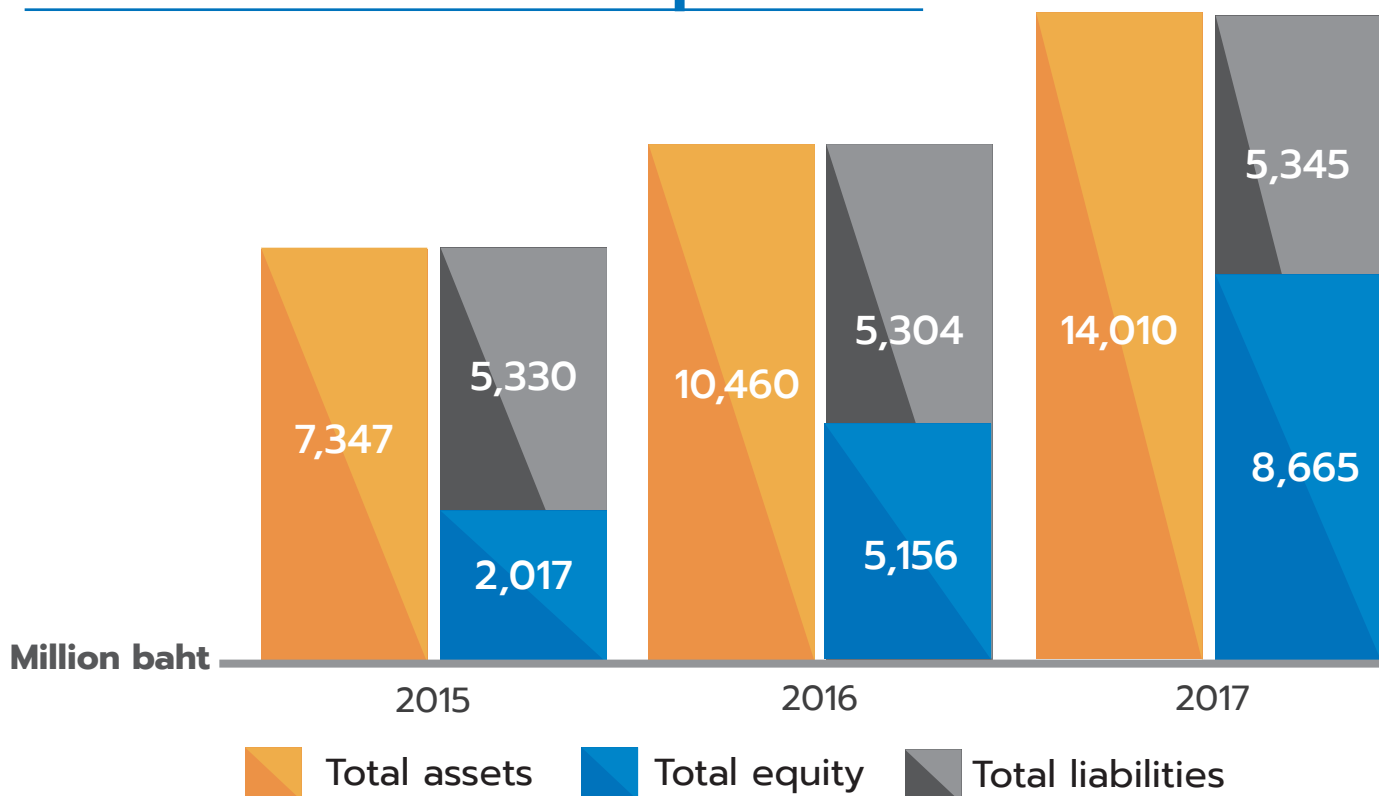
Other Investment

Company	Business Type	Paid-up Capital (Baht)	Holding	Stakeholder	Holding
Pattara Hospital Co., Ltd	Hospital	150,000,000	16.67%	None	
Thanakan Hospital Co., Ltd	Hospital	75,000,000	11.33%	None	
Roi Et - Thonburi Hospital Co., Ltd	Hospital	125,000,000	19.88%	None	
Kalasin - Thonburi Hospital Co., Ltd	Hospital	300,000,000	10.00%	Mr. Kajorn Thanapase	6.7%
Thanarad Thung Song Hospital Co., Ltd	Hospital	400,000,000	14.00%	Mr. Kim Christian Wachtveitl Mr. Tanatip Suppradit Mr. Chalermkul Apibunyopas	16.0% 0.3% 0.1%
Rajnara Hospital Co., Ltd	Hospital	200,000,000	14.00%	Mr. Kim Christian Wachtveitl Mrs. Charuvarn Vanasin	31.5% 2.5%
Siroros Hospital Co., Ltd (Yalanapolian Co., Ltd)	Hospital	375,000,000	11.83%	Mr. Kim Christian Wachtveitl	5.92%

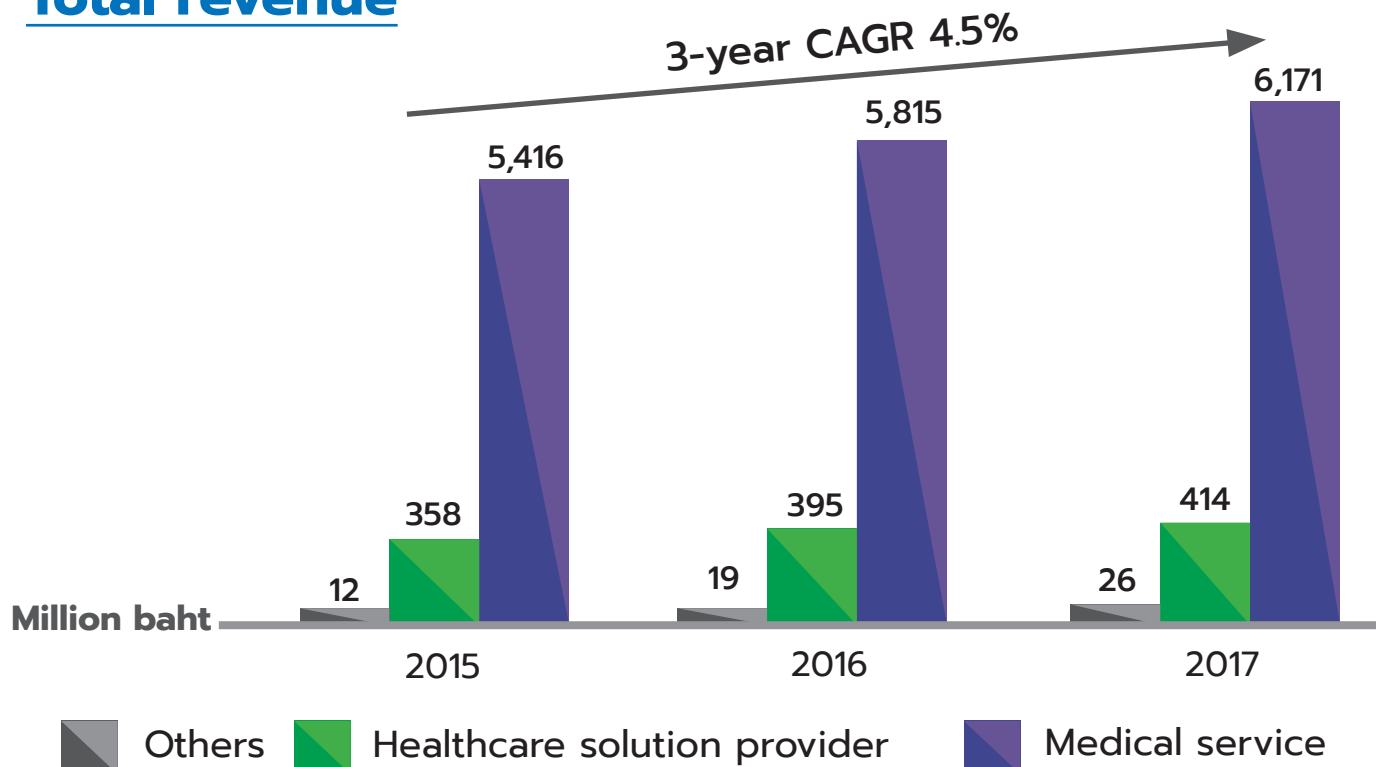


Financial Highlights

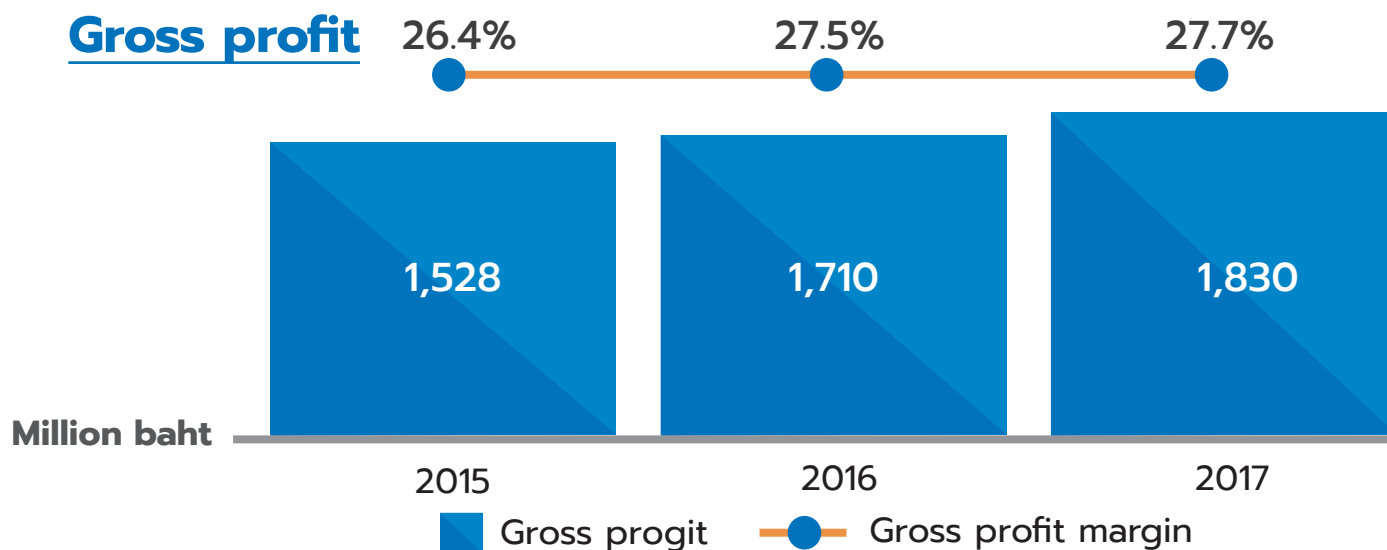
Statements of financial positions



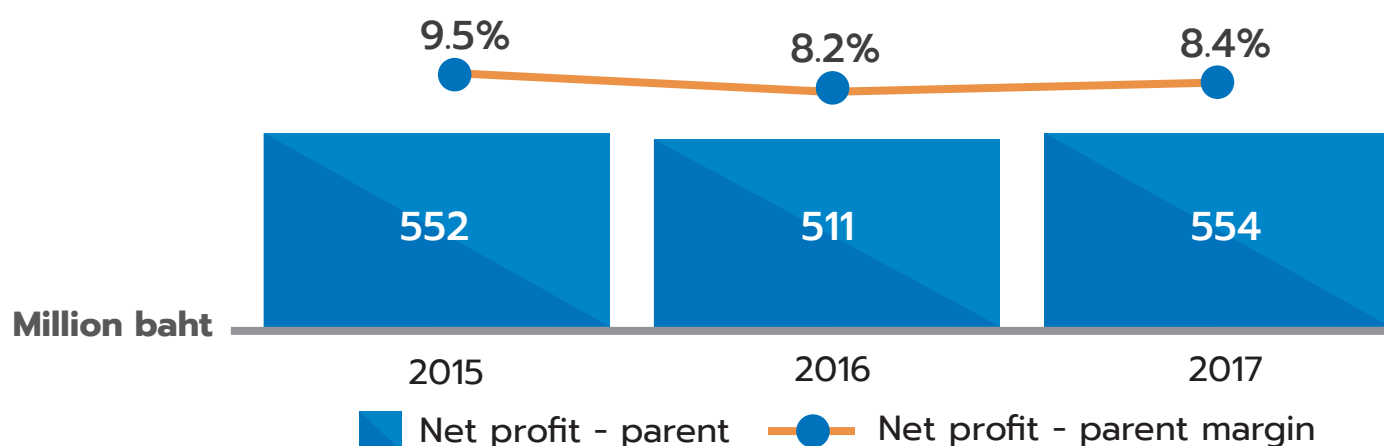
Total revenue



Gross profit

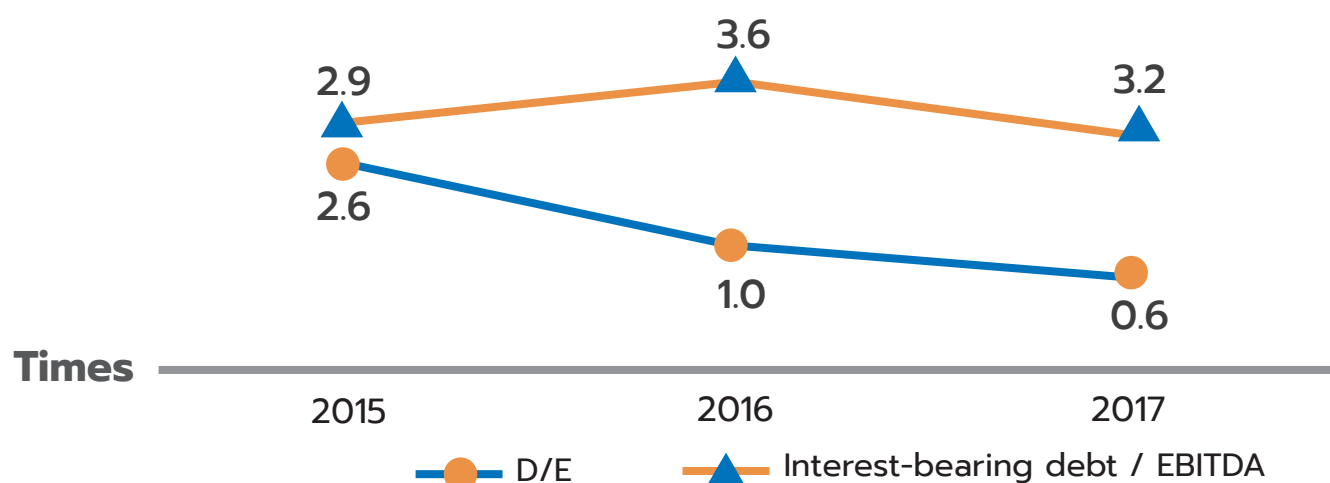


Net profit - parent



Gearing ratios

Interest-bearing debt/EBITDA covenant: 5 times



Financial highlight

	Consolidated financial statements			
Statement of financial position (million baht)	End of 2015	End of 2016	End of 2017	% change
Current assets	2,127	1,419	2,615	84.3%
Total assets	7,347	10,460	14,010	33.9%
Current liabilities	2,563	2,570	1,279	-50.2%
Total liabilities	5,330	5,304	5,345	0.8%
Total equity	2,017	5,156	8,665	68.1%
Current assets	2015	2016	2017	เปลี่ยนแปลง
Total assets	5,416	5,815	6,171	6.1%
Current liabilities	358	395	414	4.8%
Total liabilities	12	19	26	36.8%
Total equity	5,787	6,229	6,611	6.1%
Gross profit	1,528	1,710	1,830	7.0%
EBITDA	1,153	1,121	1,147	2.3%
Net profit for the period	582	544	565	3.9%
Net profit - parent	552	511	554	8.4%

Key financial ratios	2015	2016	2017
Gross profit margin	26.4%	27.5%	27.7%
EBITDA margin	19.9%	18.0%	17.4%
Net profit – parent margin	9.5%	8.2%	8.4%
Current ratio (times)	0.8	0.6	2.0
Return on assets	8.5%	6.1%	4.6%
Asset turnover (times)	0.9	0.7	0.6
Return on equity	34.0%	15.1%	8.3%
Debt / equity (times)	2.6	1.0	0.6
Interest-bearing debt/EBITDA (times)	2.9	3.6	3.2
Interest coverage ratio (times)	5.7	5.0	5.3

With a strong commitment to be a good role model for the community, society, the company intends to operate its business by adhering to the good corporate governance principles and with corporate social responsibility. The company grows its business in parallel with promotion of sustainable development in order to create added value to the society and all stakeholders, namely shareholders, investors, employees, customers, business partners and related organizations, competitor, debtor, creditor, and community all of public and private. The company gives high importance to socially, economic and environmentally responsible as well as ethical business operations to supporting social activities that will bring long-term benefits to the local communities and the general public. With such practices, the company hopes to see harmonious living between the business sector and the communities and the society. This will enable the entire society to move forward together and finally achieve sustainable growth. The company's Corporate Social Responsibility Policy covers both in-process and after-process business operations.

The Board of Directors of the Company oversees that the business is being operated in accordance with code of ethics and good corporate governance, including being responsible to community, society, and environment. The Company applies its expertise in business and its corporate social responsibility roles in determining the business strategy, which creates synergy between the business and the society. This approach is in line with the Company's vision and mission to grow its business sustainably. The Company's business strategy includes:

Economy

1. Building brand through relationship with customers, creating impression, satisfaction and bond between the Company and the customers;
2. In cooperation with local and overseas partners, creating opportunities to grow the business, building corporate image, and demonstrating potential of, and standard level of medical services provided by, Thai medical service provider to global citizen;
3. Creating innovation and development in the business to build common values between the business and the society. Not only providing medical treatments, the Company also supports and promotes good health among the citizen of all levels and ages;
4. Developing the Company's personnel on their academic knowledge and specializations in order to increase efficiency of medical treatments provided to customers and ensure that the services provided are in accordance with the code of ethics;
5. Seeking opportunities in investments in order to increase the Company's strengths and continuously generate growth;

Society

1. Developing quality of life in the community and the society with attention, care and generosity;
2. Integrating corporate social responsibility as part of the Company's business by promoting activities relating to healthcare and good sanitation; and
3. Operating the Company's business in accordance with good corporate governance, code of ethics, and corporate transparency, including acting strictly in compliance with the applicable laws and regulations.

The board of director are realizing the importance of social and environmental responsibilities. To set policies regarding Corporate Social Responsibility, Anti-Corruption include to Whistle Blower as follows:

1. Fair Business Practice

- 1.1. The Company is determined to operate its business with honesty, ethics, respect for social rules, attention to compliance with the laws, code of conducts and determination to make contributions to individual, community, society, and environment. The Company will operate its business with standardized operating system and control through the exercise of knowledge, judgement, and capabilities with due care with sufficient information and reliable evidence. The Company will strictly comply with the relevant laws and regulations.
- 1.2. Treatment to Business Partners. The Company will treat its business partners fairly and will not claim for any unjustified benefits from its business partners. If the Company is unable to comply with any business terms, it will give prior notification to business partners in order to jointly find agreeable solutions.
- 1.3. Treatment to Competitors. The Company will treat its competitors under the appropriate framework and will not dishonestly seek trade secrets of competitors.

2. Anti-Corruption

The Company's directors, management, and employees shall strictly comply with the Company's following Anti-Corruption Policy and Code of Conduct:

- 2.1 do not ask or offer bribery to any person including government authority in order to gain unfair advantage;
- 2.2 omit from accepting gifts, receptions or payments from customers or business partners with excessive values. If it is a necessity to accept a customary gift with value exceeding the specified value under the Company's Code of Conduct, the employee shall report the Company and deliver such gift to the Company.
- 2.3 establish internal control system to prevent corruption. The Company's regulations shall specify work procedures. Approver(s) for payments and payment limits shall be in accordance with the Company's regulations and should be clearly documented.
- 2.4 if there is any act of corruption or any act susceptibility of corruption, employee shall neither be complacent nor ignore the act and shall immediately report his/her supervisor.
- 2.5 the hospital has appointed "Ethics Committee" who is responsible for conducting investigation and making decisions regarding employees who are accused of breaching ethics or discipline (corruption).

The Company also provides trainings to its employees so that the employees will possess knowledge regarding policies and guidelines in preventing corruption. The Company's employees are encouraged to act with honesty and be responsible for their duties and responsibilities, while upholding the code of ethics.

3. Respect for Human Rights

The Company gives importance to respect for life and human rights which are fundamental for management and development of human resources, including establishing social relations.

Therefore, the Company has a policy to promote respect for basic human rights and equality without discrimination and division with respect of nationality, race, gender, religion, political beliefs or any other types of belief, background, assets, origin or status. The Company promotes and gives opportunities to its employees to express opinion or file complaints relating to violation of human rights.

4. Fair Treatment of Employees

The Company believes that human resources is the most important factor for business operations which generate values and return to organization. Each of the Company's operations require knowledge, capabilities and devotions, both physically and mentally, in order to achieve goals and objectives.

The Company has established a guideline for employee treatment. The management shall treat the employee fairly and without bias. The employees shall be encouraged and supported in developing their potentials and improving work efficiency. Compliance of ethics shall be promoted among employees and appropriate level of

employee welfare shall be provided. The employees shall be treated with sincerity - their opinion should be heard and suggestions should be given to them as feedback.

5. Consumer Responsibilities

- 5.1. The Company shall treat customers with fairness in respect of products and services, without discrimination. It shall not disclose customers' information acquired through business operations of which by nature should be kept confidential, except for disclosures in accordance with requirements under the laws.
- 5.2. The Company shall give opportunities for customers to submit complaints regarding flawed products or services. The Company should give complete and correct information in respect products and services to the consumers.
- 5.3. The Company shall fairly comply with the terms and conditions agreed with its customers. In the event that the Company cannot comply with any term or condition, it shall notify customers in order to seek joint solutions.

6. Environmental Protection

The Company realizes the importance of environment to human living. At the same time, our society has been giving more importance to environmental conservation.

The Company has established an environmental policy as guidelines for conducting its business operations with exercise of due care and diligence in order to prevent or minimize environmental impact to nearby communities. The Company determines to control both water and air pollution by controlling quantity of wastewater released from building and exhaust from exhaust pipe. In addition, the Company promotes waste segregation and recycle in order to reduce quantity of garbage.

7. Community Participation and Development

The Company has established a policy to comply with the relevant laws and regulations and be responsible for its community by giving supports, cooperation, and volunteer for activities beneficial to community and society. Such policy shall help promote economic strength, while restoring society and cultures.

8. Innovation and Transfer of Innovation Developed Through Operations Responsible for Society, Environment and Stakeholders

The Company supports innovations developed both through internal process and through cooperation between organizations. Not only development of new things through new methods, innovations also include changes to idea or production in order to create value-added products or services. The objective of innovations is to create changes in a positive way, so that better things shall be created and productivity shall be increased, which shall ultimately result in maximum benefits to the society.

Transfer of innovation is considered a socially responsible activity. The communication and notification to stakeholders for acknowledgement, both directly and indirectly, through various channels of communication, is necessary to ensure that the Company's information shall be distributed to, and shall reach, all stakeholders.

Activities for the benefits of society and environment

The Company places importance on corporate social responsibility activities for all stakeholders of the society and integrates such activities as part of the Company's business. In 2017, the Company and its subsidiaries organized social responsibility activities by promoting its business partners, business operators, and customers in taking part of the following social responsibility activities :



Project “Development and Behavioral Adjustment in Early Childhood”

The Thai society are now open to new concepts of living and perceptions from around the world. This factor may have impact on the learning of Thai children, both positively and negatively. As a result, the development of Thai children is driven in an inappropriate direction. This is the reason why Thonburi 2 Hospital has, in cooperation with Ploypoom Kindergarten, taken part in a seminar to parents of the new students of the year 2017 on a topic called “Development and Behavioral Adjustment in Early Childhood”, in which Dr. Supatra Hongyangyuen, a specialist in child and adolescent psychiatry, acted as a speaker. The seminar focuses on prevention of, and reduction in, inappropriate behavior in early childhood. The seminar received much interests and many parents attended the seminar.



Project “Primary Healthcare Examination at Public Park in Commemoration of the King”

The Company wishes to promote good health to all citizen. To emphasize on this vision, Thonburi 2 Hospital had organized the activity “Primary Healthcare Examination at Public Park in Commemoration of the King” by having its medical team providing primary healthcare examination such as blood pressure test, measure of body fat percentage of those people exercising at public park in commemoration of the King and promoting Thai citizen to realize the importance of primary healthcare as preventive measure of illness. In addition, the hospital offered drinking water to the participants during the event and the event received much interest from the public.





Project “Development of Elderly Quality of Life”

The world's population is aging: every country, including Thailand, is experiencing growth in the number and proportion of older persons in their population. The question arises on how family can live together happily without being a burden to one another, particularly a burden to children who must take care of their elders in time of sickness. Thonburi 2 Hospital realizes the importance of aging society and organizes an activity called “Development of Elderly Quality of Life.” The activity consists of a team of physical therapists and nurses who provides healthcare examination services to Bang Rak Noi Sub-District Elders Club. The objectives of the activity are to educate and promote preventive healthcare among elders in the society. There was a large number of participants in the activity which was held in Bang Rak Noi Sub-District, Mueang Nonthaburi District, Nonthaburi Province.



Project “First Aid and CPR Training to Kids Village International School”

Self-care is necessary, particularly when sickness occurs in places far away from hospitals and medical service team. First-aid knowledge is important and helps reducing treatment steps and risks of patients falling into critical conditions. Thonburi 2 Hospital organized a medical team to provide knowledge, understanding and training of the cardiopulmonary resuscitation (CPR) to teachers and officers of Kidz Village International School. The objective of the activity is to support all persons to be able to assist other persons in the basis immediately and accurately in accordance with the first aid principle in emergency situation and to continually expand this activity to other divisions as it deems appropriate.





Project “Royal Medical Unit of Chulabhorn Hospital at Sanam Luang Ceremonial Ground” and “Producing of Patchouli Oil for the Royal Cremation”

The Company acknowledges the power of loyalty of people who were waiting very long period for mourning the passing of the King. Thonburi Hospital organized a team consisting of doctors, nurses and officer to support the Royal Medical Unit of Chulabhorn Hospital located the north entrance of Sanam Luang Ceremonial Ground for providing medical treatment, medical checkup and first aid to the people who came for mourning the passing of the King including organizing the activity “Producing of Patchouli Oil for the Royal Cremation” by distributing the patchouli oil productions to the people who came for mourning the passing of the King and for attending the Royal Cremation at Sanam Luang Ceremonial Ground in remembrance of the passing King who wished to promote the health protection and always cared the good health of Thai people.

Project “Development of Knowledge on Sports Medicine to Support Thai Boxing for Stepping Up to World Stage”

Due to the awareness of exercise in Thai society by having Thai boxing as one of sports which is popular among Thai and foreign people, The Company is aware of importance of health of Thai people under the concept “To protect and take care happiness and health of Thai people for all time of life” therefore, the Company entered into the memorandum of understating with College of Sports Science and Technology, Mahidol University, World Muaythai Council, Muaythai iGLA Company Limited to provide knowledge on the research in relation to the sport medicine which is the one of importance matters for developing of body and mind including the reducing of injury during exercise or rehabilitating of the body suffered from injury faster where the objectives were to promote, treat and create innovation of exercise of the general persons who wish to play Muaythai sport for exercise accurately according to principle of exercise. In addition, this knowledge can be used for empowering Muaythai boxers to have the quality at the international standard and to support Muaythai boxing to step up to the world stage.





Project “Do Good Things Donate Bloods in remembrance of His Majesty the King”

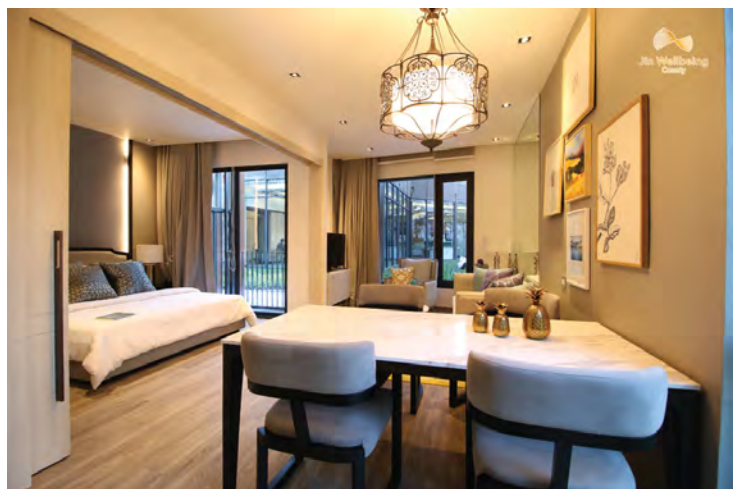
The most importance of “Giving” is to assist other people to have a good health during his or her life. The Company wishes to protect a good health of Thai people for all time of life resulting in Thonburi Hospital led by Dr. Vachiraboon Sastararuij, the Director of doctor department together with National Blood Donation Center of Thai Red Cross Society organized the project “Do Good Things Donate Bloods in remembrance of His Majesty the King” in the remembrance of His Majesty King Bhumibol Adulyadej by providing bloods to Thai Red Cross Society for saving patients’ life under emergency situation or patients who need blood for medical treatment. There were many doctors, nurses, officers and people donated their bloods at Thonburi Hospital.



Jin Wellbeing County

Thailand is in the period of transformation to the aged society. From the research of United Nations World Population Ageing, it found that after year 2009, the dependent population includes child and aged people of which the number of this dependent population will be greater than the labor force. In year 2017, it will be the first time in history that the population of child is lower than aged people. This circumstance caused by the rapid decreasing fertility and the development of medical that can reduce the mortality rate of the population continuously of which it causes the rapid increasing of number and ratio of the aged people in Thailand. The Company therefore has its creation to support the aged people to have a long life with happiness and not causing burden to their children by developing new business under the project "Jin Wellbeing County", the city under new concept for the retired people. Which, the key principle of the project is to provide healthcare and medical services to elders with understandings in the society and environment suitable to physique of elders. One of the services offered by the project includes facilitation of daily life of the resident by the working team and the resident can choose among the services offered such as assistance to a sitting position, preparation of food and drugs, exercising, and other types of assistance, for instance in the event of falls or emergency treatments. The project also offers recreational activities and consulting on emotions of, and physical therapy for, elders to make sure that they are mentally and physically healthy. All family members of the elders are welcome to reside in the same community as if the residence is their home. There is understanding neighbors and green area and rich natural environment, and the elders will not feel alone while their children are away for work or school during daytime. In addition, the project has 24-hour care for patients who are unable to look after themselves. Therefore, all family members can rest assured that health of their beloved elder is in good hands of specialists.

Jin Wellbeing County is another one of the Company's proud which created improved by the integration of expertise of conducting the Company's business for creating new business to support and solve the aged society perfectly. This project received the Honorable Mentioned Award in Environment for Aging Design Showcase from the EFA Design Showcase 2018, USA of which this project is the only one from Asia on the





world stage. The design focuses on supporting of living for all time of life and also focuses on every detail under the concept of Universal Design for all ages and every one in family can live together with comfortable, safety and easy to adjust or install facilities for the aged people in the future. The building was designed under the concept of Passive Ecology for energy saving, opening of natural air and light of every building without direct facing sunlight. The common area was designed under green environment having trees and canal around the project's area for creating fresh air flowing in all areas of every building together with the water management system under nature concept and lake as water storage including small dam to prevent outside water. This project provided the tracking system and twenty-four emergency cares to ensure that you can live without concern from any unforeseeable situations such as accidents and congenital diseases and also provided alarming system for both in room and in the project's area and key card system for monitoring in and out of the project area and lift of every building together with the security guards and CCTV for twenty-four hours. The smoke detector system is installed and beyond that, the fire prevention hall is installed in every floor (it can prevent fire within three hours for reporting of fire and waiting for assistant without using staircase).

(For further information www.jinwellbeing.com/th/news_and_activities/35/)

Innovation “Phuket Care” for the Aged Society in Future

King’s Prajadhipok Award of 2017 for the local administrative organization that have transparent and promote the participation of people which received by the Phuket Administrative Organization was the announcement of success of the project “Phuket Care” under the project “Sufficiency Health of Ten Thousand Beds Hospital” for supporting and caring of chronic patients in Phuket Province. Phuket Administrative Organization together with Village Health Volunteer of Phuket by having doctors and Public Health Team of Thonburi Healthcare Group Public Company Limited as the service provider of Hospital of Phuket Administrative Organization for more than five years, has been providing the services with well received by the public under the professional standard. This project will be present for obtaining the United Nation Public Service Award (UNPSA) for the year 2017.

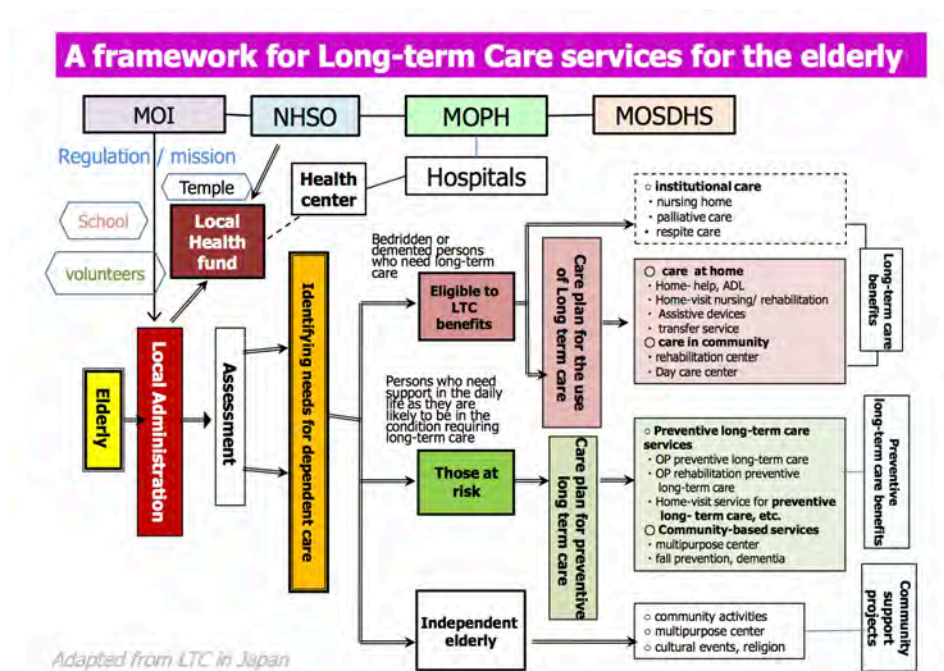
The concept of new management gives the first opportunity for private sector to jointly provide the public health services of Phuket Administrative Organization. The public health services by private hospital at the public place of public sector is the cooperation creatively and energetically for the benefit of the disadvantaged people which creates the aggressive position for health promoting. It has a preliminary health screening and follow up of risk patients and patients in complications including reporting of results to the hospital if sickness occurs of which it will facilitate patients to meet doctor efficiency. This strategy helps to reduce the burden of congestion of public health services of the hospitals in Phuket Province resulting in the doctors and nurses have more time to promote healthcare to the public.

From the lesson learn of the Phuket Care for the Aged Society by using the community-based long term care system whereby the aged people in the service area can submit his or her intention to receive this services from the public health service center of public sector and local administrative

organization that have the integration of information technology system and the system that supports persons in family and community to participate in taking care of such aged people. The local administrative organization will support allowance of aged people, disabled people, compensation of Village Health Volunteer, Healthcare Fund and Rehabilitation Fund according to the laws. For the Ministry of Social Development and Human Security, it will support the budget for the establishment of the aged people fund and welfare of disabled people and disadvantaged people and the national saving fund and for National Health Security Office, it will support the health promotion together with the local administrative organization for the establishment of healthcare fund for community according to Section 39 (2) of the National Health Security Act, B.E. 2545 (2002).

The main mechanism of the capital of community is Village Health Volunteer and temple. School is the spirit center of community and training center for people in family and community to have skills for taking care of the aged people efficiency. The role of the medical team will follow the Phuket care model which is the providing of preliminary health screening, follow up of risk patients and patients in non-communicable disease : NCD. In addition, the community will organize the rehabilitation center and day care center in the community. For the bedridden patient during people in family goes for work outside (Picture 1)

Picture of Ten Thousand Beds Hospital of Phuket Model that Thonburi Healthcare Group Public Company Limited (THG) creates innovation with Phuket Administrative Organization where the community can take care chronic patients and disabled people of which it is the light at the end of the tunnel that solve the problem of Thai Society which has to support a lot of budget to take care the aged people in the future.



กรอบแนวคิดการให้บริการระยะยาวแก่ผู้สูงอายุ



Awards and Certificate of company and subsidiaries.

1. The hospital received Hospital Accreditation (HA) from the Healthcare Accreditation Institute (Public Organization).
2. The hospital has registered a patent for CSF machine for patients with severe brain disease.
3. The hospital has CSSD (Central Sterile Service Department) which offers "Just in time delivery" service of medical devices and equipment. It reduces the burden of sterilization work at patient wards.
4. The hospital has measures to prevent Ventilator-Associated Pneumonia (VAP) and is the only private hospital joining "Clean Care is Safer Care", a project that prevents VAP initiated by the Faculty of Medicine, Siriraj Hospital and Bamradnaradura Infectious Diseases Institute.
5. The hospital buildings have been certified by Bangkok Metropolitan Administration for safety for three consecutive years.
6. The hospital received quality certification for medical and nursing service by Thailand Nursing and Midwifery Council in August 2011.
7. The hospital is certified for quality of its hemodialysis machines by the Royal College of Medical of Thailand.
8. The hospital's hemodialysis machines are certified by the Nephrology Society of Thailand.
9. The hospital received "Quality Improvement Award" from AACP in 2010.
10. The hospital received a certification from Kimberly-Clark Thailand for using products with recycle tissues.
11. The hospital has been entrusted by leading companies and institutes, such as the Rubber Fund, Daily News, Boon Rawd, EXIM Bank, Bangkok Commercial Asset Management Plc. and the Food and Drug Administration of Thailand, in offering annual check-up service for its employees.
12. The hospital won Gold "Hospital Quality Award" from AIA.
13. Jin Wellbeing County has been praised from EFA (Environment for Aging) Magazine Residential design for the elderly over 20years in Environment for Aging Design Showcase from the EFA Design Showcase 2018, USA of which this project is the only one from Asia on the world stage.

Policy and Business Overview

VISION

Being a trusted hospital and medical service network delivering high quality service through the latest innovations that provides the general public an easy access to its service.

MISSIONS

1. To maintain standard of management and medical service, as well as to develop human resource to meet higher standard both in domestic and international level.
2. To seek and develop the medical service system and advanced technology to achieve fast, precise service that meet requirement and necessity of the treatment.
3. To develop ethical concept, academic excellence, and special expertise as to enhance the treatment efficiency, to improve service mine which will lead to trust, reliability and happiness of customers
4. To offer new dimension of treatment in the price that most people can afford.

BRAND VALUES

TREASURE LIVES	Let everyone treasures their everyday living with efficient and high-standard healthcare services without discrimination on any particular group
HONEST	Keep our promise, be committed to transparency and stay true to our belief
OPTIMISTIC	Search for new ways to improve people's quality of life and opportunity for the business to constantly grow
NECESSITY	Focus on the services necessary to maintain good health to meet with people's diverse demand

Direction

To achieve the above visions, the Company has set forth the followings:

- 1. To maintain standard of management and medical service, as well as to develop human resource to meet higher standard both in domestic and international level.**
 - With our services being accepted under international standard, we receive Hospital Accreditation (HA) from the Healthcare Accreditation Institute (Public Organization) to certify well management system which supports quality and safety service. Furthermore, the Company has maintained its standards as to become a model of hospital development among the Company Group to achieve the same standard
 - The Company has strategy to become a medical excellence, by developing treatment capacity in 5 strategic fields (1) Neuroscience and Brain Center (2) Orthopedic Center (3) Digestive and Liver Center (4) Heart Center and (5) Obstetrics-Gynecology Center - for maximum efficiency in treatment.
 - The Company arranges consulting team from internal and external source to pass on knowledge and experience, as well as to support the achievement to highest standards of performance to the hospitals in Company Group, which will standardize and qualify all hospital to achieve the same level.

- The Company provides training courses and fund to develop its personnel in terms of academic and service field on regular basis.

2. Seek and develop innovation of medical service and modern technology to enhance fast, precise service that will meet customers' requirement and necessity.

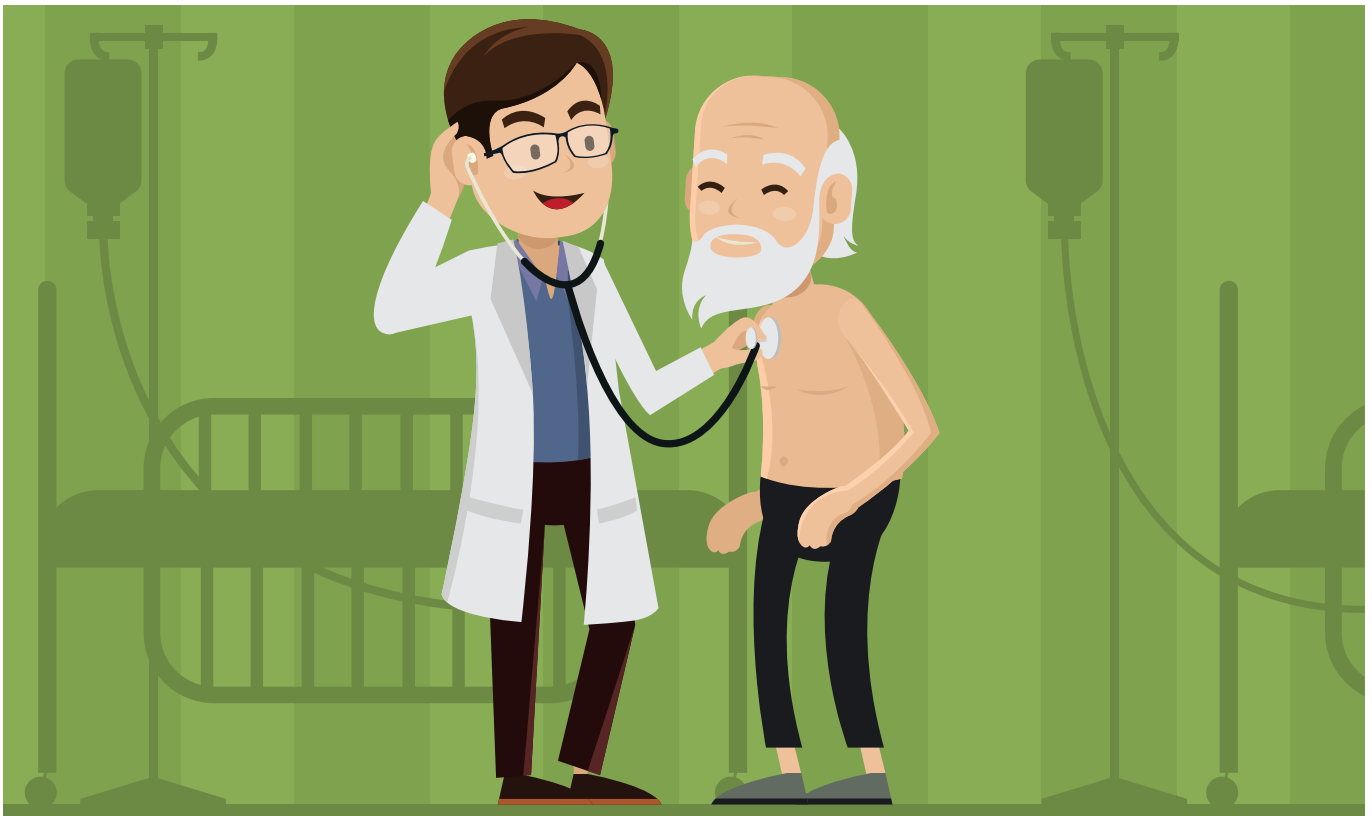
- The Company creates medical contract service to state hospitals which offer comprehensive service solution and the Excellent Center, where people can have a service of private hospital quality under the price of a state hospital.
- The Company has policy to expand into an excellent center to facilitate patient with comprehensive services.
- The Company has policy to seek and develop advance technology, emphasizing on an innovation which is accepted and certified by international standard, for example, scanning, laboratory, medical equipment, patient recovery etc. to enhance a fast and precise service that will meet the necessity of each treatment, as well as requirement of patients.
- The Company plans to launch Senior Living Complex and to develop management system to ensure the service will meet customers' need.
- The Company deploys supporting system for medical service to provide care among patients and those who require home service, for example physical therapy, replace of oxygen and saline hose, disinfection to prevent spread of disease and mites removal for patients with allergy in household and educational institution.
- The Company develops remote-care system for patient, consulting mechanism, follow-up and assessment of patient condition after or during the treatment to create confidence and to minimize the traveling time of patients and family.

3. To develop ethical concept, academic excellence, and special expertise as to enhance the treatment efficiency, to improve service mine which will lead to trust, reliability and happiness

- In 1995, the Company, under collaboration with Siam University, has established the Faculty of Nursing and the Faculty of Medicine with aim to create qualified medical personnel to support operation of the Company and hospitals in the Company Group.
- The Company provides ethical training courses and knowledge development courses to all personnel on regular basis, as well as provides supporting fund to improve knowledge body and to create special skill.
- Thonburi Hospital is a tertiary care hospital that provides a wide-range of high-quality medical and surgical services, with specialist doctors, Excellence Center to assure our customers' confidence and trust. Our goal is to expand the Excellent Center to hospitals in the Company Group and the area that are in need of hospital care.
- The Company provides personality development course to improve service mind of our personnel, whereby, the result of training of each department is evaluated regularly in order to build incentive complementary to the personnel or department.

4. To offer new dimension of treatment in the price that most people can afford.

- The Company has set the medical service in medium rate, what patient can receive treatment of complicated disease at affordable price comparing to other private hospitals. As for a non-complicated disease, a patient can choose to be treated in the nursing home or stay in hospitals under the Company Group or hospitals within network of the Company which are located countrywide, in order to minimize medical cost.
- The Company has initiated the Step Down Care to accommodate patients during convalescence after surgery or during therapy section which requires the stay in the hospital longer than 2 days. The Step-Down Care is suitable for family members or relative to take care of patient or those patient that can take care of themselves, another choice of service with cheaper cost.
- The Company is a contractor of medical service for many state hospitals, for example, Mueang Pattaya Hospital, Phuket Provincial Administration Organization Hospital, Bangphli Heart Center Hospital in Samutprakarn, allowing people to have medical service of good standard at the same price of state hospitals.



1976

On 13 August 1976, Dr. Boon Vanasin, a group of doctors founded and investors founded Thonburi Hospital Co., Ltd. with a paid-up registered capital of Baht 20 million. He chose Thonburi for the hospital location as there was no private hospital in the area while the only public hospital, Siriraj hospital, was very crowded and lots of patients had to wait for a long time due to insufficient beds. The birth of Thonburi Hospital, which was aimed to provide excellent healthcare services, met demands of the growing number of patients.

1977

On 10 May 1977, Located at 34/1 Itsaraphap Road, Ban Chang Lo, Bangkok Noi, Bangkok 10700, the hospital started its operations as a 60 bed-hospital. Medical service were provided by respected and senior physicians from Siriraj Hospital who have shared commitment to providing quality and convenient services to upper-to-high income earners in Thonburi, or west side of the capital.

