

**VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

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

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Vibhavadi Medical Center Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition from general medical treatment

The Group has the revenue from general medical treatment that is considered as a significant account to the financial statements. The consolidated financial statements amounted Baht 6,367.33 million (95.67% of total revenues). The separate financial statements amounted Baht 2,388.30 million (86.85% of total revenues). The amount of money is derived from a large number of transactions including the medical treatment expenses that have many components such as revenue from the sale of medicines and medical supplies, medical services revenue, patient room revenue, etc. It also includes the discounts for parties. The conditions specified in the agreement with the parties are diverse. Therefore, the Group is exposed to the risks associated with the value and period of revenue recognition.

I have audited the revenue recognition of the Group by assessing information system and testing the internal control system relating to the revenue cycle, inquiring the responsible persons, understanding and selecting the sample to test the operation of control designed by the Group. Moreover, I conducted the sampling of sales and service transactions that occurred during the year to check with sales and service documentation and cut-off audit of the revenue recognition. It includes the comparative analysis of subgroup data of revenue account, analysis of key revenue ratios with historical and industry group data to check the irregularities that may incur in sales and service transactions throughout the accounting period, especially the accounts made through the general voucher.

Revenue recognition from Social Security

The subsidiaries have the revenue from Social Security by entering into medical service provider agreement under Social Security Act, B. E. 2533. The revenues from Social Security in the consolidated financial statements represent 16% of total revenues. The subsidiaries will receive the money from the Social Security Office in terms of insured persons who select the medical treatment with the hospitals. In addition, the subsidiaries will also gain the income from medical service fee for the cases with burden of disease risk and high-cost disease but the additional revenue from earnings each time has to be approved by the Social Security Office. However, the consideration process of the Social Security Office takes a long time. In the event that the subsidiaries have already provided the medical service to the insured persons, the subsidiaries have its right to gain the medical treatment fee according to the medical service agreement. The management then consider the estimation of medical service revenue for the cases with burden of disease risk and high-cost disease. This is significant estimation requiring the management to apply the high judgment. The specialists' opinion is also needed in considering the severity rate of the disease to estimate the revenue. I therefore focus with respect to the revenue recognition from Social Security as it has a significant risk to the financial statements.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

(Miss Sulalit Ardsawang)
Certified Public Accountant
Registration No. 7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 27, 2019

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

| | | ASSETS | | | | |
|---------------------------|--------------------------------------|-----------------------------------|-----------------------|-------------------------------|----------------------|----------------------|
| | | Baht | | | | |
| | | Consolidated financial statements | | Separate financial statements | | |
| Notes | | 2018 | 2017 | 2018 | 2017 | |
| Current assets | | | | | | |
| | Cash and cash equivalents | 5 | 307,120,538 | 432,588,012 | 41,300,531 | 68,735,005 |
| | Current investments | | 766,088 | 756,928 | - | - |
| | Trade receivables | 4, 6 | 677,690,317 | 519,679,094 | 129,772,592 | 120,902,546 |
| | Short-term loans to related parties | 4, 7 | 336,300,000 | 294,000,000 | 108,000,000.00 | 160,000,000.00 |
| | Inventories | 8 | 165,281,199 | 154,603,116 | 44,240,911 | 42,412,284 |
| | Other current assets | 4, 12 | 39,191,012 | 31,770,294 | 19,889,331 | 18,019,407 |
| | Total current assets | | 1,526,349,154 | 1,433,397,444 | 343,203,365 | 410,069,242 |
| Non-current assets | | | | | | |
| | Fixed deposits pledged as collateral | 9 | 44,487,957 | 43,441,645 | - | - |
| | Available-for-sale investments | 4, 10 | 3,656,549,151 | 3,578,788,239 | 1,349,069,720 | 952,801,829 |
| | Investments in associates | 11 | 2,260,253,320 | 2,357,601,653 | 1,777,365,788 | 1,752,365,788 |
| | Investments in subsidiaries | 12 | - | - | 1,984,004,789 | 1,984,004,789 |
| | Other long-term investments | 13 | 879,848,051 | 955,355,131 | 473,121,891 | 468,621,891 |
| | Long-term loans to related parties | 4 | 29,625,000 | 29,625,000 | - | - |
| | Long-term loans to other persons | | 3,985,000 | - | - | - |
| | Investment property | 14 | 248,232,481 | 233,246,605 | 166,464,083 | 168,257,277 |
| | Property, plant and equipment | 15 | 6,125,498,640 | 6,042,589,361 | 1,335,105,197 | 1,313,760,618 |
| | Goodwill | 16 | 723,215,731 | 723,215,731 | - | - |
| | Intangible assets | | 11,746,660 | 10,341,646 | 4,490,814 | 3,499,446 |
| | Deferred tax assets | 17 | 25,222,960 | 22,574,505 | - | - |
| | Advance payment for assets | | 5,681,610 | 10,178,297 | - | - |
| | Other non-current assets | | 6,685,475 | 5,944,382 | 4,698,928 | 4,358,758 |
| | Total non-current assets | | 14,021,032,036 | 14,012,902,195 | 7,094,321,210 | 6,647,670,396 |
| | Total assets | | 15,547,381,190 | 15,446,299,639 | 7,437,524,575 | 7,057,739,638 |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

| | Notes | Baht | | | |
|--|-------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2018 | 2017 | 2018 | 2017 |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans | | | | | |
| | | | | | |
| from financial institutions | 18 | 1,585,794,960 | 1,031,532,860 | 915,000,000 | 770,000,000 |
| Trade payables | 4 | 311,116,646 | 308,783,254 | 100,164,501 | 99,084,334 |
| Current portion of long-term liabilities | | | | | |
| Long-term loans from financial institutions | 21 | 743,114,286 | 721,797,619 | 489,460,000 | 424,163,333 |
| Liabilities under finance lease agreements | 22 | 9,427,241 | 9,597,914 | 8,201,400 | 8,726,975 |
| Short-term loans from related parties | 19 | 781,853,818 | 814,353,818 | 192,000,000 | 184,000,000 |
| Short-term loans from other persons | 20 | 68,400,000 | 206,650,000 | - | - |
| Payable from acquisition of assets | 4 | 57,418,098 | 35,579,469 | 15,402,618 | 3,983,913 |
| Accrued doctor fee | | 168,464,355 | 170,463,647 | 77,309,358 | 73,665,839 |
| Accrued expenses | 4 | 76,556,768 | 70,647,681 | 18,744,904 | 22,544,304 |
| Accrued dividends | | 17,730,727 | 16,309,639 | 11,284,614 | 10,240,263 |
| Income tax payable | | 77,994,533 | 100,059,162 | 41,083,220 | 42,101,578 |
| Advance received from social security office | 29 | 54,606,133 | - | - | - |
| Other current liabilities | 4 | 50,485,289 | 47,974,320 | 14,801,637 | 15,257,037 |
| Total current liabilities | | 4,002,962,854 | 3,533,749,383 | 1,883,452,252 | 1,653,767,576 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions | 21 | 1,362,239,812 | 1,685,369,048 | 578,201,716 | 647,676,667 |
| Liabilities under finance lease agreements | 22 | 10,399,315 | 14,161,741 | 8,973,425 | 13,281,148 |
| Liabilities under operating lease agreements | | 72,942,845 | 70,949,097 | - | - |
| Deferred tax liabilities | 17 | 566,610,070 | 626,322,436 | 34,857,813 | 27,677,410 |
| Employee benefit obligations | 23 | 149,136,803 | 133,868,376 | 53,467,632 | 49,318,168 |
| Other non-current liabilities | | 7,603,115 | 14,426,087 | 4,126,493 | 4,067,531 |
| Total non-current liabilities | | 2,168,931,960 | 2,545,096,785 | 679,627,079 | 742,020,924 |
| Total liabilities | | 6,171,894,814 | 6,078,846,168 | 2,563,079,331 | 2,395,788,500 |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

| | Notes | Baht | | | |
|---|----------|-----------------------------------|----------------|-------------------------------|---------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2018 | 2017 | 2018 | 2017 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorized share capital | 24 | | | | |
| 14,937,849,936 ordinary shares, Baht 0.10 each | | 1,493,784,994 | 1,493,784,994 | 1,493,784,994 | 1,493,784,994 |
| Issued and paid-up share capital | 25 | | | | |
| 13,199,368,250 ordinary shares, Baht 0.10 each | | 1,319,936,825 | | 1,319,936,825 | |
| 13,196,933,850 ordinary shares, Baht 0.10 each | | | 1,319,693,385 | | 1,319,693,385 |
| Share premium accounts | 25 | 2,379,358,913 | 2,377,168,913 | 2,379,358,913 | 2,377,168,913 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 146,449,093 | 131,969,339 | 146,449,093 | 131,969,339 |
| Unappropriated | | 2,195,567,576 | 1,952,926,137 | 844,528,660 | 681,200,994 |
| Other components of shareholders' equity | 10, 11.3 | 1,066,013,176 | 1,231,636,430 | 184,171,753 | 151,918,507 |
| Total equity attributable to owners of the parent | | 7,107,325,583 | 7,013,394,204 | 4,874,445,244 | 4,661,951,138 |
| Non-controlling interests | | 2,268,160,793 | 2,354,059,267 | - | - |
| Total shareholders' equity | | 9,375,486,376 | 9,367,453,471 | 4,874,445,244 | 4,661,951,138 |
| Total liabilities and shareholders' equity | | 15,547,381,190 | 15,446,299,639 | 7,437,524,575 | 7,057,739,638 |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

| | | Baht | | | | |
|---|--|-----------------------------------|----------------------|-------------------------------|----------------------|----------------------|
| | | Consolidated financial statements | | Separate financial statements | | |
| Notes | | 2018 | 2017 | 2018 | 2017 | |
| Revenues | | | | | | |
| | Revenues from medical treatment | 4 | 6,367,334,641 | 5,983,218,285 | 2,388,302,063 | 2,214,972,268 |
| | Rental and service income | 4 | 106,709,959 | 118,735,222 | 18,063,112 | 21,157,800 |
| | Dividend income | 4, 10, 11, 12, 13 | 80,820,750 | 59,676,559 | 288,386,625 | 192,938,540 |
| | Gain on sale of investments | 12 | 4,008,054 | 9,336,195 | 571,658 | 5,359,446 |
| | Other income | 4 | 96,363,078 | 100,295,046 | 54,442,460 | 64,759,481 |
| | Total revenues | | 6,655,236,482 | 6,271,261,307 | 2,749,765,918 | 2,499,187,535 |
| Expenses | | | | | | |
| | Cost of medical treatment | 4 | 4,425,382,098 | 4,042,501,640 | 1,547,692,204 | 1,455,324,916 |
| | Cost of rental and service | 4 | 104,107,740 | 106,419,603 | 16,433,125 | 14,531,118 |
| | Administrative and services expenses | 4 | 915,851,845 | 868,969,680 | 376,964,320 | 362,412,304 |
| | Finance costs | | 159,694,158 | 153,477,249 | 68,788,667 | 66,107,392 |
| | Total expenses | | 5,605,035,841 | 5,171,368,172 | 2,009,878,316 | 1,898,375,730 |
| | Share of profit of associates | 11.2 | 15,623,584 | 160,952,801 | - | - |
| | Profit before income tax expenses | | 1,065,824,225 | 1,260,845,936 | 739,887,602 | 600,811,805 |
| | Income tax expenses | 32 | 189,415,821 | 196,320,703 | 86,990,564 | 76,750,224 |
| | Profit for the year | | 876,408,404 | 1,064,525,233 | 652,897,038 | 524,061,581 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| | Actuarial gain (loss) on define employee benefit plans | 23 | 329,810 | (3,150,880) | - | - |
| | Income tax relating to items that will not be reclassified | 32 | (65,962) | 630,176 | - | - |
| | | | 263,848 | (2,520,704) | - | - |
| Item that may be reclassified subsequently to profit or loss | | | | | | |
| | Unrealized gain (loss) on valuation of available-for-sale investments | 10 | (286,854,580) | (483,676,793) | 40,316,558 | (34,610,630) |
| | Income tax relating to items that may be reclassified | 32 | 57,370,916 | 96,735,359 | (8,063,312) | 6,922,126 |
| | Share of other comprehensive income (loss) of associates | 11.3 | (74,231,875) | (42,758,870) | - | - |
| | | | (303,715,539) | (429,700,304) | 32,253,246 | (27,688,504) |
| | Other comprehensive income (loss) for the year, net of income tax | | (303,451,691) | (432,221,008) | 32,253,246 | (27,688,504) |
| | Total comprehensive income for the year | | 572,956,713 | 632,304,225 | 685,150,284 | 496,373,077 |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

| | | Baht | | | |
|--|--------------------|-----------------------------------|--------------------|-------------------------------|----|
| | | Consolidated financial statements | | Separate financial statements | |
| Notes | 2018 | 2017 | 2018 | 2017 | |
| Profit attributable to | | | | | |
| | 723,672,451 | 868,549,707 | 652,897,038 | 524,061,581 | |
| Owners of the parent | | | | | |
| | 152,735,953 | 195,975,526 | - | - | |
| Non-controlling interests | | | | | |
| | <u>876,408,404</u> | <u>1,064,525,233</u> | <u>652,897,038</u> | <u>524,061,581</u> | |
| Total comprehensive income attributable to | | | | | |
| | 558,313,044 | 627,149,959 | 685,150,284 | 496,373,077 | |
| Owners of the parent | | | | | |
| | 14,643,669 | 5,154,266 | - | - | |
| Non-controlling interests | | | | | |
| | <u>572,956,713</u> | <u>632,304,225</u> | <u>685,150,284</u> | <u>496,373,077</u> | |
| Earnings per share | | | | | |
| | | | | | 34 |
| Basic earnings per share | | | | | |
| | 0.0548 | 0.0660 | 0.0495 | 0.0398 | |
| Attributable to owners of the parent | | | | | |
| Diluted earnings per share | | | | | |
| | 0.0489 | 0.0600 | 0.0442 | 0.0362 | |
| Attributable to owners of the parent | | | | | |

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

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

| Baht | | | | | | | | | | | | | |
|--|-------|----------------------------------|-----------------------|-------------------|----------------|--|--|---|---|---|---------------|----------------------|----------------------------------|
| Consolidated financial statements | | | | | | | | | | | | | |
| Equity attributable to owners of the parent | | | | | | | | | | Non-controlling | Total | | |
| | Notes | Issued and paid-up share capital | Share premium account | Retained earnings | | Other components of shareholders' equity | | | | Total equity attributable to owners of the parent | interests | Shareholders' equity | |
| | | | | Appropriated | Unappropriated | Unrealized gain (loss) on valuation of available-for-sale investment - net of income tax | Share of unrealized gain (loss) on investment in associate | Unrealized loss on investment in associates | Difference from change in shareholding proportion in subsidiary | | | | Total other Components of equity |
| Balance as at January 1, 2017 | | 1,316,363,602 | 2,345,593,482 | 131,636,360 | 1,542,384,970 | 1,060,479,093 | 392,564,845 | (592,389) | 11,274,459 | 1,463,726,008 | 6,799,704,422 | 2,429,666,894 | 9,229,371,316 |
| Increase in share capital | 25 | 3,329,783 | 31,575,431 | - | - | - | - | - | - | - | 34,905,214 | - | 34,905,214 |
| Legal reserve | 26 | - | - | 332,979 | (332,979) | - | - | - | - | - | - | - | - |
| Dividend paid | 27 | - | - | - | (452,682,596) | - | - | - | - | - | (452,682,596) | (83,937,800) | (536,620,396) |
| Change in shareholding proportion in subsidiary | 12 | - | - | - | - | - | - | - | 4,317,205 | 4,317,205 | 4,317,205 | 3,175,907 | 7,493,112 |
| Total comprehensive income for the year | | | | | | | | | | | | | |
| Profit for the year | | - | - | - | 868,549,707 | - | - | - | - | - | 868,549,707 | 195,975,526 | 1,064,525,233 |
| Other comprehensive income for the year, net of income tax | | | | | | | | | | | | | |
| Actuarial loss on define employee benefit plans | | - | - | - | (1,457,605) | - | - | - | - | - | (1,457,605) | (1,063,099) | (2,520,704) |
| Loss on valuation of available-for-sale investment | | - | - | - | - | (197,193,702) | - | - | - | (197,193,702) | (197,193,702) | (189,747,732) | (386,941,434) |
| Share of other comprehensive loss of associates | | - | - | - | (3,535,360) | - | (39,213,081) | - | - | (39,213,081) | (42,748,441) | (10,429) | (42,758,870) |
| Balance as at December 31, 2017 | | 1,319,693,385 | 2,377,168,913 | 131,969,339 | 1,952,926,137 | 863,285,391 | 353,351,764 | (592,389) | 15,591,664 | 1,231,636,430 | 7,013,394,204 | 2,354,059,267 | 9,367,453,471 |

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

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

| Baht | | | | | | | | | | | | | |
|--|----------------------------------|-----------------------|----------------------|--------------------|--|--|---|---|---|----------------------|----------------------|----------------------------------|----------------------|
| Consolidated financial statements | | | | | | | | | | | | | |
| Equity attributable to owners of the parent | | | | | | | | | | Non-controlling | Total | | |
| | Issued and paid-up share capital | Share premium account | Retained earnings | | Other components of shareholders' equity | | | | Total equity attributable to owners of the parent | interests | Shareholders' equity | | |
| | | | Appropriated | Unappropriated | Unrealized gain (loss) on valuation of available-for-sale investment - net of income tax | Share of unrealized gain (loss) on investment in associate | Unrealized loss on investment in associates | Difference from change in shareholding proportion in subsidiary | | | | Total other Components of equity | |
| Notes | | | | | | | | | | | | | |
| Balance as at January 1, 2018 | 1,319,693,385 | 2,377,168,913 | 131,969,339 | 1,952,926,137 | 863,285,391 | 353,351,764 | (592,389) | 15,591,664 | 1,231,636,430 | 7,013,394,204 | 2,354,059,267 | 9,367,453,471 | |
| Increase in share capital | 25 | 243,440 | 2,190,000 | - | - | - | - | - | - | 2,433,440 | - | 2,433,440 | |
| Legal reserve | 26 | - | - | 14,479,754 | (14,479,754) | - | - | - | - | - | - | - | |
| Dividend paid | 27 | - | - | - | (466,815,106) | - | - | - | - | (466,815,106) | (100,542,143) | (567,357,249) | |
| Total comprehensive income for the year | | | | | | | | | | | | | |
| Profit for the year | | - | - | - | 723,672,451 | - | - | - | - | 723,672,451 | 152,735,953 | 876,408,404 | |
| Other comprehensive income for the year, net of income tax | | | | | | | | | | | | | |
| Actuarial loss on define employee benefit plans | | - | - | - | 263,848 | - | - | - | - | 263,848 | - | 263,848 | |
| Loss on valuation of available-for-sale investment | | - | - | - | - | (91,391,379) | - | - | (91,391,379) | (91,391,379) | (138,092,284) | (229,483,663) | |
| Share of other comprehensive loss of associates | | - | - | - | - | - | (74,231,875) | - | (74,231,875) | (74,231,875) | - | (74,231,875) | |
| Balance as at December 31, 2018 | | 1,319,936,825 | 2,379,358,913 | 146,449,093 | 2,195,567,576 | 771,894,012 | 279,119,889 | (592,389) | 15,591,664 | 1,066,013,176 | 7,107,325,583 | 2,268,160,793 | 9,375,486,376 |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| <u>Cash flows from operating activities</u> | | | | |
| Profit for the year | 876,408,404 | 1,064,525,233 | 652,897,038 | 524,061,581 |
| Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities | | | | |
| Bad debts and doubtful accounts (reversal) | 6,790,508 | 3,921,127 | 125,142 | (291,862) |
| Depreciation | 407,171,145 | 391,648,419 | 136,632,798 | 140,683,297 |
| Amortization of intangible assets | 5,368,703 | 5,612,491 | 2,223,816 | 2,078,314 |
| (Gain) loss on disposal of equipment | (532,442) | (6,588,568) | (168,223) | (9,172,894) |
| Loss from write-off of fixed assets | 4,791 | 6,163 | 5 | - |
| Gain on sale investment in subsidiaries | - | - | - | (5,359,446) |
| Gain on sale investments | 434,015 | (9,336,195) | (571,658) | - |
| Share of profit of associates | (15,623,584) | (160,952,801) | - | - |
| Dividend income | (80,820,750) | (59,676,559) | (288,386,625) | (192,938,540) |
| Loss from impairment of investment in related company | 7,080 | 62,580 | - | - |
| Write-off withholding tax at source | - | 48 | - | - |
| Expense for employee benefit | 22,635,069 | 20,009,864 | 7,690,588 | 7,331,859 |
| Interest incomes | (17,087,501) | (12,971,818) | (7,936,223) | (4,797,651) |
| Financial costs | 159,694,158 | 153,477,249 | 68,788,667 | 66,107,392 |
| Income tax expenses | 189,415,821 | 196,320,703 | 86,990,564 | 76,750,224 |
| Profit from operating activities before change in operational assets and liabilities | 1,553,865,417 | 1,586,057,936 | 658,285,889 | 604,452,274 |
| (Increase) decrease in operational assets | | | | |
| Trade receivables | (164,801,731) | (20,296,930) | (8,995,189) | (6,333,874) |
| Inventories | (10,678,083) | (14,217,738) | (1,828,628) | (2,578,095) |
| Other current assets | (4,776,146) | (2,922,190) | (6,707,703) | (328,611) |
| Other non-current assets | (593,954) | 76,341 | (340,169) | (461,436) |
| Increase (decrease) in operational liabilities | | | | |
| Trade payables | 2,333,392 | 21,712,599 | 1,080,167 | 8,800,219 |
| Accrued doctor fee | (1,999,291) | 18,165,572 | 3,643,519 | 8,797,527 |
| Accrued expenses | 6,797,659 | 13,428,364 | (3,140,848) | 6,453,672 |
| Advance received | 54,606,133 | (28,922,021) | - | - |
| Other current liabilities | 2,472,994 | 1,804,152 | (455,401) | 2,735,270 |
| Liabilities under operating lease contracts | 1,993,748 | 2,515,748 | - | - |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

| | Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Employee benefit obligations | (7,036,832) | (4,955,718) | (3,541,124) | (3,331,810) |
| Other non-current liabilities | (6,822,972) | (6,350,369) | 58,962 | (121,100) |
| Cash receipt from operation | 1,425,360,334 | 1,566,095,746 | 638,059,475 | 618,084,036 |
| Interest received | 509,280 | 251,820 | 455,607 | 215,698 |
| Interest paid | (17,095) | (18,626) | - | - |
| Cash received from withholding tax | - | 3,022,966 | - | - |
| Income tax paid | (228,193,026) | (193,595,021) | (88,891,831) | (72,110,821) |
| Net cash provided by operating activities | 1,197,659,493 | 1,375,756,885 | 549,623,251 | 546,188,913 |
| <u>Cash flows from investing activities</u> | | | | |
| (Increase) decrease in short-term loan to related company | (42,300,000) | (171,000,000) | 52,000,000 | (160,000,000) |
| (Increase) decrease in fixed deposits pledged as collateral | (1,046,311) | 2,369,853 | - | - |
| Cash received from sale of current investment | - | 6,500,000 | - | - |
| Cash paid for available-for-sale investments | (483,135,144) | (330,825,638) | (357,040,469) | (266,785,015) |
| Cash received from sale for available-for-sale investment | 121,846,082 | 113,441,822 | 1,660,793 | - |
| Dividend received from available-for-sale investments | 32,014,510 | 26,049,700 | 15,719,500 | 9,277,481 |
| Cash received sale investment in associates | (25,000,000) | (58,084,710) | (25,000,000) | (58,084,710) |
| Dividend received from investment in associates | 72,014,555 | 21,315,999 | 67,450,085 | 15,838,635 |
| Cash received from sale investment in subsidiary | - | 5,993,112 | - | 5,993,112 |
| Dividend received from investment in subsidiary | - | - | 157,985,800 | 154,684,200 |
| Cash paid for other long-term investments | (4,500,000) | - | (4,500,000) | - |
| Cash received from sale of other long-term investments | 80,000,000 | 10,000,000 | - | 10,000,000 |
| Dividend received from other long-term investments | 48,806,240 | 33,626,859 | 47,231,240 | 28,976,859 |
| Cash received from long-term loans to related party | - | 280,000 | - | 280,000 |
| (Decrease) in share subscription payable | (3,985,000) | - | - | - |
| Cash paid for acquisition of Investment property | - | (283,870) | - | - |
| Cash paid for acquisition of property, plant and equipment | (473,479,794) | (1,072,419,688) | (140,015,150) | (70,934,015) |
| Cash received from disposal of equipment | 6,826,891 | 4,582,472 | 5,168,224 | 4,172,897 |
| Cash paid for acquisition of intangible assets | (6,791,789) | (3,854,880) | (3,215,184) | (3,119,955) |
| Cash paid for advance payment of assets | - | (7,236,529) | - | - |
| Interest received | 15,923,613 | 12,784,775 | 7,318,396 | 4,630,916 |
| Net cash by used in investing activities | (662,806,147) | (1,406,760,723) | (175,236,765) | (325,069,595) |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

| | Baht | | | |
|---|-----------------------------------|------------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| <u>Cash flows from financing activities</u> | | | | |
| Increase (decrease) in bank overdrafts and short-term loans | | | | |
| from financial institutions | 554,262,100 | (196,737,733) | 145,000,000 | (168,918,087) |
| Increase (decrease) in short-term loans from related parties | (32,500,000) | 212,000,000 | 8,000,000 | 124,000,000 |
| Increase (decrease) in short-term loans from other persons | (138,250,000) | (5,200,000) | - | - |
| Cash received from long-term loans from financial institutions | 430,000,000 | 1,445,000,000 | 430,000,000 | 595,000,000 |
| Cash paid for long-term loans from financial institutions | (731,812,569) | (559,213,125) | (434,178,284) | (245,760,000) |
| Cash paid for liabilities under finance lease agreements | (9,169,659) | (6,799,845) | (8,325,807) | (5,910,892) |
| Cash received from paid-up for share capital | 2,433,440 | 34,905,214 | 2,433,440 | 34,905,214 |
| Dividend paid | (574,210,674) | (543,383,324) | (474,045,268) | (460,157,392) |
| Increase in capital reduce receivable | - | - | - | 10,000,000 |
| Cash received from share payment | 750,000 | - | - | - |
| Interest paid | (161,823,458) | (152,115,423) | (70,705,041) | (64,729,309) |
| Net cash provided by (used in) financing activities | <u>(660,320,820)</u> | <u>228,455,764</u> | <u>(401,820,960)</u> | <u>(181,570,466)</u> |
| Net increase (decrease) in cash and cash equivalents | (125,467,474) | 197,451,926 | (27,434,474) | 39,548,852 |
| Cash and cash equivalents, at the beginning of the year | 432,588,012 | 235,136,086 | 68,735,005 | 29,186,153 |
| Cash and cash equivalents, at the end of the year | <u>307,120,538</u> | <u>432,588,012</u> | <u>41,300,531</u> | <u>68,735,005</u> |
| <u>Supplement disclosures of cash flows information</u> | | | | |
| 1. Reconciliation of cash paid for acquisition of property, plant and equipment | | | | |
| Acquisition of property, plant and equipment for the year | (506,347,469) | (1,055,815,020) | (156,184,188) | (81,450,702) |
| Interest expenses are recongnized to fixed assets | 1,257,824 | - | 1,257,824 | - |
| Decrease in advance payment of assets | 4,496,687 | 2,113,841 | - | - |
| Increase in liabilities under financial lease agreements | 5,236,560 | 8,565,781 | 3,492,509 | 8,086,174 |
| Increase (decrease) in payable from acquisition of assets | 21,876,604 | (27,284,290) | 11,418,705 | 2,430,513 |
| Cash paid for acquisition of property, plant and equipment | <u>(473,479,794)</u> | <u>(1,072,419,688)</u> | <u>(140,015,150)</u> | <u>(70,934,015)</u> |
| 2. Reconciliation of proceed from disposal of equipment | | | | |
| Disposal of equipment | 1,826,891 | 9,582,472 | 168,224 | 9,172,897 |
| Increase account receivable from disposal of equipment | 5,000,000 | (5,000,000) | 5,000,000 | (5,000,000) |
| Cash received from disposal of equipment | <u>6,826,891</u> | <u>4,582,472</u> | <u>5,168,224</u> | <u>4,172,897</u> |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

| | Baht | | | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| 3. Reconciliation of dividend received | | | | |
| Dividend income for the year | 152,835,305 | 65,153,923 | 288,386,625 | 192,938,540 |
| (Increase) decrease accrued dividend | - | 15,838,635 | - | 15,838,635 |
| Dividend received | <u>152,835,305</u> | <u>80,992,558</u> | <u>288,386,625</u> | <u>208,777,175</u> |
| 4. Reconciliation of dividend paid | | | | |
| Dividend paid for the year | (575,631,763) | (544,665,061) | (475,089,619) | (460,727,261) |
| Increase in accrued dividend | 1,421,089 | 1,281,737 | 1,044,351 | 569,869 |
| Dividend paid | <u>(574,210,674)</u> | <u>(543,383,324)</u> | <u>(474,045,268)</u> | <u>(460,157,392)</u> |

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

VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. GENERAL INFORMATION

The Company was registered as a public company incorporated and resident in Thailand.

The principal business operations of the Company is to provide the medical services known as “Vibhavadi Hospital”.

The Company’s registered office is located at 51/3 Ngam Wong Wan Road, Latyao sub-district, Chatuchak district, Bangkok.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

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

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

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

2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Vibhavadi Medical Center Public Co., Ltd., subsidiaries and associated companies as follows;

| Name of Company | Type of business | Percentage of holding % of share capital | | Head office location |
|---|-----------------------------|--|-------|----------------------|
| | | 2018 | 2017 | |
| <u>Direct subsidiary and associated companies</u> | | | | |
| <u>Subsidiary companies</u> | | | | |
| Princeton Park Suites Co., Ltd. | Hotel | 99.99 | 99.99 | Bangkok |
| Chiang Mai Ram Medical Business Public Co., Ltd. | Hospital | 83.55 | 83.55 | Chiang Mai |
| <u>Associated company</u> | | | | |
| Vibharam Hospital Co., Ltd. | Hospital | 40.75 | 40.75 | Bangkok |
| Thippayabadin Co., Ltd. | Trading medical instruments | 33.33 | 50.00 | Bangkok |
| Bangpo General Hospital Co., Ltd. | Hospital | 28.57 | 28.57 | Bangkok |

| Company name | Type of business | Percentage of holding % of share capital | | Head office location |
|---|------------------|--|-------|----------------------|
| | | 2018 | 2017 | |
| <u>Indirect subsidiary and associated companies</u> | | | | |
| <u>held by Chiang Mai Ram Medical Business Public Co., Ltd.</u> | | | | |
| <u>Subsidiary company</u> | | | | |
| Chiang Mai Ram Hospital Co., Ltd. | Hospital | 47.09 | 47.09 | Chiang Mai |
| Hariphunchai Memorial Co., Ltd. | Hospital | 72.43 | 72.43 | Lamphun |
| <u>held by Princeton Park Suites Co., Ltd.</u> | | | | |
| <u>Subsidiary company</u> | | | | |
| Beauty Design Center Co., Ltd. | Beauty Business | 50.00 | 50.00 | Bangkok |
| <u>held by Chiang Mai Ram Hospital Co.,Ltd.</u> | | | | |
| <u>Subsidiary company</u> | | | | |
| Theppanya Business Co., Ltd. | Hospital | 47.09 | 47.09 | Chiang Mai |
| <u>Associated company</u> | | | | |
| Khelang Nakorn Hospital Co., Ltd. | Hospital | 11.99 | 11.99 | Lampang |
| Pawo Hospital Co., Ltd. | Hospital | 23.54 | 23.54 | Tak |

2.2.2 Accounting policy for subsidiary companies will utilize the same policy as Vibhavadi Medical Center Public Company Limited.

2.2.3 Outstanding balances and significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.2.4 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

2.3 The financial reporting standards are effective in the current year

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

| | |
|-----------------------|---|
| TAS 1 (revised 2017) | Presentation of Financial Statements |
| TAS 2 (revised 2017) | Inventories |
| TAS 7 (revised 2017) | Statement of Cash Flows |
| TAS 8 (revised 2017) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2017) | Events After the Reporting Period |
| TAS 11 (revised 2017) | Construction Contracts |
| TAS 12 (revised 2017) | Income Taxes |
| TAS 16 (revised 2017) | Property, Plant and Equipment |

| | |
|------------------------|--|
| TAS 17 (revised 2017) | Leases |
| TAS 18 (revised 2017) | Revenue |
| TAS 19 (revised 2017) | Employee Benefits |
| TAS 20 (revised 2017) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2017) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2017) | Borrowing Costs |
| TAS 24 (revised 2017) | Related Party Disclosures |
| TAS 26 (revised 2017) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2017) | Separate Financial Statements |
| TAS 28 (revised 2017) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2017) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2017) | Earnings Per Share |
| TAS 34 (revised 2017) | Interim Financial Reporting |
| TAS 36 (revised 2017) | Impairment of Assets |
| TAS 37 (revised 2017) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2017) | Intangible assets |
| TAS 40 (revised 2017) | Investment Property |
| TAS 41 (revised 2017) | Agriculture |
| TFRS 2 (revised 2017) | Share-Based Payment |
| TFRS 3 (revised 2017) | Business Combinations |
| TFRS 4 (revised 2017) | Insurance Contracts |
| TFRS 5 (revised 2017) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2017) | Exploration for and Evaluation of Mineral Resource |
| TFRS 8 (revised 2017) | Operating Segments |
| TFRS 10 (revised 2017) | Consolidated Financial Statements |
| TFRS 11 (revised 2017) | Joint Arrangements |
| TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities |
| TFRS 13 (revised 2017) | Fair Value Measurement |
| TSIC 10 (revised 2017) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (revised 2017) | Operating Leases - Incentives |

| | |
|-------------------------|--|
| TSIC 25 (revised 2017) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2017) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (revised 2017) | Service Concession Arrangements: Disclosure |
| TSIC 31 (revised 2017) | Revenue-Barter Transactions Involving Advertising Services |
| TSIC 32 (revised 2017) | Intangible Assets - Web Site Costs |
| TFRIC 1 (revised 2017) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2017) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2017) | Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (revised 2017) | Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics |
| TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment |
| TFRIC 12 (revised 2017) | Service Concession Arrangements |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 14 (revised 2017) | TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 17 (revised 2017) | Distributions of Non - cash Assets to Owners |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |
| TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine |
| TFRIC 21 (revised 2017) | Levies |

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

3. ACCOUNTING POLICIES

3.1 Recognition of revenues

Revenue from hospital operations which mainly consists of revenues for medical expenses, rental fee, medication fee and will be recognized when the service is provided to customers or medication has been delivered.

Revenue for medical expenses in social security system and the National Health Security Office has been recorded in accordance with rules, methods and conditions as specified units.

Service revenue is recognized when service is provided to customers.

Interest income is recognized over the period of time in consideration of the effective rate.

Dividend income is recognized when the right to receive the dividend is established.

Other revenues are recognized on accrual basis.

3.2 Recognition of expenses

Expenses are recognized on an accrual basis.

3.3 Cash and cash equivalents

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

3.4 Trade and other receivables and allowance for doubtful accounts

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

3.5 Inventories

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

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

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

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

3.6 Investments

Available-for-sale investments

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

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

Investments in associates and subsidiaries

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

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

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

General investments - investment in related parties and other companies

Related parties are those companies in which the Company has shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

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

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

3.7 Goodwill

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

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

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

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

3.8 Investment property

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

Depreciation of investment property under building for rent category is calculated by the straight-line method over the estimated useful life of 20 years. Depreciation of investment property is included in determining income.

3.9 Property, plant and equipment

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

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the

costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Expenditure related to improvement, life renewal or improvement of assets which will cause the present replacement prices of the assets materially increased will be combined as cost prices of assets.

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

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

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

Medical instruments of the Company, which were taken before 2013, are calculated on straight-line method over their approximate useful lives, medical instruments which were taken until 2013, are calculated on a double declining balance method.

Their approximate useful lives of plant and equipment were as follows:

| <u>Type of fixed assets</u> | <u>Years</u> |
|---|--------------|
| Land improvements | 10 |
| Buildings and building improvements | 10-50 |
| Medical instruments and office appliances | 5-25 |
| Furniture, fixture and equipment | 3-25 |
| Appliances health center | 5-10 |
| Vehicles | 5-10 |

The Company and its subsidiaries do not depreciate for construction in progress.

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

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

Depreciation is included in determining income.

Gain or loss from disposal of land, plant and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expenses in the statement of comprehensive income.

3.10 Borrowing costs

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

3.11 Intangible assets

Intangible assets are deferred computer software which is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated on a straight-line method for 3-10 years.

3.12 Impairment of assets

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

3.13 Operation lease contracts

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

3.14 Financial lease contracts

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

throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets.

3.15 Trade and other payables

Trade and other payables were shown in cost method.

3.16 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheet include deposits at financial institutions, trade receivable, trade payable, bank overdrafts, short-term loans from financial institutions, long-term loans, accrued income tax and expenses and finance lease payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.17 Using of accounting estimation

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

3.18 Provisions

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

3.19 Appropriation of retained earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings at least 5% of its annual net income as legal reserve.

