



RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED







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Message from The Chairman



Year 2017 is another challenging year for Rajthanee Hospital Public Company Limited (“RJH” or “the Company”). Under uncertainty of economic conditions which affected consumer confidence however, RJH’s performance continued to grow achieving the goal with higher revenue and net profit. This was due to the effective implemented strategies, management and proactive policies.

In 2017, the Company reported total revenue increase of 16 percent over the previous year, to Baht 1,424 million. Net profit increased by 50 percent, to Baht 231 million. This satisfying performance was attributable to the increase of number of patients and insured persons under

number of patients and insured persons under Social Security as well as the efficient management. The Company will commit to developing and conducting businesses under good governance along with the balance of societies and environment in order to become a sustainable organization.

Finally, on behalf of the Board of Directors, executives and all staff, we would like to express gratitude to all shareholders, customers, communities, business partners, private organizations, public sector and all related parties for their participation and support of the Company’s operation and hope to receive support from all these parties to lead the organization to sustainability.

Ms. Vilailak Aunyamaneerat

Message from The Managing Director



2017 was another rewarding year for Rajthanee Hospital Public Company Limited (“RJH” or “the Company”). The beginning period of this year appeared to be difficult to most of hospitals listed on the Stock Exchange of Thailand, we can nevertheless posted promising performance. Additionally, Rajthanee Rojana Hospital, the Company’s subsidiary, was able to turnaround from barely no margin to profit.

During year 2017, our Heart center, Health Check-up center and Ophthalmology Department can generate double revenue. This was a proof that our strategy was on the right path as reflected by RJH’s 50% net profit growth in 2017. Furthermore, we have extended our medical services to Japanese patients by setting up Japanese Medical Desk in November 2017 which received good response and can double business from Japanese patients.

For 2018 strategy, the Company will focus on 4 business units: Heart center, Health Check-up center, Magnetic Resonance Imaging (MRI) and Minimal Invasive Surgery (MIS). MRI was up and running in January 2018 with number of patients as planned. For Heart center, we will focus more on non social security patients. For health check-up, we challenge ourselves by setting up double revenue growth. For MIS, we will focus on the Orthopedic, General Surgery and Obstetrics and Gynecology.

Last but not least, on behalf of Rajthanee Hospital Public Company Limited, I would like to express my sincere appreciation to doctors, nurses and all staff for their effort and dedication which help the Company achieve goal and success for this year

Dr. Wachira Wudhikulprapan

Sector 1 : Business Operation

1. General Information and Other Important Information

Company's name	RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED
Nature of business	Sanatorium accepting patients for overnight stays
Company Registration No.	0107538000509
Head Office	111 Moo 3, Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya 13000
Tel.	035-335-555-71
Fax.	035-335-555 ext. 878
Homepage	www.rajthanee.com

Securities Registrar

Company's name	Thailand Securities Depository Co., Ltd. (TSD)
Head Office	62 The Stock Exchange of Thailand Building 11/F., Rachadapisek Road, Klongtoey, Bangkok 10110
Tel.	02-229-2800
Fax.	02-359-1259

External Auditor

Company's name	CWWP CO., LTD.
Head Office	128/180-181 Phayathai Plaza Building 17th Floor, Phayathai Road, Thung Phayathai, Ratchathewi, Bangkok 10400
Tel.	02-216-2265, 02-216-2268-9, 02-216-2279
Fax.	02-216-2286

Internal Auditor

Company's name	DIA AUDIT CO.,LTD.
Head Office	958 On-Nut Road, Suanluang, Bangkok 10250
Tel.	02-259-5300-2
Fax.	02-260-1553, 02-259-8959

2. Vision / Missions / Values

Vision

Being leading private hospital with high quality medical service in Phra Nakhon Si Ayutthaya Province and lower-central region.

Mission

Dedicate to providing services with quality standards and professional ethics under patient-centric culture.