1980

Thonburi Hospital had been well received and continued to grow to the point that the OPD clinics and beds could not cope with the rising demand in the area. The building extension took place in 1980 – both vertically and horizontally. The hospital's capacity was increased to 113 beds and its register capital rose to Baht 60 million

1991

- The company was well established and determined to deliver service quality with professional excellence, and trusted by people in Thonburi area. This rapid increase in the service demand resulted in shortage of beds. The company therefore expanded its capacity by building new a 12-story building and opened Thonburi 2 Hospital with Baht 300 million registered capital.
- The company started expanding its services through affiliated firms in the provinces.

1993

On 8 March 1993, Thonburi 2 Hospital was officially opened. The new 68-bed hospital is located at 43/4 on Borom Ratchonnani Road in Taweewattana District, Bangkok 10170.

1994

On 21 December 1994, Thonburi Hospital Co., Ltd. became a public company and was renamed "Thonburi Hospital Public Company Limited."

1995

Considering the shortage of medical professionals, Thonburi Healthcare Group Pcl. joined forced with Siam University in offering undergraduate course in medicine to produce qualified medical professionals who can provide high quality service and have the ability to develop themselves and the society.

1997

On 11 December 1997, the company acquired Dental Siam Co., Ltd. which distributes dental products and operates pharmaceutical shop business.

2011

Thonburi Healthcare Group Pcl. entered into an agreement to directly operate Provincial Administration Organization (PAO)'s hospital in Phuket, the first PAO hospital in Thailand with 129 beds. (Bed's Register)

2012

- Thonburi 2 Hospital opened its second building on 1 June 2012 to cope with the increasing demand. The two buildings have a combined capacity of 95 beds.
- The company also signed an agreement to operate and manage the 110-bed Pattaya City Hospital. (Bed's Register)

2013

- The company raised its registered capital to Baht 600 million on 10 May 2013.
- The company, in collaboration with Siam University, offered medical science course for the Faculty of Medicine to train and produce qualified and ethical physicians, which addressed the shortage of doctors in the country.

2014

- On 6 January 2014, the company bought a 31.87% stake in Sirivej Chantaburi Pcl. whose registered capital is Baht 585 million. (Baht 585 million paid-up capital)
- On 16 July 2014, the company set up a subsidiary called the Thonburi Hospital Heart Centers Co., Ltd. to provide specialized medical and management services to other hospitals by establishing a new or being an integral part of such hospital's heart center. Thonburi Healthcare Group Pcl. holds 70% shares in the subsidiary with a registered capital of Baht 100 million The subsidiary currently operates the heart centers for Phatara-Thonburi Hospital in Bangkok and Bang Phli Hospital in Samutprakarn province.
- On 22 September 2014, the company acquired additional shares in Modular Software Expertise Co., Ltd., raising its stakes in the company to 70% of Baht 18 million in registered capital. (Fully paid-up shares)
- On 20 October 2014, the company set up Premiere Home Health Care Co., Ltd. to provide healthcare service at patients' home and to build a stand-alone elderly care facility. Thonburi Healthcare Group Pcl. holds 99.99% of paid-up capital of Baht 100 million.
- On 15 December 2014 , the Company acquired 100% of Rajthanee Realty Co., Ltd. for the development of projects related to medical and health services. Its registered capital is Baht 700 million (fully paid up).
- On 24 December 2014, the Company acquired shares Thonburi Real Estate Development Co., Ltd. is engaged in the development of projects related to medical and health services. The Company holds 99.78% of the registered capital of Baht 800 million (fully paid up).
- On 30 December 2014, the Company increased its stake in Ubonrak Co., Ltd. (Ubonrak Hospital) to 34.04% of registered capital of Baht 37.5 million. (fully paid up)

2015

- On 25 February 2015, the Company purchased additional shares of Premier Home Health Care Co., Ltd. of Baht 200 million, resulting in a registered capital increase of Baht 300 million (paid up capital of Baht 150 million) to Premier Home Health Care Company Limited. Shareholder of the Company remain at 99.99%.
- On 2 April 2015 the Company acquired its shares Rajyindee Hospital Public Company Limited increased the shareholding proportion to 54.23% of the registered capital of Baht 400 million (paid up capital of Baht 388.27 million).
- On 16 November 2015, the Company purchased additional shares of Thonburi Hospital Heart Centers Co., Ltd., holding 99.98% of registered capital of Baht 100 million (fully paid up).

2016

- On 1 January 2016, the Company has contract with Wego Holding Company Limited to set up a "Joint venture" in the name of "Weihai Thonburi Medical Equipment Company Limited" which has an objective to provide hospital operations in People's Republic of China ("Welly Hospital") with registered share capital amounting to Renminbi 230.00 million (equivalent to Baht 1,249.00 million). The Company held 58% of registered share capital.
- On 17 February 2016, Rajyindee Hospital Public Company Limited decreased in registered shares from Baht 400,000,000 to Baht 388,271,118 by deducting the unsold registered shares in order to maintain the remaining registered share capital at the paid-up share balance. The registration to decrease of share capital resulted in the change in the Company's shareholding from 54.23% to 55.87%.
- On 26 February 2016, the joint venture has registered to change its name from "Weihai Thonburi Medical Equipment Company Limited" to "Weihai Thonburi Healthcare Investment Company Limited".
- On 29 June 2016, the Company has increased its registered capital to Baht 849.08 million (paid-up capital of Baht 764.08 million) to support the initial public offering ("IPO").
- On 30 August 2016, the Company purchased additional shares of Premier Home Health Care Co., Ltd. of Baht 850 million, resulting in the increase of registered and paid up share capital of Premier Home Health Care Co., Ltd. to Baht 1,150 million. The Company's shareholding remain at 99.99%

- on 4 April, 2017 the Company, GA Mone Pwint Co., Ltd., Ar Yu Ananta Medical Services Co., Ltd. and WJ International Hospital Management Co., Ltd. to set up and register a "Joint venture" named "ARYU International Healthcare Company Limited" which has an objective to provide hospital operations in Republic of the Union of Myanmar (Ar Yu International Hospital), with registered share capital amounting to USD 100.00 million (10,000,000 ordinary shares at par value USD 10.00 each). The Company held 10% of registered share capital. The joint venture called-up 50% of registered share.
- On 1 June 2017, the Company entered into a consultancy contract and conducted a comprehensive study (Consultancy and Comprehensive study) for private hospitals of King Saud University, Riyadh, Saudi Arabia. This project is a collaboration between InterHealth Saudi Arabia Limited (a subsidiary of InterHealth Canada Limited) with the Company. The Company is contracted to provide consultancy and implementation of general hospital management. This is a preliminary cooperation. The total value of the project is about USD 2.8 million.
- On 31 May 2017, Rajyindee Hospital Public Company Limited increased in registered share capital from Baht 388,271,118 to Baht 430,000,000. The Company added investment in the ordinary shares of Rajyindee Hospital Public Company Limited, so resulted in the change in the Company's shareholding from 55.87% to 56.91%.
- On 1 November 2017, the Company purchased 99.99% of Bumrungrum Plaza Limited (BMP) from Power Line Engineering Public Company Limited (PLE) and its existing shareholders. To acquire the right to lease land and buildings on the leasehold right of ownership of the Thai Red Cross Society. The purchase is considered as an acquisition of assets to develop Thonburi Rehabilitation Hospital Project (Bumrungrum Road). The idea is to build a medical center. There is an outpatient department, such as a physiotherapy department, health care and rehabilitation department, etc., and there are rooms for rehabilitation patients.
- On 2 November 2017, the Company attended the official hospital opening ceremony of Welly Hospital in Weihai, People's Republic of China. The Company owns 58% of the shares and is the first Thai hospital to receive medical license in the People's Republic of China.
- On 9 November 2017, the joint venture has registered to change its name from "Weihai Thonburi Healthcare Investment Company Limited" to "Weihai Welly Hospital Company Limited" and the Board of Directors' Meeting of Joint Venture - Weihai Welly Hospital Company Limited, approved the increase in registered share capital in amounting to Renminbi 20.00 million, totalling Renminbi 250.00 million. The Company paid share following its proportion in amounting to Renminbi 11.60 million (equivalent to Baht 58.02 million).
- On 15 November 2017, Thonburi Hospital celebrates its 40th anniversary. Founding and being one of the nation's leading private hospitals with 19 network hospitals nationwide. The opening ceremony of a new 4-story outpatient building.
- On 5 November 2017, the Company has approved an increase in the share capital of ARYU International Health Care Company Limited from 10% to 40% by purchasing shares from WJ International Hospital Management Company Limited at par value. Expected to pay for shares in Q1 /2018 and it is expected that ARYU International Hospital will be available in mid-2018.
- On 7 December 2017, the Company traded its first trading day on the Stock Exchange of Thailand. The initial public offering (IPO) of 85 million shares, using the "THG" symbol, raised Baht 3,230 million to repay the bank loans. This is the working capital of the Company.

Operated by	% of share holding		Revenue (Unit : Million Baht)			
	2017	2016	2016		2017	
			Income	%	Income	%
Thonburi Healthcare Group PCL.			4,730.62	71.55%	4,469.02	71.75%
Rajyindee Hospital PCL.	56.91%	55.87%	627.47	9.49%	713.18	11.45%
Thonburi Healthcare Group PCL - Pattaya City Hospital			412.69	6.24%	294.76	4.73%
Thonburi Healthcare Group PCL - Phuket Provincial Hospital			184.81	2.79%	208.03	3.34%
Thonburi Hospital Heart Centers Co.,Ltd.	99.98%	99.98%	215.95	3.27%	130.16	2.09%
Bamrungmaung Plaza Co., Ltd.	99.99%	0.00%	-	-	-	-
Uttaradit Thonburi Hospital Co.,Ltd.	99.99%	99.99%	-	-	-	-
Total revenue from medical services business			6,171.54	93.34%	5,815.15	93.36%
Dental Siam Co., Ltd.	99.43%	99.43%	400.04	6.05%	380.89	6.11%
Premiere Home Health Care Co., Ltd.	99.99%	99.99%	13.92	0.21%	13.57	0.22%
Total revenue from Healthcare solutions provider business			413.96	6.26%	394.46	6.33%
Modular Software Expertise Co., Ltd.	70.00%	70.00%	26.15	0.40%	19.06	0.31%
Rajthanee Realty Co., Ltd.	100.00%	100.00%	-	-	-	-
Thonburi Realty Development Co., Ltd.	99.78%	99.78%	-	-	-	-
Total revenue from other business			26.15	0.40%	19.06	0.31%
Total revenue			6,611.65	100.00%	6,228.67	100.00%



The company's business can be divided into three major segments.

- Medical Services Business
- Healthcare Solution Provider
- Other Business

Medical Services Business

Is a key to generating revenue for the company. Can be classified into 5 types as follows

1) Medical Services in Thailand

The company carried out domestic medical services operations through its own staff, subsidiaries and joint ventures. They include 2 Bangkok-based hospitals, namely Thonburi hospital and Thonburi 2 hospital, and 3 major provincial hospitals including Rajyindee hospital at Songkha, Ubonrak Thonburi hospital at Ubonratchathane and Sirivej Chanthaburi hospital at Chanthaburi. Altogether, there are 916 beds and a combined capacity to service 5,580 outpatients daily, making the group one of the leading healthcare providers in Thailand, with a focus on quality, efficiency and best equipment plus health promotion, disease prevention and rehabilitation programs, all with easy accessibility and affordable prices. The company is offering high-quality services in various medical fields including general medicine, pediatrics, obstetrics and gynecology, ophthalmology, otolaryngology, general surgery, bone and joint surgery, cardiology, neurology, dermatology, dentistry and hemodialysis treatment. The hospital under the group, the service has been recognized in international standards. The accredited hospitals (HA) Certificate from the Institute of Nursing (ITD), the hospital is certified under the group has organized a great job and contributing to service quality and safety.

Hospital	Address	The number of registered beds	Description
Thonburi Hospital	No. 34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok	435	Operating directly under the company.
Thonburi 2 Hospital	43/4 Borommaratchachonnee Road, Khwaeng Sarathammasop, Khet Taweewatana Bangkok 10170	95	Operating directly under the company.
Rajyindee Hospital	119 Rajyindee Road, Tambol Hat Yai Amphur Hat Yai, Songkhla 90110	196	The company operates under Rajyindee Hospital Pcl. a subsidiary of the Company, the Company holds 56.91% of the paid up capital.
Ubonrak Thonburi Hospital	46/4 Soi Bhurapa Nai Rd., Tambol Naimuang, Amphur Muangubon ratchathani , Ubonratchathani 34000	100	The company operates under Ubon Rak Company Limited, an associate of the Company, holds 34.04% of the paid-up capital.
Sirivej Chanthaburi Hospital	151 M.7 Trirat Road, Tambol Chanthanimit, Amphur Muangchanthaburi, Chanthaburi, 22000	90	The company operates under Sirivej Chanthaburi Pcl. , an associate of the Company, holds 31.87% of the paid-up capital.

The company plans to enhance the service of Thonburi Hospital and Thonburi 2 Hospital to meet patients has increased steadily in the future with the goal of becoming a leader in the hospital industry cycle follows.

1) Thonburi Hospital Service Expansion Project

To expand the business in the future quickly and sustainably, the company needs to have adequate service capacity for the number of patients admitted. The following projects are being expanded.

- Project of 10- story car park building for 150 cars. It will commence construction in 2018 and it is expected that parking will be available around 2020.
- Project of 8- story outpatient building. There are 50 check-ups available. It will begin construction in 2018 and is expected to be launched in 2020.

2) Thonburi 2 Hospital Service Expansion Project

Thonburi 2 Hospital is located in the west of Bangkok as a result the amount of medical services has increased. Therefore, the Company's policy is to expand the area to accommodate the increasing number of patients and cover the service from the current secondary care to tertiary care. The 3-story building for outpatient 15 rooms and 52 beds. It is expected to commence construction in 2018 and serve the year 2020.

2) Overseas Medical Services

- The People's Republic of China is operated by Weihai Welly Hospital Company Limited, a joint venture between the Company and WEGO Holding Company Limited, which is a leading medical device manufacturer in the People's Republic of China. They own 58% and 42% of the registered capital, respectively. Welly Hospital was officially opened on 2 November 2017. It currently has 150 beds and is open for 130 beds. Welly Hospital is located Hui Shui District, Shandong Province, Weihai Town, People's Republic of China. The north coast town is a community and trade zone with the retirement of working people, the hospital has continued patient care. From Shandong Province and neighboring counties such as Hebei, Heilongjiang, Pinyin, Liaoning, Beijing and Sanxi. Welly Hospital offers a full range of treatment services. There is a service model that is important to the patient with the care of medical personnel. This service is different from other hospitals in the People's Republic of China.
- The Republic of the Union of Myanmar. ("Myanmar"), the company has partnered with a local partner Ga Mone Pwint Company Limited ("GMP"), an operator of retail real estate and famous in Myanmar, continue building the 200 bed hospital worth USD 75 million to the hospital in Myanmar with the international standard, called Ar Yu International Hospital is located on the Kyaikkasan road, Yangon. On an area of about 3 acres, the joint venture ARYU International Health Care Company Limited was established on 4 April 2017 and approved the offer of investment from the Myanmar Investment Commission ("MIC") on 14 July, 2017. This joint venture is 50% held by GMP, GMP will give leasehold with ARYU International Health Care Company Limited for 50 years with a fair value of USD 25 million. The Aryu Ananta Medical Services Company Limited (Myanmar) holds 10 % and at the end of 2017, the Company holds a 10 % (USD 5 million) of the share capital of USD 50 million. (from the registered capital of USD 100 million). In the quarter 1/2018, the Company will increase its investment proportion to 40 % as it believes that the investment in Myanmar is a good opportunity for the business and the operation is in accordance with the specified procedures. Ar Yu International Hospital was completed and started operation in middle 2018

3) Step-Down Care Center

The Company has a new project development concept. The hospital will be able to accommodate the number of patients admitted and rehabilitated more. Due to the evolution of modern medicine is progressing, the patient has a higher rate of recovery. However, many patients still have to spend time in rehabilitation and physical therapy. If patients stay in hospital for a long time, it does not require complex care. Patients and families may have to bear the cost of treatment is high. But getting back to home remedies may not be as easy for caregivers as well. Thonburi Hospital has initiated Thonburi Rehabilitation Hospital. This is a new concept in Thai medicine, the company is a leader in the creation of rehabilitation centers with international standards for physical rehabilitation and physiotherapy, to help reduce costs and facilities to patients and their families. With the potential that can accommodate patients forwarded from Thonburi Hospital and affiliated hospitals or from another hospital cause the Thonburi Hospital to receive intensive care treatment to get even more.

The Company has developed the Thonburi Health Rehabilitation Hospital Project (Bumrungrumuang Road) to become a health service center by using the area of Bumrungrumuang Plaza (SoHo Building) which the Company will acquire the right to lease the building from the acquisition of Bumrungrumuang Plaza Limited 's shares from Power Line Engineering Public Company Limited on 1 November 2017.

The project is located at Bumrungrumuang Road which is not far from Thonburi Hospital and the doctor can travel to follow the treatment easily. It is also close to the main customers who trust the medical treatment of the Thonburi Hospital. Thonburi Rehabilitation Hospital (Bumrungrumuang Road) has 16-story building (including 6-story car park) and area of approximately 50,000 square meters and a parking area of approximately 30,000 square meters. The concept is a medical service center, there is an outpatient department such as physical therapy department, health check-up department, infertility department (IVF), gastroenterology and liver department, dental department, preventive medicine department, cosmetic surgery department, narcolepsy surgery and x-ray department. There are also rooms for rehabilitation patients. It is expected that the inpatient room will have 59 beds available initially. There are also shops for health products, drugs and medical supplies for convenience for relatives, patients or health lovers. It is expected that Thonburi Rehabilitation Hospital (Bumrungrumuang Road) will be available by 2018 for some departments.

However, future investment plans as mentioned above is preliminary estimate and may change in detail as appropriate. The future project of company, it is in line with the business strategy and the purpose of company will grow with the Thai economy. The Company intends to create maximum return for shareholders. The opportunity to consider investing in medical care, hospital business or other business related to the core business. If in the future the company able to invest in a profitable business that benefits the shareholders.

4) Management Services for Provincial State Hospitals

The Company became the first private hospital entrusted by local administration organizations to provide management services for state hospitals that were keen to improve their management efficiency. Contracts were signed to provide management for two hospitals under local administration organizations and one Community Medical Center, namely Pattaya City Hospital and the 129 bed Phuket Provincial Administrative Organization Hospital, and one medical center, namely the Koh Lan International Medical Center. The partnership with the state reflects trust in the company's capacity, human resources, as well as management ability covering all important sectors of hospital. It also an acknowledgement of the company's efficient services, which are provided with the standards of private hospitals but prices of state-owned hospitals. At the two hospitals, doctors and nurses are on hand around the clock for high-standard services.

Moreover, the company also hired management and training to hospitals abroad including Tonghe Hospital at People's Republic of China and hired a consultant to Welly Hospital hired as a consultant and implement holistic education system (Consultancy and Comprehensive study) to King Saud University Endowment Hospital, located in Riyadh, Saudi Arabia and advising Ar Yu International Health Care Co., Ltd in the hospital business to prepare to open a hospital in Myanmar.

5) Specialized Medical Services Centers

The company was established in Thonburi Hospital Heart Center Co.,Ltd. The company's business focuses on providing management services for heart centers in both the public and private sectors. Provide medical professionals with a reputation for heart disease. The current operating contractor hospital services 3 projects as follows:

- **Clinic Heart Center at Phatara Thonburi Hospital**

Operated under contract to the treatment of cardiovascular disease with Phattara Hospital Co., Ltd. to provide specialized medical team and manage work schedules of physicians. The heart center is open from December 2014 include a take an enema artery with modern tools, comprehensive care internal medicine specialist heart cardiac catheterization. Doctors surgery with a team that has been specially trained to care for patients with heart disease. Have a dormitory for heart patients and dormitories for heart patients an extra 18 beds with critical heart disease (CCU) 6 beds with care for heart patients since the treatment of early stage to maintain a sophisticated advanced 24 hours.

- **Clinic Heart Center, Bang Phli Hospital**

Is a collaboration of the project by director of Bang Phli hospital heart center and Thonburi Hospital Co., Ltd. by the company contracts services and quality control to work with specialty physicians. Clinic Heart Center, Bang Phli Hospital opened in August 2015. Treatment Procedures for patients with heart disease and ischemic heart disease. Composed of cardiovascular and coronary laboratories. Cardiac crisis patients (CCU), dormitories and dormitories for cardiac patients.

- **Clinic Heart Center Thonburi 2 Hospital**

Launched on 26 June, 2017 by Thonburi Hospital Heart Center Co.,Ltd. There is a duty to provide specialized medical teams and manage the schedules of physicians to meet the needs of cardiovascular patients effectively in accordance with professional standards.

Healthcare Solution Provider

It is a health care business. In addition to medical treatment with a variety of services to meet the needs of health care users in different age and physical condition. The service is as follows.

1) Home Healthcare

We realize that some patients and elderly people may face difficulty traveling to our hospital due to traffic congestion and their physical conditions. Therefore, Thonburi Hospital has introduced Premiere Home Health Care Co., Ltd. which delivers full-service medical cares at patients' homes. The company was set up to provide solutions to relieve the burdens on patients. Our team consists of professionals in various fields of including highly experienced physicians, dedicated nurses, highly-skilled physiotherapists, qualified nutritionists and experienced psychologists.

2) Distribution of medical supplies, devices and equipment

We have a policy to enter into businesses that support our subsidiaries and businesses. The company acquired 99.43% of the paid-up registered capital of Dental Siam Co., Ltd. in 1997. Established for over three decades, Dental Siam provides so-called "One Stop Service" including distribution and effective after-sale services. With its expertise and highly-experienced staff, Dental Siam has the third largest market shares. It is the exclusive distributor of leading brands including Adec, W&H, AO, Heraeus, Megagen, SAM, Melag and Alpro. It also operates eight branches of pharmacy located in department stores under "Apex Health Care".

3) The business of providing care and shelter for the elderly. (Senior Care and Living)

JIN Wellbeing County Project

As development projects relating to medical complete (Healthcare Mixed Used Development) under the concept of bringing health care, integrated (Integrated Healthcare) and health care plans only (Tailor-Made Medicine) combined with accommodation residential (Active Living) designed for the elderly can be modified or additional facilities to meet the needs of residents in each age group and housing for the elderly who need special care (Aged Care) as well as activities that meet the lifestyle of residents. Both those in the retirement age and working in a health care plan and the long-term viability under the “new concept of retirement.”

The project area is approximately 140 acres located on Phaholyothin Road (Rangsit), the largest community in the north of the city. It is connected to major cities. EIA projects have been approved at the beginning of January 2018 and start construction and expected to be completed in 2018-2019

In the first phase of the project consists of

- 3.1) Residential building height of 7 floor of approximately 1,380 units, which are designed to meet the elderly, literally with regard to safety, convenience including the mental condition of the elderly. Inside the building are the medical staff to take care of. and emergency medical personnel 24 hours a day, including a medical examination as such Health Tracking System and Centralized Health Monitor System and CCTV in order to trust that person. elderly will be cared for properly and timely.
- 3.2) Aged Care Center for the care of the elderly who needs close medical care from medical personnel, such as self-help. Managed by a team of doctors and nurses of Thonburi Hospital. The target group is the elderly within the project or the patient who is referred from the nearby hospital. There are also rehabilitation services available at the patient's room, accommodation in residential buildings, general medical clinics, rehabilitation centers. Rehabilitation includes counseling services from nutritionists and psychologists.
- 3.3) Wellness Center for the elderly which offers health promotion the rehabilitation program. The environment and atmosphere that promotes physical and mental health of the elderly with modern facilities such as a spa, fitness center, swimming pool, hydrotherapy pool, Thai massage rooms, emergency first aid room and health facilities a class activities and health services, suitable for older people in various ages and family. There are packages for users to choose from a variety of different needs.

Other Business

1) Development of software for the management of the hospital.

Modular Software Expertise Co., Ltd. to develops software systems for hospital management. Both for affiliated hospitals and clients in many public and private hospitals in the country with a team of specialists and experienced in computer systems and hospital systems for more than 20 years, the hospital's software system has been constantly updated with new technology. The system can support all departments in the hospital. It supports data linking with other systems.

2) Development of projects related to health and medical services.

Operated by Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd. is currently in the study and the possibility of doing business in the future.

Securities and Shareholders Information

1. The Company's Security

As of 31 December 2018, the Company has registered capital of 849,080,000 baht, consisting of 849,080,000 common shares with a par value of 1 baht per share. The Company paid-up capital is 849,080,000 baht.

2. Major Shareholders

Top shareholders according to the share registration book closing on 31 January 2018 are as follows:

Shareholders	No. of Shares	% Holding
1. Mrs. Charuwan Vanasin ³	85,206,362	10.04
2. WJ International Hospital Management Co., Ltd. ^{1,3}	60,000,000	7.07
3. Mrs. Nawara Vanasin ³	49,872,663	5.87
4. Global Health Investment Co., Ltd. ^{2,3}	43,813,340	5.16
5. Mr. Amnuay Unnanuntana, MD	43,510,970	5.12
6. Khunying Songseang Meksawan	20,046,582	2.36
7. Ramkhamhaeng Hospital PCL	15,144,600	1.78
8. Dr. Arsa Meksawan	9,161,755	1.08
9. Mr. Aasis Unnanuntana, MD	6,811,300	0.80
10. Mr. Boon Vanasin, MD ³	5,801,848	0.68
Total	339,369,420	39.97

Noted 1/ WJ International Hospital Management Co., Ltd. Shareholders by Dr.Boon Vanasin 30% and Mrs.Charuwan Vanasin located at Hongkong.

2/ Global Health Investment Co., Ltd the company under to control by Vanasin's family that the major shareholders of the company located at Hongkong.

3/ The major shareholders are Dr.Boon Vanasin group, consist of Dr.Boon Vanasin, Mrs.Charuwan Vanasin, Mrs.Nawara Vanasin, Ms.Nalin Vanasin (10,837 shares) Mr.Jon Vanasin (10,837 shares), WJ International Hospital Management Co., Ltd. and Global Health Investment Co., Ltd.

3. Distribution of Shareholders by Nationality

The distribution of shareholders according to the nationality, as of the latest book registration closing date on 31 January 2018, is as follows:

Shareholders	Grand Total			Juristic Person			Ordinary Person		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Thai	8,584	774,083,890	87.63	181	40,268,440	4.74	8,403	703,815,450	82.89
Foreign	14	104,996,110	12.37	4	104,392,340	12.30	10	603,770	0.07
Total	8,598	849,080,000	100	185	144,660,780	17.04	8,413	704,419,220	82.96

* Information provided by Thailand Securities Depository Co., Ltd., the number of shareholders will be counted based upon different accounts or addresses.

4. Dividend Payment Policy

4.1 Dividend Payment Policy of the company

The company has a policy to pay dividend at no less than 40% of its total net profit according to the consolidated financial statements after yearly legal reserves and with consideration of financial positioning, cash flow, liquidity, investment plan and other factors in accordance with the Board of Directors' opinion. Dividend payment shall not have significant impact on the company's normal business operations and be compliant to laws, regulations or other related decision.

The Board of Directors' resolution on dividend payment shall be present to the annual general shareholders' meeting for approval, except for interim payment that is under the authority of the Board of Directors and shall be reported to the shareholders at the following shareholders' meeting.

4.2 Dividend Payment Policy of subsidiaries

The Board of Directors of the subsidiary will periodically consider.

Management Structure

1. Board of Directors

As of 1 March 2017, there are 14 members of Board of Directors include:

1. Non-executive directors are 10 persons, of these 7 persons are independent directors.
2. Executive directors (Authorized to sign on behalf of the Company) 4 persons

The Board of Directors appointment of Chairman and Vice Chairman, Chairman or the person assigned by the Chairman is responsible to call for a meeting and send an invitation letters through registered mail or deliver in person to the directors, at least 7 days prior to the meeting date. In order for the directors to have sufficient time to study, consider and make decisions correctly in various matters. The Chairman is chairman of the meeting, except for cases where the Chairman of the Board may lack independence or conflict of interest on the agenda. The Vice Chairman or other independent directors shall preside over the meeting.

Name list of Board of Directors and the attendance of directors in the year ended 31 December 2017

Name of Director	Position	Appointed as the first director	Tenured	At 31 December 2017		
				Board of Directors' Meeting	Annual General Meeting of Shareholders	Extraordinary General Meeting of Shareholders
1. Dr. Boon Vanasin	Chairman of the Board of Directors	May 1977	April 2017 - April 2020	88	1/1	1/1
2. Dr. Tanatip Suppradit	Vice Chairman of the Board of Directors	September 2015	April 2016 - April 2018	88	1/1	1/1
3. Mr. Chalemkul Apibunyopas	Director and Risk Management Committee	May 1993	April 2016 - April 2018	88	1/1	1/1
4. Assoc. Prof. Dr. Aasis Unnanuntana	Director	April 2015	April 2017 - April 2020	58	0/1	1/1
5. Ms. Nalin Vanasin	Director	June 2012	April 2017 - April 2020	68	1/1	1/1
6. Dr. Kajorn Thanapase	Director	September 2015	April 2016 - April 2019	78	0/1	0/1
7. Mr. Sita Meksawan	Director	September 2015	April 2016 - April 2019	68	1/1	0/1
8. Mr. Somchai Kuvijitsuwana ¹	Independent Director and Chairman of Audit Committee	December 2015	December 2017 - April 2020	88	0/1	0/1
9. Mr. Virachai Srikajon	Independent Director, Member of Audit Committee and Chairman of the Nomination and Remuneration Committee	December 2015	December 2015 - April 2018	58	0/1	0/1
10. Dr. Linda Kraivit	Independent Director, Risk Management Committee and Member of the Nomination and Remuneration Committee	April 2015	April 2017 - April 2020	88	1/1	1/1
11. Mr. Timothy Eman Lertsmitivana	Independent Director, Member of the Nomination and Remuneration Committee	April 2016	April 2016 - April 2018	68	0/1	1/1
12. Dr. Eugene D.M.B. Kroon	Independent Director	April 2016	April 2016 - April 2019	78	1/1	1/1
13. Mrs. Kannika Ngamsopsee	Independent Director and Member of Audit Committee	April 2016	April 2016 - April 2018	78	1/1	1/1
14. Dr. Vikrom Koompirochana	Independent Director	April 2016	April 2016 - April 2019	88	1/1	1/1
15. Assoc. Prof. Dr. Visit Vamvanij	Independent Director and Chairman of Risk Management Committee	April 2016	April 2016 - April 2019	78	1/1	0/1

Remark : 1/ Mr. Somchai Kuvijitsuwana, Independent Director and Chairman of Audit Committee resigned on 14 February 2018. The Board of Directors' Meeting No. 2/2018 held on 22 February 2018 appointment Dr. Linda Kraivit is the member of Audit Committee and Mrs. Kannika Ngamsopsee is the Chairman of the Audit Committee.

Duties and Responsibilities of The Board of Directors

- 1) The Board of Directors have its duties and responsibilities in management and operation of the business with best diligence and integrity; comply to the law, objectives, regulations and resolutions of the meeting of shareholders with integrity and diligence to protect interest of the Company and shareholders. The Board shall oversee the compliance to applicable law relevant to business of the Company; propose in the meeting of shareholders for consideration and approval for the agenda that requires prior approval, for example, the matters, as stipulated by the law, which must be approved by the meeting of shareholders, related transaction, significant acquisition and disposal of securities as set forth in the criteria of the Stock Exchange of Thailand or as stipulated by other government agencies etc. The Board of Directors shall supervise the compliance to applicable law relating to business of the Company, corruption law or anti-corruption support scheme.
- 2) Host a meeting at least every 3 months.
- 3) Apply adequate and effective accounting system, financial report and auditing; provide internal control system, internal audit and document filing system to ensure the accountability and adequacy of the system subsequently.
- 4) Supervise the preparation of financial statement of the Company as of the ending date of the accounting year to show the actual, completed and correct financial status and operation result of the previous accounting year. The accounting system must meet the generally accepted accounting standard and be audited by the certified public auditor prior to being submitted to the meeting of shareholders for consideration and approval.
- 5) Approve and formulate vision, mission, long-term target, direction, policies, business plan, budget and monitoring and supervising the management to assure the compliance with policies, plan and the budget assigned for the highest benefit of the Company and shareholders.
- 6) To monitor operation result of the Company on regular basis to assure the compliance to work and operation plan as well as budget of the Company.
- 7) To formulate risk management policy to cover the entire organization, and to oversee the system or procedures of risk management by having supporting measures and controlling system to minimize the impact on business of the Company adequately.
- 8) To supervise ethical manner in business, for example, to provide good corporate governance in written form; to comply and adapt such policy effectively; to announce the implementation of the good corporate governance; to monitor the compliance among all personnel to assure the Company's best fair treatment to all stakeholders.
- 9) Set organization structure, management structure, scope of duties. The Board of Directors has the power to appoint sub-committee, management committee, senior management as defined by the Securities and Exchange Commission, Thailand, as well as other sub-committee for the management committee, managing directors as deemed appropriated.
- 10) Appoint a director of the Company in case where the position become vacant due to the reason other than retirement by rotation.
- 11) To determine and amend name of director(s) who are authorized to sign on behalf of the Company. In the event when the director position become vacant due to the reason other than rotation, the Board of Directors shall elect a person who is qualified and not having prohibited character as described in the Public Limited Company Act B.E. 2535 and the Securities and Stock Exchange of Thailand Act B.E. 2535 as a director in the next meeting of the Board.
- 12) To appoint the Company Secretary, as well as to determine scope of duties and responsibilities.
- 13) To select and approve list of certified public auditors and to determine the adequate remuneration as proposed by the Audit Committee prior to propose to the meeting of shareholders in the Annual General Meeting of Shareholders for approval.

- 14) To consider and approve the acquisition or disposal of assets, investment in new business and operations of the Company as necessary under the law, regulations and relevant rules unless such transaction is approved by the meeting of shareholders. However, the approval of the Board must be consistent to the notification of the Market Advisory Board and/or notification, regulations and/or relevant rules of the Stock Exchange of Thailand.
- 15) To consider and/or give opinions on related transactions and/or to proceed any transactions of the Company (if the value of transaction is not required to be considered and approved by the meeting of shareholders), to confirm and in compliance with the law, notifications, rules and relevant regulations. To oversee, control and prevent the conflict of interest among stakeholders of the Company.
- 16) To approve the interim dividend payment to shareholders once it is considered that the Company's profit is in adequate level. The report of dividend payment shall be presented to the meeting of shareholders in the next meeting of shareholders.
- 17) To supervise the annual report of the Board and to prepare and disclose the financial statement of the Company in order to view the financial status and operation result of the previous year and to present the said reports to the meeting of shareholders for consideration and approval.
- 18) All directors and the Management must report to the Company of their interest or the related persons where such interest is related to management of the Company under the conditions and procedures specified by the Securities and Exchange Commission, Thailand.
- 19) All directors and the Management of the Company shall be jointly liable for the person acquiring-disposing assets of the Company against any damages occurred as a result of the information being disclosed to shareholders or the public, showing false information in material content or conceal the fact which should be disclose in material facts as specified in the securities and Stock Exchange law, unless the director and management will proof that such information is beyond their scope of duties or they lack of such information.
- 20) A directors, management, their spouses and minor child cannot use the internal information of the Company, whether acquired by their duties or any other way, which has or may have significant impact to the Company, for their own or the other's benefit, whether directly or indirectly, with or without return.

2. Executive Officer

Executive Committee dated 1 March 2018 there are 7 members of Executive Committee as follows:

1. Dr. Tanatip Suppradit	Chairman of Executive Committee
2. Mr. Chalermkul Apibunyopas	Member of Executive Committee
3. Assoc. Prof. Dr. Aasis Unnanuntana	Member of Executive Committee
4. Prof. Dr. Somkiat Wattanasirichaikul	Member of Executive Committee
5. Ms. Nalin Vanasin	Member of Executive Committee
6. Dr. Sudhichai Choekijchai	Member of Executive Committee
7. Ms. Thipawan Rujirojphattana	Member of Executive Committee

By Ms. Suwadee Puntpanich is secretary of Executive Committee

Duties and Responsibilities of Executive committee

- (1) Define and present policies, goals, business plans, business strategies, annual budget, expansion determining, money plan and human resource management policy as well as considering and scrutinizing the proposals of the management of the Company and its subsidiaries for further consideration to the Board of Directors.

- (2) Supervise the business operation of the Company and its subsidiaries to comply with policies, goals, business plans and strategies and the budget approved by the Board of Directors. To be effective and conducive to business conditions. Providing management consultancy to senior executives and follow up on company performance and its subsidiaries.
- (3) Consider and approve investment spending, to conduct financial transactions with financial institutions for the purpose of opening a mortgage, pledge, mortgage, guaranty and other account including trading / registration of land for normal business transactions of the Company and its subsidiaries under the authorized limits.
- (4) Define organizational structure and effective management. It covers both the selection, training, employment and termination of the Company's employees and its subsidiaries. Senior management it may be assigned to the senior managing director or director or managing director being the authorized representative of the Company to sign a employment contract.
- (5) To consider and approve the normal transactions as well as the normal business support activities of the Company with general trade terms. In the amount not exceeding the budget approved by the Board of Directors or the Board of Directors has approved in principle. Under the regulations of the Securities and Exchange Commission including the Stock Exchange of Thailand regarding the connected transaction and the acquisition of assets and The table of authority specified by the Board of Directors.
- (6) Have the power to authorize one or more persons to perform any act. It is under the control of the Executive Committee.
- (7) Perform other duties as assigned by the Board of Directors.

Summary of key authorization

	Board of Directors	Executive Committee	Chief of Executive Committee
Annual budget	Unlimited	agree	agree
Investment or new business expansion.	More than 100 million baht	not more than 100 million baht	not more than 10 million baht
Purchasing or selling items outside the annual budget.	More than 10 million baht	not more than 10 million baht	not more than 5 million baht
Acquisition and disposal of fixed assets	More than 50 million baht	not more than 50 million baht	not more than 10 million baht
Authority to sign checks.	Unlimited	none	none

Note: - The approval of the transaction is in accordance with the notification of the capital market supervisory board No. TorChor 20/2551 re. rules on entering into material transactions, acquisition or disposal of assets notification of the board of governors of the Stock Exchange of Thailand re. disclosure of information and other acts of listed companies concerning the acquisition or disposition of assets, 2547 and amended. In addition, the notification of the capital market supervisory board No. ThorJor. 21/2551 re. rules on connected transactions and the notification of the board of governors of the Stock Exchange of Thailand re. disclosure of information and other acts of listed companies concerning the connected transactions, 2546 and amended.

Management of the Company (As defined by the SEC)

As of 1 March 2018, the Company's executives in accordance with the definition of the SEC, total 5 persons as follows:

Name	Position
1. Mr Wong Chow Ket	Chief Executive Officer, Managing Director and Chief Operation Officer 3

2. Mr. Chalermkul Apibunyopas	Chief Operation Officer 1
3. Ms. Suwadee Puntpanich	Acting Chief Operation Officer 2 ²
4. Dr. Tanatip Suppradit	Chief Operation Officer 4
5. Ms. Anchalee Chavalitjareetham	Accounting Director and acting for Chief Financial Officer ¹

Remark: 1/ Ms. Surawee Chaithumrongkool, former financial director, resigned on 15 September 2017 due to her personal business mission so she cannot do the job. However, Ms. Anchalee Chavalitjareetham was acting finance director before Ms. Surawee Chaithumrongkool

2/ Dr. Sunthorn Sritha, former chief operation officer 2, resigned on 18 July 2017

3 Company Secretary

The Board of Directors has resolved to appoint Ms. Suwadee Puntpanich as the Company Secretary since 9 December 2015 to be responsible for the following actions.

- 1) Preparing and keeping important documents of the Company
 - (a) Directors' registration
 - (b) Board meeting notices, minutes and annual reports
 - (c) Shareholders meeting notices and minutes
- 2) Keep on connected transactions reported and report to directors or the management.
- 3) Perform other actions as prescribed by the Capital Market Supervisory Board.
- 4) Submit a copy of the report of interest (Directors / Executives / Related Persons) to the Chairman and the Chairman of the Audit Committee within seven days since the date of the Company received from directors and executives.
- 5) Perform duties above with responsibility careful and honesty. It must comply with the laws, objectives, regulations of the company, board resolutions and the resolutions of the shareholders' meeting

4. Remuneration for Directors and Executives Officer

1) Monetary remuneration

1.1) Director

In the year 2017, the remuneration paid to directors, total amount of Baht 3.6 million is as follows;

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
1. Dr. Boon Vanasin	Chairman of the Board of Directors	270,000	-	-	-
2. Dr. Tanatip Suppradit	Vice Chairman of the Board of Directors	230,000	-	-	-
3. Mr. Chalermkul Apibunyopas	Director and Member of Risk Management Committee	230,000	-	-	-
4. Assoc. Prof. Dr. Aasis Unnanuntana	Director	200,000	-	-	-
5. Ms. Nalin Vanasin	Director	210,000	-	-	-
6. Dr. Kajom Thanapase	Director	210,000	-	-	-
7. Mr. Sita Meksawan	Director	200,000	-	-	-

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
8. Mr. Somchai Kuvijitsuwan	Independent Director and Chairman of Audit Committee	220,000	90,000	-	-
9. Mr. Virachai Srikajon	Independent Director, Member of Audit Committee and Chairman of the Nomination and Remuneration Committee.	190,000	70,000	20,000	-
10. Dr. Linda Kraivit	Independent Director, Member of Risk Management Committee and Member of the Nomination and Remuneration Committee.	230,000	-	20,000	10,000
11. Mr. Timothy Eman Lertsmitivana	Independent Director, Member of Nomination and Remuneration Committee	210,000	-	10,000	-
12. Dr. Eugene D.M.B. Kroon	Independent Director	220,000	-	-	-
13. Mrs. Kannika Ngamsopee	Independent Director and member of Audit Committee	220,000	90,000	-	-
14. Dr. Vikrom Koompirochana	Independent Director	230,000	-	-	-
15. Assoc. Prof. Dr. Visit Vamvanij	Independent Director and Chairman of Risk Management Committee	210,000	-	-	10,000
Total		3,280,000	250,000	50,000	20,000

1.2 Executive (as defined by the SEC)

In the year 2017 there is a monetary remuneration. The salaries and bonuses for the Company's executives as defined by the SEC are in the total of Baht 22,583,175.00

2) Other Compensation

2.1) Board of Directors

In the year 2017, the Company's Directors get for medical expenses total Baht 132,996.00

2.2) Executive Officer

In the year 2017, the Executive Officer get for medical expenses total Baht 67,722.00

5. Employee

1) Number of employees

For the years 2015-2017, The Company and its subsidiaries has total employees as follows:

Company	Number of employees 31 December 2015		Number of employees 31 December 2016		Number of employees 31 December 2017	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Thonburi Healthcare Group PCL	2,444	224	2,393	104	2,746	182
Rajyindee Hospital PCL	612	80	635	88	584	82

Company	Number of employees 31 December 2015		Number of employees 31 December 2016		Number of employees 31 December 2017	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Dental Siam Co., Ltd.	140	15	160	20	145	21
Premiere Home Health Care Co., Ltd.	24	-	16	-	70	5
Rajthanee Realty Co., Ltd.	1	-	1	-	1	-
Thonburi Realty Development Co., Ltd.	1	5	1	5	0	0
Modular Software Expertise Co., Ltd.	29	-	38	-	36	-
Thonburi Hospital Heart Centers Co.,Ltd.	40	4	49	3	68	13
Uttaradit thonburi Hospital Co.,Ltd.	-	-	-	-	-	-
Bamrung Maung Plaza Co., Ltd.	N/A	N/A	N/A	N/A	20	3
Total	3,291	328	3,293	220	3,670	306
Grand Total	3,619		3,513		3,976	

Remark: Number of employees is not including number of doctors

2) Employee Compensation

The Company paid salary, overtime, allowance for living expense, bonus, money Social security and provident fund. The details are as follows:

Salary, bonus and other benefits.	2015	2016	2017
Thonburi Healthcare Group PCL	1,352,650,572	1,479,961,482	1,566,280,686
Rajyindee Hospital PCL	216,217,020	248,024,441	231,772,991
Dental Siam Co., Ltd.	49,581,945	57,273,478	56,694,686
Premiere Home Health Care Co., Ltd.	5,564,684	7,650,145	30,203,423
Rajthanee Realty Co., Ltd.	21,040	126,240	126,240
Thonburi Realty Development Co., Ltd.	473,335	420,027	20,673
Modular Software Expertise Co., Ltd.	13,167,008	16,032,201	19,412,802
Thonburi Hospital Heart Centers Co.,Ltd.	8,708,628	21,044,457	28,975,483
Uttaradit thonburi Hospital Co.,Ltd.	-	-	-
Bamrung Maung Plaza Co., Ltd.	N/A	N/A	1,271,391
Total	1,646,384,232	1,830,532,471	1,934,758,375

3) Significant staff changes over the past 3 years.

- None-

4) Labor disputes over the past 3 years.

- None-

5) Human Resource Development Policy

The Company manages its business by complying with the Guidelines for Good Corporate Governance issued by the Stock Exchange of Thailand ("SET"). The Company believes that human resources is a key and valued factor in driving business operations. Therefore, the Company has established Human Resource Development Policy as framework and

guidelines for preparing human resource development plan to create added value in utilization of human resources. The management of human resources shall be with fairness, transparency, examinable and creating happiness to employees. The Human Resource Development Policy consists of the following details:

(1) Improvement on work system and manpower

- (1.1) Plan, support and promote establishment of organizational structure, work system, framework for manpower and manage manpower properly and adequately in order to facilitate operations by all units of the Company, including having effective evaluation system in place.
- (1.2) Use human resources management tools, including tools for selection, promotion, performance evaluation, human resource development plan, and management of compensation.
- (1.3) Determine professions within the organization and set paths for development of those professions.
- (1.4) Set-up a system for evaluating performance of each unit.
- (1.5) Prepare succession plan.

2) Human resource development plan

- (2.1) Promote systematic and continuous development of human resources by increasing proper knowledge, capabilities, potentials, and skills in order to operate the business efficiently and successfully in accordance with the Company's objectives. Employees are promoted to have good moral and ethics in line with their roles and responsibilities.
- (2.2) Prepare human resource development plan according to job positions.
- (2.3) Continuously increase potentials of management and capabilities of employees of every level in their performance of roles and responsibilities.
- (2.4) Promote the Company's personnel in upholding organizational cultures, complying with code of ethics, having good morals and sacrifice, living together in harmony and devotion to the Company and society.
- (2.5) Develop management of know-how and knowledge in order to create a culture of continuous learning, knowledge transfer and exchange of knowledge and experience.
- (2.6) Support and facilitate trainings regarding Good Corporate Governance for directors and management of the Company in order to continuously improve the Company's operating performance. The Company support directors in attending relevant trainings to be equip with knowledge and understandings in the roles and responsibilities of director of listed company, including various trainings by Thai Institute of Directors Association (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP), Advanced Audit Committee Program (AACP), and Company Secretary (CS).