3.20 Employee benefits

Short-term employment benefits

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

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

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

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

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

3.21 Related parties

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

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

3.22 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of net profit before income

tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

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

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

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

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

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

3.23 Basic earnings per share

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

3.24 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that

are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

3.24.1 Accrued revenues from hospital operations

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

3.24.2 Allowance for doubtful accounts

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

3.24.3 Impairment of investment in subsidiary

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

3.24.4 Leases

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

3.24.5 Investment property/Depreciation

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

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

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

3.24.6 Property, plant and equipment/Depreciation

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

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

3.24.7 Goodwill and intangible assets

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

3.24.8 Post-employment benefits under defined benefit plans

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

4. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties. Such transactions were concluded on commercial terms and agreed upon bases which were ordinary course of business and summarized below:

Nature of relationships

Nature of relationships with related parties, whether directly or indirectly are as follows:

| Name of parties | Nature of relationships |
|--|--|
| <u>Subsidiary companies</u> | |
| Princeton Park Suites Co., Ltd. | Shareholding and directorship |
| Chiang Mai Ram Medical Business Public Co., Ltd. | Shareholding and directorship |
| <u>Indirect subsidiary companies</u> | |
| Chiang Mai Ram Hospital Co., Ltd. | Shareholding by Chiang Mai Ram Medical Business Public Co., Ltd. |

| | |
|--|--|
| Hariphunchai Memorial Hospital Co., Ltd. | Shareholding by Chiang Mai Ram Medical Business Public Co., Ltd. |
| Theppanya Business Co., Ltd. | Shareholding by Chiang Mai Ram Hospital Co., Ltd. |
| Beauty Design Center Co., Ltd. | Shareholding by Princeton Park Suites Co., Ltd. |

| Name of parties | Nature of relationships |
|---|--|
| <u>Associated companies</u> | |
| Vibharam Hospital Co., Ltd. | Shareholding and directorship |
| Thippayabadin Co., Ltd. | Shareholding and directorship |
| Bangpo General Hospital Co., Ltd. | Shareholding and directorship |
| <u>Indirect associated companies</u> | |
| Khelang Nakorn Hospital Co., Ltd. | Shareholding by Chiang Mai Ram Hospital Co., Ltd. and directorship |
| Pawo Hospital Co., Ltd. | Shareholding by Theppanya Business Co., Ltd. and directorship |
| <u>Related companies</u> | |
| Chao Phaya Hospital Public Co., Ltd. | Inter-shareholding and directorship |
| Synphaet Hospital Co., Ltd. | Inter-shareholding and directorship |
| Supalerk U-Thong Hospital Co., Ltd. | Shareholding |
| Innovation Technology Co., Ltd. | Shareholding and directorship |
| Seriruk Hospital Co., Ltd. | Shareholding and directorship |
| Legacy Golf (Thailand) Co., Ltd. | Share held by subsidiary and directorship |
| Ramkhamhaeng Hospital Chiangmai Co., Ltd. | Share held by subsidiary and directorship |
| Vibharam - Pakkred Hospital Co., Ltd. | Share held by associate and directorship |
| Vibharam (Amatanakorn) Hospital Co., Ltd. | Share held by associate and directorship |
| Vibharam - Chaiprakarn Hospital Co., Ltd. | Share held by associate and directorship |
| Rattanabadin Co., Ltd. | Shareholding by associate and directorship |
| Ramkhamhaeng Hospital Public Co., Ltd. | Shareholder and directorship |
| Sikarin Public Co., Ltd. | Shareholder and directorship |
| F & S 79 Co., Ltd. | Shareholder and directorship |
| Phayao Ram Hospital Co., Ltd. | Shareholder and directorship |
| Khonkaen Ram Hospital Co., Ltd. | Shareholder and directorship |
| Bhumpanya International Co., Ltd. | Shareholder and directorship |
| Chaiyapum Ram Hospital Co., Ltd. | Shareholder and directorship |
| Piyasiri Co., Ltd. | Shareholder and directorship |
| Phrae Prommit Hospital Co., Ltd. | Shareholder and directorship |
| Gassan Chiangmai Property Co., Ltd. | Shareholder and directorship |
| Gassan Khuntan Golf and Resort Co., Ltd. | Shareholder and directorship |
| Gassan Marina Golf Club Co., Ltd. | Shareholder and directorship |
| Nawanakorn Medical Co., Ltd. | Shareholding |

Pricing policy

| Business transaction | Pricing policies |
|-----------------------------------|---|
| Income from medical treatment | At normal business prices; the same as other entities |
| Rental and service income | At contract prices which are agreed upon |
| Other revenue | At normal business prices; the same as other entities |
| Loans to | At market interest rates or approximates |
| Loans from | At market interest rates or approximates |
| Purchase inventory | At prices which had been agreed upon |
| Purchase/Disposal of fixed assets | At prices which had been agreed upon |

The balances of the accounts at the end of the year

| | Baht | | | |
|--|-----------------------------------|---------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Trade receivables | | | | |
| Subsidiary companies | - | - | 112,803 | 55,436 |
| Associated companies | 1,530,552 | 192,410 | 4,500 | 4,500 |
| Related companies | 662,577 | 503,665 | 658,420 | 499,508 |
| Total | <u>2,193,129</u> | <u>696,075</u> | <u>775,723</u> | <u>559,444</u> |
| Short-term loans | | | | |
| Associated companies | 15,000,000 | 65,000,000 | 15,000,000 | 65,000,000 |
| Related companies | 321,300,000 | 229,000,000 | 93,000,000 | 95,000,000 |
| Total | <u>336,300,000</u> | <u>294,000,000</u> | <u>108,000,000</u> | <u>160,000,000</u> |
| Interest receivable (other non-current assets) | | | | |
| Associated companies | 118,470 | - | 118,470 | - |
| Related companies | 29,693,114 | 29,441,437 | 142,997 | 99,247 |
| Less Allowance for doubtful accounts | <u>(28,938,675)</u> | <u>(29,228,730)</u> | <u>-</u> | <u>-</u> |
| Total | <u>872,909</u> | <u>212,707</u> | <u>261,467</u> | <u>99,247</u> |
| Other receivables (other current assets) | | | | |
| Subsidiary companies | - | - | 5,361,005 | 355,594 |
| Associated companies | - | 3,852 | - | 3,852 |
| Related companies | 7,704 | 5,000,000 | 7,704 | 5,000,000 |
| Total | <u>7,704</u> | <u>5,003,852</u> | <u>5,368,709</u> | <u>5,359,446</u> |
| Capital decrease receivable (other current assets) | | | | |

| | | | | |
|--------------------------------|---------------|---------------|---------------|-------------|
| Subsidiary companies | - | - | 6,199,494 | 6,199,494 |
| Available-for-sale investments | | | | |
| Related companies | 3,318,674,320 | 3,372,531,000 | 1,074,969,720 | 811,500,000 |

| | Baht | | | |
|---|-----------------------------------|--------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Prepaid expenses | | | | |
| Associated companies | 3,780,000 | - | 3,780,000 | - |
| Related companies | 1,125,000 | 1,253,527 | 1,125,000 | 1,253,527 |
| Total | 4,905,000 | 1,253,527 | 4,905,000 | 1,253,527 |
| Long-term loans to | | | | |
| Related companies | 58,853,730 | 58,853,730 | - | - |
| Less Allowance for doubtful accounts | (29,228,730) | (29,228,730) | - | - |
| Total | 29,625,000 | 29,625,000 | - | - |
| Trade payables | | | | |
| Associated companies | - | 1,094,054 | - | - |
| Related companies | 17,620,994 | 13,251,562 | 646,845 | - |
| Total | 17,620,994 | 14,345,616 | 646,845 | - |
| Short-term loans from | | | | |
| Related persons | 781,853,818 | 814,353,818 | 192,000,000 | 184,000,000 |
| Accrued expenses | | | | |
| Subsidiary companies | - | - | 409,648 | 175,260 |
| Related company | 368,976 | 97,687 | - | - |
| Total | 368,976 | 97,687 | 409,648 | 175,260 |
| Accrued interest (current liabilities) | | | | |
| Related persons | 18,589 | 15,000 | - | - |
| Payable from acquisition of assets | | | | |
| Related companies | 33,878,468 | 14,455,000 | 6,072,468 | 130,000 |
| Other payables | | | | |
| Related companies | 1,459,430 | 3,161,313 | 949,370 | 3,097,263 |
| Deposit (other non-current liabilities) | | | | |
| Subsidiary companies | - | - | 200,000 | 200,000 |

Significant business transactions for the years ended December 31, 2018 and 2017 were, as follows:

| | Baht | | | |
|-------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Income from medical treatment | | | | |

| | | | | |
|-------------------------------|--|-------------------|--------------------------------------|--------------------|
| Subsidiary companies | - | - | 300,606 | 310,239 |
| Associated companies | 379,508 | 411,611 | 121,528 | 350,296 |
| Related companies | <u>1,778,534</u> | <u>2,127,948</u> | <u>1,778,534</u> | <u>2,127,948</u> |
| Total | <u>2,158,042</u> | <u>2,539,559</u> | <u>2,200,668</u> | <u>2,788,483</u> |
| Baht | | | | |
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Rental and service income | | | | |
| Subsidiary companies | - | - | 2,688,323 | 3,310,676 |
| Related companies | <u>87,500</u> | <u>62,500</u> | <u>87,500</u> | <u>62,500</u> |
| Total | <u>87,500</u> | <u>62,500</u> | <u>2,775,823</u> | <u>3,373,176</u> |
| Interest income | | | | |
| Associated companies | 2,682,169 | 2,543,664 | 2,682,169 | 2,007,363 |
| Related companies | <u>12,741,441</u> | <u>8,659,593</u> | <u>4,798,447</u> | <u>2,081,824</u> |
| Total | <u>15,423,610</u> | <u>11,203,257</u> | <u>7,480,616</u> | <u>4,089,187</u> |
| Dividend income | | | | |
| Subsidiary companies | - | - | 157,985,800 | 154,684,200 |
| Associated companies | - | - | 67,450,085 | - |
| Related companies | <u>74,452,540</u> | <u>54,958,659</u> | <u>59,080,740</u> | <u>36,511,859</u> |
| Total | <u>74,452,540</u> | <u>54,958,659</u> | <u>284,516,625</u> | <u>191,196,059</u> |
| Other income | | | | |
| Associated companies | 1,900 | 12,800 | - | 12,800 |
| Related companies | <u>24,400</u> | <u>76,787</u> | <u>24,400</u> | <u>76,787</u> |
| Total | <u>26,300</u> | <u>89,587</u> | <u>24,400</u> | <u>89,587</u> |
| Disposal of equipment | | | | |
| Associated companies | - | 3,000,000 | - | 3,000,000 |
| Related companies | <u>-</u> | <u>6,500,000</u> | <u>-</u> | <u>6,500,000</u> |
| Total | <u>-</u> | <u>9,500,000</u> | <u>-</u> | <u>9,500,000</u> |
| Gain on disposal of equipment | | | | |
| Associated companies | - | 1,777,499 | - | 2,999,999 |
| Related companies | <u>-</u> | <u>5,772,895</u> | <u>-</u> | <u>5,772,895</u> |
| Total | <u>-</u> | <u>7,550,394</u> | <u>-</u> | <u>8,772,894</u> |
| Cost of medical treatment | | | | |
| Associated companies | 1,982,704 | 1,206,261 | 330,472 | - |
| Related companies | <u>43,047,327</u> | <u>28,059,148</u> | <u>16,848,151</u> | <u>17,592,001</u> |
| Total | <u>45,030,031</u> | <u>29,265,409</u> | <u>17,178,623</u> | <u>17,592,001</u> |
| Service expense | | | | |
| Related companies | <u>12,057,439</u> | <u>9,757,888</u> | <u>12,057,439</u> | <u>9,757,888</u> |
| Miscellaneous expenses | | | | |

| | | | | |
|----------------------|-----------|-----------|-----------|-----------|
| Subsidiary companies | - | - | 2,973,864 | 1,658,241 |
| Related companies | 5,187,450 | 2,420,951 | 70 | 25,076 |
| Total | 5,187,450 | 2,420,951 | 2,973,934 | 1,683,317 |

| | Baht | | | |
|----------------------------|-----------------------------------|------------|-------------------------------|------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Interest expenses | | | | |
| Related companies | - | 35,164 | - | - |
| Related persons | 34,637,853 | 30,340,785 | 6,575,096 | 4,500,021 |
| Total | 34,637,853 | 30,375,949 | 6,575,096 | 4,500,021 |
| Purchase of inventories | | | | |
| Related companies | 55,070,813 | 30,952,236 | - | - |
| Purchase of assets | | | | |
| Related companies | 60,598,860 | 39,176,469 | 8,364,031 | 60,000 |
| Dividend paid | | | | |
| Related companies | 55,070,813 | 30,952,236 | - | - |
| Management benefit expense | | | | |
| Short-term benefits | 106,795,688 | 97,969,892 | 47,709,200 | 41,213,000 |
| Post-term benefits | 26,098 | 23,873 | - | - |
| Total | 106,821,786 | 97,993,765 | 47,709,200 | 41,213,000 |

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company and its subsidiaries management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company and its subsidiaries management are the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

5. CASH AND CASH EQUIVALENT

Consisted of :

| | Baht | | | |
|---|-----------------------------------|-------------|-------------------------------|------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Cash | 9,148,509 | 15,286,344 | 5,075,373 | 8,979,312 |
| Bank deposit - saving accounts | 295,846,451 | 402,269,255 | 39,952,656 | 53,705,456 |
| Bank deposit - current accounts | 1,410,899 | 13,608,486 | (3,732,021) | 6,045,745 |
| Bank deposit - fix accounts, three-months | 714,679 | 1,423,927 | 4,523 | 4,492 |

| | | | | |
|-------|--------------------|--------------------|-------------------|-------------------|
| Total | <u>307,120,538</u> | <u>432,588,012</u> | <u>41,300,531</u> | <u>68,735,005</u> |
|-------|--------------------|--------------------|-------------------|-------------------|

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

6. TRADE RECEIVABLES

Trade receivables classified by aging were as follows:

| | Baht | | | |
|--|-----------------------------------|---------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Accrued income | 354,373,605 | 219,853,147 | - | - |
| Trade receivables | | | | |
| Not yet due | 222,216,895 | 192,246,579 | 113,659,924 | 108,010,776 |
| Over due period | | | | |
| Less than and up to 3 months | 89,051,023 | 94,138,006 | 13,741,844 | 12,086,849 |
| Over 3 months up to 6 months | 13,863,430 | 15,438,262 | 1,888,546 | 722,418 |
| Over 6 months up to 12 months | 9,736,005 | 14,322,994 | 482,278 | 82,503 |
| Over 12 months | 64,665,170 | 70,052,011 | 1,195,812 | 1,070,670 |
| Total | 753,906,128 | 606,050,999 | 130,968,404 | 121,973,216 |
| <u>Less: Allowance for doubtful accounts</u> | <u>(76,215,811)</u> | <u>(86,371,905)</u> | <u>(1,195,812)</u> | <u>(1,070,670)</u> |
| Net | <u>677,690,317</u> | <u>519,679,094</u> | <u>129,772,592</u> | <u>120,902,546</u> |

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

| | Baht | | | |
|---|-----------------------------------|---------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Allowance for doubtful accounts - beginning | (86,371,905) | (86,692,612) | (1,070,670) | (1,082,532) |
| (Increase) decrease reserve during the year | (6,790,508) | (4,241,726) | (182,138) | (28,738) |
| Bad debt | 16,946,602 | 4,562,433 | 56,996 | 40,600 |
| Allowance for doubtful accounts - ending | <u>(76,215,811)</u> | <u>(86,371,905)</u> | <u>(1,195,812)</u> | <u>(1,070,670)</u> |

7. SHORT-TERM LOANS TO RELATED PARTIES

Consisted of:

| | Baht | |
|--|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| | | |

| | 2018 | 2017 | 2018 | 2017 |
|-----------------|-------------|-------------|-------------|-------------|
| Related parties | 336,300,000 | 294,000,000 | 108,000,000 | 160,000,000 |

Changes in the short-term loans to related parties for the years ended December 31, 2018 and 2017 were summarized as follows:

| | | Baht | | | |
|---|--------------------------------|-----------------------------------|-----------------------------|---------------|----------------|
| | | Consolidated financial statements | | | |
| | Interest rate per annum (%) | As at December | Transaction during the year | | As at December |
| | | 31, 2017 | Increase | Decrease | 31, 2018 |
| Khonkaen Ram Hospital Co., Ltd. | 7.00 | 18,000,000 | - | - | 18,000,000 |
| Vibharam (Amatanakorn) Hospital Co., Ltd. | 4.50 | 30,000,000 | - | (30,000,000) | - |
| Gassan Marina Golf Club Co., Ltd. | 4.50 | 86,000,000 | - | (10,000,000) | 76,000,000 |
| Gassan Chiangmai Property Co., Ltd. | 4.50 | - | 7,500,000 | - | 7,500,000 |
| Ramkhamhaeng Hospital Chiangmai Co., Ltd. | 3.75 - 4.25 | - | 49,200,000 | (2,400,000) | 46,800,000 |
| Legacy Golf (Thailand) Co., Ltd. | 4.50 | - | 80,000,000 | - | 80,000,000 |
| Thippayabadin Co., Ltd. | 4.75 | 65,000,000 | 20,000,000 | (70,000,000) | 15,000,000 |
| Innovation Technology Co., Ltd. | 4.25 - 4.80 | 95,000,000 | 83,000,000 | (85,000,000) | 93,000,000 |
| Total | | 294,000,000 | 239,700,000 | (197,400,000) | 336,300,000 |

| | | Baht | | | |
|---|--------------------------------|-----------------------------------|-----------------------------|---------------|----------------|
| | | Consolidated financial statements | | | |
| | Interest rate per annum (%) | As at December | Transaction during the year | | As at December |
| | | 31, 2016 | Increase | Decrease | 31, 2017 |
| Khonkaen Ram Hospital Co., Ltd. | 7.00 | 18,000,000 | - | - | 18,000,000 |
| Vibharam Hospital Co., Ltd. | 4.50 | 30,000,000 | - | (30,000,000) | - |
| Vibharam (Amatanakorn) Hospital Co., Ltd. | 4.50 | 75,000,000 | 10,000,000 | (55,000,000) | 30,000,000 |
| Gassan Marina Golf Club Co., Ltd. | 4.50 | - | 86,000,000 | - | 86,000,000 |
| Thippayabadin Co., Ltd. | 4.75 | - | 65,000,000 | - | 65,000,000 |
| Innovation Technology Co., Ltd. | 4.25 | - | 162,000,000 | (67,000,000) | 95,000,000 |
| Total | | 123,000,000 | 323,000,000 | (152,000,000) | 294,000,000 |

| | | Baht | | | |
|---------------------------------|--------------------------------|-------------------------------|-----------------------------|---------------|----------------|
| | | Separate financial statements | | | |
| | Interest rate per annum (%) | As at December | Transaction during the year | | As at December |
| | | 31, 2017 | Increase | Decrease | 31, 2018 |
| Thippayabadin Co., Ltd. | 4.75 | 65,000,000 | 20,000,000 | (70,000,000) | 15,000,000 |
| Innovation Technology Co., Ltd. | 4.25 - 4.80 | 95,000,000 | 83,000,000 | (85,000,000) | 93,000,000 |
| Total | | 160,000,000 | 103,000,000 | (155,000,000) | 108,000,000 |

| | | Baht | | | |
|---------------------------------|---------------|-------------------------------|-----------------------------|---------------|----------------|
| | | Separate financial statements | | | |
| | Interest rate | As at December | Transaction during the year | | As at December |
| | | 31, 2017 | Increase | Decrease | 31, 2018 |
| Thippayabadin Co., Ltd. | 4.75 | 65,000,000 | 20,000,000 | (70,000,000) | 15,000,000 |
| Innovation Technology Co., Ltd. | 4.25 - 4.80 | 95,000,000 | 83,000,000 | (85,000,000) | 93,000,000 |
| Total | | 160,000,000 | 103,000,000 | (155,000,000) | 108,000,000 |

| | per annum (%) | 31, 2016 | Increase | Decrease | 31, 2017 |
|---------------------------------|---------------|----------|-------------|--------------|-------------|
| Thippayabadin Co., Ltd. | 4.75 | - | 65,000,000 | - | 65,000,000 |
| Innovation Technology Co., Ltd. | 4.25 | - | 162,000,000 | (67,000,000) | 95,000,000 |
| Total | | - | 227,000,000 | (67,000,000) | 160,000,000 |

The Company and its subsidiaries have loans to related parties in the form of promissory note and bill of exchange due at call. The interest will be paid every month. The said loan had no security.

8. INVENTORIES

Consisted of:

| | Baht | | | |
|------------------------------------|-----------------------------------|-------------|-------------------------------|------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Medicines and medical supplies | 158,419,165 | 148,267,981 | 42,337,959 | 40,524,145 |
| Office supplies and other supplies | 5,722,906 | 5,320,568 | 1,529,553 | 1,517,612 |
| Stationeries | 566,619 | 531,377 | 253,716 | 258,860 |
| Cuisine | 572,509 | 483,190 | 119,683 | 111,667 |
| Total | 165,281,199 | 154,603,116 | 44,240,911 | 42,412,284 |

9. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2018 and 2017, the subsidiary pledged fixed deposit amounted to Baht 44.89 million and Baht 43.44 million, respectively which carried the period of 6 months and 12 months, interest rate at 0.55% - 1.00% per annum and 0.65% - 1.50% per annum, respectively to guarantee to electricity using, Post Office Department and Social Security Office.