Values

- Quality : Deliver services with quality standards, safety, punctuality in order to achieve clients' satisfaction
- Unity : Work as a team with generous and collaborating atmosphere
- Pride : Take pride in organization , foster bonds between organization and employees to create the spirit of "Our Rajthanee home"

3. Policy and Scope of Business Operation

3.1 Company Background

3.1.1 Incorporation of the Company

Rajthanee Hospital Public Company Limited (“the Company”) was established in 1990 to operate medical service business. At the onset, the company’s name was “Ayutthaya Wetchakarn Co., Ltd.”. It was founded by a team of doctors, mostly graduated from Siriraj Hospital, together with leading businessmen in PhraNakhonSiAyutthaya. These founding members remained current major shareholders such as Doctor Wachira Wudhikulprapan, Doctor Porntip Wudhikulprapan and Doctor Surin Prasithirun. They foresaw demand for healthcare in Phra Nakhon Si Ayutthaya as many industrial estates were developed in this province. Therefore, they decided to establish Rajthanee Hospital in Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya. The hospital’s location is in the high-growth area which near main roads such as Asian Highway and Rojana Road. Since the establishment in 1990, the hospital has been well-accepted by Phra Nakhon Si Ayutthaya’s community and nearby provinces.

Moreover, the promulgation of Social Security Act B.E. 2533 (1990) which promoted public healthcare and basic security for the insured members, have brought about the company business opportunity. The company participated Social Security Project in 1994 and ever since, the Social Security income has been one of the company’s main sources of income.

Since the establishment in 1990, the company has been consistently focusing on development of service quality and human quality in order to deliver satisfied service to all patients. The company’s business philosophy is reflected in its motto : “Warm as home, service as family at our Rajthanee”

In 2014, the company took another step of expansion by acquiring 52.17% of Rojanavej Hospital Co., Ltd. This hospital is located on Rojana road which is the main road of many industrial estates. The subsidiary company’s name was changed to Rajthanee Rojana Hospital Co., Ltd. and the hospital name was changed to Rajthanee Rojana Hospital.

Rajthanee Hospital Public Company Limited currently has 300 million Baht registered capital with a subsidiary, Rajthanee Rojana Hospital Co., Ltd. The group’s total registered beds are 353.