3) Development of Information System

- (3.1) Promote and support implementation of information technology system for management of human resources in order to obtain correct, complete, fast and up-to-date information and reduce certain steps of work procedures, quantity of paperwork, and analyze the collected information to assist in planning, decision-making and management of human resources effectively.
- (3.2) Develop database system for human resources.

- (3.3) Improve and develop information system for human resources management.
- (3.4) Provide additional knowledge on information technology system for the management of human resources to the responsible officers to enable them to use the system and increase the capabilities of personnel to prepare for development of the system in the future.

4) Welfare and labor relations

- (4.1) Promote security, merits, quality living, happiness and satisfaction to personnel in order to retain talented employees by supporting progress and development of personnel at every opportunity, creating channels for communications, providing incentives and special benefits, welfare, safety and hygiene work environment as necessary and appropriate and in accordance with the laws. Support activities which promote good relationship among management and employees of every levels.
- (4.2) Improve incentive system;
- (4.3) Improve safety, hygiene and environment for work;
- (4.4) Give compliments to good and outstanding employees, including those who contribute to the Company;
- (4.5) Improve welfare and special benefits system.
- (4.6) Improve channels of communication relating to human resources management.
- 4.7 Promote labor relations.

5) Human resource selection

- (5.1) Select and recruit persons with knowledge, capabilities and experience suitable for the position.
- (5.2) Cooperate with governmental units such as colleges and universities in recruiting graduates.
- (5.3) The Company shall hire personnel necessary and appropriate for the work. Persons recruited must have capabilities appropriate for the position and have qualifications as specified in the Company's regulations.
- (5.4) If any position becomes vacant, the Company will give priority to its existing employees before seeking replacement from outside. The Company will consider replacement applying its pre-determined criteria such as performance evaluation scores, test scores from relevant trainings, knowledge testing or giving employee an opportunity to work in vacant position for a probationary period before recruiting.

6) Human resource retention

- (6.1) Conduct performance evaluation for each unit by using key performance indexes (KPIs) as key assessment.
- (6.2) Prepare human resource development plan for each job level pursuant to succession plan and give opportunity to employees for advancement in their jobs through promotion.
- (6.3) Use information technology system in managing human resources and continuously develop the system in order to reduce procedures, quantity of work and paperwork.
- (6.4) Determine compensation appropriate for each job position by considering roles and responsibilities of each position, economic conditions, living costs, market rate salary, and competition to companies of similar business.

- (6.5) Organize joint activities between management and employees or among employees themselves to promote harmonious workplace.
- (6.6) Accept suggestions and complaints from employees for the Company's acknowledgement and review and consider such suggestions and complaints without delays.

Corporate Governance

1. Corporate Governance Policy

The Company operates its business by adhering to the Stock Exchange of Thailand (SET)'s good corporate governance principle. It has realized the importance of the rights of and responsibility towards shareholders and stakeholders, equitable treatment of shareholders, respect for the role of stakeholders, disclosure of information and transparency. The Board of Directors has also gives importance to performing its duty with responsibility and compliance with the corporate governance principle, increasing confidence among shareholders, investors and all concerned parties. In addition to compliance to the good corporate governance guideline of listed companies set by the SET, the company has formulated corporate governance policy covering 5 areas as follows:

1. Right of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board of Directors

1st Right of Shareholders

The Board of Directors views the right of shareholders as the top priority. It has been operating business to ensure that its shareholders can completely exercise their basic rights, including (1) right to sell, buy or transfer shares; (2) right to profit sharing; (3) right to receive sufficient information through the company's or SET's website and other channels; (4) right to attend shareholders' meeting to exercise their votes in appointing or terminating directors, considering directors' remuneration, appointing auditor, making decision on dividend payment, capital raising, new share issues and other matters that may affect the company's operations, and the right to ask question on the Board of Directors' report or any matters brought to the general shareholders' meeting for consideration and approval.

The Board of Directors also promotes and formulates policy related to shareholders' right as follows:

(1) Corporate Governance Policy related to Shareholders' Right Protection

- (a) The Board of Directors has a duty to protect and respect the basic rights of shareholders, including the right to buy, sell and transfer shares, the right to receive profit sharing, the right to receive sufficient information about the business and the right to attend the shareholders' meeting to appoint or remove directors, appoint auditors, allocate dividend, set or amend regulations or memorandum of association, reduction or increase of capital and approval of special items, etc.
- (b) The Board of Directors shall promote and encourage shareholders to exercise their rights at the annual general shareholders' meeting, including the right to propose meeting agenda prior to the meeting, the right to nominate directors in advance, the right to send questions prior to the meeting and the right to make comment and ask questions at the meeting, for example.
- (c) The Board of Directors has the responsibility to exempt from action that breach or limit or reduce the right of shareholders to have access to corporate information that must be disclosed in accordance with related rules and regulations and to attend the shareholders' meeting. This includes not proposing document with significant information without prior notice and not adding meeting agenda or changing significant information without advance notice.
- (d) The Board of Directors has the responsibility to facilitate shareholders in exercising their rights, including providing updated significant information through the company's website.

(2) Disclosure of Significant Information about Shareholders' Meeting

- (a) The Company has a policy to timely and sufficiently provide details about date, time, venue and agenda of the shareholders' meeting and related information about agendas waiting for the meeting's decision prior to the meeting. It is the company's policy to provide shareholders with sufficient opportunity and time to study the information prior to the meeting by publishing on its website the document which is the same as those sent to shareholders by post.
- (b) After each shareholders' meeting, the company prepares the "shareholders' meeting report", comprising agenda, meeting resolution, voting results and questions and comment raised during the meeting, and publishes it on the company's website within 14 days after the meeting date in accordance with the regulations set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- (c) The Board of Directors encourages shareholders to exercise their rights and does not limit the shareholders' right by disclosing significant information on its website prior to the meeting, will not propose additional documents containing important information during the meeting and will not add meeting agenda or changes important information without prior notice.
- (d) The company opens an opportunity for the shareholders to regularly receive updated important information through its website.

(3) The meeting

- (a) The company shall facilitate and enable shareholders to exercise their rights to attend the meeting and vote and shall avoid any action that will limit shareholders' right to attend the meeting.
- (b) The company shall inform rules and procedure of shareholders' meeting in the meeting invite and at the meeting. Shareholders are informed of the meeting rules and voting process at the meeting. The actions are recorded in every meeting report.
- (c) The company allows shareholders full opportunity to ask questions related to the meeting agenda and the company and openly express their opinions. The Chairman of the Board shall invite shareholders to ask question during each agenda. Questions and discussions related to each agenda or the company as well as shareholders' opinions and the Board of Directors' or the Management's answers and clarification are recorded in the shareholders' meeting report.
- (d) Being fully aware of the annual general shareholders' meeting and with respect to the shareholders' right, the Board of Directors encourages all Directors to attend the meeting.

2nd Equitable Treatment of Shareholders

The company treats all shareholders, including shareholders who are the company's executives, non-executives, foreigners and retail investors, with equality and fairness as follows:

- (a) The company organizes the shareholders meeting according to the agenda stated in the meeting invites. Executives who are shareholders shall not propose additional and unnecessary agenda at the meeting, especially issues requiring shareholders' time to study information before decision making.
- (b) The company shall facilitate shareholders in nominating directors by sending their profile and letter of consent of the persons to the Chairman of the Board in accordance with the company's rules, regulations and procedure.
- (c) The company encourages shareholders to use proxy document that is in line with the form issued under the announcement by the Department of Business and Trade Development on Proxy Document Form (Issue No.5, dated 2007), under which shareholders can specify their vote type as agree, disagree or abstain. The Proxy Document is available in 3 forms - Form A, Form B and Form C (for investors with custodian in Thailand).
- (d) The company shall facilitate shareholders who cannot attend the meeting but intend to exercise their votes through proxy appointment. The company nominates independent directors to attend the meeting and vote on behalf of the shareholders who cannot attend the

meeting, allowing shareholders to exercise their right by appointing any independent director as their proxy.

- (e) The company provides voting ballots for significant agenda, including connected transaction and the significant asset acquisition or sales.
- (f) The company encourages shareholders to exercise the right to appoint individual director.
- (g) The company shall not provide undisclosed information to any specific group of shareholders and shall equally provide information related to the company to all groups of shareholders.
- (h) The company sets clearly a policy on prevention of conflict of interest and the use of insider's information for personal or other's benefits. The policy is distributed to employees, executives and directors for acknowledgement.
- (i) The company provides channels for shareholders to nominate directors prior to the annual general shareholders meeting.
- (j) In case of connected transaction, the company shall clearly disclose information about the name and relationship of the related persons, pricing policy, item value and opinion of directors related to such items for shareholders' consideration.
- (k) The company shall disclose that the connected transactions are conducted at fair and at arm's length.

3th Roles of Stakeholders

The company respects the importance of stakeholders' role and appropriately, equally and fairly treats all stakeholders, including shareholders or investors, employees, customers, business partners, creditors, the general public, community and society as well as related government organizations. The company has clearly prepared the policy and criteria for treatment of stakeholders as part of the good corporate governance principles as follows:

(1) *Employees*

The company shall appropriately remunerate its employees by considering their performance and providing clear performance indicators within the preset criteria. The company shall promote and develop its employees' capability and knowledge, respects the rights and open an opportunity for employees to lodge their complaints in case of unfair treatment through various channels, including opinion box or at the Human Resource Department. The company has the responsibility to ensure safe and pleasant work environment that enhance effectiveness. Employees' remuneration and benefits shall be regularly reviewed to ensure they meet the standard practice in the business. The company is also committed to improving employees' knowledge and skills crucial to performing the business at its best capacity.

(2) *Customers*

The company is responsible for creating good and long-term relationship and cooperation with customers based on sincerity, integrity and trust and ensuring customer satisfaction through responsibility, care and priority given to customers' needs and issues. The company's executives and employees shall follow this policy to ensure that the company delivers the best possible and high quality products and services and continually improves product and service development. The company shall operate its business by adhering to business ethics and promoting customers' health.

(3) *Creditors*

The company shall strengthen relationship with and treat creditors based on integrity, sincerity and trust and be responsible for and respects all terms and conditions agreed with the creditors.

(4) *Business partners*

The company shall treat its business partners with integrity and equitability to ensure that its business operations is appropriate, fair and of both parties' benefits while promoting sustainable development and maintain long-term relationship of both parties. The company will do business with its partners by considering different conditions, including price, quality, environmental control and protection, technical expertise, legal requirement, trust and integrity.

(5) *Shareholders or Investors*

The company shall equally and equitably treat all shareholders and ensure all receive related information that delivers significant returns to shareholders. Considering that shareholders' benefits and responsibility towards shareholders are very important, the company shall operate its business with commitment to integrity, transparency and fairness.

(6) *Society and Community*

The company and employees shall perform their duties with responsibility and for the best benefits of the society and community. They shall treat neighboring community with friendliness, help and improve quality of life of community and operate the business with fairness and equality.

(7) *Related government agencies*

The company shall respect and comply with related laws and regulations and supports activities initiated by the government agencies in various occasions. The company shall be committed to providing services and products that are of high quality and meet with standards and legal requirement.

Whistle Blower

The company has assigned a specific unit to receive complaints and clues on any action that doubtedly infringe stakeholders' rights, corruption and illegal action or an action that breaks the company's corporate governance policy and business ethics or to receive questions related to financial reports and the company's internal control system. Such complaints and clues can be directly emailed to the company's high-level executives at bod@thg.co.th or to the company secretary office at

Tel. 02 159 0336

Fax. 02 159 0336

Email: BOD@thg.co.th, OCS@thg.co.th

Address: 34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok 10700

The Board of Directors has clearly set a measure to provide full protection of clue reporters by not disclosing information about the person and keeping it confidential. Once a report is received, the Internal Audit Department will collect and screen the information, find supporting proofs and summarize the case before submitting it to the Audit Committee for review and consideration. If the issue affects the company's operation and reputation, it will be forwarded to the Board of Directors for consideration.

Protection of Whistle Blower

The Board of Directors has clearly set a policy and direction for protecting those who report wrongdoing action and clues on people who perform such acts. The information about those reporting on such action and those who provide the information will be kept confidential. The assigned person is responsible for keeping the confidentiality of the information, complaints and the document related to the complainants and those who provide the information and shall not disclose such information to anyone, except when required by law.

4th Disclosure of Information and Transparency

The company has a policy to accurately, completely and transparently disclose significant information about the company, including financial and non-financial information or other information that may affect the company's stock price or investors' or stakeholders' decision making. Such action shall meet with all the measures and regulations set by SET and SEC in order to ensure that all stakeholders has the right to equitably receive information. Such information can be viewed on the company's website at <http://www.thg.co.th>

The company has a policy to prevent and eliminate conflict of interest in the future and to consider and ensure that the connected transaction of the company and/or subsidiaries with those who may have conflict of interest comply fully with related laws and regulations.

The company will ensure that its directors, executives and/or major shareholders are not involved with other businesses that are of the same nature or competing directly with the company or reducing the company's competitiveness or having connected transaction under which directors, executives and/or major shareholders may have conflict of interest or affect the company's best interests. In case any of the company's directors, executives and/or major shareholders hold stake in other companies which are of the same nature, they shall report to the company to allow the company and the Audit Committee to review and decide whether such action affects the company's best interests. If a director candidate is involved with other businesses which have the same nature of and compete with the company, or becomes a partner in an ordinary partnership or a partner without limit in a partnership or becomes a director of a private company or other business that operates business of the same nature as the company and competes with the company, he shall report to the general shareholders' meeting before the meeting resolves to appoint the person as a director.

The company gives high importance to good internal control system and has assigned the Internal Control Department to supervise the operation of each business. This will prevent errors and ensure transparency in its operations. The department will regularly review and submit a report to the Audit Committee for consideration.

5th Responsibility of the Board of Directors

The company has set the corporate governance policy by considering significant factors, including the responsibility of directors. Related policies are as follows:

(1) Structure of the Board of Directors

- (a) The shareholders meeting will decide the number of directors whose term is 3 years. The directors who vacate the office in rotation can be appointed again by the shareholders.
- (b) Directors shall have the quality and not have the prohibited qualities according to the laws
- (c) The Board of Directors comprises at least one third of independent directors or no less than three persons. The independent directors shall have the quality and do not have prohibited qualities stated by the Board of Directors. The quality of directors shall be no less than that required by the Capital Market Supervisory Board and the SET.
- (d) The company has clearly set the scope of responsibility of the Board of Directors and executives. The Chairman of the Board shall not be the same person as the Chief Executive Officer in order to clearly segregate the responsibility in supervising and management.
- (e) The company required the directors and top executives to report to the company their directorship or position as authorized executives in other limited and public companies limited, partnership or management of other ordinary partnership and partner with limit in partnership. The report shall follow the criteria and method earlier set by the Board of Directors.

(2) Sub-committees

The Board of Directors has appointed some of Directors as the members of the committees to perform special tasks. Each committee has similar term as the Board of Directors and responsibility as assigned by the Board of Directors. The committees are the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

(3) Self-Assessment of the Board of Directors and Committees

After the company is listed on the Stock Exchange of Thailand, the Board of Directors requires directors and committees to conduct self-assessment on yearly basis to review their performance in the past year. This will enable them to find ways to improve efficiency in the following years.

(4) Annual Report

The Board of Directors is responsible for preparation of the company's financial statement and information published in the annual report. The preparation of the financial statements follows the generally accepted accounting standards. The company chooses the accounting policy that is suitable for its nature of business and constantly adopt. The company uses its careful consideration in the preparation of the report and ensures that significant information disclosure in the notes to financial statements is sufficient. The Board of Director has assigned the Audit Committee to be responsible for the quality of the financial statement and provides comment to the Board of Directors.

2. Sub-committees

The Board of Directors appointed a number of committees to screen and supervise specific areas of operations, assisting the Board of Directors to perform more efficiently and effectively and to meet with the regulations and rules set by the SEC and SET. As of 1 March, 2018, the company has 3 committees, namely the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

Audit Committee

Audit Committee as of 1 March, 2018 must be an Independent Director is a non-executive committee company's consist of 3 directors as follows:

- | | |
|----------------------------|-----------------------------|
| 1. Mrs. Kannika Ngamsophee | Chairman of Audit Committee |
| 2. Mr. Virachai Srikajon | Member of Audit Committee |
| 3. Dr. Linda Kraivit | Member of Audit Committee |

Noted: Audit committee has qualification required by Securities and Exchange Commissions (SEC) and Stock Exchange of Thailand (SET) to review the operations of the company, Financial report, internal control system, Auditor selections include to consideration related party. Mrs. Kannika Ngamsophee chairman of the Audit Committee with sufficient knowledge and experience to review the credibility of the financial statements

Mrs. Hathaichanok Pangnoi is the Secretary of the Audit Committee

Responsibility and obligation

- (1) Review Audit Committee Charter at least once a year and consider the solution on necessary and appropriate issues.
- (2) Review the financial report of the Company. And its subsidiaries to ensure that they are accurate and reliable, including adequate disclosure. By coordinating with the external auditors and executives responsible for preparing financial reports for both quarterly and annual basis.
- (3) Evaluate the appropriateness of principles of accounting, consider and provide approval about the change in accounting principle or major accounting practices which are proposed by the administrative department of the company.
- (4) Audit the company and subsidiaries to have Internal Control and internal audit adequately, effectively, and appropriately, and may provide suggestion to audit or monitor any necessary items as well as providing suggestions related to the Internal Control system amendment to The Board of Directors
- (5) Consider to appoint, transfer, dismiss, and evaluate the result of performance of the head of internal audit, including considering for remuneration, manpower, and necessary resources for the performance of internal audit as well as performing annual audit plan.
- (6) Review the audit reports submitted to executives, including the audit on comments of the executives that have towards to audit issues presented and reported to them.

And, follow up to ensure that the executives operate as per the recommendations adequately and within a reasonable time.

- (7) Ability to meet with the executives, contact officers, and access the related data without limitations
- (8) Perform the audit together with related agencies, so the company can perform operation as per the Securities and Exchange Act, Terms of SET, and company's business related law, including audit the subsidiaries to comply with the rules set out in the control policy and corporate mechanism for the invested company.
- (9) Consider the selection, appointment, and dismissal of personnel who has independence to be an auditor of the company and present remuneration for such persons, including attending the meeting with the auditor without having management department in the meeting for at least 1 a year to get the result of the financial statement audit quarterly and annually, and discuss the problems that may be encountered by the performance of the external auditors.
- (10) Consider about the related lists or lists that have confliction on benefits, including considering about terms and cancel the different list from the terms about the cancellation the lists considered before performing it significantly, and consider received or distributed lists of the company and subsidiaries in order to be in accordance to law and terms of the SEC as well as controlling policy and control dynamic of the business that the company is invested. Thus, it is to ensure that such action is reasonable and provide the most benefits for the company.
- (11) Manage report of the audit committee by disclosed it in the annual report of the company, and such report must be signed by the Chairman of the Audit Committee.
- (12) Any reports that general shareholder or investor should be informed under the scope of duty and responsibility assigned by the board of directors.
- (13) Report to the board of directors regularly to acknowledge the activities of the work performance of the audit committee that the board of directors assigned from the approval of the Audit Committee.

Risk Management Committee

Risk Management Committee as of 1 March 2018 consist of 3 directors as follows:

- | | |
|------------------------------------|---|
| 1. Assoc. Prof. Dr. Visit Vamvanij | Chairman of Risk Management Committee
(Independent Director) |
| 2. Mr. Chalermkul Apibunyopas | Vice chairman of Risk Management Committee |
| 3. Mrs. Kannika Ngamsophee | Member of Risk Management Committee
(Independent Director) |
| 4. Dr. Linda Kraivit | Member of Risk Management Committee
(Independent Director) |

Mrs. Hathaichanok Pangnoi is the Secretary of the Risk Management Committee

Responsibility and obligation

1. Specify policy, framework for risk management as well as risk management structure of the company and subsidiaries.
2. Acknowledge and give feedback to the policy, strategies and guidelines for risk management of the company and subsidiaries.
3. Specify guidelines for the risk assessment of the company and subsidiaries and provide on-going report on risk management.
4. Consider and identify risks of the business of the company such as the risk of investment, the business conduct, management, finance, work operation, data safety, legal, and regulations, etc. And, provide suggestion and prevention as well as method of risk management to be in

acceptable level related to the work operation of the company effectively, and to provide suggestion to the company's board of directors and risk management department.

5. Specify risk management plans and risk management processes and audit risk management plan, including overall risk management process, and monitor and audit the risk management process as well as risk management of the company and subsidiaries.
6. Govern and support risk management to be successfully performed, emphasizing on the consideration on risk factors for the appropriate decision making. Thus, Risk Management Committee has a duty to follow up and evaluate work operation result as per the risk management framework of the company and its subsidiaries. Moreover, it is to improve implementation plan to reduce risk continuously in order to be appropriate with the company's business operation condition.
7. Acknowledge the significant risks and report the results of the risk assessment as well as Results of operations to reduce risks and to inform the company's board of directors regularly. In the case that there are important factors affecting the company significantly on the financial condition and results of operations of the Company, it must be reported to the company's board of directors for the consideration ASAP.
8. Consider that the management section has responded to the risks properly.
9. Encourage to perform as per the policies and risk management guidelines throughout the company and its subsidiaries.
10. Encourage the development capabilities of personnel and raise awareness of the risks and the control of the company and its subsidiaries continuously.
11. Perform tasks as assigned by the company's board of directors

Nomination and Remuneration Committee

Nomination and Remuneration Committee as of 1 March 2018 assist of 3 independent directors as follows:

- | | |
|--------------------------------------|---|
| 1. Mr. Virachai Srikajon | Chairman of Nomination and Remuneration Committee |
| 2. Dr. Linda Kraivit | Member of Nomination and Remuneration Committee |
| 3. Mr. Timothy Emen Lertsmitthivanta | Member of Nomination and Remuneration Committee |

Prof. Dr. Somkiat Wattanasirichaikoon is the Secretary of the Nomination and Remuneration Committee

Responsibility and obligation

The Duties and responsibilities of the Nomination and Remuneration Committee, as assigned by the Board of Directors:

1. To formulate policy, criteria, procedures for nominating directors and Chairman of the Executive Officer.
2. To formulate policy, criteria and methods of remuneration (both in cash and non-cash form) for the Board of Directors, sub-committee and CEO, to be relevant to the duties, responsibilities, to be consistent to operation results of the Company and market situation, in order to seek approval from the meeting of shareholders.
3. To nominate and select a qualified person as a director, CEO, pursuant to applicable regulations and law and propose to the Board and/or meeting of shareholders for approval (as the case may be).
4. To determine the adequate and necessary remuneration in monetary and non-monetary form as an incentive for the Board of Directors, sub-committee and CEO.

5. To oversee if the Board of Directors is composed appropriately, having competent members with knowledge and experience, consistent to the changes in related conditions.
6. To set forth direction and to assess work performance of the directors and CEO in order to adjust annual compensation, which is based on duties, responsibilities and to reduce the relating risks, as well as to place importance to the value added of the shareholders in a long term.
7. To disclose the policy and details of nomination procedures, policy of nomination and different forms of remuneration; to prepare nomination report which should contain at least description about goals, work performance and opinion of the Nomination and Remuneration Committee in the annual report of the Company.
8. To perform any other duties as assigned by the Board of Directors.

3. Nomination of Directors and Senior Managements

The selection of persons to be nominated as the director and executive of the Company, a nominated person shall have qualification pursuant to the Section 68 of the Public Company Limited Act B.E. 2535 (1992) and the Company's Articles of Association and shall not have any characteristics prohibited by the Notification of the Capital Market Supervisory Board No. 28/2551 regarding the request for approval and approval for offering of newly issued shares dated 15 December 2008. The policy and criteria of the nomination and appointment of directors and executives are as follows:

(1) Board of Directors

Qualification of the board of directors

1. A director must be a person with knowledge and experience which will benefit the business, having honesty, integrity and ethical business practice, devoting adequate time to apply his/her best knowledge and ability to perform duties for the Company.
2. A director must satisfy all qualifications required, having no prohibited characters as set forth in the Public Company Limited Act B.E. 2 5 3 5 (including the amendment) ("Public Limited Company Act") B.E. 2 5 3 5 (including the amendment) ("Securities Act") and notifications, regulations and/or relevant rules. He/she must not possess the character which shows the lack of qualifications to be trusted by the Company in management of the entity where shareholders are the public as described by the Securities and Exchange Commission and the Stock Exchange of Thailand and/or the Capital Market Advisory Board. He/she must be a person being listed in the database of directors and management board of the listed company as state in the Capital Market Advisory Board's notification, regarding the criteria of displaying list of directors and management board of the listed companies.
3. A director cannot engage in a business of same nature and is in competition with the Company; or become a partner or a director in other juristic person having the same business and is in competition with the Company whether for his/her own benefit or the others unless such engagement is noticed in the meeting of shareholders prior to the appointment. A director may hold a director ship in another company, under the condition that such position will not impede his/her performance in the Company, and it is in line with the guideline specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.
4. A director shall give notice to the Company without delay, if he/she has interest in the contract, whether made directly or indirectly by the Company or in case of increase or decrease of shareholding.

An independent director shall not act as an executive and shall be independence from the management and shareholders who have controlling power including not have any business relationship with the Company in a manner that it will have limitation on providing

independent opinion. The independent director shall have the qualifications pursuant to the Notification of the Capital Market Supervisory Board as follows:

- 1) Hold up to 1% of the total voting shares of the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company. The calculation of shareholding shall include shares held by related persons of the independent director.
- 2) Not being or was appointed as a director who involve in business management, employee, advisor who has fixed salary or controlling person of the Company, parent company, subsidiary companies, associated companies, sister companies, major shareholders or controlling persons of the Company unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee. These prohibited characters shall not include independent director who acted as government officer or advisor of government which is a major shareholder or controlling person of the Company.
- 3) Not being a related person by blood or registration under laws, such as father, mother, spouse, sibling or children including spouses of children of other directors, executives, major shareholders, controlling person, or other persons who will be nominated as director, executive or controlling person of the Company and its subsidiaries.
- 4) Not having or had business relationship with the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company which may disturb any expression of independent opinion including not being or having been significant shareholder or controlling person of person who has business relationship with the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company unless such relationship is terminated for not less than two years before being appointed as member of the Audit Committee. In addition, he or she shall not have any conflict of interest, whether direct or indirect, in relation to financial or management of the Company, group companies, associated companies or any persons that may have conflict of interest resulting in he or she cannot provide independent opinion.

The business relationship according to the first paragraph, including normal business transaction, lease or lease out of property, transaction relating to asset or service, or provision or acceptance of financial support through lending or borrowing, provision of guaranty, provision of security for obligations, and any other similar transactions, which create obligations to the Company or its counter party in the amount of 3% of the net tangible assets of the Company or Baht 20 million and above, whichever amount is lower. The calculation of such obligations shall be in accordance with the methods of calculation for related party transactions prescribed under the Notification of the Capital Market Supervisory Board relating to related party transactions, mutatis mutandis. However, in calculating such obligations, any obligations which arise during one year before the entry into the business relationship with the same person shall be included.

- 5) Not being or was an auditor of the Company , parent company, subsidiary companies, associated companies, major shareholders, controlling persons of the Company or juristic persons which have may have conflict of interest and not being significant shareholder, controlling person, managing partner of audit firm of the auditor of Company , parent company, subsidiary companies, associated companies, major shareholders, controlling persons of the Company unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee.
- 6) Not being or was a professional advisor including providing legal advisor service or financial advisor service which receives service fess greater than two million Baht per year from the Company , parent company, subsidiary companies, associated companies,

major shareholders, controlling persons of the Company and not being significant shareholder, controlling person or managing partner of such professional advisor unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee.

- 7) Not being a director who act as representative for protecting the benefit of the Company's directors, major shareholders or shareholders who have relationship with major shareholders. In addition, he or she shall provide recommendation or report independently as assigned without taking into account of any benefits that may limit he or she in providing independent opinion.
- 8) Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 % of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries.
- 9) Not having any characteristic which make him or her incapable of expressing independent opinions with regard to the Company's business.
- 10) The Audit Committee shall be the independent director of the Company which have the qualification pursuant to the regulations of the Office of the Securities and Exchanges Commission ("SEC").

After being appointed as the independent director which have the qualifications as set out in Clause 1) to Clause 9) herein, the independent director may be assigned by the Board of Directors to make any decision on the business operation of the Company, subsidiaries, associated companies, subsidiaries at same level, juristic person that may have conflict of interest, major shareholder, controlling person whereby the making decision shall be exercised as the collective decision.

Procedure of Nomination of Directors

The Nomination and Remuneration Committee has responsibility on selection of directors as follows:

- 1) To consider and select person who has knowledges, experiences and capabilities that will be beneficial to the Company's business, for having the combination of the Board of Directors pursuant to the regulations or qualifications of the Securities and Exchanges Act, the Office of the Securities and Exchanges Commission and the Stock Exchange of Thailand and in accordance with the business direction of the Company and having variety of board skills matrix.
 - 2) To verify whether a nominated person can fully dedicate his or her time for the Company.
 - 3) To invite a candidate who has qualification in accordance with the rules to ensure that such person will accept to be appointed as the director if such person has been appointed by the Board of Directors or the shareholders of the Company.
 - 4) To prepare list of candidates, educations background, working experiences and picture of candidates who have the required qualifications including the reason of selection for presenting to the Board of Directors and/or shareholders of the Company for further approval.
- (2) The nomination of executives in accordance with the definition of the Office of the Securities and Exchanges Commission
1. The executive shall be a person who have knowledges, experiences that will be beneficial to the Company's business operation, trustworthy, honest, ethical in doing business and sufficient time to fully dedicate his or her knowledges, experiences and performance for the Company.

2. The executive shall have qualifications in full and not having any prohibited characteristics pursuant to the laws concerning public company limited, the laws concerning securities and exchanges and other relevant laws for conducting the Company's business including not having any lack of appropriateness to receive trust to manage the business which have the public investors as the Company's shareholder pursuant to the regulations of the Securities and Exchange Commission.
3. The executive shall inform the Company without delay if he or she has any conflict of interest in relation to any contract entered into by the Company whether directly or indirectly or his or her shareholding in the Company or group companies is increase or decrease.

Procedure of the Nomination of the Executive pursuant to the Definition of the Office of the SEC

Human Resources Department will select a person who have qualifications, skills, experiences, and understanding of the business according to the request and will invite such person to ensure that he or she will accept the invitation to become an executive if such person has been appointed by the authorized person as follows:

- 1) With respect to the appointment of the Chief Executive Officer, it shall propose to the Nomination and Remuneration Committee for consideration before proposing he or she to the Board of Directors for approval of the appointment.
- 2) With respect to the appointment of the Director of Operation and the Chief Financial Officer, it shall propose to the Executive Committee for approval of the appointment.

4. Policy for investment in subsidiary and associated company and policy for management of such companies, including control and governance mechanisms

The Company manages its business by upholding Guidelines for Good Corporate Governance prescribed by the Stock Exchange of Thailand ("SET"). In investment decisions, not only considering return to all stakeholders, but also the Company operates its business in line with Guidelines for Good Corporate Governance prescribed by the SET and the Office of the Securities and Exchange Commission ("Office of the SEC"), which is a factor of importance to the Company. The Company realizes that adopting the Guidelines for Good Corporate Governance is a method for control and mechanism which will lead to investment governance and transparent and verifiable management system. This will allow the Company as major shareholder to control, manage and be responsible for the operations, including determination of directions for investee company as if it was a unit of the Company. In addition, the Company will be able to monitor management of such business in order to protect its benefits from investment. Such measures for corporate governance will provide added-values and assurance to stakeholders with regards to continuity and sustainability of the Company's investment.

The Company, therefore, sets this policy for investment in subsidiary and associated company and policy for management of such companies to be in line with rules regarding governance of operations of subsidiary and associated company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares and Guidelines for Good Corporate Governance of the SET, the details of which are as follows:

Policy for investment in subsidiary and associated company

The Company has a policy to invest in subsidiary or associated company which support the Company's business operations and of which investment would create synergy, generate additional revenue streams, and increase profitability of the Company. The Company will consider proportion of investment, expected profitability, possible risks and financial status of the target companies prior to making investment decision. Any investment decision must be approved by the authority follow table of authorization power, as the case maybe, approving the transaction. The Company shall appoint qualified representative as director of investee company in order to set key policies and for good corporate governance of subsidiaries and associated company.

Policy for management of subsidiary and associated company

1. The Company has set guidelines in exercising rights by its representatives in shareholders' meeting of subsidiary and associated company to be consistent with the proportion of shareholding in subsidiary and associated company. This is also for compliance with Guidelines for Good Corporate Governance and maintain maximum benefits to the Company, its subsidiaries and associated companies, and other shareholders.
2. The Company determines management structure of subsidiaries and associated companies in order to oversee management and operations of its subsidiaries and associated companies as if they were units of the Company. To look after its investment, the Company shall have the following procedures for monitoring the management of its subsidiaries and associated companies:
 - (1) Nomination of its representative as director of subsidiary and associated company
 - (2) Roles and responsibilities of director of subsidiary and associated company
3. The Company's director will continually monitor the financial status and operating result of the Company's subsidiaries and associated companies to in line the business plan and budget and also monitor its subsidiaries to disclose related party transaction and acquisition or disposal of assets to the Company in accordance with the relevant Notifications of the Capital Market Supervisory Board and the Board of the Stock Exchange of Thailand.
4. The Company's director shall procure its subsidiaries to have the appropriate and sufficient internal control system to protect any frauds that may have including providing channel for directors and executives of the Company to access the subsidiaries' information for monitoring their operating result and financial status, related party transaction between subsidiary and director and executive of subsidiary and entering into significant transaction of subsidiary efficiently and implementing of work checking system by internal audit and independent directors of the Company to ensure that subsidiaries continually comply with the work procedures.
5. Directors and management of subsidiary must disclose and deliver information regarding personal of interest, including interest of their related persons, in relation to any transaction or in other business which might raise conflict of interest with the Company, subsidiary, board of directors of subsidiary or person authorized by subsidiary within the period of time as prescribed by subsidiary. Such information shall be used as supporting information for decision making or passing any approval by considering overall benefits of subsidiary and the Company as critical factors. Directors and management of subsidiary shall not participate in the consideration of any matter of which they have personal interest or conflict of interest.
6. Directors and management of subsidiary, including any person related to such directors and management, have the duty to inform to the board of directors of subsidiary relationship and transaction with subsidiary which might raise conflict of interest and avoid entering into transaction which might raise conflict of interest with subsidiary. The board of directors of subsidiary has the duty to inform such matter to the Company for acknowledgement.

The following acts, which result in directors, management or any person related to subsidiary gaining financial benefits other than that ordinarily received or cause damages to subsidiary, are presumed to be material conflict of interest with subsidiary:

 - (a) any transaction between subsidiary and director, management or any connected person which is not in compliance with rules regarding connected transactions;
 - (b) use of known information of the Company and subsidiary, except information which has been publicly disclosed; or
 - (c) use of asset or business opportunity of the Company and subsidiary in a way which violates the rules or general practice as prescribed by the Capital Market Supervisory Board.
7. Subsidiaries must report a business plan, expand a business, cooperation with other entrepreneur to the company and report quarterly. The company has an authority to request the subsidiary to clarify or submit an enclosure for consider. The Subsidiary must comply strictly.

8. If the Company finds any material issue, it may request subsidiary to clarify and/or deliver document as supporting information for its consideration.
9. Directors, management of, or any person related to, subsidiary may enter into a transaction with subsidiary only upon receiving approval from the Board of Directors of the Company or the Company's shareholders meeting as required based on transaction size calculated pursuant to the rules of the Connected Transaction Notifications. Exceptions apply where transaction is with terms and conditions similar to transaction with other counterparties under the same circumstances, the position as director, management or related person, as the case may be, do not have influence on the transaction, and trade terms and conditions of the transaction have been approved by the Board of Directors of the Company or in line with principles as approved by the Board of Directors.

Policy for financial control of subsidiary and associated company

1. Subsidiary and associated company have duties to submit to the Company monthly operating results and quarterly financial statements reviewed by auditor, including supporting information used for the preparation of such financial statements of subsidiary and associated company. Subsidiary and associated company shall give consent to the Company for the use of such information for the purpose of preparing consolidated financial statements, or quarterly or annual operating results, as the case may be.
2. Subsidiary and associated company responsibilities to performance report and summary results an operating quarterly. Include to follow implementation plan for report to the company.
3. Subsidiary and associated company have duties to report significant financial issues to the Company upon discovering the issues or upon request of the Company to review and report.

5. Insider Trading

Thonburi Hospital Public Company Limited (**"the Company"**) performs business based on the Principle of Good Corporate Governance of The Securities Exchange of Thailand (**"the SET"**) and gives importance to the control of insider trading to be in accordance to the Good Corporate Governance adhering to the Good Governance and business honesty to ensure that the investors of the Company receive the reliable information equally and punctually. Therefore, the Company set the Insider Trading Policy as the following details.

1. Roles and Responsibilities

- (1) The Board of Directors has delegated responsibility to the Audit Committee for overseeing this Policy to ensure that board of directors and executives comply with the established rules and guidelines in trading the company's Securities.
- (2) The Company's secretary has responsibility for providing recommendation to the Company's directors, executives and officers in compliance with this policy including communicating and providing knowledges and understanding and providing responses for any inquiries or interpretations if there have any doubts and notifying the blackout period in advance to support the persons who have obligation to comply with the regulations.
- (3) All executives are responsible for ensuring that every person who reports to them is made aware of and understands this Policy.
- (4) Board of directors, executives and employees must strictly adhere to this Policy when trading the company's Securities in the Stock Exchange of Thailand (SET) or Trading Center as well as communicate this Policy to their spouses and minor children.

2. Procedures

(1) Insider Trading Prohibition

Legal Person must comply with the insider trading prohibition as defined in Section 241 of the *Securities and Exchange Act, B.E.2535*. In the purchase or sale of securities which

are listed in the Securities Exchange or traded in an over-the-counter center, no person, whether directly or indirectly, shall purchase or sell, offer to or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed in the Securities Exchange or traded in an over-the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts."

(2) Blackout Period

All legal person is prohibited from trading the company's Securities for a period of fifteen (15) days prior to the disclosure or publication of the quarterly and annual financial statements, internal information to the public or any other period that the Company might specify from, including one (1) days after the disclosure.

In exceptional circumstances, designated persons may sell Intouch Group's Securities during the blackout period if they have a severe financial hardship or they have to meet legal or regulatory requirements, especially under a court order. In this case, the designated persons must complete a written request, explaining his or her reasons for selling securities, and submit to one of the following persons for approval. A copy of the request must send to the Company Secretary.

- A) The Chairman of the Board (in the case of directors and the Company Secretary);
- B) The Chairman of the Audit Committee (in the case of the Chairman of the Board);
- C) The Chief Executive Officer or Chairman of Executive Committee (in the case of any designated persons other than directors and the Company Secretary).

3. Guidelines for Confidentiality, Information Security and Insider Trading Prevention

All staff of the Company have to acknowledge the process of information security to protect the confidential information as well as the wrongful insider trading.

(1) Guidelines for Confidentiality

- A) Set the confidentiality of the information, which are disclosed and undisclosed information that internal information sharing must be within the framework and responsibilities.
- B) Security and concealment of customer and commercial information. The Company shall secure and conceal the customer information and commercial information secretly and shall not disclose to the employees of the Company as well as the outsiders who have no concern unless it is law regulation to disclose which shall be the disclosure for the propose of lawsuit or the Executive Committee approves for the disclosure.

(2) Information Security

The disclosure of inside information to the public is required to obtain the approval from the Chief Executive Officer or Managing Director whereby the Chief Executive Officer or Managing Officer may respond inquiry by themselves or may assign the responsible person to provide the information to the public.

If such information has not been disclosed to the public yet, the selected persons of the Company are not permitted to disclose such inside information to other persons without permission. This is for fairness and equality of using the inside information of the Company which will increase the confidence to the shareholders, investors and relevant parties. The Company has determined the prohibition that the selected persons of the Company are not permitted to disclose inside information of the Company which is fact that may significantly change the price of securities and such information is not disclosed to the public whether for trading of securities or inviting other persons to purchase, sell or offer to purchase or offer to sell the shares of the Company, whether by himself or by agent, for his own or other benefit. If there is unlawful using of inside information for the benefit of trading securities of the

Company whether for speculating or creating advantage for any group of people, such action shall be deemed illegal under the Securities and Exchanges Act and discipline under the Company's policy.

(3) Protection Internal Information

A. The report of securities holding of the Board of Directors and the executives position in accounting or financial line shall report the securities holding of oneself, spouse and minor children of majority according to the regulation of The SEC Act B.E. 2535 (including the amendment) ("The SEC Act"), the notification of The Office of the Securities and Exchange Commission and the relevant notification of SEC. The report shall be submitted to company secretary before submitting to The Office of the Securities and Exchange Commission or the SET.

B. Report of changes in securities holders.

The Company assigns the directors, executives as well as the persons holding the position in accounting or financial line who is responsible for the operation, executives, auditors, employees, spouse and minor children of majority of these people to report the amendment of securities holder to the Office of the Securities and Exchange Commission ("SEC") according to The SEC Act B.E. 2535 (as the amendment) and submit the copy of report to company secretary on the same day of the submission to the SEC.

4. Preventive measure of Computer system and information security

To create the practice based on the policy the Company sets the preventive measure of computer system and information security as follows.

- (1) Restrict the access to the disclose information only for the top level of executives and disclose to the employee as appropriate. Inform the employee that the information is confidential and has limitation on the use.
- (2) Set the security system in the workplace to prevent the access and the use of file data and confidential file.
- (3) The owner of information that is not yet disclosed to the public shall emphasize the relevant person to follow the security process strictly

5. Penalty for insider trading

The offender shall be punished by law.

6. **Audit Fee**

(1) **Audit Fee**

THG, its subsidiaries, and joint ventures together paid audit fees 2017 and 2018 amounting:

Details	2016	2017
A) Company	6,950,000	6,950,000
B) Subsidiaries	7,905,000	9,255,000
Total (Baht)	14,855,000	16,205,000

(2) **Audit Fee**

None

Risk factors

1. Risk from economic volatility

Although healthcare is one of the four basic needs, economic impacts do affect consumer's purchasing power. Customers of private hospitals may prefer to defer or minimize their hospital visits either by delaying treatment, choosing non-emergency medical services instead, shortening hospital stay, curbing medical bills by visiting public hospitals or other private facilities offering cheaper services. However, we have closely monitored the situation to assess possible risks that could affect our operation as well as to prepare ourselves in order to come up with appropriate risk management measures. Besides, we are able to treat more complicated diseases when comparing with other hospitals charging similar fees. The fees proposed by us are affordable by the majority. All of these are factors that help attracting a regular stream of patients and thereby reduce the hospital's impact from economic volatility.

2. Operation risk

2.1 Risk from future changes of applicable standards and regulations

Our business is governed by Ministry of Public Health and other related government agencies. Changing in regulation interpretation or a new policy that tends to be more restricted and aims to protect patients suffering damage from healthcare or medical service with a purpose to quickly settle compensation with the damaged party without need to prove the liability, may affect our operation in the future. However, the Company and hospitals under our network will pursue and comply with significant hospital accreditation systems, namely, the Hospital Accreditation (HA) system and the ISO9001:2008. Under the HA, a committee to oversee treatment quality is set up to ensure that medical practices are corresponding to safety and environmental standards and to also manage various risks especially risks relating to medical services and treatments to minimize effects from legislative changes relating to health and environment.

2.2 Competition risk

The private hospital business is highly competitive. Not only do we compete with other private hospitals in the same rank, but also with expansion of service by public hospitals who provide extra-hour clinics or operate a private-style hospital under its wing, all of which jeopardize our customer base.

To increase service efficiency and expand competitiveness, we regularly enhance the capacity of our medical personnel who enable us to treat complicated diseases when compared to competitors offering the same price ranges. In addition, we have a plan to develop the step-down care for recovering patients who need to stay in hospitals for more than two nights to curb their expenses and our costs. Besides, we provide the service of Home Healthcare and Senior Care and Living too. In order to provide treatment of highly complicated diseases, we have a plan to expand our Excellent Center units of which demands remain high compared to available services. Besides, we work as a contractor to manage public hospitals to increase profit margin because being a contractor doesn't require us to invest in any equipment.

2.3 Risk from healthcare policies issued by the public sector

We enjoy revenues from general patients, this revenue accounted for 70% of the total revenues. However, if the public sector promotes other types of healthcare policies such as expanding people entitling for the universal healthcare coverage, the number of general patients may fall. Realizing this risk, we closely monitor the public-sector policy as well as possible policy changes. Before the public sector announces or amends any policy, it will however seek opinions and recommendations from hospitals through an association of private hospitals and groups of private hospitals who are contractual parties to the government's social security scheme in order to minimize our impact from the change of public policy that could materially affect our performance. In addition, we participate in the public-sector program through which we admit patients who are government officials whose medical bills are reimbursed by Department of Comptroller-General. We also have a plan to generate more incomes from general patients or those who pay from their own pockets and contractual parties where we strive to enhance the capacity of our Excellence Center to treat highly-complicated diseases increasingly suffered by the public. This refers to the Heart Center, the Bone and Joint Surgery Center, the Brain and Neurological Center as well as patients requiring intensive and critical care where we have a lot of medical doctors with expertise in the field. The hospital continues to enhance quality of our medical treatment as well as our medical personnel to increase service efficiency and to add values to our services.

2.4 Risk from the lack of medical personnel

Medical services need to depend on qualified medical personnel in various fields, who at present are produced in a limited number. Besides, with the expansion of medical services, there are demands for quality personnel with years of experiences who take time to acquire proper knowledge and capability. That is why the company could be affected by the shortage of medical personnel in the future. Yet, the company is collaborating with Siam University to offer a registered nurse undergraduate program to produce competent personnel who can accommodate our need. So far, however, we haven't yet encountered the shortage of medical personnel thanks largely to our compensation and welfare policy and our dedication to promote the right working environment. Besides, the company offers a training policy with a purpose to strengthen skills and widen the horizon, which results in staff commitment. With these policies, we believe we could minimize our risk from the shortage of medical personnel.

2.5 Risk from dependence on specialists

The hospital service is a business that actively depends on specialized medical personnel who provide effective treatments to patients. At present, medical personnel could not meet ongoing demands. As the hospital business is highly competitive, this could affect our business as we may be exposed to a higher risk of losing our medical personnel or attracting specialists.

However, as our hospital was founded for more than four decades ago, is supported by an extended network and has earned a highly reputable image and recognition in the healthcare industry together with the fact that the hospital is run by a group of established doctors, it has been widely accepted by medical doctors for academic competency and management style. The hospital is also known for security and stability and thus can make medical staff who may want to join us become more confident. In addition, the company has collaborated with Siam University to set up a faculty of medicine to make it easier to recruit medical staff.

The hospital also maintains a policy to offer proper remunerations to our personnel while continuing to train them on a regular basis. In addition, there is a clear career path system and training of new

knowledge offered to induce staff to stay with the hospital in the long run. This includes special awards given to people with long years of services, allowing staff to freely express their opinions and underlining welfare and security of our personnel to maintain and boost their morale.

