



THONBURI
HEALTHCARE
GROUP

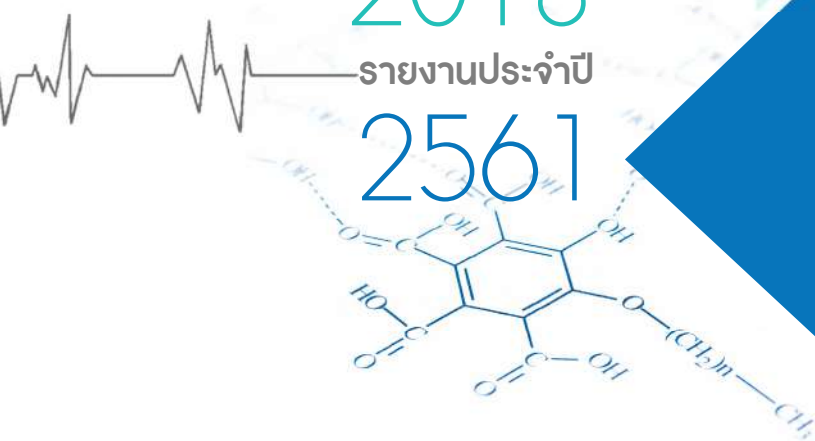
THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED



ANNUAL REPORT 2018

รายงานประจำปี

2561





THON CORE VALUES

TREASURE LIVES

We treasure everyone's quality of life and we strive to offer the best care without discrimination of any persons or groups

HONEST

We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients' dignity

OPTIMISTIC

We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance

NURTURING

Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers



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Please see more information from the Annual Registration Statement
(Form 56-1) of the Company as shown in www.sec.or.th. or the company's website



Message from the Chairman



Dr. Boon Vanasin

Chairman of the Board of Directors/
Founder of THG

Family plays an important role in individual's good health. Emphasizing the importance of healthcare to family members in every stage of life will encourage good physical development, reduce risk of health issues, and increase longevity.

In the year 2018, the management and employees of THG had devoted themselves to manage mega-project investments that serve the needs of all family members, namely Jin Wellbeing County Project and Thonburi Health Village Project. The projects offer integration of medical innovations for seniors, including medical services, rehabilitation, healthcare, and senior home care. They are designed to provide comfort, and equipped with facilities, for seniors. In addition, family members can enjoy living with seniors. Jin Wellbeing County Project is the Company's first project and it has been opened for residence and services since December 2018.

In addition, the Company invested in Thonburi Bamrungmuang Hospital, a specialized health care center providing 6-star personalized care, with medical tourism customers and families with varied requirements as target groups. The hospital consists of various innovation centers such as Digital Dental Center, Thonburi Diabetic Wound Care, IVF Center, and Child Development Center. It was granted license to operate hospital in December 2018 and had its opening in January 2019.

In respect of investment in medical services overseas, Ar Yu International Hospital, located in Yangon, Myanmar, opened its OPD service in September 2018 and was granted license for overnight care in February 2019. It is considered the first Thai hospital to open full services in Myanmar and the hospital has been well received by customers.

The operating performance of the year 2018, revenues of THG has increased from medical services, healthcare solutions provider and other businesses. It is due to investment in the big project as mentioned above which will gradually recognize revenue in the year 2019, resulting in a decrease in net profit of the year 2018 as follows:

	Year 2017	Year 2018	Growth %
Total revenues	Baht 6,612 million	Baht 7,094 million	7.3
Net profits	Baht 554 million	Baht 348 million	-37.2

I thank you all shareholders for having confidence in vision and mission of THG to protect your and your family members' happiness in every stage of life.

Message from the Chief Executive Officer

THG, as one of the leading integrated medical and healthcare service providers, has been pursuing the Board of Directors' vision to be hospitals which provide high standard medical services to Thai people at affordable prices and to those foreigners who have trust and confidence in Thailand's medical services.

Throughout the year 2018, THG has made various developments, including development of its service quality and manpower by recruiting professional doctors, nurses and executives with modern perceptions to become part of the Company's teams of finance, marketing, innovative development, particularly information technology development, and human resource management. THG as a well-established medical service provider, together with its selected professionals, has uplifted service quality and improved quality of professionals and information technology up to international standard level for its hospitals in Thailand and neighboring countries, such as Welly Hospital in Weihai, Shandong Province, the Republic of China and Ar Yu International Hospital in Yangon, Myanmar. Not only is THG a shareholder of Welly Hospital and Ar Yu International Hospital, THG also operates the hospitals. By doing business in important current trading partners of Thailand such as the Republic of China and Myanmar, THG also has an important role in representing Thailand as the country's brand ambassador. It is believed that such countries will gain increasing importance as top countries for foreign investment in the near future

THG developed existing and recruited new personnel to provide services for seniors. Jin Wellbeing County Project has been developed as a prototype for senior care services, involving special designs suitable for providing care, comfort, safety, and standard medical services to seniors. More importantly, seniors require adjustments on their financial needs in order to reach balance, stability, and sustainability in financial management during their retirement. THG's has successfully completed its major investments during the past two years and the year 2019 will be a significant year for THG to reap the rewards.

Not only has professional operations and business planning, but THG also adheres to the principles of good governance in management in order to lead the organization to have sustainable and transparent growth, such as promoting and supporting whistleblowing policy about illegal acts, business ethics, corruption or deficiency of the internal control system of THG and its subsidiaries, providing an opportunity for shareholders to propose agenda and nominate persons to be directors of THG in advance for the Annual General Meeting of Shareholders.

THG's management has confidence in leading THG to become Thailand's leading medical and healthcare service provider, providing solutions to health issues and accessible services to Thai people. On behalf of the management, I thank you all shareholders and investors for always placing trust and confidence in THG.



Dr. Tanatip Suppradit
CEO

Board of Directors

Thonburi Healthcare Group PCL.



Dr. Boon Vanasin
Chairman



Dr. Tanatip Suppradit

Vice Chairman



Mrs. Kannika Ngamsophee

Independent Director, Chairman of
Audit Committee and Member of
Risk Management Committee



Mr. Virachai Srikajon

Independent Director,
Chairman of Nomination and
Remuneration Committee and
Member of Audit Committee



Assoc. Prof. Dr. Visit Vamvanij

Independent Director and
Chairman of Risk Management Committee



Mr. Chalermkul Apibunyopas

Director, Chairman of Corporate Governance
and Business Ethics Committee and
Member of Risk Management



Dr. Vikrom Koopairochana

Independent Director



Dr. Linda Kraivit

Independent Director, Member of
Nomination and Remuneration
Committee, Member of Risk
Management Committee and
Member of Audit Committee



**Dr. Eugene Dyonisius
Maria Bernadette Kroon**

Independent Director and
Member of Corporate Governance and
Business Ethics Committee



Mr. Timothy Emen Lertsmithivanta

Independent Director,
Member of Nomination and
Remuneration Committee and
Member of Corporate Governance and
Business Ethics Committee



Assoc. Prof. Dr. Aasis Unnanuntana

Director



Mr. Sita Meksawan

Director



Dr. Kajorn Thanapase

Director



Ms. Nalin Vanasin

Director

Executives and Corporate Secretary



Dr. Tanatip Suppradit

Chairman of Executive Committee,
Acting Chief Executive Officer and
Chief Hospital Business -
International



Mr. Chalermkul Apibunyopas

Member of Executive Committee,
Chief Hospital
Business - Domestic 2 and
Acting Chief Hospital
Business - Domestic 1



Ms. Nalin Vanasin

Member of Executive
Committee, Chief Commercial
Officer and Chief Business Service
Support Officer



Assoc. Prof. Dr. Aasis Unnanunta

Member of Executive Committee



Dr. Sudhichai Chokekijchai

Member of Executive Committee



Dr. Jessada Thummavanich

Chief Private Public
Partnership Business



Ms. Thipawon Ruchiroatpipatana

Member of Executive Committee



Ms. Anchalee Chalvalitjareetham

Director of Accounting
(Accounting-Supervising person)
and Acting Director of Finance
(CFO)



Ms. Suwadee Puntpanich

Corporate Secretary

Profile

Dr. Boon Vanasin

Age 80

Date appointment of Director:

May 1977

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

Chairman

Experience in the past 5 years

- 2016 - present Director Weihai Thonburi Healthcare Investment Co., Ltd. ^(N)
- 2015 - present Chairman Thonburi Healthcare Group PCL. ^(L)
- 2014 - present Director Thonburi Hospital Heart Center Co., Ltd. ^(N)
- 2013 - present Director Dental Siam Co., Ltd. ^(N)
- 2011 - present Advisor Faculty of Medicine, Siam University
- 1992 - present Advisor Mahidol University Alumni Association
- 1991 - present President Mahidol Withthayanusorn School Parents Association
- 1977 - 2015 Founder and director Thonburi Healthcare Group PCL.

Dr. Tanatip Suppradit

Age 52

Date appointment of Director:

15 June 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

Vice Chairman, Chairman of Executive Committee, Acting Chief Executive Officer and Chief Hospital Business - International

Experience in the past 5 years

- May 2018 - Present Acting Chief Executive Officer
Thonburi Healthcare Group PCL.
- April 2018 - present Director Ubonrak Co., Ltd. ^(N)
- Mar 2018 - present Chief Hospital Business International
Thonburi Healthcare Group PCL.
- 2018 - present Director Thanarad Thung Song Co., Ltd. ^(N)
- 2018 - present Director ARYU International Health Care Co., Ltd. ^(N)
- 2018 - present Director Rajthanee Realty Co., Ltd. ^(N)
- 2017 - present Director Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
- 2017 - present Director Sirivej Chantaburi PCL. ^(N)
- 2017 - present Director Rajyindee Hospital PCL. ^(N)
- 2016 - present Thonburi Realty Development Co., Ltd. ^(N)
- 2016 - present Director Thonburi Hospital Heart Center Co., Ltd. ^(N)
- 2016 - present Director Weihai Thonburi Healthcare Investment Co., Ltd. ^(N)
- 2016 - present Director Utaradit Thonburi Hospital Co., Ltd. ^(N)
- 2015 - present Vice Chairman, Chairman of Executive Committee,
Thonburi Healthcare Group PCL. ^(L)
- 2014 - present Director Premiere Home Health Care Co., Ltd. ^(N)
- Jun 2018 - Jan 2019 Acting Chief Business Service/Support Officer
Thonburi Healthcare Group PCL.
- 2015 - Mar 2018 Chief Operation Officer (COO) Group 4
Thonburi Healthcare Group PCL.

(L) : Listed company

(N) Non - listed company

Mrs.Kannika Ngamsophee

Age 62

Date appointment of Director:

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, Class of 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
8. Risk Management Program for Corporate Leaders (RCL), Class of 13/2018, IOD

Independent Director Chairman of Audit Committee and Member of Risk Management Committee

Experience in the past 5 years

Aug 2018 - present	Finance and Budget Subcommittee Fund for Educational Equality
Feb 2018- present	Chairman of Audit Committee and Member of Risk Management Committee Thonburi Healthcare Group PCL.
2018 - present	Director ARYU International Health Care Co., Ltd. ^(N)
Nov 2017- present	Advisory of Monetary Policy Bank of Thailand
Sep 2017- present	Public Sector Audit Evaluation Committee (PAEC) Ministry of Administration (Government Sector)
Jun 2017- present	Director Premiere Home Health Care Co., Ltd. ^(N)
May 2017- present	Asset Management Committee Vajiravudh College
2017 - present	Director Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
Dec 2016 - present	Independent Director and Chairman of Audit Committee Scan Inter PCL. ^(N)
May 2016 - present	Independent Director Thonburi Healthcare Group PCL. ^(L)
Mar 2016 - present	Member of Audit Committee Social Security's Office
Sep 2015 - present	Director, Member of Audit Committee and Chairman of Risk Management Committee Global Green Chemical PCL. ^(L)
Apr - Oct 2017	Independent Director, Member of Audit Committee and Member of Corporate Governance & Corporate Social Responsibility Committee Thai Credit Guarantee Corporation (TCG)
2016 - Feb 2018	Member of Audit Committee Thonburi Healthcare Group PCL.
Aug 2016- Aug 2017	Advisor - Head of Internal Control Improvement Siam Commercial Bank PCL.
Jun 2015 - Jul 2016	First Executive Vice President - Head of Audit Group Siam Commercial Bank PCL.
Apr 2013 - Oct 2017	Director and Member of Audit Committee Sukhumvit Asset Management Co., Ltd. (SAM)
Feb 2013 - Apr 2015	Director and Chairman of Risk Management Committee National Credit Bureau Co., Ltd. (NCB)
2011 - Jun 2014	Director and Treasurer Federation of Accounting Professions
2011 - Jun 2015	Executive Vice President – Audit and Compliance Office Siam Commercial Bank PCL.
2009 - 2015	Director Vina Siam Bank, Vietnam

Assoc. Prof. Dr. Visit Vamvanij

Age 55

Independent Director and Chairman of Risk Management

Date appointment of Director:

29 April 2016

Education

- Master degree of Business Administration, Sasin Graduate Institute of Business, 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

- Apr 2017 - present Director Premiere Home Health Care Co., Ltd. ^(N)
- 2017 - present Director Thonburi Bumrungrumuang Hospital Co., Ltd. ^(N)
- 2016 - present Independent Director and Chairman of Risk Management Committee Thonburi Healthcare Group PCL. ^(L)
- 2013 - present Hospital Director Siriraj Hospital
- 2013 - present Executive Director Siriraj Piyamaharajkarun Hospital
- 2011 - 2013 Deputy Dean – Physical Resource and Environment Mahidol University Faculty of Medicine, Siriraj Hospital

Mr. Virachai Srikajon

Age 66

Date appointment of Director:

22 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 9/2004, IOD
2. Director Certification Program (DCP)
Course 102/2008, IOD
3. Senior Executive Program, Class 4 Capital
Market Academy
4. Board Nomination and Compensation Program
(BNCP), Class of 4/2018, IOD
5. Advanced Audit Committee Program (AACP)
Class 30/2018, IOD

Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee

Experience in the past 5 years

- 2015 - present Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee
Thonburi Healthcare Group PCL.^(L)
- 1991 - present Independent Director and Member of Audit Committee
Patkol PCL.^(N)
- 2012 - 2017 Director
Thailand Professional Qualification Institute (Public Organization)
- 2011 - 2017 Independent Director and Member of Audit Committee
Thai Storage PCL.

Dr. Vikrom Koombirochana

Age 73

Independent Director

Date appointment of Director:

29 April 2016

Education

- Honorary Doctorate in Humanities, Schiller International University (London)
- 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. ^(L) |
| 2014 - present | Independent Director, Member of Audit Committee and Chairman of Risk Management Committee
MFC Asset Management PCL. ^(L) |
| 2010 - present | Chairman
Country Group Development PCL. ^(L) |
| 2010 - present | Chairman
Sport and Recreation Management Co., Ltd. ^(N) |
| 2010 - present | Honorary Advisor
British Chamber of Commerce Thailand (BCCT) |
| 2007 - present | Independent Director, Chairman of Audit Committee, Chairman of Nomination, Member of Remuneration Committee and Member of Corporate Governance Committee
Oishi Group PCL. ^(L) |
| 2013 - 2016 | Director of the Board and Chairman of Corporate Governance Committee
The Bangchak Petroleum PCL. |
| 2012 - 2016 | Commissioner, Member of Audit Committee and Member of the Nomination and Remuneration Committee
Securities and Exchange Commission (SEC) |

Mr. Chalermkul Apibunyopas

Age 63

Date appointment of Director:

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
3. Corporate Governance for Executives (CGE) Course, Class of 11/2018

Director, Chairman of Corporate Governance and Business Ethics Committee, Member of Risk Management Committee, Member of Executive Committee, Chief Hospital Business Domestic 2 and Acting Chief Hospital Business Domestic 1

Experience in the past 5 years

Jan 2019 - present	Acting Chief Hospital Business Domestic 1 Thonburi Healthcare Group PCL.
Jan 2019 - present	Director Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
Mar 2018 - present	Chairman of Corporate Governance and Business Ethics Committee and Chief Hospital Business Domestic 2 Thonburi Healthcare Group PCL.
2018 - present	Director Thanarad Thung Song Co., Ltd. ^(N)
Jul 2017 - present	Director Ubonrak Co., Ltd ^(N)
2017 - present	Director Rajyindee Hospital PCL. ^(N)
Dec 2016 - present	Director Phatara Hospital Co., Ltd. ^(N)
2015 - present	Member of Executive Committee and Member of Risk Management Committee Thonburi Healthcare Group PCL.
2002 - present	Director Thanakan Hospital Co., Ltd. ^(N)
1993 - present	Director Thonburi Healthcare Group PCL. ^(L)
1993 - present	Hospital Director Thonburi 2 Hospital
1993 - present	Director Modula Software Expertise Co., Ltd. ^(N)
2015 - Mar 2018	Chief Operation Officer (COO) Group 1 Thonburi Healthcare Group PCL.
2001 - 2017	Director Administration Thonburi Hospital

Assoc. Prof. Dr. Aasis Unnanuntana

Age 43

Date appointment of Director:

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

Director and Member of Executive Committee

Experience in the past 5 years

- 2017 - 2019 Director Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
- 2015 - present Director and Member of Executive Committee Thonburi Healthcare Group PCL. ^(L)
- 2012 - present Alternate member of Siriraj Institutional Review Board committee Siriraj Hospital
- 2011 - 2015 Assistant Director of Siriraj and Orthopaedic training program, Department of Orthopaedic Surgery Faculty of Medicine, Mahidol University

Ms. Nalin Vanasin

Age 45

Date appointment of Director:

June 2012

Education

- Master of Engineering-Economic Systems and Operations Research, Stanford University
- Master of Business Administration, INSEAD
- Bachelor of Science in Mathematical Economics, Columbia University

Training

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

Director, Member of Executive Committee, Chief Commercial Officer and Chief Business Service/Support Officer

Experience in the past 5 years

- Jan 2019 - present Chief Business Service/Support Officer Thonburi Healthcare Group PCL.
- Mar 2018 - present Chief Commercial Officer Thonburi Healthcare Group PCL
- 2018 - present Executive Committee Thonburi Healthcare Group PCL.
- Jul 2017 - present Director Premiere Home Health Care Co., Ltd. ^(N)
- 2013 - present Director Wine Garage Co., Ltd. ^(N)
- 2012 - present Director Thonburi Healthcare Group PCL. ^(L)
- 2012 - 2018 Director Food Coop Co., Ltd.
- 2005 - 2008 President and Business Development Director TRIA Integrative Wellness
- 2000 - 2003 Brand Manager Unilever (Thailand) Co., Ltd.

Dr. Kajorn Thanapase

Age 44

Date appointment of Director:

15 June 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

Director

Experience in the past 5 years

- Jul 2017 - present Director Utaradit Thonburi Hospital Co., Ltd. ^(N)
- Present Director Rot Et-Thonburi Hospital Co., Ltd. ^(N)
- Present Director Kalasin Thonburi Hospital Co., Ltd. ^(N)
- 2016 - present Department of Director Bank of Thailand
- 2015 - present Director Thonburi Healthcare Group PCL. ^(L)
- 2010 - present Division Executive Bank of Thailand

Mr. Sita Meksawan

Age 43

Date appointment of Director:

15 June 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

Director

Experience in the past 5 years

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

Dr. Linda Kraivit

Age 46

Independent Director, Member of Risk Management Committee, Member of Nomination and Remuneration Committee and Member of Audit Committee

Date appointment of Director:

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
5. Board Nomination and Compensation Program (BNCP), Class of 5/2018

Experience in the past 5 years

- Feb 2018 - present Member of Audit Committee
Thonburi Healthcare Group PCL.
- Apr 2017 - present Director Premiere Home Health Care Co., Ltd. ^(N)
- 2015 - present Independent Director, Member of Risk Management Committee and Member of Nomination and Remuneration Committee
Thonburi Healthcare Group PCL. ^(L)
- 2007 - present Director CPI Enterprise Co., Ltd. ^(N)
- 2017 Assistant Director Chulalongkorn Hospital
- 2014 - 2016 Executive Director Chulabhorn Hospital
- 2012 - 2014 Advisor Thonburi Healthcare Group PCL.

Mr. Timothy Emen Lertsmitthivanta

Age 51

Independent Director, Member of Nomination and Remuneration Committee and Member of Corporate Governance and Business Ethics Committee

Date appointment of Director:

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

- Mar 2018 - present Member of Corporate Governance and Business Ethics Committee
Thonburi Healthcare Group PCL.
- 2016 - present Independent Director and Member of Nomination and Remuneration Committee
Thonburi Healthcare Group PCL. ^(L)
- 2008 - present Executive Director and Chief Executive Officer
Oil R Us Co., Ltd. ^(N)

Dr. Eugene Dyonisius Maria Bernadette Kroon

Age 53

Date appointment of Director:

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

Independent Director and Member of Corporate Governance and Business Ethics Committee

Experience in the past 5 years

- Mar 2018 - present Member of Corporate Governance and Business Ethics Committee
Thonburi Healthcare Group PCL.
- 2016 - present Independent Director Thonburi Healthcare Group PCL. ^(L)
- 2012 - present Clinical Research Physician
Thai Red Cross AIDS Research Centre
- 2012 - 2015 Clinical Research Physician, Department of Retrovirology
Armed Forces Research Institute of Medical Sciences

Dr. Sudhichai Chokekijchai

Age 58

Date of Appointment:

25 January 2018

Education

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

Training

- None -

Member of Executive Committee

Experience in the past 5 years

- Feb 2018 - present Member of Executive Committee
Thonburi Healthcare Group PCL.
- Feb 2017 - present Hospital Director Thonburi Hospital
- Mar 2018 - Jan 2019 Chief Hospital Business Domestic 1
Thonburi Healthcare Group PCL.
- Feb 2018 - Jan 2019 Director Thonburi Bumrungruang Hospital Co., Ltd.
- Jul 2016 - Jan 2017 Deputy Hospital Director Ladproa Hospital
- Apr 2015 - Jun 2015 Senior Director of Medical Service Development
Bumrungrad International Hospital
- Jan 2014 - Mar 2015 Associate Medical Director
Bumrungrad International Hospital
- Sep 2008 - Dec 2013 Chief Scientific Officer Novartis (Thailand) Co., Ltd.

Dr. Jessada Thummavanich

Age 63

Date of Appointment:

22 March 2018

Education

- Doctor of Philosophy (Education Administration), Magadh University, India
- Master of Education (Educational Administration and Management), Srinakharinwirot University
- Certificate of Mini MPA, Mahidol University
- Bachelor of Education Program (Educational Administration and Management), Suan Sunandha Rajabhat University
- Bachelor of Education (Health Education), Srinakharinwirot University

Training

- None -

Chief Private Public Partnership (PPP) Business

Experience in the past 5 years

- Jul 2018 - present Chairman of Executive Committee and Acting Chief Executive Officer Thonburi Bumrungruang Hospital Co., Ltd.
- March 2018 - Present Chief PPP Business Thonburi Healthcare Group PCL.
- 2014 - present President of the Faculty Senate Mahidol University
- 2012 - present 2nd Term Qualified Committee Department of Intellectual Property Ministry of Commerce
- 2012 - present Board of Dispute Resolution Labor Court, Samutprakarn
- 2009 - present Music Business Instructor and Manager of Incomes and Benefits Mahidol University, College of Music
- 2003 - present Intellectual Property Instructor for Graduate Study Mahidol University
- 2015 - 2017 Deputy Director of Intellectual Property and Business Incubator Thammasat University
- 2013 - 2015 Assistant Dean of Management and Human Resources College of Music, Mahidol University

Ms. Thipawon Ruchiroatpipatana

Age 63

Date of Appointment:

25 January 2018

Education

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

Training

1. How to Develop a Risk Management Plan (HRP), Course 11/2016, IOD
2. Mini MBA 2013, Chulalongkorn University
3. CFO FOCUS ON FINANCIAL REPORTING Class 5 Federation of Accounting Professions

Member of Executive Committee

Experience in the past 5 years

- Feb 2018 - present Member of Executive Committee Thonburi Healthcare Group PCL.
- 2018 - present Director Thanarad Thung Song Co., Ltd. ^(N)
- 2017 - present Director Rajyindee Hospital PCL.
- 2013 - present Director Dental Siam Co., Ltd
- 1992 - present Chief Financial Officer Thonburi Hospital

Ms. Anchalee Chalvalitjareetham

Age 43

Date Appointment of Acting CFO:

October 2017

Education

- The Master of Business Administration, Chulalongkorn Business School (CBS)
- Bachelor of Accounting, Rajamangala University of Technology

Training

1. Director Accreditation Program (DAP) Course 126/2016, IOD)
2. Certified Public Accountant (Thailand) no. 6646
3. Financial Projection for Corporate Valuation, Course 2/2018, SET

Director of Accounting (Accounting-supervising person) and Acting Director of Finance (CFO)

Experience in the past 5 years

- Jan 2018 - present Director Utharadit Thonburi Hospital Co., Ltd
- Oct 2017 - present Acting Chief Financial Officer (CFO) Thonburi Healthcare Group PCL.
- 2016 - present Director Rajthanee Realty Co., Ltd.
- 2016 - present Director Thonburi Hospital Heart Center Co., Ltd.
- 2016 - present 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 38

Date of Appointment:

9 December 2015

Education

- Ph.D. (Candidate), College of Public Health Science, Chulalongkorn University
- Master of Communication Arts (Speech Communication), Chulalongkorn University
- Bachelor of Arts, mass communications, Chiangmai University

Training

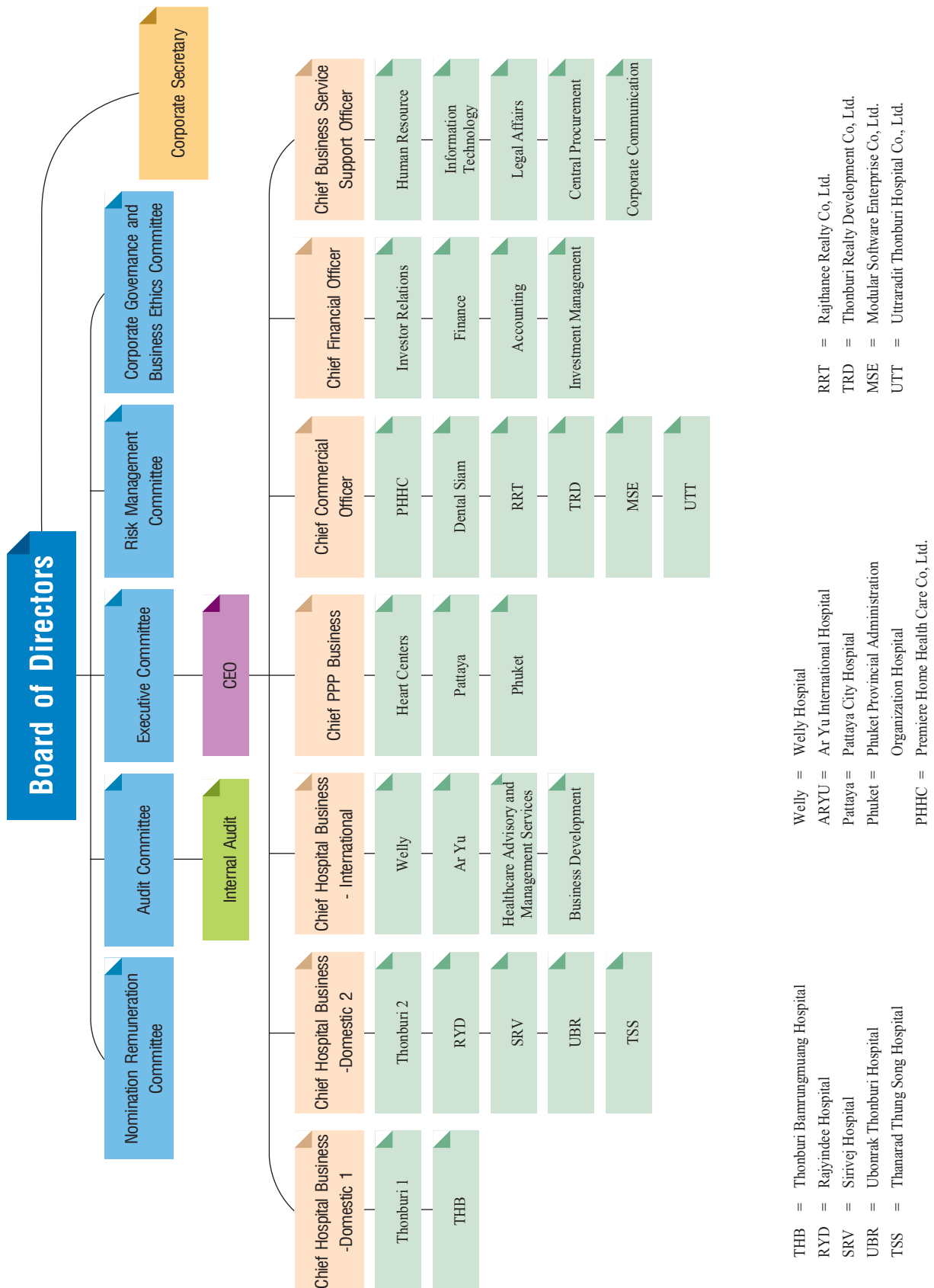
1. Director Accreditation Program (DAP EN) Course 125/2016, IOD
2. How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD
3. Company Secretary Program (CSP) Course 71/2016, IOD
4. Company Reporting Program (CRP) Course 17/2017, IOD
5. Risk Management Program for Corporate Leaders (RCL) Course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

Corporate Secretary

Experience in the past 5 years

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

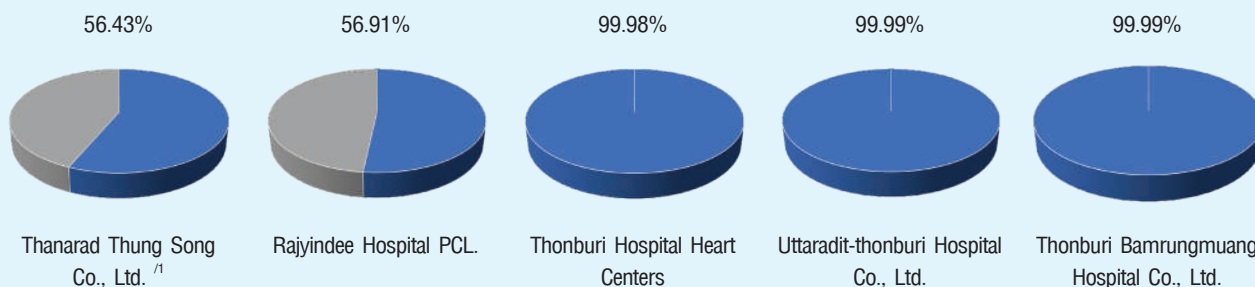
Organizational Structure



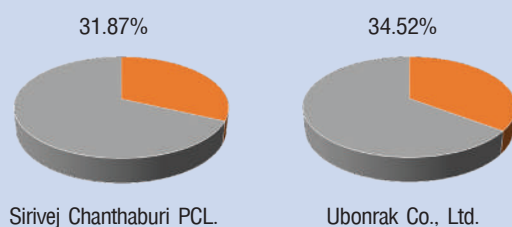
Shareholding structure of the Company

Healthcare business

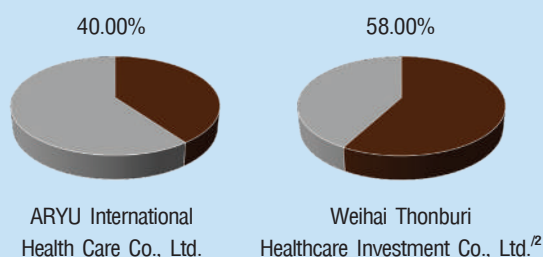
Subsidiary



Associate company



Joint Venture Company



Other Businesses involved



หมายเหตุ :
 /1 The company has indirect voting shareholding interest in Thanarad Thung Song Co., Ltd. via a subsidiary- Rajyindee Hospital Public Co., Ltd
 /2 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.
 /3 Other investments are investments in ordinary shares of the Company. Holds more than 10%

Other Investment

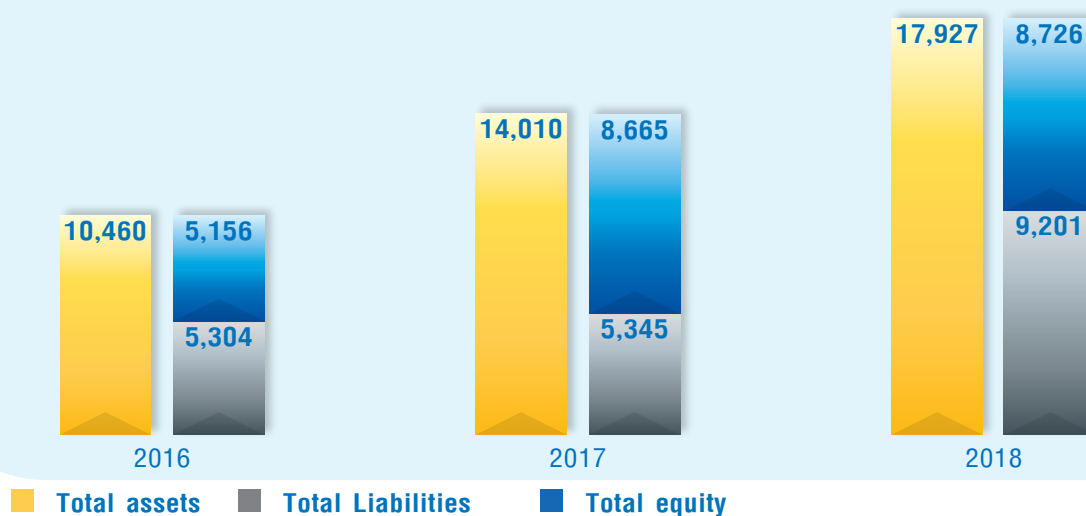
Company	Business Type	Paid-up Capital (Baht)	Holding	Related Person	Holding
Pattara Hospital Co., Ltd	Hospital	150,000,000.00	16.67%	None	-
Thanakan Hospital Co., Ltd	Hospital	75,000,000.00	11.33%	None	-
Roi Et-Thonburi Hospital Co., Ltd	Hospital	125,000,000.00	19.88%	Dr. Kajorn Thanapase	1.69%
Kalasin – Thonburi Hospital Co., Ltd	Hospital	300,000,000.00	10.00%	Dr. Kajorn Thanapase Dr. Eugene Dyonisius Maria Bernadette Kroon	0.67% 0.33%
Rajnara Hospital Co., Ltd	Hospital	28,000,000.00	14.00%	Mr. Kim Christian Wachtveitl Mrs. Charuvarn Vanasin Dr. Tanatip Suppradit Mr. Chalermkul Apibunyopas Ms. Thipawon Ruchiroatpipatana	31.5% 2.50% 0.5% 0.25% 0.25%
Siroros Hospital PCL (Yalanapolian Co., Ltd)	Hospital	20,294,517.00	11.12%	Mr. Kim Christian Wachtve	5.92%



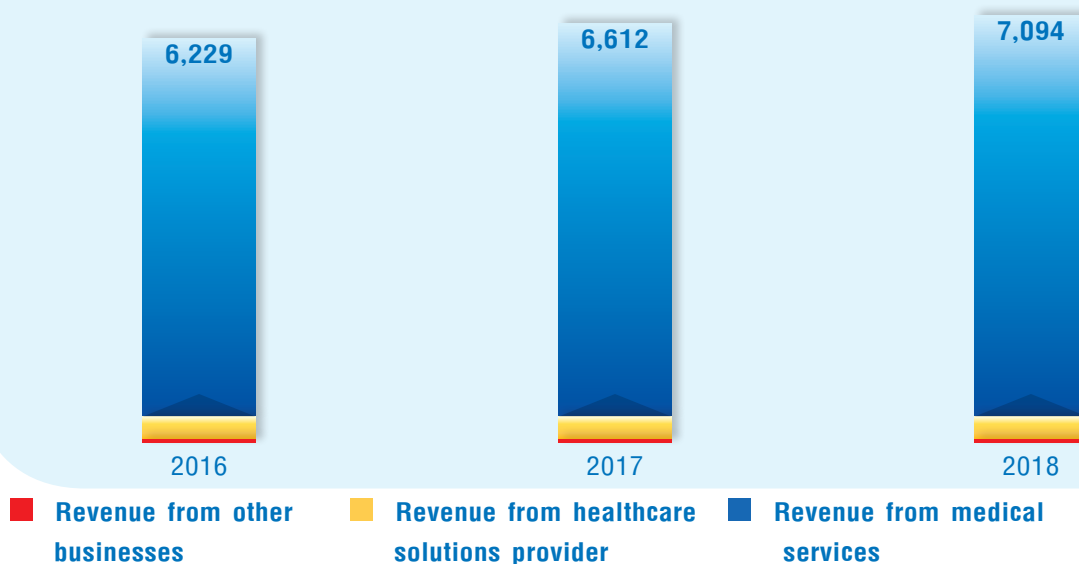
Financial Highlights

Statements of Financial Position

(Million Baht)



Revenue



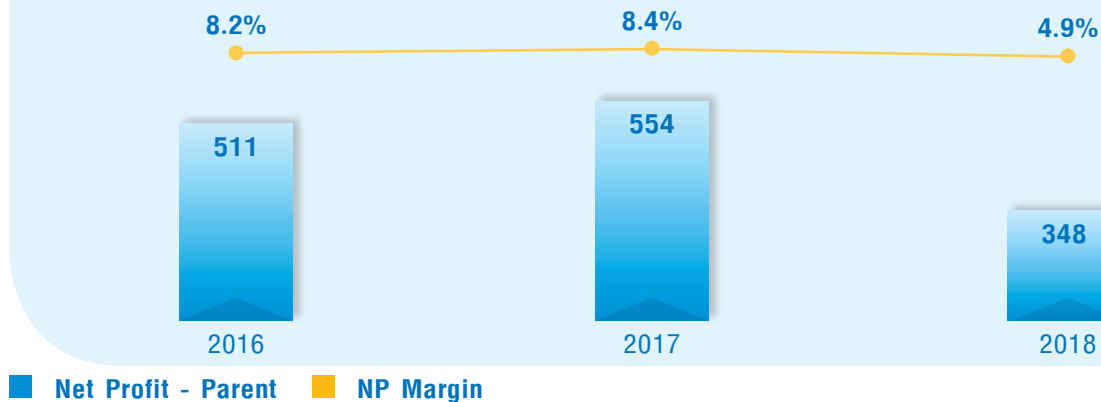
(Million Baht)

Gross profit



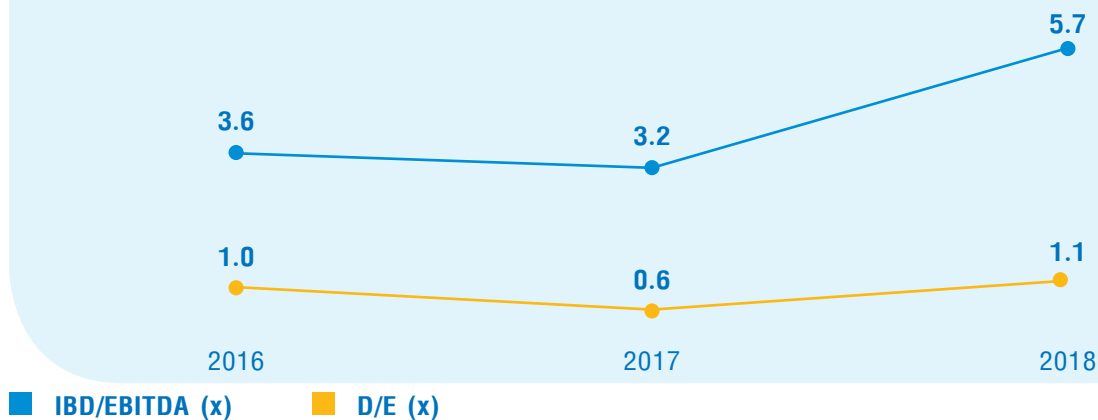
(Million Baht)

Net profit – parent



IBD/EBITDA covenant <6x

Gearing ratio



Corporate Social Responsibility

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: 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 focuses on activities that concern and have responsibility to all stakeholders of society as a part of the Company's business operation. In 2018, the Company and its subsidiaries have organized the activities for public interest by supporting business partners, entrepreneurs and customers to compensate the society together. The activities which were organized, focused on using of resources and knowledges to create the benefits to the society and stakeholders such as environmental care in nearby communities, providing healthcare knowledges and organizing activities for public to be aware of health protection which will cause all sectors to sustainably grow together. The examples of activities of the previous year are as follows:

Activities that create the knowledge on health and self-protection to community

“Learning on Office Syndrome” Project

At present, there are many working people who have problem with office syndrome which is one of the common diseases in working generation. In addition to creating discomfort for patients, there is also the opportunity to cause other serious diseases in the future. Thonburi 2 Hospital has organized the activity to share knowledge on office syndrome to the employees of Thai Toray Textile Mills Public Company Limited with the objective of allowing the employees to know how to behave properly in order to stay healthy in the office including training on first aid and cardiopulmonary resuscitation (CPR) for those who were trained in both theory and real practice so that the employees had the basic skills to save the unconscious person before delivering the hospital correctly.