10. AVAILABLE-FOR-SALE INVESTMENTS

Consisted of :

| | Baht | | | |
|---|-----------------------------------|---------------|-----------------|------------|
| | Consolidated financial statements | | | |
| | Investments | | Dividend income | |
| | 2018 | 2017 | 2018 | 2017 |
| Investments in marketable equity security - common stock | 1,861,786,890 | 1,497,162,238 | 32,014,510 | 24,343,180 |
| <u>Add</u> Unrealized gain on valuation of available-for-sale investments | 1,794,762,261 | 2,081,626,001 | | |
| Total | 3,656,549,151 | 3,578,788,239 | 32,014,510 | 24,343,180 |

| | Baht | | | |
|--|-------------------------------|------|-----------------|------|
| | Separate financial statements | | | |
| | Investments | | Dividend income | |
| | 2018 | 2017 | 2018 | 2017 |
| | | | | |

| | | | | |
|---|----------------------|--------------------|-------------------|------------------|
| Investment in marketable equity security - common stock | 1,118,855,029 | 762,903,695 | 15,719,500 | 7,570,961 |
| <u>Add</u> Unrealized gain on valuation of available-for-sale investments | 230,214,691 | 189,898,134 | | |
| Total | <u>1,349,069,720</u> | <u>952,801,829</u> | <u>15,719,500</u> | <u>7,570,961</u> |

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

| | Baht | | | |
|-----------------------|-----------------------------------|----------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Beginning book value | 3,578,788,239 | 3,839,526,549 | 952,801,829 | 720,627,444 |
| Purchase investments | 483,134,950 | 330,825,638 | 357,040,469 | 266,785,015 |
| Sale investments | (118,510,298) | (107,887,155) | (1,089,135) | - |
| Changes in fair value | (286,863,740) | (483,676,793) | 40,316,557 | (34,610,630) |
| Ending book value | <u>3,656,549,151</u> | <u>3,578,788,239</u> | <u>1,349,069,720</u> | <u>952,801,829</u> |

Changes in unrealized gain on remeasuring available-for-sale investments for the years ended December 31, 2018 and 2017, were as follows :

| | Baht | | |
|--|---|---|-------------------------|
| | As at December 31, 2017 | Transaction during the year Increase (decrease) | As at December 31, 2018 |
| | <u>Consolidated/Separate financial statements</u> | | |
| The separate | | | |
| - Sikarin Public Co., Ltd. | 191,791,548 | 42,399,964 | 234,191,512 |
| - Thai Nakarin Hospital Public Co., Ltd. | (2,543,608) | 3,104,043 | 560,435 |
| - Other companies | 650,194 | (5,187,450) | (4,537,256) |
| Total | <u>189,898,134</u> | <u>40,316,557</u> | <u>230,214,691</u> |
| <u>Consolidated financial statements</u> | | | |
| <u>Direct subsidiary company</u> | | | |
| Princeton Park Suites Co., Ltd. | | | |
| - Other companies | (5,761,564) | (883,788) | (6,645,352) |
| <u>Indirect subsidiary company</u> | | | |
| Chiang Mai Ram Hospital Co., Ltd. | | | |
| - Ramkhamhaeng Hospital Public Co., Ltd. | 1,888,437,000 | (317,326,400) | 1,571,110,600 |
| - Other companies | 9,052,431 | (8,970,109) | 82,322 |
| Total | <u>2,081,626,001</u> | <u>(286,863,740)</u> | <u>1,794,762,261</u> |

| | Baht | | |
|--------------|---|---|-------------------------|
| | As at December 31, 2016 | Transaction during the year Increase (decrease) | As at December 31, 2017 |
| | <u>Consolidated/Separate financial statements</u> | | |
| The separate | | | |

| | | | |
|--|-------------|--------------|-------------|
| - Sikarin Public Co., Ltd. | 224,220,455 | (32,428,907) | 191,791,548 |
| - Thai Nakarin Hospital Public Co., Ltd. | - | (2,543,608) | (2,543,608) |
| - Other companies | 288,309 | 361,885 | 650,194 |
| Total | 224,508,764 | (34,610,630) | 189,898,134 |

| | Baht | | |
|--|----------------------------|--|----------------------------|
| | As at December 31, 2016 | Transaction during the year Increase (decrease) | As at December 31, 2017 |
| <u>Consolidated financial statements</u> | | | |
| <u>Direct subsidiary company</u> | | | |
| Princeton Park Suites Co., Ltd. | | | |
| - Other companies | (5,185,966) | (575,598) | (5,761,564) |
| <u>Indirect subsidiary company</u> | | | |
| Chiang Mai Ram Hospital Co., Ltd. | | | |
| - Ramkhamhaeng Hospital Public Co., Ltd. | 2,216,111,000 | (327,674,000) | 1,888,437,000 |
| - Other companies | 129,868,996 | (120,816,565) | 9,052,431 |
| Total | 2,565,302,794 | (483,676,793) | 2,081,626,001 |

11. INVESTMENTS IN ASSOCIATES

11.1 Investments in associated companies accounted for using the cost and equity method which consisted of :

| Name of company | Type of business | Paid-up capital (Baht) | | Proportion of share holding (%) | |
|--|----------------------------|------------------------|----------------|---------------------------------|-------|
| | | 2018 | 2017 | 2018 | 2017 |
| <u>Consolidated financial statements / Separate financial statements</u> | | | | | |
| <u>Direct associated company</u> | | | | | |
| Vibharam Hospital Co., Ltd. | Hospital | 1,654,803,530 | 1,654,803,530 | 40.75 | 40.75 |
| Thippayabadin Co., Ltd. | Trading medical instrument | 450,000,000 | 300,000,000 | 33.33 | 50.00 |
| Bangpo General Hospital Co., Ltd. | Hospital | 350,000,000 | 350,000,000 | 28.57 | 28.57 |
| <u>Consolidated financial statements</u> | | | | | |
| <u>Indirect associated companies</u> | | | | | |
| Khelang Nakorn Hospital Co., Ltd. | Hospital | 44,854,100 | 44,854,100 | 11.99 | 11.99 |
| Pawo Hospital Co., Ltd. | Hospital | 11,625,750 | 11,625,750 | 23.54 | 23.54 |
| Baht | | | | | |
| Name of company | At equity method | | At cost method | | |
| | 2018 | 2017 | 2017 | 2017 | |
| <u>Consolidated financial statements / Separate financial statements</u> | | | | | |
| <u>Direct associated company</u> | | | | | |
| Vibharam Hospital Co., Ltd. | 1,762,781,223 | 1,812,805,510 | 1,304,865,788 | 1,304,865,788 | |
| Thippayabadin Co., Ltd. | 81,845,306 | 133,426,529 | 172,500,000 | 147,500,000 | |
| Bangpo General Hospital Co., Ltd. | 300,791,832 | 302,716,678 | 300,000,000 | 300,000,000 | |
| Total | | | 1,777,365,788 | 1,752,365,788 | |
| <u>Consolidated financial statements</u> | | | | | |

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| <u>Indirect associated companies</u> | | | | |
| Khelang Nakorn Hospital Co., Ltd. | 101,804,620 | 93,012,888 | 30,882,500 | 30,882,500 |
| Pawo Hospital Co., Ltd. | 13,030,339 | 15,640,048 | 29,813,600 | 29,813,600 |
| <u>Less</u> Allowance for impairment of investments | | | | |
| in Pawo Hospital Co., Ltd. | - | - | (16,783,261) | (14,547,087) |
| Total | <u>2,260,253,320</u> | <u>2,357,601,653</u> | <u>1,821,278,627</u> | <u>1,798,514,801</u> |

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

| Name of company | Baht | |
|--------------------------------------|-----------------------------------|--------------------|
| | Consolidated financial statements | |
| | 2018 | 2017 |
| <u>Direct associated company</u> | | |
| Vibharam Hospital Co., Ltd. | 83,383,159 | 164,693,217 |
| Thippayabadin Co., Ltd. | (76,581,223) | (13,693,813) |
| Bangpo General Hospital Co., Ltd. | (1,924,845) | 3,021,067 |
| <u>Indirect associated companies</u> | | |
| Khelang Nakorn Hospital Co., Ltd. | 13,356,202 | 8,910,906 |
| Pawo Hospital Co., Ltd. | (2,609,709) | (1,978,576) |
| Total | <u>15,623,584</u> | <u>160,952,801</u> |

The share of profit (loss) of directly associated company - Vibharam Hospital Company Limited as shown above for the years ended December 31, 2018 and 2017, were the net amount of the elimination each transaction for Baht 8.27 million and Baht 8.04 million, respectively, as a result of acquiring the dividend that the Company has paid to the associated company.

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

| Name of company | Baht | |
|--|-----------------------------------|--------------|
| | Consolidated financial statements | |
| | 2018 | 2017 |
| <u>Direct associated company</u> | | |
| Vibharam Hospital Co., Ltd. | | |
| Gain (loss) on remeasuring available-for -sale investments | (74,231,875) | (39,213,080) |
| Actuarial loss on define employee benefit plans | - | (1,239,702) |
| Thippayabadin Co., Ltd. | | |
| Actuarial loss on define employee benefit plans | - | (425,112) |
| Bangpo General Hospital Co., Ltd. | | |
| Actuarial loss on define employee benefit plans | - | (1,861,259) |
| <u>Indirect associated companies</u> | | |

| | | |
|---|---------------------|---------------------|
| Khelang Nakorn Hospital Co., Ltd. | | |
| Actuarial loss on define employee benefit plans | - | (323,740) |
| Pawo Hospital Co., Ltd. | | |
| Actuarial gain on define employee benefit plans | - | 304,023 |
| Total | <u>(74,231,875)</u> | <u>(42,758,870)</u> |

11.4 Dividend income from investment in associated companies for the years ended December 31, 2018 and 2017 were as follows :

| Name of company | Baht | |
|--|-------------------|------------------|
| | 2018 | 2017 |
| <u>Consolidated /separate financial statements</u> | | |
| <u>Direct associated company</u> | | |
| Vibharam Hospital Co., Ltd. | 67,450,085 | - |
| <u>Consolidated financial statements</u> | | |
| <u>Indirect associated companies</u> | | |
| Khelang Nakorn Hospital Co., Ltd. | 4,564,470 | 5,477,364 |
| Total | <u>72,014,555</u> | <u>5,477,364</u> |

Summarized financial information in respect of Vibharam Hospital Co., Ltd. (Associated company) of the material associate;

| | Baht | |
|--|---------------|---------------|
| | 2018 | 2017 |
| Current assets | 1,546,617,269 | 1,084,197,378 |
| Non-current assets | 8,295,662,905 | 8,730,212,936 |
| Current liabilities | 2,507,952,876 | 2,522,877,076 |
| Non-current liabilities | 1,730,463,494 | 1,540,521,253 |
| Revenue | 4,022,576,847 | 3,819,086,301 |
| Profit for the year | 224,749,392 | 424,789,819 |
| Other comprehensive loss for the year | (439,357,780) | (259,069,761) |
| Total comprehensive income (loss) for the year | (214,618,388) | 165,719,858 |

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

| | Baht | |
|--|---------------|---------------|
| | 2017 | |
| Net assets | 5,039,341,866 | 5,751,011,985 |
| Proportion of the interest | 40.75 | 40.75 |
| Other adjustments | | |
| - Unrealized profit from investment available-for-sale | | |

| | | |
|--|----------------------|----------------------|
| Vibhavadi Medical Center Public Company Limited in the financial statements of the associate that is not included and received as share of profit from investment in associated in Company's financial statements | (305,318,794) | (410,129,289) |
| - Other | (14,568,207) | (120,602,585) |
| Carrying amount of the interest | <u>1,762,781,223</u> | <u>1,812,805,510</u> |

Aggregate information of associates that are not individually material

| | Baht | |
|--|--------------|-------------|
| | 2018 | 2017 |
| The share of profit (loss) from continuing operations | (67,759,615) | (3,740,416) |
| The share of total comprehensive income (loss) | - | (6,046,504) |
| Aggregate carrying amount of the interests in these associates | 497,472,097 | 544,796,143 |

Investment in Vibharam Hospital Co., Ltd.

As at December 31, 2018 and 2017, the Company has pledged the share certificate of Vibharam Hospital Co., Ltd. in the amount of shares 25,160,358, with a financial institution to secure the credit facilities as discussed in Note 18 to the financial statements.

Investment in Thippayabadin Co., Ltd.

In 2018, Thippayabadin Co., Ltd. has called to pay the addition shares at amount Baht 25.00 million and has been paid in fully amount.

At the Board of Company's Director's meeting No.6/2018 held on November 27, 2018, approved to waiver of the right to purchase ordinary share of Dhipaya Bodin Co.,Ltd., resulting in the Company's shareholding proportion in that company from 50.00% to 33.33% and share of loss of associate decrease in the amount of Baht 8.00 million.

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of :

| Name of company | Type of business | Paid-up capital (Baht) | | Proportion of share holding (%) | |
|--|------------------|------------------------|-------------|---------------------------------|-------|
| | | 2018 | 2017 | 2018 | 2017 |
| <u>Shareholding by the Company</u> | | | | | |
| Princeton Park Suites Co., Ltd. | Hotel | 460,000,000 | 460,000,000 | 99.99 | 99.99 |
| Chiang Mai Ram Medical Business Public Co., Ltd. | Hospital | 402,312,500 | 402,312,500 | 83.55 | 83.55 |
| <u>Shareholding by direct subsidiary companies</u> | | | | | |
| Chiang Mai Ram Hospital Co., Ltd. | Hospital | 400,000,000 | 400,000,000 | 47.09 | 47.09 |
| Hariphunchai Memorial Co., Ltd. | Hospital | 150,000,000 | 150,000,000 | 72.43 | 72.43 |
| (shareholding by Chiang Mai Ram Medical Business Public Co., Ltd.) | | | | | |
| Beauty Design Center Co., Ltd. | Beauty Business | 7,500,000 | 7,500,000 | 50.00 | 50.00 |

(shareholding by Princeton park Suites Co., Ltd.)

Shareholding by indirect subsidiary company

Theppanya Business Co., Ltd. Hospital 236,000,000 236,000,000 47.09 47.09

(shareholding by Chiang Mai Ram Hospital Co., Ltd.)

| Name of company | Baht | | | | | |
|--|-------------------------------|---------------|----------------|---------------|-----------------|-------------|
| | Separate financial statements | | | | | |
| | At equity method | | At cost method | | Dividend income | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Princeton Park Suites Co., Ltd. | 235,028,503 | 251,297,634 | 345,537,651 | 345,537,651 | - | - |
| Chiang Mai Ram Medical Business Public Co., Ltd. | 3,620,421,382 | 3,587,715,639 | 1,638,467,138 | 1,638,467,138 | 157,985,800 | 154,684,200 |
| Total | | | 1,984,004,789 | 1,984,004,789 | 157,985,800 | 154,684,200 |

The subsidiaries that have material non-controlling interests

The Company has consolidated Chiang Mai Ram Medical Business Public Co., Ltd. that have material non-controlling interest:

| Name of Company | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests | | Baht | | | |
|-----------------|--|---|------|---|-----------|---------------------------------------|---------------|
| | | 2018 | 2017 | Profit(loss) allocated to non-controlling interests | | Accumulated non-controlling interests | |
| | | | | 2018 | 2017 | 2018 | 2017 |
| | | Chiang Mai Ram Medical Business Public Co., Ltd. | Thai | 16.45 | 16.45 | 10,418,908 | 3,642,886 |
| Others | | | | 4,224,761 | 1,511,380 | 9,092,014 | 4,867,253 |
| Total | | | | 14,643,669 | 5,154,266 | 2,268,160,793 | 2,354,059,267 |

Summarized financial information in respect of Chiang Mai Ram Medical Business Public Co., Ltd. amounts before intragroup eliminations.

| | Baht | |
|--|---------------|---------------|
| | 2018 | 2017 |
| Current assets | 1,086,268,558 | 1,007,238,951 |
| Non-current assets | 7,580,291,487 | 7,786,119,031 |
| Current liabilities | 2,106,674,765 | 1,868,070,613 |
| Non-current liabilities | 1,346,165,908 | 1,659,396,125 |
| Non-Controlling interests | 1,596,600,520 | 1,687,922,447 |
| Revenue | 3,995,769,800 | 3,815,373,974 |
| Profit attributable to the non-controlling interests | 92,006,972 | 127,296,549 |
| Other comprehensive income (loss) to the non-controlling interests | (21,880,365) | (30,030,295) |

| | | |
|---|---------------|---------------|
| Dividends paid to non-controlling interests | 69,441,563 | 53,558,250 |
| Net cash provided by from operating activities | 641,880,862 | 821,582,496 |
| Net cash used in investing activities | (327,349,478) | (927,288,861) |
| Net cash provided by (used in) financing activities | (417,118,176) | 265,426,376 |
| Net cash increase (decrease) | (102,586,792) | 159,720,011 |

Chiang Mai Ram Medical Business Public Co., Ltd.

In 2017, the Company had sold the investment in Chiang Mai Ram Medical Business Public Co.,Ltd. for 1,300,000 shares in the amount of Baht 5.99 million. As a result of the sale-of-investment above, the Company had gain on the sale of investments for Baht 5.36 million in the separate financial statements and resulting the investments in such subsidiary change from 83.58% to 83.55%.

As at December 31, 2018 and 2017, the Company has pledged this shares of Chiang Mai Ram Medical Business Public Co., Ltd. in the amount of shares 1,680,000,000 and shares 1,345,000,000, with a financial institution to secure the credit facilities as discussed in Note 18 and 21 to the financial statements.

On December 25, 2018, board of director's of Chiang mai ram medical business Public Co., Ltd. Has resolved to approve to invest in the ordinary shares of Ramkhamhaeng Chiangmai Hospital Co., Ltd. which is a newly established company on October 30, 2018. Its has registered capital of Baht 400 million. Chiang mai ram medical business Public Co., Ltd. and Chiang mai ram hospital Co., Ltd. will invest in such company 18% and 63%, respectively, of the shares issued and paid up of such company. And on February, 2019, such company has call up 30% of registered capital. Both subsidiaries have paid the shares the fully amount.

Beauty Design Center Co., Ltd.

In 2017, the subsidiary had sold in the investment in Beauty Design Center Co., Ltd. to the director of such company, 40,000 shares at Baht 37.50 per share in the total amount Baht 1.50 million, resulting the subsidiary has shareholding proportion in that company from 70% to 50%.