2.6 Risk of contract renewal to manage the Pattaya City Hospital and the Phuket Provincial Administration Organization Hospital as a contractor and renewal of contract to manage the Heart Center at Bangphli Hospital and the Phatara-Thonburi Hospital because all contracts are short-term.

In 2017 the hospital earned, on average, 12% of the total revenues from management services of hospitals and heart centers. No contract renewal means the hospital's revenues could fall. Yet, being an experienced contractor in hospital management, we are not only ready to recruit medical personnel but also capable to estimate and manage costs and well versed in managing hospital. Besides, we have experiences managing a specialized care center such as the heart center so there are not qualified competitors.

2.7 Risk from being sued for damage incurred from medical services

Since our business is to provide medical services, we are exposed to a litigation risk brought by patients or related parties who may not be satisfied with our treatment or who suffer from impacts relating to treatment provided by the hospital's medical doctors and specialists. The hospital or doctors may have to compensate the party who brings up the case, which may affect the hospital's reputation and operation.

Based on this risk, we regularly monitor changes of rules and regulations as well as exercise strict compliance while regularly improving our services. We also select and attract experienced personnel with the right expertise. Besides, we have bought insurance to provide liability protection resulted from business and incurred at the insured premise to reduce certain impacts from possible litigation. At the other front, we conduct a regular service assessment especially of treatment quality and satisfaction to the service to monitor our efficiency and to protect ourselves from the litigation.

2.8 Risk from medical bill payment

According to medical service ethics, the hospital will provide medical services to patients before charging them a fee, which exposes the hospital to a risk of failure to charge a post-service fee in full. The group however has a guideline to minimize this risk by requiring the Finance Department to inform an estimated cost to a patient in advance as well as by checking their rights to see which types of medical bills the patient can reimburse to enable him/her to assess possible expenses before getting the treatment. After the treatment, the company will inform the patient an incurred expense and will issue a medical bill every three days to allow a liable client to learn about his expenses at every stage. In addition, the Finance Department whose duty includes debt management will consider risks and proper solutions to the hospital's customers. It will collaborate with the Legal Department if there is any outstanding or overdue.

2.9 Risk from technological change of medical equipment

As diseases are increasingly complicated, treatment requires sophisticated medical equipment more than any time in our history. The company has given the highest priority to quality of our diagnosis and

treatments, leading us to investing in medical equipment. However, with a rapid change of medical technology and since medical devices are costly, this may affect the cost effectiveness of our investment.

That is why the hospital has formulated approval steps when making an investment decision. This starts from having the committee that manages medical devices conduct a study of the investment's cost-effectiveness. The committee consists of experts from various fields who collaboratively determine a medical equipment purchasing policy and who set aside an annual budget for new medical devices. The committee also sets a guideline on how to select equipment, assesses their cost-effectiveness before proposing the investment to the Board on the basis of the formulated procedures.

2.10 Risk from investment expansion

The company plans to expand investment in the medical treatment business and the healthcare solution provider business. they could affect the company's investment cash flow, income structure and performance from uncontrollable factors such as Thailand's economic condition, its political change, the government's healthcare policy and competitions in the domestic healthcare market. These factors may affect operation under the investment plan or, worse, success of these projects. To reduce the risk, the company has thoroughly analyzed each project's feasibility to ensure that it has experiences in the projects or that the projects can be further developed on the basis of the existing experiences.

With experiences in the private hospital business for more than four decades together a pool of well-recognized medical and public health personnel, the company feels that these factors will help minimize our expansion risk.

Revenue

THG's revenue comprises of revenue from medical service, healthcare solution provider and other businesses. Total revenue of 2017 was Baht 6,611 million, increasing by 6.1% from Baht 6,229 million in 2016 due to revenue increase from domestic hospitals and from staff training, consulting and comprehensive studies contracts from overseas.

Medical service Business: 2017 revenue was Baht 6,171 million while it was Baht 5,815 million in 2016, increasing by 6.1%.

- Domestic hospitals comprise of Thonburi Hospital, Thonburi 2 Hospital and Rajyindee Hospital. Total revenue was Baht 5,357 million, increasing from Baht 5,182 million in 2016. It was mainly due the increase in patient number and treatment complexity of Thonburi and Thonburi 2 Hospitals. However, the revenue of upcountry hospital dropped because 2016 had high base from especially high patient volumes due to epidemic diseases.
- Hospital management business saw revenue in 2017 of Baht 598 million, increasing from Baht 503 million in 2016. It was due to the business expansion overseas, namely staff training, consulting service and comprehensive studies.
- Excellence Center business saw revenue of Baht 216 million in 2017, increasing from Baht 130 million in 2016 because of higher fees from renewed contract, in line with higher patient volume.

Healthcare solutions provider

This business comprises of dental equipment and supplies provider, chained drug stores and home healthcare. In 2017, the revenue was Baht 414 million, increasing by 4.8% from Baht 395 million in 2016. The growth was from dental equipment turnkey service provided for Faculty of Dentistry. Home healthcare business also grew due to higher number of customers.

Other businesses

It comprises of hospital software development business and project development for healthcare service. In 2017, the revenue was Baht 26 million, increasing by 36.8% from Baht 19 million in 2016 due to customer base expansion to overseas market leading to higher revenue.

Costs

In 2017, total cost was Baht 4,781 million, increasing by 5.8% from Baht 4,518 million in 2016, which was in line with total revenue growth. Major cost of THG was from core business in medical service. Details of costs are as follows.

Cost of medical service was Baht 4,488 million in 2017, increasing by 5.7% from Baht 4,244 million in 2016. Main costs were doctor fees, nurse and staff costs, and drugs & medical supplies. The increase was mainly from salary raise and increase of specialists to support the clinic and excellence center.

Cost of Healthcare solutions provider in 2017 was Baht 277 million, increasing by 6.1% from Baht 261 million in 2016. The main cost was cost of goods sold. In 2017, the higher cost was due to turnkey project for Faculty of Dentistry that did not exist in 2016.

Cost of other businesses was Baht 16 million in 2017, increasing by 23.1% from Baht 13 million. Main cost was from staff cost in hospital software development business. The increase was due to higher headcounts to support overseas projects.

Selling, general and administrative expenses

In 2017, SG&A and management remuneration was Baht 1,005 million, increasing by 17.5% from Baht 855 million in 2016. The increase was from staff cost and marketing expenses, as well as expenses from studies and project development.

Financial cost

Financial cost in 2017 was Baht 161 million, decreasing by 9.0% from Baht 177 million in 2016 because THG negotiated with financial institutions for lower interest rates, and in December 2017, THG used IPO proceed to repay bank debts.

Profit

Gross profit in 2017 was Baht 1,830 million, increasing by 7.0% from Baht 1,710 million in 2016. Gross profit margin slightly increased to 27.7% from 27.5%. The slight increase was contributed by higher revenue in 4Q17 while most of costs increased since the beginning of the year, especially staff cost that increased from service development. That caused the gross profit margin to increase slightly.

2017 net profit attributable to the parent was Baht 554 million, increasing by 8.4% from Baht 511 million in 2016. Net profit margin attributable to the parent slightly increase to 8.4% while it was 8.2% in 2016.

Financial Highlights

Consolidated financial statements			
Profit and loss statements (million baht)	FY2017	FY2016	Change
Revenue from medical service	6,171	5,815	6.1%
Revenue from Healthcare solution provider	414	395	4.8%
Revenue from other businesses	26	19	36.8%
Total revenue	6,611	6,229	6.1%
Cost from medical service	(4,488)	(4,244)	5.7%
Cost from Healthcare solution provider	(277)	(261)	6.1%
Cost from other businesses	(16)	(13)	23.1%
Total cost	(4,781)	(4,518)	5.8%
Gross profit	1,830	1,710	7.0%
Selling, general and admin expenses	(1,005)	(855)	17.5%
EBITDA	1,147	1,121	2.3%
Financial cost	(161)	(177)	-9.0%
Net profit	565	544	3.9%
Net profit - parent	554	511	8.4%

Margin	FY2017	FY2016
Gross profit margin	27.7%	27.5%
EBITDA margin	17.4%	18.0%
Net profit margin - parent	8.4%	8.2%

Financial status

Assets

As of 31 December 2017, THG had total assets of Baht 14,010 million, increasing by 33.9% from Baht 10,460 million as of 31 December 2016.

Current assets increased from

- account receivables and others increasing by Baht 217 million, mainly from overseas customers in consulting services and domestic customers from medical service
- cost from healthcare project increasing by Baht 972 million, which was mainly from healthcare mixed-use project

Non-current assets increased from

- lease right of land and building increasing by Baht 2,360 million because THG acquired 99.99% shares of Bumrungruang Plaza Co. Ltd. (BMP) from Power Line Engineering PLC. (PLE) and existing shareholders in order to acquire the lease right of land and building belonging to Thai Red Cross. The acquisition aims for developing Thonburi Rehab Hospital (Bumrungruang Road).
- investments, such as investment in JV. The investments were in JV of Ar Yu International Healthcare Company Limited, and in long-term equity investment because Ratchaphruek Hospital PLC. was listed in SET, so the investment was moved from investment in other companies to long-term equity investment and recorded with fair value.

Liabilities

As of 31 December 2017, THG's total liabilities were Baht 5,345 million, increasing by 0.8% from Baht 5,304 million as of 31 December 2016. Most of them was long-term debt from financial institutions. However, debts decreased from 31 December 2016 because the debt was repaid by IPO proceed.

Equity

As of 31 December 2017, THG's equity was Baht 8,665 million, increasing by 68.1% from Baht 5,156 million. It was mainly from the IPO of Baht 3,123 million, the increase of 2017 net profit of Baht 547 million and others of Baht 110 million. However, there was a dividend payment of Baht 306 million for 2016 performance.

Consolidated financial statements			
<i>Statements of financial position (million baht)</i>	End of 2017	End of 2016	Change
Current assets	2,615	1,419	84.3%
Non-current assets	11,395	9,041	26.0%
Total assets	14,010	10,460	33.9%
Current liabilities	1,279	2,570	-50.2%
Non-current liabilities	4,066	2,734	48.7%
Total liabilities	5,345	5,304	0.8%
Total equity	8,665	5,156	68.1%

Consolidated financial statements		
Financial ratios	2017	2016
Current ratio	2.0	0.6
Return on assets (%)	4.6	6.1
Assets turnover (times)	0.6	0.7
Return on equity (%)	8.3	15.1
Debt equity	0.6	1.0
Interest bearing debt/ EBITDA	3.2	3.6
Interest coverage ratios (times)	5.3	5.0

Capital management

- **Cashflow from operating activities:** In 2017, it was Baht 713 million, compared to Baht 829 million in 2016. The change was from the increase of account receivables and others of Baht 215 million, mainly due to the accrued income from consulting fees to overseas customers in 4Q17.

- **Cashflow from investment:** In 2017, it was Baht 1,516 million, compared to Baht 2,526 million in 2016. The change was from THG invested in Bumrungruang Plaza Co. Ltd., JV in Myanmar and in capital increase for JV in China. The cashflow from investing activities was lower than in 2016.

- **Cashflow from financing activities:** In 2017, it was Baht 824 million, compared to Baht 1,543 million in 2016. The change was from the repayment of loans to financial institutions. In 2017, net cash outflow to financial institutions was Baht 1,986 million* while it was net cash inflow of Baht 371 million from financial institutions in 2016.*

*calculated from cash inflow from loan deducted by loan repayment

Consolidated financial statements		
Statement of cashflow (million baht)	End of 2017	End of 2016
Cashflow from operating activities	713	829
Cashflow from investing activities	(1,516)	(2,526)
Cashflow from financing activities	824	1,543
Net increase of cash and cash equivalents	21	(154)
Cash and cash equivalents at the end of period	582	560

Report on the Board of Director's Responsibility towards the Financial Statements

The Board of Directors recognizes the importance of the Corporate Governance Management Policy and the preparing process of the financial statement and financial information as reported in the annual report enable to ensures that the statements are prepared in accordance with the Thai generally accepted accounting standards, using appropriate and consistent accounting policy and sufficient information is disclosed in the notes to financial statements. The Board of Directors has appointed the Audit Committee, which comprises independent directors, to be responsible for the quality of financial reports and internal control. This also provide a reasonable assurance on the reliability of the financial statement and effectiveness of internal control such as safeguarding of assets connected or potential conflict of interest transactions and the compliance to applicable laws and regulations, which the Audit Committee's opinion is stated in the Audit Committee Report.

At the Board of Directors' meeting on 22 February 2018, which every Audit Committee members, management and internal audit department attended to evaluate the sufficiency of the Company's internal control system for the year 2017. The system, set by the management which compliance with the SET regulations and COSO guideline. The Board agreed with the Audit Committee that the Group's quarterly and the annual financial statement for the year 2017 (which has been audited by the external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficient of the Company and subsidiaries' internal control system in "Internal Control" section.

Furthermore, the Board encourages the Management in continuous developing the Company Group's quality of internal control system, risk management and good corporate governance. The adequate and appropriate supervision should also be in place to enable the achievement of the established objective and goal.

Dr Boon Vanasin
Chairman

Dr Tanatip Suppradit
Chairman of Executive Committee

THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017

Independent Auditor's Report

To the Shareholders and the Board of Directors of Thonburi Healthcare Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Thonburi Healthcare Group Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate 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 my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for impairment in investment in subsidiaries</p> <p><i>Refer to Note 17 'Investments in subsidiaries (net)' to the separate financial statements</i></p> <p>As at 31 December 2017, the Company had investments in subsidiaries (net) of Baht 5,013 million in the separate financial statements.</p> <p>The management assessed the impairment of the investments in subsidiaries by considering the future business plan of subsidiaries and also future cash flows forecast. The Company applied many of key assumptions such as revenue growth rate, estimated expense and economic forecast.</p> <p>I focussed on the adequacy of allowance for impairment in investment in subsidiaries. The assessment of impairment is complex and based on management judgments in forecasting future market and economic conditions as factors in estimating future cash flow.</p>	<p>I tested management's approach for assessing the impairment in investments in subsidiaries to evaluate whether the allowance for impairment is appropriate by performing as follows.</p> <ul style="list-style-type: none"> Assessing the subsidiaries' operating results and financial position for the year ended 31 December 2017 Evaluating the past performance of each subsidiary Inquiring management for the reasonableness of the allowance for impairment in investments Testing the accuracy of the information that management used for preparing future business plan, also the reliability of the assumptions used in cash flow forecasts <p>As a results, I concluded that the assumptions used in the allowance for impairment in investment in subsidiaries were reasonable based on available evidence and the current situations.</p>
<p>Asset acquisition</p> <p><i>Refer to Notes 17 g) to the consolidated financial statements for investment in a subsidiary - Bamrung Maung Plaza Co., Ltd.</i></p> <p>During the year 2017, the Company purchased ordinary shares of Bamrung Maung Plaza Co., Ltd. who is in the business of real estate development. The total payment for investment is Baht 2,112 million.</p> <p>The management assessed that this investment is an acquisition of assets and not a business, by applying the three defining elements of a business under TFRS No.3 (revised 2015) Business combination which are input, process and output.</p>	<p>I inquired management to understand the basis used for the recognition under the investment in Bamrung Maung Plaza Co., Ltd.</p> <p>I evaluated management's assessment and information use for considering that this transaction was an acquisition of assets and not of a business by applying the definition in TFRS3 (revised 2015) Business combination.</p> <p>I considered management's judgement when assessing the three elements of a business which are input, process and output under paragraph B7 - B17 of TFRS 3 (revised 2015) Business combination.</p> <ul style="list-style-type: none"> Input: I inspected the existence of input which consists of land leasehold right, leased buildings, rental agreement and operational staff.

Key audit matter	How my audit addressed the key audit matter
<p>This acquisition was significant because of the size of the acquisition which contributed 15% of the Group's total assets and complexities, and involved significant judgement by management about whether it was a business combination or assets acquisition. The accounting treatments of both are different and have an impact on recognition and measurement which are material to the financial statements.</p>	<ul style="list-style-type: none"> • Process: I noted that the transferred employees were only operational staff and not an organised workforce who do not provide the necessary processes that were capable of being applied to land leasehold right, leased buildings and rental of Bambumg Maung Plaza Co., Ltd. which are inputs to create outputs. • Output: I noted that all tenants had cancelled the rental agreements before the date that the Company purchased ordinary shares of Bamrung Maung Plaza Co., Ltd. So, there was no operation that generated income. <p>Overall, the results of my test agreed with management's assessment that this is an acquisition of assets. This form of transaction or event doesn't give rise to goodwill.</p>
<p>Implementation of new computer software</p> <p>The Company has in 2016 started the implementation of a new ERP system. The system was installed and went live on 1 April 2017.</p> <p>I focused on this area because implementation of a new ERP system represents a risk of material misstatement in the financial statements, due to the risk that the financial data may not accurately and completely be migrated from the old to the new system.</p> <p>The implementation further leads to a change in some of the Company's control activities pervasively related to financial reporting. This can, in the implementation phase, increase the risk of material misstatements not being detected by the Company's controls. In addition, the risk of material misstatements in the financial statements can be further increased in the event of insufficient or improper training among the Company's accounting staff.</p>	<p>I assessed that the overall risk of material misstatement to the Company's financial statements may occurs, because the implementation of new computer software and the risk that the transfer of financial information from the old system to the new system may be inaccurate and incomplete.</p> <p>I made a few changes to the audit plan compared to previous years. The changes were mainly a response to the Company's amended control activities, due to the implementation of new computer software.</p> <p>My audit procedures included,</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's IT general controls (ITGCs) relevant to the audit, but increased the focus on 'program development' • Assessing the design of the controls deemed relevant to the audit and tested their operating effectiveness • Testing the accuracy and completeness of the transferred financial data by agreeing the outgoing balance from the old system to the ingoing balance in the new system. <p>Based on above procedures, I used my IT specialist to support my work.</p> <p>I found that the implement of new computer software were appropriate and the transferred financial data was accurate and complete.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>There are various types of revenue from the hospital business, such as medical treatments, doctors' fees, in-patient room, and sales of medicines and medical supplies. There are also different discount conditions applied for each agreement signed. The Group recognises revenues from the hospital business when services are rendered or when medicines and medical supplies are delivered.</p> <p>I focussed on these areas because the amount of revenue from the hospital business is material to the financial statements. And there are a large number of various revenue transactions occurring every day. I also focussed on the internal controls over revenue cycle testing to support the audit of accuracy and completeness of revenue from the hospital business.</p>	<p>I assessed the overall risks in the revenue cycle and applied the following procedures by:</p> <ul style="list-style-type: none"> • Understanding the information and technology systems for the hospital business operation and accounting systems • Understanding and testing a sample of the Group's internal controls that it has designed over the revenue cycle • Testing a sample of revenue from sales and services transactions for each type of revenue carried out during the year, together with their related documents, and • Testing the journal entries relating to revenue transactions from services and sales to determine any unusual revenue transactions. <p>Based on the procedures stated above, I found that the Group complies with its internal controls as designed, and revenue recognition was appropriate according to Thai Financial Reporting Standards.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 TSAs 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 and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 and separate financial statements or, if such disclosures are inadequate, to modify my 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 and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

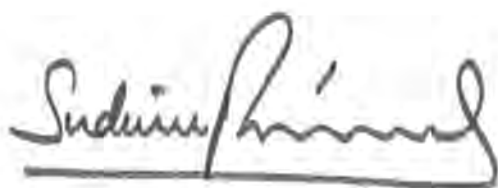
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely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

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

I also provide the audit committee with a statement that I 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.



Sudwin Panyawongkhanti

Certified Public Accountant (Thailand) No. 3534

Bangkok

22 February 2018

Thonburi Healthcare Group Public Company Limited

Statement of Financial Position

As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	581,868,962	560,406,802	372,825,116	461,526,488
Short-term investments at financial institutions	8	16,984	11,178	-	-
Short-term investments	9	142,943,367	140,161,731	121,986,273	119,505,035
Trade and other accounts receivable (net)	10	718,218,410	500,835,884	776,638,142	547,640,312
Short-term loans to related parties	43 c)	-	-	1,768,677,245	1,055,036,600
Current portion of long-term loans to related parties	43 d)	-	-	81,300,000	-
Short-term loan to other company	11	-	-	-	-
Inventories (net)	12	194,683,682	209,520,031	90,048,582	87,777,369
Cost of developing holistic care project	13	972,029,785	-	-	-
Value added tax (net)	28	680,674	88,900	-	-
Other current assets		4,476,965	8,303,380	4,476,965	6,053,380
Total current assets		2,614,918,829	1,419,327,906	3,215,952,323	2,277,539,184
Non-current assets					
Restricted deposits at financial institutions	14	9,932,143	7,035,646	2,552,700	2,552,700
Long-term investments in equity securities	15	713,535,009	542,225,128	713,535,009	542,225,128
Investments in associates (net)	16 a)	454,725,259	443,089,105	374,911,500	374,911,500
Investments in subsidiaries (net)	17 a)	-	-	5,013,323,639	2,817,989,181
Investments in joint ventures (net)	18	740,375,032	635,754,332	949,173,656	724,374,456
Other long-term investments (net)	19	252,542,536	269,062,718	147,995,367	174,990,549
Long-term loans to related parties	43 d)	-	-	-	81,300,000
Investment properties (net)	20	1,813,757,802	1,669,085,873	-	-
Property, plant and equipment (net)	21	4,832,788,537	5,325,666,636	3,645,579,012	3,285,524,578
Advance payment for fixed assets		30,905,221	24,564,236	4,801,995	2,700,000
Intangible assets (net)	22	82,029,293	71,509,337	76,835,740	67,056,541
Land leasehold rights and leased buildings (net)	23	2,372,990,701	12,997,260	12,197,260	12,997,260
Advance payment for land leasehold rights	23	1,000,000	-	-	-
Deferred tax assets (net)	24	64,452,961	14,559,267	-	-
Other non-current assets	25	25,761,108	25,280,864	496,943	216,101
Total non-current assets		11,394,795,602	9,040,830,402	10,941,402,821	8,086,837,994
Total assets		14,009,714,431	10,460,158,308	14,157,355,144	10,364,377,178

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	26	129,056,675	1,138,854,292	-	956,500,000
Trade and other accounts payable	27	925,605,877	813,453,271	679,819,010	665,148,590
Short-term loans from related parties	43 e)	-	-	-	-
Current portion of					
- Long-term loans from financial institutions	30	100,000,000	525,600,000	100,000,000	522,000,000
- Finance lease liabilities (net)	31	2,691,399	773,625	2,390,405	534,810
- Liabilities under land leasehold rights	23	1,000,000	-	-	-
Accrued income tax		50,582,976	65,705,538	49,741,830	59,768,725
Value added tax (net)	28	19,292,022	11,787,149	11,148,498	8,384,915
Other current liabilities	29	50,944,779	14,223,119	14,064,636	11,489,807
Total current liabilities		1,279,173,728	2,570,396,994	857,164,379	2,223,826,847
Non-current liabilities					
Long-term loans from financial institutions	30	3,442,245,765	2,398,430,669	3,442,245,765	2,024,500,000
Finance lease liabilities (net)	31	9,440,874	512,720	9,119,760	-
Liabilities under land leasehold rights	23	2,000,000	-	-	-
Deferred tax liabilities (net)	24	375,767,475	114,150,001	146,317,681	114,150,001
Employee benefit obligations	32	228,908,057	216,866,899	177,090,817	171,575,953
Other non-current liabilities		7,374,892	4,208,930	160,000	160,000
Total non-current liabilities		4,065,737,063	2,734,169,219	3,774,934,023	2,310,385,954
Total liabilities		5,344,910,791	5,304,566,213	4,632,098,402	4,534,212,801

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited

Statement of Financial Position

As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	33				
Authorised share capital					
849,080,000 ordinary shares of Baht 1 each		849,080,000	849,080,000	849,080,000	849,080,000
Issued and fully paid-up share capital					
849,080,000 ordinary shares of Baht 1 each		849,080,000	-	849,080,000	-
764,080,000 ordinary shares of Baht 1 each		-	764,080,000	-	764,080,000
Share premium on issue of ordinary shares (net)	33	6,861,242,864	3,822,920,000	6,861,242,864	3,822,920,000
Retained earnings					
Appropriated - legal reserve	34	112,524,039	112,524,039	112,524,039	112,524,039
Unappropriated		1,138,693,486	908,524,621	1,167,419,848	700,446,187
Surplus (deficit) from additional investments in subsidiaries		(1,099,295,760)	(1,099,295,760)	-	-
Other components of equity	36	540,906,513	430,706,857	534,989,991	430,194,151
Equity attributable to owners of the parent		8,403,151,142	4,937,459,757	9,525,256,742	5,830,164,377
Non-controlling interests	36	261,652,498	218,132,338	-	-
Total equity		8,664,803,640	5,155,592,095	9,525,256,742	5,830,164,377
Total liabilities and equity		14,009,714,431	10,460,158,308	14,157,355,144	10,364,377,178

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Revenues					
Revenue from hospital operations		5,358,096,856	5,182,201,173	4,734,358,018	4,469,197,373
Revenue from sales of goods		400,161,377	381,038,018	-	-
Revenue from other services		853,398,399	665,434,147	597,507,192	502,791,468
Cost of hospital operations	39	(3,864,882,766)	(3,700,971,664)	(3,375,401,006)	(3,193,769,576)
Cost of goods sold	39	(271,502,565)	(256,128,064)	-	-
Cost of other services	39	(644,845,732)	(561,326,423)	(446,206,613)	(443,530,712)
Gross profit		1,830,425,569	1,710,247,187	1,510,257,591	1,334,688,553
Other income	37	117,401,299	104,755,873	200,916,708	173,437,963
Profit before expense		1,947,826,868	1,815,003,060	1,711,174,299	1,508,126,516
Selling expenses	39	(202,129,379)	(130,927,244)	(61,098,590)	(59,393,190)
Administrative expenses	39	(803,267,123)	(723,913,134)	(559,435,528)	(530,525,069)
Other gains (losses)					
- Net loss on exchange rate		(7,002,194)	(7,352,567)	(7,685,296)	(8,055,972)
Other expenses	38	(3,237,717)	(6,823,017)	(2,269,870)	(3,095,209)
Reversal of (allowance for) impairment of investment		-	(18,466,520)	-	(18,466,520)
Finance costs	40	(160,500,638)	(177,114,456)	(146,524,068)	(169,602,424)
Share of profit from investments in associates	16 a)	36,075,420	42,673,056	-	-
Share of loss from investments in joint ventures	18	(124,869,937)	(88,620,124)	-	-
Profit before income tax		682,895,300	704,459,054	934,160,947	718,988,132
Income tax	41	(117,951,413)	(160,468,389)	(157,588,449)	(137,581,811)
Profit for the year		564,943,887	543,990,665	776,572,498	581,406,321

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Other comprehensive income					
Item that will not be subsequently reclassified to profit or loss					
- Remeasurements of employee benefit obligations	32	(8,735,284)	1,077,826	(3,966,837)	3,473,355
Item that will be subsequently reclassified to profit or loss					
- Unrealised gain on measurement of available-for-sale investments	9, 15	130,303,488	529,063,962	130,003,090	528,785,408
- Share of other comprehensive income of joint ventures accounted for using the equity method	18	4,691,437	-	-	-
Income tax relating to components of other comprehensive income	24	(24,313,641)	(106,103,987)	(25,207,250)	(106,451,754)
Other comprehensive income for the year - net of tax		<u>101,946,000</u>	<u>424,037,801</u>	<u>100,829,003</u>	<u>425,807,009</u>
Total comprehensive income for the year		<u><u>666,889,887</u></u>	<u><u>968,028,466</u></u>	<u><u>877,401,501</u></u>	<u><u>1,007,213,330</u></u>
Profit attributable to:					
Owners of the parent		553,835,960	511,151,830	776,572,498	581,406,321
Non-controlling interests		<u>11,107,927</u>	<u>32,838,835</u>	<u>-</u>	<u>-</u>
		<u><u>564,943,887</u></u>	<u><u>543,990,665</u></u>	<u><u>776,572,498</u></u>	<u><u>581,406,321</u></u>
Total comprehensive income attributable to:					
Owners of the parent		657,178,209	935,645,292	877,401,501	1,007,213,330
Non-controlling interests		<u>9,711,678</u>	<u>32,383,174</u>	<u>-</u>	<u>-</u>
		<u><u>666,889,887</u></u>	<u><u>968,028,466</u></u>	<u><u>877,401,501</u></u>	<u><u>1,007,213,330</u></u>
Basic earnings per share					
Basic earnings per share to attributable to owners of the parent (Baht)	42	<u>0.72</u>	<u>0.69</u>	<u>1.01</u>	<u>0.78</u>
Weighted average number of ordinary shares (shares)		<u><u>771,532,055</u></u>	<u><u>741,203,497</u></u>	<u><u>771,532,055</u></u>	<u><u>741,203,497</u></u>

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements (Baht)												
Attributable to owners of the parent												
Other components of equity												
Other comprehensive income												
Income tax												
relating to												
components												
of other												
comprehensive												
income												
Total other												
components of												
equity												
Total owners of												
the parent												
Non-												
controlling												
interests												
Total												
equity												
Notes	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated - legal reserve	Unappropriated	Surplus (deficit) from additional investments in subsidiaries	Unrealised gain (loss) on measurement of available-for-sale investments	Income tax relating to components of other comprehensive income	Total other components of equity	Total owners of the parent	Non- controlling interests	Total equity	
Opening balance as at 1 January 2016	677,000,000	1,733,000,000	112,524,039	393,644,183	(1,099,295,760)	7,949,541	(7,538)	7,942,003	1,824,814,465	192,602,933	2,017,417,398	
Changes in equity for the year 2016												
Call up during the year	33	87,080,000	2,089,920,000	-	-	-	-	-	2,177,000,000	-	2,177,000,000	
Dividend payment	35, 36	-	-	-	-	-	-	-	-	(6,853,769)	(6,853,769)	
Total comprehensive income for the year		-	-	512,880,438	-	528,941,036	(106,176,182)	422,764,854	935,645,292	32,383,174	968,028,466	
Closing balance as at 31 December 2016	764,080,000	3,822,920,000	112,524,039	906,524,621	(1,099,295,760)	536,890,577	(106,183,720)	430,706,857	4,937,459,757	218,132,338	5,155,592,095	

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements (Baht)													
Attributable to owners of the parent													
Other components of equity													
Other comprehensive income													
Share of other													
comprehensive income tax													
Income relating to components													
of other comprehensive components													
Total other components of equity													
Total owners of the parent													
Non-controlling interests													
Total equity													
Notes	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings - Appropriated - legal reserve	Unappropriated	Surplus (deficit) from additional investments in subsidiaries	Unrealised gain (loss) on measurement of available-for-sale investments	Share of other comprehensive income of joint ventures accounted for using the equity method	Income tax relating to components of other comprehensive income	Total other components of equity	owners of the parent	Non-controlling interests	Total equity	
Opening balance as at 1 January 2017	764,080,000	3,822,920,000	112,524,039	906,524,621	(1,099,295,760)	536,890,577	-	(106,183,720)	430,706,857	4,937,459,757	218,132,338	5,155,592,095	
Changes in equity for the year 2017													
Call up during the year	33	85,000,000	3,038,322,864	-	-	-	-	-	-	3,123,322,864	-	3,123,322,864	
Dividend payment	35	-	-	(305,632,000)	-	-	-	-	-	(305,632,000)	-	(305,632,000)	
Increase in share capital of subsidiary	36	-	-	-	-	-	-	-	-	-	41,765,217	41,765,217	
Decrease in non-controlling interests from dividend payment	36	-	-	-	-	-	-	-	-	-	(17,134,423)	(17,134,423)	
Increase in non-controlling interests from change in shareholding interest	36	-	-	(9,177,688)	-	-	-	-	-	(9,177,688)	9,177,688	-	
Total comprehensive income for the year		-	-	546,978,553	-	130,170,921	4,691,437	(24,662,702)	110,199,656	657,178,209	9,711,678	666,889,887	
Closing balance as at 31 December 2017		849,080,000	6,861,242,864	1,138,693,486	(1,099,295,760)	667,061,498	4,691,437	(130,846,422)	540,906,513	8,403,151,142	261,652,498	8,664,803,640	

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

		Separate financial statements (Baht)						
				Other components of equity				
				Other comprehensive income				
				Unrealised gain (loss) on measurement of available-for-sale investments		Income tax relating to components of other comprehensive income	Total other components of equity	Total equity
Notes	Authorised, issued and fully paid-up share capital	Share premium or ordinary shares	Retained earnings Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2016	677,000,000	1,733,000,000	112,524,039	115,566,511	7,605,000	255,497	7,860,497	2,645,951,047
Changes in equity for the year 2016								
Call up during the year	87,080,000	2,089,920,000	-	-	-	-	-	2,177,000,000
Total comprehensive income for the year	-	-	-	584,879,676	528,785,408	(106,451,754)	422,333,654	1,007,213,330
Closing balance as at 31 December 2016	764,080,000	3,822,920,000	112,524,039	700,446,187	536,390,408	(106,196,257)	430,194,151	5,830,164,377
Opening balance as at 1 January 2017	764,080,000	3,822,920,000	112,524,039	700,446,187	536,390,408	(106,196,257)	430,194,151	5,830,164,377
Changes in equity for the year 2017								
Call up during the year	85,000,000	3,038,322,864	-	-	-	-	-	3,123,322,864
Dividend payment	-	-	-	(305,632,000)	-	-	-	(305,632,000)
Total comprehensive income for the year	-	-	-	772,605,661	130,003,090	(25,207,250)	104,795,840	877,401,501
Closing balance as at 31 December 2017	849,080,000	6,861,242,864	112,524,039	1,167,419,848	666,393,498	(131,403,507)	534,989,991	9,525,256,742

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		682,895,300	704,459,054	934,160,947	718,988,132
Adjustments					
Allowance for (reversal of)					
- doubtful accounts in trade and other accounts receivable	39	1,266,145	812,577	1,331,908	1,114,204
- obsolete inventories	39	2,214,769	(3,712,738)	(4,183)	141,959
- impairment of property, plant and equipment	20	684,950	-	-	-
- impairment of other long-term investment	19	(18,466,520)	18,466,520	(18,466,520)	18,466,520
- impairment of investment properties	20, 38	-	3,159,484	-	-
Amortisation charges on front-end fee		1,365,900	-	-	-
(Gain) loss on sales of					
- short-term investments	9	-	108,310	-	108,310
- long-term investments in equity securities	15	4,629	(2,483,098)	4,629	(2,483,098)
Loss from liquidation of other long-term investment	19, 19 i)	18,086,675	-	18,086,675	-
Share of profit from liquidation of other long-term investment	19 f)	(131,575)	-	-	-
Share of profit from investments in associates	16 a)	(36,075,420)	(42,673,056)	-	-
Share of loss from investments in joint ventures	18	124,869,937	88,620,124	-	-
Depreciation	20, 21, 39	271,266,364	233,548,385	207,511,766	174,451,175
Amortisation	22, 23, 39	32,739,253	5,942,691	9,384,523	4,074,351
Net gain on sales of property, plant and equipment and intangible assets	37	(868,971)	(922,743)	(894,040)	(855,573)
Net loss on write-off of property, plant and equipment and intangible assets	38	2,513,632	3,663,533	2,265,241	3,095,209
Employee benefit obligations	32	24,356,044	22,869,397	18,953,577	18,299,350
Dividend income	37	(25,999,291)	(29,817,291)	(71,131,246)	(60,993,662)
Interest income	37	(1,136,705)	(2,117,032)	(84,263,006)	(79,281,294)
Finance costs	40	160,500,638	177,114,456	146,524,068	169,602,424
		<u>1,240,085,754</u>	<u>1,177,038,573</u>	<u>1,163,464,339</u>	<u>964,728,007</u>

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal of subsidiaries)					
Trade and other accounts receivable		(215,048,246)	(23,810,901)	(186,240,262)	21,493,356
Inventories		12,621,580	(43,940,451)	(2,267,030)	(10,829,943)
Cost of developing holistic care project		(52,666,810)	-	-	-
Other current assets		3,826,415	(2,507,380)	1,576,415	(257,380)
Other non-current assets		4,679,008	(15,621,568)	(280,842)	(105,001)
Trade and other accounts payable		36,935,657	56,237,961	22,867,275	14,655,278
Value added tax		7,311,879	4,595,052	2,763,583	1,806,454
Other current liabilities		3,709,588	3,522,462	2,574,829	2,700,886
Other non-current liabilities		2,199,102	4,029,930	-	8,000
Employee benefit obligations paid	32	(21,050,170)	(20,235,340)	(17,405,550)	(18,508,430)
Cash generated from operating activities		1,022,603,757	1,139,308,338	987,052,757	975,691,227
Interest income received		1,138,609	2,308,431	40,173,530	22,513,575
Finance costs paid		(156,383,965)	(155,786,283)	(141,956,294)	(148,363,165)
Income tax paid		(153,979,235)	(156,911,992)	(133,985,630)	(130,481,060)
Net cash generated from operating activities		713,379,166	828,918,494	751,284,363	719,360,577

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
(Increase) decrease in short-term investments					
at financial institutions	8	(5,806)	23,990,742	-	-
Short-term investments - proceeds		-	657,930,700	-	657,930,700
- payments		-	(158,023,447)	-	(158,023,447)
(Increase) decrease in restricted deposits					
at financial institutions	14	61,995	(4,059,629)	-	(2,552,700)
Long-term investments in equity securities - proceeds	15	204,336	3,573,258	204,336	3,573,258
- payments	15	(345,796)	-	(345,796)	-
Investments in subsidiaries - proceeds	10	-	81,000,000	-	81,000,000
- payments		-	-	(506,617,303)	(1,369,880,000)
Investments in joint ventures - payment	18 b)	(224,799,200)	(724,374,456)	(224,799,200)	(724,374,456)
Other long-term investments - proceeds	19	-	14,000,000	-	-
- payments	19	(27,256,016)	(52,513,228)	(16,656,016)	(35,713,228)
Cash payments from capital increase					
of a subsidiary	17 d)	-	-	(83,421,429)	-
Cash receipts from capital decrease of other					
long-term investment		-	375,000	-	-
Cash receipt from liquidation of					
other long-term investment	19 f), 19 i)	636,420	-	379,845	-
Cash payments for purchase of					
- property, plant and equipment		(684,744,221)	(2,390,782,814)	(582,858,568)	(919,894,296)
- investment properties		(144,827,737)	(6,190,075)	-	-
- intangible assets		(20,900,624)	(33,850,172)	(18,384,373)	(33,377,225)
- land leasehold rights and leased buildings		(3,625,000)	-	-	-
Cash payments for purchase assets					
of Bamrung Maung Plaza Co., Ltd.	17 g)	(461,897,617)	-	-	-
Cash receipts from sales of property, plant and					
equipment (net) and intangible assets (net)		1,110,097	1,128,938	1,041,281	1,023,265
Short-term loan to related companies					
- proceeds	43 c)	10,000,000	-	9,500,000	11,000,000
- payments	43 c)	(10,000,000)	-	(723,140,645)	(18,500,000)
Short-term loan to other company - proceeds	11	-	6,491,229	-	-
Long-term loans to related companies - payments	43 d)	-	-	-	(1,500,000)
Dividend receipts from investments in subsidiaries,					
associates, other companies and available-for-sales		50,438,557	55,530,111	71,131,246	64,182,186
Net cash used in investing activities		(1,515,950,612)	(2,525,773,843)	(2,073,966,622)	(2,445,105,943)

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in bank overdrafts					
and short-term loans from financial institutions	26	(1,009,797,617)	653,331,739	(956,500,000)	606,500,000
Net increase (decrease) in short-term loans					
from related parties	43 e)	-	(2,361,736)	-	(1,691,736)
Short-term loans from related parties - proceeds	43 e)	-	-	-	100,000,000
- payment	43 e)	-	(700,000)	-	(100,000,000)
Long-term loans from financial institutions - proceeds	30	48,700,000	40,000,000	-	-
- payments	30	(1,025,200,000)	(322,000,000)	(596,500,000)	(322,000,000)
Increase in prepaid front-end fee	30	(8,000,000)	(2,469,331)	(8,000,000)	-
Finance lease liabilities payment		(1,237,321)	(1,175,058)	(862,506)	(857,088)
Cash receipts from additional issue of ordinary shares	33	3,230,000,000	2,177,000,000	3,230,000,000	2,177,000,000
Cash payments for expenses related to Initial Public Offering	33	(129,231,053)	-	(129,231,053)	-
Dividends paid		(304,925,554)	(810,822,703)	(304,925,554)	(810,822,703)
Cash payments for additional investment in subsidiaries	43 a)	-	(179,880,000)	-	-
Cash receipts from investment of non-controlling interests	36	41,765,217	-	-	-
Dividends of subsidiaries paid to non-controlling interests		(18,040,066)	(8,374,384)	-	-
Net cash generated from financing activities		824,033,606	1,542,548,527	1,233,980,887	1,648,128,473
Net increase (decrease) in cash and cash equivalents		21,462,160	(154,306,822)	(88,701,372)	(77,616,893)
Cash and cash equivalents at the beginning of the year		560,406,802	714,713,624	461,526,488	539,143,381
Cash and cash equivalents at the end of the year	7	581,868,962	560,406,802	372,825,116	461,526,488

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Non-cash transactions					
Receivable from sales of equipment		22,500	-	-	-
Payables from purchase during the year					
- property plant and equipment and					
intangible assets	27	90,065,812	88,575,450	79,426,051	107,710,648
- land leasehold rights	23	3,000,000	-	-	-
- fixed asset under finance lease liabilities (net)		11,702,201	109,150	11,510,165	-
Retention payable	27	13,419,340	5,801,672	11,777,562	5,801,672
Dividend payable - other companies	27	8,916,135	9,115,330	8,195,322	7,488,876
Long-term loan for purchase of shares					
in a subsidiary	17 g), 30	1,600,000,000	-	1,600,000,000	-
Long-term loan from financial institution					
received in cheque	30	-	340,000,000	-	-
Promissory note received in cheque	26	-	22,100,000	-	-
Accrued professional fee that recorded					
as investment in a subsidiary	17 g)	5,295,726	-	5,295,726	-
Transfer land to cost of development					
holistic care project	21	918,685,880	-	-	-
Accrued expense that related to Initial Public Offering		4,115,367	-	4,115,367	-

The accompanying notes on pages 20 to 117 are an integral part of these consolidated and separate financial statements.

1 General information

The Thonburi Hospital Company Limited ("the Company") was incorporated as a limited company in Thailand on 13 August 1976. On 21 December 1994, the Company registered the conversion to Public Company Limited and registered the change of its name from "The Thonburi Hospital Company Limited" to "The Thonburi Hospital Public Company Limited".

On 30 December 2015, the Company registered the change of its name from "The Thonburi Hospital Public Company Limited" to "Thonburi Healthcare Group Public Company Limited". The Company has become a listed company in the Stock Exchange of Thailand on 7 December 2017. The addresses of its registered offices are as follows:

Head office : 34/1, Issaraphap Road, Banchanglor, Bangkoknoi, Bangkok 10700

Branch 1 : 43/4, Borommaratchachonnani Road, Salathamasop, Thawiwatthana, Bangkok 10170

Branch 2 : 18, Anuphasphuketkarn Road, Taladyai, Mueang Phuket, Phuket 83000

Branch 3 : 261/40 Moo 10, Nongprue Banglamung, Chonburi 20150

The Company's principal business operation is to provide hospital operations. The Company's subsidiaries' principal business operations are described in Note 17. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

According to letter from the Stock Exchange of Thailand (SET) dated 7 December 2017, the SET's Board of Governors approved the ordinary shares of The Thonburi Hospital Company Limited in The Stock Exchange of Thailand, and classified in Services / Health Care Services under named "THG".

The consolidated and separate financial statements were authorised for issue by the board of directors on 22 February 2018.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except where otherwise disclosed in the accounting policies.

The preparation of the consolidated and separate financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised accounting and financial reporting standards

2.2.1 Revised accounting and financial reporting standards are effective on 1 January 2017 which are relevant and have a significant impact to the Group are as follows:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 11 (revised 2016)	Joint arrangements

2 Significant accounting policies (Cont'd)

2.2 Revised accounting and financial reporting standards

2.2.1 Revised accounting and financial reporting standards are effective on 1 January 2017 which are relevant and have a significant impact to the Group are as follows:

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant change is the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and perform a consolidation at the level of the investment entity associate or joint venture.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

The Group's management assessed and considered that the above revised accounting and financial reporting standards are not have a material impact on the Group and the Company.

2.2.2 Revised accounting and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not yet adopted these revised standards are as follows:

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group and the Company except for disclosure.

2 Significant accounting policies (Cont'd)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in the profit or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses for each statement of comprehensive income are translated at average exchange rates and
- All resulting exchange differences are recognised as a separate component of equity in the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Cash and cash equivalents

In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from date of acquisition and are not used as collateral.

In the consolidated and separate statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year-end which is generally based on collection experience and analysis of aged receivables at the end of period. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within administrative expenses.

2 Accounting policies (Cont'd)

2.6 Inventories

Inventories are stated in the statement of financial position on the following basis:

- Medicines and medical supplies and medical equipment are stated at the lower of weighted average cost or net realisable value.
- Supplies are stated at weighted average cost and recognised in cost of hospital operations whenever consumed.
- Finished goods are stated at the lower of weighted average cost or net realisable value.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebate from discount coupon. Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories and recognised within cost of hospital operations and cost of goods sold.

2.7 Cost of developing holistic care project

Cost of developing holistic care project is stated at cost less allowance for loss on projects. Costs include cost of land, cost of land development, costs of constructions of real estate projects and infrastructure and related borrowing costs.

The Group recognises cost of sales from cost of developing holistic care project upon the transfer of title to the buyer.

2.8 Group accounting - investments in subsidiaries, associates and joint venture

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

2 Accounting policies (Cont'd)

2.8 Group accounting - investments in subsidiaries, associates and joint venture (Cont'd)

a) Subsidiaries (Cont'd)

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less allowance for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries is set out in Note 17.

b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

d) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

2 Accounting policies (Cont'd)

2.8 Group accounting - investments in subsidiaries, associates and joint venture (Cont'd)

f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

g) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in an associate and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

h) Separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.9 Other investments

Investments other than investments in subsidiaries, associates and joint arrangements are classified into the following three categories: (1) available-for-sale investments (2) held-to-maturity investments and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) General investments are investments in non-marketable equity securities.

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of available-for-sale investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Thai Bond Dealing Center. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is greater than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

In the event the Group reclassifies investments from one type to another, such investments will be re-valued to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gain or loss in the profit or loss or recorded as surplus (deficit) from changes in the value of investments in equity, depending on the type of investment that is reclassified.

2 Accounting policies (Cont'd)

2.10 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land and building held under operating leases is classified and accounted for by the Group as investment property when the rate of the definition of investment property is met. The operating lease is accounted for as if it were a financial lease.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment properties are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspend if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 Years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land and unutilised land in operation have not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset to their residual value over the estimate useful lives as follows:

Buildings	10 - 50 Years
Building improvement and utilities systems	5 - 20 Years
Medical tools and equipment	4 - 10 Years
Tools and equipment	5 - 10 Years
Furniture and office equipment	3 - 10 Years
Computer	3 - 10 Years
Motor vehicles	5 - 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses, respectively, in the profit or loss.