“BE STRONG BE HEALTHY” Project

The sharing of knowledge on diseases will be beneficial to the public. In addition to reduce risk of diseases, it can reduce the rate of death. Thonburi 2 Hospital has organized its roadshow called “BE STRONG BE HEALTHY” divided into 3 times to share the knowledge to the exhibitors. For first time, the topic was “osteoarthritis with the choice of treatment” and Khun Aof Supanat, the AF2 artist has participated in the honor of lecturing the elderly who had osteoarthritis problem and he has shared the knowledge on self-protection from the younger age to keep the organs strong and able to use longer. The second time’s topic was “osteoporosis prevention” lectured by Dr. Chaiyan Prachasilpchai, the specialist in orthopaedic together with the guest speaker, Khun Bow Benjasiri Wattana who also shared the knowledge and understanding on the effect of osteoporosis, the caution and examination or treatment for the patients. The last time was “heart disease who risks” lectured by Dr. Permsak Sornwanee, the specialist in cardiology together with Khun Lift Supoj, the artist as the guest speaker. The heart disease is NCDs disease (non-communicable diseases) which caused by lifestyle of patients and many people in Thailand have heart disease.



“World Stroke Day 2018” Project – “Narrow Broken Choke” Subject

Rajyindee Hospital has focused on the life and diseases near us, particularly, coronary artery disease, stroke or paralysis which is the disease that can occur to everyone. The hospital therefore, has organized the “World Stoke Day” project to create the awareness and accurate understanding to the customers of Rajyindee Hospital and the other people who love in taking care of their own health and family members of all ages, seeing the danger and enhancing knowledge and understanding under the subject “Narrow Broken Choke” to provide advice, information and understanding to use in the emergency situation in order for the participants of this activity to do the first aid correctly and not cause damage to death to the people who have risk and to protect and treat the people who have risk including the patients who suffer from the stoke at Dusitta meeting room, Rajyindee Hospital, Songkhla Province.



“Knowledge Sharing on First Aid” Project

The doctors and nurses of emergency department and the manager of quality center of Ar Yu International Hospital, Myanmar have organized the knowledge sharing on accident and first aid to 50 employees of Myanmar Beverages Company Limited.



“Education Training on the Recent Treatment for Heart Disease Patients” Project

Phatara-Thonburi Heart Center has recognized the importance and danger of ischaemic heart disease which can cause to death and can be found at present. Therefore, it has cooperated with King Narai Hospital, Lopburi Province to organize the academic training on the treatment and practice of heart disease patient for medical officers, patients and public in order for the society to understand the precaution and preliminary treatment and be aware of danger of heart disease including to understand the treatment and practice.



“Knowledge Sharing on Health and Self-care for Elderly” Project

Premiere Home Healthcare Company Limited through Jin Wellbeing County has organized the knowledge sharing on health and self-care for elderly more than 20 times such as “Diet Food & Good Health” activity to share the knowledge on eating good food for elderly together with medical check-up, “Experiences Sharing and Recommendation on Free-time Activity for the Development of the Mental Health of Elderly” activity of which the speaker was Khun Krirati Chana, a reputable writer, “Hygienic Art therapy” activity to improve the mental and positive thinking and concept of living to have more happiness, “Mhae For Energy of Life” activity to learn on elemental house: earth, water, wind or fire which affects to character, health and appropriate food. The mhae or taking the pulse to know diseases, “Khao Chae: Food of Awakening” activity was the knowledge on Khao Chae and vegetable carving which was the brain training on sense of thought, sense of vision and sense of touch to prevent Alzheimer, “Doctor in the House” activity was the learning of 12 senses, anti-disease food menu and basis massage, “Breath Training to reduce Sadness” activity was the learning on breathing which will Improves both physical and mental health, “Meditation Therapy Activity was the learning on breathing which is considered as the elixir which is beneficial in many areas, “Medical... Disease Prediction” was the learning on the prediction of disease to plan healthcare of itself correctly, “Stretch & Strength” activity was stretching to help the various organ systems working together in order to achieve a healthy and sustainable health, Healthcare Session at “Eat Well Live Well by Bio-organic Consumption” seminar and “Elderly...Not Suffering from Osteoporosis?” seminar.





Learning Center “Medical Care Services and Living Design for Elderly”

Premiere Home Healthcare Company Limited through Jin Wellbeing County was a learning center of medical care services and living design for elderly. Jin Wellbeing County was the prototype project of first new city for retired people in Thailand. The students of Faculty of Architecture, Naresuan University, students of education program for senior, Thammasat University, students of Faculty of Architecture, Rajamangala University of Technology Thanyaburi, the beverages and healthy foods demonstration activity of Poo Ying Yok Kumlang Jaew exhibition presented by Fuzetea, students of Executive Integrated Medical Management Program (EMMP 2), Chulabhorn International College of Medicine, Thammasat University, students of Faculty of Architecture, Thammasat University, students of Thammasat Business School have conducted field trip at this project.

Participation in Public Healthcare Mission with Public and Private Sectors

1) “Bloods Donation No.2 for the year 2018” Project

The Company has recognized the importance of giving or helping other people in all areas particularly, the helping and protecting of health and human life. Thonburi 2 Hospital has jointly organized the bloods donation activity no. 2 for the year 2018 with National Blood Centre, Thai Red Cross Society of which the main objective was to provide the donated bloods to Thai Red Cross Society to help other human life in emergency and to help patients for medical treatment. Such activity had doctors, nurses, officers and public donate a lot of blood.



2) “Bloods Donation for National Blood Centre of Myanmar” Project

Ar Yu International Hospital, Yangon, Myanmar has organized the campaign to invite employees to donate their bloods to National Blood Centre of Myanmar for bloods reserve for general patients. There had more than 60 persons of doctors, nurses, officers join this activity.



3) Cooperation with Public Sector to expand Heart Centre to Hospitals in Remote Provinces

The Company has initiated the management of heart centre for 4 hospitals consisting of 2 private hospitals: Phatara Thonburi Hospital and Thonburi 2 Hospital and 2 public hospitals: Bangplee Hospital, Samut Prakan Province and Phatthalung Hospital to provide opportunity of emergency medical treatment by using medical benefit according to the government policy to reduce the death caused by coronary artery disease.



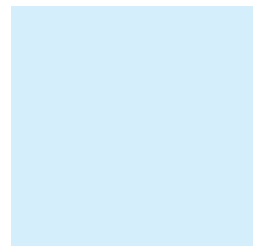
4) “Bike Love and Warmth at Love and Warmth at Winter’s End, the river of Rattanakosin Activity”

The bike love and warmth activity has been organized across the country. Thonburi 2 Hospital has participated it by supporting medical treatment such as first aid, medical advice and emergency ambulance to the participants of the bike love and warmth at love and warmth at winter’s end, the river of rattanakosin activity at Ratchaworadit pier.

For Thonburi Hospital Heart Centre Company Limited at Phatthalung Hospital had significant contribution to the treatment of Phatthalung residents who participated the bike love and warmth activity which suffered from coronary artery disease or heart attack. The Heart Centre of Phatthalung Hospital has saved life of patients by coronary stent implantation in time without expenses.

5) “Na-lay Community Clinic” Project

THG medical officers of Phuket Provincial Hospital have organized “Na-lay Community Clinic” activity to screening service, medical service and healthcare advice for the patients of Moo 4, Baan Laem Tukkae, Ratsada Sub-district, Mueang Phuket District, Phuket Province. Most of patients suffered from diabetes, high blood pressure and dyslipidemia. This activity has continuously conducting activities to encourage the population in the community to have good health. This activity was continuously organizing to encourage the people in the community to have good health and to prevent diseases including to take care itself and to have quality of life.



6) “Marathon to Promote Healthiness of Bangplee Hospital” Project

The heart centre of Bangplee Hospital has participated in the marathon of Bangplee Hospital activity for the year 2018 by supporting doctor and nurse team to take care health of runner and sending its representatives to join marathon to promote the exercise and healthiness of officers in the unit including to donate money to support the procurement of insufficient medical equipment activity.



7) “Site Visit to Community Hospitals in Phatthalung Province to Increase the Capability to Take Care Heart Patients” Project

The heart centre, Phatthalung Thonburi has visited the community hospitals to provide knowledge and advice on taking care of heart patients including to understand the problem of doctors in district hospitals and to improve the patients care system to be more effective and to help the patients in the district to receive the modern specific treatment. This activity has conducted one district per month.



8) Donation for Procurement of Medical Equipment for Public Hospitals

Thonburi Hospital understood the problem on lack of medical equipment in the public hospitals due to the patient density. Therefore, it has donated of Baht 5,000 to purchase medical equipment to Somdech Phra Pinklao Hospital, Naval Medical Department.



9) Participation in “Ceremony of the 80th Anniversary Celebration of Phra Dhamma Bandit, the Director of the Sangha Association and the Abbot of Rama 9 Temple, Kanchanaphisek

Premier Home Health Care Company Limited has participated in the ceremony of the 80th anniversary celebration of Phra Dhamma Bandit, the director of the sangha association and the abbot of Rama 9 Temple, Kanchanaphisek on Monay 12th to Tuesday 13th March 2018 at 7.00 – 17.00 by providing preliminarily medical check-up such as blood pressure check, sugar levels test from fingertips, physical test, nutrition advice, mental advice to monks and public in this event.

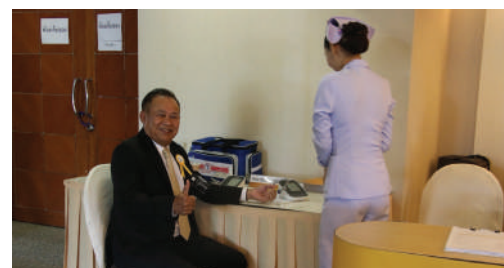
10) Academic Training to Develop Referral Network System of Heart Patients Project

The heart centre, Phatthalung Thonburi together with Phatthalung Hospital and Public Health network, medical insurance area 12 have organized the academic training and development of referral network system for heart patients in order for the patients to have immediate access to medical treatment with safety by developing the referral network system of patients in the district and nearby provinces which help heart patients to receive medical treatment or to be referred for medical treatment faster.



11) “Free Medical Check-up for the Elderly and Family” Activity

Premier Home Health Care Company Limited through Jin Welling County has provided preliminary medical check-up for the elderly and family with other departments such as “PIM & The Power of Education Network”, Panyapiwat Institute of Management, “Phetkanok Award” and “KanokNakarat Award” ceremony, “mobile meeting at Central Labour Court”, “Money Expo 2018”, “Opening of UDC”, “Practical Training of Executive Committee” of Lion Club, Samphanthawong, Bangkok, “International Academic Conference on Medical and Public Health 2018”, “Thailand Social Expo 2018”, “Muangthai Smile Concert Smile is all around” “Survey Result of Properties Market of the Elderly in Thailand” seminar, “Happy Retried Life”, Viriyah Insurance, “MCOT Safety Day 2018”, “Money Talk @ SET”, “Science of Consciousness Exhibition of the 23th year No. 27”, etc.



Activities for Social and Environmental Development

1) “Book Set Donation” Project

Rajyindee Hospital understands the importance of education to children and youth. Education of standard quality is necessary for development of children and youth so that they become good citizen who will be able to contribute to the country’s development in the future. Rajyindee Hospital donated book sets to students at Suwanwong School in Songkhla to support their learnings and growing of imagination.



2) “Thonburi Ruamjai Pattana Wat Rakkang” Project

Good health and hygiene of the people is what the Company considers first. By having good hygiene and hygiene, it will result in a healthy body. Thonburi Hospital has set up a project to clean and dredge the canal to support the improvement of the scenery and the improved environmental system for nearby communities. Thonburi Hospital has cooperated with nearby communities such as Bangkoknoi District Office, Wat Rakhangkhositaram and volunteers who interest to participant in cleaning and dredge the canal in the Bangkoknoi area to increase the cleanness and efficient of drainage of community.



3) “Do the Good Things with Heart” No. 2 Activity

No.2 Activity “Do the Good Things with Heart” No. 2 activity was the cooperation between Thonburi Hospital and Bangkoknoi District Office and Department of Drainage and Sewerage to develop canals and improve the quality of water and to be used for various activities by taking into account the overall system of various canals, water management systems from communities, residential area that are linked to important water sources in the area by inviting government agencies, the private sector and the people in the area to clean up such as Ban Khamin canal, Wat Chang Lek canal, Nam Dok Mai canal, Wat Dusitaram canal and Krathon Thaeo canal.



4) River and Canal Conservation Day Activity

Thonburi Hospital has participated in River and Canal Conservation Day activity (Bangkoknoi Canal) on 1 September 2018 to promote the knowledge and understanding of environmental conservation to the public. The hospital has donated money to support Siriraj Hospital in the amount of Baht 10,000 and also has provided medical check-up to the public who participated this activity.



5) “Volunteer 4.0 Do Good Things with Heart” and “Friends help Friends Rajyindee for the Public” Projects

Educating the general public about primary health care and helping others in times of emergency are still perceived at a relatively low rate. Therefore, the Company has organized educational activities in other provinces led by Rajyindee Hospital, which participated in activities to educate resurrection training and first aid along with providing basic health check-up services and renovation, development and providing medical supplies to Mae Thom Subdistrict Administrative Organization and practicing garbage collection at the train station at Hat Yai Railway Station, Songkhla Province



Awards and certificates of the Company and its subsidiaries

1. Thonburi Hospital, Thonburi 2 Hospital, Rajyindee Hospital, Ubonrak Thonburi Hospital were awarded the Hospital Accreditation as hospitals with standard health care and medical services by the Healthcare Accreditation Institute (Public Organization).
2. Thonburi 2 Hospital received a certificate from Nonthaburi Provincial Administrative Organization as organization which provided social contribution in respect of medical services and training course on suitable technology and environment for physical and mental health of elderly.
3. Thonburi 2 Hospital was awarded for quality standard in setting up intensive care unit for stroke patients (Stroke Unit) by Department of Medical Service, Ministry of Public Health.
4. Jin Wellbeing County Project was awarded “Honorable Mention” from 2018 Environments for Aging Design Showcase by EFA Magazine in the United States. The project was one of the seven projects, and the only project from Asia, selected from 36 other senior residence projects across the world which met the acceptance criteria in creating functional and attractive living environments that meet the needs of aging population. The projects were evaluated based on criteria including health care and safety of residence, aesthetics, and innovation.
5. Jin Wellbeing County Project was awarded Best Senior Living Development and Highly Commended for Universal Design Development as project with outstanding design and responding to aging population lifestyle from Property Guru Thailand Property Awards.
6. Patalung Thonburi Heart Center was awarded by National Health Security Office, Ministry of Public Health for quality standard in provision of diagnosis, treatment coronary angiogram, cardiac catheterization, and cardiac surgery.

Policy and Business Overview

VISION, MISSIONS AND DIRECTION



The Board of Directors' meeting no.10/2019 held on 18 October 2019 resolved to review the Company's strategic plan of the year 2019 and to approve the amendment of vision, mission and brand value as follows:

VISION

"To enhance people's quality of life by being their most preferred health partner"

MISSIONS

- To offer customer-centric, innovative, and reasonable healthcare solutions to people of all ages, no matter what their health needs, and
- To always strive for a higher standard of service, expertise and professionalism in our people for the benefit of all our stakeholders

BRAND VALUES

TREASURE LIVES	We treasure everyone's quality of life and we strive to offer the best care without discrimination of any persons or groups.
HONEST	We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients' dignity.
OPTIMISTIC	We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance.
NURTURING	Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers.

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 has opened the integrated elderly care and medical services (Senior Home Care) and has developed management system to provide services that meet the needs of patients consisting of medical services, palliative care, accommodation that facilities daily life of the elderly, activities that improve the physical and mental health of the elderly whereby the first project which has been opened, was Jin Wellbeing County and the second project, namely Thonburi Health Village is under construction.
- 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.
- 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.
- The Company has developed new hospital to the specialized treatment center which was different from the hospital under the group's company to provide patients with treatment options from advanced technologies such as diabetes treatment center, IVF center and digital dental center which have planned to open the first phase in 2019 whereby the targeted patients are medical tourist from China and Middle East countries.

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.

- 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 has cooperated with Siam University to establish faculty of medicine which will be another channel to produce and develop personnel with the quality to support the demand of the hospitals under the group's company.
- 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, Phatthalung Hospital, allowing people to have medical service of good standard at the same price of state hospitals.



Major Changes and Developments

2016

On 1 January 2016, the Company contracted 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 29 June, the Company 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, 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 remains at 99.99%

2017

On 1 June, 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 1 November, the Company purchased 99.99% of Bumrungrum Plaza Limited (the name was changed to Thonburi Bamrungrum Hospital Co., Ltd.) 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 Bumrungrum Hospital.

On 15 November, the Company 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.

2018

In January, the Company has been engaged to act as the advisor of Do Life General Hospital in Hanoi, Vietnam (with the size of 22,000 square meters)

On 26 March, the Company has approved to dispose shares in Rajthanee Rojana Company Limited to Rajthanee Hospital Public Company Limited (Rajthanee Rojana Hospital, Phra Nakhon Si Ayutthaya Province) and the capital gain from such disposal was approximately Baht 52.5 million.

On 26 March, the Board of Directors has resolved to appoint the Corporate Governance and Business Ethics Committee as another sub-committee.

On 31 March, the company completely paid ARYU shares for investment in the total amount of 20 million US dollars.

On 24 August, the Extraordinary General Meeting of shareholders no.1/2018 resolved to acquire lands and buildings on Pracha Uthit road, Thung Khru District, Bangkok from the connected person to develop the senior home project, namely Thonburi Health Village.

On 24 August, the Extraordinary General Meeting of shareholders resolved to acquire lands and buildings on Pracha Uthit road to develop the Thonburi Health Village, Pracha Uthi which is the accommodation for the elderly with medical services.

In September, the joint venture company, namely ARYU opened Ar Yu International Hospital in Yangon, Myanmar. At the beginning, only the outpatient department (OPD) has been opened however, it will be completely opened by the early 2019.

On 7 November, the Company invested in Thanarad Thung Song Company Limited which already operated Thonburi Thung Song Hospital. The Company held 51.12 % shares with direct voting and also held 5.31% shares with indirect voting through its subsidiary, namely Rajyindee Hospital Public Company Limited, representing 56.43% in total shareholding.

On 14 November, the company canceled the investment on building private hospital with Aung Shwe Thee Construction Limited, Myanmar due to it could not secure the suitable land for building hospital.

Revenue Structure of the Company and subsidiaries

Unit: million baht

Operated by	% of shareholding			Income for the year ending December 31, 2018					
	2018	2017	2016	2018		2017		2016	
				income	%	income	%	income	%
Thonburi Healthcare Group PCL.	-	-	-	5,099.43	71.88%	4,730.62	71.55%	4,469.02	71.75%
Thonburi Healthcare Group PCL - Pattaya City Hospital	-	-	-	310.56	4.38%	412.69	6.24%	294.76	4.73%
Thonburi Healthcare Group PCL - Phuket Provincial Hospital	-	-	-	183.20	2.58%	184.81	2.79%	208.03	3.34%
Rajyindee Hospital PCL.	56.91%	56.91%	55.87%	695.53	9.80%	627.47	9.49%	713.18	11.45%
Thanarad Thung Song Co., Ltd.	56.43%	0.00%	0.00%	-	0.00%	-	0.00%	-	0.00%
Thonburi Hospital Heart Centers Co.,Ltd.	99.98%	99.98%	99.98%	275.94	3.89%	215.95	3.27%	130.16	2.09%
Thonburi Bamrungmuang Hospital Co., Ltd. **	99.99%	99.99%	0.00%	14.39	0.20%	-	-	-	-
Total revenue from medical services business				6,579.05	92.73%	6,171.54	93.34%	5,815.15	93.36%
Dental Siam Co., Ltd.	99.43%	99.43%	99.43%	396.38	5.59%	400.04	6.05%	380.89	6.11%
Premiere Home Health Care Co., Ltd.	99.99%	99.99%	99.99%	95.51	1.35%	13.92	0.21%	13.57	0.22%
Total revenue from Healthcare solutions provider business				491.89	6.94%	413.96	6.26%	394.46	6.33%
Modular Software Expertise Co., Ltd.	70.00%	70.00%	70.00%	23.26	0.33%	26.15	0.40%	19.06	0.31%
Rajthanee Realty Co., Ltd.	100.00%	100.00%	100.00%	-	0.00%	-	-	-	-
Thonburi Realty Development Co., Ltd.	99.78%	99.78%	99.78%	-	0.00%	-	-	-	-
Total revenue from other business				23.26	0.33%	26.15	0.40%	19.06	0.31%
Total revenue				7,094.20	100.00%	6,611.65	100.00%	6,228.67	100.00%

**Thonburi Bamrungmuang Hospital Co., Ltd. (former name: Bamrungmuang Plaza Co., Ltd.)



Business Description

Businesses of Thonburi Healthcare Group Public Company Limited or THG can be divided into three major segments, namely

1. Medical Services Business
2. Healthcare Solution Provider
3. Other Business

1. Medical Services Business

It is THG's core business with four sub-categories as follows.

1.1 Domestic medical services

THG operates hospitals in Thailand and through subsidiaries and associates. Our hospitals provide comprehensive medical services by experienced doctors and high technology medical equipment. The hospitals serve OPD and IPD patients 24 hours a day.

Three Bangkok-based hospitals including

- Thonburi Hospital
- Thonburi 2 Hospital
- Thonburi Bamrungmuang Hospital (Opening the first phase of service for 47 beds as of January 2019)

Four provincial hospitals including

- Rajyindee Hospital, Songkhla
- Ubonrak Thonburi Hospital, Ubonratchathani
- Sirivej Chanthaburi Hospital, Chanthaburi
- Thonburi Thungsong Hospital, Nakhon Si Thammarat Province (under construction)

Domestically, THG has 963 registered beds and a combined capacity to service 5,800 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 offers high-quality services in various excellence centers including brain and neurology, bone and joint, gastro intestinal and liver, heart, and obstetrics and gynecology. THG's medical services are well recognized in international standards. Also, the hospitals are HA certified by the Healthcare Accreditation Institute (Public Organization) for their systematic administration contributing to service quality and safety.



Hospital	Address	Registered beds	Description
Thonburi Hospital	34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok	435	Operated by THG
Thonburi 2 Hospital	43/4 Borommaratchachonnee Road, Sarathammassop sub-district, Taweewatana district Bangkok	95	Operated by THG
Thonburi Bamrungmuang Hospital	611 Bamrungmuang Rd, Khlongmahanak sub-district, Pomprapsattruphai district, Bangkok	47	Operated by Thonburi Bamrungmuang Hospital, THG's subsidiary with 99.99% shares of paid-up capital held by THG
Rajyindee Hospital	119 Rajyindee Road, Hat Yai sub-district, Hat Yai district, Songkhla	196	Operated by Rajyindee Hospital Pcl., THG's subsidiary with 56.91% shares of paid-up capital held by THG
Ubonrak Thonburi Hospital	46/4 Soi Bhurapa Nai Rd., Naimuang sub-district, Muang ubon ratchathani district, Ubonratchathani	100	Operated by Ubon Rak Co. Ltd., THG's associate with 34.52% shares of paid-up capital held by THG
Sirivej Chanthaburi Hospital	151 M.7 Trirat Road, Chanthanimit sub-district, Muang Chanthaburi district, Chanthaburi	90	Operated by Sirivej Chanthaburi Plc., THG's associate with 31.87% shares of paid capital held by THG
Thonburi Thungsong Hospital	Thungsong-Wiangsa highway, Chamai sub-district, Thungsong district, Nakhon Si Thammarat	Under construction	Operated by Thanarad Thung Song Co. Ltd., THG's subsidiary with 56.43% shares of paid-up capital held by THG

1.2 Overseas medical services

THG expanded its business to other countries in Asia, joining with local partners to provide medical services. Currently, THG operates one hospital in People's Republic of China ("China") and one in the Republic of the Union of Myanmar ("Myanmar").

- *Welly Hospital China*

It is operated by Weihai Welly Hospital Company Limited, registered in China. At present, it has paid-up capital of RMB 250 million (approx. THB 1,360 million). It is a joint venture between the Company and WEGO Holding Company Limited, which is a leading medical equipment and supplies manufacturer in the People's Republic of China. They own 58% and 42% of the registered capital, respectively. Welly Hospital is a private medical facility which admits patients for overnight stays. It initially opened for service on 1 April 2016 and was granted a full hospital license on 1 November 2017 with a grand opening on 2 November 2017. It currently has 150 registered beds, 130 available beds and 29 OPD rooms.

Welly Hospital is located in Huancui District, Shandong Province, Weihai Town, People's Republic of China which is a beach town. The North is trade zone and community with interest from population in retirement age. The hospital serves patients from Shandong Province and neighboring counties such as Hebei, Heilongjiang, Pinyin, Liaoning, Beijing and Sanxi. Welly Hospital offers a full range of treatment services. Its care model focuses on patients with dedicated medical staff that is different from other hospitals in China.

- *Ar Yu International Hospital, the Republic of the Union of Myanmar*

THG partnered with Ga Mone Pwint Company Limited (“GMP”), a leading Myanmar-based real estate developer and retailer, to build 200-bed hospitals, with value of USD 75 million. It operates with an international standard under the name Ar Yu International Hospital, located on 3-rai land on Kyaikkasan Road, Yangon. The hospital started to provide service initially for OPD patients in September 2018.

The Joint Venture named ARYU International Health Care Company Limited was established on 4 April 2017, 50% held by GMP, 10 % held by Aryu Ananta Medical Services Company Limited (AMS) and 40% held by THG. Ar Yu International Hospital was granted investment privilege from the Myanmar Investment Commission (“MIC”) on 14 July, 2017 and was granted a license to receive the patient overnight in February 2019.

1.3 Specialized hospital and step-down care

- *Thonburi Burana Hospital*

It is a hospital providing comprehensive services for elderly: care, treatment and rehabilitation for promoting health and quality of life as well as preventive care. The facility is well- equipped with experienced medical staff, serving OPD clinics and IPD for patients who need special care, such as bed-ridden, Alzheimer or other chronic disease patients. The first Thonburi Burana Hospital will be located in Jin Wellbeing County Project to take care of residents conveniently and timely.

1.4 Hospital management services

THG the first private hospital entrusted by local administration organizations to provide management services for state hospitals that were keen to improve their management efficiency. THG has agreements to provide management for two hospitals under local administration organizations and one Community Medical Center as follows.

- **Pattaya City Hospital:** with 110 registered and available beds, providing medical services in various fields, equipped with modern technology. The hospital is well accepted in international standard.
- **Phuket Provincial Administrative Organization Hospital:** It has 129 registered beds and 125 available beds. Its aim is to provide medical services with high standard and good impression for patients.
- **Koh Lan International Medical Center:** It is a medical center focusing on trauma and ER, providing service for emergency cases on coasts and general treatment for locals and tourists.

With efficient doctors and medical staff, administration and service, the hospitals can provide services at standards of private hospitals but at price of public ones. At the two hospitals, doctors and nurses are on hand around the clock for high-standard services.

Moreover, THG is also hired for consultancy, management and training services for overseas hospitals, especially in Southeast Asia.

1.5 Specialized Medical Services Centers

THG established Thonburi Hospital Heart Center Co., Ltd. to provide management service for heart centers in both public and private sectors. The company provides teams of reputable cardiologists to treat patients. In 2018, THG operated four heart centers as follows.

- *Heart Center at Phatara-Thonburi Hospital*

It is operated under an agreement for the treatment of cardiovascular disease with Phatara Hospital Co., Ltd. to provide specialized medical team and manage work schedules of physicians. The heart center started operation in December 2014, including Cardiac Catheterization (Cath lab) with modern equipment, taken care by specialized cardiologists and heart surgeons who are specially trained to care for patients with heart disease. The hospital also has 18-bed wards for general and special heart disease patients, as well as 6-bed Coronary Care Units. It can support cares for heart patients at early stage to advanced treatments 24 hours a day.

- *Heart Center at Bang Phli Hospital*

It is a collaboration of management, director of Bang Phli hospital and Thonburi Hospital Heart Center Co., Ltd. with an agreement for management services and quality control with special medical expertise. Heart Center at Bang Phli Hospital started an operation in August 2015, providing treatment procedures for patients with heart disease and ischemic heart disease. The facility includes Cardiac Catheterization (Cath lab), Coronary Care Units (CCU), general and special heart disease wards. The agreement ended on 29 December 2018 and was not renewed.

- *Heart Center at Thonburi 2 Hospital*

It started an operation on 26 June 2017. Thonburi Hospital Heart Center Co., Ltd. was hired to operate the heart center, providing specialized doctors and manage schedules to meet the need of cardiovascular patients effectively in accordance with professional standards.

- *Heart Center at Phatthalung Hospital*

It is a collaboration of management of Phatthalung Hospital and Thonburi Hospital Heart Center Co., Ltd. with an agreement for management services and quality control with special medical expertise. Heart Center at Phatthalung Hospital started an operation on 17 April 2018, and was approved by National Health Security Office to treat patients under Universal Health Coverage on 1 October 2018. It provides treatment procedures for patients with heart disease and ischemic heart disease. The facility includes Cardiac Catheterization (Cath lab) and 11-bed heart disease ward.

2. Healthcare Solution Provider Business

It provides healthcare service beyond hospital. Variety of services are to meet the needs of customers in different ages and physical conditions with following services.

2.1 Senior Care and Senior Living

- *Jin Wellbeing County*

THG develops healthcare mixed-use project combining integrated healthcare and tailor-made medicine, with active living designed especially for elderly that can easily modify or add tools suitable for needs in different ages. In the project is also located Thonburi Burana Hospital, a rehab hospital for elderly with special needs. Residents are provided with activities to suit their lifestyle, targeting retirement age group and working age group who care for healthy living and long-term life planning. The project, on 140-rai land located on Phaholyothin Road (Rangsit), was developed under a “new concept of retirement town”. The first phase includes

- 1) 7-story residential building, approximately 1,380 units, which were designed to truly meet the needs of elderly, focusing on safety, convenience and mental health. Inside the building, there are medical staff 24-hour available to take care and assist in case of emergency. The project also provides monitoring tools, such as health tracking system, centralized health monitoring system and CCTV to ensure proper and timely care for residents.
- 2) Thonburi Burana Hospital provides services for elderly who need special medical care such as assistance for disabled. The hospital will be operated by teams of medical staff under Thonburi Hospital network, targeting Jin Wellbeing County residents or referred patients. It also provides on-site care for the residents, OPD clinic services, rehabilitation, counseling services by nutritionists and psychologists.
- 3) Jin Wellness Institute offer variety of services for different needs. Wellness clinic focuses on preventive medicine combining with naturopathy, alternative medicine and modern medicine. Jin Medifit provides personalized exercise classes and training programs. Moreover, other activities, such as music therapy, art therapy, cooking class and etc., are well-designed for social interaction and providing mental and emotional care.

- *Thonburi Health Village, Pracha Uthit*

The project is designed for living with a concept of “Healthy and Happy Living” for our residents. It offers health promotion, convenience and safety for better quality of life physically and mentally to elderly. The project comprises two 11-story buildings, total of 412 units in a prime location which is 10 minutes away from Suksawat expressway exit, 5 km away from Pracha Uthit sky train station. The project can be accessed by many ways and surrounded with facilities for more convenience. The highlights are universal design concept that can support different needs of elderly, with practicality and safety, provided by outdoor and indoor facilities, such as library, function room and green area.

2.2 Home Healthcare

It is operated by Premiere Home Health Care Co. Ltd., which delivers patient care to home, such as mother & baby care, rehabilitation for patients who are not convenient to go to hospitals, elderly who have difficulties to move, chronic disease patients and etc. Our team includes dedicated nurses, highly-skilled physiotherapists, qualified nutritionists and experienced psychologists.

2.3 Distribution of medical supplies, devices and equipment

Operated by Dental Siam Co. Ltd., the business includes one stop service of dental equipment and supplies. Dental Siam is sole distributor of leading dental supplies brands, such as Adec, W&H, AO, Heraeus, Ivoclar, Megagen, SAM, Melag and Alpro. The company also operates drug store under the brand “Apex Health Care” with 10 branches in department stores.

3. Other businesses

3.1 Software development for hospital management

Modular Software Expertise Co., Ltd. develops software for hospital management used in hospitals in the group and many public and private hospitals in Thailand with teams of experts who have more than 20 years of experience in computer and hospital systems. The software used are up-to-date and hi-tech supporting all departments in hospitals and linking data with other systems.

3.2 Project development relating to health and medical services

It is operated by Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd., currently studying projects and possibility of future business opportunities.