Difference from change in shareholding proportion in subsidiary

As at December 31, 2018 and 2017, there were items from the change of shareholding proportion of the parent company in the subsidiary that did not cause the parent company to lose the control in the subsidiary. The differences that arise between the book value of adjusted non-controlling interests and the consideration that had been received or paid would be directly recognized in shareholders' equity as part of owner's equity. Such differences can be calculated as follows:

| Baht | |
|------|------|
| 2018 | 2017 |

| | | |
|---|---|-------------|
| Consideration received from sale of subsidiary's share | - | 7,493,112 |
| Carrying amount of non-controlling interest increased | - | (3,175,907) |
| Difference from change in shareholding proportion in the subsidiary | - | 4,317,205 |

13. OTHER LONG-TERM INVESTMENTS

Consisted of :

| | Baht | | | |
|---------------------|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| General investments | 879,848,051 | 955,355,131 | 473,121,891 | 468,621,891 |

13.1 General investments consisted of :

| Name of company | Type of Business | Paid-up capital (Baht) | | Proportion of share holding (%) | |
|---|-----------------------|------------------------|---------------|---------------------------------|-------|
| | | 2018 | 2017 | 2018 | 2017 |
| <u>Related companies (shareholding and co-director)</u> | | | | | |
| <u>Separate financial statements</u> | | | | | |
| Chao Phaya Hospital Public Co., Ltd. | Hospital | 589,019,360 | 589,019,360 | 7.69 | 7.69 |
| Supalerk U-thong Hospital Co., Ltd. | Hospital | 50,000,000 | 50,000,000 | 6.00 | 6.00 |
| Innovation Technology Co., Ltd. | Consulting | 75,000,000 | 50,000,000 | 7.00 | 7.00 |
| Seriruk Hospital Co., Ltd. | Hospital | 100,000,000 | 100,000,000 | 10.00 | 10.00 |
| Synphaet Hospital Co., Ltd. | Hospital | 910,000,000 | 910,000,000 | 10.00 | 10.00 |
| Nawanakorn Medical Co., Ltd. | Hospital | 375,000,000 | 375,000,000 | 4.43 | 4.43 |
| <u>Consolidated financial statements</u> | | | | | |
| Phayao Ram Hospital Co., Ltd. | Hospital | 7,500,000 | 7,500,000 | 2.36 | 2.36 |
| Khonkaen Ram Hospital Co., Ltd. | Hospital | 80,000,000 | 80,000,000 | 3.54 | 3.54 |
| Bhumpanya International Co., Ltd. | Education | 600,000,000 | 600,000,000 | 4.71 | 4.71 |
| Chaiyapum Ram Hospital Co., Ltd. | Hospital | 558,000,000 | 558,000,000 | 0.10 | 0.10 |
| Legacy Golf (Thailand) Co., Ltd. | Golf course | 1,300,000,000 | 2,100,000,000 | 10.00 | 10.00 |
| Gassan Marina Golf Club Co., Ltd. | Golf course and hotel | 2,000,000,000 | 2,000,000,000 | 4.61 | 4.61 |
| <u>Other company (shareholding but not co-director)</u> | | | | | |
| <u>Consolidated financial statements</u> | | | | | |
| Phitsanulok Inter Medical Co., Ltd. | Hospital | 160,000,000 | 160,000,000 | 2.06 | 2.06 |

General investments using the cost method and dividend consisted of :

| Name of company | Baht | | | |
|---|----------------|------------|-----------------|-----------|
| | At cost method | | Dividend income | |
| | 2017 | 2017 | 2018 | 2017 |
| <u>Related companies (shareholding and co-director)</u> | | | | |
| <u>Separate financial statements</u> | | | | |
| Chao Phaya Hospital Public Co., Ltd. | 78,862,491 | 78,862,491 | 9,059,852 | 8,606,859 |
| Supalerk U-thong Hospital Co., Ltd. | 3,875,000 | 3,875,000 | - | - |

| | | | | |
|---|-------------|-------------|------------|------------|
| Innovation Technology Co., Ltd. | 8,290,000 | 3,790,000 | 525,000 | 350,000 |
| Seriruk Hospital Co., Ltd. | 10,000,000 | 10,000,000 | - | - |
| Synphaet Hospital Co., Ltd. | 357,000,000 | 357,000,000 | 36,400,000 | 20,020,000 |
| Nawanakorn Medical Co., Ltd. | 18,094,400 | 18,094,400 | 1,246,388 | - |
| Total | 476,121,891 | 471,621,891 | 47,231,240 | 28,976,859 |
| <u>Less</u> Allowance for impairment of investments | | | | |
| Supalerk U-thong Hospital Co., Ltd | (3,000,000) | (3,000,000) | | |
| Net - in separate financial statements | 473,121,891 | 468,621,891 | 47,231,240 | 28,976,859 |

| Name of company | Baht | | | |
|---|----------------|--------------|-----------------|------------|
| | At cost method | | Dividend income | |
| | 2017 | 2017 | 2018 | 2017 |
| <u>Consolidated financial statements</u> | | | | |
| Phayao Ram Hospital Co., Ltd. | 375,000.00 | 375,000 | 375,000 | 2,250,000 |
| Khonkaen Ram Hospital Co., Ltd. | 13,050,000 | 13,050,000 | 1,200,000 | 2,400,000 |
| Bhumpanya International Co., Ltd. | 60,000,000 | 60,000,000 | - | - |
| Chaiyapum Ram Hospital Co., Ltd. | 1,200,000 | 1,200,000 | - | - |
| Legacy Golf (Thailand) Co., Ltd. | 171,700,000 | 251,700,000 | - | - |
| Gassan Marina Golf Club Co., Ltd. | 220,000,000 | 220,000,000 | - | - |
| Total | 466,325,000 | 546,325,000 | 1,575,000 | 4,650,000 |
| <u>Less</u> Allowance for impairment of investments | | | | |
| Bhumpanya International Co., Ltd. | (60,000,000) | (60,000,000) | | |
| Chaiyapum Ram Hospital Co., Ltd. | (606,840) | (599,760) | | |
| Total | (60,606,840) | (60,599,760) | | |
| Net | 405,718,160 | 485,725,240 | 1,575,000 | 4,650,000 |
| <u>Other company (shareholding but not co-director)</u> | | | | |
| <u>Consolidated financial statements</u> | | | | |
| Phitsanulok Inter Medical Co., Ltd. | 1,008,000 | 1,008,000 | - | - |
| Net - in consolidated financial statements | 879,848,051 | 955,355,131 | 48,806,240 | 33,626,859 |

Investment in Innovation Technology Co., Ltd.

In 2018, the Company is eligible to purchase the share of Innovation Technology Co., Ltd. According to the existing ratio for 225,000 shares at Baht 20 per share in the amount of Baht 4.50 million.

Investment in Legacy Golf (Thailand) Co., Ltd.

At the annual general meeting of the shareholder's Legacy Golf (Thailand) Co.,Ltd. held on September 5, 2018, has resolved to approved to reduce the registered capital from shares 210 million to shares 130 million, at a par Baht 10 per share. The subsidiary has decrease shares from shares 21 million to shares 13 million in the amount of Baht 80.00 million. As such, the its subsidiary had received the payment for the capital decrease shares fully amount.

14. INVESTMENT PROPERTY

Investment property consisted of:

| Balance as at | Baht | | Balance as at |
|---------------|-----------------------------------|--|---------------|
| | Consolidated financial statements | | |
| | Transaction during the year | | |

| | December 31, 2017 | Increase | Decrease | Transfer in (out) | December 31, 2018 |
|--------------------------------------|-------------------|-------------|----------|-------------------|-------------------|
| <u>At cost</u> | | | | | |
| Land | 166,920,476 | - | - | 4,633,333 | 171,553,809 |
| Buildings for rent | 86,773,749 | - | - | 14,781,881 | 101,555,630 |
| Total | 253,694,225 | - | - | 19,415,214 | 273,109,439 |
| <u>Less Accumulated depreciation</u> | | | | | |
| Buildings for rent | (20,447,620) | (3,706,486) | - | (722,852) | (24,876,958) |
| Investment property - net | 233,246,605 | | | | 248,232,481 |

Baht

Consolidated financial statements

| | Balance as at December 31, 2016 | Transaction during the year | | | Balance as at December 31, 2017 |
|--------------------------------------|------------------------------------|-----------------------------|----------|-------------------|------------------------------------|
| | | Increase | Decrease | Transfer in (out) | |
| <u>At cost</u> | | | | | |
| Land | 166,920,476 | - | - | - | 166,920,476 |
| Buildings for rent | 86,489,879 | 283,870 | - | - | 86,773,749 |
| Total | 253,410,355 | 283,870 | - | - | 253,694,225 |
| <u>Less Accumulated depreciation</u> | | | | | |
| Buildings for rent | (16,984,885) | (3,462,735) | - | - | (20,447,620) |
| Investment property - net | 236,425,470 | | | | 233,246,605 |

Baht

Separate financial statements

| | Balance as at December 31, 2017 | Transaction during the year | | | Balance as at December 31, 2018 |
|--------------------------------------|------------------------------------|-----------------------------|----------|-------------------|------------------------------------|
| | | Increase | Decrease | Transfer in (out) | |
| <u>At cost</u> | | | | | |
| Land | 150,770,000 | - | - | - | 150,770,000 |
| Buildings for rent | 35,863,884 | - | - | - | 35,863,884 |
| Total | 186,633,884 | - | - | - | 186,633,884 |
| <u>Less Accumulated depreciation</u> | | | | | |
| Buildings for rent | (18,376,607) | (1,793,194) | - | - | (20,169,801) |
| Investment property - net | 168,257,277 | | | | 166,464,083 |

Baht

Separate financial statements

| | Balance as at December 31, 2016 | Transaction during the year | | | Balance as at December 31, 2017 |
|--------------------------------------|------------------------------------|-----------------------------|----------|-------------------|------------------------------------|
| | | Increase | Decrease | Transfer in (out) | |
| <u>At cost</u> | | | | | |
| Land | 150,770,000 | - | - | - | 150,770,000 |
| Buildings for rent | 35,863,884 | - | - | - | 35,863,884 |
| Total | 186,633,884 | - | - | - | 186,633,884 |
| <u>Less Accumulated depreciation</u> | | | | | |
| Buildings for rent | (16,583,413) | (1,793,194) | - | - | (18,376,607) |
| Investment property - net | 170,050,471 | | | | 168,257,277 |

The Company's investment property is land and buildings for rent. In 2018, the Company's investment property had its fair value in the amount of Baht 182.10 million, which was appraised by independent appraisal.

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

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

For the years ended December 31, 2018 and 2017, the Company and its subsidiaries had rental income from investment property in the amount of Baht 9.16 million and Baht 11.88 million (the Separate amount of Baht 5.32 million and Baht 8.04 million), respectively and operating expenses in the amount of Baht 4.00 million and Baht 4.56 million (the Separate amount of Baht 1.81 million and Baht 1.84 million), respectively which were recognized in the statement of comprehensive income.

Investment property of the Company are mortgaged as collateral of credit facilities from financial institutions as discussed in Note 18 to the financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

Consisted of :

| | Baht | | | | |
|---|------------------------------------|-----------------------------|---------------------|---------------------|-----------------------|
| | Consolidated financial statements | | | | |
| | Balance as at December 31, 2017 | Transaction during the year | | | |
| | Increase | Decrease | Transfer in (out) | | |
| At cost | | | | | |
| Land and land improvements | 3,086,950,724 | 91,263,067 | - | (4,633,333) | 3,173,580,458 |
| Building and building improvement | 3,456,668,194 | 11,561,317 | (1,664,920) | 19,173,192 | 3,485,737,783 |
| Medical instruments and office appliances | 1,624,290,614 | 132,570,913 | (11,666,916) | 2,017,138 | 1,747,211,749 |
| Furniture fixture and equipment | 1,298,841,188 | 65,551,609 | (3,122,083) | 72,697,842 | 1,433,968,556 |
| Appliances health center | 9,508,332 | 192,600 | - | - | 9,700,932 |
| Vehicle | 138,318,286 | 10,471,597 | (8,196,621) | 1,174,000 | 141,767,262 |
| Assets in progress | 65,898,939 | 194,736,366 | - | (109,844,053) | 150,791,252 |
| Total | <u>9,680,476,277</u> | <u>506,347,469</u> | <u>(24,650,540)</u> | <u>(19,415,214)</u> | <u>10,142,757,992</u> |
| Less Accumulated depreciation | | | | | |
| Land improvements | (16,139,153) | (1,817,162) | - | - | (17,956,315) |
| Building and building improvement | (1,584,105,500) | (163,001,258) | 1,664,918 | 722,852 | (1,744,718,988) |
| Medical instruments and office appliances | (1,106,663,846) | (113,208,729) | 10,665,836 | - | (1,209,206,739) |
| Furniture fixture and equipment | (824,449,566) | (110,281,526) | 2,823,930 | - | (931,907,162) |
| Appliances health center | (16,624,982) | (653,263) | - | - | (17,278,245) |

| | | | | | |
|------------------------------------|----------------------|---------------|------------|---------|----------------------|
| Vehicle | (89,903,869) | (14,484,650) | 8,196,616 | - | (96,191,903) |
| Total | (3,637,886,916) | (403,446,588) | 23,351,300 | 722,852 | (4,017,259,352) |
| Properly, plant and equipment, net | <u>6,042,589,361</u> | | | | <u>6,125,498,640</u> |

| Baht | | | | | |
|---|------------------------|-----------------------------|----------------------|-------------------|------------------------|
| Consolidated financial statements | | | | | |
| | Balance as at | Transaction during the year | | | Balance as at |
| | December 31, 2016 | Increase | Decrease | Transfer in (out) | December 31, 2017 |
| <u>At cost</u> | | | | | |
| Land and land improvements | 2,376,863,090 | 710,087,634 | - | - | 3,086,950,724 |
| Building and building improvement | 3,412,819,201 | 33,087,964 | (109,809) | 10,870,838 | 3,456,668,194 |
| Medical instruments and office appliances | 1,586,761,909 | 98,652,175 | (80,122,500) | 18,999,030 | 1,624,290,614 |
| Furniture fixture and equipment | 1,242,171,656 | 101,179,386 | (66,210,001) | 21,700,147 | 1,298,841,188 |
| Appliances health center | 9,508,332 | - | - | - | 9,508,332 |
| Vehicle | 128,200,740 | 10,499,546 | (532,000) | 150,000 | 138,318,286 |
| Assets in progress | 15,358,509 | 102,260,445 | - | (51,720,015) | 65,898,939 |
| Total | <u>8,771,683,437</u> | <u>1,055,767,150</u> | <u>(146,974,310)</u> | <u>-</u> | <u>9,680,476,277</u> |
| <u>Less Accumulated depreciation</u> | | | | | |
| Land improvements | (14,363,933) | (1,775,220) | - | - | (16,139,153) |
| Building and building improvement | (1,426,558,923) | (157,656,381) | 109,804 | - | (1,584,105,500) |
| Medical instruments and office appliances | (1,076,629,227) | (110,133,034) | 80,098,415 | - | (1,106,663,846) |
| Furniture fixture and equipment | (785,823,279) | (103,082,811) | 64,456,524 | - | (824,449,566) |
| Appliances health center | (7,607,156) | (9,017,826) | - | - | (16,624,982) |
| Vehicle | (83,921,263) | (6,514,605) | 531,999 | - | (89,903,869) |
| Total | <u>(3,394,903,781)</u> | <u>(388,179,877)</u> | <u>145,196,742</u> | <u>-</u> | <u>(3,637,886,916)</u> |
| Properly, plant and equipment, net | <u>5,376,779,656</u> | | | | <u>6,042,589,361</u> |

| Baht | | | | | |
|---|----------------------|-----------------------------|--------------------|-------------------|----------------------|
| Separate financial statements | | | | | |
| | Balance as at | Transaction during the year | | | Balance as at |
| | December 31, 2017 | Increase | Decrease | Transfer in (out) | December 31, 2018 |
| <u>At cost</u> | | | | | |
| Land and land improvements | 484,206,727 | - | - | - | 484,206,727 |
| Building and building improvement | 1,442,721,156 | 1,825,986 | - | 11,443,799 | 1,455,990,941 |
| Medical instruments and office appliances | 515,762,473 | 20,994,485 | (91,000) | 2,017,138 | 538,683,096 |
| Furniture fixture and equipment | 264,689,278 | 8,517,554 | (133,750) | 812,735 | 273,885,817 |
| Vehicle | 9,508,332 | 192,600 | - | - | 9,700,932 |
| Appliances health center | 77,428,407 | 3,489,568 | (7,152,376) | 1,174,000 | 74,939,599 |
| Assets in progress | 17,843,263 | 121,163,996 | - | (15,447,672) | 123,559,587 |
| Total | <u>2,812,159,636</u> | <u>156,184,189</u> | <u>(7,377,126)</u> | <u>-</u> | <u>2,960,966,699</u> |
| <u>Less Accumulated depreciation</u> | | | | | |
| Land improvements | (3,177,298) | (459,237) | - | - | (3,636,535) |

| Building and building improvement | (818,159,638) | (67,648,674) | - | - | (885,808,312) |
|---|------------------------|-----------------------------|---------------------|--------------------|------------------------|
| Medical instruments and office appliances | (392,505,814) | (38,200,967) | 90,997 | - | (430,615,784) |
| Furniture fixture and equipment | (220,730,790) | (19,104,413) | 133,749 | - | (239,701,454) |
| Vehicle | (16,624,982) | (653,263) | - | - | (17,278,245) |
| Appliances health center | (47,200,496) | (8,773,050) | 7,152,374 | - | (48,821,172) |
| Total | (1,498,399,018) | (134,839,604) | 7,377,120 | - | (1,625,861,502) |
| Property, plant and equipment, net | <u>1,313,760,618</u> | | | | <u>1,335,105,197</u> |
| Baht | | | | | |
| Separate financial statements | | | | | |
| | Balance as at | Transaction during the year | | | Balance as at |
| | December 31, 2016 | Increase | Decrease | Transfer in (out) | December 31, 2017 |
| <u>At cost</u> | | | | | |
| Land and land improvements | 484,206,727 | - | - | - | 484,206,727 |
| Building and building improvement | 1,434,783,116 | 1,573,896 | - | 6,364,144 | 1,442,721,156 |
| Medical instruments and office appliances | 527,532,706 | 25,373,582 | (56,000,000) | 18,856,185 | 515,762,473 |
| Furniture fixture and equipment | 252,015,460 | 9,942,807 | - | 2,731,011 | 264,689,278 |
| Vehicle | 9,508,332 | - | - | - | 9,508,332 |
| Appliances health center | 69,195,841 | 8,082,566 | - | 150,000 | 77,428,407 |
| Assets in progress | 9,466,752 | 38,077,851 | - | (29,701,340) | 17,843,263 |
| Total | <u>2,786,708,934</u> | <u>83,050,702</u> | <u>(56,000,000)</u> | <u>(1,600,000)</u> | <u>2,812,159,636</u> |
| <u>Less Accumulated depreciation</u> | | | | | |
| Land improvements | (2,718,062) | (459,236) | - | - | (3,177,298) |
| Building and building improvement | (750,495,629) | (67,664,009) | - | - | (818,159,638) |
| Medical instruments and office appliances | (411,486,108) | (37,019,703) | 55,999,997 | - | (392,505,814) |
| Furniture fixture and equipment | (196,642,975) | (24,087,815) | - | - | (220,730,790) |
| Vehicle | (7,607,156) | (9,017,826) | - | - | (16,624,982) |
| Appliances health center | (46,558,982) | (641,514) | - | - | (47,200,496) |
| Total | <u>(1,415,508,912)</u> | <u>(138,890,103)</u> | <u>55,999,997</u> | <u>-</u> | <u>(1,498,399,018)</u> |
| Property, plant and equipment, net | <u>1,371,200,022</u> | | | | <u>1,313,760,618</u> |

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

As at December 31, 2018 and 2017, land with construction, plant and medical equipment of the Company and its subsidiaries with net book value of Baht 1,954.86 million and Baht 2,035.88 million (the Separate amount of Baht 350.61 million and Baht 378.43 million), respectively, were mortgaged as collateral of credit facilities from financial institutions as discussed in Note 18 and 21 to the financial statements.

As at December 31, 2018 and 2017, the Company and its subsidiaries had fixed assets with the depreciation fully calculated but still in use which had a cost value of Baht 1,648.32 million and Baht 1,413.10 million (the Separate amount of Baht 569.03 million and Baht 486.33 million), respectively.

As at December 31, 2018 and 2017, medical instruments and vehicle of the Company and its subsidiaries acquired under finance leases, have net book value of Baht 20.51 million and Baht 23.88 million (the Separate amount of Baht 15.99 million and Baht 21.09 million), respectively.

As at December 31, 2018, the Company had interest expense which is borrowing costs amounting to Baht 1.26 million with a capitalization at the rate 2.75% per annum.