2 Accounting policies (Cont'd)

2.12 Goodwill

Goodwill on acquisitions of subsidiaries (Note 2.8) is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.13 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 5 to 10 years.

2.14 Land leasehold rights and leased buildings

Acquired land leasehold rights and leased buildings is identifiable and is recorded at the acquisition cost and other cost paid for the land and buildings to be ready to use. The cost is amortised over the estimated useful life follow the lease contract.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is a weighted average interest rate applicable to the outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of assets, the amount of borrowing costs eligible for capitalisation on the asset is determined at the actual borrowing cost incurred on the borrowing during the period less any investment income on the temporary investments of those borrowings.

2 Accounting policies (Cont'd)

2.16 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17 Accounting for long-term leases

Finance leases - where the Group is the lessee

Leases of property, plant and equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to principal and to finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease is depreciated over the shorter of the useful life of the asset or lease term.

Operating leases - where the Group is the lessee

Leases where the lessor has substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Operating leases - where the Group is the lessor

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with the Group's investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.18 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2 Accounting policies (Cont'd)

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

The Group recognises a liability and an expense for bonuses and employee benefit obligations. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group's employee benefits comprise of defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity through trustee-administered funds. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan comprise of retirement benefit and long service award. Typically defined benefit plan defined an amount of pension benefit that an employee will receive which usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2 Accounting policies (Cont'd)

2.21 Provident fund

The Group established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530 by joining a registered - pooled fund which was approved by Ministry of Finance. The fund is held in a separate trustee - administered fund.

Under the provident fund plan, the employees must contribute 3%, 4% and 5% of their basic salary and the Group also contributes 3%, 4% and 5% of the employees' basic salary. The fund appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulations issued under the Provident Fund Act B.E. 2530.

The Group's contributions to the provident fund are charged to profit or loss in the year to which they relate.

2.22 Provisions - general

Provisions are recognised when the Group 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 the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense (if any).

Provisions exclude the employee benefit obligations. The accounting policy for employee benefit obligations are mentioned in note 2.20.

2.23 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments at financial institutions, temporary investments, trade and other accounts receivable (net), short-term loans to related companies, certain parts of other current assets, restricted deposits at financial institutions and other non-current assets. Financial liabilities carried on the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other accounts payable, short-term loans from related parties, certain parts of other current liabilities, long-term loans from financial institutions and finance lease liabilities (net). The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

2.24 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Accounting policies (Cont'd)

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service provided in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, and discounts, and after eliminating revenue within the Group.

Revenue from hospital operations of the Group, consisting of medical fees, hospital room sales, and medicine sales, are recognised as revenue when services have been rendered or medicine delivered.

Revenue from sale of goods in the ordinary course of the Group's activities is recognised when significant risk and reward of ownership of goods are transferred to the buyer.

Revenue from services of the Group is recognised as revenue in the period in which they are rendered.

Revenue of subsidiary from development of hospital operation software is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. When the outcome cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those cost will be recoverable. Contract costs are recognized as expense in the period in which they are incurred.

Other revenues are recognised on the following bases:

- Consultation and management income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Dividend income is recognised when the Group's right to receive dividend is established.
- Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Rental income is recognised by using straight line method over the contractual period.
- Membership income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Other income is recognised when the Group has right to received.

2.26 Finance costs

Finance costs comprise interest expense from borrowings from financial institutions, borrowings from related parties, interest expense from finance lease liabilities and loans guarantee fees from borrowings.

2.27 Dividend payment

Dividends and interim dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders and board of directors, respectively.

2.28 Segment reporting

Consolidated financial statements

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's business operations are in the same geographic area which is in Thailand. These has been presented segment information by business only.

Separate financial statements

The Company operates only one segment which is hospital operation that consists of inpatient department and outpatient department and is in the one geographic area which is Thailand. Managements consider to present its business operations in one segment which is hospital operation. Hence, revenue, profit from operations and assets are presented as segment in financial statements.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk, foreign exchange risk and interest rate risk.

3.1.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underline business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.2 Credit risk

Credit risk is the risk that one party will fail to fulfill the obligations specified in the contract and caused the other party financial damage.

The Group's revenue mainly is medical service. To management credit risk, the Group has set the threshold level of reliability of customers. In addition, trade receivables are mostly insurance companies who are stable and doing business together for a long time. Therefore, the management considered that the credit risk on trade receivables is low.

3.1.3 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in market foreign exchange rate.

The Group has exposure to foreign currency exchange fluctuations on import purchasing of goods. The Group has made forward exchange contracts to hedge the risk of fluctuations in foreign currency exchange rates as appropriate with situation at the moment.

3.1.4 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flow. The Group has no significant interest-bearing assets. Hence, the management consider that the Group has low interest rate risk. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The management believe that effect of interest rate fluctuation on long-term borrowing agreements with financial institutions will not materially affect the Group.

3.1 Financial risk factors (Cont'd)

3.1.4 Interest rate risk (Cont'd)

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 December 2017 and 2016 as follows:

	2017													
	Consolidated financial statements					Separate financial statements								
	Fixed interest rate			Non-interest bearing rate	Floating interest rate	Total Baht	Interest (%)	Fixed interest rate		Non-interest bearing rate	Floating interest rate	Total Baht	Interest (%)	
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht					Within 1 year Baht	1 - 5 years Baht					Over 5 years Baht
Financial assets														
Cash and cash equivalents	618,608	-	-	367,939,491	213,310,863	581,868,962	0.12 - 1.30	-	-	207,731,008	165,094,108	372,825,116	0.12 - 0.75	
Short-term investments at financial institutions	16,984	-	-	-	-	16,984	1.00 - 1.05	-	-	-	-	-	-	
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade and other accounts receivable (net)	-	-	-	-	142,943,367	142,943,367	-	-	-	-	776,638,142	776,638,142	-	
Short-term loan to related parties	-	-	-	-	718,218,410	718,218,410	-	1,768,677,245	-	-	-	1,768,677,245	3.75 - 8.00	
Restricted deposits at financial institutions	9,932,143	-	-	-	-	9,932,143	0.37 - 1.05	2,552,700 81,300,000	-	-	-	2,552,700 81,300,000	1.00 7.50	
Long-term loans to related parties	10,567,735	-	-	367,939,491	1,074,472,640	1,452,979,866	-	1,852,529,945	-	207,731,008	941,732,250	3,011,993,203	-	
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	114,817,705	-	-	14,238,970	-	129,056,675	Ref. MRR	-	-	-	-	-	-	
Trade and other accounts payable	-	-	-	-	925,605,877	925,605,877	MLR and MQR	-	-	-	679,819,000	679,819,000	-	
Long-term loans from financial institutions	100,000,000	2,526,704,450	915,541,315	-	-	3,542,245,765	Ref. MLR	100,000,000	2,526,704,450	915,541,315	-	3,542,245,765	Ref. MLR	
Finance lease liabilities (net)	2,691,399	9,440,874	-	-	-	12,132,273	3.75 - 4.32	2,390,405	9,119,760	-	-	11,510,165	3.86 - 4.31	
Liabilities under land leasehold rights	1,000,000	2,000,000	-	-	-	3,000,000	-	-	-	-	-	-	-	
	218,509,104	2,538,145,324	915,541,315	14,238,970	925,605,877	4,612,040,590		102,390,405	2,535,824,210	915,541,315	-	679,819,000	4,233,574,930	

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 44.4.

3.3 Fair value estimation

The table below analyses financial instruments carried or disclosed at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level	Fair value			
		Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Assets and liabilities as at 31 December					
Available-for-sale investments (Note 9, 15)	1	856,478,376	682,386,859	835,521,282	661,730,163
Investment properties (net) (Note 20)	2	2,874,863,735	2,874,453,745	-	-
Long-term loans from financial institutions (Note 30)	2	3,565,901,176	2,922,987,899	3,565,901,176	2,545,464,868
Long-term loans to related parties (Note 43 d))	2	-	-	81,300,000	81,300,000

There were no transfers between levels 1 and 2 during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Information on the fair values of investment properties, long-term loans from financial institutions and long-term loans to related parties are disclosed in Note 20, 30 and 43 d), respectively.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Employee benefit obligations

The present value of employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 32.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimate losses which are expected to occur for uncollectable accounts receivable. The Group considers allowance for doubtful accounts based on historical collection experience and analysis of receivable at year-end.

Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilization of the past tax losses and assessed the estimation on a conservative basis.

Allowance for impairment of investment

In determining an allowance for impairment of investment, the managements need to make judgements and estimates the impairment loss when the indications of impairment arise (Note 17 and 19).

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the plant and equipment and to review estimate useful lives and salvage 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 impairment loss in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenue and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require 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.

Provisions

The Group has liabilities that may arise from being sued for damages. The management uses judgment to assess the outcome of the case in which the Group has been charged. If the management considers that there may be damage occurred, the Group recorded a provision for losses that might arise in such circumstances. If management determines and believes that the group will not be damaged, the Group does not record contingent liabilities as at the end of the accounting period.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

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6 Segment information

The Group's business operations involve five principle segments : (1) hospital operations (2) hospital management (3) healthcare solution provider (4) development and sales of hospital operation software and (5) property development. Below is a certain part of the consolidated financial statements of the Group for the years ended 31 December 2017 and 2016:

	Certain part of the consolidated statements of comprehensive income for the years ended 31 December 2017 and 2016 (Baht)									
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from hospital operations	5,361,832,690	5,182,376,413	-	-	-	-	-	-	5,358,096,866	5,182,201,173
Revenue from sale of goods	-	-	-	-	405,688,459	386,234,868	-	-	400,161,377	381,038,018
Revenue from other services	-	-	814,760,252	632,947,386	13,796,491	13,419,806	29,143,916	24,916,779	853,398,399	665,434,147
Cost of hospital operations	(3,869,951,183)	(3,705,859,756)	-	-	-	-	-	-	(3,864,882,766)	(3,700,971,664)
Cost of goods sold	-	-	-	-	(271,955,784)	(256,438,498)	-	-	(271,502,565)	(256,128,064)
Cost of other services	-	-	(631,313,189)	(543,672,423)	(5,699,595)	(5,022,968)	(16,150,472)	(13,368,532)	(644,845,732)	(561,326,423)
Segment income	1,491,881,507	1,476,516,657	183,447,063	89,274,963	141,829,571	138,193,208	12,993,444	11,548,247	1,830,425,569	1,710,247,187
Unallocated revenues and expenses :										
Other income	-	-	-	-	-	-	-	-	117,401,298	104,755,873
Selling and administrative expenses	-	-	-	-	-	-	-	-	(1,005,396,502)	(894,840,378)
Net gain (loss) on exchange rate	-	-	-	-	-	-	-	-	(7,002,194)	(7,352,567)
Other expenses	-	-	-	-	-	-	-	-	(3,237,717)	(6,823,017)
Reverse of (allowance for) impairment of investment	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	(160,500,638)	(18,466,520)
Share of profit (loss) from investment in associates	-	-	-	-	-	-	-	-	36,075,420	42,673,056
- joint ventures	-	-	-	-	-	-	-	-	(124,869,937)	(88,620,124)
Income tax	-	-	-	-	-	-	-	-	(117,951,413)	(160,488,389)
Net profit for the year	-	-	-	-	-	-	-	-	564,943,887	543,990,665

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6 Segment information (Cont'd)

The Group's business operations involve five principle segments : (1) hospital operations (2) hospital management (3) healthcare solution provider (4) development and sales of hospital operation software and (5) property development. Below is a certain part of the consolidated financial statements of the Group for the years ended 31 December 2017 and 2016: (Cont'd)

Certain part of the consolidated statements of financial position as at 31 December 2017 and 2016 (Bant)														
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment assets	6,103,066,553	4,410,036,911	484,302,830	297,203,704	1,829,151,649	1,743,245,880	22,040,710	11,346,288	10,914,986	13,810,386	1,073,160,384	(64,894,382)	9,522,667,112	6,410,748,787
Investments at equity method	1,324,085,156	1,099,285,956	-	-	-	-	-	-	-	-	(128,984,865)	(20,442,519)	1,195,100,291	1,078,843,437
Unallocated assets	8,588,955,363	5,450,115,450	149,147,097	116,850,155	68,096,286	28,344,107	-	-	1,812,643,548	1,667,893,811	(7,327,895,286)	(4,282,637,439)	3,291,947,028	2,970,566,084
Total assets	16,017,137,092	10,959,438,317	633,449,927	414,053,859	1,897,247,935	1,771,589,987	22,040,710	11,346,288	1,823,558,534	1,681,704,197	(6,383,719,767)	(4,377,974,340)	14,009,714,431	10,480,158,308
Segment liabilities	1,322,085,148	2,287,744,119	125,661,760	47,306,237	803,132,109	615,735,880	8,591,665	5,861,974	5,577,869	4,953,876	(586,578,450)	(213,476,116)	1,678,470,101	2,748,125,970
Unallocated liabilities	3,558,305,924	2,410,805,612	48,865,596	48,270,500	16,767,573	2,636,110	30,275,799	24,331,871	1,633,235,698	1,446,428,290	(1,621,009,900)	(1,376,032,140)	3,666,440,690	2,556,440,243
Total liabilities	4,880,391,072	4,698,549,731	174,527,356	95,576,737	819,899,682	618,371,990	38,867,464	30,193,845	1,638,813,567	1,451,382,166	(2,207,588,350)	(1,589,508,256)	5,344,910,791	5,304,566,213

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	10,373,263	7,529,522	8,249,597	6,269,031
Cheque on hand	2,019,806	2,808,665	628,922	1,929,933
Cash at banks - savings accounts	359,971,349	281,193,197	207,731,008	203,007,463
- current accounts	208,885,936	263,274,464	156,215,589	250,320,061
- 3-month fixed deposit	618,608	5,600,954	-	-
	581,868,962	560,406,802	372,825,116	461,526,488

As at 31 December 2017 and 2016, cash at banks carry interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2017 % per annum	2016 % per annum	2017 % per annum	2016 % per annum
Cash at banks - savings accounts	0.12 to 1.30	0.10 to 1.50	0.12 to 0.75	0.12 to 0.75
- 3-month fixed deposit	0.80 to 1.25	0.25 to 1.35	-	-

8 Short-term investments at financial institutions

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash at banks - 12-month fixed deposit	16,984	11,178	-	-
	16,984	11,178	-	-

As at 31 December 2017, short-term investments at financial institutions of the Group represent 12-month fixed deposit (2016 : 12-month fixed deposit) with the commercial banks in Thailand, carrying interest at the rates of 1.00% to 1.05% per annum (2016 : 1.10% to 1.15% per annum).

9 Short-term investments

As at 31 December 2017 and 2016, the short-term investments of the Group and the Company represent the short-term available-for-sale investments in debt and equity securities issued by financial institutions.

The movements of short-term investments for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Investment in debt securities				
Cost at the beginning of the year	127,942,325	347,857,081	108,199,517	328,114,273
Add Additions during the year	-	20,000,000	-	20,000,000
Less Disposals during the year	-	(239,914,756)	-	(239,914,756)
Cost at the end of the year	127,942,325	127,942,325	108,199,517	108,199,517

9 Short-term investments (Cont'd)

The movement of short-term investments for the years ended 31 December 2017 and 2016 are as follows: (Cont'd)

The fair values of the short-term investments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost at the end of the year	127,942,325	127,942,325	108,199,517	108,199,517
Unrealised gain on measurement of available-for-sale investments	7,050,742	5,632,656	5,836,456	4,718,768
Book value at the end of the year	134,993,067	133,574,981	114,035,973	112,918,285

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Investment in equity securities				
Cost at the beginning of the year	6,248,671	294,347,751	6,248,671	294,347,751
Add Additions during the year	-	130,025,174	-	130,025,174
Less Disposals during the year	-	(418,124,254)	-	(418,124,254)
Cost at the end of the year	6,248,671	6,248,671	6,248,671	6,248,671

The fair values of the short-term investments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost at the end of the year	6,248,671	6,248,671	6,248,671	6,248,671
Unrealised gain on measurement of available-for-sale investments	1,701,629	338,079	1,701,629	338,079
Book value at the end of the year	7,950,300	6,586,750	7,950,300	6,586,750

As at 31 December 2017 and 2016, the total amount of short-term investments comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost - Debt securities	127,942,325	127,942,325	108,199,517	108,199,517
Cost - Equity securities	6,248,671	6,248,671	6,248,671	6,248,671
Add Changes in value of investments	8,752,371	5,970,735	7,538,085	5,056,847
	142,943,367	140,161,731	121,986,273	119,505,035

As at 31 December 2017, the book value of short-term investments in debt securities of the Group amounting to Baht 134,993,067 (2016 : Baht 133,574,981) and for the Company amounting to Baht 114,035,973 (2016 : Baht 112,918,285) are investments in mutual funds of financial institutions in Thailand which are classified by management as available-for-sale investments unless they will need to be sold to raise operating capital of the Group and the Company.

As at 31 December 2017, the book value of short-term investments in equity securities of the Group and the Company amounting to Baht 7,950,300 (2016 : Baht 6,586,750) are investments in ordinary shares of listed companies in Stock Exchange in Thailand which are classified by management as available-for-sale investments unless they will need to be sold to raise operating capital of the Group and the Company.

The Group and the Company have no transactions about disposals of investments in securities for the year ended 31 December 2017 (2016 : the Group and the Company had loss on disposals amounting to Baht 108,310) (Note 37).

9 Short-term investments (Cont'd)

During the year 2017, the Company received dividend income from short-term investments amounting to Baht 139,100 (2016 : Baht 4,429,631) (Note 37).

The fair values of short-term investments - available-for-sale investments are based on security market using the rate at the end of accounting period. The fair values are within level 1 of the fair value hierarchy.

10 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivable					
- other companies (net)		658,310,406	440,792,065	395,959,547	237,904,363
- related companies	43 a)	37,436,163	28,360,741	25,282,075	35,466
		<u>695,746,569</u>	<u>469,152,806</u>	<u>421,241,622</u>	<u>237,939,829</u>
Other accounts receivable					
- other companies		6,674,119	2,690,317	5,191,447	1,746,235
- related companies	43 a)	317,200	5,512,979	4,266,611	-
		<u>6,991,319</u>	<u>8,203,296</u>	<u>9,458,058</u>	<u>1,746,235</u>
Interests receivable					
- other companies		15,459	7,693	-	-
- related companies	43 a)	-	-	381,072,181	336,982,705
		<u>15,459</u>	<u>7,693</u>	<u>381,072,181</u>	<u>336,982,705</u>
<u>Less</u> Allowance for doubtful accounts					
- related companies	43 a)	-	-	(44,661,690)	(44,661,690)
		<u>15,459</u>	<u>7,693</u>	<u>336,410,491</u>	<u>292,321,015</u>
Advance payment					
- other companies		3,839,785	5,759,435	3,661,234	4,202,598
- related company and individual	43 a)	43,335	288,500	-	-
		<u>3,883,120</u>	<u>6,047,935</u>	<u>3,661,234</u>	<u>4,202,598</u>
<u>Less</u> Allowance for doubtful accounts					
- other companies		(703,740)	(888,055)	-	-
		<u>3,179,380</u>	<u>5,159,880</u>	<u>3,661,234</u>	<u>4,202,598</u>
Prepaid expenses		<u>12,285,683</u>	<u>18,312,209</u>	<u>5,866,737</u>	<u>11,430,635</u>
		<u><u>718,218,410</u></u>	<u><u>500,835,884</u></u>	<u><u>776,638,142</u></u>	<u><u>547,640,312</u></u>

10 Trade and other accounts receivable (net) (Cont'd)

Trade accounts receivable - other companies (net) as at 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivable				
- other companies				
- billed receivable	323,462,265	326,801,369	177,151,701	149,827,668
- unbilled receivable	351,265,244	129,862,218	231,155,880	99,092,821
	674,727,509	456,663,587	408,307,581	248,920,489
<u>Less</u> Allowance for doubtful accounts	(16,417,103)	(15,871,522)	(12,348,034)	(11,016,126)
Trade accounts receivable				
- other companies (net)	658,310,406	440,792,065	395,959,547	237,904,363

Outstanding balance of trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivable				
- other companies				
Not yet due	203,144,761	219,743,243	109,751,373	103,832,309
Overdue				
1 - 90 days	70,106,636	62,253,665	35,480,821	20,453,290
91 - 180 days	11,449,305	11,284,411	4,613,394	3,794,473
181 - 365 days	14,785,589	17,228,235	6,336,942	10,049,172
Over 365 days	23,975,974	16,291,815	20,969,171	11,698,424
	323,462,265	326,801,369	177,151,701	149,827,668
<u>Less</u> Allowance for doubtful accounts	(16,417,103)	(15,871,522)	(12,348,034)	(11,016,126)
	307,045,162	310,929,847	164,803,667	138,811,542
Unbilled trade accounts receivable	351,265,244	129,862,218	231,155,880	99,092,821
Trade accounts receivable				
- other companies (net)	658,310,406	440,792,065	395,959,547	237,904,363

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade account receivable				
- related companies				
Not yet due	920,685	739,512	4,125,142	35,466
Overdue				
1 - 90 days	1,134,800	7,489,736	3,379,217	-
91 - 180 days	484,500	4,945,619	-	-
181 - 365 days	648,842	6,336,964	-	-
Over 365 days	4,010,164	-	-	-
	7,198,991	19,511,831	7,504,359	35,466
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	7,198,991	19,511,831	7,504,359	35,466
Unbilled trade accounts receivable	30,237,172	8,848,910	17,777,716	-
Trade account receivable				
- related companies (net)	37,436,163	28,360,741	25,282,075	35,466

As at 31 December 2017 and 2016, the Group did not recognise allowance for doubtful account for trade accounts receivable - related companies since the payment is likely to be received.

10 Trade and other accounts receivable (net) (Cont'd)

The movements of the allowance for doubtful accounts of trade accounts receivable - other companies for the years ended 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Allowance for doubtful accounts at the beginning of the year	(15,871,522)	(31,231,865)	(11,016,126)	(9,901,922)
Add Additions during the year	(5,843,879)	(8,544,203)	(3,044,166)	(5,660,533)
Less Written-off during the year	342,331	16,202,666	-	-
Less Reversal during the year - repayments	4,955,967	7,701,880	1,712,258	4,546,329
Allowance for doubtful accounts at the end of the year	(16,417,103)	(15,871,522)	(12,348,034)	(11,016,126)

During the year ended 31 December 2017, the Group has not written-off any bad debt. (2016 : subsidiaries - Thonburi Realty Development Co., Ltd. and Rajyindee Hospital Public Company Limited wrote-off trade accounts receivable - other companies which fully set allowance for doubtful account amounting to Baht 15,632,410 and Baht 570,256, respectively).

11 Short-term loan to other company

The movements of short-term loan to other company for the years ended 31 December 2017 and 2016 are as following:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Beginning balance of the year	-	6,491,229
Additions during the year	-	-
Repayment during the year	-	(6,491,229)
Ending balance of the year	-	-

Short-term loan to other company is unsecured loan in Thai Baht. The loan is due for repayment at call and bears the interest at the rate of 6.00% per annum. The Group fully paid for such loan in June 2016.

12 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Medicines and medical supplies	108,887,830	102,923,328	83,236,547	77,500,702
Medical equipment	86,513,189	96,407,395	-	-
Supplies	8,308,654	12,272,380	7,258,026	10,726,841
Less Allowance for obsolete inventories				
- medicines and medical supplies	(1,389,808)	(1,650,896)	-	-
- medical equipment	(7,797,167)	(5,454,212)	-	-
- supplies	(445,991)	(450,174)	(445,991)	(450,174)
Goods in transit - medical equipment	606,975	5,472,210	-	-
	194,683,682	209,520,031	90,048,582	87,777,369

12 Inventories (net) (Cont'd)

The movements of allowance for obsolete inventories for the years ended as at 31 December 2017 and 2016 comprise the following

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Allowance for obsolete inventories at the beginning of the year				
- medicine and medical supplies	(1,650,896)	(704,940)	-	-
- medical equipment	(5,454,212)	(10,254,865)	-	-
- supplies	(450,174)	(308,215)	(450,174)	(308,215)
<u>Add</u> Additions during the year				
- medicine and medical supplies	(40,869)	(1,014,389)	-	-
- medical equipment	(2,475,109)	(1,655,736)	-	-
- supplies	(1,403)	(141,959)	(1,403)	(141,959)
<u>Less</u> Write-off during the year				
- medicine and medical supplies	137,085	-	-	-
<u>Less</u> Reversal during the year				
- medicine and medical supplies	164,872	68,433	-	-
- medical equipment	132,154	6,456,389	-	-
- supplies	5,586	-	5,586	-
Allowance for obsolete inventories at the end of the year	<u>(9,632,966)</u>	<u>(7,555,282)</u>	<u>(445,991)</u>	<u>(450,174)</u>

- Allowance for obsolete inventories-medicine and medical supplies and supplies are recognised as cost of hospital operations in profit or loss.
- Allowance for obsolete inventories-medical equipment are recognised as cost of goods sold in profit or loss.

During the year ended 31 December 2016, a subsidiary - Dental Siam Co., Ltd. has reversed allowance for obsolete inventories - medical equipment amounting to Baht 6,456,389 due to the sales of such items and recognised as cost of goods sold in profit or loss.

13 Cost of developing holistic care project

Subsidiary - Premiere Home Health Care Company Limited has done a Healthcare Mixed Used Development project that consists of clinic, medical complex, senior living residences and rehabilitation center for patients in the same area which under in Healthcare Solution Provider segment.

Cost of developing holistic care project as at 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Land under development	915,804,136	-
Construction in progress and other related costs	47,779,171	-
Capitalised interest	8,446,478	-
	<u>972,029,785</u>	<u>-</u>

During 2017, the subsidiary has pledged land under development with the financial institution as collateral against borrowings from financial institution. However, as at 31 December 2017, the subsidiary fully paid for such borrowings and redeemed land under development.

14 Restricted deposits at financial institutions

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash at banks - savings account	3,384,593	426,100	-	-
- 3-month fixed deposit	4,532,700	2,056,846	2,552,700	-
- 10-month fixed deposit	-	2,552,700	-	2,552,700
- 12-month fixed deposit	2,014,850	2,000,000	-	-
	<u>9,932,143</u>	<u>7,035,646</u>	<u>2,552,700</u>	<u>2,552,700</u>
Interest rate (% per annum)				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash at banks - savings account	0.37 to 0.38	0.37 to 0.38	-	-
- 3-month fixed deposit	0.80 to 1.00	0.80 to 0.88	1.00	-
- 10-month fixed deposit	-	1.38	-	1.38
- 12-month fixed deposit	0.90 to 1.05	1.00 to 1.35	-	-

As at 31 December 2017 and 2016, restricted deposits at financial institutions of the Group are deposits of the company and subsidiaries - Dental Siam Co., Ltd., Rajyindee Hospital Public Company Limited, Modular Software Expertise Co., Ltd. and Bamrung Maung Plaza Co., Ltd. in Baht currency. The Group pledged these deposits as collateral against the bank overdrafts, loans from financial institutions and bank guarantees (Note 26, 30 and 45).

15 Long-term investments in equity securities

As at 31 December 2017 and 2016, long-term investments in equity securities of the Group and the Company comprise the following:

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
Available-for-sale investments	<u>713,535,009</u>	<u>542,225,128</u>

Available-for-sale investments of the Group and the Company represent the investments in ordinary shares of the listed companies in the Stock Exchange of Thailand which are classified as available-for-sales investments unless they will need to be sold to raise operating capital of the Group and the Company. The movements of available-for-sale investments for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
Investments in ordinary shares		
Cost at the beginning of the year	394,375,350	2,881,727
Add Additions during the year	345,796	-
Add Transfer from other long-term investments during the year	210,190,805	392,583,783
Less Disposals during the year	(208,965)	(1,090,160)
Cost at the end of the year	<u>604,702,986</u>	<u>394,375,350</u>

15 Long-term investments in equity securities (Cont'd)

The fair values of the available-for-sale investments are as follows:

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
Cost at the end of the year	604,702,986	394,375,350
Unrealised gain on measurement of available-for-sale investments	108,832,023	147,849,778
Book value at the end of the year	<u>713,535,009</u>	<u>542,225,128</u>

In September 2016, the Company reclassified investment in Rajthanee Hospital Public Company Limited from other long-term investment to long-term investment in equity security with fair value as at reclassification date in amounting to Baht 392.58 million (Note 19 d)). The Company recognised unrealised gain on measurement of available-for-sale investment in comprehensive income.

In February 2017, the Company reclassified investment in Ratchaphruek Hospital Public Company Limited from other long-term investment to long-term investment in equity security with fair value as at reclassification date in amounting to Baht 210.19 million (Note 19 b)). The Company recognised unrealised gain on measurement of available-for sale investment in comprehensive income.

The Company recognised loss on disposals of available-for sale investments for the year ended 31 December 2017 amounting to Baht 4,629 (Note 38) (2016 : the Company recognised gain on disposals of available-for-sale investments amounting to Baht 2,483,098) (Note 37).

During 2017, the Company received dividend income from long-term investments in equity securities amounting to Baht 12,268,554 (2016 : Baht 4,399,800) (Note 37).

The fair values of available-for-sale investments are based on the last bid price reference from the securities market. The fair values are within level 1 of the fair value hierarchy.

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16 Investments in associates (net)

a) As at 31 December 2017 and 2016, investments in associates (net) comprise the following:

Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Consolidated financial statements Investments (Equity method)		Share of profit For the year ended 31 December	
				2017 Baht	2016 Baht	2017 Percentage	2016 Percentage	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.04	34.04	294,272,665	286,799,402	18,963,077	23,582,150
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	270,909,375	270,909,375	31.87	31.87	160,452,594	156,289,703	17,112,343	19,090,906
								454,725,259	443,089,105	36,075,420	42,673,056

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16 Investments in associates (net) (Cont'd)

- a) As at 31 December 2017 and 2016, investments in associates (net) comprise the following: (Cont'd)

Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Separate financial statements					
				2017 Baht	2016 Baht	2017 Percentage	2016 Percentage	Cost method					
								2017		2016		Allowance for impairment of investments	
				Investments Baht	Investments Baht	Investments Baht	Investments Baht	Investments Baht	Investments (net) Baht	Investments Baht	Investments Baht	Investments (net) Baht	Investments (net) Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.04	34.04	266,984,500	266,984,500	-	-	-	266,984,500
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	270,909,375	270,909,375	31.87	31.87	107,927,000	107,927,000	-	-	-	107,927,000
				374,911,500	374,911,500			374,911,500	374,911,500	-	-	-	374,911,500

The management has reviewed allowance for impairment of investments in associates by considering from the past performance and are expected to occur in the future including other factors.

16 Investments in associates (net) (Cont'd)

- b) The movements in book value of investments in associates (net) for the years ended 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning book value of the year (net)	443,089,105	422,940,345	374,911,500	374,911,500
Share of profit (net)	36,075,420	42,673,056	-	-
Dividend income	(24,439,266)	(22,524,296)	-	-
Ending book value of the year (net)	454,725,259	443,089,105	374,911,500	374,911,500

During the year ended 31 December 2017, the Group and the Company received dividend income from Ubonrak Co., Ltd. amounting to Baht 11.49 million and Sirivej Chanthaburi Public Company Limited amounting to Baht 12.95 million (2016 : the Group received dividend income from Ubonrak Co., Ltd. amounting to Baht 9.57 million and Sirivej Chanthaburi Public Company Limited amounting to Baht 12.95 million).

As at 31 December 2017, the Group and the Company received dividend income from associates totalling Baht 24.44 million (2016 : the Group and the Company received dividend income from associates totalling Baht 22.52 million).

Dividend payment of an associate - Sirivej Chanthaburi Public Company Limited

At the Annual General Shareholders' Meeting of year 2017 of an associate on 18 March 2017, the shareholders approved the dividend payment from its operation for the year 2016 at Baht 0.15 per share, totalling Baht 40.64 million. The Company paid all dividend to shareholders in March 2017 (2016 : at the Annual General Shareholders' Meeting of year 2016 of an associate on 3 April 2016, the shareholders approved the dividend payment from its operation for the year 2015 at Baht 0.15 per share, totalling Baht 40.64 million. The Company paid all dividend to shareholders in April 2016).

Dividend payment of an associate - Ubonrak Co., Ltd.

At the Annual General Shareholders' Meeting of year 2017 of an associate on 19 April 2017, the shareholders approved the dividend payment from its operation for the year 2016 to its shareholders as follows:

- the interim dividend payment according to the Board of Directors' Meeting of an associate on 14 November 2016 at Baht 1.00 per share, in amounting to Baht 11.25 million which approved the payment on 15 December 2016.
- the annual dividend payment according to the Annual General Shareholders' Meeting on 19 April 2017 at Baht 2.00 per share, in amounting to Baht 22.50 million which approved the payment on 26 April 2017.

At the Board of Directors' Meeting no. 3/2017 of an associate on 13 November 2017, the Board of Directors approved the interim dividend payment from its operation for the year 2017 at Baht 1.00 per share, in amounting to 11.25 million. The Company paid all dividend to shareholders in November 2017.

(2016 : at the Annual General Shareholders' Meeting of year 2016 of an associate on 21 April 2016, the shareholders approved the dividend payment from its operation for the year 2015 at Baht 1.50 per share, totalling Baht 16.88 million. The Company paid all dividend to shareholders in April 2016).

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16 Investments in associates (net) (Cont'd)

Summarised financial information for significant associates

Set out below are the summarised financial information for Ubonrak Co., Ltd. and Sirivej Chanthaburi Public Company Limited which are accounted for using the equity method.

	Ubonrak Co., Ltd.		Sirivej Chanthaburi Public Company Limited				Total	
	As at 31 December		As at 31 December				As at 31 December	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current assets	217	231	147	174	364	405		
Non-current assets	477	482	425	340	902	822		
Current liabilities	(114)	(142)	(107)	(61)	(221)	(203)		
Non-current liabilities	(134)	(147)	(9)	(10)	(143)	(157)		
Net assets	446	424	456	443	902	867		
Revenue	657	638	536	517	1,193	1,155		
Net profit	56	69	53	60	109	129		
Other comprehensive income	-	-	1	1	1	1		
Total comprehensive income	56	69	54	61	110	130		

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for the differences in accounting policies between the Group and the associates for the year ended 31 December 2017.

16 Investments in associates (net) (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates.

Summarised financial information	Ubonrak Co., Ltd		Sirivej Chanthaburi Public Company Limited		Total	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Net assets as at 1 January	424	383	443	423	867	806
Profit for the year	56	69	53	60	109	129
Other comprehensive income	-	-	1	1	1	1
Dividends	(34)	(28)	(41)	(41)	(75)	(69)
Net assets as at 31 December	446	424	456	443	902	867
Interest in associate (%)	34.04	34.04	31.87	31.87		
Equity in associate	152	145	145	141	297	286
Excess of fair value to cost of investments prior to the change in shareholding interest	(38)	(38)	-	-	(38)	(38)
Goodwill	180	180	15	15	195	195
Net book value	294	287	160	156	454	443
Carrying amount of investments in associates using the equity method (Note 16 a))	294	287	160	156	454	443

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17 Investments in subsidiaries (net) and basis of consolidated preparation

a) As at 31 December 2017 and 2016, investments in subsidiaries (net) comprise the investments in ordinary shares of companies as following:

Direct Subsidiaries	Incorporated in	Nature of business	Paid-up share capital (Amount)		Shareholding interest		Separate financial statements				Dividend income	
			2017	2016	2017	2016	2017		2016		For the year ended	
							Cost method		Cost method		31 December	
			Baht	Baht	Percentage	Percentage	Investments	Investments	Allowance for impairment of Investments	Investments	2017	2016
							Baht	Baht	Baht	Baht	Baht	Baht
Rayindee Hospital Public Company Limited	Thailand	Private hospital activities	430,000,000	388,271,118	56.91	55.87	238,918,787	238,918,787	-	155,497,358	21,692,689	8,677,075
Thonburi Hospital Heart Centers Company Limited	Thailand	Hospital heart center	100,000,000	100,000,000	99.98	99.98	249,880,000	249,880,000	-	249,880,000	-	-
Premiere Home Health Care Company Limited	Thailand	Renting and operating of self-owned or leased of residential buildings	1,150,000,000	1,150,000,000	99.99	99.99	1,150,000,000	1,150,000,000	-	1,150,000,000	-	-
Dental Siam Co., Ltd.	Thailand	Retail sale of pharmaceutical and medical goods in specialised stores	31,932,650	31,932,650	99.43	99.43	144,526,240	144,526,240	(31,511,767)	113,014,473	-	-
Rajthanasree Realty Co., Ltd.	Thailand	Land and property development	700,000,000	700,000,000	100.00	100.00	1,051,597,350	1,051,597,350	(798,256,400)	1,051,597,350	-	-
Thonburi Realty Development Co., Ltd.	Thailand	Land and property development	800,000,000	800,000,000	99.78	99.78	798,256,400	798,256,400	(798,256,400)	-	-	-
Modular Software Expense Co., Ltd.	Thailand	Consulting and writing computer programs	18,000,000	18,000,000	70.00	70.00	12,600,000	12,600,000	(4,600,000)	8,000,000	-	-
Ultradit Thonburi Hospital Co., Ltd.	Thailand	Private hospital activities	90,000,000	90,000,000	99.99	99.99	90,000,000	90,000,000	-	90,000,000	-	-
Bamrung Maing Plaza Co., Ltd.	Thailand	Private hospital activities	1,223,176,700	-	99.99	-	2,111,913,029	2,111,913,029	-	-	-	-
			5,847,691,806	-	99.99	-	5,013,323,639	3,652,357,348	(834,368,167)	2,817,989,181	21,692,689	8,677,075

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows:

Summarised statements of financial position

	2017 (Thousand Baht)			
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.
				Total
Current				
Assets	182,039	191,248	2,320	392,191
Liabilities	(54,353)	(186,085)	(469,902)	(742,428)
Total net current assets (liabilities)	127,686	5,163	(467,582)	(350,237)
Non-current				
Assets	532,523	14,692	352,303	904,975
Liabilities	(39,823)	(4,801)	-	(51,403)
Total net non-current assets (liabilities)	492,700	9,891	352,303	853,572
Net assets (liabilities)	620,386	15,054	(115,279)	503,335

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows:
(Cont'd)

Summarised statements of financial position (Cont'd)

	2016 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Total
Current					
Assets	135,706	240,640	8,097	5,829	390,272
Liabilities	(77,259)	(239,562)	(489,012)	(25,455)	(831,288)
Total net current assets (liabilities)	58,447	1,078	(480,915)	(19,626)	(441,016)
Non-current					
Assets	530,053	16,833	349,398	5,518	901,802
Liabilities	(70,075)	(6,809)	(4,000)	(4,739)	(85,623)
Total net non-current assets	459,978	10,024	345,398	779	816,179
Net assets (liabilities)	518,425	11,102	(135,517)	(18,847)	375,163

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows:
(Cont'd)

Summarised statements of comprehensive income

	2017 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Total
Revenue	627,475	405,567	36,000	29,144	1,098,186
Profit before income tax	27,022	6,381	19,132	4,019	56,554
Income tax (expenses)	(4,079)	(2,509)	1,104	(942)	(6,426)
Post-tax profit from continuing operations	22,943	3,872	20,236	3,077	50,128
Other comprehensive income	(2,447)	80	-	(1,056)	(3,423)
Total comprehensive income	20,496	3,952	20,236	2,021	46,705
Proportion of non-controlling interests (%)	43.09	0.57	0.22	30.00	
Total comprehensive income allocated to non-controlling interests	9,045	22	46	606	9,718
Effect from changing of proportion of non-controlling interests	9,178	-	-	-	9,178
Dividend paid to non-controlling interests	(17,134)	-	-	-	(17,134)
Cumulative balance of non-controlling interests	267,293	(125)	(458)	(5,048)	261,662

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows:
(Cont'd)

Summarised statements of comprehensive income (Cont'd)

	2016 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Total
Revenue	713,179	386,089	-	24,917	1,124,185
Profit before income tax	90,043	5,817	9,407	2,936	108,203
Income tax (expenses)	(17,162)	(6,249)	3,679	(773)	(20,505)
Post-tax profit (loss) from continuing operations	72,881	(432)	13,086	2,163	87,698
Other comprehensive income	(275)	(792)	-	(1,100)	(2,167)
Total comprehensive income	72,606	(1,224)	13,086	1,063	85,531
Proportion of non-controlling interests (%)	44.13	0.57	0.22	30.00	
Total comprehensive income allocated to non-controlling interests	32,041	(7)	30	319	32,383
Dividend paid to non-controlling interests	(6,854)	-	-	-	(6,854)
Cumulative balance of non-controlling interests	224,394	(147)	(504)	(5,654)	218,089

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows:
(Cont'd)

Summarised statements of Cash flow

	2017 (Thousand Baht)				
	Rajindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Total
Cash flow from operating activities					
Cash generated from operation	74,193	39,502	35,070	4,442	153,207
Interest received	282	20	-	18	320
Interest paid	(2,558)	(8,706)	(39,047)	(315)	(50,626)
Income tax paid	(9,348)	(3,241)	(1,800)	(872)	(15,261)
Net cash generated from (used in) operating activities	62,569	27,575	(5,777)	3,273	87,640
Net cash generated from (used in) investing activities	(53,166)	(2,882)	-	(279)	(56,327)
Net cash generated from (used in) financing activities	44,560	(22,804)	-	4,500	26,256
Net (decrease) increase in cash and cash equivalents	53,963	1,889	(5,777)	7,494	57,569
Cash and cash equivalents at the beginning of the year	41,379	3,015	8,097	488	52,979
Cash and cash equivalents at the end of the year	95,342	4,904	2,320	7,982	110,548

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2017 and 2016 are as follows: (Cont'd)

Summarised statements of Cash flow (Cont'd)

	2016 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Total
Cash flow from operating activities					
Cash generated from (used in) operation	135,395	(30,632)	28,276	2,372	135,411
Interest received	489	22	-	6	517
Interest paid	(368)	(7,715)	(21,202)	(118)	(29,403)
Income tax paid	(14,273)	(1,218)	(1,350)	(462)	(17,303)
Net cash generated from (used in) operating activities	121,243	(39,543)	5,724	1,798	89,222
Net cash generated from (used in) investing activities	(238,258)	(1,635)	-	(2,019)	(241,912)
Net cash generated from (used in) financing activities	22,398	40,830	-	682	63,910
Net (decrease) increase in cash and cash equivalents	(94,617)	(348)	5,724	461	(88,780)
Cash and cash equivalents at the beginning of the year	135,996	3,363	2,373	27	141,759
Cash and cash equivalents at the end of the year	41,379	3,015	8,097	488	52,979

The information as table above is the amount of subsidiaries that included in consolidated financial statements before elimination.

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

- b) The movements of investments in subsidiaries (net) for the years ended 31 December 2017 and 2016 comprise the following:

	Separate financial statements Cost method	
	2017 Baht	2016 Baht
Beginning net book value of the year	2,817,989,181	1,727,989,181
Increase in investments in subsidiaries during the year	2,195,334,458	1,090,000,000
Ending net book value of the year	5,013,323,639	2,817,989,181

- c) Consolidation preparation

- 1) Subsidiaries are fully consolidated as from the date of acquisition, (being the date on which the Group obtains control), and continue to be consolidated until the date when such control ceases.
- 2) The subsidiaries have the same accounting period end as that of the Company, for which the accounting period used in consolidation preparation was from 1 January 2017 to 31 December 2017 (2016 : from 1 January 2016 to 31 December 2016).
- 3) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

- d) Increase in investment in subsidiary - Rajyindee Hospital Public Company Limited

According to the Extraordinary Shareholders' Meeting No. 1/2016 held on 17 February 2016, a subsidiary's shareholders unanimously approved the decrease in registered shares from Baht 400,000,000 (400,000,000 ordinary shares at Baht 1.00 each) to Baht 388,271,118 (388,271,118 ordinary shares at Baht 1.00 each) by deducting the unsold registered shares in order to maintain the remaining registered share capital at the paid-up share balance. The registration to decrease of share capital resulted in the change in the Company's shareholding from 54.23% to 55.87%.

At the Annual General Shareholders' Meeting of a subsidiary of year 2017 on 27 April 2017, the shareholders approved the increase in registered share capital from Baht 388,271,118 (388,271,118 ordinary shares at Baht 1.00 per share) to Baht 430,000,000 (430,000,000 ordinary shares at Baht 1.00 per share) which will be sold to existing shareholders in proportion of 10 existing shares to 1 new shares at Baht 3.00 per share. The payment will pay into 3 installments, the first installment was within 15 June 2017, the second installment was within 15 September 2017 and the third installment will within 15 November 2017.

During the year 2017, the Company paid the ordinary shares of Rajyindee Hospital Public Company Limited for the first, second and third installments for 21,692,689 ordinary shares and the Company reserved and paid for the shareholders' unused pre-emptive rights for 6,114,454 ordinary shares, totalling in 27,807,143 ordinary shares at Baht 3.00 each (par value at Baht 1.00 each), totalling Baht 83,421,429. Rajyindee Hospital Public Company Limited already registered new share capital with Ministry of Commerce on 28 June 2017, 28 September 2017, 27 November 2017 and 25 December 2017. Such additional investment resulted in the change in the Company's shareholding from 55.87% to 56.91%.

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

e) Increase in investment in a subsidiary - Premiere Home Health Care Company Limited

At the Extraordinary Shareholders' Meeting No. 1/2015 of a subsidiary on 11 February 2015, the shareholders unanimously approved the increase in registered share capital from Baht 100,000,000 (10,000,000 ordinary shares at par Baht 10.00 each) to Baht 300,000,000 (30,000,000 ordinary shares at par Baht 10.00 each) by issuance 20,000,000 ordinary shares at par Baht 10.00 per share, totalling Baht 200,000,000 to the existing shareholders. In the fourth quarter of 2015, the Company already paid for the 25% call-up of new registered shares totalling Baht 50,000,000 (20,000,000 ordinary shares at Baht 2.50 per shares). Such additional investment did not affect the Company's shareholding interest.

In August 2016, the Company paid 75% for the ordinary shares of Premiere Home Health Care Co., Ltd. for 20,000,000 ordinary shares at Baht 7.50 each (par value at Baht 10.00 each), totalling Baht 150,000,000.

At the Board of Directors' Meeting No. 2/2016 of a subsidiary on 29 July 2016 and the Extraordinary Shareholders' Meeting No. 1/2016 dated on 14 August 2016, the shareholders unanimously approved the increase in registered share capital from Baht 300,000,000 (30,000,000 ordinary shares at par Baht 10.00 each) to Baht 1,300,000,000 (130,000,000 ordinary shares at par Baht 10.00 each) by issuance 100,000,000 ordinary shares at par Baht 10.00 per share, totalling Baht 1,000,000,000 to the existing shareholders by call 85% of additional registered shares which made the subsidiary - Premiere Home Health Care Co., Ltd. has issued and paid-up shares as at 31 December 2016 in amounting to Baht 1,150,000,000. The Company already paid for call-up totalling Baht 850,000,000 (100,000,000 ordinary shares at Baht 8.50 per share) in August 2016. Such additional investment did not affect the Company's shareholding interest.

f) Investment in a subsidiary - Uttradit Thonburi Hospital Co., Ltd.