Securities and Shareholders Information

1. The Company's Security

As of 29 January 2019, 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 29 January 2019 are as follows:

Shareholders	No. of Shares	% Holding
1. Mrs. Charuwan Vanasin ³	85,206,362	10.04
2. Mrs. Nawara Vanasin ³	49,872,663	5.874
3. Global Health Investment Co., Ltd. ^{2/3}	43,813,340	5.160
4. Mr. Amnuay Unnanuntana, MD	43,510,970	5.124
5. WJ International Hospital Management Co., Ltd. ^{1/3}	60,000,000	7.067
6. Khunying Songseang Meksawan	20,046,582	2.361
7. Ramkhamhaeng Hospital PCL.	15,144,600	1.784
8. Ms. Masrudee Kanapitakpong	12,014,506	1.415
9. Dr. Arsa Meksawan	9,161,755	1.079
10. Mr. Prasarn Limsuksawad	8,807,771	1.037
11. Thai NVDR Co., Ltd.	7,615,990	0.897
12. Mr. Aasis Unnanuntana, MD	6,811,300	0.802
13. Ms. Sriwara Prempreeda	5,949,541	0.701
14. Mr. Boon Vanasin, MD ³	5,801,848	0.683
Total	385,891,428	45.448

Note: 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 29 January 2019, 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	6,809	741,500,562	87.33	54	51,241,030	6.03	6,755	690,259,532	81.30
Foreign	22	107,597,438	12.67	12	106,091,138	12.49	10	1,488,300	0.18
Total	6,831	849,080,000	100.00	66	157,332,168	18.52	6,765	691,747,832	81.48

* 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 31 December 2018, there are 14 members of Board of Directors include:

Name of Director	Position
1. Dr. Boon Vanasin ^{1) 2)}	Chairman of the Board of Directors
2. Dr. Tanatip Suppradit ^{1) 2)}	Vice Chairman of the Board of Directors
3. Mrs. Kannika Ngamsopsee ³⁾	Independent Director, Chairman of Audit Committee and Member of Risk Management Committee
4. Mr. Chalermkul Apibunyopas ^{1) 2)}	Director, Chairman of Corporate Governance and Business Ethics Committee and Member of Risk Management Committee
5. Assoc. Prof. Dr. Visit Vamvanij ³⁾	Independent Director and Chairman of Risk Management Committee
6. Mr. Virachai Sriakajon ³⁾	Independent Director, Chairman of the Nomination and Remuneration Committee and Member of Audit Committee
7. Dr. Vikrom Koompirochana ³⁾	Independent Director
8. Dr. Linda Kraivit ³⁾	Independent Director, Member of Audit Committee, Member of Risk Management Committee and Member of the Nomination and Remuneration Committee
9. Mr. Timothy Eman Lertsmitivana ³⁾	Independent Director, Member of the Nomination and Remuneration Committee and Member of Corporate Governance and Business Ethics Committee
10. Dr. Eugene D.M.B. Kroon ³⁾	Independent Director and Member of Corporate Governance and Business Ethics Committee
11. Assoc. Prof. Dr. Aasis Unnanuntana ⁴⁾	Director
12. Ms. Nalin Vanasin ²⁾	Director
13. Mr. Sita Meksawan ^{1) 4)}	Director
14. Dr. Kajorn Thanapase ⁴⁾	Director

Note: 1) Authorized director 3) Independent director
2) Executive director 4) Non-executive director

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 Board of Directors has diversity (Board Diversity) in gender, age and specific expertise that conform to the business nature and the business strategy of the company as follows:

Structure of the Board of Directors		Number of director	Percentage
Gender	- Male	11	78.6
	- Female	3	27.3
	Total	14	100.0
Age	- Age between 40 – 50 years	5	35.7
	- Age between 50 – 60 years	4	28.6
	- Age 60 years up	5	35.7
	Total	14	100.0
Expertise	- Medicine	6	43.0
	- Administration, Economics, Finance and Political Science	5	35.7
	- Accounting and Law	1	7.1

Structure of the Board of Directors		Number of director	Percentage
	- Engineering	1	7.1
	- Human resource	1	7.1
	Total	14	100.0

2. Executive Officer

There are 6 members of Executive Committee as of 31 January 2019 as follows:

Name	Positon
1) Dr. Tanatip Suppradit	Chairman of Executive Committee, Acting Chief Executive Officer and Chief Hospital Business-International
2) Mr. Chalermkul Apibunyopas	Member of Executive Committee, Acting Chief Hospital Business - Domestic 1 and Chief Hospital Business - Domestic 2
3) Dr. Sudhichai Chokekijchai	Member of Executive Committee
4) Assoc. Prof. Dr. Aasis Unnanuntana	Member of Executive Committee
5) Ms. Nalin Vanasin	Member of Executive Committee, Chief Commercial Officer and Chief Business Service/Support Officer
6) Ms. Thipawon Ruchiroatpipatana	Member of Executive Committee

Remark: 1. The board of directors' meeting no. 6/2018, on 10 May 2018, resolved to appoint Dr. Tanatip Suppradit to be Acting Chief Business Service/Support Officer in another position for replacement of Prof. Dr. Somkiat Wattanasirichaikoon, former member of Executive Committee and former Chief Business Service/Support Officer, resigned from his positions, effective from 31 May 2018.

2. The board of directors' meeting no. 1/2019, on 24 January 2019, resolved to appoint Miss Nalin Vanasin to be Chief Business Service/Support Officer in another position in order to lighten duties of Dr. Tanatip Suppradit.

By Ms. Suwadee Puntpanich is secretary of Executive Committee

Management of the Company (As defined by the SEC)

As of 31 January 2019, the Company's executives in accordance with the definition of the SEC, total 5 persons as follows:

Name	Positon
1. Dr. Tanatip Suppradit	Acting Chief Executive Officer and Chief Hospital Business - International
2. Mr. Chalermkul Apibunyopas	Acting Chief Hospital Business - Domestic 1 and Chief Hospital Business - Domestic 2
3. Ms. Nalin Vanasin	Chief Commercial Officer and Chief Business Service/Support Officer
4. Ms. Anchalee Chavalitjareetham	Director of Accouting Department and Acting CFO
5. Dr. Jessada Thummavanich	Chief Private Public Partnership Business

Remark: Mr. Wong Chao Ket, Former Chief Executive Officer, resigned with effect on 10 May 2018. Therefore, the board of directors' meeting no. 6/2018 held on 10 May 2018 resolved to appoint Dr. Tanatip Suppradit, Vice Chairman of the Board of Directors, Chairman of Executive Committee and Chief Hospital Business International, to be acting Chief Executive Officer in another position, effective from 11 May 2018.

Report of changes in securities holdings (THG) of directors and executives

Securities holdings of directors and executives according to the definition of the SEC (direct and indirect) as of 29 January 2019, compared with 28 December 2018 and changes during the year as details follows:

No.	Director/Executive	Position	Number of Shares Holding As of January 26, 2019	Percentage (%)	Number of Shares Holding As of December 28, 2018	Percentage (%)	Number of Share Change Increase/(Decrease) During the Year
1	Dr. Boon Vanasin	Chairman	5,801,848	0.68	5,801,848	0.68	-
	Spouse/Immature Children		97,340,562	11.46	85,206,362	10.022	12,134,200
	sui juris children (be as Concert Party)		-	-	-	-	-
	Related Juristic Person		103,813,340	12.23	103,813,340	12.23	-
2	Dr. Tanatip Suppradit	Vice Chairman	1,390,000	0.16	1,340,000	0.16	50,000
	Spouse/Immature Children	Chairman of Executive Committee	6,500	0.00	-	-	6,500
	Related Juristic Person	Acting Chief Executive Officer and Chief Hospital Business - International	-	-	-	-	-
3	Mrs. Kannika Ngamsophee	Independent Director	-	-	-	-	-
	Spouse/Immature Children	Chairman of Audit Committee	-	-	-	-	-
	Related Juristic Person	and member of Risk Management Committee	-	-	-	-	-
4	Mr. Chalermkul Apibunyopas	Director	526,663.00	0.06	516,663.00	0.06	10,000
	Spouse/Immature Children	Member of Executive Committee	5,418.00	0.00	5,418.00	0.00	-
	Related Juristic Person	Chief Hospital Business - Domestic 2 Acting Chief Hospital Business - Domestic 1 and Chairman of Corporate Governance and Business Ethics Committee	-	-	-	-	-
5	Assoc. Prof. Dr. Visit Vamvanij	Independent Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children	and Chairman of Risk Management Committee	-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
6	Mr. Virachai Srikajorn	Independent Director	150,000.00	0.02	150,000.00	0.02	-
	Spouse/Immature Children	Chairman of Nomination and Remuneration Committee	-	-	-	-	-
	Related Juristic Person	and member of Audit Committee	-	-	-	-	-
7	Mr. Vikrom Koomprochana	Independent Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
8	Dr. Linda Kraivit	Independent Director	-	-	-	-	-
	Spouse/Immature Children	member of Audit Committee	-	-	-	-	-
	Related Juristic Person	member of Nomination and Remuneration Committee and member of Risk Management Committee	-	-	-	-	-
9	Mr. Timothy Emen Lertsmitvanta	Independent Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children	member of Nomination and Remuneration Committee	-	-	-	-	-
	Related Juristic Person	and member of Corporate Governance and Business Ethics Committee	-	-	-	-	-
10	Dr. Eugene D.M.B. Kroon	Independent Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children	and member of Corporate Governance and Business Ethics Committee	-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
11	Assoc. Prof. Dr. Aasis Unnanantana	Director	6,811,300.00	0.80	6,750,000.00	0.79	61,300
	Spouse/Immature Children	and Member of Executive Committee	-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
12	Ms. Nalin Vanasin	Director	10,837.00	0.00	10,837.00	0.00	-
	Spouse/Immature Children	Member of Executive Committee	-	-	-	-	-
	Related Juristic Person	Chief Commercial Officer and Chief Business Service Support Officer	-	-	-	-	-
13	Mr. Sita Meksawan	Director	5,416,663.00	0.64	5,416,663.00	0.64	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
14	Mr. Kajon Thanapase	Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
15	Dr. Sudhichai Chokekijchai	Member of Executive Committee	100,000	0.01	100,000.00	0.01	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
16	Ms. Thipawon Rujiropipattana	Member of Executive Committee	1,070,400	0.13	1,130,400.00	0.13	60,000
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
17	Dr. Jessada Jongpaibulpatana	Chief Private Public Partnership Business	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
18	Ms. Anchalee Chavalljareetham	Director of Accounting Department	20,000	0.00	20,000.00	0.00	-
	Spouse/Immature Children	and Acting CFO	-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
19	Ms. Suwadee Puntpanich	Corporate Secretary	2,804,900	0.33	1,340,000.00	0.16	1,464,900
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-

3. Corporate Secretary

The Board of Directors has resolved to appoint Ms. Suwadee Puntpanich as the Corporate 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

The Annual General Meeting of Shareholders for the year 2018, on April 24, 2018, approved the monetary remuneration for directors as follows:

Position	Annual Remuneration (Baht per year)	Meeting Allowance (Baht per meeting)
Chairman	180,000	12,000
Director	150,000	12,000
Subcommittees namely Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance and Business Ethics Committee	-	12,000

In 2018, the payment of remuneration to directors namely meeting allowance (directors' meeting allowance, shareholders' meeting allowance and independent directors' meeting allowance), subcommittee meeting's fee and annual remuneration for directors. The total amount is 4,920,750 baht as following details:

Director	Position	Attendance (time)				
		Board of Director	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance and Business Ethics Committee
1. Dr. Boon Vanasin	Chairman	11/11	-	-	-	-
2. Dr. Tanatip Suppradit	Vice Chairman	9/11	-	-	-	-
3. Mrs. Kannika Ngamsopee	Independent Director, Chairman of Audit Committee and Member of Risk Management Committee	9/11	16/16	5/5	-	-
4. Mr. Chalermkul Apibunyopas	Director, Chairman of Corporate Governance and Business Ethics Committee and Member of Risk Management Committee	11/11		4/5		3/3
5. Assoc. Prof. Dr. Visit Vamvanij	Independent Director and Chairman of Risk Management Committee	9/11	-	5/5	-	-
6. Mr. Virachai Srikajon	Independent Director, Chairman of the Nomination and Remuneration Committee and Member of Audit Committee	10/11	16/16		14/14	
7. Dr. Vikrom Koompirochana	Director Independent	9/11	-	-	-	-
8. Dr. Linda Kraivit	Independent Director, Member of Audit Committee, Member of Risk Management Committee and Member of the Nomination and Remuneration Committee	11/11	14/16	5/5	14/14	-
9. Mr. Timothy Eman Lertsmitivana	Independent Director, Member of the Nomination and Remuneration Committee and Member of Corporate Governance and Business Ethics Committee	9/11	-	-	10/14	3/3
10. Dr. Eugene D.M.B. Kroon	Independent Director and Member of Corporate Governance and Business Ethics Committee	9/11	-	-	-	3/3
11. Assoc. Prof. Dr. Aasis Unnanuntana	Director	9/11	-	-	-	-
12. Ms. Nalin Vanasin	Director	8/11	-	-	-	-
13. Mr. Sita Meksawan	Director	10/11	-	-	-	-
14. Dr. Kajorn Thanapase	Director	9/11	-	-	-	-
15. Mr. Somchai Kuvijitsuwan	Independent Director	0/1	-	-	-	-

Remark: 1) Assoc. Prof. Dr. Visit Vamvanij, Independent Director and Chairman of Risk Management Committee, informed the meeting that he has other duties which requires more responsibilities so he would not to be nominated for another term as a director. The Board of Directors' Meeting acknowledged and proposed to the Annual General Meeting of Shareholders for approval.

2) Mr. Somchai Kuvijitsuwan resigned with effect on 14 February 2018.

2) Other Compensation

The Annual General Meeting of Shareholders for the year 2018, on April 24, 2018, approved Other Compensation such as medical service fee at Thonburi hospital for directors as follows:

- For director: 100,000 Baht per year with 50% discount in excess amount
- For parents: 50% discount with unlimited amount
- For spouse and underage children: 50% discount with a limit of Baht 100,000

In 2018, the Board of Directors received compensation for medical services totaling 417,620 baht.

Remuneration for Directors (Baht)							
Board of Directors' meeting	Audit Committee's meeting	Risk Management's meeting	Nomination and Remuneration Committee's meeting	Corporate Governance and Business Ethics Committee's meeting	Independent Directors' meeting	Annual Remuneration	Total
122,000	-	-	-	-	-	180,000	302,000
100,000	-	-	-	-	-	150,000	250,000
98,000	186,000	56,000	-	-	12,000	150,000	502,000
122,000	-	-	-	Not requesting meeting allowance	-	150,000	272,000
102,000	-	56,000	-	-	-	150,000	308,000
110,000	186,000	-	170,000	-	12,000	150,000	628,000
100,000	-	-	-	-	-	150,000	250,000
122,000	146,000	56,000	170,000	-	12,000	150,000	656,000
102,000	-	-	102,000	36,000	-	150,000	390,000
100,000	-	34,000	-	36,000	12,000	150,000	332,000
100,000	-	-	-	-	-	150,000	250,000
88,000	-	-	-	-	-	150,000	238,000
110,000	-	-	-	-	-	150,000	260,000
102,000	-	-	-	-	-	150,000	252,000
-	-	-	-	-	-	18,750	18,750
Total	1,478,000	518,000	202,000	442,000	72,000	2,130,000	4,908,750

3) Monetary compensation to executives (according to definition by the SEC Office)

The Nomination and Remuneration Committee reviewed the appropriateness of compensation based on information surveyed and collected by Aon Hewitt (Thailand) Limited, the Company's consultant. Results of such consideration were submitted to the Board of Directors' Meeting No. 7/2018 held on 5 July 2018 for consideration and approval of the adjusted compensation. Such process was conducted to ensure that executives' compensation is appropriate, based on compensation paid to executives of companies within the same industry. In 2018, the Company paid monetary compensation to executives, consisting of salary, bonus and meeting allowance, in the aggregate amount of Baht 34,543,587.50 (including compensation to executives of the Company's subsidiaries) and no accrued expenses from the previous year.

4) Other compensations to executives (according to definition by the Office of the SEC)

The Nomination and Remuneration Committee reviewed the appropriateness of other compensations to executives and proposed to the Board of Directors' Meeting No. 7/2018 held on 5

July 2018 for consideration and approval. Other compensations include medical benefits (at the same rate as the Company's directors), out-of-pocket expenses (in case of travelling to out of Bangkok or overseas for work), and telephone charge. Such process was conducted to ensure that executives' compensation is appropriate, based on compensation paid to executives of companies within the same industry. In 2018, the Company paid other compensations to executives in the aggregate amount of Baht 61,572.

5. Employee

1) Number of employees

For the years 2016 -2018, The Company and its subsidiaries has total employees as follows :

Company	Number of employees 31 December 2016		Number of employees 31 December 2017		Number of employees 31 December 2018	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Thonburi Healthcare Group PCL.	2,393	2,393	2,746	182	2,776	225
Rajyindee Hospital PCL.	635	635	584	82	571	92
Dental Siam Co., Ltd.	160	160	145	21	129	23
Premiere Home Health Care Co., Ltd.	16	16	70	5	86	3
Rajthanee Realty Co., Ltd.	1	-	1	-	1	-
Thonburi Realty Development Co., Ltd.	1	5	0	0	-	-
Modular Software Expertise Co., Ltd.	38	38	36	-	31	3
Thonburi Hospital Heart Centers Co., Ltd.	49	49	68	13	112	28
Uttaradit thonburi Hospital Co., Ltd.	-None-	-None-	-None-	-None-	-None-	-None-
Thonburi Bamrungmuang Hospital Co., Ltd.	N/A	N/A	20	3	327	-None-
Total	3,293	3,293	3,670	306	4,033	374
Grand Total	3,513		3,513		4,407	

Remark: Number of employees is not including number of part-time doctors

2) Employee Compensation

The Company's Employee Compensation Policy is consistent with its operating procedures. Employee compensations consist of:

- Short-term compensations including salary, overtime pay, subsidy, living expense, and special grant;
- Long-term compensations including retirement compensation, employer's contribution to provident fund (employees with employment period of more than 5 years will receive additional contribution in the amount of 2% of the employer's contribution).

In 2018, the Company paid salary, overtime pay, subsidy, living expense, special grant, social security and contribution to provident fund, with details as follows:

Salary, bonus and other benefits.	2016	2017	2018
Thonburi Healthcare Group PCL	1,479,961,482	1,566,280,686	1,442,566,818
Rajyindee Hospital PCL.	248,024,441	231,772,991	239,103,020
Dental Siam Co., Ltd.	57,273,478	56,694,686	54,905,090
Premiere Home Health Care Co., Ltd.	7,650,145	30,203,423	62,528,349
Rajthanee Realty Co., Ltd.	126,240	126,240	126,240

Salary, bonus and other benefits.	2016	2017	2018
Thonburi Realty Development Co., Ltd.	420,027	20,673	-
Modular Software Expertise Co., Ltd.	16,032,201	19,412,802	19,877,554
Thonburi Hospital Heart Centers Co., Ltd.	21,044,457	28,975,483	51,472,321
Uttaradit thonburi Hospital Co., Ltd.	-None-	-None-	-None-
Thonburi Bamrungmuang Hospital Co., Ltd.	N/A	1,271,391	51,576,658
Total	1,830,532,471	1,934,758,375	1,870,579,392

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 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) Welfare and labor relations

- (3.1) 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.
- (3.2) Improve incentive system;
- (3.3) Improve safety, hygiene and environment for work;
- (3.4) Give compliments to good and outstanding employees, including those who contribute to the Company;
- (3.5) Improve welfare and special benefits system.
- (3.6) Improve channels of communication relating to human resources management.
- (3.7) Promote labor relations.

4) Human resource selection

- (4.1) Select and recruit persons with knowledge, capabilities and experience suitable for the position.
- (4.2) Cooperate with governmental units such as colleges and universities in recruiting graduates.
- (4.3) 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.
- (4.4) If any position becomes vacant, the Company will give priority to its existing employees before seeking replacement from outside.

5) Human resource retention

- (5.1) Conduct performance evaluation for each unit by using key performance indexes (KPIs) as key assessment.
- (5.2) 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.
- (5.3) Use information technology system in managing human resources and continuously develop the system in order to reduce procedures, quantity of work and paperwork.
- (5.4) 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.
- (5.5) Organize joint activities between management and employees or among employees themselves to promote harmonious workplace.
- (5.6) Accept suggestions and complaints from employees for the Company's acknowledgement and review and consider such suggestions and complaints without delays.

Risk Factors

1. Business Risk

1.1 Risk from economic fluctuations

At present, competition is increasing for healthcare services market due to many amalgamations of major market players, resulting in a cost advantage. In addition, there are various channels for provision of services. New operators entering into the market has resulted in lower market share for the existing operators. Such factor has caused higher competition in provision of services and price competition to attract customers. There is a possibility of new market players from ASEAN countries expanding their services to Thailand as a result of the establishment of ASEAN Economic Community (AEC). Such competition is inevitable and may have impact on the Company's operations.

Economic conditions may also have impact on consumers' purchasing power. 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: 2015. 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. At present, there is increasing competition in the healthcare services market due to many amalgamations of major market players, resulting in a cost advantage. In addition, there are various channels for provision of services. New operators entering into the market has resulted in lower market share for the existing operators. Such factor has caused higher competition in provision of services and price competition to attract customers.

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 as another channel for development of qualified personnel to accommodate required workforce for hospitals within the group company.

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 2018 the hospital earned, on average, 11.7% of the total revenues from management services of hospitals and heart centers. No contract renewal means the hospital's revenues could fall. Yet, we have experiences managing in the hospital management and in management of specialty clinics such as heart center. The Company has passed assessment from the National Health Security Office (NHSO) and is qualified to service gold card patients. Therefore, our hospitals are ready for medical staff recruitment. The Company is proficient in creating forecast, cost management, and has expertise and experience in hospital management service. In addition, the Company has experience in managing specialty clinics such as heart center. Hence, there are not many competitors in this market. Many public hospitals have expressed interests in the Company's hospital management service. If the Company does not provide hospital management service, it can use equipment, tools and staff to provide service at other centers.

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 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.

2.9 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.

2.10 Risk of project construction by the Company and its subsidiaries not being completed according to schedule

The Company has expanded its business to other businesses relating to private hospital, including healthcare solution provider services by the Company's subsidiaries. At present, there are major projects of the Company's subsidiaries under construction such as Thonburi Bamrungmuang Hospital Co., Ltd., Thanarad Thung Song Co., Ltd. (Thonburi Thung Song Hospital), and Senior Care and Living Projects by Premiere Home Healthcare Co., Ltd., namely Jin Wellbeing County Project and Thonburi Health Village Project. There is a risk of each project not being completed according to schedule and/or cost overruns due to various reasons such as delay in development of plan for core project causing delay in projects of subsidiaries, approvals from relevant authorities required for construction, uncertainties in weather conditions, differences in construction area of project, long period of time required for equipment procurement and delivery, and increase in project costs due to extension of construction period etc. Hence, the Company must continue to manage risk from investments as follows:

- Update on progress of the projects shall be reported to the Executive Committee on a monthly basis. In case there is risk of project being delayed or cost overrun, the Executive Committee, together with the working team, shall jointly consider a solution which will provide utmost benefits to the Company;
- The Company's subsidiary shall prepare progress report on risk management of the project and submit the report to the Risk Management Committee for acknowledgement and recommendations with regards to managing risks. The report shall also be presented to the Board of Directors.

3. Financial Risk

3.1 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.

3.2 Risk of volatility in interest rate

As of 31 December 2018, the Company has a long-term facility from financial institution. The interest rate on such facility is a floating rate with reference to the Minimum Loan Rate (MLR). Hence, if there is significant change in the reference rate, there might be significant impact on the Company's financial costs and net profit. However, the company is able to comply with all loan agreements and maintain financial conditions at a level that is better than the terms of the contract. Furthermore, there will be a cash flow reserve for advance payment at all times. Thus, the financial risk of the company is at a controlled level.

Management Discussion and Analysis

2018 Overview

In 2018, Thonburi Healthcare Group PLC. (THG) saw revenue growth mainly from its core business. Domestic hospital business grew YoY from new centers of excellence and more specialist doctors at Thonburi Hospital and Thonburi 2 Hospital, resulting in an increase in patient volume, as well as revenue growth from higher medical intensity. Revenue from Rajyindee Hospital also grew after resuming service for insurance customers. In 2018, Thonburi Bamrungmuang Hospital was under construction and renovation. It also started to hire staff and prepare its system for the operation in early 2019.

Hospital management business saw YoY revenue decrease mainly from the decrease in consultancy revenue from overseas clients. Meanwhile, THG continues to negotiate with partners and studies the possibility to provide consultancy service for overseas projects, as seen in the recent MOU with a partner in South East Asia, expecting to start the project in 2019. Heart Center business grew from last year with the new heart center at Phthalung Hospital that has good potential. The center had higher volume from patients covered by Universal Health Insurance since October 2018.

Welly Hospital in China saw an improvement from last year and gained more trust from patients. That resulted in higher patient volume and less loss. Ar Yu International Hospital in Myanmar had a soft launch for OPD in early September and expected to fully operate in 1Q2019. In the first phase, these two overseas hospitals contributed loss mainly due to an investment in human resources, system and service capability to support growth. We expect to see improvement in 2019 onwards.

By the end of 2018, Jin Wellbeing County, mixed-use project with residential building and comprehensive medical service for elderly, transferred 19 active living units to customers and recognized its revenue and cost in 4Q18. Other parts are under construction and decoration, including Thonburi Burana Hospital and Jin Wellness Institute, which are expected to operate in 2H19. Moreover, in 2018, Thonburi Health Village, another senior living project for mass market, started the construction, renovation and pre-sale. It is expected to complete in 2019.

The expansion and new businesses caused costs and expenses affecting THG's performance. Costs of services, such as doctor fees, drugs and cost of active living units, increased along with revenue growth. Expenses, such as depreciation and amortization, staff cost, sales & marketing expenses and cost of project development, also increased to prepare for business growth. These factors affected net profit but THG is monitoring and controlling it within reasonable level.

Domestic hospitals which are THG's core business continued to grow with stability in terms of revenue and profit. However, new projects, namely overseas hospitals, Thonburi Bamrungmuang Hospital and Jin Wellbeing County, made loss during initial stage, and profit from consultancy service to overseas clients decreased. As a result, growth contributed by core business could not compensate impact from the new projects. Nonetheless, THG continues to focus on revenue increase and cost control for the new projects in order to create a better performance and return.

In 2019, domestic hospital business is expected to continue its growth, topping up with revenue from new hospitals: Thonburi Bamrungmuang, opening in January 2019 and Thonburi Thungsong expected to open in 2H19. Moreover, construction of first two clusters of Jin Wellbeing County should be completed with target to sell and transfer more units. Thonburi Burana Hospital and Jin Wellness Institute are expected to start operations adding revenue to THG.



Key development in 2018

1. Increase of investment in JV

On 17 November 2018, THG made an agreement with WJ International Hospital Management Co., Ltd. ("WJ") to buy shares of Ar Yu International Health Care Company Limited ("ARYU") held by WJ. Therefore, THG's holding in ARYU increased from 10% to 40%. In 1Q18, THG made a payment of USD0.65mn to WJ for paid capital and made a payment of USD14.35mn to ARYU for the rest of shares. As of 31 March 2018, THG invested a total of USD20mn in the JV.

2. Disposal of long-term investment in another company's share

In 1Q18, THG sold shares of Rajthanee Rojana Co.Ltd. (Rajthanee Rojana Hospital) at THB82mn with cost of THB30mn. Profit from this transaction is THB52mn.

3. Investment in a subsidiary

According to the resolution of Board of Director No. 4/2018 on 9 April 2018, the Board approved an investment in 55-60% of total shares of Thanarad Thung Song Company Limited within the amount of THB240mn.

Later, according to the resolution of Board of Director No. 7 /2018 on 5 July 2018, the Board approved an increase of investment limit in Thanarad Thung Song Company Limited, to THB360mn to maintain the investment proportion to be 55-60% when Thanarad Thungsong increased its registered capital to THB600mn.

As of 7 November 2018, THG completed the investment transaction in Thanarad Thung Song Company Limited according to the Board resolution. THG holds the shares 51.12% directly, and 5.31% indirectly via Rajyindee Hospital PLC., totaling 56.43%.

4. Soft launch of Ar Yu International Hospital

In September 2018, Ar Yu International Hospital in Myanmar started a soft launch for OPD. It is expected to fully operate within 1Q19.

Summary of 2018 performance compared to 2017

Revenue

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. Total revenue was THB7,094mn, increasing by 7.3% due to an increase from domestic hospital revenue and revenue recognized from active living unit transfer of Jin Wellbeing County.

Medical Service Business has revenue of THB6,579mn, increasing by 6.6 %.

- Domestic hospitals comprise of Thonburi Hospital, Thonburi Hospital 2, Rajyindee Hospital, Thonburi Bamrungmuang Hospital and Thonburi Thungsong Hospital. Total revenue was THB5,809mn, increasing by 8.4%, mainly from 1) higher patient volume from marketing collaboration with insurance companies 2) new centers of excellence resulting in higher patient volume 3) higher pay per bill due to higher treatment intensity.
- Hospital management business revenue was THB494mn, decreasing by 17.4% mainly from revenue from overseas decreased, as some overseas contract ended in 1Q18.
- Excellence center business revenue was THB276mn, increasing by 27.8% mainly from service of Heart Center at Thonburi 2 Hospital, opened in June 2017, and at Phthalung Hospital, opened in April 2018, with higher volume from patients covered by Universal Health Insurance since October 2018.

Healthcare Solutions Provider business

This business comprises of senior living project, dental equipment and supplies provider, chained drug stores and home healthcare. The revenue was THB492mn, increasing by 18.8% from revenue recognized from 19 active living unit transfer of Jin Wellbeing County in 4Q18.

Other businesses

They comprise of hospital software development business and project development for healthcare service. The revenue was THB23mn, decreasing by 11.5% because last year there were projects from overseas clients of which most revenue already occurred and services delivered.

Costs

Total cost was THB5,185mn, increasing by 8.5% along with the growth of total revenue. Main cost was from medical service business which is THG's group core business. The costs of the 3 businesses are classified as follows:

Cost of medical service was THB4,834mn, increasing by 7.7%. Main costs include doctor fees, nurse and staff costs, and drugs & medical supplies that we in line with revenue growth, as well as depreciation from new building and medical equipment for service development to serve patients effectively.

Cost of healthcare solutions provider was THB336mn, increasing by 21.3%. The main costs were 1) cost of goods sold of dental equipment that was higher than revenue growth because most of goods sold in this quarter are lower margin goods when compared with last year, and 2) cost of active living units in Jin Wellbeing County.

Cost of other businesses was THB15mn, decreasing by 6.3% along with revenue decrease. Main cost includes staff cost in hospital software development business.

Selling, general and administrative expenses

SG&A and management remuneration was THB1,379mn, increasing by 37.2%. It was from the increase in staff cost, marketing expenses, as well as expenses from studies and project development, especially in 4Q18 for preparation of Thonburi Bamrungmuang Hospital operation and sales promotion to encourage the transfer of Jin Wellbeing County active living units.

Financial cost

It was THB144mn, decreasing by 10.6%. As of 31 December 2018, interest-bearing debt was THB6,196mn, higher than THB3,683mn of last years. It reflected efficient loan management and average interest rate decreased from 4.4% to 2.9%.

Profit

Gross profit was THB1,909mn, increasing by 4.3%. Gross profit margin was 26.9% from 27.7% last year, mainly due to a decrease of overseas consulting revenue.

Net profit attributable to the parent was THB348mn, decreasing by 37.2%. Net profit margin (parent) was 4.9% from 8.4% mainly due to higher SG&A during the expansion period.

Financial Highlights

	Consolidated financial statements		
<i>Profit and loss statements (million baht)</i>	2018	2017	% YoY
Revenue from medical service	6,579	6,172	6.6%
Revenue from Healthcare solution provider	492	414	18.8%
Revenue from other businesses	23	26	-11.5%
Total revenue	7,094	6,612	7.3%
Cost from medical service	(4,834)	(4,488)	7.7%
Cost from Healthcare solution provider	(336)	(277)	21.3%
Cost from other businesses	(15)	(16)	-6.3%
Total cost	(5,185)	(4,781)	8.5%
Gross profit	1,909	1,830	4.3%
Selling, general and admin expenses	(1,379)	(1,005)	37.2%
EBITDA	1,094	1,147	-4.8%
Financial cost	(144)	(161)	10.6%
Net profit	367	565	-35.0%
Net profit - parent	348	554	-37.2%

<i>Margin</i>	2018	2017
Gross profit margin	26.9%	27.7%
EBITDA margin	15.4%	17.3%
Net profit margin - parent	4.9%	8.4%

Financial status

Assets

As of 31 December 2018, THG had total assets of THB17,927mn, increasing from THB14,010mn as of 31 December 2017.

Current assets increased from

- cash and cash equivalents of THB160mn because THG invested in more subsidiary during the year, and prepared cash as working capital of a subsidiary that will operate in 1Q19.
- trade and other accounts receivable of THB154mn because higher patient volume caused higher account receivable along with revenue growth, while others were from land rent of subsidiary
- short-term loans to related parties of THB40mn from the loan to JV in proportion of THG's share
- inventory of THB932mn from first part of Jin Wellbeing County's completed units
- cost of developing holistic care project of THB335mn from the construction of Jin Wellbeing County and Thonburi Health Village

Non-current assets increased from

- net investment in JV of THB328mn because THG increased the shareholding in Ar Yu International Health Care Company Limited to 40 % from 10 % totaling THB480mn according to the resolution of the Board of Directors' meeting, and recognized loss in 2018
- land, property and equipment, and advance payment for fixed assets of THB2,063mn from the investment of THG' subsidiary in construction, renovation and equipment for Jin Wellbeing County and Thonburi Bamrungmuang Hospital and from THG's additional investment Thonburi Thungsong Hospital (Thanarad Thungsong Co. Ltd.)
- net intangible assets of THB61mn from investment in software such as ERP, elderly tracking system for Jin Wellbeing Country and Thonburi Bamrungmuang projects
- prepaid rental of THB57mn because a subsidiary paid for the rest of rental to the Thai Red Cross Society.
- However, other long-term investment (net) decreased by THB80mn because THG sold the investment in Rajthanee Rojana Hospital Co. Ltd. of THB30mn, and reclassify investment in Thanarad Thungsong Co. Ltd. of THB52mn held by Rajyindee Hospital PLC., from other long-term investment to investment in subsidiaries. Also, investment in equities decreased by THB133mn because fair value of investment decreased at the end of year.

Liabilities

As of 31 December 2018, THG has total liabilities of THB9,201mn, increasing from THB5,345mn as of 31 December 2017. Most of them were long-term and short-term debt from financial institutions. Net increase of debt from financial institutions was THB2,513mn for investment and project development. Trade and other accounts payable increased by THB1,134mn, along with cost increase, as well as fixed assets payable and retention payable of THB710mn mainly from construction of Jin Wellbeing Country and Thonburi Bamrungmuang Hospital.

Equity

As of 31 December 2018, THG has total equity of THB8,726mn, increasing from THB8,665mn as of 31 December 2017. The increase was from non-controlling interest when THG invested in a new subsidiary in 2Q18. However, the equity attributable to owners of parent decreased due to dividend payment to shareholders and lower profit from new project investments. THG expects revenue recognition of some projects in 1Q19.

	Consolidated financial statements		
Statements of financial position (million baht)	End of 2018	End of 2017	% change
Current assets	4,268	2,615	63.2%
Non-current assets	13,659	11,395	19.9%
Total assets	17,927	14,010	28.0%

Current liabilities	5,325	1,279	316.3%
Non-current liabilities	3,876	4,066	-4.67%
Total liabilities	9,201	5,345	72.1%
Total equity	8,726	8,665	0.7%

	Consolidated financial statements	
Financial ratios	2018	2017
Current ratio (times)	0.8	2.0
Return on assets (%)	3.9%	6.9%
Assets turnover (times)	0.5	0.6
Return on equity (%)	4.2%	8.3%
Debt/ equity (times)	1.1	0.6
Interest bearing debt/ EBITDA (times)	5.7	3.2
Debt service coverage ratio (DSCR) (times)	2.0	4.4
Interest coverage ratios (times)	4.4	5.3

Capital management of 2018 compared to 2017

- **Net cash used in operating activities** was THB177mn, decreasing by more than 100%, because of increasing cost of Jin Wellbeing County and Thonburi Health Village project development, as well as cost of opening Thonburi Bamrungmuang Hospital.

- **Net cash used in investing activities** was THB1,827mn, increasing by 20.5% from THG and subsidiary's payment for fixed assets

- **Net cash generated from financing activities** was THB2,164mn, increasing by more than 100% due to loans from financial institutions for investment and project development.