16. GOODWILL

Consisted of:

| | Baht | |
|--|-----------------------------------|--------------------|
| | Consolidated financial statements | |
| | 2018 | 2017 |
| 1. Goodwill from acquisition investment in Chiang Mai Ram Medical Business Public Co., Ltd. by the Company | 424,723,212 | 424,723,212 |
| 2. Goodwill in the consolidated financial statements of Chiang Mai Ram Medical Business Public Co., Ltd., which is a reverse acquisition of Chiang Mai Ram Medical Business Public Co., Ltd., the legal parent but considered to be the acquires for accounting purpose, whose controlled by Chiang Mai Ram Hospital Co., Ltd., the legal subsidiary company but considered to be the acquirer for accounting purpose, after ordinary share exchange on February 25, 2008. | 89,343,728 | 89,343,728 |
| 3. Goodwill from acquisition investment in Hariphunchai Memorial Hospital Co., Ltd. by Chiang Mai Ram Medical Business Public Co., Ltd. | 209,148,791 | 209,148,791 |
| Total | <u>723,215,731</u> | <u>723,215,731</u> |

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follow :

| | Baht | | | |
|---|-----------------------------------|----------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Deferred tax assets | 25,222,960 | 22,574,505 | 10,948,689 | 10,117,767 |
| Deferred tax liabilities | (566,610,070) | (626,322,436) | (45,806,502) | (37,795,177) |
| Deferred tax assets (liabilities) - net | <u>(541,387,110)</u> | <u>(603,747,931)</u> | <u>(34,857,813)</u> | <u>(27,677,410)</u> |

Changes for the years ended December 31, 2018 and 2017 were summarized as follows:

| | Baht | | | |
|--------------------------------|-----------------------------------|------------------------------------|-------------------------------|-------------------|
| | Consolidated financial statements | | | |
| | Balance as at | Revenue (expenses) during the year | | Balance as at |
| | December 31, 2017 | In profit or loss | In other comprehensive income | December 31, 2018 |
| Deferred tax assets: | | | | |
| Trade receivables | 16,178,812 | (2,313,618) | - | 13,865,194 |
| Employee benefits obligations | 26,773,675 | 3,119,647 | (65,962) | 29,827,360 |
| Straight line method of rental | 14,229,819 | 374,750 | - | 14,604,569 |

| | | | | |
|---|---------------|-----------|------------|---------------|
| Unrealized loss on remeasuring available-for-sale investments | 1,152,313 | - | 176,758 | 1,329,071 |
| Other | 385,230 | - | - | 385,230 |
| Total | 58,719,849 | 1,180,779 | 110,796 | 60,011,424 |
| Deferred tax liabilities: | | | | |
| Financial lease contracts | (184,449) | 51,987 | - | (236,436) |
| Unrealized gain on remeasuring available-for-sale investments | 534,786,369 | - | 57,194,158 | 477,592,211 |
| Fair value adjustment of assets regarding business combinations | 127,865,860 | 3,823,101 | - | 124,042,759 |
| Total | 662,467,780 | 3,875,088 | 57,194,158 | 601,398,534 |
| Deferred tax assets (liabilities) - net | (603,747,931) | | | (541,387,110) |

| Baht | | | | |
|---|-------------------|------------------------------------|-------------------------------|-------------------|
| Consolidated financial statements | | | | |
| | Balance as at | Revenue (expenses) during the year | | Balance as at |
| | December 31, 2016 | In profit or loss | In other comprehensive income | December 31, 2017 |
| Deferred tax assets: | | | | |
| Trade receivables | 14,999,534 | 1,179,278 | - | 16,178,812 |
| Long-term loans to related party | 56,000 | (56,000) | - | - |
| Employee benefits obligations | 23,132,670 | 3,010,829 | 630,176 | 26,773,675 |
| Straight line method of rental | 13,750,670 | 479,149 | - | 14,229,819 |
| Unrealized loss on remeasuring available-for-sale investments | 1,037,193 | - | 115,120 | 1,152,313 |
| Other | 385,230 | - | - | 385,230 |
| Total | 53,361,297 | 4,613,256 | 745,296 | 58,719,849 |
| Deferred tax liabilities: | | | | |
| Financial lease contracts | 694,291 | 878,740 | - | (184,449) |
| Unrealized gain on remeasuring available-for-sale investments | 631,406,608 | - | 96,620,239 | 534,786,369 |
| Fair value adjustment of assets regarding business combinations | 131,688,961 | 3,823,101 | - | 127,865,860 |
| Total | 763,789,860 | 4,701,841 | 96,620,239 | 662,467,780 |
| Deferred tax assets (liabilities) - net | (710,428,563) | | | (603,747,931) |

| Baht | | | | |
|---|-------------------|------------------------------------|-------------------------------|-------------------|
| Separate financial statements | | | | |
| | Balance as at | Revenue (expenses) during the year | | Balance as at |
| | December 31, 2017 | In profit or loss | In other comprehensive income | December 31, 2018 |
| Deferred tax assets: | | | | |
| Trade receivables | 214,134 | 25,029 | - | 239,163 |
| Employee benefits obligations | 9,863,633 | 829,893 | - | 10,693,526 |
| Straight line method of rental | 40,000 | (24,000) | - | 16,000 |
| Total | 10,117,767 | 830,922 | - | 10,948,689 |
| Deferred tax liabilities: | | | | |
| Financial lease contracts | (184,450) | 51,986 | - | (236,436) |
| Unrealized gain on remeasuring available-for-sale investments | 37,979,627 | - | (8,063,311) | 46,042,938 |
| Total | 37,795,177 | 51,986 | (8,063,311) | 45,806,502 |
| Deferred tax assets (liabilities) - net | (27,677,410) | | | (34,857,813) |

| Separate financial statements | | | | |
|-------------------------------|-------------------|------------------------------------|-------------------------------|-------------------|
| | Balance as at | Revenue (expenses) during the year | | Balance as at |
| | December 31, 2016 | In profit or loss | In other comprehensive income | December 31, 2017 |

| | | | | |
|--|--------------|----------|-----------|--------------|
| Deferred tax assets: | | | | |
| Trade receivables | 216,506 | (2,372) | - | 214,134 |
| Long-term loans to related party | 56,000 | (56,000) | - | - |
| Employee benefits obligations | 9,063,624 | 800,009 | - | 9,863,633 |
| Straight line method of rental | 64,000 | (24,000) | - | 40,000 |
| Total | 9,400,130 | 717,637 | - | 10,117,767 |
| Deferred tax liabilities: | | | | |
| Financial lease contracts | 694,290 | 878,740 | - | (184,450) |
| Unrealized gain on remeasuring available- for-sale investments | 44,901,753 | - | 6,922,126 | 37,979,627 |
| Total | 45,596,043 | 878,740 | 6,922,126 | 37,795,177 |
| Deferred tax assets (liabilities) - net | (36,195,913) | | | (27,677,410) |

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

Consisted of:

| | Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Bank overdrafts | 4,169,960 | 6,532,860 | - | - |
| Short-term loans from financial institutions | 1,581,625,000 | 1,025,000,000 | 915,000,000 | 770,000,000 |
| Total | 1,585,794,960 | 1,031,532,860 | 915,000,000 | 770,000,000 |

As at December 31, 2018 and 2017, the Company and its subsidiaries had overdraft and short-term loan facilities with several domestic financial institutions amounted to Baht 4,495 million and Baht 3,995 million (the Separate amount of Baht 3,350 million and Baht 3,410 million), respectively. The interest bear at the rates of MOR% and 2.50 - 4.20% per annum and rates of MOR% and 2.50 - 4.20% per annum, respectively, and guaranteed by the investment property as discussed in Note 14 to the financial statements, land with construction and buildings of the Company and its subsidiaries as discussed in Note 15 to the financial statements and guaranteed by the shares of Vibharam Hospital Co., Ltd. of the Company as discussed in Note 11 to the financial statements and guaranteed by the shares of Chiang Mai Ram Medical Business Public Co., Ltd. of the Company as discussed in Note 12 to the financial statements.

19. SHORT-TERM LOANS FROM RELATED PARTIES

Changes in the short-term loans from related parties for the years ended December 31, 2018 and 2017 were summarized as follows:

| | Baht | | | |
|------------------------|-----------------------------------|-----------------------------|-------------------------|-------------|
| | Consolidated financial statements | | | |
| | As at December 31, 2017 | Transaction during the year | As at December 31, 2018 | |
| | Increase | Decrease | | |
| <u>Related persons</u> | | | | |
| Company's directors | 814,353,818 | 456,000,000 | (488,500,000) | 781,853,818 |

| Baht | | | | |
|-----------------------------------|-----------------------------|-------------|----------------------------|-------------|
| Consolidated financial statements | | | | |
| As at December 31, 2016 | Transaction during the year | | As at December 31, 2017 | |
| | Increase | Decrease | | |
| <u>Related persons</u> | | | | |
| Company's directors | 602,353,818 | 232,000,000 | (20,000,000) | 814,353,818 |

| Baht | | | | |
|-------------------------------|-----------------------------|-------------|----------------------------|-------------|
| Separate financial statements | | | | |
| As at December 31, 2017 | Transaction during the year | | As at December 31, 2018 | |
| | Increase | Decrease | | |
| <u>Related persons</u> | | | | |
| Company's directors | 184,000,000 | 320,000,000 | (312,000,000) | 192,000,000 |

| Baht | | | | |
|-------------------------------|-----------------------------|-------------|----------------------------|-------------|
| Separate financial statements | | | | |
| As at December 31, 2016 | Transaction during the year | | As at December 31, 2017 | |
| | Increase | Decrease | | |
| <u>Related persons</u> | | | | |
| Company's directors | 60,000,000 | 139,000,000 | (15,000,000) | 184,000,000 |

Related persons

As at December 31, 2018 and 2017, the Company had short-term loans from related persons in term of promissory notes, by issuing the 10 and 11 promissory notes, respectively which is due on June 30, 2019 and interest payable on quarterly basis at the interest rate of 3.00% - 3.50% per annum and rate of 3.00% - 3.75% per annum, respectively, under the condition that lenders are able to call for their loans before maturity and the Company can repay its loans before maturity

As at December 31, 2018 and 2017, the subsidiaries had short-term loans from related parties in term of promissory notes for a period of repayment 3 months and interest at the rates of 3.25% - 4.50% per annum and rate of 4.25% - 4.50% per annum, respectively. Such loans have on any securities guaranteed.

20. SHORT-TERM LOANS FROM OTHER PERSONS

Changes in the short-term loans from other persons for the years ended December 31, 2018 and 2017 were summarized as follows:

| Baht | | |
|-----------------------------------|-----------------------------|----------------|
| Consolidated financial statements | | |
| As at December | Transaction during the year | As at December |

| | 31, 2017 | Increase | Decrease | 31, 2018 |
|---------------|-------------|-----------|---------------|------------|
| Other persons | 206,650,000 | 1,500,000 | (139,750,000) | 68,400,000 |

Baht

| Consolidated financial statements | | | | |
|-----------------------------------|-----------------------------|------------|----------------|-------------|
| As at December | Transaction during the year | | As at December | |
| 31, 2016 | Increase | Decrease | 31, 2017 | |
| Other persons | 211,850,000 | 21,000,000 | (26,200,000) | 206,650,000 |

As at December 31, 2018 and 2017, the subsidiaries had short-term loans from other persons in term of promissory notes for a period of repayment 3 months and interest at the rates of 4.00% - 4.50% per annum. Such loan has no any securities guaranteed.

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of:

| | Baht | | | |
|-----------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Long-term loans | 2,105,354,098 | 2,407,166,667 | 1,067,661,716 | 1,071,840,000 |
| <u>Less Current portion</u> | (743,114,286) | (721,797,619) | (489,460,000) | (424,163,333) |
| Net | 1,362,239,812 | 1,685,369,048 | 578,201,716 | 647,676,667 |

Changes in the long-term loans from the financial institutions for the years ended December 31, 2018 and 2017 were as follows :

| | Baht | | | |
|-----------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2017 | 2018 | 2017 |
| Balance, beginning of the year | 2,407,166,667 | 1,521,379,792 | 1,071,840,000 | 722,600,000 |
| Addition loan during the year | 430,000,000 | 1,445,000,000 | 430,000,000 | 595,000,000 |
| Repayment of loan during the year | (731,812,569) | (559,213,125) | (434,178,284) | (245,760,000) |
| Balance, end of the year | 2,105,354,098 | 2,407,166,667 | 1,067,661,716 | 1,071,840,000 |

As at December 31, 2018 and 2017, the Company and its subsidiaries had long-term loan facilities from local commercial banks in the amount of Baht 4,850 million and Baht 4,750 million (the Separate amount of Baht 2,200 million and Baht 2,100 million), respectively, consist of:

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

The first loan: On August 25, 2010, the Company entered into a loan agreement in Baht currency with a local commercial bank to obtain Baht 300 million credit facility. Principal will repay by monthly basis at Baht 3.5 million. The loan has grace period for fully facility or 2 years after withdrawal the first installment of loan and to be repaid within 84 months. As at December 31,

2018 and 2017, the Company was withdrawn amount of Baht 300 million and loan balance of Baht 30.50 million and Baht 72.50 million, respectively.

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

| <u>After withdrawal the first installment of loan</u> | <u>Interest rate (per annum)</u> |
|---|----------------------------------|
| In the first - second year | MLR - 2.00% |
| In the third - fifth year | MLR - 1.75% |
| In the sixth - seventh year | MLR - 1.50% |
| After October 10, 2016 | FDR - 2.10% |

The second loan: On May 12, 2015, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million (withdrawal at once). The principal will be repaid by monthly basis at Baht 6.67 million and has grace period for 7 months after first withdrawal. The loan has a term of repayment within 30 months and the first installment of loans on November 2015, bear interest at the rate of 3.60% per annum. As at December 31, 2017, loan balance of Baht 26.58 million and in 2018, the Company had fully paid the principal.

The third loan: On May 20, 2015, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million (withdrawal at once). The principal will be repaid by monthly basis at Baht 3.70 million and has grace period for 7 months after first withdrawal. The loan has a term of repayment within 54 months and the first installment of loans on November 2015, bear interest at the rate of 3.80% per annum. As at December 31, 2018 and 2017, loan balance of Baht 59.40 million and Baht 103.80 million, respectively.

The fourth loan: On October 9, 2015 the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million (withdrawal at once). The principal will be repaid by monthly basis at Baht 3.70 million and has grace period for 7 months after first withdrawal. The loan has a term of repayment within 54 months and the first installment of loans on April 2016, bear interest at the rate of 3.80% per annum. As at December 31, 2018 and 2017, loan balance of Baht 77.90 million and Baht 122.30 million, respectively.

The fifth loan: On October 26, 2016, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million has been withdrawal amounting to Baht 160 million. The principal will be repaid by monthly basis at Baht 4.17 million and has grace period for 12 months after first withdrawal. The loan has a term of repayment within 60 months and the first installment of loans on October 2017, bear interest at the rate of 3.90% per annum. As at December 31, 2018 and 2017, loan balance of Baht 141.62 million and Baht 191.66 million, respectively.

The sixth loan: On June 16, 2017, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million which has been withdrawn amounting to Baht 200 million. The loan has a term of repayment within 36 months. The principal will be repaid by monthly basis at Baht 6.67 million after withdrawal the sixth installment of loan. The interest at the rate of short-term THBFIX 6 month (6M THBFIX) plus 1.35% per annum. The Company has entered into hedging agreement from interest rate with such bank at the fixed interest rate of 3.60% per annum. As at December 31, 2018 and 2017, loan balance of Baht 119.95 million and Baht 200.00 million, respectively.

The seventh loan: On July 17, 2017, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million which has been withdrawn amounting to Baht 165 million. The loan has a term of repayment within 36 months. The principal will be repaid by monthly basis at Baht 6.67 million after withdrawal the sixth installment of loan. The interest at the rate 3.60% per annum. As at December 31, 2018 and 2017, loan balance of Baht 84.96 million and Baht 165.00 million, respectively.

The eighth loan: On September 11, 2017, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 200 million which has been withdrawn amounting to Baht 190 million. The loan has a term of repayment within 36 months. The principal will be repaid by monthly basis at Baht 6.33 million after withdrawal the sixth installment of loan. The interest at the rate 3.40% per annum for the first Baht 50 million and 3.25% for Baht 140 million. As at December 31, 2018 and 2017, loan balance of Baht 123.33 million and Baht 190.00 million, respectively.

The ninth loan: On July 15, 2018, the Company entered into a loan agreement with a local commercial bank in the credit facility amount of Baht 200 million which has been withdrawn fully amount. The loan has a term of repayment within 36 months. The principal will be repaid by monthly basis at Baht 6.67 million after withdrawal the sixth installment of loan. The interest at the rate of short-term THBFIX 6 month (6M THBFIX) plus 1.35% per annum. The Company has entered into hedging agreement from interest rate with such bank at the fixed interest rate of 3.40% per annum. As at December 31, 2018, loan balance of Baht 200.00 million.

The tenth loan: On November 1, 2018, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 300 million which has been withdrawn amounting to Baht 230 million. The loan has a term of repayment within 36 months after withdrawal the first installment of loan. The interest at the rate 3.60% per annum. As at December 31, 2018, loan balance of Baht 230.00 million.

Its subsidiaries had loans from the local commercial bank consist of:

Chiang Mai Ram Medical Business Public Co.,Ltd.

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

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

The thirteenth loan : On August 26, 2016, Chiang Mai Ram Medical Business Public Co.,Ltd. Has entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount Baht 370 million which has been withdrawn amounting to Baht 370 million. The loan has a tem of repayment within 60 months. The principal will be repaid by monthly basis at Baht 6.17 million, bear interest at the rate of 3 month fixed deposit plus per 2% annum. As at December 31, 2018 and 2017, loan balance of Baht 197.24 million and Baht 271.28 million, respectively

Chiang Mai Ram Hospital Co., Ltd

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

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

The fifteenth loan : On June 17, 2016, Chiang Mai Ram Hospital Co.,Ltd. Has entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount Baht 250 million which has been withdrawn amounting Baht 250 million. The loan has a repayment term of 60 months with the principal payment monthly at Baht 4.20 per month at the interest rate of MLR minus 2% per

annum. As at December 31, 2018 and 2017, loan balance of Baht 124.00 million and Baht 174.40 million, respectively.

The sixteenth loan : On May 24, 2017, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 600 million which has been withdrawn amounting to Baht 600 million. The loan has a term of repayment within 84 months. The interest at the rate of 1 year fixed deposit plus 1.75% per annum. As at December 31, 2018 and 2017, loan balance of Baht 495.50 million and Baht 561.50 million, respectively.

The loan was repaid principal on monthly basis are as follows:

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

Theppanya Business Co.,Ltd.

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

Hariphunchai Memorial Hospital Co., Ltd.

The eighteenth loan : On February 21, 2013, Hariphunchai Memorial Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 70 million. The loan has a term of repayment within 5 years. The principal will be repaid installment 1 - 24 by monthly basis at Baht 1 million and installment 25 until onward at Baht 1.3 bear interest at the rate of 3 month fixed deposit plus 2.5% per annum. As at December 31, 2017, loan balance of Baht 1.80 million and in 2018, had fully paid the principal.

These long-term loans from the financial institutions were secured by the mortgage of the Company's and its subsidiaries' land with construction, plant and the Company has pledged this shares of

Chiang Mai Ram Medical Business Public Co., Ltd. as discussed in note 12 and medical equipment as discussed in Note 15 to the financial statements and transferred the right to receive rent and service income of the Company to secure the financial institutions. However, the thirteenth loan of the subsidiary in the amount of Baht 8 million were unsecured.

22. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Consisted of :

| | Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Liabilities under finance lease agreements | 19,826,556 | 23,759,655 | 17,174,825 | 22,008,123 |
| <u>Less Current portion</u> | <u>(9,427,241)</u> | <u>(9,597,914)</u> | <u>(8,201,400)</u> | <u>(8,726,975)</u> |
| Net | <u>10,399,315</u> | <u>14,161,741</u> | <u>8,973,425</u> | <u>13,281,148</u> |

| | Baht | | | | | |
|------------|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Consolidated financial statements | | | | | |
| | 2018 | | | 2017 | | |
| | Principal | Deferred interest | Net | Principal | Deferred interest | Net |
| 1 year | 9,427,241 | 696,887 | 10,124,128 | 9,597,914 | 895,928 | 10,493,842 |
| 1 - 5 year | 10,399,315 | 586,583 | 10,985,898 | 14,161,741 | 686,993 | 14,848,734 |
| Total | <u>19,826,556</u> | <u>1,283,470</u> | <u>21,110,026</u> | <u>23,759,655</u> | <u>1,582,921</u> | <u>25,342,576</u> |

| | Baht | | | | | |
|------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Separate financial statement | | | | | |
| | 2018 | | | 2017 | | |
| | Principal | Deferred interest | Net | Principal | Deferred interest | Net |
| 1 year | 8,201,400 | 527,340 | 8,728,740 | 8,726,975 | 803,478 | 9,530,453 |
| 1 - 5 year | 8,973,425 | 380,948 | 9,354,373 | 13,281,148 | 655,875 | 13,937,023 |
| Total | <u>17,174,825</u> | <u>908,288</u> | <u>18,083,113</u> | <u>22,008,123</u> | <u>1,459,353</u> | <u>23,467,476</u> |

As at December 31, 2018 and 2017, the Company and its subsidiaries had outstanding financial leases agreements with several local leasing companies comprised of 15 agreements and 16 agreements, respectively as follows:

The Company had outstanding finance leases agreements of vehicle and medical equipment of 13 agreements and 14 agreements, respectively, in the total leases amount of Baht 38.31 million and Baht 39.97 million, respectively with a term of payment in 24 - 60 months, and repaid in monthly of Baht 0.60 million and Baht 0.62 million, respectively.

The subsidiaries had outstanding finance leases agreements of vehicle of 2 agreements in the total leases amount of Baht 4.68 million with a term of payment in 48-60 months, and repaid in monthly of Baht 0.10 million.

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

23. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

| | Baht | | | |
|--|-----------------------------------|--------------------|-------------------------------|-------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Defined benefit obligations at the beginning of the year | 133,868,376 | 115,663,350 | 49,318,168 | 45,318,119 |
| Benefits paid by the plan | (7,036,832) | (4,955,718) | (3,541,124) | (3,331,810) |
| Current service costs and interest | 21,820,673 | 20,009,864 | 7,690,588 | 7,331,859 |
| Past service costs | 814,396 | - | - | - |
| Actuarial (gain) loss | (329,810) | 3,150,880 | - | - |
| Defined benefit obligations at the end of the year | <u>149,136,803</u> | <u>133,868,376</u> | <u>53,467,632</u> | <u>49,318,168</u> |

Expenses recognized in the statement of comprehensive income

For the years ended December 31, 2018 and 2017

| | Baht | | | |
|-----------------------------|-----------------------------------|-------------------|-------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Current service costs | | | | |
| Cost of medical treatment | 11,305,862 | 10,636,316 | 3,753,970 | 3,764,691 |
| Administrative expenses | 5,207,099 | 4,429,798 | 1,941,094 | 1,613,439 |
| Management benefit expenses | 26,098 | 23,873 | - | - |
| Interest on obligation | 5,281,614 | 4,919,877 | 1,995,524 | 1,953,729 |
| Total | <u>21,820,673</u> | <u>20,009,864</u> | <u>7,690,588</u> | <u>7,331,859</u> |

Gain (loss) from the estimate based on actuarial principles recognized in the other comprehensive income for the years ended December 31, 2018 and 2017 arise from :-

| | Baht | | | |
|-----------------------------|-----------------------------------|---------|-------------------------------|------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Improvement from experience | 1,927,826 | 788,511 | - | - |

| | | | | |
|------------------------|-------------|-------------|---|---|
| Demographic assumption | (2,039,677) | 70,693 | - | - |
| Financial assumption | 441,661 | (4,010,084) | - | - |
| Total | 329,810 | (3,150,880) | - | - |

Principal actuarial assumptions in the estimates base on the actuarial principles.

| | Percentage | | | |
|------------------------|---|---|---|---|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Discount rate | 2.76 - 3.63 | 3.48 - 3.99 | 3.52 | 3.52 |
| Salary increase rate | 3.00 - 6.70 | 3.00 - 6.70 | 5.40 | 5.40 |
| Employee turnover rate | 0.00 - 26.37 | 0.00 - 23.98 | 0.00-23.13 | 0.00-23.13 |
| Disability rate | 10.00 of mortality rate | 10.00 of mortality rate | 10.00 of mortality rate | 10.00 of mortality rate |
| Mortality rate | 100.00 of mortality rate according to Thai mortality table 2008, 2017 male and female tables | 100.00 of mortality rate according to Thai mortality table 2008 male and female tables | 100.00 of mortality rate according to Thai mortality table 2008 male and female tables | 100.00 of mortality rate according to Thai mortality table 2008 male and female tables |

Sensitivity analysis

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

| | Baht | | | |
|----------------------|----------------------------------|--------------|-------------------------------|-------------|
| | Consolidate financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Discount rate | | | | |
| 1% Increase | (16,472,654) | (14,795,509) | (4,707,475) | (4,311,342) |
| 1% Decrease | 19,827,675 | 17,748,852 | 5,510,135 | 5,023,921 |
| Salary increase rate | | | | |
| 1% Increase | 22,476,114 | 18,976,178 | 6,460,713 | 5,407,341 |
| 1% Decrease | (18,863,453) | (16,079,049) | (5,582,814) | (4,720,851) |
| Turnover rate | | | | |
| 10% Increase | (5,677,954) | (5,103,737) | (1,845,515) | (1,636,470) |
| 10% Decrease | 6,247,375 | 5,609,049 | 2,069,867 | 1,824,947 |

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 43.70 million (the Separate approximately Baht 16.34 million) , resulting in the decrease in profit approximately Baht 34.96 million (the Separate approximately Baht 13.07 million).

24. SHARE CAPITAL

At the Annual General Meeting of Shareholders for the year 2017, held on April 27, 2017, the shareholders had the important resolutions, as follows:

1) Decrease of the registered capital of the Company

The shareholders resolved to approve the decrease of registered capital of the Company from the existing amount of Baht 1,464,490,925 to Baht 1,362,526,255. The decreased registered capital is amount of Baht 101,964,670 by canceling the 1,019,646,700 unissued ordinary shares at par value of Baht 0.10.

2) Issuance and offering of warrants to purchase new ordinary shares of the Company

2.1) The shareholders resolved to approve the issuance and offering of warrants to purchase new ordinary shares of the Company No.3 (VIBHA-W3) in the number not exceeding 1,012,587,386 units to the existing shareholders of the Company at the allocation ratio of 13 existing ordinary shares for 1 unit of warrant, without specifying the offering price. The 1 unit of warrant can purchase for 1 ordinary share at the price of Baht 3.00 per share. The Company fixed the names of shareholders who are the right to receive warrants, whose names appear in the Register of Shareholders on May 12, 2017. The warrant has a term of 5 years from the date of warrant issuance (June 15, 2017), the first exercise is on September 30, 2017 and the trading date is on August 4, 2017.

2.2) The shareholders resolved to approve the issuance and offering of warrants to purchase new ordinary shares of the Company No.2 (ESOP-W2) in the number not exceeding 300,000,000 units to the directors, managers, and employees of the Company and/or Subsidiaries. The 1 unit of warrant can purchase for 1 ordinary share at the price of Baht 4.00 per share.

3) Increase of the registered capital of the Company

The shareholders resolved to approve the increase of registered capital of the Company from the existing amount of Baht 1,362,526,255 to Baht 1,493,784,994. The increased registered capital is amount of Baht 131,258,739 by issuing 1,312,587,386 ordinary shares at par value of Baht 0.10. The such increase of registered capital is reserved for the issuance and offering of warrants to purchase new ordinary shares to the existing shareholders (VIBHA-W3) in the number of 1,012,587,386 shares and

the directors, managers, and employees of the Company and/or Subsidiaries (ESOP-W2) in the number of 300,000,000 shares.

The registration of the change in the reduction and the increase of the Company's registered capital on May 11, 2017.

25. WARRANTS

At the Annual General Meeting of Shareholders of the company for the year 2015 held on April 28, 2015, the shareholders approved an issuance of the warrant to purchase of ordinary share of Vibhavadi Medical Center Public Company Limited No. 2 (VIBHA-W2) at the amount of 1,048,097,120 units to the Company's existing shareholders at a ratio of 12 existing shares per 1 warrant and on June 15, 2015, the Company issued such warrants at free of charge to the Company's existing shareholders on a proportion basis. Details of which are as follows:

| | | |
|-----------------------|---|---|
| Type of warrant | : | Warrants to purchase of ordinary shares of Vibhavadi Medial Center Public Company Limited Series#2 (VIBHA-W2) |
| Type | : | Transferable named certificate |
| Offering / Allocation | : | Offered to existing shareholders |
| Amount of warrants | : | 1,048,093,059 units |
| Offering price | : | Baht 0 per unit |
| Terms of warrants | : | 5 years from the issuing date |
| Exercise ratio | : | 1 unit of warrant per new 1 ordinary share |
| Exercise price | : | Baht 1.00 per share |
| Exercise period | : | On the last business day of September throughout the warrant term |
| First exercise date | : | September 30, 2015 |
| Last exercise date | : | June 12, 2020 |

At the Annual General Meeting of Shareholders of the Company for the year 2017 held on April 27, 2017, the shareholders approved an issuance of the warrant to purchase of ordinary share of Vibhavadi Medical Center Public Company Limited No. 2 (VIBHA-W3) at the amount of 1,012,587,386 units to the Company's existing shareholders at a ratio of 13 existing shares per 1 warrant and on June 15, 2017, the Company issued such warrants at free of charge to the Company's existing shareholders on a proportion basis. Details of which are as follows:

| | | |
|-----------------------|---|---|
| Type of warrant | : | Warrants to purchase of ordinary shares of Vibhavadi Medial Center Public Company Limited Series#3 (VIBHA-W3) |
| Type | : | Transferable named certificate |
| Offering / Allocation | : | Offered to existing shareholders |

| | | |
|---------------------|---|---|
| Amount of warrants | : | 1,012,582,207 units |
| Offering price | : | Baht 0 per unit |
| Terms of warrants | : | 5 years from the issuing date |
| Exercise ratio | : | 1 unit of warrant per new 1 ordinary share |
| Exercise price | : | Baht 3.00 per share |
| Exercise period | : | On the last business day of September throughout the warrant term |
| First exercise date | : | September 30, 2017 |
| Last exercise date | : | June 14, 2022 |

At the Annual General Meeting of Shareholders of the Company for the year 2018 held on April 26, 2018, the meeting has resolved to approved the annual dividend payment at the rate of Baht 0.036 per share or 90.66 percent of the Company's net profit (based on the Company's separate financial statements). Since the condition of rights adjustment pursuant to Clause 5.5 of the warrants covenants of rights and duties of the issuer and holders of the warrants to purchase ordinary shares of the company no.2 and 3 (VIBHA-W2 and VIBHA-W3), effective date for adjust on May 9, 2018.

Therefore, the Company will have adjustment of rights of the warrants to purchase ordinary shares of the Company No.2 and 3 (VIBHA-W2 and VIBHA-W3). The Exercise price and Exercise ratio as follows:

1. VIBHA-W2

| | | |
|--------------------|---|---|
| New Exercise price | : | Baht 0.999 per share |
| New Exercise ratio | : | 1 warrant shall be entitled to purchase 1.00086 ordinary shares |

2. VIBHA-W3

| | | |
|--------------------|---|---|
| New Exercise price | : | Baht 2.997 per share |
| New Exercise ratio | : | 1 warrant shall be entitled to purchase 1.00086 ordinary shares |

And at the Annual General Meeting of Shareholders of the Company for the year 2017 held on April 27, 2017, and the Extraordinary General Meeting No.1/2017 held on November 21, 2017, to allocate the warrants to purchase ordinary shares of the Company to directors and employees of the company and/or its subsidiaries (ESOP-W2) amount 300 million units and on June 15, 2018, the Company issued such warrants at free of charge. Details of which are as follows:

| | | |
|-----------------------|---|---|
| Type of warrant | : | warrants to purchase ordinary shares of the Company to directors and employees of the company and/or its subsidiaries (ESOP-W2) |
| Offering / Allocation | : | Offered to the Company to directors and employees of the company and/or its subsidiaries |
| Amount of warrants | : | 300,000,000 units |
| Offering price | : | Baht 0 per unit |
| Terms of warrants | : | 5 years from the issuing date |
| Exercise ratio | : | 1 unit of warrant per new 1 ordinary share |
| Exercise price | : | Baht 3.00 per share |
| Exercise period | : | On the last business day of September throughout the warrant term |
| First exercise date | : | September 28, 2018 |

Last exercise date : June 14, 2023

Movements of the Company's warrants during the year are as follows :-

| Warrant | Units | | | |
|----------|--|---|--|--|
| | Number of warrants outstanding as at December 31, 2017 | Number of warrants issued during the year | Number of warrants exercised during the year | Number of warrants outstanding as at December 31, 2018 |
| | VIBHA-W2 | 429,128,330 | - | 2,433,662 |
| VIBHA-W3 | 1,011,778,516 | - | 738 | 1,011,777,778 |
| ESOP-W2 | - | 300,000,000 | - | 300,000,000 |
| Total | 1,440,906,846 | 300,000,000 | 2,434,400 | 1,738,472,446 |

The exercises warrants for the years ended December 31, 2018 and 2017 and registration of share increasing for exercised warrants were summarized as follows:

| | | | Baht | | |
|--------------------|--|--------------------------------|---|---------------------------|-----------|
| | | | 2018 | | |
| | | | Consolidated / Separated financial statements | | |
| Exercise date | Registration of share increasing date | Number of exercised warrant | Share capital increase | Share premium accounts | Amount |
| September 28, 2018 | October 22, 2018 | 2,434,400 | 243,440 | 2,190,000 | 2,433,440 |

| | | | Baht | | |
|--------------------|--|--------------------------------|---|---------------------------|------------|
| | | | 2017 | | |
| | | | Consolidated / Separated financial statements | | |
| Exercise date | Registration of share increasing date | Number of exercised warrant | Share capital increase | Share premium accounts | Amount |
| September 28, 2017 | November 1, 2017 | 33,297,832 | 3,329,783 | 31,575,431 | 34,905,214 |

26. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5 % of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10 % of authorized share capital. The reserve is not available for dividend distribution. As at December 31, 2018 and 2017, the Company appropriated the legal reserve amounted to Baht 14.48 million and Baht 0.33 million, respectively.

27. APPROPRIATION OF RETAINED EARNING

For the Company

At the Annual General Meeting of shareholders of the Company for the year 2018 held on April 26, 2018, the shareholders approved the dividend payment of for the performance result of the fiscal year 2017, at

the rate of Baht 0.036 per share, totaling Baht 475.09 million and the appropriation of profits as a legal reserve in the amount of Baht 0.33 million. The Company fixed the names of shareholders who are entitled to received dividend, whose names appear in the Register of Shareholders on May 10, 2018. The dividend was paid to the shareholders on May 25, 2018.

At the Annual General Meeting of shareholders for the year 2017 held on April 27, 2017, the shareholders approved the dividend payment of for the performance result of the fiscal year 2016, at the rate of Baht 0.035 per share, totaling Baht 460.73 million and the appropriation of profits as a legal reserve in the amount of Baht 0.64 million. The Company fixed the names of shareholders who are entitled to received dividend, whose names appear in the Register of Shareholders on May 11, 2017. The dividend paid to the shareholders on May 25, 2017.

For the subsidiary company - Chiang Mai Ram Medical Business Public Co., Ltd.

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

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

For the indirect subsidiary company - Chiang Mai Ram Hospital Co., Ltd.

At the Annual General Meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018, the shareholders approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at the rate of Baht 3.75 per share, totaling Baht 150.00 million. The dividend paid to the shareholders on May 22, 2018.

At the Annual General Meeting of the shareholder's subsidiary company for the year 2017 held on April 22, 2017, the shareholders approved to pay dividend for the year 2016 from the operating result since January 1, 2016 to December 31, 2016 at the rate of Baht 3.00 per share, totaling Baht 120.00 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 6.32 million. The dividend paid to the shareholders on May 22, 2017.

For the indirect subsidiary company - Theppanya Business Co., Ltd.

At the Annual General Meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018, the shareholders approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at the rate of Baht 2.00 per share, totaling Baht 9.42 million. The dividend paid to the shareholders on May 22, 2018.

For the indirect subsidiary company - Hariphunchai Memorial Hospital Co., Ltd.

At the Annual General Meeting of the shareholder's subsidiary company for the year 2018 held on April 21, 2018, the shareholders approved to pay dividend for the year 2017 from the operating result since January 1, 2017 to December 31, 2017 at the rate of Baht 1.00 per share, totaling Baht 30.00 million. The dividend paid to the shareholders on April 30, 2018.

At the Annual General Meeting of the shareholder's subsidiary company for the year 2017 held on April 22, 2017, the shareholders approved to pay dividend from the operating result since July 1, 2016 to December 31, 2016 at the rate of Baht 0.30 per share. The dividend paid to the shareholders on May 22, 2017.

28. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2018, the Group's debt-to-equity ratio was 0.66 : 1 (as at December 31, 2017 was 0.64 : 1) and the Company's was 0.53 : 1 (as at December 31, 2017 was 0.51: 1).

29. REVENUE FROM SOCIAL SECURITY

In the third quarter of 2018, the indirect subsidiaries - Theppanya Business Co., Ltd. and Hariphunchai Memorial Hospital Co., Ltd. had notified the results for medical services fee for the amount that exceeds the hospital's refund amount. The percentage of detected AdjRW was incorrect from the refunded amount of medical services fee in 2015 at the amount of Baht 85.41 million that results from the medical records examination of the Social Security Office by random method not less than 10 percent of the amount of information available at that time to consider in order to pay such refund medical services fee. Such random method was effective from July 1, 2014, onwards.

The resolution from the management of the two indirect subsidiaries was to record the expected money return from the Social Security Office at the total amount by recording the reduction of income from medical treatment in the statement of comprehensive income for the year ended December 31, 2018 at the amount of Baht 85.40 million. The Social Security Office refunded such deduction amount from the medical service for the medical services for in-patients with high cost diseases and for package payment at the total amount of Baht 25.76 million. The outstanding balance to be refunded from the hospital is totaled Baht 59.64 million. The Social Security Office will deduct the package payment of the medical services fee for 12 installments. In 2018, the Social Security Office has deducted one installment for the package payment of the medical services fee at the amount of Baht 5.10 million. As at December 31, 2018, the balance funds received in advance from Social Security Office is Baht 54.61 million in the statements of financial position.

30. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 were as follows:

| | Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Medical supplies and other supplies | 971,671,907 | 867,503,031 | 339,582,426 | 318,908,199 |
| Expenses from external medical service | 183,134,463 | 164,403,177 | 45,145,798 | 49,310,782 |
| Cost of lab and x-ray | 127,457,047 | 119,700,007 | 35,503,096 | 33,276,988 |
| Doctor fee | 1,397,850,802 | 1,273,914,301 | 539,497,872 | 488,410,901 |
| Cost of nutriment | 74,985,083 | 74,123,016 | 9,507,105 | 9,074,592 |
| Employee benefit expenses | 1,386,250,783 | 1,284,382,540 | 522,900,584 | 491,664,880 |
| Management benefit expense | 106,795,688 | 97,983,892 | 47,709,200 | 41,213,000 |
| Depreciation and amortization expenses | 412,539,848 | 397,574,700 | 138,856,614 | 142,761,610 |
| Repair and maintenance expenses | 113,871,891 | 108,088,820 | 43,482,846 | 44,407,825 |
| Utility expense | 132,040,398 | 126,664,402 | 45,012,641 | 43,872,181 |

31. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act.