On 12 February 2016, the Company incorporated Uttradit Thonburi Hospital Co., Ltd. in Thailand with registered share capital amounting to Baht 120,000,000 (12,000,000 ordinary shares at Baht 10.00 each) and held 99.99% of shareholding interest.

As at 31 December 2016, the Company paid 75.00% of shares, totalling Baht 90,000,000 (11,999,700 ordinary shares at Baht 7.50 each).

g) Investment in a subsidiary - Bamrung Maung Plaza Co., Ltd.

At the Board of Directors' meeting No. 4/2017, held on 26 July 2017, the Board of Directors approved the Thonburi Hospital Rehabilitation Center project (Bamrung Maung road) including of the signing of Memorandum of Understanding ("MOU"), share pledge agreement and definitive agreement with value of investment totalling Baht 2,100 million. The Company will buy the ordinary shares of Bamrung Maung Plaza Co., Ltd. ("BMP") from Power Line Engineering Public Company Limited ("PLE") and individual shareholders of BMP (Share transaction) within 31 October 2017 or the day that the parties honestly agreed in the writing (closing). If the share transaction is not completed on schedule (closing), the Company and PLE are committed to takeover of leasehold rights of Soho Building (Bamrung Maung Plaza) located on areas which is belonged to Thai Red Cross Society and all assets for providing the services from BMP (Assets transaction). This transactions must be completed within 30 December 2017 or the day that the parties honestly agreed in the writing. At the Extraordinary shareholders' meeting No.1/2017, held on 4 September 2017, approved the investment in Thonburi Hospital Rehabilitation Center project (Bamrung Maung road) over the agreement and operation of the project.

The method for investing in Thonburi Hospital Rehabilitation Center project (Bamrung Maung road) will be one way or another as follows:

1. Share transaction: the Company buys BMP's ordinary shares from PLE and other BMP's shareholders (which are from PLE for 9 people) totalling 23,261,166 shares, 99.99% of total shares and expects to complete within 1 November 2017 or if cannot complete by share transaction in time
2. Assets transaction: the Company will be a transferee of leasehold rights of Soho Building (Bamrung Maung Plaza) and all assets for providing the services such as air conditioning system, elevator system from BMP. It is expected to complete within 30 December 2017.

17 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

g) Investment in a subsidiary - Bamrung Maung Plaza Co., Ltd. (Cont'd)

By entering to such transactions, the Company placed refundable deposits in amounting to Baht 500 million within a period of time that specified in MOU, by 1 August 2017 for Baht 300 million and by 8 August 2017 for another Baht 200 million. The Company has already paid such deposits in full amount following timeframe specified in MOU (and revised). These deposits are finally treated as a part of payments of share price (in case to share transaction) or assets' price (in case of asset finally transaction). On 31 August 2017, the Company has agreed in Share Purchase Agreement with PLE which included the indemnification if the transaction is not completed in time schedule. If there has case that BMP would admitted with other individuals or others accused BMP while seller is the owner of shares. The Company will receive shares or assets depending on which condition is entirely completed and pay the rest of Baht 1,600 million within the timeframe set. For the share transaction according to the agreement (and revised), the Company will received share in BMP and pay the share payment if the condition is entirely completed within 1 November 2017 or the day that the parties honestly agreed in the writing (Closing). The Company has to comply with the conditions specified in the agreement.

On 1 November 2017, the Company paid the remaining amount of Baht 1,600 million. Totalling payment is Baht 2,100 million, resulting in the Company's shareholding interest in Bamrung Maung Plaza Co., Ltd. at 99.99%. The Company recorded this transaction as investment in a subsidiary in the separate financial statements and recorded as assets acquisition in the consolidated financial statements because this transaction did not meet the definition of the purchase of business (input, process and output) following the Thai Financial Reporting Standards No.3 (revised 2015): Business combination.

The details of fair value of assets and liabilities of Bamrung Maung Plaza Co., Limited as at 1 November 2017 are as follows:

	Thousand Baht
Current assets	49,579
Land leasehold right and leased buildings (Note 23)	2,376,644
Non-current assets	4,493
Current liabilities	(82,419)
Non-current liabilities - Deferred tax liabilities (Note 24)	(231,417)
- Others	(4,967)
Fair value of net assets	<u>2,111,913</u>
Cash payment for - assets following agreement	2,100,000
- other direct costs	11,913
Total cash payment for investment	<u>2,111,913</u>
Cash in the subsidiary at the date of acquisition	44,720
Less Cash payment from investment	<u>(2,111,913)</u>
Net cash payment from investment (in statement of cash flows)	<u>(2,067,193)</u>

h) Consideration of allowance for impairment of investments

As at 31 December 2017 and 2016, the Group's management has reviewed allowance for impairment of investments in subsidiaries by considering the previous loss from operation, future expected estimated loss and other factors and considered to set the allowance for impairment in amounting to Baht 834.37 million.

18 Investments in joint ventures (net)

a) Memorandum of understanding - Republic of the Union of Myanmar

On 5 November 2015, the Company has memorandum of understanding with Aung Shwe Thee Construction Limited to set up a "Joint venture" which has an objective to provide hospital operations in Republic of the Union of Myanmar.

This joint venture has an intention to have registered share capital amounting to US Dollar 15.00 million. The Company held 51.00% of shareholding interest. However, as at 31 December 2017, the joint venture has not yet been established and the Company has not paid for the shares in the joint venture.

b) Investment in People's Republic of China

On 1 January 2016, the Company has contract with Wego Holding Company Limited to set up a "Joint venture" in the name of "Weihai Thonburi Medical Equipment Company Limited" which has an objective to provide hospital operations in People's Republic of China. The contractual period is 20 years.

The joint venture has been registered on 14 January 2016 with registered share capital amounting to Renminbi 230.00 million. The Company held 58.00% of registered share capital. The Company paid some of share payment amounting to Renminbi 90.00 million (equivalent to Baht 500.00 million) in February 2016 and paid the remaining of share payment amounting to Renminbi 43.40 million (equivalent to Baht 224.37 million) in October 2016.

During the year 2016, the Company paid share payment in investment in joint venture totalling Baht 724.37 million.

On 26 February 2016, the joint venture has registered to change its name from "Weihai Thonburi Medical Equipment Company Limited" to "Weihai Thonburi Healthcare Investment Company Limited".

On 9 November 2017, the joint venture has registered to change its name from "Weihai Thonburi Healthcare Investment Company Limited" to "Weihai Welly Hospital Company Limited".

At the Board of Directors' Meeting of Joint Venture - Weihai Welly Hospital Company Limited, the Board of Directors approved the increase in registered share capital in amounting to Renminbi 20.00 million, totalling Renminbi 250.00 million. The Company paid share following its proportion in amounting to Renminbi 11.60 million (equivalent to Baht 58.02 million) in June 2017. Such Joint Venture completed the registration of capital increase with relevant government in July 2017.

c) Investment in Republic of the Union of Myanmar

On 14 November 2017, the Company has contract with GA Mone Pwint Co., Ltd., Ar Yu Ananta Medical Services Co., Ltd. and WJ International Hospital Management Co., Ltd. to set up a "Joint venture" named "Ar Yu International Healthcare Company Limited" which has an objective to provide hospital operations in Republic of the Union of Myanmar.

The joint venture has been registered on 4 April 2017 with registered share capital amounting to US dollar 100.00 million (10,000,000 ordinary shares at par value US dollar 10.00 each). The Company held 10.00% of registered share capital. The joint venture called-up 50% of registered share. The Company paid some of share payment amounting to US dollar 3.00 million (equivalent to Baht 99.88 million) in September 2017 and paid the remaining of share payment amounting to US dollar 2.00 million (equivalent to Baht 66.90 million) in October 2017.

During the year 2017, the Company paid share payment in investment in joint venture totalling Baht 166.78 million.

On 17 November 2017, the Company has contract with WJ International Hospital Management Co., Ltd. for purchase of shares in part of WJ International Hospital Management Co., Ltd. From such contract, it will make the shareholding interest in joint venture of the Company increased from 10.00% to 40.00%. However, as at 31 December 2017, the Company has not paid of such share payment.

18 Investments in joint ventures (Cont'd)

The detail of joint ventures is as follows :

Joint venture	Nature of business	Incorporated in	Percentage of shareholding	
			2017 Percentage	2016 Percentage
Weihai Welly Hospital Company Limited	Private hospital activities	People's Republic of China	58.00	58.00
Ar Yu International Health Care Company Limited	Private hospital activities	Republic of the Union of Myanmar	10.00	-

The movements of investments in joint ventures (net) for the years ended 31 December 2017 and 2016 comprise the following :

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning net book value of the year	635,754,332	-	724,374,456	-
Increase in investments in joint ventures during the year	224,799,200	724,374,456	224,799,200	724,374,456
Share of loss during the year	(124,869,937)	(88,620,124)	-	-
Share of other comprehensive income of joint ventures accounted for using the equity method	4,691,437	-	-	-
Ending net book value of the year	740,375,032	635,754,332	949,173,656	724,374,456

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18 Investments in joint ventures (Cont'd)

Summarised financial information for joint ventures which is accounted for using the equity method.

Summarised statement of financial position

	Weihai Welly Hospital Company Limited		Ar Yu International Health Care Company Limited*				Total	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current assets	107	242	500	-	607	242		
Non-current assets	860	879	1,044	-	1,904	879		
Current liabilities	(87)	(86)	(28)	-	(115)	(86)		
Non-current liabilities	-	-	(25)	-	(25)	-		
Net asset	880	1,035	1,491	-	2,371	1,035		
Revenue	97	37	-	-	97	37		
Net loss	(213)	(153)	(11)	-	(224)	(153)		
Other comprehensive income	8	-	-	-	8	-		
Total comprehensive income	(205)	(153)	(11)	-	(216)	(153)		

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts) adjusted for the differences in accounting policies between the Group and the joint ventures for the year ended 31 December 2017.

18 Investments in joint ventures (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised information presented to the carrying amount of its interest in joint venture.

Summarised financial information

	Weihai Welly Hospital Company Limited		Ar Yu International Health Care Company Limited*		Total	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Net asset as at 1 January	(153)	-	-	-	(153)	-
Net loss during the year	(213)	(153)	(11)	-	(224)	(153)
Other comprehensive income during the year	8	-	-	-	8	-
Net asset as at 31 December	(358)	(153)	(11)	-	(369)	(153)
Interest in joint venture (%)	58.00	58.00	10.00	-		
Equity in joint venture	(208)	(88)	(1)	-	(209)	(88)
Investment as at 1 January	724	-	-	-	724	-
Additional investment during the year	58	724	167	-	225	724
Net book value as at 31 December	574	636	166	-	740	636

* Share of loss from investment in joint venture is calculated based on financial information which were prepared by management of its joint venture and had not been audited or reviewed by auditors. However, the Group's management views that the value of this investment would not significantly differ if the financial statements are audited or reviewed by auditors.

19 Other long-term investments (net)

As at 31 December 2017 and 2016, other long-term investments (net) comprise the following:

Consolidated financial statements						
	2017			2016		
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht
General investments of the Company	155,765,138	(1,917,119)	153,848,019	201,226,840	(20,383,639)	180,843,201
General investments of subsidiaries	98,694,517	-	98,694,517	88,219,517	-	88,219,517
	<u>254,459,655</u>	<u>(1,917,119)</u>	<u>252,542,536</u>	<u>289,446,357</u>	<u>(20,383,639)</u>	<u>269,062,718</u>
Separate financial statements						
	2017			2016		
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht
General investments of the Company	149,912,486	(1,917,119)	147,995,367	195,374,188	(20,383,639)	174,990,549
	<u>149,912,486</u>	<u>(1,917,119)</u>	<u>147,995,367</u>	<u>195,374,188</u>	<u>(20,383,639)</u>	<u>174,990,549</u>

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19 Other long-term investments (net) (Cont'd)

	Consolidated financial statements						Separate financial statements					
	2017			2016			2017			2016		
	Shareholding percentage		Investments (net)	Investments (net)	Allowance for impairment of investments	Investments (net)	Investments (net)	Allowance for impairment of investments	Investments (net)	Investments (net)	Allowance for impairment of investments	Investments (net)
	2017	2016										
	%	%	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
General investments in ordinary shares												
General investments of the Company												
- Other companies												
Roi - Et Thonburi Hospital Co., Ltd.	19.88	19.88	39,343,800	39,343,800	-	39,343,800	39,343,800	-	39,343,800	39,343,800	-	39,343,800
Petchpraya General Hospital Co., Ltd.	12.22	12.22	-	18,466,520	(18,466,520)	-	-	-	-	18,466,520	(18,466,520)	-
Thanakarn Hospital Co., Ltd.	11.33	11.33	8,674,633	8,674,633	-	8,674,633	8,674,633	-	8,674,633	8,674,633	-	8,674,633
Ratchaphruek Hospita Public Company Limited	-	10.00	-	43,651,198	-	-	43,651,198	-	-	43,651,198	-	43,651,198
Kalasin - Thonburi Hospital Co., Ltd.	10.00	10.00	30,000,000	15,000,000	-	30,000,000	30,000,000	-	30,000,000	15,000,000	-	15,000,000
Rachathani Rojana Hospital Co., Ltd.	8.70	8.70	29,694,800	29,694,800	-	29,694,800	29,694,800	-	29,694,800	29,694,800	-	29,694,800
Phitsanulok Inter Medical Co., Ltd.	5.00	5.00	8,000,000	8,000,000	(1,917,119)	6,082,881	8,000,000	(1,917,119)	6,082,881	8,000,000	(1,917,119)	6,082,881
Thepakorn Hospital Co., Ltd.	0.20	0.20	136,400	136,400	-	136,400	136,400	-	136,400	136,400	-	136,400
- Related companies												
Phatara Hospital Co., Ltd.	16.67	16.67	25,000,000	25,000,000	-	25,000,000	19,147,348	-	19,147,348	19,147,348	-	19,147,348
Chumvej Hospital Public Company Limited	7.89	7.89	14,165,505	14,165,505	-	14,165,505	14,165,505	-	14,165,505	12,509,489	-	12,509,489
Computed Tomography Unipong Co., Ltd.	0.75	0.75	750,000	750,000	-	750,000	750,000	-	750,000	750,000	-	750,000
General investments of subsidiaries												
- Related companies												
Thianarat Thung Song Company Limited	14.00	14.00	50,400,000	44,800,000	-	50,400,000	-	-	-	-	-	-
Rajnara Hospital Company Limited	14.00	14.00	28,000,000	28,000,000	-	28,000,000	-	-	-	-	-	-
Siroros Hospital Public Company Limited	11.83	13.33	20,294,517	15,294,517	-	20,294,517	-	-	-	-	-	-
Salatan Medical Center Company Limited	-	10.00	-	125,000	-	-	-	-	-	-	-	-
			254,459,655	252,542,536	(1,917,119)	289,446,357	269,062,718	(1,917,119)	147,995,367	195,374,188	(20,383,639)	174,990,549

19 Other long-term investments (net) (Cont'd)

The movements of other long-term investments (net) for the years ended 31 December 2017 and 2016 comprise the following:

	Notes	Consolidated financial statements Cost method		Separate financial statements Cost method	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning book value of the year (net)		269,062,718	258,491,010	174,990,549	166,843,841
Increase in other long-term Investments during the year	19 a), 19 c), 19 e), 19 g)	27,256,016	52,513,228	16,656,016	35,713,228
Transfer to long-term investments in equity securities	15	(43,651,198)	(9,100,000)	(43,651,198)	(9,100,000)
Disposals of other long-term Investments during the year		-	(14,000,000)	-	-
Refund from capital reduction	19 f)	-	(375,000)	-	-
Decrease in other long-term Investments from the liquidation	19 f), 19 i)	(18,591,520)	-	(18,466,520)	-
Reversal of (allowance for) impairment during the year	19 i)	18,466,520	(18,466,520)	18,466,520	(18,466,520)
Ending book value of the year (net)		252,542,536	269,062,718	147,995,367	174,990,549

a) Investment in Siroros Hospital Public Company Limited

On 29 June 2017, the subsidiary - Rajyindee Hospital Public Company Limited paid share payment of Siroros Hospital Public Company Limited for 5,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,000,000. The Company has the rights for payment of 40,000,000 ordinary shares capital increase while the Company has reserved and paid the share payment lower than its rights. Such payment affect its shareholding interest of subsidiary - Rajyindee Hospital Public Company Limited decreased from 13.33% to 11.83%.

b) Investment in Ratchaphruek Hospital Public company Limited

On 23 February 2016, the Company additionally invested in Ratchaphruek Hospital Public Company Limited by the purchase of 527,124 shares at Baht 22.80 per share, totalling Baht 12,018,428. Such investment did not affect the Company's shareholding interest.

In February 2017, the Company reclassified investment in Ratchaphruek Hospital Public Company Limited from other long-term investment to long-term investment in equity security with fair value in amounting to Baht 210.19 million since that Company registered with the Stock Exchange of Thailand.

19 Other long-term investments (net) (Cont'd)

c) Investment in Chumvej Hospital Public Company Limited

On 7 August 2017 and 29 November 2017, the Company paid for the ordinary shares of Chumvej Hospital Public Company Limited for 828,008 shares at Baht 2.00 per share, totalling Baht 1,656,016. Such payment did not affect its shareholding interest.

d) Investment in Rajthanee Hospital Public Company Limited

In September 2016, the Company reclassified investment in Rajthanee Hospital Public Company Limited from other long-term investment to long-term investment in equity securities with fair value in amounting to Baht 392.58 million since that Company registered with the Stock Exchange of Thailand.

e) Investments in Thanarat Thung Song Company Limited and Rajnara Hospital Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

On 25 February 2016, the subsidiary sold investment in Thanarat Thung Song Co., Ltd. by the sales of 400,000 shares at Baht 5.00 per share to Mr. Kim Christian Warfight who is a related individual totalling Baht 2,000,000 by receiving the money in February 2016. The Group has no gain from disposals of such investment. From sales of investment, the shareholding interest of the subsidiary - Rajyindee Hospital Public Co., Ltd. decreases from 15.00% to 14.00%.

On 25 February 2016, the subsidiary sold investment in Rajnara Hospital Co., Ltd. by the sales of 1,200,000 shares at Baht 10.00 per share to Mr. Kim Christian Warfight who is a related individual totalling Baht 12,000,000 by receiving the money in February 2016. The Group has no gain from disposals of such investment. From sales of investments, the shareholding interest of the subsidiary - Rajyindee Hospital Public Company Limited decreases from 20.00% to 14.00%.

On 28 March 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

On 26 July 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

On 20 December 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

During the year 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. totalling Baht 16,800,000.

On 30 March 2017, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. for 5,600,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,600,000. Such payment did not affect its shareholding interest.

f) Investment in Salatan Medical Center Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

On 11 March 2016, the subsidiary received the refund of shares from Salatan Medical Center Co., Ltd. amounting to Baht 375,000 (50,000 ordinary shares at Baht 7.50 each) since the company has made a capital reduction of 75.00% of share capital. Repayment of the capital reduction did not affect the shareholding interest of a subsidiary.

Salatan Medical Center Company Limited registered the liquidation on 7 February 2017.

On 11 May 2017, the subsidiary received the ordinary shares refund amounting to Baht 256,575 from the liquidation of Salatan Medical Center Company Limited. The subsidiary has already recognised share of profit from liquidation amounting to Baht 131,575 in the statements of comprehensive income.

19 Other long-term investments (net) (Cont'd)

g) Investment in Kalasin-Thonburi Hospital Co., Ltd.

On 27 May 2016, the Company invested in Kalasin-Thonburi Hospital Co., Ltd. by the purchase of 3,000,000 shares at Baht 10.00 per share. The Company already paid 50.00% of such shares amounting to Baht 15,000,000 (3,000,000 shares at Baht 5.00 each) which is 10.00% of shareholding interest.

On 30 May 2017, the Company additionally paid for investment in Kalasin - Thonburi Hospital Co., Ltd. for 3,000,000 ordinary shares at Baht 5.00 per share, totalling Baht 15,000,000. Such payment did not affect its shareholding interest.

h) Investment in Rachathani Rojana Hospital Co., Ltd.

At the Board of Extraordinary Shareholders' Meeting of Rachathani Rojana Hospital Co., Ltd. No. 2/2016 dated on 2 November 2016, the shareholders unanimously approved the increase in registered share capital from Baht 230,000,000 (23,000,000 ordinary shares at par Baht 10.00 each) to Baht 270,000,000 by issuance 4,000,000 ordinary shares at par Baht 10.00 per share, totalling Baht 40,000,000 to the existing shareholders in proportion of 23 previous ordinary shares to 4 new ordinary shares at Baht 25.00 each. In November 2016, the Company additionally invested in Rachathani Rojana Hospital Co., Ltd. by the purchase of 347,826 ordinary shares at Baht 25.00 per share, totalling Baht 8,694,800. Such investment did not affect the Company's shareholding interest.

i) Investment in Petchpraya General Hospital Co., Ltd.

On 22 August 2017, the Company received the ordinary shares refund amounting to Baht 379,845 from the liquidation of Petchpraya General Hospital Co., Ltd.. The Company reversed allowance for impairment of investment and recognised gain from liquidation amounting to Baht 379,845 in the statement of comprehensive income.

j) Consideration of allowance for impairment of investments

As at 31 December 2017, the Group's management has reviewed allowance for impairment of other long-term investments by considering the previous loss from operation, future expected estimated loss and other factors and consider to set the allowance for impairment amounting to Baht 1,917,119 (2016 : Baht 20,383,639) for consolidated and separate financial statements.

k) Others

During 2017, the Group received dividend income from other long-term investments amounting to Baht 13,591,637 and the Company amounting to Baht 12,591,637 (2016 : the Group of Baht 20,987,660 and the Company of Baht 20,962,860) (Note 37).

20 Investment properties (net)

	Consolidated financial statements		
	Land Baht	Buildings Baht	Total Baht
As at 1 January 2016			
Cost	1,964,728,317	3,117,225	1,967,845,542
<u>Less</u> Accumulated depreciation	-	(716,356)	(716,356)
<u>Less</u> Allowance for impairment	(294,728,021)	-	(294,728,021)
Net book value	1,670,000,296	2,400,869	1,672,401,165
For the year ended 31 December 2016			
Opening net book value	1,670,000,296	2,400,869	1,672,401,165
Depreciation charge	-	(155,808)	(155,808)
Impairment charge	(3,159,484)	-	(3,159,484)
Closing net book value	1,666,840,812	2,245,061	1,669,085,873
As at 31 December 2016			
Cost	1,964,728,317	3,117,225	1,967,845,542
<u>Less</u> Accumulated depreciation	-	(872,164)	(872,164)
<u>Less</u> Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	1,666,840,812	2,245,061	1,669,085,873
For the year ended 31 December 2017			
Opening net book value	1,666,840,812	2,245,061	1,669,085,873
Additions	144,827,737	-	144,827,737
Depreciation charge	-	(155,808)	(155,808)
Closing net book value	1,811,668,549	2,089,253	1,813,757,802
As at 31 December 2017			
Cost	2,109,556,054	3,117,225	2,112,673,279
<u>Less</u> Accumulated depreciation	-	(1,027,972)	(1,027,972)
<u>Less</u> Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	1,811,668,549	2,089,253	1,813,757,802

In 2nd quarter of 2017, a related company - Gled Hill International Co., Ltd. was called for the additional tax of Baht 144.83 million from sales of land to a subsidiary - Rajthanee Realty Co., Ltd in 2015. This is due to the transfer of its business of such related company did not meet the term and condition to business transfer completely. Moreover, as specified in the mutual contract made between a related company and a subsidiary dated on 4 December 2015, determined that in any case of responsibilities being arisen to a related company after the date of business transfer, a subsidiary agreed to take all those responsibilities on behalf of the related party. A subsidiary agrees to pay back those additional tax that was charged to the related party, by dividing into 6 installments, 1st - 5th installment is Baht 24.00 million each and 6th installment is Baht 24.83 million. A subsidiary recorded such expense as a part of cost of acquisition of investment properties as at 31 December 2017.

As at 31 December 2017 and 2016, the Group's management reviewed the allowance for impairment of investment properties of subsidiaries - Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd. and considered to recognise allowance for impairment amounting to Baht 294,728,021 and Baht 3,159,484, respectively in the consolidated financial statements.

As at 31 December 2017 and 2016, fair values of the investment properties under land and buildings category of the Group were assessed by independent professionally qualified valuer, who has experience in the location and type of investment properties assessed. The assessment was performed using market approach for land and buildings. The fair values are within level 2 of the fair value hierarchy.

As at 31 December 2017, fair values of investment properties under land and buildings (not included the land which in the lawsuit as mentioned in note 47) category assessed in the consolidated financial statements are Baht 2,874,863,735 (2016 : Baht 2,874,453,745).

As at 31 December 2017 and 2016, investment properties - land which have book value (net) in amounting to Baht 35.50 million in the lawsuit as mentioned in Note 47.

As at 31 December 2017 and 2016, the Company has no investment property.

20 Investment properties (net) (Cont'd)

Amounts recognised in profit or loss that are related to investment properties (net) for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenue				
Rental income	36,036,000	27,039,000	-	-
Service income	-	-	-	-
	<u>36,036,000</u>	<u>27,039,000</u>	<u>-</u>	<u>-</u>
Expense				
Direct operating expense arising from investment properties that generated rental income and service income for the year	77,808	77,808	-	-
Direct operating expense arising from investment properties that did not generate rental income and service income for the year	78,000	78,000	-	-
	<u>155,808</u>	<u>155,808</u>	<u>-</u>	<u>-</u>

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21 Property, plant and equipment (net)

	Consolidated financial statements										
	Land Baht	Unutilised land in operation Baht	Buildings Baht	Building improvements and utility system Baht	Medical tools and equipment Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Motor vehicle Baht	Assets under installation and construction in progress Baht	Total Baht
As at 1 January 2016											
Cost	517,786,860	155,476,062	2,523,186,787	451,330,859	1,207,923,405	222,178,968	113,791,350	94,293,220	71,059,696	119,320,695	5,476,347,902
Less Accumulated depreciation	-	-	(1,047,714,992)	(355,959,430)	(922,115,332)	(176,694,806)	(86,709,654)	(72,237,236)	(57,261,479)	-	(2,718,692,929)
Net book value	517,786,860	155,476,062	1,475,471,795	95,371,429	285,808,073	45,484,162	27,081,696	22,055,984	13,798,217	119,320,695	2,757,654,973
For the year ended 31 December 2016											
Opening net book value	517,786,860	155,476,062	1,475,471,795	95,371,429	285,808,073	45,484,162	27,081,696	22,055,984	13,798,217	119,320,695	2,757,654,973
Additions	2,297,101,746	-	18,800,480	27,396,855	91,877,214	18,517,171	9,067,706	41,585,307	7,749,803	293,177,686	2,805,273,968
Transfer in (out)	-	-	231,525,437	28,581,926	-	-	-	-	-	-	-
Reclassify - cost	-	-	(11,614,624)	11,614,624	-	(979,047)	-	973,848	-	-	-
- accumulated depreciation	-	-	10,107,232	(10,107,232)	5,199	(791,194)	-	(785,996)	-	-	-
Disposals - cost	-	-	-	-	(9,259,756)	(930,864)	(53,356)	(409,731)	(1,359,737)	-	(12,013,444)
- accumulated depreciation	-	-	-	-	9,142,252	924,412	41,875	364,884	1,333,826	-	11,807,249
Write-off - cost	-	-	(9,770,082)	(1,139,837)	(20,123,837)	(8,298,871)	(3,805,767)	(91,203)	(1,879,065)	-	(45,108,662)
- accumulated depreciation	-	-	6,714,681	1,139,833	19,839,942	8,254,824	3,601,410	71,577	1,822,862	-	41,445,129
Depreciation charge	-	-	(73,426,113)	(37,583,357)	(86,146,113)	(13,839,061)	(9,664,824)	(7,166,509)	(5,566,600)	-	(233,392,577)
Closing net book value	2,814,888,606	155,476,062	1,647,808,806	115,274,241	291,137,776	49,923,920	26,268,740	56,598,161	15,899,306	152,391,018	5,325,666,636
As at 31 December 2016											
Cost	2,814,888,606	155,476,062	2,752,127,998	517,784,427	1,270,422,225	230,487,357	118,999,933	136,351,441	75,570,697	152,391,018	8,224,499,764
Less Accumulated depreciation	-	-	(1,104,319,192)	(402,510,186)	(979,284,449)	(180,563,437)	(92,731,193)	(79,753,280)	(59,671,391)	-	(2,898,833,128)
Net book value	2,814,888,606	155,476,062	1,647,808,806	115,274,241	291,137,776	49,923,920	26,268,740	56,598,161	15,899,306	152,391,018	5,325,666,636
For the year ended 31 December 2017											
Opening net book value	2,814,888,606	155,476,062	1,647,808,806	115,274,241	291,137,776	49,923,920	26,268,740	56,598,161	15,899,306	152,391,018	5,325,666,636
Additions from acquisition of subsidiary - cost	-	-	19,790,642	-	-	897,721	290,727	944,590	-	-	21,923,680
- accumulated depreciation	-	-	(19,170,363)	-	-	(782,937)	(267,915)	(878,914)	-	-	(21,100,129)
Additions	4,150,991	-	20,426,824	26,397,185	174,551,406	14,167,258	12,981,301	27,639,021	894,005	412,951,144	694,159,135
Borrowing costs	1,943,644	-	272,045	-	-	-	-	-	-	480,670	2,696,359
Transfer from advance payment for fixed assets	-	-	-	-	-	-	-	-	-	2,700,000	2,700,000
Transfer to cost of developing holistic care project	-	-	-	-	-	-	-	-	-	(2,881,744)	(918,685,880)
Transfer in (out)	(915,804,136)	-	293,098,624	151,726,401	846,816	10,522,483	897,779	11,169,173	-	(468,261,276)	-
Reclassify - cost	-	-	-	(62,600)	-	-	62,600	-	-	-	-
- accumulated depreciation	-	-	-	2,805	-	-	(2,805)	-	-	-	-
Disposals - cost	(22,500)	-	(436,322)	(922,554)	(22,307,558)	(3,312,285)	(634,620)	(3,821,132)	(178,583)	-	(31,635,554)
- accumulated depreciation	-	-	436,322	922,550	22,279,616	3,159,441	620,902	3,806,447	148,150	-	31,373,428
Write-off - cost	-	-	(402,550)	(637,381)	(22,737,839)	(22,165,577)	(976,767)	(1,773,446)	-	-	(48,693,560)
- accumulated depreciation	-	-	402,550	637,381	21,635,648	21,061,174	743,337	1,699,838	-	-	46,179,928
Depreciation charge	-	-	(90,922,047)	(41,816,099)	(89,162,403)	(15,808,037)	(11,254,550)	(16,713,332)	(5,434,088)	-	(271,110,556)
Impairment charge	-	-	-	-	-	(11,385)	-	-	-	(673,565)	(684,950)
Closing net book value	1,905,156,605	155,476,062	1,871,304,531	251,521,929	376,243,462	57,651,776	28,728,729	78,670,406	11,328,790	96,706,247	4,832,788,537
As at 31 December 2017											
Cost	1,905,156,605	155,476,062	3,084,877,261	694,285,478	1,400,775,050	230,596,957	131,620,953	170,509,647	76,286,119	97,379,812	7,946,963,944
Less Accumulated depreciation	-	-	(1,213,572,730)	(442,763,549)	(1,024,531,588)	(172,933,796)	(102,892,224)	(91,839,241)	(64,957,329)	-	(3,113,490,457)
Allowance for impairment	-	-	-	-	-	(11,385)	-	-	-	(673,565)	(684,950)
Net book value	1,905,156,605	155,476,062	1,871,304,531	251,521,929	376,243,462	57,651,776	28,728,729	78,670,406	11,328,790	96,706,247	4,832,788,537

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21 Property, plant and equipment (net) (Cont'd)

		Separate financial statements																			
		Unutilised land in operation		Buildings		Building improvements and utility system		Medical tools and equipment		Tools and equipment		Furniture and office equipment		Computer		Motor vehicle		Assets under installation and construction in progress		Total	
		Land Baht	in operation Baht	Buildings Baht	improvements and utility system Baht	Medical tools and equipment Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Motor vehicle Baht	Assets under installation and construction in progress Baht	Total Baht									
As at 1 January 2016																					
Cost	429,538,714	155,476,062	2,372,037,557	1,458,481,558	53,256,378	956,532,831	182,980,629	89,259,669	77,382,604	43,242,883	118,872,878	4,735,664,183									
Less Accumulated depreciation	-	-	(913,555,999)	-	(257,083,978)	(783,974,039)	(151,108,914)	(67,047,519)	(59,399,138)	(33,617,877)	-	(2,265,787,464)									
Net book value	429,538,714	155,476,062	1,458,481,558	1,458,481,558	53,256,378	172,558,792	31,871,715	22,212,150	17,983,466	9,625,006	118,872,878	2,469,876,719									
For the year ended 31 December 2016																					
Opening net book value	429,538,714	155,476,062	1,458,481,558	1,458,481,558	53,256,378	172,558,792	31,871,715	22,212,150	17,983,466	9,625,006	118,872,878	2,469,876,719									
Additions	566,281,317	-	9,690,131	24,647,368	24,647,368	62,305,109	12,012,202	8,252,002	38,606,544	7,749,804	263,817,458	993,361,935									
Transfer in (out)	-	-	229,188,988	13,495,000	-	-	-	-	-	-	(242,683,988)	-									
Disposals - cost	-	-	-	-	-	(9,172,356)	(709,880)	(53,356)	(188,320)	(1,296,500)	-	(11,420,412)									
- accumulated depreciation	-	-	-	-	-	9,054,856	709,874	41,875	149,617	1,296,498	-	11,252,720									
Write-off - cost	-	-	(5,357,835)	-	-	(19,247,823)	(7,272,563)	(87,633)	(25,987)	(1,244,594)	-	(33,236,435)									
- accumulated depreciation	-	-	2,302,471	-	-	19,222,378	7,263,043	84,033	24,709	1,244,592	-	30,141,226									
Depreciation charge	-	-	(70,086,666)	(21,285,909)	(21,285,909)	(57,330,990)	(8,633,454)	(8,005,014)	(4,760,790)	(4,348,352)	-	(174,451,175)									
Closing net book value	995,820,031	155,476,062	1,624,218,647	1,624,218,647	70,112,837	177,389,966	35,240,937	22,444,057	51,789,239	13,026,454	140,006,348	3,285,524,578									
As at 31 December 2016																					
Cost	995,820,031	155,476,062	2,605,558,841	348,482,724	348,482,724	990,417,761	187,010,388	97,370,682	115,774,841	48,451,593	140,006,348	5,684,369,271									
Less Accumulated depreciation	-	-	(981,340,194)	(278,369,887)	(278,369,887)	(813,027,795)	(151,769,451)	(74,926,625)	(63,985,602)	(35,425,139)	-	(2,398,844,693)									
Net book value	995,820,031	155,476,062	1,624,218,647	1,624,218,647	70,112,837	177,389,966	35,240,937	22,444,057	51,789,239	13,026,454	140,006,348	3,285,524,578									
For the year ended 31 December 2017																					
Opening net book value	995,820,031	155,476,062	1,624,218,647	1,624,218,647	70,112,837	177,389,966	35,240,937	22,444,057	51,789,239	13,026,454	140,006,348	3,285,524,578									
Additions	4,150,991	-	15,753,401	24,359,470	24,359,470	161,362,428	10,324,511	8,296,105	23,279,798	894,005	318,857,973	567,278,682									
Transfer from advance payment for fixed assets	-	-	261,882,013	134,615,217	134,615,217	261,533	10,466,754	897,779	11,169,173	-	2,700,000	2,700,000									
Transfer in (out)	-	-	-	-	-	(21,474,958)	(2,475,885)	(634,620)	(3,329,451)	(178,583)	-	-									
Disposals - cost	-	-	-	-	-	21,474,563	2,373,564	620,902	3,329,077	148,150	-	(28,093,497)									
- accumulated depreciation	-	-	-	-	-	(22,431,831)	(21,863,406)	(706,767)	(1,757,506)	-	-	27,946,256									
Write-off - cost	-	-	-	-	-	21,384,330	20,811,213	614,826	1,683,900	-	-	(46,759,510)									
- accumulated depreciation	-	-	-	-	-	(60,586,946)	(10,602,549)	(9,109,238)	(13,361,978)	(3,571,171)	-	44,494,269									
Depreciation charge	-	-	(85,547,130)	(24,732,754)	(24,732,754)	(277,379,085)	(44,275,139)	(22,423,044)	(72,802,252)	(10,318,855)	(42,271,852)	(207,511,766)									
Closing net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012									
As at 31 December 2017																					
Cost	999,971,022	155,476,062	2,883,194,255	507,457,411	507,457,411	1,108,134,933	183,462,362	105,223,179	145,136,855	49,167,015	42,271,852	6,179,494,946									
Less Accumulated depreciation	-	-	(1,066,887,324)	(303,102,641)	(303,102,641)	(830,755,848)	(139,187,223)	(82,800,135)	(72,334,603)	(38,848,160)	-	(2,533,915,934)									
Net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012									

21 Property, plant and equipment (net) (Cont'd)

Unutilised land in operation is land with defined purpose for hospital operation expansion. Therefore, it is not classified as investment properties and presented in property, plant and equipment in both consolidated and company financial statements.

During the year 2016, Rajthanee Pattanakarn (2014) Co., Ltd. which is related company has made a land purchase agreement totalling in Baht 1,900,000,000 from Srichanthakarn Co., Ltd. that has right to purchase of property return from Krung Thai Bank Public Company Limited (current land owner) according to memorandum of agreement transferring debt securities repayments which has a condition of right to purchase of property return between Krung Thai Bank Public Company Limited and Srichanthakarn Co., Ltd.

Rajthanee Pattanakarn (2014) Co., Ltd. has contract for land sales with the Company and Premiere Home Health Care Company Limited (subsidiary) in amounting to Baht 1,900,000,000, which separated to the Company in amounting to Baht 520,000,000 and to Premiere Home Health Care Company Limited in amounting to Baht 1,380,000,000. The Company and Premiere Home Health Care Company Limited fully paid for the purchase of land.

As at 31 December 2016, the ownership of land has been transferred to the Company and Premiere Home Health Care Company Limited.

During 2nd quarter, a subsidiary - Premiere Home Health Care Company Limited has reclassified land which is included in property, plant and equipment that related to holistic care project to cost of developing holistic care project in purpose of developing holistic care, amounting to Baht 1,122.86 million. Then, during 4th quarter, the subsidiary has reclassified cost of developing holistic care project back to property, plant and equipment amounting to Baht 204.17 million due to management changed land allocation in green area and lake to be proper. During 2017, such subsidiary has cost of developing holistic care project which were reclassified from property, plant and equipment to developing holistic care project amounting to Baht 918.69 million.

Finance lease liabilities which the Group and the Company are lessees comprise of motor vehicle and office equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost	14,123,613	4,220,986	12,706,366	2,940,869
<u>Less</u> Accumulated depreciation	(1,982,548)	(1,957,727)	(1,406,353)	(1,658,258)
Net book value	12,141,065	2,263,259	11,300,013	1,282,611

As at 31 December 2017, the Company and a subsidiary - Premiere Home Healthcare Co., Ltd. have redeemed a mortgage which pledged with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees. However, there is one subsidiary has pledged some land and buildings which have cost amounting to Baht 347.88 million with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 26, 30 and 45).

(2016 : the Group and the Company have pledged some of land and buildings which have cost amounting to Baht 5,744.65 million with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 26, 30 and 45).

22 Intangible assets (net)

	Consolidated financial statements		
	Software Baht	Software under installation Baht	Total Baht
As at 1 January 2016			
Cost	55,619,745	27,479,705	83,099,450
<u>Less</u> Accumulated amortisation	(40,564,245)	-	(40,564,245)
Net book value	15,055,500	27,479,705	42,535,205
For the year ended 31 December 2016			
Opening net book value	15,055,500	27,479,705	42,535,205
Additions	2,337,742	31,779,081	34,116,823
Transfer in (out)	41,678,338	(41,678,338)	-
Amortisation charge	(5,142,691)	-	(5,142,691)
Closing net book value	53,928,889	17,580,448	71,509,337
As at 31 December 2016			
Cost	99,635,825	17,580,448	117,216,273
<u>Less</u> Accumulated amortisation	(45,706,936)	-	(45,706,936)
Net book value	53,928,889	17,580,448	71,509,337
For the year ended 31 December 2017			
Opening net book value	53,928,889	17,580,448	71,509,337
Additions	12,109,463	8,875,471	20,984,934
Transfer in (out)	24,936,519	(24,936,519)	-
Disposals - cost	(8,400)	-	(8,400)
- accumulated amortisation	6,900	-	6,900
Amortisation charge	(10,463,478)	-	(10,463,478)
Closing net book value	80,509,893	1,519,400	82,029,293
As at 31 December 2017			
Cost	136,673,407	1,519,400	138,192,807
<u>Less</u> Accumulated amortisation	(56,163,514)	-	(56,163,514)
Net book value	80,509,893	1,519,400	82,029,293

22 Intangible assets (net) (Cont'd)

	Separate financial statements		
	Software Baht	Software under installation Baht	Total Baht
As at 1 January 2016			
Cost	27,706,724	27,479,705	55,186,429
<u>Less</u> Accumulated amortisation	(18,253,413)	-	(18,253,413)
Net book value	9,453,311	27,479,705	36,933,016
For the year ended 31 December 2016			
Opening net book value	9,453,311	27,479,705	36,933,016
Additions	1,618,794	31,779,082	33,397,876
Transfer in (out)	41,678,338	(41,678,338)	-
Amortisation charge	(3,274,351)	-	(3,274,351)
Closing net book value	49,476,092	17,580,449	67,056,541
As at 31 December 2016			
Cost	71,003,856	17,580,449	88,584,305
<u>Less</u> Accumulated amortisation	(21,527,764)	-	(21,527,764)
Net book value	49,476,092	17,580,449	67,056,541
For the year ended 31 December 2017			
Opening net book value	49,476,092	17,580,449	67,056,541
Additions	11,007,652	7,356,070	18,363,722
Transfer in (out)	24,936,519	(24,936,519)	-
Amortisation charge	(8,584,523)	-	(8,584,523)
Closing net book value	76,835,740	-	76,835,740
As at 31 December 2017			
Cost	106,948,027	-	106,948,027
<u>Less</u> Accumulated amortisation	(30,112,287)	-	(30,112,287)
Net book value	76,835,740	-	76,835,740

23 Land leasehold rights and leased buildings (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 31 December				
Opening net book value	12,997,260	13,797,260	12,997,260	13,797,260
Additions - from assets acquisition (Note 17 g))	2,376,644,216	-	-	-
- subsidiary	5,625,000	-	-	-
<u>Less</u> Amortisation charge	(22,275,775)	(800,000)	(800,000)	(800,000)
Closing net book value	2,372,990,701	12,997,260	12,197,260	12,997,260

23 Land leasehold rights and leased building (net) (Cont'd)

Parent - Thonburi Healthcare Group Public Company Limited

- Land leasehold rights - Thonburi hospital, branch 1

The Company's land leasehold right covers a period of 25 years commencing 22 April 2008. The payment for the land leasehold right was made in 2008 amounting to Baht 20,000,000, which has been recorded as land leasehold rights and the Company has to pay the annual land rental. The rental rate is Baht 720,000 per annum. The Company has to comply with the conditions in respect of the land leasehold right as provided in the agreement.

- Land leasehold rights and leased buildings - Soho building

In November 2017, the Company has been received land leasehold rights and leased buildings which is belonged to Thai Red Cross Society from Bamrung Maung Plaza Co., Ltd. by acquisition of assets which disclosed in Note 17 g). The rights are as follows:

- Land leasehold rights and leased buildings has period for 19 years 4 months since 1 November 2017.
- Leased buildings has period for 15 years 2 months since 1 November 2017.

The Company has to comply with the conditions and pay annual rental at the rates and conditions specified in the agreement.

Subsidiary - Premiere Home Health Care Co., Ltd.

Land leasehold rights of a subsidiary - Premiere Home Health Care Company Limited amounting to Baht 5,625,000 covers a period of 50 years commencing 1 March 2017. The subsidiary paid for the land leasehold rights in May 2017 amounting to Baht 2,625,000 and has to pay the remaining payments at Baht 1,000,000 per year for 3 years. The subsidiary has to pay the annual land rental. The rental rate for year 1 to 2 is Baht 2,400,000 per annum, for year 3 to 10 is Baht 4,800,000 per annum, for year 11 to 20 is Baht 4,944,000 per annum, for year 21 to 30 is Baht 5,092,320 per annum, for year 31 to 40 is Baht 5,295,960 per annum and for year 41 to 50 is Baht 5,508,000 per annum. The subsidiary has to comply with the conditions in respect of the land leasehold rights as provided in the agreement.

In May 2017, a subsidiary - Premiere Home Health Care Company Limited had a payment for land leasehold right to other individual amounting to Baht 1,000,000. As at 31 December 2017, a subsidiary recognised such amount as advance payment for land leasehold rights.

Operating commitments from land leasehold rights and leased buildings is disclosed in Note 44.1.

24 Deferred tax assets (net)

Deferred tax assets (net) as at 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
- Deferred tax assets to be recovered within 12 months	4,210,433	6,931,586	3,550,389	3,116,172
- Deferred tax assets to be recovered after more than 12 months	60,683,114	44,788,021	37,439,240	33,912,829
	<u>64,893,547</u>	<u>51,719,607</u>	<u>40,989,629</u>	<u>37,029,001</u>
Deferred tax liabilities:				
- Deferred tax liabilities to be settled within 12 months	(16,018,967)	(6,713,156)	(7,410,350)	(6,713,156)
- Deferred tax liabilities to be settled after more than 12 months	(360,189,094)	(144,597,185)	(179,896,960)	(144,465,846)
	<u>(376,208,061)</u>	<u>(151,310,341)</u>	<u>(187,307,310)</u>	<u>(151,179,002)</u>
Deferred tax assets (liabilities) (net)	<u>(311,314,514)</u>	<u>(99,590,734)</u>	<u>(146,317,681)</u>	<u>(114,150,001)</u>
Deferred tax assets (liabilities) (net) which presented in statements of financial position				
- Deferred tax assets (net)	64,452,961	14,559,267	-	-
- Deferred tax liabilities (net)	<u>(375,767,475)</u>	<u>(114,150,001)</u>	<u>(146,317,681)</u>	<u>(114,150,001)</u>
	<u>(311,314,514)</u>	<u>(99,590,734)</u>	<u>(146,317,681)</u>	<u>(114,150,001)</u>

24 Deferred tax assets (net) (Cont'd)

The movements of deferred tax assets (liabilities) (net) for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance of the year	(99,590,734)	7,179,707	(114,150,001)	(3,890,100)
Increase (decrease) from assets acquisition (Note 17 g))	(231,417,069)	-	-	-
Increase (decrease) to profit or loss	44,006,930	(666,454)	(6,960,430)	(3,808,147)
Increase (decrease) to other comprehensive income	(24,313,641)	(106,103,987)	(25,207,250)	(106,451,754)
Closing balance of the year	<u>(311,314,514)</u>	<u>(99,590,734)</u>	<u>(146,317,681)</u>	<u>(114,150,001)</u>

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%.