	Consolidated financial statements	
Statement of cashflow (million baht)	2018	2017
Net cash generated from (used in) operating activities	(177)	713
Net cash used in investing activities	(1,827)	(1,516)
Net cash generated from financing activities	2,164	824
Net decrease in cash and cash equivalents	160	21
Cash and cash equivalents at the end of period	742	582

Report on the Board of Directors' 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 21 February 2019, 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 2018. 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 2018 (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
Acting CEO



THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

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 2018, 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 2018;
- 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 15 'Investments in subsidiaries (net)' to the separate financial statements</i></p> <p>As at 31 December 2018, the Company had investments in subsidiaries (net) of Baht 5,320 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 2018 • 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>Revenue recognition</p> <p><i>Refer to Note 2.25 'Accounting policies - Revenue recognition' to the consolidated and separate financial statements</i></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. The revenue recognition was in accordance with the accounting policy and the available evidence.</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.

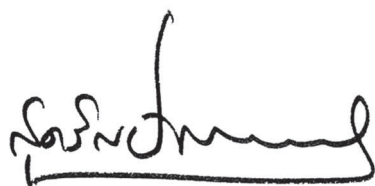
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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

21 February 2019

Thonburi Healthcare Group Public Company Limited
Statement of Financial Position
As at 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	741,504,076	581,868,962	388,585,495	372,825,116
Short-term investments at financial institutions		22,356	16,984	-	-
Short-term investments	8	144,044,436	142,943,367	21,530,466	121,986,273
Trade and other accounts receivable (net)	9	872,255,812	718,218,410	849,403,556	776,638,142
Short-term loans to related parties	37 c)	40,106,960	-	4,013,084,205	1,768,677,245
Current portion of long-term loans to related parties	37 d)	-	-	-	81,300,000
Inventories (net)	10	1,126,925,897	194,683,682	81,279,727	90,048,582
Cost of developing holistic care project	11	1,307,083,724	972,029,785	-	-
Value added tax (net)		15,611,482	680,674	-	-
Current portion of prepaid rental	21	3,448,287	-	-	-
Other current assets		16,818,293	4,476,965	2,411,939	4,476,965
Total current assets		4,267,821,323	2,614,918,829	5,356,295,388	3,215,952,323
Non-current assets					
Restricted deposits at financial institutions	12	8,706,447	9,932,143	-	2,552,700
Long-term investments in equity securities	13	580,559,741	713,535,009	580,559,741	713,535,009
Investments in associates (net)	14 a)	483,357,203	454,725,259	380,689,500	374,911,500
Investments in subsidiaries (net)	15 a)	-	-	5,320,016,139	5,013,323,639
Investments in joint ventures (net)	16	1,068,453,056	740,375,032	1,429,120,653	949,173,656
Other long-term investments (net)	17	172,447,736	252,542,536	118,300,567	147,995,367
Investment properties (net)	18	1,813,601,994	1,813,757,802	-	-
Property, plant and equipment (net)	19	6,848,766,181	4,832,788,537	3,688,312,009	3,645,579,012
Advance payment for fixed assets		77,631,816	30,905,221	369,807	4,801,995
Intangible assets (net)	20	142,618,698	82,029,293	72,200,749	76,835,740
Land leasehold rights and leased buildings (net)	21	2,271,893,072	2,372,990,701	11,397,260	12,197,260
Down payment for land leasehold rights	21	2,000,000	1,000,000	-	-
Deferred tax assets (net)	22	120,322,614	64,452,961	-	-
Prepaid rental	21	53,813,747	-	-	-
Other non-current assets		14,937,853	25,761,108	532,178	496,943
Total non-current assets		13,659,110,158	11,394,795,602	11,601,498,603	10,941,402,821
Total assets		17,926,931,481	14,009,714,431	16,957,793,991	14,157,355,144

The accompanying notes on pages 18 to 116 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 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	23	2,740,861,663	129,056,675	2,583,000,000	-
Trade and other accounts payable	24	2,059,487,144	925,605,877	685,533,528	679,819,010
Current portion of					
- Long-term loans from financial institutions	25	400,000,000	100,000,000	400,000,000	100,000,000
- Finance lease liabilities (net)	26	3,151,914	2,691,399	2,857,376	2,390,405
- Liabilities under land leasehold rights	21	1,000,000	1,000,000	-	-
Accrued income tax		72,376,170	50,582,976	63,448,438	49,741,830
Value added tax (net)		26,039,496	19,292,022	12,489,439	11,148,498
Other current liabilities - Withholding tax payable		14,009,944	40,119,412	6,758,239	9,149,659
- Others		8,056,405	10,825,367	5,021,410	4,914,977
Total current liabilities		5,324,982,736	1,279,173,728	3,759,108,430	857,164,379
Non-current liabilities					
Long-term loans from financial institutions	25	3,043,716,325	3,442,245,765	3,043,716,325	3,442,245,765
Fixed assets payable	24	155,280,815	-	-	-
Finance lease liabilities (net)	26	8,167,427	9,440,874	8,089,257	9,119,760
Liabilities under land leasehold rights	21	1,000,000	2,000,000	-	-
Deferred tax liabilities (net)	22	322,343,332	375,767,475	104,900,073	146,317,681
Employee benefit obligations	27	333,880,092	228,908,057	270,616,985	177,090,817
Other non-current liabilities		11,676,217	7,374,892	160,000	160,000
Total non-current liabilities		3,876,064,208	4,065,737,063	3,427,482,640	3,774,934,023
Total liabilities		9,201,046,944	5,344,910,791	7,186,591,070	4,632,098,402

The accompanying notes on pages 18 to 116 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 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	28				
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	849,080,000	849,080,000
Share premium on issue of ordinary shares (net)	28	6,861,242,864	6,861,242,864	6,861,242,864	6,861,242,864
Retained earnings					
Appropriated - legal reserve	29	112,524,039	112,524,039	112,524,039	112,524,039
Unappropriated		1,066,997,493	1,138,693,486	1,509,503,153	1,167,419,848
Surplus (deficit) from additional investments in subsidiaries		(1,099,805,884)	(1,099,295,760)	-	-
Other components of equity		426,881,040	540,906,513	438,852,865	534,989,991
Equity attributable to owners of the parent		8,216,919,552	8,403,151,142	9,771,202,921	9,525,256,742
Non-controlling interests	31	508,964,985	261,652,498	-	-
Total equity		8,725,884,537	8,664,803,640	9,771,202,921	9,525,256,742
Total liabilities and equity		17,926,931,481	14,009,714,431	16,957,793,991	14,157,355,144

The accompanying notes on pages 18 to 116 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 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Notes	Baht	Baht	Baht	Baht	Baht
Revenues					
Revenue from hospital operations		5,794,962,004	5,358,096,856	5,107,172,377	4,734,358,011
Revenue from sales of goods		396,425,369	400,161,377	-	-
Revenue from other services		819,996,592	853,398,399	493,758,986	597,507,191
Revenue from sales of condominium unit		82,807,876	-	-	-
Cost of hospital operations	33	(4,156,424,472)	(3,864,882,766)	(3,629,680,215)	(3,375,401,000)
Cost of goods sold	33	(272,488,886)	(271,502,565)	-	-
Cost of other services	33	(698,899,236)	(644,845,732)	(443,570,170)	(446,206,610)
Cost of condominium unit sold		(57,765,006)	-	-	-
Gross profit		1,908,614,241	1,830,425,569	1,527,680,978	1,510,257,591
Other income	32	201,601,030	117,401,299	273,212,744	200,916,700
Profit before expense		2,110,215,271	1,947,826,868	1,800,893,722	1,711,174,291
Selling expenses	33	(264,276,345)	(202,129,379)	(81,023,799)	(61,098,590)
Administrative expenses	33	(1,114,266,920)	(803,267,123)	(638,624,786)	(559,435,520)
Other gains (losses)					
- Net loss on exchange rate		(1,019,119)	(7,002,194)	(2,593,380)	(7,685,290)
Other expenses		(10,825,535)	(3,237,717)	(181,759)	(2,269,870)
Finance costs	34	(144,097,391)	(160,500,638)	(159,271,311)	(146,524,060)
Share of profit from investments					
in associates	14 a)	40,872,483	36,075,420	-	-
Share of loss from investments					
in joint ventures	16	(133,216,058)	(124,869,937)	-	-
Profit before income tax		483,386,386	682,895,300	919,198,687	934,160,941
Income tax	35	(116,707,256)	(117,951,413)	(160,471,038)	(157,588,440)
Profit for the year		366,679,130	564,943,887	758,727,649	776,572,491

Thonburi Healthcare Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	
Notes		Baht	Baht	Baht	
Other comprehensive income					
Item that will not be subsequently reclassified to profit or loss					
- Remeasurements of employee benefit obligations	27	(80,772,079)	(8,735,284)	(77,012,344)	(3,966,011)
Item that will be subsequently reclassified to profit or loss					
- Unrealised gain (loss) on measurement of available-for-sale investments	8, 13	(138,811,729)	130,303,488	(139,424,493)	130,003,488
- Share of other comprehensive income of joint ventures accounted for using the equity method	16	(18,652,915)	4,691,437	-	-
Income tax relating to components of other comprehensive income	22	43,916,762	(24,313,641)	43,287,367	(25,207,011)
Other comprehensive income for the year - net of tax					
		(194,319,961)	101,946,000	(173,149,470)	100,829,965
Total comprehensive income for the year		172,359,169	666,889,887	585,578,179	877,401,119
Profit attributable to:					
Owners of the parent		347,599,923	553,835,960	758,727,649	776,572,649
Non-controlling interests		19,079,207	11,107,927	-	-
		366,679,130	564,943,887	758,727,649	776,572,649
Total comprehensive income attributable to:					
Owners of the parent		153,910,534	657,178,209	585,578,179	877,401,119
Non-controlling interests		18,448,635	9,711,678	-	-
		172,359,169	666,889,887	585,578,179	877,401,119
Basic earnings per share					
Basic earnings per share to attributable to owners of the parent (Baht)					
	36	0.41	0.72	0.89	
Weighted average number of ordinary shares (shares)					
		849,080,000	771,532,055	849,080,000	771,532,055

Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements (Baht)													
Atributable to owners of the parent													
	Notes	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated - legal reserve	Unappropriated earnings	Surplus (deficit) from additional investments in subsidiaries	Unrealised gain (loss) on measurement of available-for-sale investments	Other components of equity					
								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	Total 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	28	85,000,000	3,038,322,864	-	-	-	-	-	-	-	3,123,322,864	-	3,123,322,864
Dividend payment	30	-	-	-	(305,632,000)	-	-	-	-	-	(305,632,000)	-	(305,632,000)
Increase in share capital of subsidiary	31	-	-	-	-	-	-	-	-	-	-	41,765,217	41,765,217
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-
from dividend payment	31	-	-	-	-	-	-	-	-	-	-	(17,134,423)	(17,134,423)
Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-
from change in shareholding interest	31	-	-	-	(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	112,524,039	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 18 to 116 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 2018

Consolidated financial statements (Baht)													
	Notes	Attributable to owners of the parent											
		Other components of equity											
		Share of other											
		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	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	Total owners of the parent	Non- controlling interests	Total equity
Opening balance as at 1 January 2018		849,080,000	6,861,242,864	112,524,039	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
Changes in equity for the year 2018													
Dividend payment	30	-	-	-	(339,632,000)	-	-	-	-	(339,632,000)	-	-	(339,632,000)
Loss on additionally invested in subsidiary		-	-	-	-	(510,124)	-	-	-	(510,124)	-	-	(510,124)
Increase (decrease) in non-controlling interests from													
- dividend payment of subsidiary	31	-	-	-	-	-	-	-	-	-	-	(9,263,298)	(9,263,298)
- investment in subsidiary	31	-	-	-	-	-	-	-	-	-	-	261,284,525	261,284,525
- change in shareholding interest in subsidiary	31	-	-	-	-	-	-	-	-	-	-	(23,157,375)	(23,157,375)
Total comprehensive income for the period		-	-	-	267,936,007	-	(139,131,678)	(18,652,915)	43,759,120	(114,025,473)	153,910,534	18,448,635	172,359,169
Closing balance as at 31 December 2018		849,080,000	6,861,242,864	112,524,039	1,066,997,493	(1,099,805,884)	527,929,820	(13,961,478)	(87,087,302)	426,881,040	8,216,919,552	508,964,985	8,725,884,537

The accompanying notes on pages 18 to 116 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 2018

	Separate financial statements (Baht)								
	Notes	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings		Unrealised gain (loss) on measurement of available-for-sale investments	Other components of equity		Total equity
				Appropriated - legal reserve	Unappropriated		Income tax relating to components of other comprehensive income	Total other components of equity	
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	28	85,000,000	3,038,322,864	-	-	-	-	-	3,123,322,864
Dividend payment	30	-	-	-	(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
Opening balance as at 1 January 2018		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
Changes in equity for the year 2018									
Dividend payment	30	-	-	-	(339,632,000)	-	-	-	(339,632,000)
Total comprehensive income for the year		-	-	-	681,715,305	(139,424,493)	43,287,367	(96,137,126)	585,578,179
Closing balance as at 31 December 2018		849,080,000	6,861,242,864	112,524,039	1,509,503,153	526,969,005	(88,116,140)	438,852,865	9,771,202,921

The accompanying notes on pages 18 to 116 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 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		483,386,386	682,895,300	919,198,687	934,160,947
Adjustments					
Allowance for (reversal of)					
- doubtful accounts in trade and other accounts receivable	9	11,691,850	1,266,145	10,621,180	1,331,908
- obsolete inventories	10	(721,048)	2,214,769	18,925	(4,183)
- impairment of property, plant and equipment	19	9,601,082	684,950	-	-
- impairment of other long-term investment	17	-	(18,466,520)	-	(18,466,520)
Gain from investment in a subsidiary	15 f)	(140,557)	-	-	-
Amortisation charges on front-end fee		-	1,365,900	-	-
(Gain) loss on sales of					
- short-term investments	32	(5,995,314)	-	(5,995,314)	-
- long-term investments in equity securities		-	4,629	-	4,629
- other long-term investments	32	(52,479,110)	-	(52,479,110)	-
Loss from liquidation of other long-term investment	17 g)	-	18,086,675	-	18,086,675
Share of profit from liquidation of other long-term investment	17 e)	-	(131,575)	-	-
Share of profit from investments in associates	14 a)	(40,872,483)	(36,075,420)	-	-
Share of loss from investments in joint ventures	16	133,216,058	124,869,937	-	-
Depreciation	18, 19, 33	323,115,352	271,266,364	246,986,408	207,511,766
Amortisation	20, 21, 33	143,091,724	32,739,253	11,193,531	9,384,523
Amortisation of prepaid rental		2,586,215	-	-	-
Write-off of tax payable	32	(28,846,154)	-	-	-
Net gain on sales of property, plant and equipment and intangible assets	32	(506,561)	(868,971)	(91,099)	(894,040)
Net loss on write-off of property, plant and equipment and intangible assets		864,453	2,513,632	181,759	2,265,241
Loss from write-off of non-refundable deposit		360,000	-	-	-
Employee benefit obligations	27	42,718,928	24,356,044	32,767,524	18,953,577
Dividend income	32	(29,928,725)	(25,999,291)	(59,883,966)	(71,131,246)
Interest income	32	(2,155,373)	(1,136,705)	(106,998,846)	(84,263,006)
Finance costs	34	144,097,391	160,500,638	159,271,311	146,524,068
		<u>1,133,084,114</u>	<u>1,240,085,754</u>	<u>1,154,790,990</u>	<u>1,163,464,339</u>

The accompanying notes on pages 18 to 116 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 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Note	Baht	Baht	Baht	Baht
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal of subsidiaries)				
Trade and other accounts receivable	(165,179,656)	(215,048,246)	(29,071,984)	(186,240,262)
Inventories	(931,521,167)	12,621,580	8,749,930	(2,267,030)
Cost of developing holistic care project	(307,451,846)	(52,666,810)	-	-
Other current assets	893,174	3,826,415	2,065,026	1,576,415
Other non-current assets	(3,795,156)	4,679,008	(35,235)	(280,842)
Trade and other accounts payable	407,032,230	36,935,657	28,687,148	22,867,275
Value added tax	(8,183,334)	7,311,879	1,340,941	2,763,583
Other current liabilities	3,113,759	3,709,588	(2,284,987)	2,574,829
Other non-current liabilities	301,325	2,199,102	-	-
Employee benefit obligations paid	27 (18,644,470)	(21,050,170)	(16,253,700)	(17,405,550)
Cash generated from operating activities	109,648,973	1,022,603,757	1,147,988,129	987,052,757
Interest income received	1,609,631	1,138,609	52,684,236	40,173,530
Finance costs paid	(130,064,213)	(156,383,965)	(145,730,006)	(141,956,294)
Income tax paid	(158,054,295)	(153,979,235)	(144,894,671)	(133,985,630)
Net cash generated from (used in) operating activities	(176,859,904)	713,379,166	910,047,688	751,284,363

The accompanying notes on pages 18 to 116 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 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
(Increase) decrease in short-term investments					
at financial institutions		(5,372)	(5,806)	-	-
Short-term investments - proceeds	8, 32	100,000,000	-	100,000,000	-
Short-term investments - payments	8	(100,000,000)	-	-	-
(Increase) decrease in restricted deposits					
at financial institutions	12	1,225,696	61,995	2,552,700	-
Long-term investments in equity securities - proceeds	13	1,896	204,336	1,896	204,336
Long-term investments in equity securities - payments	13	-	(345,796)	-	(345,796)
Investments in associates - payments	14 b)	(5,778,000)	-	(5,778,000)	-
Investments in subsidiaries - payments		(34,723,853)	-	(311,988,226)	(506,617,303)
Investments in joint ventures - payment	16 b)	(479,946,997)	(224,799,200)	(479,946,997)	(224,799,200)
Other long-term investments - proceeds	17	82,173,910	-	82,173,910	-
Other long-term investments - payments	17	(5,600,000)	(27,256,016)	-	(16,656,016)
Cash payments from capital increase					
of a subsidiary	15 d)	-	-	-	(83,421,429)
Cash receipt from liquidation of					
other long-term investment	17 e), 17 g)	-	636,420	-	379,845
Cash payments for purchase of					
- property, plant and equipment		(1,229,814,757)	(684,744,221)	(317,330,020)	(582,858,568)
- investment properties		-	(144,827,737)	-	-
- intangible assets		(57,051,150)	(20,900,624)	(5,764,730)	(18,384,373)
- land leasehold rights and leased buildings	21	(32,000,000)	(3,625,000)	-	-
Cash payments for purchase assets					
of Bamrung Maung Plaza Co., Ltd.		(5,295,726)	(461,897,617)	-	-
Cash receipts from sales of property, plant and					
equipment (net) and intangible assets (net)		1,051,982	1,110,097	498,594	1,041,281
Prepaid rental - payment	21	(68,991,300)	-	-	-
Short-term loan to related companies					
- proceeds	37 c)	-	10,000,000	5,000,000	9,500,000
- payments	37 c)	(40,106,960)	(10,000,000)	(2,168,106,960)	(723,140,645)
Dividend receipts from investments in subsidiaries,					
associates, other companies and available-for-sales		47,947,264	50,438,557	59,883,966	71,131,246
Net cash used in investing activities		(1,826,913,367)	(1,515,950,612)	(3,038,803,867)	(2,073,966,622)

The accompanying notes on pages 18 to 116 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 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in bank overdrafts					
and short-term loans from financial institutions	23	2,611,804,988	(1,009,797,617)	2,583,000,000	(956,500,000)
Long-term loans from financial institutions - proceeds	25	-	48,700,000	-	-
Long-term loans from financial institutions - payments	25	(100,000,000)	(1,025,200,000)	(100,000,000)	(596,500,000)
Increase in prepaid front-end fee	25	-	(8,000,000)	-	(8,000,000)
Finance lease liabilities payment		(3,266,113)	(1,237,321)	(2,854,265)	(862,506)
Cash receipts from additional issue					
of ordinary shares	28	-	3,230,000,000	-	3,230,000,000
Cash payments for expenses related to					
Initial Public Offering	28	-	(129,231,053)	-	(129,231,053)
Dividends paid		(335,629,177)	(304,925,554)	(335,629,177)	(304,925,554)
Cash receipts from investment of					
non-controlling interests	31	-	41,765,217	-	-
Dividends of subsidiaries paid to non-controlling interests		(9,501,313)	(18,040,066)	-	-
Net cash generated from financing activities		2,163,408,385	824,033,606	2,144,516,558	1,233,980,887
Net increase (decrease) in cash and cash equivalents		159,635,114	21,462,160	15,760,379	(88,701,372)
Cash and cash equivalents at the beginning of the year		581,868,962	560,406,802	372,825,116	461,526,488
Cash and cash equivalents at the end of the year	7	741,504,076	581,868,962	388,585,495	372,825,116

The accompanying notes on pages 18 to 116 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 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Non-cash transactions					
Receivable from sales of equipment		22,500	22,500	-	-
Payables from purchase during the year					
- property plant and equipment	24	898,562,227	90,065,812	44,944,550	79,426,051
- Intangible assets	24	15,889,500	-	-	-
- land leasehold rights	21	-	3,000,000	-	-
- fixed asset under finance lease liabilities (net)		2,034,039	11,702,201	1,826,873	11,510,165
Retention payable	24	69,708,079	13,419,340	12,972,451	11,777,562
Dividend payable - other companies	24	12,680,939	8,916,135	12,198,145	8,195,322
Long-term loan for purchase of shares					
in a subsidiary	15 e), 25	-	1,600,000,000	-	1,600,000,000
Accrued professional fee that recorded					
as investment in a subsidiary	15 e)	-	5,295,726	-	5,295,726
Transfer land to cost of development					
holistic care project	19	27,602,093	918,685,880	-	-
Accrued expense that related to Initial Public Offering		-	4,115,367	-	4,115,367
Transfer liabilities under finance lease (net)		87,611	-	-	-

The accompanying notes on pages 18 to 116 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

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 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, Anuphasphuketkam 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 15. 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 21 February 2019.

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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

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 do not have a significant impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2 (revised 2018), the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TAS 28 (revised 2018), the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40 (revised 2018), the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

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

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Significant accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

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.
- Condominium unit for sales are stated at the lower of specific cost method or net realisable value.

The cost of purchase comprises both the purchase price, construction cost and other direct cost which related to construction 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 cost of completions and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories and recognised within cost of hospital operations, cost of goods sold and cost of condominium unit 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 the transfer from cost of developing holistic care project into inventories when the construction is completed.

2.8 Investments in subsidiaries, associates and joint ventures

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-measured 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 in profit or loss. 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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.8 Investments in subsidiaries, associates and joint ventures (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 15.

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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.8 Investments in subsidiaries, associates and joint ventures (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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred income 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, compensation, discount rate and value of award.

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.

Remeasurement gains and losses arising from experience adjustments or changes in actuarial assumptions are recognised as follows:

- For retirement benefit, charged or credited to equity in other comprehensive income in the period which they arise.
- For long service award, charged to profit or loss in which they arise.

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

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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, short-term 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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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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.

Revenue of subsidiary from sales of condominium units are recognised upon the transfer of the title ships to buyer. Installment under the contract is shown as deposits and advance received from customers.

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.

Thonburi Healthcare Group Public Company Limited
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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 manage 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 future 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.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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3 Financial risk management (Cont'd)

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 2018 and 2017 as follows:

	2018															
	Consolidated financial statements						Separate financial statements									
	Fixed interest rate			Interest (%)	Floating interest rate			Fixed interest rate			Non-interest bearing rate Baht	Floating interest rate Baht	Non-interest bearing rate Baht	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	3,257,290	-	-	741,504,076	0.12 - 1.10	2,620,252	-	-	237,872,854	148,092,389	388,585,495	0.12 - 1.00				
Short-term investments at financial institutions	22,356	-	-	22,356	1.00 - 1.05	-	-	-	-	21,530,466	21,530,466	-				
Short-term investments	-	-	-	144,044,436	-	-	-	-	-	-	-	-				
Trade and other accounts receivable (net)	-	-	-	872,255,812	-	-	-	-	-	849,403,556	849,403,556	-				
Short-term loan to related parties	40,106,960	-	-	40,106,960	5.22	4,013,084,205	-	-	-	-	4,013,084,205	3.40 - 8.00				
Restricted deposits at financial institutions	8,706,447	-	-	8,706,447	0.37 - 1.05	-	-	-	-	-	-	-				
	52,093,053	-	-	1,806,640,087		4,015,704,457	-	-	237,872,854	1,019,026,411	5,272,603,722					
Financial liabilities																
Bank overdrafts and short-term loans from financial institutions	2,720,896,896	-	-	2,740,861,663	Ref. Interest rate in Financial Market and MLR or MOR	2,583,000,000	-	-	-	-	2,583,000,000	Ref. Interest rate in Financial Market and MLR or MOR				
Trade and other accounts payable	-	-	-	2,059,487,144	5.30	-	-	-	-	685,533,528	685,533,528	-				
Fixed assets payable	155,280,815	-	-	155,280,815	-	-	-	-	-	-	-	-				
Long-term loans from financial institutions	398,529,440	639,417,352	-	3,443,716,325	MLR	398,529,440	2,405,769,533	639,417,352	-	3,443,716,325	3,443,716,325	MLR				
Finance lease liabilities (net)	3,151,914	8,167,427	-	11,319,341	3.85 - 7.03	2,857,376	8,089,257	-	-	-	10,946,633	3.85 - 5.28				
Liabilities under land leasehold rights	1,000,000	1,000,000	-	2,000,000	-	-	-	-	-	-	-	-				
	3,123,578,250	2,570,217,775	639,417,352	8,412,665,288		2,984,386,816	2,413,858,790	639,417,352	-	685,533,528	6,723,196,486					

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

3 Financial risk management (Cont'd)

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 2018 and 2017 as follows: (Cont'd)

	2017														
	Consolidated financial statements							Separate financial statements							
	Fixed interest rate					Interest (%)	Fixed interest rate								
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht		Total Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht	Total Baht	Interest (%)	
Financial assets															
Cash and cash equivalents	618,608	-	-	367,839,491	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	-	-	-	-	142,943,367	142,943,367	-	-	-	-	-	-	-	-	
Trade and other accounts receivable (net)	-	-	-	-	718,218,410	718,218,410	-	-	-	-	-	776,638,142	776,638,142	-	
Short-term loan to related parties	-	-	-	-	-	-	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	-	-	-	-	2,552,700	1.00	
Long-term loans to related parties	-	-	-	-	-	-	-	81,300,000	-	-	-	-	81,300,000	7.50	
	10,567,735	-	-	367,839,491	1,074,472,640	1,452,979,866		1,852,529,945	-	-	207,731,008	941,732,250	3,001,993,203		
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	M.RandMOR	-	-	-	-	679,819,010	679,819,010	-	
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	3.85 - 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	-	679,819,010	4,233,574,940		

Thonburi Healthcare Group Public Company Limited
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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 38.4.

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).

		Fair value			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Level		Baht	Baht	Baht	Baht
Assets and liabilities as at 31 December					
Available-for-sale investments (Note 8, 13)	1	724,604,177	856,478,376	602,090,207	835,521,282
Investment properties (net) (Note 18)	2	2,921,442,000	2,874,863,735	-	-
Long-term loans from financial institutions (Note 25)	2	3,475,108,593	3,565,901,176	3,475,108,593	3,565,901,176
Long-term loans to related parties (Note 37 d))	2	-	-	-	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 18, 25 and 37 d), respectively.

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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 27.

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 15 and 17).

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.

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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 2018 and 2017:

Certain part of the consolidated statements of comprehensive income for the years ended 31 December 2018 and 2017 (Baht)														
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from hospital operations	5,802,701,768	5,361,832,690	-	-	-	-	-	-	-	-	(7,739,764)	(3,735,834)	5,794,962,004	5,358,096,856
Revenue from sale of goods	-	-	-	-	431,929,897	405,688,459	-	-	-	-	(35,504,528)	(5,527,082)	396,425,369	400,161,377
Revenue from other services	14,386,434	-	770,897,627	814,760,252	12,651,519	13,796,491	32,686,155	29,143,916	-	-	(10,627,143)	(4,302,260)	819,996,592	853,398,399
Revenue from sales of condominium unit	-	-	-	-	82,807,876	-	-	-	-	-	-	-	82,807,876	-
Cost of hospital operations	(4,160,658,902)	(3,869,951,183)	-	-	-	-	-	-	-	-	4,234,430	5,068,417	(4,156,424,472)	(3,864,882,766)
Cost of goods sold	-	-	-	-	(290,706,168)	(271,955,784)	-	-	-	-	18,217,282	453,219	(272,488,886)	(271,502,565)
Cost of other services	(17,265,924)	-	(675,858,615)	(631,313,189)	(6,027,636)	(5,699,595)	(16,223,330)	(16,150,472)	-	-	16,476,269	8,317,524	(698,899,236)	(644,845,732)
Cost of condominium unit sold	-	-	-	-	(57,765,006)	-	-	-	-	-	-	-	(57,765,006)	-
Segment income	1,639,163,376	1,491,881,507	95,039,012	183,447,063	172,890,482	141,829,571	16,464,825	12,993,444	-	-	(14,943,454)	273,984	1,908,614,241	1,830,425,569
Unallocated revenues and expenses :														
Other income	-	-	-	-	-	-	-	-	-	-	-	-	201,601,030	117,401,299
Selling and administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	(1,378,543,265)	(1,005,396,502)
Net gain (loss) on exchange rate	-	-	-	-	-	-	-	-	-	-	-	-	(1,019,119)	(7,002,194)
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	(10,825,535)	(3,237,717)
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(144,097,391)	(160,500,638)
Share of profit (loss) from investment in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- associates	-	-	-	-	-	-	-	-	-	-	-	-	40,872,483	36,075,420
- joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	(133,216,058)	(124,869,937)
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(116,707,256)	(117,951,413)
Net profit for the year													366,679,130	564,943,887

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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 2018 and 2017: (Cont'd)

Certain part of the consolidated statements of financial position as at 31 December 2018 and 2017 (Baht)														
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Segment assets	6,467,779,152	6,103,096,553	661,423,512	484,302,830	3,259,650,479	1,829,151,649	23,778,432	22,040,710	10,455,139	10,914,986	927,029,602	1,073,160,384	11,350,116,316	9,522,667,112
Investments at equity method	1,809,810,153	1,324,085,156	-	-	-	-	-	-	-	-	(257,969,894)	(128,984,865)	1,551,810,259	1,195,100,291
Unallocated assets	12,591,918,962	8,589,955,383	149,432,050	149,147,097	487,473,641	68,096,286	2,805	-	1,822,565,548	1,812,643,548	(10,026,388,100)	(7,327,895,286)	5,025,004,906	3,291,947,028
Total assets	20,869,508,267	16,017,137,092	810,855,562	633,449,927	3,747,124,120	1,897,247,935	23,781,237	22,040,710	1,833,020,687	1,823,558,534	(9,357,358,392)	(6,383,719,767)	17,926,931,481	14,009,714,431
Segment liabilities	4,012,275,687	1,322,085,148	176,881,041	125,661,760	615,672,536	803,132,109	8,996,570	8,591,665	5,244,914	5,577,869	(89,553,991)	(586,578,450)	4,729,516,757	1,678,470,101
Unallocated liabilities	5,014,553,691	3,559,305,924	119,948,441	48,865,596	2,156,352,808	16,767,573	26,074,360	30,275,799	1,674,385,832	1,633,235,698	(4,519,784,945)	(1,621,009,900)	4,471,530,187	3,666,440,690
Total liabilities	9,026,829,378	4,880,391,072	296,829,482	174,527,356	2,772,025,344	819,899,682	35,070,930	38,867,464	1,679,630,746	1,638,813,567	(4,609,338,936)	(2,207,588,350)	9,201,046,944	5,344,910,791

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	12,698,409	10,373,263	10,178,909	8,249,597
Cheque on hand	1,493,920	2,019,806	975,315	628,922
Cash at banks - savings accounts	577,277,953	359,971,349	237,872,854	207,731,008
- current accounts	146,776,504	208,885,936	136,938,165	156,215,589
- 3-month fixed deposit	3,257,290	618,608	2,620,252	-
	741,504,076	581,868,962	388,585,495	372,825,116

As at 31 December 2018 and 2017, cash at banks carry interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2018 % per annum	2017 % per annum	2018 % per annum	2017 % per annum
Cash at banks- savings accounts	0.12 to 1.00	0.12 to 1.30	0.12 to 1.00	0.12 to 0.75
- 3-month fixed deposit	0.80 to 1.10	0.80 to 1.25	1.00	-

8 Short-term investments

As at 31 December 2018 and 2017, 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 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Investment in debt securities				
Cost at the beginning of the year	127,942,325	127,942,325	108,199,517	108,199,517
<u>Add</u> Additions from acquiring subsidiary during the year	928,198	-	-	-
<u>Add</u> Additions during the year	100,000,000	-	-	-
<u>Less</u> Disposals during the year	(94,004,686)	-	(94,004,686)	-
Cost at the end of the year	134,865,837	127,942,325	14,194,831	108,199,517
Unrealised gain on measurement of available-for-sale investments	2,641,184	7,050,742	814,134	5,836,456
Unrealised gain on measurement of available-for-sale investments from acquiring subsidiary	15,914	-	-	-
Book value at the end of the year	137,522,935	134,993,067	15,008,965	114,035,973

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8 Short-term investments (Cont'd)

The movements of short-term investments for the years ended 31 December 2018 and 2017 are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Investment in equity securities				
Cost at the beginning of the year	6,248,671	6,248,671	6,248,671	6,248,671
<u>Add</u> Additions during the year	-	-	-	-
<u>Less</u> Disposals during the year	-	-	-	-
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	272,830	1,701,629	272,830	1,701,629
Book value at the end of the year	6,521,501	7,950,300	6,521,501	7,950,300

As at 31 December 2018 and 2017, the total amount of short-term investments comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost - Debt securities	134,865,837	127,942,325	14,194,831	108,199,517
Cost - Equity securities	6,248,671	6,248,671	6,248,671	6,248,671
<u>Add</u> Changes in value of investments	2,929,928	8,752,371	1,086,964	7,538,085
	<u>144,044,436</u>	<u>142,943,367</u>	<u>21,530,466</u>	<u>121,986,273</u>

As at 31 December 2018, the book value of short-term investments in debt securities of the Group amounting to Baht 137,522,935 (2017 : Baht 134,993,067) and for the Company amounting to Baht 15,008,965 (2017 : Baht 114,035,973) 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 2018, the book value of short-term investments in equity securities of the Group and the Company amounting to Baht 6,521,501 (2017 : Baht 7,950,300) 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 recognised gain on disposal of investment in securities amounting to Baht 5,995,314 for the year ended 31 December 2018 (2017 : the Group and the Company had no transactions about disposals of investments in securities) (Note 32).

During the year 2018, the Group and the Company received dividend income from short-term investments amounting to Baht 136,750 (2017 : Baht 139,100) (Note 32).

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.