The Company's contributions for the years ended December 31, 2018 and 2017 were amounted to Baht 4.87 million and Baht 4.67 million, respectively.

32. INCOME TAX EXPENSES

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

| | Baht | | | |
|--|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Income tax expenses shown in profit or loss : | | | | |
| Current income tax: | | | | |
| Income tax for the year | 194,471,688 | 205,635,800 | 87,873,472 | 78,346,601 |
| Deferred tax: | | | | |
| Changes in temporary differences relating to the | | | | |
| original recognition and reversal | (5,055,867) | (9,315,097) | (882,908) | (1,596,377) |
| Total | 189,415,821 | 196,320,703 | 86,990,564 | 76,750,224 |

Income tax relating to components of other comprehensive income:

Deferred tax relating to gain (loss) from :-

| | | | | |
|--|---------------------|---------------------|------------------|--------------------|
| Remeasuring available-for-sale investments | (57,370,916) | (96,735,358) | 8,063,312 | (6,922,126) |
| Actuarial on define employee benefit plans | 65,962 | (630,176) | - | - |
| Total | <u>(57,304,954)</u> | <u>(97,365,534)</u> | <u>8,063,312</u> | <u>(6,922,126)</u> |

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

| | Baht | | | |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Accounting profit for the year | 1,065,824,225 | 1,260,845,936 | 739,887,602 | 600,811,805 |
| The applicable tax rate (%) | 20 | 20 | 20 | 20 |
| Income tax expense at the applicable tax rate | 213,164,845 | 252,169,187 | 147,977,520 | 120,162,361 |
| | Baht | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Reconciliation items: | | | | |
| Tax effect of expenses that are not deductible in determining tax profit: | | | | |
| - Expenses not allowed as expenses in determining taxable profit | 5,714,385 | 3,035,354 | 950,720 | 560,010 |
| Tax effect of income or profit that are not required in determining taxable profit: | | | | |
| - Exemption of non-taxable dividend income | (14,240,848) | (10,816,873) | (57,677,325) | (38,587,708) |
| - Share of profit of associates | (3,124,717) | (32,605,166) | - | - |
| - Others | (15,719,274) | (16,851,405) | (4,260,351) | (5,384,439) |
| Unrecognized tax | - | (530,302) | - | - |
| Unrecognized tax losses on deferred tax assets | 3,621,430 | 1,919,908 | - | - |
| Total reconciliation items | <u>(23,749,024)</u> | <u>(55,848,484)</u> | <u>(60,986,956)</u> | <u>(43,412,137)</u> |
| Total income tax expense | <u>189,415,821</u> | <u>196,320,703</u> | <u>86,990,564</u> | <u>76,750,224</u> |

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

| | Consolidated financial statements | | | |
|---|-----------------------------------|-----------------|----------------------|-----------------|
| | 2018 | | 2017 | |
| | Tax amount (Baht) | Tax rate (%) | Tax amount (Baht) | Tax rate (%) |
| Accounting profit before income tax expenses for the year | 1,065,824,225 | | 1,260,845,936 | |
| Income tax expenses at the applicable tax rate | 213,164,845 | 20.00 | 252,169,187 | 20.00 |
| Reconciliation items | (23,749,024) | (2.23) | (55,848,484) | (4.43) |
| Income tax expenses at the average effective tax rate | <u>189,415,821</u> | <u>17.77</u> | <u>196,320,703</u> | <u>15.57</u> |

| | Separate financial statements | | | |
|---|-------------------------------|-----------------|----------------------|-----------------|
| | 2018 | | 2017 | |
| | Tax amount (Baht) | Tax rate (%) | Tax amount (Baht) | Tax rate (%) |
| Accounting profit before income tax expenses for the year | 739,887,602 | | 600,811,805 | |
| Income tax expenses at the applicable tax rate | 147,977,520 | 20.00 | 120,162,361 | 20.00 |
| Reconciliation items | (60,986,956) | (8.24) | (43,412,137) | (7.23) |
| Income tax expenses at the average effective tax rate | 86,990,564 | 11.76 | 76,750,224 | 12.77 |

33. OPERATING SEGMENT

The Company and its subsidiaries operate in 2 main reportable operating segments in one geographical area, Thailand as follows :

| Type of operating segment | Nature of operating segment |
|---------------------------|---|
| Hospital | General Hospital, Hospital in Social Security and the National Health Security Office systems |
| Others | Rental and Hotel services |

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the basis consistent with that used to assess operating profit or loss in the financial statements.

Operating segment information for the years ended December 31, 2018 and 2017 were as follows :

| | Baht | | | | | |
|---|-----------------------------------|-----------------|---------------|---------------|-----------------|-----------------|
| | Consolidated financial statements | | | | | |
| | Hospital | | Others | | Total | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenue from services | 6,367,334,641 | 5,983,218,285 | 106,709,959 | 118,735,222 | 6,474,044,600 | 6,101,953,507 |
| Cost of services | | | | (106,419,603) | (4,529,489,838) | |
| | (4,425,382,098) | (4,042,501,640) | (104,107,740) | | | (4,148,921,243) |
| Gross profit | 1,941,952,543 | 1,940,716,645 | 2,602,219 | 12,315,619 | 1,944,554,762 | 1,953,032,264 |
| Unallocated other income (other expenses) | | | | | | |
| Dividend income | | | | | 80,820,750 | 59,676,559 |
| Gain on sale of investment | | | | | 4,008,054 | 9,336,195 |
| Other income | | | | | 96,363,078 | 100,295,046 |

| | | |
|-------------------------------|----------------------|----------------------|
| Administrative expenses | (915,851,845) | (868,969,680) |
| Finance cost | (159,694,158) | (153,477,249) |
| Share of profit of associates | 15,623,584 | 160,952,801 |
| Income tax expenses | <u>(189,415,821)</u> | <u>(196,320,703)</u> |
| Profit for the year | <u>876,408,404</u> | <u>1,064,525,233</u> |

34. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the years by the weighted average number of ordinary shares which are issued and paid-up during the years after adjusting the number of ordinary shares to reflect the impact of the changing of par value as discussed in Note 24 to the financial statements. The prior year basic earnings per share has been recalculated as if the changing of par value had been changed at the beginning of the earliest year reported.

Diluted earnings per share is computed by dividing profit for the years by the aggregate amount of the weighted average number of ordinary shares issued during the years and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

For the years ended December 31, 2018 and 2017.

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Profit for the year of parent company (Baht) | <u>723,672,451</u> | <u>868,549,707</u> | <u>652,897,038</u> | <u>524,061,581</u> |
| Weighted average number of ordinary shares (Shares) | 13,197,407,391 | 13,169,200,861 | 13,197,407,391 | 13,169,200,861 |
| Weighted average number of ordinary shares under warrants (VIBHA-W2) (Shares) | 428,494,911 | 453,254,117 | 428,494,911 | 453,254,117 |
| Weighted average number of ordinary shares under warrants (VIBHA-W3) (Shares) | 1,011,778,323 | 1,012,204,472 | 1,011,778,323 | 1,012,204,472 |
| Weighted average number of ordinary shares under warrants (VIBHA-W3) (Shares) | 300,000,000 | - | 300,000,000 | - |
| Number of ordinary shares that would have been issued at fair value (Shares) | <u>(152,818,233)</u> | <u>(161,810,154)</u> | <u>(152,818,233)</u> | <u>(161,810,154)</u> |
| Weighted average number of ordinary share plus effect of assumed conversion (Shares) | <u>14,784,862,392</u> | <u>14,472,849,296</u> | <u>14,784,862,392</u> | <u>14,472,849,296</u> |
| Basic earnings per share (Baht per share) | <u>0.0548</u> | <u>0.0660</u> | <u>0.0495</u> | <u>0.0398</u> |
| Diluted earnings per share (Baht per share) | <u>0.0489</u> | <u>0.0600</u> | <u>0.0442</u> | <u>0.0362</u> |

35. FINANCIAL INSTRUMENTS

35.1 Risk management

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

35.2 Interest rate risk

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

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

| | Baht | | | |
|--|-----------------------------------|-------------------------|-------------------------|---------------|
| | Consolidated financial statements | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | - | 296,561,130 | 10,559,408 | 307,120,538 |
| Trade receivables | - | - | 677,690,317 | 677,690,317 |
| Short-term loans to related parties | - | 336,300,000 | - | 336,300,000 |
| Fixed deposits pledged as collateral | - | 44,487,957 | - | 44,487,957 |
| Investments | - | - | 6,796,650,522 | 6,796,650,522 |
| Long-term loans to related parties | - | 29,625,000 | - | 29,625,000 |
| Long-term loans to other persons | - | 3,985,000 | - | 3,985,000 |
| <u>Financial liabilities</u> | | | | |
| Bank overdrafts and short-term loans from financial institutions | | | | |
| | 4,169,960 | 1,581,625,000 | - | 1,585,794,960 |
| Trade payables | - | - | 311,116,646 | 311,116,646 |
| Short-term loans from related parties | - | 781,853,818 | - | 781,853,818 |
| Short-term loan from other persons | - | 68,400,000 | - | 68,400,000 |
| Long-term loans from financial institutions | 1,968,192,382 | 1,037,161,716 | - | 2,105,354,098 |
| Liabilities under finance lease agreements | - | 19,826,556 | - | 19,826,556 |
| | Baht | | | |
| | Separate financial statements | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| <u>Financial assets</u> | | | | |

| | | | | |
|---|------------|---------------|---------------|---------------|
| Cash and cash equivalents | - | 39,957,179 | 1,343,352 | 41,300,531 |
| Trade receivables | - | - | 129,772,592 | 129,772,592 |
| Short-term loans to related parties | - | 108,000,000 | - | 108,000,000 |
| Investments | - | - | 5,583,562,188 | 5,583,562,188 |
| <u>Financial liabilities</u> | | | | |
| Bank overdrafts and short-term loans from financial | | | | |
| institutions | - | 915,000,000 | - | 915,000,000 |
| Trade payables | - | - | 100,163,501 | 100,163,501 |
| Short-term loans from related parties | - | 192,000,000 | - | 192,000,000 |
| Long-term loans from financial institutions | 30,500,000 | 1,037,161,716 | - | 1,067,661,716 |
| Liabilities under finance lease agreements | - | 17,174,825 | - | 17,174,825 |

35.3 Credit risk

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

35.4 Foreign currency risk

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

35.5 Liquidity risk

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

35.6 Fair value

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards,

except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

- Level 1- Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

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

| Baht | | | | |
|---|----------------------|----------------|----------|----------------------|
| Consolidated financial statements | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Current investments-Unit trust | - | 766,088 | - | 766,088 |
| Available-for-sale investments - Equity | 3,656,549,151 | - | - | 3,656,549,151 |
| Total | <u>3,656,549,151</u> | <u>766,088</u> | <u>-</u> | <u>3,657,315,239</u> |
| | | | | |
| Baht | | | | |
| Separate financial statements | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Available-for-sale investments - Equity | 1,349,069,720 | - | - | 1,349,069,720 |

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

Valuation techniques and inputs for Level 2 valuations

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

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

| Baht | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| Consolidated financial statements | | | | |
| | Balance as at | Cash flows | Non-cash transaction | Balance as at |
| | January 1, 2018 | Increase (decrease)* | Increase | December 31, 2018 |
| Short-term loans from financial institutions | 1,031,532,860 | 554,262,100 | - | 1,585,794,960 |
| Short-term loans from related parties | 814,353,818 | (32,500,000) | - | 781,853,818 |
| Short-term loans from other persons | 206,650,000 | (138,250,000) | - | 68,400,000 |
| Long-term loans from financial institutions | 2,407,166,667 | (301,812,569) | - | 2,105,354,098 |
| Liabilities under finance lease agreements | 23,759,655 | (9,169,659) | 5,236,560 | 19,826,556 |
| Total | <u>4,483,463,000</u> | <u>72,529,872</u> | <u>5,236,560</u> | <u>4,561,229,432</u> |

| Baht | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| Consolidated financial statements | | | | |
| | Balance as at | Cash flows | Non-cash transaction | Balance as at |
| | January 1, 2017 | Increase (decrease)* | Increase | December 31, 2017 |
| Short-term loans from financial institutions | 1,228,270,593 | (196,737,733) | - | 1,031,532,860 |
| Short-term loans from related parties | 602,353,818 | 212,000,000 | - | 814,353,818 |
| Short-term loans from other persons | 211,850,000 | (5,200,000) | - | 206,650,000 |
| Long-term loans from financial institutions | 1,521,379,792 | 885,786,875 | - | 2,407,166,667 |
| Liabilities under finance lease agreements | 21,993,719 | (6,799,845) | 8,565,781 | 23,759,655 |
| Total | <u>3,585,847,922</u> | <u>889,049,297</u> | <u>8,565,781</u> | <u>4,483,463,000</u> |

| Baht | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| Separate financial statements | | | | |
| | Balance as at | Cash flows | Non-cash transaction | Balance as at |
| | January 1, 2018 | Increase (decrease)* | Increase | December 31, 2018 |
| Short-term loans from financial institutions | 770,000,000 | 145,000,000 | - | 915,000,000 |
| Short-term loans from related parties | 184,000,000 | 8,000,000 | - | 192,000,000 |
| Long-term loans from financial institutions | 1,071,840,000 | (4,178,284) | - | 1,067,661,716 |
| Liabilities under finance lease agreements | 22,008,123 | (8,325,807) | 3,492,509 | 17,174,825 |
| Total | <u>2,047,848,123</u> | <u>140,495,909</u> | <u>3,492,509</u> | <u>2,191,836,541</u> |

| Baht | | | | |
|-------------------------------|---------------|------------|----------------------|---------------|
| Separate financial statements | | | | |
| | Balance as at | Cash flows | Non-cash transaction | Balance as at |

| | January 1, 2017 | Increase (decrease)* | Increase | December 31, 2017 |
|--|----------------------|----------------------|------------------|----------------------|
| Short-term loans from financial institutions | 938,918,087 | (168,918,087) | - | 770,000,000 |
| Short-term loans from related parties | 60,000,000 | 124,000,000 | - | 184,000,000 |
| Long-term loans from financial institutions | 722,600,000 | 349,240,000 | - | 1,071,840,000 |
| Liabilities under finance lease agreements | 19,832,841 | (5,910,892) | 8,086,174 | 22,008,123 |
| Total | <u>1,741,350,928</u> | <u>298,411,021</u> | <u>8,086,174</u> | <u>2,047,848,123</u> |

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

37. COMMITMENTS

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

- 37.1 The Company and its subsidiaries had capital commitments in respect of the construction of plant and equipment amounting to Baht 68.76 million (the Separate at Baht 47.79 million).
- 37.2 The subsidiary entered into an agreement to lease a building from the National Housing Authority for room rental business until ending on March 1, 2032. The subsidiary has commitment to pay rental under this lease , as follows:

| | Baht |
|-----------------------|--------------------------------------|
| | Consolidated financial statements |
| <u>Payment within</u> | |
| 1 year | 24,853,748 |
| 2 - 5 year | 99,414,990 |
| Over 5 year | 205,043,418 |
| | <u>329,312,156</u> |

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

| | Baht | |
|-----------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| <u>Payment within</u> | | |
| 1 year | 16,938,592 | 6,425,831 |
| 2 - 5 year | 15,465,120 | 11,317,361 |
| | <u>32,403,712</u> | <u>17,743,192</u> |

38. CONTINGENT LIABILITIES

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

- 38.1 The Company had contingently liable for financial institutions guarantees issued to government agency amounted to Baht 4.89 million.

38.2 The Company had contingently liable for financial institutions guarantees issued to government agency for subsidiary amounted to Baht 7.39 million.

38.3 The subsidiaries had contingently liable for bank guarantee for electricity usage, post office department social security office and bank aval, amounted to Baht 40.04 million.

39. EVENTS AFTER THE REPORTING PERIOD

For the Company

At the Board of Directors of the Company No.1/2019 resolved to approve to purchase ordinary shares of Ramkhamhaeng Hospital Public Company Limited (“RAM”) amounting to 500,000 shares or 4.17% of the total number of ordinary shares of RAM at price of Baht 2,800 per share (Par 10 Baht), amount of Baht 1,400 million from Bangkok Dusit Medical Service PCL. “BDMS”. The Company paid on February 18, 2019.

And on February 27, 2019, the Board of Company’s Director’s Meeting passed a resolution to propose to the Annual General Meeting of shareholders for the year 2019 to adopt a resolution to pay dividend of Baht 0.040 per share, or a total of Baht 527.97 million, to the shareholders in respect of profit 2018. The dividend will be paid after it is approved by the Annual General Meeting of Company’s shareholders.

For the subsidiary company - Chiang Mai Ram Medical Business Public Co., Ltd.

On February 27, 2019, the Board of subsidiary company’s Director’s Meeting passed a resolution to propose to the Annual General Meeting of shareholders for the year 2019 to adopt a resolution to pay dividend of Baht 0.052 per share, or a total of Baht 209.20 million, to the shareholders in respect of profit 2018 profit. The dividend will be paid after it is approved by the Annual General Meeting of shareholders direct subsidiary.

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

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

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

| | |
|------------------------|--|
| TAS 1 (revised 2018) | Presentation of Financial Statements |
| TAS 2 (revised 2018) | Inventories |
| TAS 7 (revised 2018) | Statement of Cash Flows |
| TAS 8 (revised 2018) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2018) | Events After the Reporting Period |
| TAS 12 (revised 2018) | Income Taxes |
| TAS 16 (revised 2018) | Property, Plant and Equipment |
| TAS 17 (revised 2018) | Leases |
| TAS 19 (revised 2018) | Employee Benefits |
| TAS 20 (revised 2018) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2018) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2018) | Borrowing Costs |
| TAS 24 (revised 2018) | Related Party Disclosures |
| TAS 26 (revised 2018) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2018) | Separate Financial Statements |
| TAS 28 (revised 2018) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2018) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2018) | Earnings Per Share |
| TAS 34 (revised 2018) | Interim Financial Reporting |
| TAS 36 (revised 2018) | Impairment of Assets |
| TAS 37 (revised 2018) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2018) | Intangible assets |
| TAS 40 (revised 2018) | Investment Property |
| TAS 41 (revised 2018) | Agriculture |
| TFRS 1 | First-time Adoption of International Financial Reporting Standards |
| TFRS 2 (revised 2018) | Share-Based Payment |
| TFRS 3 (revised 2018) | Business Combinations |
| TFRS 4 (revised 2018) | Insurance Contracts |
| TFRS 5 (revised 2018) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2018) | Exploration for and Evaluation of Mineral Resource |
| TFRS 8 (revised 2018) | Operating Segments |
| TFRS 10 (revised 2018) | Consolidated Financial Statements |
| TFRS 11 (revised 2018) | Joint Arrangements |

| | |
|-------------------------|--|
| TFRS 12 (revised 2018) | Disclosure of Interests in Other Entities |
| TFRS 13 (revised 2018) | Fair Value Measurement |
| TFRS 15 | Revenue from Contracts with Customers |
| TSIC 10 (revised 2018) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (revised 2018) | Operating Leases - Incentives |
| TSIC 25 (revised 2018) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2018) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (revised 2018) | Service Concession Arrangements: Disclosure |
| TSIC 32 (revised 2018) | Intangible Assets - Web Site Costs |
| TFRIC 1 (revised 2018) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2018) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2018) | Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (revised 2018) | Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics |
| TFRIC 10 (revised 2018) | Interim Financial Reporting and Impairment |
| TFRIC 12 (revised 2018) | Service Concession Arrangements |
| TFRIC 14 (revised 2018) | TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 17 (revised 2018) | Distributions of Non - cash Assets to Owners |
| TFRIC 20 (revised 2018) | Stripping Costs in the Production Phase of a Surface Mine |
| TFRIC 21 (revised 2018) | Levies |

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

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

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

41. APPROVAL OF FINANCIAL STATEMENTS

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