	Consolidated financial statements				
	1 January 2017 Baht	Increase (decrease) from purchase fixed assets Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht	31 December 2017 Baht
Deferred tax assets					
Provision for obsolete inventories	217,336	-	255,918	-	473,254
Employee benefit obligations	43,373,380	-	662,294	1,747,057	45,772,731
Finance lease liabilities	106,961	-	2,195,071	-	2,302,032
Difference in interest expense which calculated by effective interest rate method	2,516,814	-	1,283,263	-	3,800,077
Accumulated deficit	5,505,116	-	47,876,399	-	53,381,515
Difference in depreciation expense of buildings between accounting and tax approach	-	-	153,569	-	153,569
	<u>51,719,607</u>	<u>-</u>	<u>52,416,514</u>	<u>1,747,057</u>	<u>105,883,178</u>
Deferred tax liabilities					
Difference in depreciation expense of buildings between accounting and tax approach	(43,623,118)	-	(6,455,755)	-	(50,078,873)
Assets under finance leases	(277,803)	-	(2,121,088)	-	(2,398,891)
Unrealised gain (loss) from available-for-sale investments	(107,409,420)	-	-	(26,060,698)	(133,470,118)
Prepaid front-end fee	-	-	(1,550,847)	-	(1,550,847)
Borrowing cost as cost of developing holistic care project	-	-	(249,169)	-	(249,169)
Fair value of land leasehold rights and leased buildings (Note 17 g))	-	(231,417,069)	1,967,275	-	(229,449,794)
	<u>(151,310,341)</u>	<u>(231,417,069)</u>	<u>(8,409,584)</u>	<u>(26,060,698)</u>	<u>(417,197,692)</u>
Deferred tax assets (liabilities) (net)	<u>(99,590,734)</u>	<u>(231,417,069)</u>	<u>44,006,930</u>	<u>(24,313,641)</u>	<u>(311,314,514)</u>

24 Deferred tax assets (net) (Cont'd)

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

	Consolidated financial statements		
	1 January 2016 Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht
Deferred tax assets			
Provision for obsolete inventories	202,631	14,705	-
Employee benefit obligations	42,874,102	714,845	(215,567)
Finance lease liabilities	261,221	(154,260)	-
Difference in interest expense which calculated by effective interest rate method	-	2,516,814	-
Accumulated deficit	3,106,397	2,398,719	-
	<u>46,444,351</u>	<u>5,490,823</u>	<u>(215,567)</u>
Deferred tax liabilities			
Difference in depreciation expense of buildings between accounting and tax approach	(37,289,947)	(6,333,171)	-
Assets under finance leases	(453,697)	175,894	-
Unrealised gain (loss) from available-for-sale investments	(1,521,000)	-	(105,888,420)
	<u>(39,264,644)</u>	<u>(6,157,277)</u>	<u>(105,888,420)</u>
Deferred tax assets (liabilities) (net)	<u>7,179,707</u>	<u>(666,454)</u>	<u>(106,103,987)</u>
			<u>(99,590,734)</u>

24 Deferred income tax assets (net) (Cont'd)

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

	Separate financial statements		
	1 January 2017 Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht
Deferred tax assets			
Provision for obsolete inventories - supplies	90,035	(837)	-
Employee benefit obligations	34,315,190	309,605	793,368
Finance lease liabilities	106,962	2,195,071	-
Difference in interest expense which calculated by effective interest rate method	2,516,814	663,421	-
	<u>37,029,001</u>	<u>3,167,260</u>	<u>793,368</u>
Deferred tax liabilities			
Difference in depreciation expense of buildings between accounting and tax approach	(43,623,118)	(6,455,755)	-
Assets under finance lease	(277,803)	(2,121,088)	-
Unrealised gain from available-for-sale investments	(107,278,081)	-	(26,000,618)
Prepaid front-end fee	-	(1,550,847)	-
	<u>(151,179,002)</u>	<u>(10,127,690)</u>	<u>(26,000,618)</u>
Deferred tax liabilities (net)	<u>(114,150,001)</u>	<u>(6,960,430)</u>	<u>(25,207,250)</u>
	Separate financial statements		
	1 January 2016 Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht
Deferred tax assets			
Provision for obsolete inventories - supplies	61,643	28,392	-
Employee benefit obligations	35,051,679	(41,816)	(694,673)
Finance lease liabilities	261,222	(154,260)	-
Difference in interest expense which calculated by effective interest rate method	-	2,516,814	-
	<u>35,374,544</u>	<u>2,349,130</u>	<u>(694,673)</u>
Deferred tax liabilities			
Difference in depreciation expense of buildings between accounting and tax approach	(37,289,947)	(6,333,171)	-
Assets under finance leases	(453,697)	175,894	-
Unrealised gain from available-for-sale investments	(1,521,000)	-	(105,757,081)
	<u>(39,264,644)</u>	<u>(6,157,277)</u>	<u>(105,757,081)</u>
Deferred tax liabilities (net)	<u>(3,890,100)</u>	<u>(3,808,147)</u>	<u>(106,451,754)</u>

24 Deferred income tax assets (net) (Cont'd)

As at 31 December 2017 and 2016, the Group and the Company did not recognise deferred tax assets (liabilities) which such amount can be deductible with tax expense in the future are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Unused tax losses				
- 2017	-	2,389,088	-	-
- 2018	24,603,862	8,348,069	-	-
- 2019	18,812,691	19,769,286	-	-
- 2020	54,279,242	14,612,858	-	-
- 2021	16,538,595	12,481,041	-	-
- 2022	9,588,880	-	-	-
Allowance for impairment of investments properties	59,577,501	59,577,501	-	-
Allowance for impairment of investments	777,557	4,470,861	167,651,191	171,344,495
Allowance for doubtful accounts				
- Trade receivable	3,424,168	3,959,183	2,469,607	2,203,225
- Advance payment and other receivable	235,296	290,121	-	-
- Interest receivable	-	-	8,932,338	8,932,338
Allowance for obsolete inventories	1,455,616	1,293,720	-	-
Allowance for sales return	128,468	322,341	-	-
Difference in depreciation expense of buildings between accounting and tax approach	(156,287)	(136,872)	(156,287)	(136,872)

Deferred tax assets (liabilities) for accumulated deficit, allowance for impairment of investment properties, allowance for impairment of investments, allowance for doubtful account, allowance for obsolete inventories, allowance for sales return and difference in depreciation expense of buildings between accounting and tax approach of the Group and the Company are only recognised to the future taxable profits, which is probable that the deferred tax assets can be utilised.

25 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deposits	17,413,308	21,381,273	496,943	216,101
Refundable withholding tax	8,347,800	3,899,591	-	-
	25,761,108	25,280,864	496,943	216,101

26 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Bank promissory notes	46,531,652	1,046,015,057	-	956,500,000
Bank overdrafts	14,238,970	17,746,504	-	-
Trust receipts	68,286,053	75,092,731	-	-
	129,056,675	1,138,854,292	-	956,500,000

	Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)		Interest rate (% per annum)	
	2017	2016	2017	2016
Bank promissory notes	MLR 6.25	Interest rate in Financial market and MLR	-	Interest rate in Financial market
Bank overdrafts	MOR	MOR	-	-
Trust receipts	Interest rate in Financial market	Interest rate in Financial market	-	-

The bank overdrafts and short-term loans from financial institutions are secured by the mortgage some of land and buildings of the Group and the Company (Note 21).

As at 31 December 2017, bank promissory notes of the Group have the maturity date within 5-month period and the repayment is due in May 2018 (2016 : 5-month period and the repayment is due in May 2017) and the Company has no bank promissory notes (2016 : 3-month period and the repayment is due in March 2017).

As at 31 December 2017 and 2016, trust receipts of the subsidiary - Dental Siam Co., Ltd. represent the credit from a local bank which have the maturity date within 180 days. The Group used trust receipts as working capital to purchase medical supplies and equipment from overseas.

27 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable					
- other companies		371,228,385	351,506,208	246,384,795	230,508,731
- related companies	43 a)	2,919,093	2,706,818	5,017,641	4,176,197
Other accounts payable					
- other companies		60,271,026	50,313,345	39,279,861	48,775,608
- related companies	43 a)	750,000	750,000	18,258,765	957,682
Fixed assets payable					
- other companies		89,714,852	87,226,729	75,062,060	82,602,128
- related companies	43 a)	-	1,082,070	4,363,991	25,087,869
Intangible asset payable					
- other companies		350,960	266,651	-	20,651
Interest payable					
- other companies		16,917,253	13,406,024	16,864,052	13,329,059
- related company	43 a)	-	-	459,320	-
Dividend payable					
- other individual and companies		8,916,135	9,115,330	8,195,322	7,488,876
Accrued doctor fee		91,534,000	100,351,411	80,819,446	91,053,993
Accrued staff salary, wage and bonus		123,639,413	128,335,486	114,415,239	109,702,514
Accrued expenses		107,890,419	47,519,769	34,188,841	34,762,999
Accrued consultation fee		9,644,192	-	9,411,093	-
Unearned income					
- medical fee		5,991,076	4,856,224	5,613,921	4,284,237
- others		13,168,653	10,215,534	9,707,101	6,596,374
Retention payable		13,419,340	5,801,672	11,777,562	5,801,672
Deposits		9,251,080	-	-	-
		<u>925,605,877</u>	<u>813,453,271</u>	<u>679,819,010</u>	<u>665,148,590</u>

28 Value added tax (net)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Value added tax receivable	(1,449,768)	(66,886)	-	-
Undue input tax	(2,707,281)	(762,583)	(32,710)	(32,959)
Valued added tax payable	5,284,742	4,225,721	3,314,860	3,880,783
Undue output tax	17,483,655	8,301,997	7,866,348	4,537,091
	<u>18,611,348</u>	<u>11,698,249</u>	<u>11,148,498</u>	<u>8,384,915</u>
Presented as assets (net)	<u>680,674</u>	<u>88,900</u>	<u>-</u>	<u>-</u>
Presented as liabilities (net)	<u>19,292,022</u>	<u>11,787,149</u>	<u>11,148,498</u>	<u>8,384,915</u>

29 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Withholding tax payable	40,119,412	7,867,425	9,149,659	6,801,808
Accrued social security fund	6,183,028	5,863,962	4,914,977	4,687,999
Retention of land rental	4,000,000	-	-	-
Allowance for sales return	642,339	491,732	-	-
	<u>50,944,779</u>	<u>14,223,119</u>	<u>14,064,636</u>	<u>11,489,807</u>

30 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning balance of the year	2,926,500,000	2,868,500,000	2,546,500,000	2,868,500,000
Additions during the year	1,648,700,000	380,000,000	1,600,000,000	-
Repayments during the year	(1,025,200,000)	(322,000,000)	(596,500,000)	(322,000,000)
	<u>3,550,000,000</u>	<u>2,926,500,000</u>	<u>3,550,000,000</u>	<u>2,546,500,000</u>
Prepaid front-end fee (net)	(7,754,235)	(2,469,331)	(7,754,235)	-
Ending balance of the year	3,542,245,765	2,924,030,669	3,542,245,765	2,546,500,000
<u>Less</u> Current portion	<u>(100,000,000)</u>	<u>(525,600,000)</u>	<u>(100,000,000)</u>	<u>(522,000,000)</u>
	<u>3,442,245,765</u>	<u>2,398,430,669</u>	<u>3,442,245,765</u>	<u>2,024,500,000</u>

During the year 2017, Thonburi Healthcare Group Public Company Limited has lent long-term loan from financial institution in amounting Baht 1,600.00 million. The Company made the request to financial institution for issuing 2 cheques totalling Baht 1,600.00 million for payment to Power Line Engineering Public Company Limited and Bamrung Maung Plaza Co., Ltd.. The cheques would be sent to Thonburi Healthcare Group Public Company Limited for payment of ordinary shares in Bamrung Maung Plaza Co., Ltd.

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Due within 1 year	100,000,000	525,600,000	100,000,000	522,000,000
Due within 2 to 5 years	2,530,000,000	2,400,900,000	2,530,000,000	2,024,500,000
Due after 5 years	920,000,000	-	920,000,000	-
	<u>3,550,000,000</u>	<u>2,926,500,000</u>	<u>3,550,000,000</u>	<u>2,546,500,000</u>
<u>Less</u> Prepaid front-end fee (net)	<u>(7,754,235)</u>	<u>(2,469,331)</u>	<u>(7,754,235)</u>	<u>-</u>
Total long-term loans	<u>3,542,245,765</u>	<u>2,924,030,669</u>	<u>3,542,245,765</u>	<u>2,546,500,000</u>

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30 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2017 (Million Baht)	2016 (Million Baht)						
1	1,950.00	2,150.00	Thailand	Repayment the debentures of the Company	2,400.00	<p>Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum</p> <p>Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2019 onwards : MLR per annum, interest repayment on monthly basis before the last workday of each month.</p> <p>However, on 21 December 2017, the Company made an agreement for revise the condition of interest rate.</p> <p>Since 1 December 2017 - 30 November 2019 : fixed interest rate per annum.</p> <p>Since 1 December 2019 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month.</p>	<p>Agreement dated on 2 December 2014, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 26 periods as following schedule:</p> <p>Period 1 - 2 : Baht 25.00 million</p> <p>Period 3 - 6 : Baht 50.00 million</p> <p>Period 7 - 18 : Baht 100.00 million</p> <p>Period 19 - 22 : Baht 112.50 million</p> <p>Period 23 - 25 : Baht 125.00 million</p> <p>Period 26 : Payment for the remaining principals</p> <p>However, on 28 September 2017, the Company made an agreement for revise the condition of the principal repayment. The Company made a grace period for the principals which the Company has the repayment in September and December 2017 totalling in 2 periods. After the maturity of grace period, the Company will pay the principals every 3 months in March, June, September and December every year which start since March 2018.</p> <p>- March 2018 - December 2019 : Baht 100.00 million</p> <p>- March 2020 - December 2020 : Baht 112.50 million</p> <p>- March 2021 - September 2021 : Baht 125.00 million</p> <p>- December 2021 : Payment for the remaining principals</p>	Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21).

30 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited (Cont'd)

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2017 (Million Baht)	2016 (Million Baht)						
							On 21 December 2017, the Company made an agreement for revise the condition of the principal repayment. The Company will pay the principals every 3 months in March, June, September and December every year which start since March 2018: - March 2018 - December 2018 : Baht 25.00 million - March 2019 - December 2019 : Baht 100.00 million - March 2020 - December 2020 : Baht 150.00 million - March 2021 - September 2021 : Baht 212.50 million - December 2021: Payment for the remaining principals However, the Company repaid the whole amount of loan in 1 December 2017.	
2	-	292.50	Thailand	Refinancing loan and credit line from financial institution and using in hospital expansion	700.00	Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum. Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum. Since 1 October 2019 onwards : MLR per annum, Interest repayment on monthly basis before the last workday of each month.	Agreement dated on 18 January 2012, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 32 periods as following schedule: Period 1 - 8 : Baht 20.00 million Period 9 - 32 : Baht 22.50 million However, the Company repaid the whole amount of loan in 1 December 2017.	Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21).

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30 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited (Cont'd)

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2017 (Million Baht)	2016 (Million Baht)						
3	-	104.00	Thailand	Payment for building construction	200.00	Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum. Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum. Since 1 October 2019 onwards : MLR per annum, Interest repayment on monthly basis before the last workday of each month.	Agreement dated on 4 May 2012, repayment for principal every 3 months before the last workday of January, April, July, and October every year totalling 27 periods as following schedule: Period 1 - 8 : Baht 6.00 million Period 9 - 26 : Baht 8.00 million Period 27 : Payment for the remaining principals However, the Company repaid the whole amount of loan in 21 December 2017.	Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21).
4	1,600.00	-	Thailand	Support the purchase of shares or assets of Bannung Maung Plaza Co., Ltd.	1,600.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum. The Company has the right to use fixed interest rate with the rate upon agreed with the lender. In each period, the required period is at least 6 months but not over than 2 years since the first drawdown.	Agreement dated on 31 October 2017, repayment for principal every 3 months totalling 24 periods as following schedule: Period 1 - 4 : Baht 45.00 million Period 5 - 8 : Baht 60.00 million Period 9 - 12 : Baht 65.00 million Period 13 - 16 : Baht 70.00 million Period 17 - 20 : Baht 75.00 million Period 21 - 23 : Baht 85.00 million Period 24 : Payment for the remaining principals. However, the Company repaid the whole amount of loan in 1 December 2017.	No collateral

Total 3,550.00 2,546.50

30 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

Subsidiary - Rajjindee Hospital Public Company Limited

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2017 (Million Baht)	2016 (Million Baht)						
1	-	40.00	Thailand	Support investment in building improvements, expanding car parking and purchasing equipment and medical equipment.	100.00	Since the date making an agreement, MLR per annum. Since 1 st year - 3 rd year : MLR less fixed interest rate per annum Since 4 th year - 6 th year : MLR less fixed interest rate per annum Since 7 th year - 8 th year : MLR less fixed interest rate per annum	Agreement dated on 29 June 2016, interest repayment on monthly basis for grace period 1 year since the first drawdown. Principal repayment on monthly basis, amounting to 1.20 million baht per month and separately from interest repayment which maturity within 8 years since the first drawdown.	Secured some of land and buildings (Note 21).
Total	-	40.00						

Thonburi Healthcare Group Public Company Limited
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30 Long-term loans from financial institutions (Cont'd)

Subsidiary - Premiere Home Health Care Company Limited

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2017 (Million Baht)	2016 (Million Baht)						
1	-	340.00	Thailand	Support payment of land and land transfer fee including other expenses for project development of Hospital and Senior Living Complex	340.00	Since the first drawdown is fixed interest rate per annum.	Agreement dated on 2 December 2016, interest repayment on monthly basis before the last workday of the month starting from the month of the first drawdown. The agreement is that principal repayment which maturity within 2 years since the first drawdown.	1. Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21). 2. Secured by Thonburi Healthcare Group Public Company Limited under the mortgage ceiling not less than Baht 400.00 million.

Total	-	340.00
	3,550.00	2,926.50

The Group is under the debt covenant criteria of loan agreements which require the Group to maintain the financial ratio, proportion of management shareholders, negative pledge and other requirements in accordance with each loan agreement.

30 Long-term loans from financial institutions (Cont'd)

The carrying amounts and fair values of long-term loans are as follows:

	Consolidated financial statements			
	2017		2016	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Loans from financial institutions	3,542,245,765	3,565,901,176	2,924,030,669	2,922,987,899

	Separate financial statements			
	2017		2016	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Loans from financial institutions	3,542,245,765	3,565,901,176	2,546,500,000	2,545,464,868

The fair values are calculated from discounted cash flows, using a discount rate based upon the borrowing rate which the management expects to be available to the Group and the Company at the statement of financial position date. The Fair values are within level 2 of the fair value hierarchy.

As a result of borrowing at floating interest rates and mainly in Thai Baht, the carrying amounts of borrowings approximate their fair values.

The Group's interest rate risks from borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Loans at floating rates	3,542,245,765	2,924,030,669	3,542,245,765	2,546,500,000

The effective interest rates as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	% per annum	% per annum	% per annum	% per annum
Loans from financial institutions	3.31 to 3.96	3.75 to 5.57	3.31 to 3.96	4.71 to 5.57

Unused credit facilities

As at 31 December 2017 and 2016, the unused credit facilities comprise the following:

	Consolidated financial statements					
	2017			2016		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
Floating interest rate - Unlimited period (Baht)	98,740,463	550,000,000	3,265,082,889	111,856,835	60,000,000	173,111,578

	Separate financial statements					
	2017			2016		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
Floating interest rate - Unlimited period (Baht)	62,000,000	450,000,000	3,248,900,594	77,000,000	-	105,006,298

The Group has credit facilities with financial institution which has credit that can be drawn down amounting to Baht 400.00 million. The credit limit is combine line with Thonburi Healthcare Group Public Company Limited, Thonburi Hospital Heart Centers Company Limited and Premiere Home Health Care Co., Ltd. The Group has to follow the condition which specified in credit agreement.

31 Finance lease liabilities (net)

The Group has entered into the finance lease agreements for motor vehicle and office equipment for using in its operations, whereby it is committed to pay rental fee on a monthly basis.

As at 31 December 2017 and 2016, finance lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Finance lease liabilities	13,284,310	1,429,525	12,611,455	591,611
<u>Less</u> Deferred interest expenses	(1,152,037)	(143,180)	(1,101,290)	(56,801)
Present value of finance lease liabilities	12,132,273	1,286,345	11,510,165	534,810
<u>Less</u> Current portion (net)	(2,691,399)	(773,625)	(2,390,405)	(534,810)
	<u>9,440,874</u>	<u>512,720</u>	<u>9,119,760</u>	<u>-</u>

As at 31 December 2017 and 2016, minimum finance lease liabilities payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Due payment				
- Within 1 year	3,152,826	877,110	2,815,710	591,611
- Later than 1 year but not later than 5 years	10,131,484	552,415	9,795,745	-
	<u>13,284,310</u>	<u>1,429,525</u>	<u>12,611,455</u>	<u>591,611</u>

The fair values of finance lease liabilities approximate the carrying amount of their book balances.

32 Employee benefit obligations

The amounts recognised in the statements of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Present value of unfunded obligations	<u>228,908,057</u>	<u>216,866,899</u>	<u>177,090,817</u>	<u>171,575,953</u>

32 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations for the years ended 31 December 2017 and 2016 is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning balance of the year	216,866,899	215,310,668	171,575,953	175,258,388
Current service cost	15,394,307	15,168,083	11,687,887	12,013,918
Interest cost	8,005,959	7,334,487	6,309,912	5,918,605
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	955,778	366,827	955,778	366,827
Remeasurements of employee benefit obligations				
Amount of (gain) loss that changed from				
- Discount rate	8,057,472	(4,955,540)	6,385,822	(4,353,647)
- Salary growth rate	(774,797)	3,034,355	(1,550,114)	2,600,309
- Turnover rate	(11,020,896)	(9,328,874)	(11,112,758)	(11,310,155)
- Mortality rate	2,578,076	-	1,890,185	-
Amount of loss that occurred from experience	9,895,429	10,172,233	8,353,702	9,590,138
Employee benefits paid during the year	(21,050,170)	(20,235,340)	(17,405,550)	(18,508,430)
Ending balance of the year	228,908,057	216,866,899	177,090,817	171,575,953

Employee benefit obligations recognised in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current service cost	15,394,307	15,168,083	11,687,887	12,013,918
Interest cost	8,005,959	7,334,487	6,309,912	5,918,605
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	955,778	366,827	955,778	366,827
	24,356,044	22,869,397	18,953,577	18,299,350

This expenses were included in the cost of hospital operations, cost of goods sold, cost of other services, selling expenses and administrative expenses as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of hospital operations/ Cost of goods sold/ Cost of other services	17,722,090	14,425,815	14,417,338	11,798,810
Selling expenses	487,240	393,241	207,507	206,313
Administrative expenses	6,146,714	8,050,341	4,328,732	6,294,227
	24,356,044	22,869,397	18,953,577	18,299,350

The principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate (% per annum)	2.79 to 3.32	3.12 to 3.54	3.06 and 3.08	3.49 and 3.52
Expected future salary increase (% per annum)	5.00 to 11.74	4.75 to 11.91	7.76 to 7.96	7.89 to 7.94
Employee turnover ratio (% per annum)	0.00 to 33.00	0.00 to 33.00	0.00 to 31.00	0.00 to 26.00
Retirement age (year)	55 and 60	55 and 60	55	55

32 Employee benefit obligations (Cont'd)

Sensitivity analysis for significant assumption are as follows:

		Increase (decrease) on employee benefit obligation			
		Consolidated financial statements		Separate financial statements	
	Change in assumption	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Discount rate	Increase by 0.50%	(9,176,795)	(8,569,724)	(6,947,151)	(6,727,261)
Discount rate	Decrease by 0.50%	9,970,744	9,161,794	7,413,404	7,178,747
Salary growth rate	Increase by 0.50%	8,967,702	8,549,698	6,839,858	6,623,318
Salary growth rate	Decrease by 0.50%	(8,600,490)	(8,079,473)	(6,473,670)	(6,268,697)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined obligation of the Group for the year ended 31 December 2017 is 12 to 24 years (2016 : 11 to 24 years) and the Company is 15 to 18 years (2016 : 15 to 16 years).

Expected maturity analysis of retirement benefits as at 31 December 2017 and 2016 and comprise the following:

	Post-employment benefits			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Less than 1 year	22,700,116	21,480,364	15,137,006	14,595,876
Between 2 - 5 years	91,821,358	74,598,208	69,474,633	60,403,478
Between 6 - 10 years	128,016,234	129,339,622	93,779,010	103,436,440
Between 11 - 15 years	101,659,184	101,537,994	71,766,079	77,123,954
	344,196,892	326,956,188	250,156,728	255,559,748

33 Share capital

Consolidated and Separate financial statements					
		Registered capital		Issued and paid-up	
		shares	Baht	shares	Baht
As at 31 December 2015		677,000,000	677,000,000	677,000,000	677,000,000
Issued of share during the year		172,080,000	172,080,000	87,080,000	87,080,000
As at 31 December 2016		849,080,000	849,080,000	764,080,000	764,080,000
Issued of share during the year		-	-	85,000,000	85,000,000
As at 31 December 2017		<u>849,080,000</u>	<u>849,080,000</u>	<u>849,080,000</u>	<u>849,080,000</u>

33 Share capital (Cont'd)

In January 2016, the Company called for the payment of 27,080,000 shares from existing shareholders (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 649,920,000. The Company has received share payment in January and February 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 23 February 2016.

In March 2016, the Company called for the payment of 15,000,000 shares from private placement (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 360,000,000. The Company has received share payment in March 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 7 April 2016.

In May 2016, the Company called for payment of 45,000,000 shares from private placement (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 1,080,000,000. The Company has received share payment in May 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 23 May 2016.

At the Extraordinary shareholders' meeting No. 1/2016 on 29 June 2016, the shareholders unanimously approved the increase in registered share capital of 85,000,000 shares, par value of Baht 1.00 each totalling Baht 85,000,000. The authorised share capital increased from Baht 764,080,000 to Baht 849,080,000 for Initial Public Offering. The Company registered the share capital increase with the Ministry of Commerce on 12 July 2016.

In December 2017, the Company issued the share capital increased following the resolution of Extraordinary shareholders' meeting No. 1/2016 by issuance of 85,000,000 shares, par value of Baht 1.00 each. The Company set the IPO price for offering to the public at the rate of Baht 38.00 per share. The Company received the share subscription of Baht 3,230,000,000 and recorded the share premium of Baht 3,145,000,000 and offset with expenses related to issuance of share of Baht 106,677,136 (net of related income tax by Baht 26,669,284) in the equity which impacted to the increase in share premium in statement of financial position of Baht 3,038,322,864. The Company registered the share capital increase with the Ministry of Commerce on 30 November 2017.

As at 31 December 2017, share premium presented in statement of financial position at Baht 6,861,242,864 (2016 : Baht 2,089,920,000).

As at 31 December 2017, the total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share (2016: total authorised number of ordinary shares is 764,080,000 shares with a par value at Baht 1.00 per share) was issued and fully paid.

34 Legal reserve

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
Beginning balance of the year	112,524,039	112,524,039
Appropriation during the year	-	-
Ending balance of the year	112,524,039	112,524,039

Under the Public Limited Company Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. The legal reserve has to be approved from annual general shareholders' meeting. As at 31 December 2017, the retained earnings-unappropriated in the consolidated financial statements included the legal reserve of 1 subsidiary totalling Baht 10,365,792 (2016: 1 subsidiary, totalling Baht 9,519,069).

35 Dividend payment

Parent company – Thonburi Healthcare Group Public Company Limited

2017

At the Annual General Shareholders' Meeting of year 2017 on 21 April 2017, the shareholders approved the dividend payment from its operation for the year 2016 at Baht 0.40 per share, totalling Baht 305.63 million. The Company paid all dividend to shareholders in May 2017.

2016

No approval of dividend payment for the year ended 31 December 2016.

Subsidiary company- Rajyindee Hospital Public Company Limited

2017

At the Annual General Shareholders' Meeting No. 1/2017 on 27 April 2017, the shareholders approved the dividend payment for the year 2016 at Baht 0.10 per share, totalling Baht 38.83 million. The Company paid all dividend to shareholders in May 2017.

2016

At the Annual General Shareholders' Meeting No. 1/2016 on 24 April 2016, the shareholders approved the dividend payment for the year 2015 at Baht 0.04 per share, totalling Baht 15.53 million. The Company paid all dividend to shareholders in April 2016.

36 Other components of equity and non-controlling interest

Other components of equity

Movements for other components of equity for the years ended 31 December 2017 and 2016 comprise of the following:

	For the year ended 31 December 2017					
	Consolidated financial statements			Separate financial statements		
	Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht	Income tax relating to components of other comprehensive income Baht	Share of other comprehensive income of joint ventures accounted for using the equity method Baht	Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht	Income tax relating to components of other comprehensive income Baht	Share of other comprehensive income of joint ventures accounted for using the equity method Baht
Beginning balance of the year	536,890,577	(106,183,720)	-	536,390,408	(106,196,257)	-
Increase (decrease) during the year	130,170,921	(24,662,702)	4,691,437	130,003,090	(25,207,250)	-
Ending balance of the year	667,061,498	(130,846,422)	4,691,437	666,393,498	(131,403,507)	-
	For the year ended 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht	Income tax relating to components of other comprehensive income Baht	Share of other comprehensive income of joint ventures accounted for using the equity method Baht	Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht	Income tax relating to components of other comprehensive income Baht	Share of other comprehensive income of joint ventures accounted for using the equity method Baht
Beginning balance of the year	7,949,541	(7,538)	-	7,605,000	255,497	-
Increase (decrease) during the year	528,941,036	(106,176,182)	-	528,785,408	(106,451,754)	-
Ending balance of the year	536,890,577	(106,183,720)	-	536,390,408	(106,196,257)	-

36 Other components of equity and non-controlling interests (Cont'd)

Non-controlling interests

	Consolidated financial statements	
	2017 Baht	2016 Baht
Beginning balance of the year	218,132,338	192,602,933
Share of net profit of subsidiaries	9,711,678	32,383,174
Decrease in non-controlling interests from dividend payment of subsidiary	(17,134,423)	(6,853,769)
Increase in non-controlling interests from increase in share capital of subsidiary	41,765,217	-
Increase in non-controlling interests from change in shareholding interest	9,177,688	-
Ending balance of the year	<u>261,652,498</u>	<u>218,132,338</u>

37 Other income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
Dividend income				
- investments in subsidiaries (Note 17 a))	-	-	21,692,689	8,677,075
- investments in associates (Note 16 b))	-	-	24,439,266	22,524,296
- other long-term investments (Note 19)				
- related companies	526,504	11,038,260	526,504	11,013,260
- other companies	13,065,133	9,949,600	12,065,133	9,949,600
- available-for-sale investments (Note 9, 15)	12,407,654	8,829,431	12,407,654	8,829,431
Gain on sales of property, plant and equipment (net) and intangible assets (net)	903,477	922,743	894,040	855,573
Interest income				
- other companies	1,035,527	2,117,032	691,061	1,097,939
- related companies (Note 43 b))	101,178	-	83,571,945	78,183,355
Membership income	13,916,482	10,130,234	13,916,482	10,130,234
Rental income - other companies	11,946,190	8,047,003	7,985,189	7,653,603
- related company (Note 43 b))	-	-	3,620,000	-
Rental income				
- investment properties (Note 20)				
- other company	36,000	39,000	-	-
- related company (Note 43 b))	36,000,000	27,000,000	-	-
Recovery from bad debts	411,074	-	331,065	-
Gain on sales of short-term investments and long-term investments in equity securities (Note 9, 15)	-	2,374,788	-	2,374,788
Income from operating service	-	5,059,216	-	-
Others	27,052,080	19,248,566	18,775,680	12,148,809
	<u>117,401,299</u>	<u>104,755,873</u>	<u>200,916,708</u>	<u>173,437,963</u>

38 Other expenses

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
	Notes				
Loss on written-off of property, plant and equipments and intangible assets	21, 22	(2,513,632)	(3,663,533)	(2,265,241)	(3,095,209)
Loss on disposals of property, plant and equipment (net)		(34,506)	-	-	-
Loss on sales of available-for- sale investments	15	(4,629)	-	(4,629)	-
Allowance for impairment of investment properties and property plant and equipment	20, 21	(684,950)	(3,159,484)	-	-
		<u>(3,237,717)</u>	<u>(6,823,017)</u>	<u>(2,269,870)</u>	<u>(3,095,209)</u>

39 Expense by nature

The following expenditure items for the years ended 31 December 2017 and 2016 are classified by nature as follows:

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
	Notes				
Medicine, medical supplies and medical equipments used		(1,238,113,198)	(1,168,112,389)	(820,593,324)	(799,160,923)
Laboratory and x-ray		(184,357,862)	(208,066,579)	(159,122,961)	(187,903,095)
Doctor fee		(1,322,942,347)	(1,188,003,896)	(1,126,744,971)	(1,006,819,314)
Staff costs		(1,934,758,376)	(1,830,532,471)	(1,566,280,686)	(1,479,961,482)
Depreciation charge on investment properties and plant and equipment	20, 21	(271,266,364)	(233,548,385)	(207,511,766)	(174,451,175)
Amortisation charges on intangible assets and land leasehold rights and leased buildings	22, 23	(32,739,253)	(5,942,691)	(9,384,523)	(4,074,351)
Repair and maintenance expenditure and service expenses		(123,408,888)	(148,320,555)	(110,835,880)	(131,725,287)
Marketing expenses		(149,136,149)	(98,387,079)	(51,847,138)	(51,016,826)
Utilities expenses		(104,847,185)	(98,599,113)	(84,663,151)	(81,388,084)
Operating lease rental		(90,975,435)	(25,993,109)	(66,107,712)	(14,603,032)

40 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
Interest expense from borrowings				
- financial institutions	(159,873,824)	(176,890,165)	(145,491,287)	(167,905,981)
- related companies	-	-	(459,320)	(1,610,656)
- other companies	-	(82,500)	-	-
Interest expense from financial lease liabilities	(381,049)	(141,791)	(327,696)	(85,787)
Amortisation charges on front-end fee	(245,765)	-	(245,765)	-
	<u>(160,500,638)</u>	<u>(177,114,456)</u>	<u>(146,524,068)</u>	<u>(169,602,424)</u>

41 Income tax

Reconciliations of income tax for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
Current income tax:				
Current income tax on taxable profit for the year	(134,724,526)	(158,125,207)	(123,785,920)	(133,773,664)
Current income tax for expenses related to issuance of share with recognised through equity (Note 33)	(26,669,284)	-	(26,669,284)	-
Adjustments under recorded income tax of prior year	(172,815)	(1,034,343)	(172,815)	-
Write-off withholding tax	(391,718)	(642,385)	-	-
Total current income tax	<u>(161,958,343)</u>	<u>(159,801,935)</u>	<u>(150,628,019)</u>	<u>(133,773,664)</u>
Deferred income tax:				
Origination and reversal of temporary differences (Note 24)	44,006,930	(666,454)	(6,960,430)	(3,808,147)
Total tax expense	<u>(117,951,413)</u>	<u>(160,468,389)</u>	<u>(157,588,449)</u>	<u>(137,581,811)</u>

41 Income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of each company as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
Profit before income tax	682,895,300	704,459,054	934,160,947	718,988,132
Tax calculated at a tax rate of 20% (2016 : 20%)	(136,579,060)	(140,891,811)	(186,832,189)	(143,797,626)
Tax effect of:				
Income not subject to tax	1,455,879	4,028,402	12,967,086	10,303,389
Expense not deductible for tax purpose	(309,814)	(5,609,974)	2,191,685	(3,135,406)
Additionally taxable expense transactions	19,230,069	5,633,635	14,457,952	3,874,085
Temporary differences for which no deferred tax was recognised	(13,220,068)	(14,201,345)	(200,168)	(4,826,253)
Accumulated deficit	30,206,775	(4,652,857)	-	-
Obligation that recognised as deferred tax assets	-	56,406	-	-
Reversal of unutilised deferred tax asset	(18,170,661)	(3,154,117)	-	-
Adjustments under record income tax of prior year	(172,815)	(1,034,343)	(172,815)	-
Write-off withholding tax	(391,718)	(642,385)	-	-
Income tax	(117,951,413)	(160,468,389)	(157,588,449)	(137,581,811)

42 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to common shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2017	For the year ended 31 December 2016
Profit attributable to shareholders of the parent for the year (Baht)	553,835,960	511,151,830	776,572,498	581,406,321
Weighted average number of ordinary shares (shares)	771,532,055	741,203,497	771,532,055	741,203,497
Basic earnings per share (Baht per share)	0.72	0.69	1.01	0.78

There are no potential dilutive ordinary shares in issue during the reporting period. Thus, the dilutive earnings per share is not presented.

43 Related-party transactions

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.

As at 31 December 2017, most of the shares of the Company are held by Vanasin family totalling 28.81% (2016 : 31.49%) and the remaining 71.19% (2016 : 68.51%) of the shares is widely held.

The significant investments in associates, subsidiaries and joint ventures are disclosed in Notes 16, 17 and 18.

Relationships between the Company and related parties are as follows:

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Rajyindee Hospital Public Company Limited	Thai	Subsidiary
Dental Siam Co., Ltd.	Thai	Subsidiary
Thonburi Realty Development Co., Ltd.	Thai	Subsidiary
Rajthanee Realty Co., Ltd.	Thai	Subsidiary
Thonburi Hospital Heart Centers Company Limited	Thai	Subsidiary
Modular Software Expertise Co., Ltd.	Thai	Subsidiary
Premiere Home Health Care Co., Ltd.	Thai	Subsidiary
Uttradit Thonburi Hospital Co., Ltd.	Thai	Subsidiary
Bamrung Maung Plaza Co., Ltd.	Thai	Subsidiary
Rajyindee Co., Ltd.	Thai	Indirect subsidiary
Rajthanee Associates Co., Ltd.	Thai	Common shareholders
The Thonburi III Hospital Co., Ltd.	Thai	A relative of shareholders
Ubonrak Co., Ltd.	Thai	Associate
Sirivej Chanthaburi Public Company Limited	Thai	Associate
Weihai Welly Hospital Company Limited (formerly name "Weihai Thonburi Healthcare Investment Company Limited")	China	Joint venture
Ar Yu International Health Care Company Limited	Myanmar	Joint venture
Logical Information Network Co., Ltd.	Thai	A relative of directors
Health Gate Co., Ltd.	Thai	A relative of directors
Rajthanee Pattanakarn (2014) Co., Ltd.	Thai	Common shareholders
Nateetip Co., Ltd.	Thai	A relative of directors
Thanarat Thung Song Co., Ltd.	Thai	A relative of directors
Phatara Hospital Co., Ltd.	Thai	Common directors
Rajnara Hospital Co., Ltd.	Thai	A relative of director

43 Related-party transactions (Cont'd)

Relationships between the Company and related parties are as follows: (Cont'd)

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Siroros Hospital Public Company Limited	Thai	A relative of directors
Chumvej Hospital Public Company Limited	Thai	Shareholders and common directors with subsidiary
Rajthanee Realty Co., Ltd.	Thai	Common shareholders and common director with subsidiary
Rajthanee Hospital Public Company Limited	Thai	Common shareholders
Loxley Gtech Technology Co., Ltd.	Thai	Common directors
Wellness City Co., Ltd.	Thai	Common directors with subsidiary
The Thonburi Holding Hospital Co., Ltd.	Thai	Common shareholders and common director with subsidiary
C.H.T. Holding Co., Ltd.	Thai	Common shareholders
Golden Bright Asia Pacific Investment Ltd.	Hong Kong	Under common control of shareholders
WJ International Hospital Management Co., Ltd.	Hong Kong	Under common control of shareholders
Global Health Investment Ltd.	Hong Kong	Under common control of shareholders
Computed Tomography Urupong Co., Ltd.	Thai	Common shareholders
Salatan Medical Center Co., Ltd. (Registered the liquidation on 8 May 2017)	Thai	Held by subsidiary and related company
Rajthanee Golf And Country Home Co., Ltd.	Thai	Common shareholders
Rajpatnakorn Co., Ltd.	Thai	Common directors with subsidiary
Thonburi Home Appliance Co., Ltd.	Thai	Common directors with subsidiary
Gled Hill International Co., Ltd. (Registered the liquidation on 17 October 2017)	Thai	Common directors with subsidiary
Hatyai Okygen Company Limited	Thai	Shareholder of subsidiary is director
Dr. Boon Vanasin	Thai	Shareholder and director
Ms. Nalin Vanasin	Thai	Shareholder and director
Mr. Chalermkul Aphiboonyophas	Thai	Shareholder and director
Mr. Weerachai Srikhajorn	Thai	Shareholder and director
Mr. Sitha Meksawan	Thai	Shareholder and director (since 15 June 2015)
Mr. Arsis Aunanan	Thai	Shareholder and director
Dr. Viphada Chaowakun	Thai	Shareholder and director of associate
Ms. Masrudee Kanapithakpong	Thai	Shareholder and director of subsidiaries
Mr. Ravoravee Chantharajwong	Thai	Shareholder and director of subsidiary
Mr. Jon Vanasin	Thai	Shareholder and director of subsidiary
Dr. Amnuay Unnanan	Thai	Shareholder
Mr. Suthon Sriyaphan	Thai	Shareholder
Mrs. Jaruwan Vanasin	Thai	Shareholder
Mrs. Nawara Vanasin	Thai	Shareholder
Dr. Chukiat Assawanich	Thai	Shareholder
Mr. Arsa Meksawan	Thai	Shareholder
Dr. Linda Krivit	Thai	Director
Mr. Kachorn Thanaphas	Thai	Director
Mr. Somchai Khoowijitsuan	Thai	Director
Mrs. Kannika Ngamsopee	Thai	Director
Mr. Wisit Wamwanich	Thai	Director
Mr. Vikorm Koompirochana	Thai	Director
Mr. Timothy Lertsamitiwan	Thai	Director
Mr. Eugene D.M.B Croon	Dutch	Director
Mr. Thanathip Supphapradit	Thai	Shareholder and director

43 Related-party transactions (Cont'd)

Relationships between the Company and related parties are as follows: (Cont'd)

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Dr. Soontorn Srita	Thai	Shareholder and director of subsidiary and director of associate (Until 18 July 2017)
Mr. Chow Ket Wong	Hong Kong	Management director
Mr. Kim Christian Warfight	Thai	Closed relative of shareholders whom not a director of the Company or subsidiaries
Mr. Thongsuk Booranarungruengkij	Thai	Closed relative of a shareholders whom not a director of the Company or subsidiaries
Ms. Songsaeng Meksawan	Thai	Shareholder and closed relative of director

Management benefit expenses represent benefits which management received from the Company.

Directors' remuneration is approved at the Board of Directors' meeting.

Related-party transactions are as follows:

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017 Baht</u>	<u>2016 Baht</u>	<u>2017 Baht</u>	<u>2016 Baht</u>
Trade accounts receivable				
<u>Subsidiaries</u>				
Thonburi Hospital Heart Centers Company Limited	-	-	7,500,360	-
Dental Siam Co., Ltd.	-	-	-	35,466
	-	-	7,500,360	35,466
<u>Associates</u>				
Ubonrak Co., Ltd.	-	4,817,658	-	-
Sirivej Chanthaburi Public Company Limited	11,275	8,055	-	-
	11,275	4,825,713	-	-
<u>Joint ventures</u>				
Weihai Welly Hospital Company Limited	14,855,400	-	14,855,400	-
Ar Yu International Health Care Company Limited	2,926,315	-	2,926,315	-
	17,781,715	-	17,781,715	-
<u>Related companies</u>				
Phatara Hospital Co., Ltd.	19,302,463	22,941,028	-	-
Rajthanee Hospital Public Company Limited	340,710	594,000	-	-
	19,643,173	23,535,028	-	-
	37,436,163	28,360,741	25,282,075	35,466

43 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other accounts receivable				
<u>Subsidiaries</u>				
Thonburi Hospital Heart Centers Company Limited	-	-	3,829,411	-
Premiere Home Health Care Co., Ltd.	-	-	120,000	-
	-	-	3,949,411	-
<u>Associates</u>				
Ubonrak Co., Ltd.	250,000	-	250,000	-
	250,000	-	250,000	-
<u>Joint venture</u>				
Ar Yu International Health Care Company Limited	67,200	-	67,200	-
	67,200	-	67,200	-
<u>Related company</u>				
Phatara Hospital Co., Ltd.	-	5,512,979	-	-
	-	5,512,979	-	-
	317,200	5,512,979	4,266,611	-
Advance payment				
<u>Related company</u>				
Phatara Hospital Co., Ltd.	43,335	-	-	-
	43,335	-	-	-
<u>Related individual</u>				
Director	-	288,500	-	-
	-	288,500	-	-
	43,335	288,500	-	-
Interest receivable				
<u>Subsidiaries</u>				
Rajthanee Realty Co., Ltd.	-	-	254,926,394	190,533,781
Thonburi Realty Development Co., Ltd.	-	-	117,744,967	141,157,909
Modular Software Expertise Co., Ltd.	-	-	6,675,799	5,231,871
Premiere Home Health Care Co., Ltd.	-	-	1,725,021	-
Dental Siam Co., Ltd.	-	-	-	59,144
	-	-	381,072,181	336,982,705
<u>Less</u> Allowance for doubtful accounts	-	-	(44,661,690)	(44,661,690)
	-	-	336,410,491	292,321,015

43 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	1,503,870	1,480,232
Thonburi Hospital Heart Centers Company Limited	-	-	674,646	-
	-	-	2,178,516	1,480,232
<u>Related companies</u>				
Computed Tomography Ururong Co., Ltd.	2,839,125	2,695,965	2,839,125	2,695,965
Hatyai Okygen Company Limited	79,968	-	-	-
Salatan Medical Center Co., Ltd.	-	10,853	-	-
	2,919,093	2,706,818	2,839,125	2,695,965
	2,919,093	2,706,818	5,017,641	4,176,197
Other accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	13,585	106,350
Modular Software Expertise Co., Ltd.	-	-	1,385,332	101,332
Thonburi Hospital Heart Centers Company Limited	-	-	16,109,848	-
	-	-	17,508,765	207,682
<u>Associate</u>				
Ubonrak Co., Ltd.	750,000	750,000	750,000	750,000
	750,000	750,000	750,000	750,000
	750,000	750,000	18,258,765	957,682
Fixed assets payable				
<u>Subsidiaries</u>				
Premiere Home Health Care Co., Ltd.	-	-	4,150,991	23,807,599
Dental Siam Co., Ltd.	-	-	213,000	198,200
	-	-	4,363,991	24,005,799
<u>Related company</u>				
Salatan Medical Center Co., Ltd.	-	1,082,070	-	1,082,070
	-	1,082,070	-	1,082,070
	-	1,082,070	4,363,991	25,087,869
Interest payable				
<u>Subsidiary</u>				
Premiere Home Health Care Co., Ltd.	-	-	459,320	-

b) Significant revenue and expense transactions with related parties for the years ended 31 December 2017 and 2016 are as follows:

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43 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- b) Significant revenue and expense transactions with related parties for the years ended 31 December 2017 and 2016 are as follows: (Cont'd)

Managements and directors' remuneration

Managements and directors' remuneration for the years ended 31 December 2017 and 2016 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Management and directors remuneration				
- Salaries and other short-term benefits	77,955,681	56,312,889	57,486,648	43,145,850
- Post employment benefit	795,307	521,475	340,838	287,117
Total	78,750,988	56,834,364	57,827,486	43,432,967

- c) Short-term loans to related parties

Short-term loans to related parties are the short-term loans to related companies. The movement for the years ended 31 December 2017 and 2016 is as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
Short-term loans to related parties				
Beginning balance of the year	-	-	1,055,036,600	1,047,536,600
Additions during the year	10,000,000	-	723,140,645	18,500,000
Repayment during the year	(10,000,000)	-	(9,500,000)	(11,000,000)
Ending balance of the year	-	-	1,768,677,245	1,055,036,600

43 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

c) Short-term loans to related parties (Cont'd)

Outstanding balances of short-term loans to related parties as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<u>Short-term loans to</u>				
<u>Subsidiaries</u>				
Rajthanee Realty Co., Ltd.	-	-	831,827,737	686,000,000
Premiere Home Health Care Co., Ltd.	-	-	565,812,908	-
Thonburi Realty Development Co., Ltd.	-	-	347,436,600	347,436,600
Modular software Expertise Co., Ltd.	-	-	23,600,000	19,100,000
Dental Siam Co., Ltd.	-	-	-	2,500,000
	-	-	1,768,677,245	1,055,036,600

As at 31 December 2017 and 2016, short-term loans to related parties are unsecured loans in Thai Baht. The loans are due for repayment at call and bear the interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2017 % per annum	2016 % per annum	2017 % per annum	2016 % per annum
Related companies	-	-	3.75 to 8.00	4.50 to 8.00

43 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

d) Long-term loans to related parties

Long-term loans to related parties are the long-term loans to related companies. The movement for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2016 Baht
<u>Long-term loans to related companies</u>				
Beginning balance of the year	-	-	81,300,000	79,800,000
Additions during the year	-	-	-	1,500,000
Ending balance of the year	-	-	81,300,000	81,300,000

Outstanding balances of long-term loans to related parties as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<u>Long-term loans to</u>				
<u>Subsidiary</u>				
Rajthanee Realty Co., Ltd.	-	-	81,300,000	81,300,000
	-	-	81,300,000	81,300,000
<u>Less</u> Current portion of long-term loans	-	-	(81,300,000)	-
	-	-	-	81,300,000

As at 31 December 2017 and 2016, long-term loan to a subsidiary is an unsecured loan in Thai Baht. The loan bears interest rate at the rate of 7.50% per annum and is due for repayment within year 2018.