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9 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable					
- other companies (net)		783,198,630	657,606,666	398,741,443	395,959,547
- related companies	37 a)	52,449,904	37,436,163	39,882,373	25,282,075
		<u>835,648,534</u>	<u>695,042,829</u>	<u>438,623,816</u>	<u>421,241,622</u>
Other accounts receivable					
- other companies		5,805,603	6,674,119	3,931,670	5,191,447
- related companies	37 a)	10,015,600	317,200	8,685,811	4,266,611
		<u>15,821,203</u>	<u>6,991,319</u>	<u>12,617,481</u>	<u>9,458,058</u>
Interests receivable					
- other companies		13,935	15,459	-	-
- related companies	37 a)	547,266	-	435,386,791	381,072,181
		<u>561,201</u>	<u>15,459</u>	<u>435,386,791</u>	<u>381,072,181</u>
<u>Less</u> Allowance for doubtful accounts					
- related companies	37 a)	-	-	(44,661,690)	(44,661,690)
		<u>561,201</u>	<u>15,459</u>	<u>390,725,101</u>	<u>336,410,491</u>
Advance payment					
- other companies		4,237,504	3,839,785	591,263	3,661,234
- related company	37 a)	-	43,335	-	-
		<u>4,237,504</u>	<u>3,883,120</u>	<u>591,263</u>	<u>3,661,234</u>
Prepaid expenses		<u>15,987,370</u>	<u>12,285,683</u>	<u>6,845,895</u>	<u>5,866,737</u>
		<u>872,255,812</u>	<u>718,218,410</u>	<u>849,403,556</u>	<u>776,638,142</u>

Trade accounts receivable - other companies (net) as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable				
- other companies				
- billed receivable	438,070,343	323,462,265	231,830,450	177,151,701
- unbilled receivable	373,940,980	351,265,244	189,880,207	231,155,880
	<u>812,011,323</u>	<u>674,727,509</u>	<u>421,710,657</u>	<u>408,307,581</u>
<u>Less</u> Allowance for doubtful accounts	<u>(28,812,693)</u>	<u>(17,120,843)</u>	<u>(22,969,214)</u>	<u>(12,348,034)</u>
Trade accounts receivable				
- other companies (net)	<u>783,198,630</u>	<u>657,606,666</u>	<u>398,741,443</u>	<u>395,959,547</u>

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

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable - other companies				
Not yet due	301,890,634	203,144,761	156,791,363	109,751,373
Overdue				
1 - 90 days	77,324,790	70,106,636	36,896,303	35,480,821
91 - 180 days	13,737,916	11,449,305	3,040,988	4,613,394
181 - 365 days	14,068,628	14,785,589	8,289,826	6,336,942
Over 365 days	31,048,375	23,975,974	26,811,970	20,969,171
	438,070,343	323,462,265	231,830,450	177,151,701
<u>Less</u> Allowance for doubtful accounts	(28,812,693)	(17,120,843)	(22,969,214)	(12,348,034)
	409,257,650	306,341,422	208,861,236	164,803,667
Unbilled trade accounts receivable	373,940,980	351,265,244	189,880,207	231,155,880
Trade accounts receivable - other companies (net)	<u>783,198,630</u>	<u>657,606,666</u>	<u>398,741,443</u>	<u>395,959,547</u>
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade account receivable - related companies				
Not yet due	6,550	920,685	2,208,221	4,125,142
Overdue				
1 - 90 days	85,475	1,134,800	7,460,675	3,379,217
91 - 180 days	1,700	484,500	1,756,272	-
181 - 365 days	11,233,166	648,842	5,721,010	-
Over 365 days	-	4,010,164	3,266,604	-
	11,326,891	7,198,991	20,412,782	7,504,359
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	11,326,891	7,198,991	20,412,782	7,504,359
Unbilled trade accounts receivable	41,123,013	30,237,172	19,469,591	17,777,716
Trade account receivable - related companies (net)	<u>52,449,904</u>	<u>37,436,163</u>	<u>39,882,373</u>	<u>25,282,075</u>

As at 31 December 2018 and 2017, the Group did not recognise allowance for doubtful account for trade accounts receivable - related companies since the payment is likely to be received.

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9 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 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Allowance for doubtful accounts at the beginning of the year	(17,120,843)	(16,759,577)	(12,348,034)	(11,016,126)
<u>Add</u> Additions during the year	(15,765,202)	(5,843,879)	(11,115,386)	(3,044,166)
<u>Less</u> Written-off during the year	138,601	342,331	-	-
<u>Less</u> Reversal during the year - repayments	3,934,751	5,140,282	494,206	1,712,258
Allowance for doubtful accounts at the end of the year	(28,812,693)	(17,120,843)	(22,969,214)	(12,348,034)

During the year ended 31 December 2018, the Group has not written-off any bad debt (2017 : the Group has not written-off any bad debt).

10 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Medicines and medical supplies	114,654,120	108,887,830	74,694,978	83,236,547
Medical equipment	94,885,230	86,513,189	-	-
Supplies	7,575,327	8,308,654	7,049,665	7,258,026
Condominium unit for sale	913,370,443	-	-	-
<u>Less</u> Allowance for obsolete inventories				
- medicines and medical supplies	(1,244,389)	(1,389,808)	-	-
- medical equipment	(7,202,613)	(7,797,167)	-	-
- supplies	(464,916)	(445,991)	(464,916)	(445,991)
Goods in transit - medical equipment	5,352,695	606,975	-	-
	<u>1,126,925,897</u>	<u>194,683,682</u>	<u>81,279,727</u>	<u>90,048,582</u>

The movements of allowance for obsolete inventories for the years ended as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Allowance for obsolete inventories at the beginning of the year				
- medicine 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)
<u>Add</u> Additions during the year				
- medicine and medical supplies	(183,216)	(40,869)	-	-
- medical equipment	(1,123,975)	(2,475,109)	-	-
- supplies	(20,272)	(1,403)	(20,272)	(1,403)
<u>Less</u> Write-off during the year				
- medicine and medical supplies	287,766	137,085	-	-
<u>Less</u> Reversal during the year				
- medicine and medical supplies	40,869	164,872	-	-
- medical equipment	1,718,529	132,154	-	-
- supplies	1,347	5,586	1,347	5,586
Allowance for obsolete inventories at the end of the year	(8,911,918)	(9,632,966)	(464,916)	(445,991)

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10 Inventories (net) (Cont'd)

- 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.

11 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 2018 and 2017 comprise the following:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Land under development	1,059,561,408	915,804,136
Construction in progress and other related costs	222,458,982	47,779,171
Capitalised interest	25,063,334	8,446,478
	1,307,083,724	972,029,785

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.

12 Restricted deposits at financial institutions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash at banks - savings account	426,100	3,384,593	-	-
- 3-month fixed deposit	1,980,000	4,532,700	-	2,552,700
- 12-month fixed deposit	6,300,347	2,014,850	-	-
	8,706,447	9,932,143	-	2,552,700

Interest rate (% per annum)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
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 1.00	-	1.00
- 12-month fixed deposit	0.90 to 1.05	0.90 to 1.05	-	-

As at 31 December 2018, restricted deposits at financial institutions of the Group are deposits of the subsidiaries (2017 : deposits of the Company and subsidiaries) in Baht currency. The Group pledged these deposits as collateral against the bank overdrafts and bank guarantees (Note 23 and 39).

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13 Long-term investments in equity securities

As at 31 December 2018 and 2017, long-term investments in equity securities of the Group and the Company comprise the following:

	Consolidated and Separate financial statements	
	2018	2017
	Baht	Baht
Available-for-sale investments	580,559,741	713,535,009

Available-for-sale investments

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 2018 and 2017 are as follows:

	Consolidated and Separate financial statements	
	2018	2017
	Baht	Baht
<u>Investments in ordinary shares</u>		
Cost at the beginning of the year	604,702,986	394,375,350
<u>Add</u> Additions during the year	-	345,796
<u>Add</u> Transfer from other long-term investments during the year	-	210,190,805
<u>Less</u> Decrease from capital reduction	(1,896)	-
<u>Less</u> Disposals during the year	-	(208,965)
Cost at the end of the year	604,701,090	604,702,986
Unrealised gain on measurement of available-for-sale investments	(24,141,349)	108,832,023
Book value at the end of the year	580,559,741	713,535,009

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 17 b)). The Company recognised unrealised gain on measurement of available-for sale investment in comprehensive income.

The Company has no transactions about disposals of available-for sale investments for the year ended 31 December 2018 (2017 : The Company recognised loss on disposals of available-for sale investments for the year ended 31 December 2017 amounting to Baht 4,629).

During 2018, the Company received dividend income from long-term investments in equity securities amounting to Baht 18,007,056 (2017 : Baht 12,268,554) (Note 32).

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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14 Investments in associates (net)

a) As at 31 December 2018 and 2017, 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	
				2018	2017	2018	2017	2018	2017	2018	2017
				Baht	Baht	Percentage	Percentage	Baht	Baht	Baht	Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.04	317,817,773	294,272,665	29,310,922	18,963,077
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	270,909,375	270,909,375	31.87	31.87	165,539,430	160,452,594	11,561,561	17,112,343
								483,357,203	454,725,259	40,872,483	36,075,420

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

- a) As at 31 December 2018 and 2017, investments in associates (net) comprise the following: (Cont'd)

Separate financial statements									
Cost method									
Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		2018	
				2018	2017	2018	2017	Investments	Allowance for
				Baht	Baht	Percentage	Percentage	Baht	impairment of
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.04	272,762,500	-
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	270,909,375	270,909,375	31.87	31.87	107,927,000	-
								380,689,500	-
								266,984,500	-
								107,927,000	-
								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.

Thonburi Healthcare Group Public Company Limited
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14 Investments in associates (net) (Cont'd)

- b) The movements in book value of investments in associates (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning book value of the year (net)	454,725,259	443,089,105	374,911,500	374,911,500
Additions during year	5,778,000	-	5,778,000	-
Share of profit during the year (net)	40,872,483	36,075,420	-	-
Dividend income during the year	(18,018,539)	(24,439,266)	-	-
Ending book value of the year (net)	<u>483,357,203</u>	<u>454,725,259</u>	<u>380,689,500</u>	<u>374,911,500</u>

During the year ended 31 December 2018, the Group and the Company received dividend income from Ubonrak Co., Ltd. amounting to Baht 11.54 million and Sirivej Chanthaburi Public Company Limited amounting to Baht 6.47 million (2017 : the Group 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).

As at 31 December 2018, the Group and the Company received dividend income from associates totalling Baht 18.01 million (2017 : the Group and the Company received dividend income from associates totalling Baht 24.44 million).

- c) The additional investment in associate - Ubonrak Co., Ltd.

In May 2018, the Company additionally invested in ordinary shares of Ubonrak Co., Ltd. by the purchase of 54,000 ordinary shares at Baht 107.00 per share from other individual, totalling Baht 5.78 million. As a result, the shareholding interest increased from 34.04% to 34.52%.

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14 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		As at 31 December	
	2018	2017	2018	2017	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Current assets	225	217	81	147	306	364	306	364
Non-current assets	500	477	522	425	1,022	902	1,022	902
Current liabilities	(119)	(114)	(91)	(107)	(210)	(221)	(210)	(221)
Non-current liabilities	(109)	(134)	(40)	(9)	(149)	(143)	(149)	(143)
Net assets	497	446	472	456	969	902	969	902
Revenue	755	657	532	536	1,287	1,193	1,287	1,193
Net profit	85	56	44	53	129	109	129	109
Other comprehensive income	-	-	(8)	1	(8)	1	(8)	1
Total comprehensive income	85	56	36	54	121	110	121	110

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 2018 and 2017.

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14 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	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Net assets as at 1 January	446	424	456	443	902	867
Profit for the year	85	56	44	53	129	109
Other comprehensive income	-	-	(8)	1	(8)	1
Dividends	(34)	(34)	(20)	(41)	(54)	(75)
Net assets as at 31 December	497	446	472	456	969	902
Interest in associate (%)	34.52	34.04	31.87	31.87	322	297
Equity in associate	172	152	150	145	6	-
Additional invested	6	-	-	-	-	-
Excess of fair value to cost of investments prior to the change in shareholding interest	(40)	(38)	-	-	(40)	(38)
Goodwill	180	180	15	15	195	195
Net book value	318	294	165	160	483	454
Carrying amount of investments in associates using the equity method (Note 14 a))	318	294	165	160	483	454

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

a) As at 31 December 2018 and 2017, 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	
			2018	2017	2018	2017	Cost method				2018	2017
			Baht	Baht	Percentage	Percentage	2018	2017	2018	2017	Baht	Baht
							Allowance for impairment of investments	Investments	Investments	Investments	For the year ended 31 December	
							Baht	Baht	(net)	Baht		
Rajindree Hospital Public Company Limited	Thailand	Private hospital activities	430,000,000	430,000,000	56.91	56.91	-	238,918,787	238,918,787	238,918,787	12,236,702	21,692,689
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	-	-	-
Premiere Home Health Care Company Limited	Thailand	Renting and operating of self-owned or leased of medical facilities	1,150,000,000	1,150,000,000	99.99	99.99	-	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	(31,511,767)	144,526,240	113,014,473	113,014,473	-	-
Rajthamsee 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	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	-	1,051,597,350	-	-
Modular Software Expertise Co., Ltd.	Thailand	Consulting and writing	18,000,000	18,000,000	70.00	70.00	(4,600,000)	12,600,000	8,000,000	8,000,000	-	-
Uttaradit Thonburi Hospital Co., Ltd.	Thailand	Private hospital activities	90,000,000	90,000,000	99.99	99.99	-	90,000,000	90,000,000	-	-	-
Thonburi Bamrungnuang Hospital Co., Ltd.	Thailand	Private hospital activities	1,223,176,700	1,223,176,700	99.99	99.99	-	2,111,913,029	2,111,913,029	2,111,913,029	-	-
Thanarad Thung Song Co. Ltd	Thailand	Private hospital activities	600,000,000	-	51.12	-	-	306,692,500	-	-	-	-
							(834,368,167)	5,847,691,806	5,013,323,639	5,013,323,639	12,236,702	21,692,689

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15 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 2018 and 2017 are as follows:

Summarised statements of financial position

	2018 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Thanarad Thung Song Co., Ltd.
					Total
Current					
Assets	216,972	270,649	14,414	16,684	668,762
Liabilities	(70,754)	(259,119)	(464,108)	(28,682)	(856,322)
Total net current assets (liabilities)	146,218	11,530	(449,694)	(11,998)	(187,560)
Non-current					
Assets	540,797	11,202	349,886	7,097	1,390,750
Liabilities	(45,239)	(6,962)	(4,000)	(6,389)	(62,766)
Total net non-current assets (liabilities)	495,558	4,240	345,886	708	1,327,984
Net assets (liabilities)	641,776	15,770	(103,808)	(11,290)	1,140,424

15 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 2018 and 2017 are as follows:
(Cont'd)

Summarised statements of financial position (Cont'd)

	2017 (Thousand Baht)			
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.
Current				
Assets	182,039	191,248	2,320	16,584
Liabilities	(54,353)	(186,085)	(469,902)	(32,088)
Total net current assets (liabilities)	127,686	5,163	(467,582)	(15,504)
Non-current				
Assets	532,523	14,692	352,303	5,457
Liabilities	(39,823)	(4,801)	-	(6,779)
Total net non-current assets (liabilities)	492,700	9,891	352,303	(1,322)
Net assets (liabilities)	620,386	15,054	(115,279)	(16,826)
				503,335

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15 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 2018 and 2017 are as follows:
(Cont'd)

Summarised statements of comprehensive income

	2018 (Thousand Baht)				
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Thanarad Thung Song Co., Ltd.
Revenue	695,529	431,884	27,000	32,688	-
Profit (loss) before income tax	54,755	7,474	13,389	5,481	(2,718)
Income tax (expenses)	(9,475)	(5,698)	(1,917)	(894)	70
Post-tax profit (loss) from continuing operations	45,280	1,776	11,472	4,587	(2,648)
Other comprehensive income	(2,389)	(1,060)	-	951	174
Total comprehensive income	42,891	716	11,472	5,538	(2,474)
Proportion of non-controlling interests (%)	43.09	0.57	0.22	30.00	43.57
Total comprehensive income allocated to non-controlling interests	18,482	4	27	1,661	(1,702)
Increase in non-controlling interests from investment in a subsidiary	-	-	-	-	261,284
Effect from changing of proportion of non-controlling interests	-	-	-	-	(23,157)
Dividend paid to non-controlling interests	(9,263)	-	-	-	(9,263)
Cumulative balance of non-controlling interests	276,512	(121)	(431)	(3,387)	236,425
					508,998

15 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 2018 and 2017 are as follows:
(Cont'd)

Summarised statements of comprehensive income (Cont'd)

	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	45	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

15 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 2018 and 2017 are as follows:
(Cont'd)

Summarised statements of Cash flow

	2018 (Thousand Baht)					
	Rajindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	Thanarad Thung Song Co., Ltd.	Total
Cash flow from operating activities						
Cash generated from operation	109,350	(24,398)	17,497	1,006	(1,924)	101,531
Interest received	234	20	-	19	-	273
Interest paid	-	(8,118)	(14,552)	(582)	-	(23,252)
Income tax paid	(7,206)	(1,685)	(850)	(653)	(2)	(10,396)
Net cash generated from (used in) operating activities	102,378	(34,181)	2,095	(210)	(1,926)	68,156
Net cash generated from (used in) investing activities	(72,870)	(676)	-	(1,911)	(202,038)	(277,495)
Net cash generated from (used in) financing activities	(21,738)	32,805	-	(5,000)	209,093	215,160
Net (decrease) increase in cash and cash equivalents	7,770	(2,052)	2,095	(7,121)	5,129	5,821
Cash and cash equivalents at the beginning of the year	95,342	4,904	2,320	7,982	62,876	173,424
Cash and cash equivalents at the end of the year	103,112	2,852	4,415	861	68,005	179,245

15 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 2018 and 2017 are as follows:
(Cont'd)

Summarised statements of Cash flow (Cont'd)

	2017 (Thousand Baht)				Total
	Rajyindee Hospital Public Company Limited	Dental Siam Co., Ltd.	Thonburi Realty Development Co., Ltd.	Modular Software Expertise Co., Ltd.	
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

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

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15 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 2018 and 2017 comprise the following:

	Separate financial statements Cost method	
	2018 Baht	2017 Baht
Beginning net book value of the year	5,013,323,639	2,817,989,181
Increase in investments in subsidiaries during the year	306,692,500	2,195,334,458
Ending net book value of the year	<u>5,320,016,139</u>	<u>5,013,323,639</u>

- c) Consolidation preparation

- 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.
- 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 2018 to 31 December 2018 (2017 : from 1 January 2017 to 31 December 2017).
- 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

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%.

- e) Investment in a subsidiary - Thonburi Bamrungmuang Hospital 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.

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

e) Investment in a subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd. (Cont'd)

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.

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., Ltd. as at 1 November 2017 are as follows:

	Thousand Baht
Current assets	49,579
Land leasehold right and leased buildings (Note 21)	2,376,644
Non-current assets	4,493
Current liabilities	(82,419)
Non-current liabilities - Deferred tax liabilities (Note 22)	(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
<u>Less</u> Cash payment from investment	<u>(2,111,913)</u>
Net cash payment from investment (in statement of cash flows)	<u>(2,067,193)</u>

On 4 June 2018, the subsidiary registered the change of its name from "Bamrung Maung Plaza Co., Ltd." to "Thonburi Bamrungmuang Hospital Co., Ltd.".

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

f) Investment in subsidiary - Thanarad Thung Song Co., Ltd.

On 9 April 2018, the Board of Directors' Meeting No. 4/2018 of the Company, the meeting approved the investment in Thanarad Thung Song Co., Ltd. by purchasing 55.00% to 60.00% of the total shares under the investment totally Baht 240.00 million. In April 2018, the Company paid for the purchase of 5.76 million shares from a related person at a price of Baht 10.00 per share (par value), totalling Baht 57.60 million. In addition, in May 2018, the Company additionally invested by purchase of 4.00 million shares from other individual at a price of Baht 10.00 per share (par value), totalling Baht 40.00 million.

Such investment make the Group has 31.23% of shareholding interest in Thanarad Thung Song Co., Ltd. which is the direct voting shareholding interest at 23.54%, and indirect voting shareholding interest via a subsidiary - Rajyindee Hospital Public Company Limited at 7.69%.

Five out of nine directors who entitled to vote on matter considered to be significant in determining the financial and operating policies and has ability to direct the relevant activities of Thanarad Thung Song Co., Ltd. is also serve as directors of the Company and directors of a subsidiary - Rajyindee Hospital Public Company Limited which is 55.56% of voting right. Therefore, the Group considered that the investment in Thanarad Thung Song Co., Ltd. is investment in a subsidiary since 30 June 2018.

The fair value of total assets and total liabilities of Thanarad Thung Song Co., Ltd. as at 30 June 2018 (the date of investment) comprise of the following:

	Million Baht
Property, plant and equipment (net)	333.39
Other assets	108.63
Total liabilities	(26.99)
Net fair value of net assets as at 30 June 2018	<u>415.03</u>
Shareholding interest at 31.23%	129.57
Cash payment of investment in a subsidiary	97.60
<u>Add</u> Fair value of investment in other company (at the date of investment) of the Company's portion at 56.91%	31.87
<u>Add</u> Fair value of investment in other company (at the date of investment) of Non-controlling interest's portion at 43.09%	24.13
<u>Add</u> Non-controlling interest (at the date of investment)	285.42
<u>Less</u> Non-controlling interest of other investment	(24.13)
<u>Less</u> Fair value of net assets (at the date of investment)	<u>(415.03)</u>
Gain from investment in a subsidiary (in profit or loss)	<u>(0.14)</u>
Cash proceed from investment in a subsidiary	62.88
<u>Less</u> Cash payment of investment in a subsidiary	<u>(97.60)</u>
Net cash payment of investment in a subsidiary (in statement of cash flow)	<u>(34.72)</u>

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

f) Investment in subsidiary - Thanarad Thung Song Co., Ltd. (Cont'd)

On 5 July 2018, the Board of Directors' Meeting No. 7/2018 of Thonburi Healthcare Group Public Company Limited, the meeting approved the change in investment plan in Thanarad Thung Song Co., Ltd. from not over Baht 240.00 million to not over Baht 360.00 million in order to maintain the investment proportion of 55.00% to 60.00% after Thanarad Thung Song Co., Ltd. increase its registered capital from Baht 400.00 million to Baht 600.00 million.

During the 3rd quarter of 2018, the Company additionally purchased 12.70 million shares at a price of Baht 10.00 per share (par value), totalling of Baht 127.00 million which is 43.37% of shareholding interest.

During 4th quarter of year 2018, the Company additionally invested by purchase of 8.21 million shares at a price of Baht 10.00 per share (par value), totalling of Baht 82.09 million which is 51.12% of shareholding interest.

During the year ended 31 December 2018, the Company invested in Thanarad Thung Song Co., Ltd. totalling of Baht 306.69 million.

As at 31 December 2018, the Group has 56.43% of shareholding interest in Thanarad Thung Song Co., Ltd. which is the direct voting shareholding interest at 51.12% and indirect voting shareholding interest via a subsidiary - Rajyindee Hospital Public Company Limited 5.31%.

g) Capital increase in subsidiary – Thanarad Thung Song Co., Ltd.

On 28 April 2018, at the Annual Genral Shareholder's Meeting at Thanarad Thung Song Co., Ltd. has the approval of capital increase from Baht 400.00 million (40.00 million shares at Baht 10.00 each) to Baht 600.00 million (60.00 million shares at Baht 10.00 each) by issuing of 20.00 million shares at Baht 10.00 each, totaling of Baht 200.00 million. Thararad Thung Song Co., Ltd. has registered all paid-up shares with Ministry of Commerce in November 2018.

h) Consideration of allowance for impairment of investments

As at 31 December 2018 and 2017, 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.

Thonburi Healthcare Group Public Company Limited
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16 Investments in joint ventures (net)

a) As at 31 December 2018 and 31 December 2017, investments in joint ventures (net) comprise the following:

Company name	Incorporated in	Nature of business	Percentage of shareholding		Consolidated financial statements Investments (Equity method)		Share of loss For the year ended 31 December		Share of other comprehensive income of joint ventures accounted for using the equity method For the year ended 31 December	
			2018 Percentage	2017 Percentage	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Weihai Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	478,544,800	574,635,210	(81,021,274)	(124,869,937)	(15,326,584)	4,691,437
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	10.00	589,908,256	165,739,822	(52,194,784)	-	(3,326,331)	-
					1,068,453,056	740,375,032	(133,216,058)	(124,869,937)	(18,652,915)	4,691,437

Share of loss from investment in joint venture - Ar Yu International Health Care Company Limited is calculated based on financial information which was prepared by management of its joint venture and not been audited by auditor. 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 auditor.

Thonburi Healthcare Group Public Company Limited
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16 Investments in joint ventures (net) (Cont'd)

a) As at 31 December 2018 and 31 December 2017, investments in joint ventures (net) comprise the following: (Cont'd)

Company name	Incorporated in	Nature of business	Percentage of shareholding		Separate financial statements					
					Cost method			2017		
			2018 Percentage	2017 Percentage	2018		2017		Allowance for impairment of investment	
					Investment Baht	Allowance for impairment of investment Baht	Investment (net) Baht	Investment Baht	Investment (net) Baht	Investment (net) Baht
Weilhat Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	782,651,204	-	782,651,204	782,393,756	-	782,393,756
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	10.00	646,469,449	-	646,469,449	166,779,900	-	166,779,900
					1,429,120,653	-	1,429,120,653	949,173,656	-	949,173,656

The management has reviewed allowance for impairment of investments in joint ventures by considering from past performance, expected performance, and other factors.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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16 Investments in joint ventures (net) (Cont'd)

- b) The movements of investments in joint ventures (net) for the years ended 31 December 2018 and 2017 comprise the following :

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning net book value of the year	740,375,032	635,754,332	949,173,656	724,374,456
Increase in investments in joint ventures during the year	479,946,997	224,799,200	479,946,997	224,799,200
Share of loss during the year	(133,216,058)	(124,869,937)	-	-
Share of other comprehensive income of joint ventures accounted for using the equity method	(18,652,915)	4,691,437	-	-
Ending net book value of the year	<u>1,068,453,056</u>	<u>740,375,032</u>	<u>1,429,120,653</u>	<u>949,173,656</u>

- c) 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.

At the Board of Directors' Meeting No. 11/2018 on 12 November 2018, the Board of Directors approved the termination of Memorandum Of Understanding of Investment with Aung Shwe Thee Construction Limited in Republic of the Union of Myanmar.

- d) 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.

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.

As at 31 December 2017, the joint venture had registered share capital amounting to Renminbi 250.00 million. The Company held 58.00% of registered share capital amounting to Renminbi 145.00 million (equivalent to Baht 782.39 million).

In March 2018, the Company additionally made payment in share for investment in joint venture totalling Baht 0.26 million.

As at 31 December 2018, the Company's shareholding interest in joint venture is 58.00% of registered share capital amounting to Baht 782.65 million.

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16 Investments in joint ventures (net) (Cont'd)

e) 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.

During the 1st quarter of 2018, the Company paid for the share subscription in Ar Yu International Health Care Company Limited amounting to US Dollar 14.35 million (equivalent to Baht 458.72 million). The Company also acquired the portion held by WJ International Hospital Management Co., Ltd. amounting to US Dollar 0.65 million (equivalent to Baht 20.96 million). As a result, the Company's shareholding interest increased from 10.00% to 40.00%.

During 2018, the Company paid share payment in investment in joint venture totalling Baht 479.68 million.

As at 31 December 2018, the Company paid share payment in investment in joint venture totalling US Dollar 20.00 million (equivalent to Baht 646.47 million).

Thonburi Healthcare Group Public Company Limited
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16 Investments in joint ventures (net) (Cont'd)

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

	Wei Hai Welly Hospital Company Limited		Ar Yu International Health Care Company Limited		Total	
	2018	2017	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Current assets	64	107	87	500	151	607
Non-current assets	800	860	1,716	1,044	2,516	1,904
Current liabilities	(169)	(87)	(409)	(28)	(578)	(115)
Non-current liabilities	-	-	(77)	(25)	(77)	(25)
Net assets	695	880	1,317	1,491	2,012	2,371
Revenue	195	97	-	-	195	97
Net loss	(140)	(213)	(130)	(11)	(270)	(224)
Other comprehensive income	(26)	8	(8)	-	(34)	8
Total comprehensive income	(166)	(205)	(138)	(11)	(304)	(216)

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 2018 and 2017.

16 Investments in joint ventures (net) (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	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Net asset as at 1 January	(358)	(153)	(11)	-	(369)	(153)
Net loss during the year	(140)	(213)	(130)	(11)	(270)	(224)
Other comprehensive income during the year	(26)	8	(8)	-	(34)	8
Net asset as at 31 December	(524)	(358)	(149)	(11)	(673)	(369)
Interest in joint venture (%)	58.00	58.00	40.00	10.00	(364)	(209)
Equity in joint venture	(304)	(208)	(60)	(1)	949	724
Investment as at 1 January	782	724	167	-	480	225
Additional investment during the year	-	58	480	167	3	-
Deficit of fair value to cost of investment prior to the change in shareholding interest	-	-	3	-	1,068	740
Net book value as at 31 December	478	574	590	166	-	-

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17 Other long-term investments (net)

As at 31 December 2018 and 2017, other long-term investments (net) comprise the following:

	Consolidated financial statements					
	2018			2017		
	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	126,070,338	(1,917,119)	124,153,219	155,765,138	(1,917,119)	153,848,019
General investments of subsidiaries	48,294,517	-	48,294,517	98,694,517	-	98,694,517
	<u>174,364,855</u>	<u>(1,917,119)</u>	<u>172,447,736</u>	<u>254,459,655</u>	<u>(1,917,119)</u>	<u>252,542,536</u>
	Separate financial statements					
	2018			2017		
	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	120,217,686	(1,917,119)	118,300,567	149,912,486	(1,917,119)	147,995,367
	<u>120,217,686</u>	<u>(1,917,119)</u>	<u>118,300,567</u>	<u>149,912,486</u>	<u>(1,917,119)</u>	<u>147,995,367</u>

The movements of other long-term investments (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Notes	Consolidated financial statements Cost method		Separate financial statements Cost method	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning net book value of the year		252,542,536	269,062,718	147,995,367	174,990,549
Increase during the year	17 a), 17 c), 17 d), 17 f)	5,600,000	27,256,016	-	16,656,016
Transfer to long-term investments in equity securities	13	-	(43,651,198)	-	(43,651,198)
Transfer to investments in subsidiary	15 f)	(56,000,000)	-	-	-
Disposals of other long-term investment - other companies	17 h)	(29,694,800)	-	(29,694,800)	-
Decrease in other long-term investments from the liquidation	17 g), 17 e)	-	(18,591,520)	-	(18,466,520)
Reversal of (allowance for) impairment during the year	17 g)	-	18,466,520	-	18,466,520
Ending net book value of the year		<u>172,447,736</u>	<u>252,542,536</u>	<u>118,300,567</u>	<u>147,995,367</u>

Thonburi Healthcare Group Public Company Limited
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17 Other long-term investments (net) (Cont'd)

	Shareholding percentage		Consolidated financial statements						Separate financial statements							
			2018			2017			2018			2017				
			2018 %	2017 %	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht		
General investments in ordinary shares																
General investments of the Company																
- Other companies																
Roi - Ei 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	-	39,343,800
Thanakam 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	-	8,674,633
Kalaisin - Thonburi Hospital Co., Ltd.	10.00	10.00			30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000
Rachathani Rojana Hospital Co., Ltd.	-	8.70			-	-	29,694,800	-	-	-	-	-	-	29,694,800	-	29,694,800
Phitsanulok Inter Medical Co., Ltd.	5.00	5.00			8,000,000	(1,917,119)	6,082,881	6,082,881	(1,917,119)	6,082,881	8,000,000	(1,917,119)	6,082,881	8,000,000	(1,917,119)	6,082,881
Thepakom Hospital Co., Ltd.	0.20	0.20			136,400	-	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	-	25,000,000	19,147,348	-	19,147,348	19,147,348	-	19,147,348
Chumwej Hospital Public Company Limited	7.89	7.89			14,165,505	-	14,165,505	14,165,505	-	14,165,505	14,165,505	-	14,165,505	14,165,505	-	14,165,505
Computed Tomography Urupong Co., Ltd.	0.75	0.75			750,000	-	750,000	750,000	-	750,000	750,000	-	750,000	750,000	-	750,000
General investments of subsidiaries																
- Related companies																
Thanarat Thung Song Company Limited	-	14.00			-	-	50,400,000	-	-	50,400,000	-	-	-	-	-	-
Rajnara Hospital Company Limited	14.00	14.00			28,000,000	-	28,000,000	28,000,000	-	28,000,000	-	-	-	-	-	-
Siroros Hospital Public Company Limited	11.12	11.83			20,294,517	-	20,294,517	20,294,517	-	20,294,517	-	-	-	-	-	-
					174,364,855	(1,917,119)	172,447,736	254,459,655	(1,917,119)	252,542,536	120,217,686	(1,917,119)	118,300,567	49,912,486	(1,917,119)	147,995,367

Thonburi Healthcare Group Public Company Limited
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17 Other long-term investments (net) (Cont'd)

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%.

In year 2018, Siroros Hospital Public Company Limited increase its ordinary share which are 8,152,925 ordinary shares at Baht 1.00 in amounting to Baht 8,152,925. The Company has the rights for payment of such share capital increase but the subsidiary has not used the rights and paid share payment. So it affect its shareholding interest of subsidiary - Rajyindee Hospital Public Company Limited decreased from 11.83% to 11.12%.

b) Investment in Ratchaphruek Hospital Public company Limited

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 (Note 13) since that Company registered with the Stock Exchange of Thailand.

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) Investments in Thanarat Thung Song Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

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.

On 19 March 2018, the subsidiary - Rajyindee Hospital Public Company Limited additionally paid for the investment in Thanarat Thung Song Co., Ltd. by purchase 5,600,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,600,000. Such investment did not affect the Company's shareholding interest.

Thanarat Thung Song Co., Ltd. registered the paid-up share with the Ministry of Commerce on 15 June 2018.

As at 30 June 2018, the subsidiary - Rajyindee Hospital Public Company Limited has the shareholding interest in Thanarat Thung Song Co., Ltd. at 13.51%. By considering the shareholding interest of the Group as at 30 June 2018 and the number of directors who entitles to vote on matter considered to be significant in determining the financial and operating policies, the management of the Group considered that the investment in Thanarat Thung Song Co., Ltd. is investment in a subsidiary. Therefore, the Group transfer such investment to investment in a subsidiary (Note 15 f)).

During year 2018, Thanarat Thung Song Co., Ltd. issued new ordinary shares (Note 15 g)). However, Rajyindee Hospital Public Company Limited did not purchase such additional shares. Therefore, the shareholding interest as at 31 December 2018 decrease from 13.51% to 9.33%.

e) Investment in Salatan Medical Center Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

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.

f) Investment in Kalasin-Thonburi Hospital Co., Ltd.

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.

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

g) 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.

h) Investment in Rajthanee Rojana Hospital Co., Ltd.

On 31 March 2018, the Company disposed investment in Rajthanee Rojana Hospital Co., Ltd. to Rajthanee Hospital Public Company Limited which is a related company by sales of 2,347,826 shares at Baht 35.00 per share (cost at Baht 29.69 million), totalling Baht 82.17 million. The Company has gain on disposal of such investment amounting to Baht 52.48 million (Note 32). The Company received the payment from the disposal in April 2018.

i) Consideration of allowance for impairment of investments

As at 31 December 2018 and 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 for consolidated and separate financial statements.

j) Others

During 2018, the Group received dividend income from other long-term investments amounting to Baht 11,784,919 and the Company amounting to Baht 11,484,919 (2017 : the Group of Baht 13,591,637 and the Company of Baht 12,591,637) (Note 32).

18 Investment properties (net)

	Consolidated financial statements		
	Land Baht	Buildings Baht	Total Baht
As at 1 January 2017			
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 change	-	(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
For the year ended 31 December 2018			
Opening net book value	1,811,668,549	2,089,253	1,813,757,802
Depreciation charge	-	(155,808)	(155,808)
Closing net book value	1,811,668,549	1,933,445	1,813,601,994
As at 31 December 2018			
Cost	2,109,556,054	3,117,225	2,112,673,279
<u>Less</u> Accumulated depreciation	-	(1,183,780)	(1,183,780)
<u>Less</u> Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	1,811,668,549	1,933,445	1,813,601,994

Thonburi Healthcare Group Public Company Limited
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18 Investment properties (net) (Cont'd)

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 2018 and 2017, 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 2018 and 2017, 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 2018, fair values of investment properties under land and buildings (not included the land which in the lawsuit as mentioned in Note 41) category assessed in the consolidated financial statements are Baht 2,921,442,000 (2017 : Baht 2,874,863,735).

As at 31 December 2018 and 2017, investment properties - land which have book value (net) in amounting to Baht 35.50 million in the lawsuit as mentioned in Note 41.

As at 31 December 2018 and 2017, the Company has no investment property.

Amounts recognised in profit or loss that are related to investment properties (net) for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue				
Rental income	27,041,900	36,036,000	-	-
Service income	-	-	-	-
	<u>27,041,900</u>	<u>36,036,000</u>	<u>-</u>	<u>-</u>
Expense				
Direct operating expense arising from investment properties that generated rental income and service income for the year	155,808	77,808	-	-
Direct operating expense arising from investment properties that did not generate rental income and service income for the year	-	78,000	-	-
	<u>155,808</u>	<u>155,808</u>	<u>-</u>	<u>-</u>

Thonburi Healthcare Group Public Company Limited
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19 Property, plant and equipment (net)

	Consolidated financial statements										Total Baht
	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	
As at 1 January 2017											
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)	-	(2,888,833,128)
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	(915,804,136)	-	-	-	-	-	-	-	-	(2,881,744)	(918,685,880)
Transfer in (out)	-	-	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

Thonburi Healthcare Group Public Company Limited
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19 Property, plant and equipment (net) (Cont'd)

	Consolidated financial statements																			
	Land Baht	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 Baht
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
For the year ended 31 December 2018																				
Opening 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									
Additions from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	62,771,386	-	83,032	-	-	-	21,491	-	889,100	-	333,788,473									
- accumulated depreciation	-	-	(54,687)	-	-	-	(10,599)	-	(334,018)	-	(399,304)									
Additions	5,047,500	-	-	10,948,869	206,253,239	15,688,516	14,098,960	7,955,009	9,667,622	1,647,402,841	1,917,062,556									
Borrowing costs	-	-	-	-	-	-	-	-	-	-	7,348,512									
Transfer from advance payment for fixed assets	-	-	-	348,081	4,563,665	-	138,142	-	-	-	-									
Transfer to cost of developing holistic care project	(27,602,093)	-	-	-	-	-	-	-	-	-	-									
Reclassification - cost	-	-	22,320,538	152,159,548	54,232,698	4,007,362	10,930,660	15,285,050	-	(258,935,856)	(27,602,093)									
- accumulated depreciation	-	-	(330,286,435)	330,286,435	-	-	-	-	-	-	-									
Disposals - cost	(22,500)	-	-	(10,672,735)	(32,239,365)	(1,753,131)	(571,781)	(1,595,651)	(800,000)	-	(47,655,163)									
- accumulated depreciation	-	-	-	10,669,561	32,213,632	1,620,405	439,997	1,284,707	799,999	-	47,028,321									
Write-off - cost	-	-	(42,900,045)	(22,168,849)	(2,684,105)	(1,108,491)	(11,591,345)	(280,410)	-	-	(80,733,245)									
- accumulated depreciation	-	-	42,900,032	22,168,824	(2,603,898)	928,747	11,012,726	254,565	-	-	79,888,792									
Depreciation charge	-	-	(83,625,982)	(83,625,982)	(100,864,283)	(17,120,051)	(12,952,219)	(20,402,847)	(4,528,309)	(4,766,850)	(322,959,544)									
Impairment charge	-	-	(83,465,853)	(4,744,878)	-	11,385	(89,867)	(10,872)	-	-	(9,601,062)									
Closing net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181									
As at 31 December 2018																				
Cost	1,945,350,898	155,476,062	2,734,094,351	1,155,186,827	1,630,901,182	247,431,213	144,647,080	191,873,645	86,022,841	1,878,020,306	10,169,004,405									
Less: Accumulated depreciation	-	-	(1,089,794,714)	(657,949,650)	(1,090,578,341)	(187,504,695)	(104,402,319)	(110,702,816)	(69,019,657)	-	(3,309,952,192)									
Allowance for impairment	-	-	-	(4,744,878)	-	-	(89,867)	(10,872)	-	(5,440,415)	-									
Net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181									

During 4th quarter of 2018, 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 Bant 27.60 million due to management charged land allocation in green area and lake to be proper.

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19 Property, plant and equipment (net) (Cont'd)

	Separate financial statements											
	Building improvements and utility system					Medical tools and equipment			Tools and office equipment		Assets under installation and construction in progress	
	Land Baht	Unutilised in operation Baht	Buildings Baht	Building system Baht	Medical tools and equipment Baht	Tools and office equipment Baht	Furniture and equipment Baht	Computer Baht	Motor vehicle Baht	Baht	Total Baht	
As at 1 January 2017												
Cost	995,820,031	155,476,062	2,605,558,841	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)	(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	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	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	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	-	-	-	-	-	-	-	-	-	2,700,000	2,700,000	
Transfer in (out)	-	-	261,882,013	134,615,217	261,533	10,466,754	897,779	11,169,173	-	(419,292,469)	-	
Disposals - cost	-	-	-	-	(21,474,958)	(2,475,885)	(634,620)	(3,329,451)	(178,583)	-	(28,093,497)	
- accumulated depreciation	-	-	-	-	21,474,563	2,373,564	620,902	3,329,077	148,150	-	27,946,256	
Write-off - cost	-	-	-	-	(22,431,831)	(21,863,406)	(706,767)	(1,757,506)	-	-	(46,759,510)	
- accumulated depreciation	-	-	-	-	21,384,330	20,811,213	614,826	1,683,900	-	-	44,494,269	
Depreciation charge	-	-	(85,547,130)	(24,732,754)	(60,586,946)	(10,602,549)	(9,109,238)	(13,361,978)	(3,571,171)	-	(207,511,766)	
Closing net book value	999,971,022	155,476,062	1,816,306,931	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	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)	(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	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012	
For the year ended 31 December 2018												
Opening net book value	999,971,022	155,476,062	1,816,306,931	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	
Additions	-	-	-	7,692,804	93,241,118	7,207,890	6,040,778	4,219,693	4,978,286	161,984,090	285,364,659	
Transfer from advance payment for fixed assets	-	-	-	348,081	4,500,000	-	89,729	-	-	-	4,937,810	
Transfer in (out)	-	-	22,320,538	107,306,239	-	3,158,359	6,624,184	10,550,000	-	(149,959,320)	-	
Reclassification - cost	-	-	(290,770,933)	290,770,933	-	-	-	-	-	-	-	
- accumulated depreciation	-	-	139,282,955	(139,282,955)	-	-	-	-	-	-	-	
Disposals - cost	-	-	-	-	(23,076,666)	(826,604)	(349,819)	(1,046,799)	(800,000)	-	(26,099,888)	
- accumulated depreciation	-	-	-	-	23,062,703	773,624	324,736	737,521	799,999	-	25,698,583	
Write-off - cost	-	-	(1,845,527)	-	(94,120)	(327,231)	(32,427)	(278,831)	-	-	(2,578,136)	
- accumulated depreciation	-	-	1,845,521	-	85,700	191,331	20,330	253,495	-	-	2,396,377	
Depreciation charge	-	-	(76,095,679)	(58,860,847)	(71,058,088)	(12,091,425)	(9,532,111)	(16,138,756)	(3,209,502)	-	(246,986,408)	
Closing net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009	
As at 31 December 2018												
Cost	999,971,022	155,476,062	2,612,898,333	913,575,468	1,182,705,265	192,674,776	117,595,624	158,580,918	53,345,301	54,296,622	6,441,119,391	
Less: Accumulated depreciation	-	-	(1,001,854,527)	(501,246,443)	(878,665,533)	(150,313,693)	(91,987,180)	(87,482,343)	(41,257,663)	-	(2,752,807,382)	
Net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009	

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19 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 2nd quarter of 2017, 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 of 2017, 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost	16,124,943	14,123,613	14,672,384	12,706,366
<u>Less</u> Accumulated depreciation	<u>(4,975,922)</u>	<u>(1,982,548)</u>	<u>(4,127,136)</u>	<u>(1,406,353)</u>
Net book value	<u>11,149,021</u>	<u>12,141,065</u>	<u>10,545,248</u>	<u>11,300,013</u>

As at 31 December 2018 and 2017, the Company has pledge some of land which have cost amounting to Baht 16.00 million with the financial institutions as collateral against bank overdrafts and short-term loans from financial institutions of a subsidiary. However, the Company already redeemed the collateral with the financial institution in January 2019.

As at 31 December 2018, there is one subsidiary has pledged some land and buildings which have cost amounting to Baht 305.60 million (2017: Baht 347.88 million) with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 23, 25 and 39).

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20 Intangible assets (net)

	Consolidated financial statements		
	Software Baht	Software under installation Baht	Total Baht
As at 1 January 2017			
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
For the year ended 31 December 2018			
Opening net book value	80,509,893	1,519,400	82,029,293
Additions	2,907,252	69,682,438	72,589,690
Transfer in (out)	3,304,090	(3,304,090)	-
Disposals - cost	(7,223)	-	(7,223)
- accumulated amortisation	1,033	-	1,033
Amortisation charge	(11,994,095)	-	(11,994,095)
Closing net book value	74,720,950	67,897,748	142,618,698
As at 31 December 2018			
Cost	142,877,526	67,897,748	210,775,274
<u>Less</u> Accumulated amortisation	(68,156,576)	-	(68,156,576)
Net book value	74,720,950	67,897,748	142,618,698

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20 Intangible assets (net) (Cont'd)

	Separate financial statements		
	Software Baht	Software under installation Baht	Total Baht
As at 1 January 2017			
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
For the year ended 31 December 2018			
Opening net book value	76,835,740	-	76,835,740
Additions	2,485,630	3,279,100	5,764,730
Transfer in (out)	759,700	(759,700)	-
Disposals - cost	(7,223)	-	(7,223)
- accumulated amortisation	1,033	-	1,033
Amortisation charge	(10,393,531)	-	(10,393,531)
Closing net book value	69,681,349	2,519,400	72,200,749
As at 31 December 2018			
Cost	110,186,134	2,519,400	112,705,534
<u>Less</u> Accumulated amortisation	(40,504,785)	-	(40,504,785)
Net book value	69,681,349	2,519,400	72,200,749

21 Land leasehold rights and leased buildings (net)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening net book value	2,372,990,701	12,997,260	12,197,260	12,997,260
Additions - from assets acquisition (Note 15 e))	-	2,376,644,216	-	-
- subsidiary	30,000,000	5,625,000	-	-
<u>Less</u> Amortisation charge	(131,097,629)	(22,275,775)	(800,000)	(800,000)
Closing net book value	2,271,893,072	2,372,990,701	11,397,260	12,197,260

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21 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.

Subsidiary – Thonburi Bamrungmuang Hospital Co., Ltd.

- 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 15 e). 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.

On 10 April 2018, a subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd. made an additional memorandum for attaching with land rental and development agreement and buildings rental (for commercial) agreement with Thai Red Cross Society. The significant matters are as follows:

Memorandum for land rental and development agreement

- 1) Change the objective from "commercial buildings for rent" to "hospital operation and commercial business".
- 2) The Company agree to develop the shopping center and the accommodation to be a hospital which will have development cost of at least Baht 930.00 million according to the model approved by Thai Red Cross Society.
- 3) Additional payment for the change of objective amounting to Baht 30.00 million at the memorandum signing date.
- 4) Payment for the amount which came from the profit allocation by the method which specified in the agreement on the maturity date of the agreement.
- 5) Payment for the remaining rental expense amounting to Baht 49.20 million to Thai Red Cross Society on the memorandum signing date.
- 6) Payment for remuneration expense amounting to Baht 91.80 million which will be divided into 3 installments at Baht 30.60 million per period according to the time which specified in the memorandum.

Memorandum for buildings rental agreement (for commercial)

- 1) Payment for the remaining rental expense amounting to Baht 19.79 million to Thai Red Cross Society on the memorandum signing date.

During 2nd quarter of 2018, the Company paid for the additional leasehold right amounting to Baht 30.00 million and paid for the remaining rental expense totally of Baht 68.99 million. A subsidiary recognised such rental payment as prepaid rental and amortised over the lease term.

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21 Land leasehold rights and leased building (net) (Cont'd)

Subsidiary - Premiere Home Health Care Co., Ltd.

- Land leasehold rights

Land leasehold rights of a subsidiary 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.

As at 31 December 2018, a subsidiary has liability under land leasehold right amounting to Baht 2,000,000 (2017 : Baht 3,000,000).

Operating commitments from land leasehold rights and leased buildings is disclosed in Note 38.1.

- Down payment for land leasehold rights

In May 2017 and March 2018, a subsidiary - Premiere Home Health Care Company Limited paid for land leasehold right to other individual amounting to Baht 1,000,000 and Baht 1,000,000, respectively. As at 31 December 2018, a subsidiary recognised such amount as down payment for land leasehold rights, totalling Baht 2,000,000 (2017 : Baht 1,000,000).

22 Deferred tax assets (net)

Deferred tax assets (net) as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
- Deferred tax assets to be recovered within 12 months	11,140,182	7,760,822	6,236,112	3,550,389
- Deferred tax assets to be recovered after more than 12 months	173,052,936	98,122,356	55,049,711	37,439,240
	<u>184,193,118</u>	<u>105,883,178</u>	<u>61,285,823</u>	<u>40,989,629</u>
Deferred tax liabilities:				
- Deferred tax liabilities to be settled within 12 months	(19,804,372)	(18,999,461)	(7,480,682)	(7,410,350)
- Deferred tax liabilities to be settled after more than 12 months	(366,409,464)	(398,198,231)	(158,705,214)	(179,896,960)
	<u>(386,213,836)</u>	<u>(417,197,692)</u>	<u>(166,185,896)</u>	<u>(187,307,310)</u>
Deferred tax assets (liabilities) (net)	<u>(202,020,718)</u>	<u>(311,314,514)</u>	<u>(104,900,073)</u>	<u>(146,317,681)</u>
Deferred tax assets (liabilities) (net) which presented in statements of financial position				
- Deferred tax assets (net)	120,322,614	64,452,961	-	-
- Deferred tax liabilities (net)	<u>(322,343,332)</u>	<u>(375,767,475)</u>	<u>(104,900,073)</u>	<u>(146,317,681)</u>
	<u>(202,020,718)</u>	<u>(311,314,514)</u>	<u>(104,900,073)</u>	<u>(146,317,681)</u>

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22 Deferred tax assets (net) (Cont'd)

The movements of deferred tax assets (liabilities) (net) for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance of the year	(311,314,514)	(99,590,734)	(146,317,681)	(114,150,001)
Increase (decrease) from assets acquisition (Note 15 e))	-	(231,417,069)	-	-
Increase (decrease) from acquiring subsidiary during the year (Note 15 f))	21,917	-	-	-
Increase (decrease) to profit or loss (Note 35)	65,355,117	44,006,930	(1,869,759)	(6,960,430)
Increase (decrease) to other comprehensive income	43,916,762	(24,313,641)	43,287,367	(25,207,250)
Closing balance of the year	<u>(202,020,718)</u>	<u>(311,314,514)</u>	<u>(104,900,073)</u>	<u>(146,317,681)</u>

As at 31 December 2018 and 2017, 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 2018 Baht	Increase (decrease) from acquiring subsidiary Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht	31 December 2018 Baht
Deferred tax assets					
Provision for obsolete inventories	473,254	-	(334,271)	-	138,983
Employee benefit obligations	45,781,613	25,100	4,814,892	16,154,416	66,776,021
Finance lease liabilities	2,302,032	-	(130,968)	-	2,171,064
Difference in interest expense which calculated by effective interest rate method	3,800,077	-	1,132,374	-	4,932,451
Accumulated deficit	53,372,633	-	50,845,596	-	104,218,229
Difference in rental expense	-	-	965,084	-	965,084
Difference in cost of assets between accounting and tax approach	-	-	3,524,727	-	3,524,727
Difference in depreciation expense of buildings between accounting and tax approach	153,569	-	1,094,948	-	1,248,517
Provision for decommissioning cost	-	-	158,400	-	158,400
Allowance for impairment	-	-	59,642	-	59,642
	<u>105,883,178</u>	<u>25,100</u>	<u>62,130,424</u>	<u>16,154,416</u>	<u>184,193,118</u>
Deferred tax liabilities					
Difference in depreciation expense of buildings between accounting and tax approach	(50,078,873)	-	(7,363,012)	-	(57,441,885)
Assets under finance leases	(2,398,891)	-	247,419	-	(2,151,472)
Unrealised gain (loss) from available-for-sale investments	(133,470,118)	(3,183)	-	27,762,346	(105,710,955)
Prepaid front-end fee	(1,550,847)	-	294,112	-	(1,256,735)
Borrowing cost as cost of developing holistic care project	(249,169)	-	(1,960,361)	-	(2,209,530)
Fair value of land leasehold rights and leased buildings	(229,449,794)	-	12,006,535	-	(217,443,259)
	<u>(417,197,692)</u>	<u>(3,183)</u>	<u>3,224,693</u>	<u>27,762,346</u>	<u>(386,213,836)</u>
Deferred tax assets (liabilities) (net)	<u>311,314,514</u>	<u>21,917</u>	<u>65,355,117</u>	<u>43,916,762</u>	<u>(202,020,718)</u>

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22 Deferred tax assets (net) (Cont'd)

As at 31 December 2018 and 2017, 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				31 December 2017 Baht
	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	
Deferred tax assets					
Provision for obsolete inventories	217,336	-	255,918	-	473,254
Employee benefit obligations	43,373,380	-	661,176	1,747,057	45,781,613
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	-	47,867,517	-	53,372,633
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 15 e))	-	(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>

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22 Deferred income tax assets (net) (Cont'd)

As at 31 December 2018 and 2017, 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 2018 Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht	31 December 2018 Baht
Deferred tax assets				
Provision for obsolete inventories – supplies	89,198	3,785	-	92,983
Employee benefit obligations	35,418,163	3,302,765	15,402,469	54,123,397
Finance lease liabilities	2,302,033	(165,041)	-	2,136,992
Difference in interest expense which calculated by effective interest rate method	3,180,235	1,752,216	-	4,932,451
	<u>40,989,629</u>	<u>4,893,725</u>	<u>15,402,469</u>	<u>61,285,823</u>
Deferred tax liabilities				
Difference in depreciation expense of buildings between accounting and tax approach	(50,078,873)	(7,363,011)	-	(57,441,884)
Assets under finance lease	(2,398,891)	305,415	-	(2,093,476)
Unrealised gain from available-for-sale investments	(133,278,699)	-	27,884,898	(105,393,801)
Prepaid front-end fee	(1,550,847)	294,112	-	(1,256,735)
	<u>(187,307,310)</u>	<u>(6,763,484)</u>	<u>27,884,898</u>	<u>(166,185,896)</u>
Deferred tax liabilities (net)	<u>(146,317,681)</u>	<u>(1,869,759)</u>	<u>43,287,367</u>	<u>(104,900,073)</u>
	Separate financial statements			
	1 January 2017 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 – supplies	90,035	(837)	-	89,198
Employee benefit obligations	34,315,190	309,605	793,368	35,418,163
Finance lease liabilities	106,962	2,195,071	-	2,302,033
Difference in interest expense which calculated by effective interest rate method	2,516,814	663,421	-	3,180,235
	<u>37,029,001</u>	<u>3,167,260</u>	<u>793,368</u>	<u>40,989,629</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 lease	(277,803)	(2,121,088)	-	(2,398,891)
Unrealised gain from available-for-sale investments	(107,278,081)	-	(26,000,618)	(133,278,699)
Prepaid front-end fee	-	(1,550,847)	-	(1,550,847)
	<u>(151,179,002)</u>	<u>(10,127,690)</u>	<u>(26,000,618)</u>	<u>(187,307,310)</u>
Deferred tax liabilities (net)	<u>(114,150,001)</u>	<u>(6,960,430)</u>	<u>(25,207,250)</u>	<u>(146,317,681)</u>

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22 Deferred income tax assets (net) (Cont'd)

As at 31 December 2018 and 2017, 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Unused tax losses				
- 2018	-	24,603,862	-	-
- 2019	17,472,476	18,812,691	-	-
- 2020	41,860,040	54,279,242	-	-
- 2021	20,596,576	16,538,595	-	-
- 2022	20,852,185	9,588,880	-	-
- 2023	8,565,294	-	-	-
Allowance for impairment of investments properties	59,577,501	59,577,501	-	-
Allowance for impairment of investments	777,557	777,557	167,651,191	167,651,191
Allowance for doubtful accounts				
- Trade receivable	5,762,539	3,424,168	4,593,843	2,469,607
- Advance payment and other receivable	53,783	235,296	-	-
- Interest receivable	-	-	8,932,338	8,932,338
- Withholding tax	188,851	-	-	-
- Deposit	63,000	-	-	-
Allowance for obsolete inventories	1,643,401	1,455,616	-	-
Allowance for sales return	212,286	128,468	-	-
Difference in depreciation expense of buildings between accounting and tax approach	-	(156,287)	-	(156,287)

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.

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23 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Bank promissory notes	2,649,751,222	46,531,652	2,583,000,000	-
Bank overdrafts	19,964,767	14,238,970	-	-
Trust receipts	71,145,674	68,286,053	-	-
	2,740,861,663	129,056,675	2,583,000,000	-
	Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)		Interest rate (% per annum)	
	2018	2017	2018	2017
Bank promissory notes	Interest rate in Financial Market and MLR 6.25	MLR 6.25	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 19).

Bank overdrafts of subsidiaries are secured by deposits at financial institution as mentioned in Note 12.

As at 31 December 2018, bank promissory notes of the Group have the maturity date for repayment at call or within 6-month period and the repayment is due in June 2019 (2017 : due for repayment within 5-month period and the repayment is due in May 2018) and bank promissory notes of the Company have the maturity date for repayment at call or within 6-month period and the repayment is due in March 2019 (2017 : the Company has no bank promissory notes).

As at 31 December 2018 and 2017, trust receipts of the Group 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.

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24 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable					
- other companies		719,516,579	371,228,385	240,890,628	246,384,795
- related companies	37 a)	4,001,221	2,919,093	4,962,220	5,017,641
Other accounts payable					
- other companies		59,764,635	60,271,026	40,842,964	39,279,861
- related companies	37 a)	1,658,029	750,000	28,333,062	18,258,765
Fixed assets payable					
- other companies		743,281,412	89,714,852	44,901,800	75,062,060
- related companies	37 a)	-	-	42,750	4,363,991
Intangible asset payable					
- other companies		15,889,500	350,960	-	-
Interest payable					
- other companies		28,973,118	16,917,253	28,930,257	16,864,052
- related company	37 a)	-	-	-	459,320
Dividend payable					
- other individual and companies		12,680,939	8,916,135	12,198,145	8,195,322
Accrued doctor fee		101,473,228	91,534,000	89,250,011	80,819,446
Accrued staff salary, wage and bonus		149,180,441	123,639,413	126,482,843	114,415,239
Accrued expenses - other companies		55,108,382	117,534,611	36,900,520	43,599,934
- related companies	37 a)	817,463	-	817,463	-
Unearned income		23,073,709	19,159,729	18,008,414	15,321,022
Retention payable		69,708,079	13,419,340	12,972,451	11,777,562
Advance received from down payment of residence		73,528,099	9,230,000	-	-
Other		832,310	21,080	-	-
		<u>2,059,487,144</u>	<u>925,605,877</u>	<u>685,533,528</u>	<u>679,819,010</u>

During 2018, a subsidiary issued 8 promissory notes to fixed assets payable in amounting to Baht 155.28 million. Such promissory notes are unsecured in Thai Baht. The promissory notes bear interest at the rate of 5.30% per annum and due for payment in January 2020.

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25 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Beginning balance of the year	3,550,000,000	2,546,500,000
Additions during the year	-	1,600,000,000
Repayments during the year	(100,000,000)	(596,500,000)
	<u>3,450,000,000</u>	<u>3,550,000,000</u>
Prepaid front-end fee (net)	(6,283,675)	(7,754,235)
Ending balance of the year	3,443,716,325	3,542,245,765
<u>Less</u> Current portion	(400,000,000)	(100,000,000)
	<u>3,043,716,325</u>	<u>3,442,245,765</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 2018 and 2017 comprise the following:

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Due within 1 year	400,000,000	100,000,000
Due within 2 to 5 years	2,410,000,000	2,530,000,000
Due after 5 years	640,000,000	920,000,000
	<u>3,450,000,000</u>	<u>3,550,000,000</u>
<u>Less</u> Prepaid front-end fee (net)	(6,283,675)	(7,754,235)
Total long-term loans	<u>3,443,716,325</u>	<u>3,542,245,765</u>

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25 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2018 and 2017 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
	2018 (Million Baht)	2017 (Million Baht)						
1	1,850.00	1,950.00	Thailand	Repayment of 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> <p>On 21 December 2017 the Company made an agreement for revise the condition of the principals every 3 months in March, June, September and December every year which start since March 2018.</p> <p>- March 2018 - December 2018 : Baht 25.00 million</p> <p>- March 2019 - December 2019 : Baht 100.00 million</p> <p>- March 2020 - December 2020 : Baht 150.00 million</p> <p>- March 2021 - September 2021 : Baht 212.50 million</p> <p>- December 2021 : Payment for the remaining principals</p>	No collateral (2017 : secured some of land and buildings. However, securities are redeemed in December 2017 (Note 19)).

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25 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2018 and 2017 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
	2018 (Million Baht)	2017 (Million Baht)						
2	1,600.00	1,600.00	Thailand	Support the purchase of shares or assets of Banrungmaung Plaza Hospital 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.	No collateral
Total	3,450.00	3,550.00						

The Company is under the debt covenant criteria of loan agreements which require the Company to maintain the financial ratio, proportion of management shareholders, negative pledge and other requirements in accordance with each loan agreement.

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25 Long-term loans from financial institutions (Cont'd)

The carrying amounts and fair values of long-term loans are as follows:

	Consolidated and Separate financial statements			
	2018		2017	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Loans from financial institutions	3,443,716,325	3,475,108,593	3,542,245,765	3,565,901,176

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 and Separate financial statements	
	2018	2017
	Baht	Baht
Loans at floating rates	3,443,716,325	3,542,245,765

The effective interest rates as at 31 December 2018 and 2017 are as follows:

	Consolidated and Separate financial statements	
	2018	2017
	% per annum	% per annum
Loans from financial institutions	3.31 to 3.72	3.31 to 3.96

Unused credit facilities

As at 31 December 2018 and 2017, the unused credit facilities comprise the following:

	Consolidated financial statements					
	2018			2017		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
Floating interest rate - Unlimited period (Baht)	85,832,594	450,000,000	2,026,067,817	98,740,463	550,000,000	3,265,082,889
	Separate financial statements					
	2018			2017		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
Floating interest rate - Unlimited period (Baht)	52,000,000	450,000,000	1,970,143,712	62,000,000	450,000,000	3,248,900,594

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.

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26 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 2018 and 2017, finance lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Finance lease liabilities	12,203,579	13,284,310	11,813,731	12,611,455
<u>Less</u> Deferred interest expenses	<u>(884,238)</u>	<u>(1,152,037)</u>	<u>(867,098)</u>	<u>(1,101,290)</u>
Present value of finance lease liabilities	11,319,341	12,132,273	10,946,633	11,510,165
<u>Less</u> Current portion (net)	<u>(3,151,914)</u>	<u>(2,691,399)</u>	<u>(2,857,376)</u>	<u>(2,390,405)</u>
	8,167,427	9,440,874	8,089,257	9,119,760

As at 31 December 2018 and 2017, minimum finance lease liabilities payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Due payment				
- Within 1 year	3,561,479	3,152,826	3,254,847	2,815,710
- Later than 1 year but not later than 5 years	8,642,100	10,131,484	8,558,884	9,795,745
	12,203,579	13,284,310	11,813,731	12,611,455

The fair values of finance lease liabilities approximate the carrying amount of their book balances.

27 Employee benefit obligations

The amounts recognised in the statements of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Present value of unfunded obligations	333,880,092	228,908,057	270,616,985	177,090,817

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27 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations for the years ended 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning balance of the year	228,908,057	216,866,899	177,090,817	171,575,953
Increase from investment in a subsidiary	125,498	-	-	-
Current service cost	31,514,486	15,394,307	23,349,956	11,687,887
Interest cost	7,503,089	8,005,959	5,716,215	6,309,912
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	3,701,353	955,778	3,701,353	955,778
Remeasurements of employee benefit obligations				
- Amount of (gain) loss that changed from assumptions	68,979,473	(1,160,145)	64,354,441	(4,386,865)
- Amount of loss that occurred from experience	11,792,606	9,895,429	12,657,903	8,353,702
Employee benefits paid during the year	(18,644,470)	(21,050,170)	(16,253,700)	(17,405,550)
Ending balance of the year	333,880,092	228,908,057	270,616,985	177,090,817

Employee benefit obligations recognised in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	31,514,486	15,394,307	23,349,956	11,687,887
Interest cost	7,503,089	8,005,959	5,716,215	6,309,912
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	3,701,353	955,778	3,701,353	955,778
	42,718,928	24,356,044	32,767,524	18,953,577

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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of hospital operations/				
Cost of goods sold/				
Cost of other services	29,707,435	17,722,090	25,820,417	14,417,338
Selling expenses	6,879,187	487,240	5,798,642	207,507
Administrative expenses	6,132,306	6,146,714	1,148,465	4,328,732
	42,718,928	24,356,044	32,767,524	18,953,577

The principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate (% per annum)	1.76 to 4.16	2.79 to 3.32	1.76 to 4.16	3.06 and 3.08
Expected future salary increase (% per annum)	2.50 to 10.00	5.00 to 11.74	2.50 to 7.00	7.76 to 7.96
Employee turnover ratio (% per annum)	0.00 to 30.00	0.00 to 33.00	0.00 to 30.00	0.00 to 31.00
Retirement age (year)	55 and 60	55 and 60	55	55

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27 Employee benefit obligations (Cont'd)

Sensitivity analysis for significant assumption are as follows:

Post-employment benefits

		Increase (decrease) on employee benefit obligation			
		Consolidated financial statements		Separate financial statements	
	Change in assumption	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Discount rate	Increase by 0.50%	-	(9,176,795)	-	(6,947,151)
Discount rate	Increase by 1.00%	(25,280,233)	-	(20,467,214)	-
Discount rate	Decrease by 0.50%	-	9,970,744	-	7,413,404
Discount rate	Decrease by 1.00%	29,005,852	-	23,496,459	-
Salary growth rate	Increase by 0.50%	-	8,967,702	-	6,839,858
Salary growth rate	Increase by 1.00%	27,635,630	-	22,328,980	-
Salary growth rate	Decrease by 0.50%	-	(8,600,490)	-	(6,473,670)
Salary growth rate	Decrease by 1.00%	(24,652,389)	-	(19,912,217)	-
Turnover rate	Increase by 20.00%	(18,943,931)	-	(15,499,718)	-
Turnover rate	Decrease by 20.00%	22,048,357	-	17,938,645	-
Mortality rate	Increase by 1.00%	367,762	-	289,470	-
Mortality rate	Decrease by 1.00%	(405,378)	-	(319,306)	-

The above sensitivity analysis 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 weighted average duration of the defined obligation of the Group and the Company for the year ended 31 December 2018 is 14.1 years (2017 : the Group is 12 to 24 years and the Company is 15 to 18 years).

Expected maturity analysis of retirement benefits as at 31 December 2018 and 2017 comprise the following:

		Post-employment benefits			
		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 1 year		39,625,156	22,700,116	27,909,063	15,137,006
Between 2 - 5 years		180,675,244	91,821,358	144,107,837	69,474,633
Between 6 - 10 years		227,343,063	128,016,234	178,152,676	93,779,010
Between 11 - 15 years		238,275,860	101,659,184	168,314,572	71,766,079
		685,919,323	344,196,892	518,484,148	250,156,728

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group and the Company will have additional liabilities for long-term employee benefits amounting to Baht 95.55 million and Baht 78.39 million, respectively.

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28 Share capital

	Consolidated and Separate financial statements				
	Registered capital		Issued and paid-up		Share premium on ordinary shares
	shares	Baht	shares	Baht	
As at 31 December 2016	849,080,000	849,080,000	764,080,000	764,080,000	3,822,920,000
Issued of share during the year	-	-	85,000,000	85,000,000	3,038,322,864
As at 31 December 2017	849,080,000	849,080,000	849,080,000	849,080,000	6,861,242,864
Issued of share during the year	-	-	-	-	-
As at 31 December 2018	849,080,000	849,080,000	849,080,000	849,080,000	6,861,242,864

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 2018 and 2017, share premium presented in statement of financial position at Baht 6,861,242,864.

As at 31 December 2018, the total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share (2017: total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share) was issued and fully paid.

29 Legal reserve

	Consolidated and Separate financial statements	
	2018 Baht	2017 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 2018, the retained earnings-unappropriated in the consolidated financial statements included the legal reserve of 1 subsidiary totalling Baht 11,673,832 (2017: 1 subsidiary, totalling Baht 10,365,792).

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30 Dividend payment

Parent company - Thonburi Healthcare Group Public Company Limited

2018

At the Board of Director's Meeting No. 2/2018 on 22 February 2018, the Board of Directors has unanimous approved the dividend payment from its operation for the year 2017 to its shareholder at Baht 0.40 per share, totaling Baht 339.63 million. Such dividend payment has been approved at the Annual General Shareholders' Meeting of year 2018 on 24 April 2018. The Company paid all dividend to shareholders on 21 May 2018.

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, totaling Baht 305.63 million. The Company paid all dividend to shareholders on 19 May 2017.

Subsidiary company - Rajyindee Hospital Public Company Limited

2018

At the Annual General Shareholders' Meeting of year 2018 of subsidiary on 25 April 2018, the meeting has approved the dividend payment from its operation for the year 2017 to its shareholder at Baht 0.05 per share, totaling Baht 21.50 million. The Company paid dividend to shareholders on 25 April 2018.

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, totaling Baht 38.83 million. The Company paid all dividend to shareholders on 27 April 2017.

31 Non-controlling interests

	Consolidated financial statements	
	2018 Baht	2017 Baht
Beginning balance of the year	261,652,498	218,132,338
Share of net profit of subsidiaries	18,448,635	9,711,678
Decrease in non-controlling interests from dividend payment of a subsidiary	(9,263,298)	(17,134,423)
Increase in non-controlling interests from investment in a subsidiary (Note 15 f))	261,284,525	-
Increase in non-controlling interests from increase in share capital of a subsidiary	-	41,765,217
Increase (decrease) in non-controlling interests from change in shareholding interest	(23,157,375)	9,177,688
Ending balance of the year	508,964,985	261,652,498

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32 Other income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Dividend income				
- investments in subsidiaries (Note 15 a))	-	-	12,236,702	21,692,689
- investments in associates (Note 14 b))	-	-	18,018,539	24,439,266
- other long-term investments (Note 17)				
- related companies	958,986	526,504	658,986	526,504
- other companies	10,825,933	13,065,133	10,825,933	12,065,133
- available-for-sale investments (Note 8, 13)	18,143,806	12,407,654	18,143,806	12,407,654
Gain on disposal other long-term investments (Note 17 h))	52,479,110	-	52,479,110	-
Gain on disposal of short-term investments (Note 8)	5,995,314	-	5,995,314	-
Gain on sales of property, plant and equipment (net) and intangible assets (net)	506,561	903,477	91,099	894,040
Interest income				
- other companies	1,605,960	1,035,527	790,539	691,061
- related companies (Note 37 b))	549,413	101,178	106,208,307	83,571,945
Membership income	17,401,465	13,916,482	17,401,465	13,916,482
Rental income - other companies	12,959,947	11,982,190	8,742,417	7,985,189
- related company (Note 37 b))	27,000,000	36,000,000	6,360,000	3,620,000
Recovery from bad debts	-	411,074	-	331,065
Write-off of tax payable	28,846,154	-	-	-
Others	24,328,381	27,052,080	15,260,527	18,775,680
	<u>201,601,030</u>	<u>117,401,299</u>	<u>273,212,744</u>	<u>200,916,708</u>

During the 1st quarter of 2018, the management of a subsidiary considered to write-off tax payable which long outstanding over 10 years and no obligation to pay due to the preclude by prescription amounting to Baht 28.85 million.

Rental agreement of a subsidiary

On 13 July 2018, a subsidiary entered into land lease agreement for construction rehabilitation building with another subsidiary. The agreement had lease period for 30 years from the month that start of construction. The subsidiary will receive rental income as agreed in the lease agreement.

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33 Expense by nature

The following expenditure items for the years ended 31 December 2018 and 2017 are classified by nature as follows:

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Notes					
Medicine, medical supplies and medical equipments used		(1,298,439,098)	(1,238,113,198)	(852,758,440)	(820,593,324)
Laboratory and x-ray		(169,943,654)	(184,357,862)	(144,607,314)	(159,122,961)
Doctor fee		(1,449,148,587)	(1,322,942,347)	(1,233,319,178)	(1,126,744,971)
Staff costs		(2,174,387,500)	(1,934,758,376)	(1,693,648,574)	(1,566,280,686)
Depreciation charges on investment properties and plant and equipment	18, 19	(323,115,352)	(271,266,364)	(246,986,408)	(207,511,766)
Amortisation charges on intangible assets and land leasehold rights and leased buildings	20, 21	(143,091,724)	(32,739,253)	(11,193,531)	(9,384,523)
Repair and maintenance expenditure and service expenses		(142,205,263)	(123,408,888)	(115,652,887)	(110,835,880)
Marketing expenses		(183,726,434)	(149,136,149)	(69,507,875)	(51,847,138)
Utilities expenses		(124,022,942)	(104,847,185)	(90,482,642)	(84,663,151)
Operating lease rental		(113,144,866)	(90,975,435)	(77,286,780)	(66,107,712)

34 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Interest expense from borrowings				
- financial institutions	(142,120,078)	(159,873,824)	(157,336,891)	(145,491,287)
- related companies	-	-	-	(459,320)
Interest expense from financial lease liabilities	(506,753)	(381,049)	(463,860)	(327,696)
Amortisation charges on front-end fee	(1,470,560)	(245,765)	(1,470,560)	(245,765)
	<u>(144,097,391)</u>	<u>(160,500,638)</u>	<u>(159,271,311)</u>	<u>(146,524,068)</u>

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35 Income tax

Reconciliations of income tax for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Current income tax:				
Current income tax on taxable profit for the year	(179,762,899)	(134,724,526)	(159,058,389)	(123,785,920)
Current income tax for expenses related to issuance of share with recognised through equity (Note 28)	-	(26,669,284)	-	(26,669,284)
Under recorded income tax of prior year	(308,975)	(172,815)	457,110	(172,815)
Write-off withholding tax	(1,990,499)	(391,718)	-	-
Total current income tax	(182,062,373)	(161,958,343)	(158,601,279)	(150,628,019)
Deferred income tax:				
Origination and reversal of temporary differences (Note 22)	65,355,117	44,006,930	(1,869,759)	(6,960,430)
Total tax expense	(116,707,256)	(117,951,413)	(160,471,038)	(157,588,449)

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 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Profit before income tax	483,386,386	682,895,300	919,198,687	934,160,947
Tax calculated at a tax rate of 20% (2017 : 20%)	(96,677,277)	(136,579,060)	(183,839,737)	(186,832,189)
Tax effect of:				
Income not subject to tax	1,194,271	1,455,879	10,828,301	12,967,086
Income subject to tax	(28,998)	-	-	-
Expense not deductible for tax purpose	(17,399,208)	(309,814)	(350,835)	2,191,685
Additionally taxable expense transactions	16,769,846	19,230,069	14,558,359	14,457,952
Temporary differences for which no deferred tax was recognised	(9,782,477)	(13,220,068)	(2,124,236)	(200,168)
Accumulated deficit	(7,341,446)	30,206,775	-	-
Reversal of unutilised deferred tax asset	(1,142,493)	(18,170,661)	-	-
Under record income tax of prior year	(308,975)	(172,815)	457,110	(172,815)
Write-off withholding tax	(1,990,499)	(391,718)	-	-
Income tax	(116,707,256)	(117,951,413)	(160,471,038)	(157,588,449)

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36 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 2018	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2017
Profit attributable to shareholders of the parent for the year (Baht)	347,599,923	553,835,960	758,727,649	776,572,498
Weighted average number of ordinary shares (shares)	849,080,000	771,532,055	849,080,000	771,532,055
Basic earnings per share (Baht per share)	0.41	0.72	0.89	1.01

There are no potential dilutive ordinary shares in issue during the reporting period. Thus, the dilutive earnings per share is not presented.