As at 31 December 2017 and 2016, the fair values of long-term loan to related party are amounting to Baht 81,300,000. The fair values are within level 2 of the fair value hierarchy.

43 Related-party transactions (Cont'd)

e) Short-term loans from related parties

Short-term loans from related parties are short-term loans from related companies and directors. The movement for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loans from related companies				
Beginning balance of the year	-	700,000	-	-
Additions during the year	-	-	-	100,000,000
Repayment during the year	-	(700,000)	-	(100,000,000)
Ending balance of the year	-	-	-	-
Short-term loans from directors				
Beginning balance of the year	-	2,361,736	-	1,691,736
Additions (repayment) during the year (net)	-	(2,361,736)	-	(1,691,736)
Ending balance of the year	-	-	-	-

Short-term loan from a subsidiary - Premiere Home Health Care Co., Ltd. is unsecured loan in Thai Baht which bears interest rate at the rate of 4.50% per annum. The Company fully paid for such loan in August 2016.

44 Commitments

44.1 Operating lease commitments

The Group and the Company have entered into non-cancellable lease agreements in respect of the lease of land, buildings, computer, furniture and fixture, tool and equipment, vehicle, computer software and cleaning and security service.

As at 31 December 2017 and 2016, the Group and the Company have future lease and service payments required under these agreements as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Due payment				
Within 1 year	41,221,090	34,972,322	20,167,039	19,696,031
Later than 1 year but not later than 5 years	51,644,522	32,442,105	18,126,881	18,005,087
After 5 years	224,657,084	8,160,000	7,440,000	8,160,000
	317,522,696	75,574,427	45,733,920	45,861,118

44 Commitments (Cont'd)

44.2 Capital commitments

As at 31 December 2017 and 2016, the Group and the Company have capital commitments, relating to the construction of hospital buildings, acquisition of land, medical equipment, computer, computer software and tools and equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Land	-	70,535,764	-	-
Buildings and building improvements	80,504,380	29,856,744	52,691,612	21,454,477
Medical equipment	25,916,236	2,002,611	23,259,341	175,243
Computer	-	176,840	-	176,840
Computer software	1,182,885	3,545,800	-	3,545,800
Tools and equipment	940,750	2,522,000	700,000	237,000
	<u>108,544,251</u>	<u>108,639,759</u>	<u>76,650,953</u>	<u>25,589,360</u>

44.3 Other commitment

In 2nd quarter year 2017, the Company has commitment for payment of construction fee of a hospital in Republic of the Union of Myanmar. The commitment costs not over than US dollar 20.00 million. However, on 5 October 2017, at the Board of Directors' meeting No. 6/2017, the Board of Directors approved the termination of such agreement.

As at 31 December 2017, a subsidiary - Premiere Home Health Care Company Limited has commitment for payment of cost of developing holistic care project, land leasehold rights and advertising expenses amounting to Baht 130,184,489, Baht 3,000,000 and Baht 31,059,300 respectively (2016 : Nil).

44.4 Forward foreign currency exchange contracts

2017

As at 31 December 2017, the settlement date of forward foreign currency exchange contracts are 1 to 4 months. The amount to be received under contractual exchange rates of the outstanding contracts are as follows:

Consolidated financial statement					
31 December 2017					
Foreign currency	Contract amount	Exchange rate per contract	Contract value (Baht)	Fair value (Baht)	Positive (negative) fair value (Baht)
US dollar	64,946	33.22	2,157,497	2,121,353	36,144
Euro	151,695	38.92 - 38.96	5,906,490	5,927,932	(21,442)

As at 31 December 2017, the Company has no forward foreign currency exchange contracts.

44 Commitments (Cont'd)

44.4 Forward foreign currency exchange contracts (Cont'd)

2016

As at 31 December 2016, the settlement date of forward foreign currency exchange contracts are 3 to 5 months. The amounts to be received under contractual exchange rates of the outstanding contracts are as follows:

Foreign currency	Consolidated financial statements				
	Contract amount	Exchange rates per contract	Contract value (Baht)	Fair value (Baht)	Positive (negative) fair value (Baht)
US Dollar	9,219	35.08	323,394	330,375	(6,981)
Euro	376,086	38.26 - 39.45	14,643,411	14,236,080	407,331

As at 31 December 2016, the Company has no forward foreign currency exchange contracts.

Fair value

Fair value of forward foreign exchange contracts has been calculated using rate quoted by the Company's banker as if the Company terminated the contract on 31 December 2017 and 2016. The fair values are within level 2 of the fair value hierarchy.

45 Contingent liabilities and guarantees

45.1 Bank guarantees

As at 31 December 2017 and 2016, the Group and the Company have outstanding bank guarantees for the normal course of business, issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Guarantee for electricity	13,054,603	10,494,003	12,254,603	9,694,003
Guarantee for management and operation of hospital management	72,511,100	65,006,100	72,511,100	65,006,100
Guarantee for operation	50,804,751	29,403,230	-	-
	<u>136,370,454</u>	<u>104,903,333</u>	<u>84,765,703</u>	<u>74,700,103</u>

45.2 Guarantees of related companies

As at 31 December 2017 and 2016, the Group and the Company have guarantees of related companies as follows:

Guarantor	Guarantee	List of guarantee	2017	2016
			Amount (Million Baht)	Amount (Million Baht)
The Company	Modular Software Expertise Co., Ltd. (Subsidiary)	Sales agreement for hospital management software under IT project of Veterans General Hospital	-	1.23
The Company	Modular Software Expertise Co., Ltd. (Subsidiary)	Sales agreement for hospital management software	-	0.12
The Company	Premiere Home Health Care Co., Ltd. (Subsidiary)	Guarantee for loans	400.00	400.00

46 Significant contracts

The Group and the Company have significant contracts as follows:

Parent company - Thonburi Healthcare Group Public Company Limited

- 1) The Company has a contract with a related company to use magnetic resonance imaging (MRI) machines for its patients and those of its related companies throughout the contract period.

A related company is responsible for providing the MRI machines and other equipment according to the contract terms, and the Company is responsible for providing the hospital space and electricity for the equipment. The Company and a related company will share the revenue as agreed between the parties.

- 2) The Company has a management services agreement with the Phuket Provincial Administrative Organisation to manage and operate the Phuket Provincial Hospital to reach its full capacity of 129 beds efficiently and to handle up to 600 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of Phuket Provincial Administrative Organisation and to operate efficiently as required by the Secondary-Level Referral Hospital 2.3. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 3) The Company has a management services agreement with Pattaya City to manage and operate Pattaya City Hospital to reach its full capacity of 110 beds efficiently and to handle up to 500 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of the Pattaya City properly and to operate efficiently as required by the Secondary-Level Referral Hospital 2.1. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 4) The Company has management services agreement with Pattaya City to manage and operate International Central Medical Unit (CMU), Kohlarn, Pattaya City to efficient support the emergency cases. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 5) The Company has contract to set up a joint venture in Republic of the Union of Myanmar and People's Republic of China as mentioned in Note 18.

Subsidiary - Thonburi Hospital Heart Centers Company Limited

- 1) The Company has the agreement with three private hospital which is a related company. This agreement is the sharing agreement for healthcare about cardiovascular disease at a private hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the share income at the rate as stipulated in the agreement.
- 2) The Company has the sharing agreement with Samutprakarn province for medical service and operative of cardiovascular disease patients by using the location at Bangphee Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement.
- 3) The Company has the sharing agreement with Phatthalung province for medical service and operative of cardiovascular disease patients by using the location at Phatthalung Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement.

47 Lawsuit

Parent company - Thonburi Healthcare Group Public Company Limited

- 1) During 2014, the Company has been sued by Merlin of the East Company Limited, who submitted the dispute to Talingchan Provincial Court for contractual service payment amounting to Baht 4.72 million. In 2015, the Civil court judged that the Company has won the case and ruled Merlin of the East Co., Ltd. to pay the penalty to the company and to dismiss the claim. However, Merlin of the East Co., Ltd. appealed. On 24 January 2017, the Appeal Court hearing and judged the same as the Civil court that the Company won lawsuit. Currently, Merlin of the East Company Limited has not filed a petition with the Supreme Administrative Court. The management of the Company believed that such event would not have significant impact because they believed that the Company has no responsibility for the payment and they have strong supporting evidence to defend the claim.
- 2) The Company has been sued from Talingchan Provincial Court for claims expense from its hospital's operation service in the black case No. 3294/2559 and the red case No. 9636/2559. The Civil Court judged the dismissal of the plaintiff. After that, the plaintiff has appealed to Appeal Court and it has judged the Company to pay Baht 5.38 million with the interest rate of 7.50% per annum. However, as at 31 December 2017, the Company was under the submission's process of petition to Supreme Court and appealed the objection for the judge of Appeal Court. Management considered and believed that there would no significant impact. The Company did not recognise provision for contingent liabilities as at the end of the reporting period.

Subsidiary

The subsidiary has filed Department of Land and related government according to the land revocation of the Company which has lawsuits held as follows:

- 1) The black case No.1356/2551, the Company has filed about land NS.3K. 2 issues. The Administrative Court judged that it was the revocation of part of certificate of land rights that issued illegally which not revocation of the right to occupy and use the land. The Central Administrative Court dismissed on 18 January 2013 which the Company appealed. Currently, it is under consideration by the Supreme Administrative Court.
- 2) The black case No.29/2552, the Company has filed about land NS.3K. 1 issues. The Administrative Court judged that Department of Land illegally revoke since issued the wrong NS.3K. which causing damage to land owners. The Administrative Court judged that Department of Land has to pay the penalty amounting Baht 1.51 million to the Company on 18 June 2013. However, the judgement is still unpleasant. The Company appealed to the Supreme Administrative Court which now is under consideration.
- 3) The subsidiary has filed about land NS.3K. 2 issues which Department of Land established the revocation committee. However, until today there is no revocation order.

48 Subsequent events

Parent company - Thonburi Healthcare Group Public Company Limited

At the Board of Directors' Meeting No. 1/2018 on 22 February 2018, the Board of Directors approved the dividend payment from its operation for the year 2017 to its shareholders at Baht 0.40 per share, totalling Baht 339.63 million. The Company will present for approval the dividend at the Annual General Shareholders' Meeting of the Company.

Subsidiary - Rajyindee Hospital Public Company Limited

At the Board of Directors' Meeting of the subsidiary No. 1/2018 on 14 February 2018, the Board of Directors approved the dividend payment from its operation for the year 2017 to its shareholders at Baht 0.05 per share, totalling Baht 21.50 million. The subsidiary will present for approval the dividend at the Annual General Shareholders' Meeting of the subsidiary.

Dear Shareholders, Thonburi Healthcare Group Public Company Limited

The Audit Committee of Thonburi Healthcare Group Public Company Limited is comprised of three independent directors. The Audit Committee composition and qualifications are based on the announcements of the Stock Exchange of Thailand, our expertise allows us to carry out our duties with efficacy. As of 2017 Audit Committee consists of Mr. Somchai Kuvijitsuwan Chairman of the Audit Committee Mr. Virachai Sriakajon Director of Audit Committee and Ms. Kannika Ngamsopee Director of Audit Committee. As of 2018 Audit Committee changed. As current Audit Committee consists of the following members:

1. Ms. Kannika	Ngamsopee	Chairman of the Audit Committee
2. Mr. Virachai	Sriakajon	Director of Audit Committee
3. Dr. Linda	Kraivit	Director of Audit Committee

Ms. Hathaichanok Pangnoi Position of Acting Internal Audit Director as Secretary to the Audit Committee.

- The Board of Directors Meeting No. 2/2018, 22 February 2018 has resolved to appoint Mrs. Kannika Ngamsopee to be the Chairman of the Audit Committee replace of Mr. Somchai Kuvijitsuwan. Chairman of the Audit Committee resigned on 14 February 2018
- The Board of Directors Meeting No. 2/2018, 22 February 2018 has resolved to appoint Dr. Linda Kraivit to be Director of Audit Committee replace of Mr. Somchai Kuvijitsuwan Director of Audit Committee resigned on 14 February 2018

The Audit Committee has performed its duties according to the scope and responsibility as assigned by the board of directors. The Audit Committee charter and the Company regulations on rules and guidelines of the Audit Committee are in line with the regulations of the Stock Exchange of Thailand. In the year 2017, the Audit Committee held 9 meetings. Meeting with Management, auditors and internal auditors. The summary is as follows.

1. Review of Financial Reports: The Audit Committee reviewed the quarterly financial statements. And the related financial statements for the year 2017. The transaction may be conflict of interest. Inviting relevant executives and auditors to attend the meeting. To clarify and answer the questions of the Audit Committee. The accuracy and completeness of any significant accounting changes affecting the financial statements have been included in the consolidated financial statements. The adequacy of information disclosed in the financial statements and the auditor's remarks. The Audit Committee is of the opinion that the financial statements have been properly disclosed in accordance with the financial reporting standards. In addition, the Audit Committee held meetings with the auditors without the management. To discuss with the auditor on matters relating to accounting and financial reporting. The audit committee has good cooperation with management. Be independent in the work. As well as knowledge the experience and guidelines for reviewing or reviewing the financial reports are adequate and appropriate for the performance of the auditor's duties

2. Review of Internal Control System the Company reviewed the internal control system of the Company according to the assessment of the adequacy of the internal control system for 2017. During the Board of Directors' Meeting No. 2/2018 held on 22 February 2018, Board of Directors viewed that internal control system covers the five components of internal control has been sufficient and appropriate. When the Audit Committee finds weaknesses or defects that are significant, the Audit Committee will notify the management to acknowledge the amendment and follow up the improvement.

3. Oversight of Internal Audit: The Audit Committee has approved the scope of work. In the year 2017, the Company hired internal auditor of P&L Internal Audit Co., Ltd (Outsourcing) to review and evaluate the system of Internal control of the Company and subsidiaries. was considered Internal audit report Follow

up the corrective action according to the internal audit report. Provide advice on how to improve the performance of auditing. Independence of the Internal Audit Department, the appropriateness of the budget, manpower, training and personnel development and the Performance Appraisal of the Internal Audit Department. The Audit Committee is of the opinion that The Company has an appropriate and effective internal audit system.

4. Compliance with Securities and Stock Exchange of Laws, Regulations of the Stock Exchange of Thailand and/or Other Applicable Laws:

The Audit Committee reviewed the operation of the Company. That is in accordance with the Securities and Exchange Act. The Stock Exchange of Thailand and or laws related to the Company's business. This includes compliance with the Company regulations and obligations with third parties. The Audit Committee is of the opinion that it is in compliance with the Securities and Exchange Act. The Stock Exchange of Thailand and or laws related to the Company's business.

5. Review of Connected Transactions or Possible Conflicting Interest Transactions to Ensure Compliance with the Law and Stock Exchange of Thailand's Regulations:

Reviewed and commented on the connected transactions, transactions that may lead to conflict of interest. Including the disclosure of such information. In accordance with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, The Audit Committee agrees with the auditor. They also commented that significant items were disclosed and presented in the financial statements. The notes to the financial statements are accurate and complete.

6. Appointment of 2018 Auditors:


The Audit Committee has selected and proposed the appointment of the auditor and the audit fee. To propose to the Board of Directors for approval from the Annual General Meeting of Shareholders. The Audit Committee considered the qualifications of the auditor performance, independent and the appropriateness of the audit fee. Should be proposed to PricewaterhouseCoopers ABAS Ltd. as its auditor of the Company and subsidiaries for the year 2018, and recommended to appoint the Company's auditor of PricewaterhouseCoopers ABAS Ltd. The name of auditors: Mr. Sudwin Panyawongkhanti (CPA No. 3534) or Mrs. Anuthai Poomsurakul (CPA No. 3873) or Mr. Krit Chatchavalwong (CPA No. 5016) All of the auditor is the auditor of the auditor approval from the Securities and Exchange Commission Have good knowledge and experience.

7. Others

The Audit Committee reviewed the charter to ensure its suitability and compatibility with SET's announcement on the qualifications and work scope of Audit Committees B.E. 2558 (2015) and Audit Committee handbooks. The Audit committee view was that the board-approved charter, enforced since 9 December 2015, remained suitable.

In the year 2017, the Audit Committee performed its duties and responsibilities assigned by the board of directors and complied with the charter of the Audit Committee. Using full knowledge. The Board of Directors is of the opinion that the Company has adequate financial reporting and operations. Have an internal control system. Appropriate and effective internal audit compliance with the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) and or laws related to the Company's business. Terms and obligations Full disclosure of connected transactions is required. The Company has implemented good corporate governance practices. In addition, the Company has improved its operation system to improve quality and suit the business environment continuously.

On behalf of the Audit Committee



(Ms. Kannika Ngamsoppee)
Chairman of the Audit Committee

Internal Control

Thonburi Healthcare Group Public Company Limited values the importance of the Internal Control System which has been designed in accordance with the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to achieve the objectives relating to operations, reporting, and compliance of the Company

During the Board of Directors Meeting No.2/2018 held on 22 February 2018, Board of Directors Internal Control System was evaluated based on the internal control assessment report prepared by the Management which follows the guidelines of the Securities and Exchange Commission (SEC), together the Audit Committee's report. The Board of director viewed that internal control system the Company and subsidiaries has been sufficient and appropriate. The Company has provided the appropriate staff to operate the system effectively, enabling the Company to comply with the Good Corporate Governance. To monitor the operation of the company. To ensure that the Company and subsidiaries assets can be protected against misuse by the directors or management. The Company has adequate control over transactions with related parties or conflicts. The Company has provided the appropriate staff to operate the system effectively, enabling the Company to comply with the Good Corporate Governance. To monitor the operation of the company. To ensure that the Company and subsidiaries assets can be protected against misuse by the directors or management. The Company has adequate control over transactions with related parties or conflicts.

The Company has internal control system covers all the five components of internal control, namely Control Environment, Risk Assessment, Control Environment, Information & Communication, and Monitoring Activities Management of the Company internal control system can be summarized as follows:

1) Control Environment

The Board of director and Management strive to promote a corporate culture that focuses on integrity and ethics. They also provide supervision of the Company operations to ensure compliance with the organizational vision and missions and to ensure that the Company control environment is appropriate and effective

2) Risk Assessment

The Company recognize the significance of Risk Management. Appointed by the Board of Directors, the Risk Management Committee (RMC) performs the duties of setting and reviewing policies, objectives, risk management frameworks, monitoring and evaluating of compliance with the frameworks, giving opinions and recommendations on the Company risk management and project investment risks. The Company has Subcommittee on Risk Management, appointed by the Risk Management Committee (RMC), ensures that business the Company manages its risks efficiently, leading to the achievement of its business goals. Below are the Company risk management approaches:

3) Control Activities

The Company has developed efficient and effective control activities that contribute to the mitigation of risks against the achievement of objectives, to acceptable levels. They include;

- The Company provides information technology control activities such as Access Management Information Technology Information security policy requirements. To provide information technology of the company. Is right Efficiency, security, continuous operation.
- The Company has rules, regulations, policies, procedures and work instructions for reference use practices. internal controls such as the policy on entering into connected transactions

4) Information & Communication

The Company recognizes the criticality of the quality of Information & Communication that supports the effectiveness of the Company Internal Control System, as detailed below;

- The Company has set up information classification to board of director, instructions for filing important documents and controlled documents. This includes information from both internal and external sources. This process is intended to ensure that important information concerning the Company and its business operations are accurate, complete, adequate and timely to management.
- The Company has set up external communication channels to communicate with external stakeholders, such as the Company website. In addition, assigned departments are responsible for the disclosure of important information components of Investor Relations

5) Monitoring Activities

The Company continuously monitors and evaluates the adequacy of its internal control system. Development and improvement processes have also been in place to ensure the efficiency and effectiveness of the Company Internal Control System, and includes:

- The Internal Audit Department, which is an independent unit reporting directly to the Audit Committee, examines and evaluates the effectiveness of internal control activities. The internal audit reports and findings are presented to the Audit Committee on a quarterly basis.

In 2017, the internal control assessment report did not find any significant issues related to conflicts of interest, fraudulent activities, or any other significant deficiencies in the Internal Control System materially in affect the Company objectives. Furthermore, no violations of SEC and SET rules and regulations or other laws related to the Company were found.

Related Party Transaction

1. Transaction

List of Thonburi Healthcare Group Public Company Limited (the Company) and subsidiaries.

1.1 Normal business transaction or normal business support with general commercial terms.

Related name / relationship	Company Transaction	The nature of transaction	Value THB	Necessity and reasonableness
1. Shrive Canthari PCL. Relationship As an associate Dr. Tanatip Suppradit is a director of the Company	Dental Siam Co., Ltd.	1. Revenue from the sale of medical supplies on dental materials. <ul style="list-style-type: none"> • Revenue from medical supplies • Trade accounts receivable 	17,547 11,275	Dental Siam Co., Ltd., a subsidiary sells dental supplies by pricing the nature and conditions providing trade credit terms as well as the conditions agreed with other entities in general.
	Thonburi Healthcare Group PCL	2. Revenue from services and consulting. <ul style="list-style-type: none"> • Revenue from services and consulting 	30,000	The Company has advised Sirivej Chanthaburi PCL in the accounting section. The price and nature of such conditions are in accordance with the agreement.
	Thonburi Healthcare Group PCL	3. Dividend income <ul style="list-style-type: none"> • Dividend income 	12,949,451	The Company received dividends from its investment in common shares of Sirivej Chanthaburi PCL as declared.
2. Ubonrak Co., Ltd. Relationship As an associate Mr. Chalermkul Aphiboonyophas and Dr. Tanatip Suppradit are a director of the Company	Dental Siam Co., Ltd.	1. Revenue from the sale of medical supplies on dental materials. <ul style="list-style-type: none"> • Revenue from medical supplies 	58,336	Dental Siam Co., Ltd., a subsidiary sells dental supplies by pricing the nature and conditions providing trade credit terms as well as the conditions agreed with other entities in general.
	Modular Software Expertise Co., Ltd.	2. Revenues from maintenance of hospital information systems. <ul style="list-style-type: none"> • Revenue from services and consulting 	415,987	Modular Software Expertise Co., Ltd., a subsidiary company, provided hospital system development services including hospital maintenance services. The service fee specified by the contract. The normal business of the subsidiary is based on the conditions that the subsidiary has with other parties.

Related name / relationship	Company Transaction	The nature of transaction	Value THB	Necessity and reasonableness
	Thonburi Healthcare Group PCL	3. Revenue from services and consulting • Revenue from services and consulting • Other accounts receivable	250,000 250,000	The Company advised Ubonrak Co., Ltd. in the accounting section. The price and nature of such conditions are in accordance with the agreement
	Thonburi Healthcare Group PCL	4 Dividend income • Dividend income	11,489,815	The Company received dividends from its investment in the ordinary shares. Ubonrak Co., Ltd. as declared
	Thonburi Healthcare Group PCL	5. Advances Payable • Other accounts payables	750,000	Ubonrak Co., Ltd. has paid for the service fee and other expenses of the Company and has collected the expenses from the Company as reserve amount.
3. Pattara Hospital Co., Ltd Relationship Mr.Chalermkul Apibunyopas is a director of the Company	Thonburi Healthcare Group PCL	1. Revenue from services and consulting • Revenue from services and consulting • Trade accounts receivable • Other income • Interest payable	10,687,575 19,302,463 11,308 43,335	Thonburi Hospital Heart Centers Co.,Ltd. has entered into a joint treatment of cardiovascular disease with hospital remit, the remuneration and share interests according to a mutual agreement under careful consideration of the parties in the benefits that would have been appropriate. This is in accordance with normal business practices in general.
	Modular Software Expertise Co., Ltd.	2. Revenues from maintenance of computer programs. • Revenue from services and consulting	572,000	Modular Software Expertise Co., Ltd. a subsidiary provides hospital management systems development. including the provision of maintenance services, hospital management systems. The rates specified in the contract which is the normal business of the Company on terms that the Company made to parties other clients.
	Thonburi Healthcare Group PCL	3. The cost to purchase medicines and medical supplies. • cost of medicines and medical supplies	3,350	The Company has purchased pharmaceuticals from Pattara Hospital Co., Ltd. The Company needs to use such products to treat patients. By setting the trading price and conditions

Related name / relationship	Company Transaction	The nature of transaction	Value THB	Necessity and reasonableness
				are in line with market conditions. Like the deal with other general corporations
4. Rajthanee Hospital PCL. Relationship Shareholders together, Mr. Suthon Sriyaphan is a director of a subsidiary.	Thonburi Hospital Heart Centers Co., Ltd	1. Revenue from services and consulting <ul style="list-style-type: none"> Revenue from services and consulting Trade accounts receivable 	3,107,477 339,000	Thonburi Hospital Heart Centers Co., Ltd. has entered into a joint medical cardiovascular medical treatment contract with the company. The Company has paid the remuneration and dividends. The agreement is mutually agreed upon under the careful consideration of the parties to the benefits afforded. This is in line with normal business practice.
	Thonburi Healthcare Group PCL	2. Dividend income <ul style="list-style-type: none"> Dividend income 	8,488,298	The Company received dividends from its investment in the ordinary shares Rajthanee Hospital PCL. as declared.
	Dental Siam Co., Ltd.	3. Revenue from the sale of medical supplies on dental materials. <ul style="list-style-type: none"> Revenue from medical supplies Trade accounts receivable 	23,654 1,710	Dental Siam Co., Ltd., a subsidiary company available dental supplies by setting the trading price and conditionality trade credit is on the same terms as trading with other juristic persons.
5. Computed Tomography Urupong Co., Ltd. Relationship There is a common shareholder. Ms. Nalin Vanasin, who is the director of the Company	Thonburi Healthcare Group PCL	1. Professional fees and repair costs <ul style="list-style-type: none"> Professional fees and repair costs Trade accounts payable 	38,161,703 2,839,125	The Company has entered into an agreement with MRI with Computed Tomography Urupong Co., Ltd. The terms and conditions are in line with market conditions. Like the deal with other general corporations.
	Thonburi Healthcare Group PCL	2. Dividend income <ul style="list-style-type: none"> Dividend income 	112,500	The Company received dividends from the investment in Computed Tomography Urupong Co., Ltd. as declared.

Related name relationship	Company Transaction	The nature of transaction	Value THB	Necessity and reasonableness
<p>6. Salatan Medical Center Co., Ltd</p> <p>Relationship</p> <p>Held by subsidiaries and related companies are Rajyindee PCL, Thanarat Thung Song Co., Ltd., Rajnara Hospital Co., Ltd, Siroros Co.,Ltd. (Currently, Salatan Medical Center Co., Ltd. has completed the liquidation on 8 May 2017)</p>	Rajyindee Co., Ltd.	<p>1.Expenditures on drug and medical supplies</p> <ul style="list-style-type: none"> Cost of drug and medical supplies 	16,087	Rajyindee Co., Ltd., a subsidiary, purchased medical supplies from Salatan Medical Center Co., Ltd., which the company is required to use such products to treat patients. The terms and conditions are in line with market conditions. Like the deal with other general corporations.
<p>7. ARYU International Health Care Co.,Ltd</p> <p>Relationship</p> <p>A joint venture</p>	Thonburi Healthcare Group PCL	<p>1. Revenue from services and consulting</p> <ul style="list-style-type: none"> Revenue from services and consulting Trade accounts receivable Other income Other accounts receivable 	<p>2,926,315</p> <p>2,926,315</p> <p>67,200</p> <p>67,200</p>	The Company has provided advice to ARYU International Health Care Co., Ltd. The price and nature of such terms and conditions are in accordance with the mutually agreed upon agreement between the two parties in the interests to be received appropriately. This is in line with normal business practice.
<p>8. Weihai Welly Hospital Co., Ltd</p> <p>Relationship</p> <p>A joint venture</p>	Thonburi Healthcare Group PCL	<p>1. Revenue from services and consulting</p> <ul style="list-style-type: none"> Revenue from services and consulting Trade accounts receivable 	<p>14,855,400</p> <p>14,855,400</p>	The company advised Weihai Welly Hospital Co., Ltd. on the part of hospital management. The price and nature of such terms and conditions are in accordance with the mutually agreed upon agreement between the two parties in the interests to be received appropriately. This is in line with normal business practice.
<p>9. Chumvej Hospital PCL</p>	Thonburi Healthcare Group PCL	<p>1. Dividend income</p> <ul style="list-style-type: none"> Dividend income 	414,004	The Company received dividends from investment in ordinary shares of Chumvej Hospital PCL as declared.

Related name / relationship	Company Transaction	The nature of transaction	Value THB	Necessity and reasonableness
Relationship Mr. Suthon Sriyaphan is director together with its subsidiaries.				
10. Siroros Hospital Co., Ltd. Relationship A person who is a close relative of Dr. Boon Vanasin as a shareholder	Rajyindee Co., Ltd.	1. Cost of services <ul style="list-style-type: none"> Ambulance rental 	17,600	Rajyindee Co., Ltd. is required to use such services for patient treatment. Pricing the terms and conditions are in line with market conditions. Like the deal with other general corporations. Rajyindee Co., Ltd. has received dividends from investment in ordinary shares of Siroros Hospital Company Limited as announced.
	Rajyindee Co., Ltd.	2. Dividend income <ul style="list-style-type: none"> Dividend income 	1,000,000	

1.2 Normal business transaction or normal business support without commercial terms.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
1. Rajthanee Pattanakarn (2014) Co., Ltd. Relationship Mrs. Jaruwan Vanasin as a major shareholder	Thonburi Realty Development Co., Ltd.	Rental income from land <ul style="list-style-type: none"> Revenue from land rental 	36,000,000	Thonburi Realty Development Co., Ltd. has not utilized such land. The land was leased to the company. Rajthanee Pattanakarn (2014) Co., Ltd. at a rental rate higher than market value. Such transactions are beneficial to the Company.
2. Khunying Songsaeng Meksawan Relationship As the major shareholder of the Company	Thonburi Healthcare Group PCL	<ul style="list-style-type: none"> Land rental 	2,514,000	The Company leased land from Khunying Songsaeng Meksawan to be used as a hospital for Thonburi 1 Hospital. The rental fee was lower than market value and the transaction was beneficial to the Company.

1.3 The list provides financial assistance to individuals or entities that are related parties.

If necessary, the Company or its subsidiaries suffer from liquidity shortage. The Board of Directors has complied with the regulations. In addition, the Company has disclosed related transactions in the notes to financial statements audited by the auditors of the Company in accordance with the generally accepted accounting standards.

Item / received financial assistance.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
1. Siroros Hospital Co.,Ltd. Relationship A person who is a close relative of Dr. Boon Vanasin as a shareholder	Rajyindee PCL.	Short-term loans • Interest income	101,178	The subsidiaries provide short-term loans for use as working capital. The interest is charged at a rate higher than the borrowing cost of the Company. Siroros Hospital Co.,Ltd. has fully repaid the loan in 2017.

2. Policy and Trend of Entry into Related Party Transaction in the Future

Type of Transaction	Trend and Policy
Normal Business Transaction or Supporting Normal Business Transaction	<p>Normal Business Transaction</p> <p>If the Company and/or its subsidiary has a medical treatment service transaction, referral of patients, the Company has its policy that the Company and/or its subsidiary shall charge compensation incurred by the entry into transaction. The transaction between the Company and/or its subsidiary and related party at the market price whereby the service rate and term or payment including other trade conditions whether it is fair or similar condition and it is different from a transaction that entered with third party, whether individual or other companies under the similar circumstance.</p> <p>Supporting Normal Business Transaction</p> <p>If the Company and its subsidiary purchase goods and medical supplies from the supplier of goods and medical supplies which is the party relating to the Company, such transaction shall be the transaction for supporting medical treatment services of each other for supporting normal business transaction of the Company and/or its subsidiary provided that the price of goods or services shall be the market price which based on the price of goods or services and term of payment and trade conditions shall not be different from the terms and conditions that the Company and/or its subsidiary enters with other suppliers under the similar circumstance.</p> <p>Pursuant to the Securities and Exchange Act (No. 4) B.E. 2551 (2008) (as amended) which is effective from 31 August 2008 and the guideline of the Office of the Securities and Exchanges Commission dated 16 July 2008, it</p>

Type of Transaction	Trend and Policy
Normal Business Transaction or Supporting Normal Business Transaction (Continue)	states that to have more flexibility for management of company, a company may propose a related party transaction which deemed as the normal business transaction or supporting normal business transaction with normal trade conditions between a company and/or its subsidiary with related parties to the Board of Directors for approval in principle.
Offer and/or Receipt of Financial Assistance	<p>The Company has its policy in relation to the offer and/or receipt of financial assistance for the centralization of financial management in order to manage financial costs appropriately and efficiency for the highest benefit of the Company. The Company has the policy for entering into financial assistance by providing loan to subsidiary whereby the Company will directly enter into loan with money market or financial institution and subsequently, lend to its subsidiary and the interest shall be based on the actual financial cost plus additional profits of which such interest rate will be lower than the interest rate offered by financial institution if such subsidiary directly lends from the financial institution.</p> <p>Benefit, the subsidiary can receive loan at the interest rate lower than the direct lending from financial institution due to the Company can obtain loan at the lower interest rate.</p>
Other business transaction other than the abovementioned transactions according to the definition as defined in the Securities and Exchange Act	If the Company and/or its subsidiary is necessary to enter into a related party transaction in the future, such related party transaction shall be for the equal benefits of the Company and all shareholders pursuant to the rules and regulations as specified in the Securities and Exchanges Act and other relevant notifications of regulatory bodies.

The entry into related party transaction in all types of the Company shall be in accordance with the Securities and Exchange Act and/or the rules and regulations of the Stock Exchange of Thailand and/or the Notifications of the Capital Market Supervisory Board for protecting public investors and transparent. If the Company and/or its subsidiary is necessary to enter into a related party transaction, the Company has authorized the Audit Committee to review such transaction to ensure the fairness. If the Audit Committee does not have an expertise on considering of any related party transactions the Company has policy to engage the independent advisor who has knowledge and expertise at professional level to provide opinion on the entry of such transaction for consideration of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting as the case may be.

Other Important Information

1. General information

Company Name	: Thonburi Healthcare Group PCL
Company Registration No.	: 0107537002753 (former No. PLC. 522)
Registration Date	: 21 December 1994
The headquarters	: No. 34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok 10700 Tel. 0-2487-2000 Hotline 1645 Fax. 0-2412-7343
Website	: www.thg.co.th
Business type	: Medical Services Business and Hospital Management Services
The number and type of shares	: 849,080,000 ordinary registered shares
Registered capital	: Baht 849,080,000, par value of baht 1 per share.
Issued and paid-up capital	: Baht 849,080,000 , 849,080,000 shares, par value of baht 1 per share.

Subsidiary joint venture company.

Subsidiary

- (1) Rajyindee Hospital PCL

Company Registration No	: 0107538000380 (former No. PLC. 561)
Registration Date	: 20 July 1995
The headquarters	: 119 Rajyindee Road, Tambol Hat Yai Amphur Hat Yai, Songkhla 90110 Tel.0-7423-0708 Fax. 0-7420-0292
Website	: www.rajyindee.com
Business type	: Medical Services Business
The number and type of shares	: 430,000,000 ordinary registered shares Ordinary shares as at 31 December 2016 of 388,271,118 shares. Capital increase on 31 May 2017 of 41,728,882 shares
Registered capital	: Baht 430,000,000 par value of baht 1 per share.
Issued and paid-up capital	: Bath 430,000,000 ,430,000,000 shares par value of baht 1 per share
- (2) Uttaradit Thonburi Hospital Co.,Ltd.

Company Registration No	: 0105559025720
Registration Date	: 12 February 2016
The headquarters	: 61/160 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10320 Tel. 0-2643-0921 Fax. 0-2246-1795
Business type	: Medical Services Business
The number and type of shares	: Baht 12,000,000 ordinary registered shares
Registered capital	: Baht 120,000,000 par value of 10 baht per share.
Paid-up capital	: Baht 90,000,000, 12,000,000 shares , par value of baht 7.50 per share.
- (3) Thonburi Hospital Heart Centers Co.,Ltd.

Company Registration No	: 0105557100490
Registration Date	: 16 July 2014
The headquarters	: 65/211 Chamnan Phenjati Business Centre Building Floor 25 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. 0-2246-6127 Fax. 0-2246-1795

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|-------------------------------|--|
| Business type | : Hospital Management Services and Management Services for Heart Centers |
| The number and type of shares | : 10,000 ordinary registered shares |
| Registered capital | : Baht 100,000,000 par value of baht 10,000 per share. |
| Paid-up capital | : Baht 100,000,000, 10,000 shares, par value of baht 10,000 per share. |
- (4) Premiere Home Health Care Co., Ltd.
- | | |
|-------------------------------|--|
| Company Registration No | : 0105557165486 |
| Registration Date | : 7 November 2014 |
| The headquarters | : 61/228 Thaweemit 9 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310
Tel. 0-2246-6124-5 Fax. 0-2246-6131 |
| Website | : www.premierehomehealthcare.co.th |
| Business type | : Health services, physical therapy, rehabilitation centers and cleaning services, disinfect and eliminate dust |
| The number and type of shares | : 130,000,000 ordinary registered shares |
| Registered capital | : Baht 300,000,000 par value of baht 10 per share (August 2016 registered capital of the company baht 1,000,000,000, par value of baht 10 per share, so in August 2016 with a registered capital of the company baht 1.3 billion) |
| Issued and paid-up capital | : In August 2016 the amount of baht 1,150,000,000, 30,000,000 shares , par value of baht 10 per share, 100,000,000 shares, par value of 8.50 baht 1 per share. |
- (5) Dental Siam Co., Ltd.
- | | |
|-------------------------------|---|
| Company Registration No | : 0105556199387 |
| Registration Date | : 27 December 2013 |
| The headquarters | : 5 Rittrattana Building Floor 5 Ramkhamhaeng Rd, Khwaeng Hua Mak, , Khet Bang Kapi, Bangkok 10240
Tel. 0-2318-4248 Fax. 0-2318-4393 |
| Website | : www.dental-siam.com |
| Business type | : Business selling pharmaceuticals, chemicals, machinery, appliances dental and pharmacy business |
| The number and type of shares | : 3,193,265 ordinary registered shares |
| Registered capital | : Baht 31,932,650 par value of baht 10 per share |
| Paid-up capital | : Baht 31,932,650 ,31,932,650 share ,par value baht 10 per share |
- (6) Rajthanee Realty Co., Ltd.
- | | |
|-------------------------------|---|
| Company Registration No | : 0105544092116 (former No. Kor Tor 03-0159-44) |
| Registration Date | : 20 September 2001 |
| The headquarters | : 61/160 Thaweemit 5 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310
Tel. 0-2643-0921 Fax. 0-2246-1795 |
| Business type | : The business of land allocation elderly home. |
| The number and type of shares | : 7,000,000 ordinary registered shares |
| Registered capital | : Baht 700,000,000 par value of baht 100 per share. |
| Issued and paid-up capital | : Baht 700,000,000, 700,000,000 shares, par value of baht 100 per share. |
- (7) Thonburi Realty Development Co., Ltd.
- | | |
|-------------------------|---------------------------------------|
| Company Registration No | : 0105533007996 (former No. 798.2533) |
| Registration Date | : 19 January 1990 |

The headquarters : 30281-83 Asoke-Din Deang Road Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. 0-2643-0921

Business type : Land business and real estate development

The number and type of shares : 80,000,000 ordinary registered shares

Registered capital : Baht 800,000,000 par value of baht 10 per share

Issued and paid-up capital : Baht 800,000,000, 800,000,000 shares par value of baht 10 per share

(8) Modular Software Expertise Co., Ltd.

Company Registration No : 0105536114840 (former No. 1) 2228.2536)

Registration Date : 7 October 1993

The headquarters : 333/2 Pracha Chuen Road, Khwaeng Bang Sue, Khet Bang Sue Bangkok 10800 Tel. 0-2882-5176 Fax. 0-2882-5175

Website : www.mse-th.com

Business type : Providing computer consultancy and programming.

The number and type of shares : 180,000 ordinary registered shares

Registered capital : Baht 18,000,000 par value of baht 10 per share

Issued and paid-up capital : Baht 18,000,000, 180,000 shares, par value of baht 100 per share

(9) Bamrungmuang Plaza Co., Ltd

Company Registration No : 0105545057829

Registration Date : 5 June 2002

The headquarters : 611 Bobae Bamrungmuang Project, Bamrungmuang Rd, Khwaeng Khlongmahanak, Khet Pomprabsatruphai, Bangkok 10100 Tel. 02-223-2299 Fax. 02-223-8822

Business type : Commercial Operation

The number and type of shares : 48,927,068 ordinary registered shares

Registered capital : Baht 1,223,176,700 par value of baht 25 per share

Issued and paid-up capital : Baht 1,223,176,700, 48,927,068 shares, par value of baht 25 per share

Indirect Subsidiary

(1) Rajyindee Hospital PCL (subsidiary of Rajyindee Hospital Co Ltd)

Company Registration No : 0905558000581

Registration Date : 10 February 2015

The headquarters : 69 Soi 9 (Rajyindee) Tambol Hat Yai , Amphur Hat Yai , Songkhla 90110 Tel. 0-7423-0708 Fax. 0-7420-0292

Business type : Medical Services Business

The number and type of shares : 50,000 ordinary registered shares

Registered capital : Baht 5,000,000 par value of baht 100 per share

Issued and paid-up capital : Baht 5,000,000, 50,000 shares, par value of baht 100 per share

Associated Company

(1) Ubonrak Co., Ltd.

Company Registration No : 0345534000225 (former No. Bor. Aor. Jor. Aor. Bor. 111)

Registration Date : 16 December 1991

The headquarters : 46/4 Soi Bhurapanai Rd., Tambol Naimuang , Amphur Muangubonratchathani , Ubonratchathani 34000 Tel. 0-4526-0300 Fax. 0-4524-3654

Website : www.ubonrak.co.th

Business type	: Medical Services Business
The number and type of shares	: 11,250,000 ordinary registered shares
Registered capital	: Baht 112,500,000 par value of baht 10 per share
Issued and paid-up capital	: Baht 112,500,000, 11,250,000 shares, par value of baht 10 per share

(2) Sirivej Chanthaburi PCL

Company Registration No	: 0107547000117 (former No.0107574700110)
Registration Date	: 23 February 2004
The headquarters	: 151 M.7 Trirat Road, Tambol Chanthanimit, Amphur Muangchanchaburi, Chanthaburi, 22000 Tel.0-3934 4339 Fax. 0-3932-2995-6
Website	: www.sirivejhospital.com
Business type	: Medical Services Business
The number and type of shares	: 370,909,375 ordinary registered shares Ordinary shares as at 31 December 2016 of 541,818,750 shares. Decrease in share capital on 7 August 2017 of 270,909,375 shares. Increase in share on 9 August 2017 of 100,000,000 shares.
Registered capital	: Baht 370,909,375, par value of baht 1 per share
Issued and paid-up capital	: Baht 270,909,375, 270,909,375 shares, par value of baht 1 per share

Joint ventures

(1) Weihai Welly Hospital Co.,Ltd.

Registration Date	: 14 January 2016
The headquarters	: No. 312 Sichang Avenue, Weihai, Shandong Province, China
Business type	: Medical Services Business, the name of Welly Hospital
Shareholding	: The company holds 58 %
Registered capital	: RMB 250,000,000
Issued and paid-up capital	: RMB 250,000,000

(2) ARYU International Health Care Co.,Ltd.

Registration Date	: 4 April 2017
The headquarters	: Plot No. 34D, Block No. 51F3,51D5,51D6 Kayaikkasan Road (Between Marlarwe Street) Tamwe Township, Yangon
Business type	: Medical Services Business, the name of Ar Yu International Hospital (During the construction of the hospital)
Shareholding	: The Company holds 10 % (Between increased investment is 40 %)
Registered capital	: USD 100,000,000
Issued and paid-up capital	: USD 1,624,700 As at 31 December 2017 was conducted, 50 % of paid up share capital which has registered 1.62 % and 48.38 %, the rest being paid for the shares. Expected to perform paid and the registration to be completed in March 2018.

Other Important Information that affect the decisions of investors.

- None -

References

Share Registrar

Securities Depository Company (Thailand) Limited.
The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. 0-2009-9000 Fax. 0-2009-9992

Auditor

Mr. Sudwin Panyawongkhanti , (Certified Public Accountant
(Thailand) number 3534)
PricewaterhouseCoopers ABAS Ltd.
179/74-80 South Sathorn Road, Khwaeng Tungmahamek,
Khet Sathorn Bangkok, 10120
Tel 0-2344-1000 Fax. 0-2286-4440

Legal Advisor

Baker & McKenzie Co., Ltd.
Abdulrahim Place Building, Rama 4 Road, Khwaeng Silom,
Khet Bangrak Bangkok 10500
Tel 0-2636-2000 Fax 0-2636-2111

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