37 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 2018, most of the shares of the Company are held by Vanasin family totalling 29.38% (2017 : 28.81%) and the remaining 70.62% (2017 : 71.19%) of the shares is widely held.

The significant investments in associates, subsidiaries and joint ventures are disclosed in Notes 14, 15 and 16.

Relationships between the Company and related parties are as follows:

List of related parties	Country/Nationality	Relationship
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 Company Limited	Thai	Subsidiary
Uttradit Thonburi Hospital Co., Ltd.	Thai	Subsidiary
Thonburi Bamrungmuang Hospital Co., Ltd. (Former Bamrung Maung Plaza Co., Ltd.)	Thai	Subsidiary
Thanarad Thung Song Co., Ltd.	Thai	Subsidiary (Since 30 June 2018)
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	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
Phatara Hospital Co., Ltd.	Thai	Common directors
Rajnara Hospital Co., Ltd.	Thai	A relative of director

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37 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 shareholder is director of 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
Salatan Medical Center Co., Ltd. (Registered the liquidation on 8 May 2017)	Thai	Held by subsidiary and related company
Computed Tomography Urupong Co., Ltd.	Thai	Common shareholders
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
Super P&S Limited	Thai	Common shareholders
Dr. Boon Vanasin	Thai	Shareholder and director
Ms. Nalin Vanasin	Thai	Shareholder and director
Mr. Chalermkul Apibunyopas	Thai	Shareholder and director
Mr. Weerachai Srikhajorn	Thai	Shareholder and director
Mr. Sitha Meksawan	Thai	Shareholder and director
Mr. Aasis Unnanuntana	Thai	Shareholder and director
Dr. Viphada Chaowakun	Thai	Shareholder and director of associate
Ms. Masruedee Kanapithakpong	Thai	Shareholder and director of subsidiaries
Mr. Ravoravee Chantharojwong	Thai	Shareholder and director of subsidiary
Mr. Jon Vanasin	Thai	Shareholder and director of subsidiary
Dr. Amnuay Unnanuntana	Thai	Shareholder
Mr. Suthon Sriyaphan	Thai	Shareholder
Mrs. Jaruan Vanasin	Thai	Shareholder
Mrs. Nawara Vanasin	Thai	Shareholder
Dr. Chukiat Assawanich	Thai	Shareholder
Mr. Arsa Meksawan	Thai	Shareholder
Dr. Linda Kraivit	Thai	Director
Mr. Kachorn Thanapase	Thai	Director
Mr. Somchai Khoowijitsuwan	Thai	Director (Until 14 February 2018)
Mrs. Kannika Ngamsopee	Thai	Director
Mr. Wisit Wamwanich	Thai	Director
Mr. Vikrom Koompirochana	Thai	Director
Mr. Timothy Lertsmitivanta	Thai	Director
Mr. Eugene D.M.B. Croon	Dutch	Director
Mr. Tanatip Suppradit	Thai	Shareholder and Director

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37 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 (Until 10 May 2018)
Mr. Kim Christian Warfight	Thai	Close relative of shareholders whom not a director of the Company or subsidiaries
Mr. Thongsuk Booranarungruengkij	Thai	Close relative of a shareholders whom not a director of the Company or subsidiaries
Ms. Songsaeng Meksawan	Thai	Shareholder and close relative of a director

Management benefit expenses represent benefits which management received from the Group.

Directors' remuneration is approved at the Board of Directors' meeting.

Related-party transactions are as follows:

- a) Outstanding balances as at 31 December 2018 and 2017 arising from purchase/sales of goods and services and others are as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018 Baht</u>	<u>2017 Baht</u>	<u>2018 Baht</u>	<u>2017 Baht</u>
Trade accounts receivable				
<u>Subsidiaries</u>				
Thonburi Hospital Heart Centers Company Limited	-	-	16,054,334	7,500,360
Dental Siam Co., Ltd.	-	-	-	-
	-	-	16,054,334	7,500,360
<u>Associates</u>				
Ubonrak Co., Ltd.	150,075	-	-	-
Sirivej Chanthaburi Public Company Limited	6,550	11,275	-	-
	156,625	11,275	-	-
<u>Joint ventures</u>				
Weihai Welly Hospital Company Limited	18,654,400	14,855,400	18,654,400	14,855,400
Ar Yu International Health Care Company Limited	5,173,639	2,926,315	5,173,639	2,926,315
	23,828,039	17,781,715	23,828,039	17,781,715
<u>Related companies</u>				
Phatara Hospital Co., Ltd.	28,455,640	19,302,463	-	-
Rajthanee Hospital Public Company Limited	9,600	340,710	-	-
	28,465,240	19,643,173	-	-
	52,449,904	37,436,163	39,882,373	25,282,075

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37 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- a) Outstanding balances as at 31 December 2018 and 2017 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Other accounts receivable				
<u>Subsidiaries</u>				
Thonburi Hospital Heart Centers Company Limited	-	-	4,721,191	3,829,411
Premiere Home Health Care Co., Ltd.	-	-	2,795,000	120,000
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	1,154,020	-
	-	-	8,670,211	3,949,411
<u>Associate</u>				
Ubonrak Co., Ltd.	-	250,000	-	250,000
	-	250,000	-	250,000
<u>Joint venture</u>				
Ar Yu International Health Care Company Limited	15,600	67,200	15,600	67,200
	15,600	67,200	15,600	67,200
<u>Related company</u>				
Rajthanee Pattanakam (2014) Co., Ltd.	10,000,000	-	-	-
	10,000,000	-	-	-
	10,015,600	317,200	8,685,811	4,266,611
Advance payment				
<u>Related company</u>				
Phatara Hospital Co., Ltd.	-	43,335	-	-
	-	43,335	-	-
Interest receivable				
<u>Subsidiaries</u>				
Rajthanee Realty Co., Ltd.	-	-	296,821,435	254,926,394
Thonburi Realty Development Co., Ltd.	-	-	116,000,060	117,744,967
Premiere Home Health Care Co., Ltd.	-	-	9,804,536	1,725,021
Modular Software Expertise Co., Ltd.	-	-	7,474,361	6,675,799
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	4,182,092	-
Thonburi Hospital Heart Centers Company Limited	-	-	557,041	-
	-	-	434,839,525	381,072,181
<u>Less</u> Allowance for doubtful accounts	-	-	(44,661,690)	(44,661,690)
	-	-	390,177,835	336,410,491
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	547,266	-	547,266	-
	547,266	-	547,266	-
	547,266	-	390,725,101	336,410,491

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37 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- a) Outstanding balances as at 31 December 2018 and 2017 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	874,245	1,503,870
Thonburi Hospital Heart Centers Company Limited	-	-	96,100	674,646
	-	-	970,345	2,178,516
<u>Related companies</u>				
Computed Tomography Urupong Co., Ltd.	3,991,875	2,839,125	3,991,875	2,839,125
Hatyai Oxygen Company Limited	-	79,968	-	-
Phatara Hospital Co., Ltd.	9,346	-	-	-
	4,001,221	2,919,093	3,991,875	2,839,125
	4,001,221	2,919,093	4,962,220	5,017,641
Other accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	42,133	13,585
Modular Software Expertise Co., Ltd.	-	-	125,537	1,385,332
Thonburi Hospital Heart Centers Company Limited	-	-	26,657,163	16,109,848
	-	-	26,824,833	17,508,765
<u>Associate</u>				
Ubonrak Co., Ltd.	-	750,000	-	750,000
	-	750,000	-	750,000
<u>Related company</u>				
Rajthanee Pattanakarn (2014) Co., Ltd.	149,800	-	-	-
	149,800	-	-	-
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	1,508,229	-	1,508,229	-
	1,508,229	-	1,508,229	-
	1,658,029	750,000	28,333,062	18,258,765
Fixed assets payable				
<u>Subsidiaries</u>				
Premiere Home Health Care Co., Ltd.	-	-	-	4,150,991
Dental Siam Co., Ltd.	-	-	42,750	213,000
	-	-	42,750	4,363,991
Accrued expense				
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	817,463	-	817,463	-
	817,463	-	817,463	-
Interest payable				
<u>Subsidiary</u>				
Premiere Home Health Care Co., Ltd.	-	-	-	459,320
	-	-	-	459,320

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37 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 2018 and 2017 are as follows:

	For the year ended 31 December 2018						For the year ended 31 December 2017					
	Consolidated financial statements			Separate financial statements			Consolidated financial statements			Separate financial statements		
	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht
Revenue from sales of medical supplies	-	500,486	-	24,533	-	525,019	-	8,268,319	-	-	-	8,268,319
Revenue from service and consulting	-	652,500	7,129,749	17,268,652	-	25,050,901	-	-	7,129,749	-	-	7,129,749
Revenue from land rental	-	-	-	27,000,000	-	27,000,000	-	6,360,000	-	-	-	6,360,000
Other income	-	-	43,488	-	-	43,488	-	92,070	15,600	-	-	107,670
Dividend income	-	-	-	14,752,470	-	14,752,470	-	12,236,702	18,018,539	14,452,470	-	44,707,711
Interest income	-	-	-	-	-	-	-	105,658,894	549,413	-	-	106,208,307
Purchase of inventory	-	-	549,413	-	-	549,413	-	4,298,897	-	5,940	-	4,304,837
Purchase of property, plant and equipment	-	-	-	290,271	-	290,271	-	332,795	-	-	-	332,795
Purchase of intangible assets	-	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
Land rental expense	-	-	-	-	2,514,000	2,514,000	-	-	-	-	2,514,000	2,514,000
Repair expense & professional fee	-	-	-	43,873,808	-	43,873,808	-	2,943,511	-	43,724,008	-	46,667,519
Revenue from sales of medical supplies	-	75,883	-	23,654	-	99,537	-	3,996,353	-	-	-	3,996,353
Revenue from service and consulting	-	695,987	17,781,714	14,367,053	-	32,844,754	-	-	17,781,714	-	-	18,061,714
Revenue from land rental	-	-	-	36,000,000	-	36,000,000	-	3,620,000	-	-	-	3,620,000
Other income	-	-	67,200	11,308	-	78,508	-	119,902	67,200	-	-	187,102
Dividend income	-	-	-	13,760,020	-	13,760,020	-	21,692,689	24,439,266	12,760,020	-	58,891,975
Interest income	-	-	-	101,178	-	101,178	-	83,571,945	-	-	-	83,571,945
Purchase of inventory	-	-	-	19,437	-	19,437	-	5,315,051	-	3,350	-	5,318,401
Purchase of property, plant and equipment	-	-	-	-	-	-	-	802,705	-	-	-	802,705
Purchase of intangible assets	-	-	-	-	-	-	-	196,880	-	-	-	196,880
Interest expense	-	-	-	-	-	-	-	459,320	-	-	-	459,320
Land rental expense	-	-	-	17,600	-	17,600	-	-	-	-	2,514,000	2,514,000
Repair expense & professional fee	-	-	-	38,161,703	-	38,161,703	-	3,601,507	-	38,161,703	-	41,763,210

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37 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 2018 and 2017 are as follows: (Cont'd)

Managements and directors' remuneration

Managements and directors' remuneration for the years ended 31 December 2018 and 2017 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Management and directors remuneration				
- Salaries and other short-term benefits	127,559,993	92,907,117	78,240,763	57,486,648
- Post employment benefit	3,157,361	1,222,296	1,179,072	340,838
Total	130,717,354	94,129,413	79,419,835	57,827,486

- 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 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
Short-term loans to related parties				
Beginning balance of the year	-	-	1,768,677,245	1,055,036,600
Additions during the year	40,106,960	10,000,000	2,168,106,960	723,140,645
Reclassify from long-term loans	-	-	81,300,000	-
Repayment during the year	-	(10,000,000)	(5,000,000)	(9,500,000)
Ending balance of the year	40,106,960	-	4,013,084,205	1,768,677,245

At the Board of Executive Committees' Meeting No. 2/2018 on 15 February 2018, the meeting approved the amendment of loan condition to a subsidiary - Rajthanee Realty Co., Ltd. from long-term loan to short-term loan which is due for repayment at call. However, a subsidiary issued promissory note to the Company in April 2018 therefore the Company reclassified loan to such subsidiary amounting to Baht 81.30 million from long-term loan to short-term loan in 2nd quarter of 2018.

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37 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 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Short-term loans to</u>				
<u>Subsidiaries</u>				
Premiere Home Health Care Co., Ltd.	-	-	1,857,812,908	565,812,908
Rajthanee Realty Co., Ltd.	-	-	917,127,737	831,827,737
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	766,000,000	-
Thonburi Realty Development Co., Ltd.	-	-	347,436,600	347,436,600
Thonburi Hospital Heart Centers Company Limited	-	-	65,000,000	-
Modular Software Expertise Co., Ltd.	-	-	18,600,000	23,600,000
Dental Siam Co., Ltd.	-	-	4,000,000	-
	-	-	3,972,977,245	1,768,677,245
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	40,106,960	-	40,106,960	-
	40,106,960	-	40,106,960	-
	40,106,960	-	4,013,084,205	1,768,677,245

As at 31 December 2018 and 2017, short-term loans to related parties are unsecured loans in Thai Baht. Short-term loans to a subsidiary are due for repayment at call and short-term loans to a joint venture are due for repayment within October 2019. The loans bear the interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2018 % per annum	2017 % per annum	2018 % per annum	2017 % per annum
Subsidiaries	-	-	3.40 to 8.00	3.75 to 8.00
Joint venture	5.22	-	5.22	-

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37 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 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2017 Baht
<u>Long-term loans to related companies</u>				
Beginning balance of the year	-	-	81,300,000	81,300,000
Reclassify to short-term loans	-	-	(81,300,000)	-
Ending balance of the year	-	-	-	81,300,000

Outstanding balances of long-term loans to related parties as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Long-term loans to</u>				
<u>Subsidiary</u>				
Rajthanee Realty Co., Ltd.	-	-	-	81,300,000
	-	-	-	81,300,000
<u>Less</u> Current portion of long-term loans	-	-	-	(81,300,000)
	-	-	-	-

As at 31 December 2017, 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 December 2018.

As at 31 December 2017, 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.

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38 Commitments

38.1 Operating lease commitments

The Group and the Company have entered into non-cancellable lease agreements in respect of the lease of land, building, computer, furniture and fixture, tool and equipment, vehicle, computer software, cleaning and security service.

As at 31 December 2018 and 2017, the Group and the Company have future lease and service payments required under these non-cancellable agreement as follows:

Due payment	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	49,169,653	41,221,090	18,266,618	20,167,039
Later than 1 year but not later than 5 years	51,716,095	51,644,522	18,512,201	18,126,881
After 5 years	223,937,084	224,657,084	6,720,000	7,440,000
	<u>324,822,832</u>	<u>317,522,696</u>	<u>43,498,819</u>	<u>45,733,920</u>

38.2 Capital commitments

As at 31 December 2018 and 2017, the Group and the Company have capital commitments, relating to the construction of hospital buildings, building improvement and utility system, medical equipment, computer software, computer, equipment and furniture and office equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Buildings, building improvement and utility system	646,005,174	80,504,380	57,846,392	52,691,612
Computer software	69,829,774	1,182,885	6,764,300	-
Furniture and office equipment	23,335,872	-	-	-
Medical equipment	47,512,000	25,916,236	4,550,000	23,259,341
Computer	18,240,000	-	18,240,000	-
Equipment	7,892,315	940,750	237,000	700,000
	<u>812,815,135</u>	<u>108,544,251</u>	<u>87,637,692</u>	<u>76,650,953</u>

38.3 Other commitment

As at 31 December 2018 and 2017, the Company and a subsidiary - Premiere Home Health Care Company Limited has other commitments as follows:

	Consolidated financial statement		Separate financial statement	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of developing holistic care project	2,078,949,965	130,184,489	-	-
Down payment for land leasehold rights	2,000,000	3,000,000	-	-
Advertising expenses	784,382	31,059,300	128,400	-
Other	1,214,400	-	1,214,400	-
	<u>2,082,948,747</u>	<u>164,243,789</u>	<u>1,342,800</u>	<u>-</u>

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38 Commitments (Cont'd)

38.4 Forward foreign currency exchange contracts

2018

As at 31 December 2018, the settlement date of forward foreign currency exchange contracts are 1 to 3.5 months. The amount to be received under contractual exchange rates of the outstanding contracts are as follows:

Consolidated financial statements					
31 December 2018					
Foreign currency	Contract amount	Exchange rate per contract	Contract value (Baht)	Fair value (Baht)	Positive (negative) fair value (Baht)
US dollar	12,261	32.48	398,234	397,864	370
Euro	380,320	37.35 - 37.73	14,345,250	14,167,605	177,645

As at 31 December 2018, the Company has no 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 statements					
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.

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 2018 and 2017. The fair values are within level 2 of the fair value hierarchy.

39 Contingent liabilities and guarantees

39.1 Bank guarantees

As at 31 December 2018 and 2017, 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Guarantee for electricity	10,501,903	13,054,603	9,701,903	12,254,603
Guarantee for management and operation of hospital management	72,666,700	72,511,100	72,666,700	72,511,100
Guarantee for operation	43,269,716	50,804,751	-	-
	<u>126,438,319</u>	<u>136,370,454</u>	<u>82,368,603</u>	<u>84,765,703</u>

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39 Contingent liabilities and guarantees

39.2 Guarantees of related companies

Subsidiary

As at 31 December 2018 and 2017, the Group and the Company have guarantees of related companies as follows:

Guarantor	Guarantee	List of guarantee	2018	2017
			Amount (Million Baht)	Amount (Million Baht)
The Company	Premiere Home Health Care Co., Ltd. (Subsidiary)	Guarantee for loans	-	400.00

Joint ventures

The Company will be a guarantor of 2 joint ventures in overseas following the standby letter of credit according to the proportion of its holding interest in joint ventures for the borrowings from overseas financial institutions. As at 31 December 2018, the Company has the standby letter of credit for guarantee to joint ventures in overseas amounting to US Dollar 6.00 million and Renminbi 20.00 million (2017 : The Company did not be a guarantor of joint ventures).

40 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), Kohlam, 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 16.

Thonburi Healthcare Group Public Company Limited
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40 Significant contracts (Cont'd)

The Group and the Company have significant contracts as follows: (Cont'd)

Subsidiary - Thonburi Hospital Heart Centers Company Limited

- 1) The Company has the agreement with two private hospitals (2017 : three private hospitals) 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. Such contract ended on 29 December 2018 because the Company did not renew the contract.

During the year 2018, a subsidiary reclassify deposit of sharing agreement with Samutprakarn province amounting to Baht 12.07 million which are presented as part of other non-current assets to other current asset due to the management considered to receive the deposit refund within the year 2019.

- 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.

41 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 filed a petition with the Supreme Administrative Court and still in the lawsuit. However, 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 and the red case. 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. As at 31 December 2018, the management considered the impact of such case and recognise provision for contingent liabilities as at the end of the reporting period amounting to Baht 6.44 million.
- 3) The Company has been sued from Talingchan Provincial Court for claims expense from its hospital's operation service in the black case. As at 31 December 2018, it is under consideration by the Civil 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.

However, as at 31 December 2018, the plaintiff has unpaid balance to the Company amounting to Baht 10.28 million. The management considered and estimated the uncollected amount of Baht 4.89 million and had been recorded as discount for such amount in the financial information. Management is in process of consideration for set the allowance for doubtful account against the remaining balance of Baht 5.39 million.

Thonburi Healthcare Group Public Company Limited
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41 Lawsuit (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited (Cont'd)

- 4) The Company received a defendant's summons from Talingchan Provincial Court for claims expense together with doctor from its hospital's operation service in the black case. However, as at 31 December 2018, this case is in the progress. Management considered and believed that there is uncertainty of timing and contingent liabilities amount. The Company did not recognise provision for contingent liabilities as at the end of the reporting period.

Subsidiary

- 1) The subsidiary has filed Department of Land and related government according to the land revocation of the Company which has lawsuits held as follows:
 - 1.1) The Company has filed about land NS.3K. 2 issues (the black case). 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. As at 31 December 2018, it is under consideration by the Supreme Administrative Court.
 - 1.2) The Company has filed about land NS.3K. 1 issues (the black case). The Administrative Court judged that Department of Land illegally revoke since issued the wrong NS.3K. which caused 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 as at 31 December 2018 is under consideration.
 - 1.3) The subsidiary has filed about land NS.3K. 2 issues which Department of Land established the revocation committee. However, as at 31 December 2018 there is no revocation order.
- 2) To protect the subsidiary's benefit and to be fair with the customer, the subsidiary has negotiated with the management of the supplier for goods payments, however the management of the supplier did not participate the meeting at the appointment date. Then, the subsidiary has been sued by the supplier from Samutprakarn Provincial Court in the black case of the Civil Court for goods payments amounting to Baht 17.00 million, plus interest at the rate of 7.50% per annum. The subsidiary recognised provision for such contingent liabilities. However, management of the subsidiary considered and believed that there would no significant impact to the subsidiary and did not record the interest expense of such liabilities.

Subsequently, the Samut Prakan Provincial Court has appointed an examination of witnesses on 15 November 2018, both parties wished to negotiate with each other. The subsidiary requesting the partner company to bring the relevant documents which had a large number of document. From the aforementioned process, the business partner decided to withdraw the lawsuit against the company in order to proceed with the above negotiations. Which Samut Prakan Provincial Court considers that Both parties wish to negotiate and should have an agreement. Therefore, allowing the partner company to withdraw the lawsuit against the Company.

- 3) During 2018, a subsidiary was filed by external party for the land revocation of which the land was currently developing under real estate project. Lawyer of the Group saw the probability of the land to be revoked since it has been a transportation channel for longer than 10 years.

Another subsidiary was claimed by the same external party for adverse possession. However, lawyer of the Group saw the high probability of not losing the case since the land possession of the plaintiff had not yet been 10 years. As a result, the subsidiary had filed back the party for trespassing and claimed for damages of Baht 20,000,000 and Baht 200,000 for monthly damage and the action of the party to remove possession from the property. The lawyer of the Group saw the high probability of winning the case; however, the claimed damages to be received depended on judicial discretion.

As at 31 December 2018, these lawsuits were under the consideration of the Court of First Instance. Management considered and believed that there would be no significant impact. As a result, the subsidiary did not recognise provisions for contingent liabilities for these lawsuits as at the end of the reporting period.

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42 Subsequent events

Parent Company - Thonburi Healthcare Group Public Company Limited

At the Board of Directors' Meeting of the Company No. 2/2019 on 21 February 2019, the Board of Directors approved the dividend payment from its operation for the year 2018 to its shareholders at Baht 0.35 per share, totaling Baht 297.18 million. The Company will present for approval the dividend at the Annual General Shareholders' Meeting of the Company.

At the Board of Directors' Meeting of the Company No. 2/2019 on 21 February 2019, the Board of Directors approved the ratification of a contract of a subsidiary by providing collateral and guarantee the payment of a subsidiary to sub-contractor in amount not exceeding Baht 412.74 million.

Subsidiary - Rajyindee Hospital Company Limited

At the Board of Directors' Meeting of the subsidiary No. 1/2019 on 15 February 2019, the Board of Directors approved the dividend payment from its operation for the year 2018 to its shareholders at Baht 0.09 per share, totaling Baht 38.70 million. The subsidiary will present for approval the dividend at the Annual General Shareholders' Meeting of the subsidiary.

Subsidiary - Thanarad Thung Song Co., Ltd.

The Subsidiary do the credit facility with a financial institution amounting to Baht 155.00 million. The Company pledged land and buildings as collateral against such credit facility on 29 January 2019.

Audit Committee Report

**Dear Shareholders,
Thonburi Healthcare Group Public Company Limited**

The Audit Committee of Thonburi Healthcare Group Public Company Limited is comprised of three independent directors who are eminent persons and fully qualified as independent director according to the rules prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand. The independent directors have performed their duties with independence within the scope of duties and responsibilities of the Audit Committee as assigned by the Board of Directors. The Audit Committee consists of:

1. Ms. Kannika	Ngamsopee *	Chairman of the Audit Committee
2. Mr. Virachai	Srikajon	Member of Audit Committee
3. Dr. Linda	Kraivit **	Member 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 2018, the Audit Committee held 16 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 2018. 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 2018. During the Board of Directors' Meeting No. 1/2019 held on 24 January 2019, evaluating the Company's internal control system in respect of 5 elements. Board of Directors viewed that internal control system 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 2018, the Company has appointed Well Planning Solution Company Limited as outsourced internal auditor 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. Risk management: The Risk Management Committee is responsible for determining policy, rules and methods of risk assessment and management, reviewing risk management system, and reporting risk management in respect of strategies, financial reports, operating performance, and compliance with relevant laws and regulations to the Board of Directors and the Audit Committee. The Audit Committee reviews and monitors risk management plan of the group company, including material adverse event which might have impact on the Company's business operations such as risks of core business, risks from local and overseas investment projects etc. The Audit Committee is of the view that the Company efficiently complies with the risk management system.

7. Appointment of 2019 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 2019, 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.

8. 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 Manual B.E. 2553 (2010). The Audit Committee has reviewed and revised the Audit Committee Charter to become more appropriate. The revised Audit Committee Charter was approved by the Board of Directors' Meeting No. 10/2018 and has become effective since 18 October 2018.

Based on the Audit Committee's performance during the year 2018 as reported above, the Company believes that it has good corporate governance. Its internal control is adequate and suitable for the business operations. The risk management and internal control systems are efficient. Its accounting system and financial reports are correct and reliable in accordance with generally accepted accounting standards. The Company complies with the laws, rules and regulations relating to its business operations.

In performing its duties during the year 2018, the Audit Committee received good cooperation from the Board of Directors, executives, auditor and all related parties and would like to thank you everyone for their supports.

On behalf of the Audit Committee



(Ms. Kannika Ngamsoppee)
Chairman of the Audit Committee

Corporate Governance

1. Corporate Governance Policy

The Company operates its business by adhering to the Stock Exchange of Thailand (SET) for increasing confidence among shareholders, investors and all concerned parties. 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

The Board of Directors believes that the good corporate governance will make the Company's business operation to be efficient, transparent and fairness with all stakeholders and to build creditability and to increase competitive ability of the group's company to achieve its sustainable growth. Therefore, it has determined to have the corporate governance manual which is disclosed on the Company's website (www.thg.co.th)

The Company has listed its shares on the Stock Exchange of Thailand on 7 December 2017 and had its ability to comply with the good corporate governance principle as presented in the results of the assessment of the performance as follows:

- The Company has received the score level of 4TIA (score range: 90-99 scores) from the Assessment of Quality in Organizing the 2018 Annual General Meeting of shareholders project organized by the Thai Investors Association.
- The Company has received 3-stars (score range: 70-79 scores) which mean "Good" from the Survey of Corporate Governance of Listed Companies for the year 2017 project organized by Thai Institute of Directors.

However, the Board of Directors aims to develop the Company's corporate governance to be in line with the international standard. Therefore, the Board of Directors no.3/2018 held on 26 March 2018 has appointed the Corporate Governance and Business Ethics Committee to supervise the group's company to have its policy and procedure on good corporate governance principle and business ethics in accordance with the international standard and to monitor the directors, executives and employees to comply with it. In addition to the "Revised Strategic Direction for THG BOD 2019" seminar held on 15-16 September 2018, the Board of Directors has determined the development and improvement of compliance with the Company's corporate governance as one of the performance targets of the year 2019.

In 2018, the Company has complied with the good corporate governance principle as follows:

Section 1: Rights of Shareholders

- (1) The Company has policy to provide information on date, time, venue and agendas of the shareholders' meeting including all information relating to matters that require resolution of the shareholders' meeting in advance sufficiently and timely for each of shareholders' meeting by providing the shareholders to have the right to be informed agendas 21 days before the date of the meeting. It also discloses the full version of invitation letter of shareholders' meeting in Thai and English on the Company's website for shareholders to review the information before the date of the meeting and to facilitate the shareholders and foreign investors. The Company will not propose additional significant information during the shareholders' meeting and the Company will not add new agendas or change significant information without prior notice.

In the shareholders' meeting of 2018, the Company has circulated the invitation letter to the shareholders 2 weeks in advance. The Company has held the shareholders' meeting on 25 April 2018 and has disclosed the full version of invitation letter of shareholders' meeting in Thai and English on the Company's website for shareholders on 3 April 2018 for the shareholders to review

the information 21 days before the date of the meeting. The Company has policy to disclose information 30 days in advance and circulates the invitation letter 21 days in advance for the next year.

- (2) The Company has published the invitation letter of shareholders' meeting in the newspaper 7 days before the date of the meeting.
- (3) The shareholders have the right to review the directors' compensation annually.

In the shareholders' meeting of 2018, the Company has proposed the shareholders to consider the policy, criteria and amount of compensation of the Chairman, directors and sub-committees in both of monetary compensation such as the directors' annual compensations and meeting allowances and non-monetary compensation such as medical welfares for Thonburi Hospital which is the same criteria as hospital managements.

- (4) The shareholders have the right to consider and approve the appointment of each director in order for the shareholders to appoint the director that are truly needed.
- (5) In the shareholders' meeting, the Company invites the auditor and legal adviser to act as the independent witness in the vote counting.
- (6) Equal rights for all shareholders to propose the agenda of the shareholders' meeting and send questions in advance including sending names of candidates for appointment of directors.

The Company has notified the shareholders in the SET's website and Company's website to propose agendas for the 2018 Annual General Meeting of shareholders and to propose the names of candidates who have qualification to be appointed as the Company's director including to send questions for the shareholders' meeting by mail or e-mail in advance.

- (7) Policy on facilitating and promoting the shareholders and institutional investors to attend the shareholders' meeting.

The Company opens the registration 2 hours in advance, prepares the meeting venue and procures its officers to provide services, uses the barcode system for registration and vote counting for convenience, prepares stamp duty without charge. The Company also facilitates shareholders who cannot attend the meeting by preparing the proxy form according to the notification of Department of Business Development for Proxy Form A, Proxy Form B and Proxy Form C (for custodian) to such shareholders to proxy their rights to any persons or the Company's independent directors to vote on their behalf.

- (8) The Company has given importance on the quality of invitation letter of the 2018 Annual General Meeting of shareholders' meeting as follows:

- 8.1 To clearly determine agendas such as the agenda on appointment of each director, agenda on approval of compensation of directors and sub-committees and other compensations.
- 8.2 To provide profile of candidate to be appoint as director for shareholders' consideration.
- 8.3 To provide details of auditor including audit fees for shareholders' consideration in advance.
- 8.4 To notify the dividend policy, the proposed dividend amount including the reason and information.
- 8.5 To inform reason and rational of each agenda.

- (9) The Company has given importance of the minutes of the 2018 Annual General Meeting of shareholders' meeting as follows:

- 9.1 To record the voting method and to inform the vote counting to shareholders in advance and to use the ballot.
- 9.2 To record the questions and answers which the Chairman of the meeting has given the opportunity for shareholders to make any questions or suggestion to allow shareholders who are not attending the meeting to acknowledge.
- 9.3 To record resolutions of each agenda whether approved, not approved or abstain.
- 9.4 To record the participation of directors to reflect the responsibilities to the shareholders.
- 9.5 To disclose the shareholders' resolution together with the voting result within next day before 9.00 AM by sending the disclosure through the SET's website.
- 9.6 After each shareholders' meeting, the Company will collect the details of the meeting consisting of agendas, resolutions, voting including questions and answers of shareholders

to produce “minutes of shareholders’ meeting to disclose on the Company’s website within 14 days from the date of the meeting which is in accordance with the rules of the Office of SEC and the SET.

- (10) The participation in the shareholders’ meeting of the Chairman of the Board of Directors, the Chairman of sub-committee and senior managements.

The Company has encouraged its directors and managements to attend the Company’s shareholders’ meeting for the responsibility to the shareholders. In the previous year, the Chairman of the Board of Directors, the Chief Executive Officer, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee have attended the meeting to provide answers to the shareholders’ questions.

- (11) The Company has selected the meeting venue close to the headquarter which have public transport and it can travel both by car, boat, private car and also have adequate parking allowing shareholders to travel to the meeting conveniently.
- (12) As of 27 December 2018, the Company had the free float more than 40% of the total issued shares with voting.

Section 2: Equitable Treatment of Shareholders

- (1) The Company has disclosed the voting right, informed the rules and procedures on the attending the shareholders’ meeting in the invitation letter and on the date of the meeting, the moderator shall inform the meeting’s rules and voting procedure for shareholders acknowledgement in the meeting and it has also recorded the rules and procedure on voting in the minutes of meeting every time.
- (2) The Company has determined the policy on inside information of executives, employees and directors for their acknowledgement and compliance to prevent the securities trading by using the Company’s inside information. The Company shall not provide undisclosed information to any shareholders and shall provide equality on the Company’s information to prevent any conflict of interest and using inside information for themselves or others in a wrongful way of which it has been disclosed to employees, executives and directors for their acknowledgement.
- (3) The Company has disclosed the information on related party transaction sufficiently including the opinion of the Board of Directors, opinion of independent advisor for shareholders’ consideration before the shareholders’ meeting.
- (4) The related party transactions have been made with fairness in accordance with market price and normal market conditions.
- (5) The Company has provided documents and recommendation of proxy in the invitation letter and has also facilitated the shareholders who cannot attend the meeting by providing the proxy form together with the invitation letter and providing stamp duty for the proxy in front of the meeting room without charge including not determine any special rules that will cause difficulties in attending the meeting.
- (6) The Company has given opportunity to the shareholders to receive up-to-date information through the Company’s website

Section 3: 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 Policy

The Company has given the opportunity to directors, executives, employees and internal and external stakeholders of the Company and its subsidiaries to report suspected illegal acts, complaints or recommendations relating to illegal or unethical acts, incorrectness of financial reports, corruption or deficiency in internal control system of the Company or its subsidiaries. The Company shall investigate and find facts relating to such report, complaint or recommendation in order to determine appropriate measures or actions. Such information can be reported via the following channels:

Via Phone 02-159-0336-7 or Head of the Internal Audit Department 081-613-3539

Via E-mail BOD@thg.co.th , AC@thg.co.th
Internal Audit Department IA@thg.co.th

Via Website www.thg.co.th

Via Mail Submit Whistleblower Report Form (as enclosed)
To **Board of Directors, Chairman of the Audit Committee, Head of the Internal Audit Department**

Thonburi Healthcare Group Public Company Limited
518 Kampangetch 2 Road, Chatuchak Sub-district,
Chatuchak District
Bangkok 10900

Whistleblower Procedures

The internal audit department shall preliminary monitor, collect, search for facts and verify the information and prepare summary on complaints to the Chief Executive Officer. The Chief Executive Officer shall set-up Investigating Committee to verify the information and investigate. Members of the Investigating Committee who shall participate and observe in considering the complaints include Director of Human Resource Department or a representative of the unit, supervisor of the informant who shall not have any conflict of interest with the informant, a representative from the Risk Management Committee, Secretary of the Audit Committee or a representative from the Audit Committee.

Following the investigation, the Internal Audit Department shall prepare a report and propose measures for complaints to the Audit Committee. In case of complaints relating to reputation, image or financial positions of the Company or any matter contrary to policies on the Company's business operations or relating to high-level executives, the Audit Committee shall propose such complaints to the Board of Directors for consideration.

Whistleblower Protection Policy and Confidentiality

The Board of Directors has set a policy and procedures for protection of whistleblowers. Information from whistleblowers shall be kept confidential. The person obtaining information from performance of his/her duty relating to such matter shall keep information, complaint and documentary evidence of whistleblowers confidential. Information should not be disclosed to non-related persons, unless the information is required to be disclosed according to the laws.

Section 4: 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 an 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 benefits. 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.

Investor Relations

The Company has established Investor Relations Department to manage and prepare annual investor relations plan and systematically discloses the Company's information in order to benefit shareholders, investors and analysts. In 2018, the Company organized investor relations activities to present strategies, business information, operating performance, progress on investment in projects, and business trends which would be beneficial for decision-making by investors. The Company's executives were given

opportunities to meet various types of investors including local investors, foreign investors, retail investors, analysts, and investment advisors in order to provide the Company's information to everyone with transparency. Such activities received great supports from senior executives, including Chief Executive Officer and Chief Financial Officer, who regularly joined the Investor Relations Department in meeting and providing the Company's information to investors. The details of investor meetings are as set out below.

Type of Meeting	No. of Meeting
1. Announcement of quarterly operating performance	4
2. Participation in SET Opportunity Day organized by the Stock Exchange of Thailand	4
3. Company presentation to local investors (Domestic roadshow/conference)	1
4. Company presentation to foreign investors (International roadshow/conference)	3
5. Company visit, conference call and site visit for investors and analysts	17
Total	29

Shareholders and investors may contact "Investor Relations Department" at:

E-mail: ariya.si@thg.co.th

Telephone: 095-3705728

Section 5: 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:

Composition, qualifications, responsibilities, term, and meetings of the Board of Directors

Composition, qualifications, responsibilities, term, and meetings of the Board of Directors are in accordance with Charter of the Board of Directors, which is reviewed on a regular basis. The Board of Directors' Meeting No. 11/2018 held on 12 November 2018 had reviewed and amended the Charter of the Board of Directors.

The Chairman of the Board of Directors determines date, time and venue for the board of directors' meetings. The meeting dates are set in advance for the year and informed to the Board of Directors at the beginning of the year. For each meeting, notice to the meeting and supporting documents for the meeting will be sent to directors at least 7 days prior to the date of meeting, except in the event of urgent matters that are required to protect rights or benefits of the Company, notice to the meeting may be sent via other methods or the date of meeting may be earlier than such prescribed notice period. The chairman of the meeting shall provide opportunities to each director to express his/her opinion independently and allocate time for the meeting appropriately and with efficiency.

Division of responsibilities between the Board of Directors and the management

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.

Role of Chief Executive Officer

- (1) To determine and supervise the business strategy and management direction together with the Executive Committee and communicate such business strategy to the Board of Directors, shareholders and employees at all levels.
- (2) To approve and supervise policies and programs under the authority of the Executive Committee.
- (3) To supervise legal binding contracts and follow up on business practices to comply with laws.
- (4) To supervise the strategic plan for the management and development of individuals, as well as to define and communicate corporate vision and culture.

- (5) To supervise the organization's risk management plan and all financial transactions including cost structure and debt structure of the Company.
- (6) To supervise marketing strategy and revenue structure as well as to define and communicate target sales and market share for competition.
- (7) To supervise innovation and technology adoption to improve the organization's capabilities.
- (8) To seek new business and investment opportunities related to the Company's core business and its subsidiaries to increase revenue for the Company.
- (9) To perform other tasks as assigned by the Board of Directors on a case by case basis.

Summary of key authorization between Board of Directors and Executives

	Board of Directors	Executive Committee	Chief of Executive Committee
Annual budget	Unlimited	not more than 100 million baht	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.

The meeting of non-executive directors

The Board of Directors has determined the non-executive directors to have private meeting as it deems appropriate without the executive directors and management team attending the meeting in order to provide the opportunity to discuss on any issues relating to the Company's business or other matters independently. In 2018, there had 1 meeting of non-executive directors held on 19 December 2018.

Self-Assessment of the Board of Directors and Sub-committees' performance

The Company has organized the performance assessment of the Board of Directors in accordance with the guideline of the Stock Exchange of Thailand which was the self-assessment of the Board of Directors as a group of which the topic of assessments consisted of (1) structure and qualification of the Board of Directors (2) roles, duties and responsibilities of the Board of Directors (3) the meeting of the Board of Directors (4) the performance of the Board of Directors (5) relationship with managements and (6) self-development of directors and development of managements. The Company Secretary has provided the assessment form to all directors for their assessment and has summarized the result of assessment and proposed suggestions of directors for the acknowledgement of the Board of Directors, the assessment criteria can be divided into 4 levels as follows:

- 0 : Strongly disagree or never conducted
- 1 : Disagree or seldom conducted
- 2 : Fair or moderately conducted
- 3 : Agree or well conducted
- 4 : Strongly agree or excellently conducted

The self-evaluation of the sub-committee, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Governance and Business Ethics Committee Which divided the assessment into 3 topics, (1) Board structure and qualifications (2) Roles, duties and responsibilities of the board (3) The board meeting. The company secretary sent an evaluation form to

each committee to evaluate, summarize the evaluation results and report their recommendations and opinions to the Board of Directors. Evaluation criteria has 4 level as the evaluation criteria of the board

Summary of the assessment of each committee in 2018 as follows:

Assessment	Average score in 2018
Board of Directors (group type)	3.4/4
Audit Committee	3.8/4
Risk Management Committee	3.4/4
Nomination and Remuneration Committee	3.7/4
Corporate Governance and Business Ethics Committee	3.6/4

Assessment of acting Chief Executive Officer's performance

The Company has determined the performance assessment of the acting Chief Executive Officer on annual basis by the Nomination and Remuneration Committee to review the performance with target and annual plan by using the criteria according to the guideline of the SET consisting of the following topics:

- | | |
|---|-----------------------------|
| - Leadership | - Strategy Determination |
| - Compliance with Strategy | - Plan and Financial Result |
| - Relationship with the Board of Directors | - Relationship with outside |
| - Management and relationship with officers | - Succession plan |
| - Knowledge on products and services | - Personality |

The overall result of assessment of the acting Chief Executive Officer for the year 2018 was "Good". The Nomination and Remuneration Committee has its intention to evaluate the performance of the acting Chief Executive Officer again in June 2019.

Director Development

The Company requires a new director orientation every time and to have director's manual, useful information for directors including a lecture on the Company's business to build up knowledge and understanding of business and operations, as well as policies and guidelines for corporate governance principle of the Company.

The Company wishes the directors to develop their knowledge and skills in the performance of duties regarding the business of the company, good corporate governance principle and other training courses that are useful for the duties. The Company encourages the directors to attend training courses held by the Thai Institute of Directors and other institutions in the relevant courses.

In 2018, the Company has not appointed new directors and has promoted directors to attend seminars and training programs of Thai Institute of Directors, the Stock Exchange of Thailand or other independent organizations.

Director	Course	Organized by
1. Mr. Chalermkul Apibunyopas	Corporate Governance for Executives (CGE), class 11/2018	IOD
2. Mr. Virachai Srikajon	Board Nomination and Compensation Program (BNCP), class 4/2018	IOD
3. Dr. Linda Kraivit	Board Nomination and Compensation Program (BNCP), class 5/2018	IOD
	NextGen Aging – Shaping A Small Future for an Aging Society Conference	KENAN Foundation Asia
4. Mrs. Kannika Ngamsopee	Risk Management Program for Corporate Leaders (RCL), class 13/2018	IOD

In addition, the Company has assigned the Company Secretary to provide summary on changing significant rules or regulations to Board of Directors for acknowledgement and correct practice and to invite specialist on disclosing of information or regulations to the Board of Directors for acknowledgment as follows:

- The rules on acquisition and disposal, related party transaction and duties and responsibilities of directors organized by Baker&McKenzie on 10 May 2018.
- Foundation of Business Enhancement for Sustainability organized by the Department of Corporate Governance Development of the SET on 9 August 2018.
- Strategic Direction Seminar organized by Strategic Business Development Center on 15-16 September 2018.

Succession Plan

The Company has a plan to select qualified personnel for all key positions with appropriate and transparent to ensure that the Company will have professional management. The human resources department will prepare the successor plan of the Chairman of Executive Committee, managing director and the management of the Company to propose to the Board of Directors for consideration as Policy for Succession Plan in Corporate Governance and Business Code of Conduct Handbook.

2. Sub-committees

The Board of Directors has appointed various committees to scrutinize and supervise the Company's operations in order to ensure that the Board of Directors will perform its duties effectively and for the best benefit. To comply with the rules and regulations of the SEC and SET, each committee will have the same tenure as the Board of Directors. The Sub-committees of the Company consist of 4 committees: the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Governance and Business Ethics Committee.

Audit Committee

As of 1 March 2019, the Audit Committee consist of 3 independent directors as follows:

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

Duties and Responsibilities of the Audit Committee.

(1) Financial Report and Auditing

- (1.1) To review the Company's financial report and its subsidiaries to ensure that they are accurate and reliable, including adequate disclosure. To coordinate with external auditors and executives who are responsible for quarterly and annual financial reporting.
- (1.2) To consider, select nominate and dismiss any persons who have independency to act as the auditor of the Company and to determine the compensation of such person including to attend the meeting with the auditor without the management attending such meeting at least 1 time per annum to acknowledge the material financial information, audit result and to discuss on any problem that may find from the performance of the auditor.

(2) Internal Control

- (2.1) To review the Company to have its internal control system adequately and effectively.
- (2.2) To review the Company to have its risk management system and measure on risk management adequately.
- (2.3) To review the accuracy of references and self-assessment form in relation to anti-corruption measure of the Company in accordance with the Thailand's Private Sector Collective Action Coalition Against Corruption.

- (2.4) To review and monitor the management to have process on whistleblowing and complaint

(3) Internal Audit

- (3.1) To review the Company to have its internal audit system adequately and effectively including to supervise the Internal Audit Department to perform its duties in accordance with the internal audit standard.
- (3.2) To consider the independency of the Internal Audit group.
- (3.3) To approve the appointment, transfer, dismissal and evaluation of performance of head department of the Internal Audit Department including to consider compensation, manpower and resources that are necessary to the performance of the Internal Audit Department.
- (3.4) To consider and approve the Charter of the Internal Audit Department.
- (3.5) To consider and evaluate the annual internal audit plan to ensure that such plan is in line with classification and level of risks of the Company.
- (3.6) To review the internal audit report which will be proposed to the management team including to review the opinion of the management team on the issues arising from the internal audit which have been presented and reported as well as to follow up on it to ensure that the management team complies with such suggestions adequately and within the appropriate timeline.
- (3.7) To approve the engagement and to determine the compensation of the internal audit provider in case of out-sourcing.

(4.) Compliance with Relevant Laws

- (4.1) To review the Company to comply with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand and other laws relating to the Company's business.
- (4.2) To consider the connected transaction or transaction that may have the conflict of interest to comply with the laws and regulations of the Stock Exchange of Thailand to ensure that such transaction is reasonable and for the best benefits of the Company.
- (4.3) To verify after receiving the notification from the auditor that there have suspicious circumstances that the director, the management team or person who are responsible for the operation of the Company, may commit an offence related to their duties and responsibilities pursuant to the Section 281/2 paragraph 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act, and to inform the preliminary result of investigation to the Office of the Securities and Exchange Commission and the audit within 30 days from the date of the receipt of notification by the auditor.

(5) Other Duties

- (5.1) To review and revise the Charter of the Audit Committee by considering of the revision on any issues as it deems necessary and appropriate and to propose to the Board of Directors for approval.
- (5.2) The Audit Committee can ask for advice from any external and independent advisors, if necessary, whereby all expenses shall be borne by the Company.
- (5.3) To meet executives and employees and to access relevant information without restriction.

Risk Management Committee

As of 1 March 2019, the Risk Management Committee consist of 4 directors as follows:

- | | |
|--------------------------------------|--|
| 1. Assoc. Prof. Dr. Visit Vamvanij * | Chairman of Risk Management Committee (Independent Director) |
| 2 Mr.Chalermkul Apibunyopas | Member 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) |

Remark: * Assoc. Prof. Dr. Visit Vamvanij shall retire by rotation in the 2019 Annual General Meeting of Shareholders and he informed that he has other duties which requires more responsibilities so he would not to be nominated for another

term as a director. The Board of Directors' Meeting No. 2/2562 on February 21, 2019 acknowledged and resolved to appoint Dr. Tanatip Suppradit, Vice Chairman, Acting Chief Executive Officer and Chief Hospital Business-International to be a member of Risk Management Committee and appointed Dr. Linda Kraiwit to be the Chairman of the Risk Management Committee, effective from April 27, 2019.

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

Duties and Responsibilities of the Risk Management Committee

- (1) To define the risk management framework, the risk management structure of the Company and its subsidiaries.
- (2) To acknowledge and provide recommendations to policies, strategies and guidelines for risk management at the Company and its subsidiaries level.
- (3) To establish a risk assessment framework for the Company and its subsidiaries and to procure to have the risk management report continuously.
- (4) To consider and identify significant risks of the Company's business operations, such as investment risks, business operational risk, management risk, financial risk, data security risk, laws and regulations risk as well as to suggest on how to protect and to manage the risk approach in the acceptable level by determining the policy and providing advice and guidance on risk management related to the business operation of the Company appropriately and effectively including to provide recommendation to the Board of Directors and management team on risk management.
- (5) To establish risk management and risk management plan and review risk management plan as well as overall risk management process. To follow up and review the risk management process including the risk management of the Company and its subsidiaries.
- (6) To supervise and support risk management to succeed by focusing on the awareness of each factor of risks to support the appropriate decision making. The Risk Management Committee is responsible for monitoring and evaluating the implementation of risk management framework of the Company and its subsidiaries and for adjusting its operation plan to minimize the risk to suit the business operation of the Company.
- (7) To acknowledge any major risks and to report the risk assessment results and operating result to reduce the risks to Board of Directors regularly. In the case of significant issues, which have a significant impact on the Company's financial status and operating result, it shall report to the Board of Directors for consideration as soon as possible.
- (8) To consider whether the management has responded appropriately to the risk.
- (9) To promote the implementation of policies and guidelines for risk management throughout the Company and its subsidiaries
- (10) To promote the development of human resources and create the awareness of the risks and controls of the Company and its subsidiaries continuously.
- (11) To perform any other duties assigned by the Board of Directors.

Nomination and Remuneration Committee

As of 1 March 2019, the Nomination and Remuneration Committee consist 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

Ms. Pattara Jongcharoenkulchai is the Secretary of the Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

- (1) To set policy, criteria and procedure for nomination of the Board of Directors and Chief Executive Officer.
- (2) To determine the policy, criteria and methods of remuneration in both monetary and non-monetary form of the Board of Directors, sub-committee and Chief Executive Officer of the Company with appropriate to their responsibility and in line with the Company's operating results and market conditions for obtaining the approval from the Board of Directors and subsequently propose for approval from the shareholders meeting.
- (3) To recruit qualified persons in accordance with the laws and regulations and to subsequently present to the Board of Directors and/or the shareholders' meeting for approval as the case may be for consideration of acting as the director and the Chief Executive Officer.

- (4) To determine the necessary and appropriate remuneration in both monetary and non-monetary in order to motivate and retain the Board of Directors, sub-committee and Chief Executive Officer.
- (5) To supervise the Board of Directors to have the right components to fit the environment and the situation which will be changed. The Board of Directors must be composed of persons with knowledge, ability and experience in various fields.
- (6) To set guidelines and evaluate the performance of directors and Chief Executive Officer for consideration of the annual remuneration by taking into account of the responsibilities and the risks involved including the increasing of equity value of shareholders for the long-term as one of key assessment.
- (7) To disclose policies and details of the recruitment process, policy on compensation and to disclose details of various types of compensation, including the preparation of the compensation report with at least the details of the operational goals and the remuneration of the Nomination and Remuneration Committee are required in the Company's annual report.
- (8) To perform other duties assigned by the Board of Directors.

Corporate Governance and Business Ethics Committee

As of 1 March 2019, the Corporate Governance and Business Ethics Committee consist of 3 directors as follows:

- | | |
|--|--|
| 1. Mr. Chalermkul Apibunyopas | Chariman of Corporate Governance and Business Ethics Committee |
| 2. Mr. Timothy Emen Lertsmitthivanta | Member of Corporate Governance and Business Ethics Committee |
| 3. Dr. Eugene Dyonisius Maria Bernadette Kroon | Member of Corporate Governance and Business Ethics Committee |

Mrs. Lamaiphun Krissawanon is the Secretary of the Corporate Governance and Business Ethics Committee

Duties and responsibilities of the Corporate Governance and Ethics Committee

- (1) To formulate the policies and guidelines of good corporate governance and business ethics of the Company's group to comply with international practices, relevant regulatory agencies and/or relevant laws for the Board of Directors' approval.
- (2) To set guidelines and monitor those in order to encourage the Company's group to be in compliance with the policies and regulations in good corporate governance and business ethics.
- (3) To promote and encourage directors and executives to understand and comply with good corporate governance policies and business ethics at all times and encourage executives to promote understanding and compliance to employees of all levels of the Company.
- (4) To review the good corporate governance policies and business ethics, including this charter, on an ongoing basis and at least once a year to develop and upgrade the corporate governance standards of the Company's group.
- (5) To appoint subcommittees in order to support the operations related to the good corporate governance policies and business ethics as required.
- (6) To perform tasks as assigned by the Board of Directors relating to corporate governance and business ethics.

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. 2535 (including the amendment) ("Public Limited Company Act") B.E. 2535 (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 10) 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.

Policy and Criteria for Nomination of Directors

1. The selection of new directors.
 - 1.1 To consider the appropriateness of the number of components and diversity in the Board Diversity structure by taking into account the skills that are still lacking in the Board of Directors, specialized skills relevant to the business characteristics of the Company. and in line with the business strategy of the Company to make the composition of the Board of Directors strong and able to take the Company to achieve business objectives under the good corporate governance principle.
 - 1.2. To recruit qualified persons according to the laws, the regulatory bodies and the company's requirements.

- 1.3. To recruit qualified persons who have knowledge, ability, leadership, dare to comment and decision making with data and reason and morality and ethics and have a clean working history.
2. In case of renewal of existing director, it shall consider the past history and performance of the such director during holding director position in the Company.
 - 2.1. To study on the Company's information, agendas and provide useful suggestions to the Company.
 - 2.2. To dedicate to the organization and participate in various activities/meetings.

Nomination and Appointment Process

In the selection of directors, the Nomination and Remuneration Committee shall perform as follows:

1. To prepare the Board Skill Matrix to determine the qualifications of directors to be recruited according to the policy and criteria for nomination of directors.
2. To consider and select from qualified persons who are suitable and suitable with the business operation of the Company in a transparent and transparent manner as follows:
 - 2.1 From the proposed list of qualified candidates in advance of the Annual General Meeting of shareholders, the Company has informed the shareholders through the notification channels of the SET and the Company's website.
 - 2.2. From the list of persons on the Professional Directors Database at the IOD Chartered Director's Office.
 - 2.3. Form the internal executives and outsiders who meet the requirements.
3. The Nomination and Remuneration Committee shall interview and discuss with qualified persons who have meet the qualifications to ensure that such person is willing to be the Company's director, if appointed by the Board of Directors or the shareholders' meeting (as the case may be).
4. The Nomination and Remuneration Committee nominates qualified candidates to the Board of Directors to consider, appoint or approve before proposing to the shareholders' meeting for appointment individually by:
 - 4.1. One shareholder has one vote for one share.
 - 4.2. Each shareholder shall use all the votes in item 1 to elect one or several persons as director. However, it is not possible to split the votes for any one.
 - 4.3. The persons receiving the highest number of votes in descending order shall be elected as directors equal to the number of directors to be elected or elected at that time.

In the case where a person who has been elected in descending order has the same number of votes in excess of the number of directors required or elected at that time, the Chairman of the meeting shall have the casting vote.

5. To appoint directors in accordance with the Company's Articles of Association.

In case of vacancy, the Nomination and Remuneration Committee will recruit the appropriate person to be nominated by the Board of Directors to replace in the next Board of Director meeting according to the time required by laws or regulatory bodies, the person who is the replacement will remain in the position of the director for the remaining term of the replaced director.

Recruitment of Senior Executives as defined by the Office of the SEC.

1. The executive must be knowledgeable, capable and experienced persons who will be beneficial to the Company's business operations, honesty, ethics in business operations and time to dedicate knowledge, ability and duty to the Company fully.
2. The executives must have complete qualifications and no prohibited characteristics under the law governing public limited company, securities and exchange and other laws related to the business of the Company. In addition, there must not be any characteristic that indicates the lack of appropriate to be trusted to manage the business with the public as a shareholder as prescribed by the SEC.
3. The executive must notify the Company without delay if there is special interest in the contract made by the Company whether directly or indirectly, or to increase or decrease share in the Company or its subsidiaries.

The process of recruiting and appointing executives according to the definitions of the Office of the SEC

The Human Resources Department shall recruit and select qualified, skilled, experienced and knowledgeable people in the right business and then approached that person to ensure that they are willing to take on management positions if appointed by the authorized persons by:

- (1) In the case of appointment of the Chief Executive Officer, such persons shall be selected by the Nomination and Remuneration Committee before proposing to the Board of Directors for approval.
- (2) In the case of appointment of the Director of Operation Section, and Chief Financial Officer, it shall be proposed to the Executive Committee for approval.

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 authorized person according to the approval authority. The company shall appoint suitably qualified and experienced 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

The company paid and approved the audit fee for PricewaterhouseCoopers ABAS Limited, which was the auditor of the company's group in the fiscal year 2018 as the following details:

• Company	3,890,000
• Subsidiaries	7,960,000
Total	11,850,000

** the Board of Directors approved the increase of the audit fees of Thanarad Thung Song Co., Ltd. (subsidiary holding 56.43% of shares by the company during the year 2018) in the amount of Baht 150,000.*

(2) Audit Fee

-None-

7. Compliance with Good Corporate Governance Principle on other matters

In 2018, the Company has significant undisclosed information or non-compliance with the good corporate governance principle for the listed companies as follows:

- (1) Matters which the Company determined the policy, but it was not disclosed in the annual report and 56-1 form which has been included in the 2019 annual report.
 - (1.1) Disclosure of shareholding information of executives both direct and indirect
 - (1.2) Determination of policy requires directors to report purchase and/or sale of the Company's securities to the Company every time.
 - (1.3) Determination of objective/long-term goal of the Company.
 - (1.4) Annual performance assessment and disclosure of assessment process of the Board of Directors.
 - (1.5) Annual performance assessment and disclosure of assessment process of the Sub-committees.
 - (1.6) Disclosure of attendance statistics of individual directors.
- (2) Matters which the Company was under the amendment of corporate governance manual which has been included missing policies according to the good corporate governance principle of which it will propose to the Corporate Governance and Business Ethics Committee and the Board of Directors for approval.
 - (2.1) Policy and procedure relating to all stakeholders such as safety and hygiene in the workplace without infringement of intellectual property and copyright and efficient use of resources, etc.
 - (2.2) Policy on limitation of year for independent director position not more than 9 years.
 - (2.3) Policy on limitation of number of listed companies of each director not more than 5 companies.
 - (2.4) Policy on holding director position of managing director.
- (3) Selection of Independent Director to hold the Chairman position
 - The Board of Directors did not select the independent director to hold the Chairman of the Company due to it could not select independent director who has qualifications, experiences, knowledges and skills in business which are in line with the Company's strategy.

(4) Compliance with new CG code of the Office of the SEC

- The Board of Directors no.9/2018 held on 9 August 2018 has resolved to acknowledge the 8 principles and guidelines of CG code of the Office of the SEC. The Board of Directors has approved to adopt such principles and guidelines of CG code with the Company's business to supervise the group's company to have good operation result in the long term and to build value of sustainable growth of business by assigning the Corporate Governance and Business Ethics Committee to consider and propose it to the Board of Directors for further consideration.

Internal Control and Risk Management

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. 1/2019 held on 24 January 2019, 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

The Company's executives and personnel have good attitudes, which is conducive to internal control. Executive gives importance to good morals, ethics, honesty. Executive will consider taking actions as necessary and appropriate if any personnel displays inappropriate behavior and accepts capabilities of his/her subordinates. He/she should be aware of information and conduct analysis on new discovery or things that should be examined. Philosophy and workstyle of executives shall be appropriate for development of internal control and maintenance of effective internal control. Appropriate organization structure, authorization of the Company, and personnel development policy and implementation are important to good internal control, for instance:

- 1.1 The Company has set clear and appropriate organization structure and reporting lines. It has delegated roles and responsibilities in writing so that all personnel shall be aware of and understand their roles, authorities, duties and responsibilities.
- 1.2 The Company assesses education background and skills necessary in performing work. It also assesses knowledge and expertise of each personnel in performing his/her job to ensure that he/she has knowledge, skills, and capabilities to perform his/her assigned works according to the job descriptions.
- 1.3 The Company has determined policy and methods for human resources management in writing such as selection, training, promotion and compensation etc.

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:

- 2.1 The Company sets clear organizational objectives. The organizational objectives are consistent with organizational activities in order to become successful with appropriate budget and designated personnel. The management clearly identifies internal and external risks which may affect the Company's efforts in achieving organizational objectives. The Company conducts proper risk analysis and risk management.
- 2.2 The Company sets organizational risk management policy whereby the Risk Management Committee is responsible for monitoring and determining overall organizational risk management framework. Each working committee manages risks under its responsibilities according to the specified framework. The risk management policy covers financial risks, business risks, operational and management risks, and occupational health and safety and environmental risks, and other key risks relating to the Company's business operations.
- 2.3 The Company sets clear organizational objectives, covering matters which the Company wishes to achieve and activities relating to key organizational procedures which are consistent with the Company's objectives and strategies. Executives are responsible for identifying organizational risks, covering all key organizational activities.

3) Control Activities

The Company has set policy and methods which will lead the Company to success according to the management's plan once implemented. Control activities will allow assigned personnel to understand those risks which may arise from job performance. Hence, such assigned personnel will become more cautious and be able to successfully complete his/her work. For instance, internal control in respect of management, the Company has set mission and objectives in writing and communicate to every personnel so that objectives can be achieved. In addition, work plan, resource allocation, budget and manpower are prepared. The Company has also set work procedures and monitors implementation of work procedures to ensure that its personnel will perform their duties efficiently and effectively and in compliance with the laws, rules and regulations and prescribed standards.

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;

- 3.1 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.
- 3.2 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

Overall, the Company has appropriate, adequate and effective control activities. The Company has set policy and methods in writing, specifying jobs with key risks and preventive measures to reduce mistakes. The management reviews the Company's financial reports and operating reports (non-financial). The Audit Committee and the Board of Directors also require measuring employee performance using key performance index.

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;

- 4.1 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.
- 4.2 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:

- 5.1 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. The results of internal audit are reported to the Audit Committee on a quarterly basis. In addition, the Company's internal auditor must attend trainings on a continuous basis to increase knowledge and develop skills and capabilities as internal auditor.
- 5.2 The Board of Directors or the relevant sub-committee, such as the Audit Committee and the Risk Management Committee, will be reported if there is occurrence of event which might have significant impact on the Company. The management will report progress of such event and proposed solutions within the appropriate time period.

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.

Risk Management

The Company realizes the importance of risk management. The Company's Risk Management Committee (RMC) is responsible for setting and reviewing policy, objectives, and framework for risk management. Also, the committee monitors the implementation of risk management framework by the Company and provides comments and recommendations on management of organizational risks and project investment risks. The Risk Management Committee, on behalf of the Company, has appointed a risk management sub-committee to efficiently manage risks of each core business and ensure accomplishment of organizational objectives. The risk management policy is created and announced to personnel of all levels so that they will understand and comply with risk management procedures. The policy is an important tool that would help every unit of the organization achieves goals/objectives and successful operations. This will lead to value-added activities and sustainable organizational growth. The policy can also be implemented with large-scale to small-scale projects. The sooner the Company realizes its mistake, the better it would be to find a preventive action as a corrective action would be costly and result in unnecessary losses of resources.

Related Transactions

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. Sirivej Chanthaburi PCL. Relationship As an associate company and Dr. Tanatip Suppradit is a director of the Company.	Dental Siam Co., Ltd. Thonburi Healthcare Group PCL	1. Revenue from the sale of medical supplies on dental materials • Revenue from medical supplies • Trade accounts receivable 2. Dividend income • Dividend income	19,402 6,550 6,474,725	Dental Siam Co., Ltd., a subsidiary sells dental supplies. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general. The Company received dividends from its investment in common shares of Sirivej Chanthaburi PCL. as declared.
2. Ubonrak Co., Ltd. Relationship As an associate company and Mr. Chalermkul Aphiboonnyophas and Dr. Tanatip Suppradit are a director of the Company.	Dental Siam Co., Ltd. Modular Software Expertise Co., Ltd.	1. Revenue from the sale of medical supplies on dental materials • Revenue from medical supplies 2. Revenues from maintenance of hospital information systems • Revenue from services and consulting • Trade accounts receivable	481,084 625,500 150,075	Dental Siam Co., Ltd., a subsidiary sells dental supplies. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general. 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.
	Thonburi Healthcare Group PCL	3. Revenue from services and consulting • Revenue from services and consulting	11,543,814	The Company received dividends from its investment in the ordinary shares. Ubonrak Co., Ltd. as declared.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
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	16,656,652 28,455,640	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.
		2. The cost of purchasing generic drugs and medical supplies • Cost of buying generic drugs and medical supplies • Trade payables	284,331 9,345	The subsidiary purchased medical supplies from Pattara Hospital Co., Ltd. The Company needs to use such products to treat patients. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
	Modular Software Expertise Co., Ltd.	3. Revenues from maintenance of computer programs. • Revenue from services and consulting	612,000	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 other contracting parties.
	Thonburi Healthcare Group PCL	4. The cost to purchase medicines and medical supplies. • Cost of medicines and medical supplies	5,940	The Company has purchased pharmaceuticals from Pattara Hospital Co., Ltd. The Company needs to use such products to treat patients. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
4. Rajthanee Hospital PCL. Relationship There is a common shareholder; Mr. Suthon Sriyaphan is a director of a subsidiary.	Thonburi Healthcare Group PCL	1. Dividend income • Dividend income	13,793,484	The Company received dividends from its investment in the ordinary shares Rajthanee Hospital PCL. as declared.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
	Dental Siam Co., Ltd.	2. Revenue from the sale of medical supplies on dental materials. • Revenue from medical supplies • Trade accounts receivable	24,533 9,600	Dental Siam Co., Ltd., a subsidiary company available dental supply. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
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 Thonburi Healthcare Group PCL	1. Professional fees and repair costs • Professional fees and repair costs • Trade accounts payable 2. Dividend income • Dividend income	43,724,008 3,991,875 112,500	The Company has entered into an agreement with MRI with Computed Tomography Urupong Co., Ltd. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general. The Company received dividends from the investment in Computed Tomography Urupong Co., Ltd. as declared.
6. Aryu International Health Care Co., Ltd. Relationship A joint venture	Thonburi Healthcare Group PCL Modular Software Expertise Co., Ltd.	1. Revenue from services and consulting • Revenue from services and consulting • Trade accounts receivable • Other income • Other accounts receivable 2. Maintenance fee for hospital information system • Revenue from service and consulting	2,218,549 5,173,639 15,600 15,600 27,888	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. Modular Software Expertise Co., Ltd., a subsidiary, provided consulting services on hospital management systems at the rate specified in the contract which is a normal business of a subsidiary under the conditions that a subsidiary made with other contracting parties.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
7. Weihai Welly Hospital Co., Ltd. <u>Relationship</u> A joint venture	Thonburi Healthcare Group PCL	1. Revenue from services and consulting <ul style="list-style-type: none"> Revenue from services and consulting Trade accounts receivable Other creditors 	4,911,200 18,654,400 2,325,692	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.
8. Chumvej Hospital PCL. <u>Relationship</u> Mr. Suthon Sriyaphan is director together with its subsidiaries.	Thonburi Healthcare Group PCL	1. Dividend income <ul style="list-style-type: none"> Dividend income 	546,486	The Company received dividends from investment in ordinary shares of Chumvej Hospital PCL. as declared.
9. Siroros Hospital Co., Ltd. <u>Relationship</u> There is a person who is a close relative of Dr. Boon Vanasin is a shareholder.	Rajyindee Co., Ltd.	1. Dividend income <ul style="list-style-type: none"> Dividend income 	300,000	The Company received dividends from investment in ordinary shares of Siroros Hospital Co., Ltd. as declared.

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. <u>Relationship</u> Mrs. Jaruwan Vanasin as a major shareholder	Thonburi Realty Development Co., Ltd.	<u>Rental income from land</u> <ul style="list-style-type: none"> Revenue from land rental Other creditors 	27,000,00 10,000,00	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.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)	Necessity and reasonableness
2. Khunying Songsaeng Meksawan Relationship As the major shareholder of the Company	Thonburi Bamrungmuang Hospital Co., Ltd.	Other service fees • Other service fees • Other payables	149,800 149,800	Rajthanee Pattanakarn (2014) Co., Ltd. provided Chinese interpreters to support service of Thonburi Bamrungmuang Hospital Co., Ltd. in marketing. The service rate is in general market price.
	Thonburi Healthcare Group PCL	• 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. Weihai Welly Hospital Company Limited Relationship Joint Venture	Thonburi Healthcare Group PCL	Short-term loans • Short-term loans • Accrued interest • Interest income	40,106,960 547,266 549,412	The company provided short-term loans for use as working capital. The interest was charged at a rate higher than the borrowing cost of the company. The loan is a loan in proportion to the shareholding. The loan had already been approved by the Board of Directors.

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	Normal Business Transaction 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

Type of Transaction	Trend and Policy
	<p>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 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.</p>
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	<p>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.</p>

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, associate and joint venture

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. 074-200-200 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
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 Rama9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10320 Tel. 0-2643-0921 Fax. 0-2246-1796
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. 0-2643-0921-5 Fax. 0-2642-0939
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 : Housing business for elderly, care center and elderly care center,
 comprehensive health services for elderly, medical services,
 cleaning service, disinfecting and removal of dust mites and
 operating the patient rehabilitation center (Step-Down Care)
- The number and type of shares : 130,000,000 ordinary registered shares
 Registered capital : Baht 1,300,000,000 par value of baht 10 per share
 Issued and paid-up capital : Baht 1,150,000,000: 30,000,000 shares par value of baht 10 per
 share and 100,000,000 shares, par value of baht 8.50 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 shares, par value of 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 : 302.81-83 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, 80,000,000 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 100 per share |
| Issued and paid-up capital | : Baht 18,000,000, 180,000 shares, par value of baht 100 per share |
- (9) Thonburi Bamrungmuang Hospital Co., Ltd. (former name: Bamrungmuang Plaza Co., Ltd.)
- | | |
|-------------------------------|--|
| Company Registration No | : 0105545057829 |
| Registration Date | : 5 June 2002 |
| The headquarters | : 611 Bobae Bamrungmuang Project, Bamrungmuang Rd, Khwaeng Khlongmahanak, Khet Pomprapatturphai, Bangkok 10100 Tel. 02-220-7999 Fax. 02-223-1876 |
| Business type | : Medical Services Business (Operated in January 2019) |
| 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 |
- (10) Thanarad Thung Song Co., Ltd. (Became a subsidiary on 30 June 2018)
- | | |
|-------------------------------|---|
| Company Registration No | : 0805557000618 |
| Registration Date | : 15 May 2014 |
| The headquarters | : 88/8 Moo 1, Tambol Chamai, Amphur Thung Song, Nakhon Si Thammarat 80110 Tel. 093-579-1188 |
| Website | : www.thonburithungsong.com |
| Business type | : Medical Services Business (During the construction) |
| The number and type of shares | : 60,000,000 ordinary registered shares |
| Registered capital | : Baht 600,000,000 par value of baht 10 per share |
| Issued and paid-up capital | : Baht 600,000,000, 60,000,000 shares, par value of baht 10 per share |

Indirect Subsidiary

- (1) Rajyindee Co., Ltd. (a subsidiary of Rajyindee Hospital PCL.)
- | | |
|-------------------------------|---|
| Company Registration No | : 0905558000581 |
| Registration Date | : 10 February 2015 |
| The headquarters | : 69 Soi 9 (Rajyindee) Tambol Hat Yai, Amphur Hat Yai, Songkhla 90110 Tel. 074-200-200 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 |

Associate

- (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. 010754700110) |
| Registration Date | : 23 February 2004 |
| The headquarters | : 151 M.7 Trirat Road, Tambol Chanthanimit,
Amphur Muangchanthaburi, 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 venture

- (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 Marlarnwe Street) Tamwe Township, Yangon |
| Business type | : Medical Services Business, the name of Ar Yu International
Hospital (Operating outpatient service in September 2018) |
| Shareholding | : The Company holds 40% (Holding 10% in 2017) |
| Registered capital | : USD 100,000,000 |
| Issued and paid-up capital | : USD 50,000,000 |

2. 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 10500 Tel. 0-2636-2000 Fax. 0-2636-2111



LIFETIME HEALTH GUARDIAN FOR ALL



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