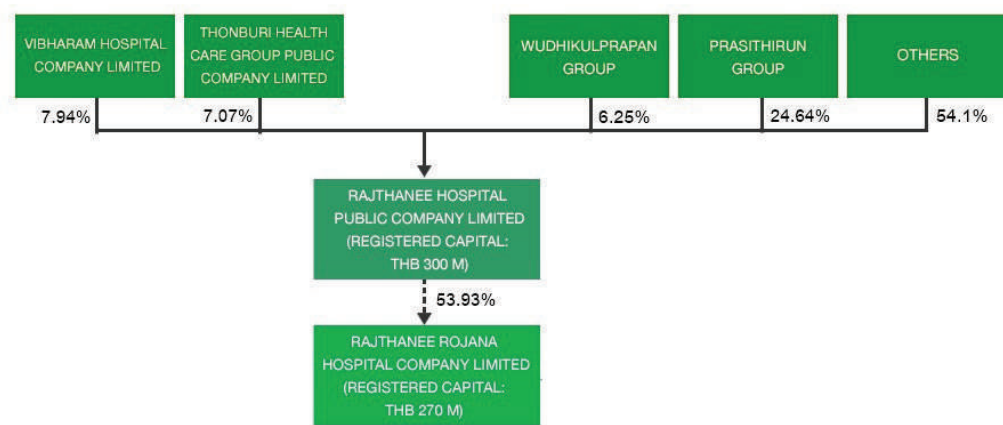
Company Background

Year	Major Changes and Development
1990	Ayutthaya Vechakarn Company Limited was founded to operate hospital business under the name “Rajthanee Hospital”, with initial registered capital of Baht 10,000,000, at Baht 10 per share. The hospital was located at Rojana Road near Asian Highway and the City Hall of Phra Nakhon Si Ayutthaya
1992	The operation was commenced on June 29, 2012, with a total capacity of 33 patient beds.
1994	The company was joined in the Social Security as the Social Security Act B.E. 2537 (1994), There is a trust to choose Rajthanee hospital increasingly and at the end of 2017, there were 156,494 insured persons. The company provides a separate service for outpatient of insurer at building C, to facilitate the insurer the company was set up the social security department was set up to coordinate documents, disbursement, the social security and other hospitals
1995	The Company became a public company and renamed “Rajthanee Hospital Company Limited” to prepare for the listing to the Stock Exchange of Thailand. In addition, the registered capital was raised to Baht 180,000,000 with the paid-up capital of Baht 140,000,000 in preparation for the public offering. However, as the economic and market conditions were unfavorable, the company had to postpone from the listing.
1999	On December 29, 1999, the Company received ISO 9002: 1994 Certification.
2002	On 8 October, 2002, the Company received ISO 9002: 1994 Certification.
2005	The Company reducing the capital of Baht 83,514,000 from the capital increase plan approved in 1995, for which the initial public offering was suspended. The paid-up capital subsequently fell to Baht 96,486,000.
2009	Due to overcrowded conditions at the existing hospital areas, the Company decided to invest in a new building (Building C) in a bid to expand its capacity.
2010	The Company passed the Environmental and Health Impact Assessment (EHIA), conducted by the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment The Company was operation in Building C on 8 December 2010 to support insurer of social security, pediatric patients, dental clinic and drugs warehouse
2012	The Company received the accreditation for Level 1 Hospital Accreditation (HA) from the Healthcare Accreditation Institute (Public Organization) on June 22, 2012. The Company achieved the acknowledgement for Level 2 Hospital Accreditation (HA) on November 29, 2012.
2013	The Company received the accreditation for Level 2 Hospital Accreditation (HA) on November 21, 2013.

Year	Major Changes and Development
2014	The Company acquired 12 million shares in Rajanavej Hospital Company Limited, at Baht 10.50 per share. The acquired company was subsequently renamed Rajthanee Rojana Hospital Company Limited, located on Rojana-Wangnoi Road near Ronaja Industrial Estate. With 100 registered beds, Rajthanee Ronaja Hospital was intended to help the Company expand its service coverage, especially for customers from the industrial estate and nearby areas.
2015	<p>The Company launched cardiac catheterization service on January 7, 2015 for patients with heart diseases in Ayutthaya and nearby provinces. In addition, the Company was also granted permission as a cardiac referral center for National Health Security Office (NHSO); therefore, the Company can receive patients referred from nearby hospitals under the National Health Security Scheme.</p> <p>The par value was changed from Baht 10 per share to Baht 1 per share; consequently, the number of shares increased from 9,648,600 shares to 96,486,000 shares.</p> <p>The registered capital was raised by 203,514,000 shares, from Baht 96,486,000 to Baht 300,000,000 to support the issuance of 128,514,401 dividend shares and the initial public offering of 74,999,599 shares. The paid-up capital stood at Baht 96,486,000.</p> <p>The payment of interim dividends for 2014 performance consisted of cash dividend at Baht 0.14799/share and dividend shares at the ratio of 0.75077 existing shares: 1 dividend share or equivalent to Baht 1.33195 per share. The issued dividend shares totaled 128,514,401 shares, with a par value of Baht 1. Consequently, the paid-up capital amounted to Baht 225,000,401.</p> <p>The Company received the accreditation for Step 3 of HA from the Healthcare Accreditation Institute (Public Organization) on February 27, 2015.</p>
2016	The boards of directors of the Company and the subsidiary approved the capital increase plan of Baht 100 million at the subsidiary. The capital increase shares will be distributed on the right offering within three months after the Company is listed to the Stock Exchange of Thailand.
2017	<p>The Company received the re-accreditation for Step 3 of HA from the Healthcare Accreditation Institute (Public Organization) on 27 June 2017</p> <p>The Company has constructed MRI and multi-purpose buildings as the purpose of the IPO was to inform the Stock Exchange of Thailand. It will be available in 2018</p>

3.2 Structures of Group of Companies

Rajthanee Hospital Public Company Limited ("the Company") has one subsidiary is Rajthanee Rojana Hospital Co., Ltd., with a shareholding structure as shown in the diagram.



Note:

1. Shareholding in the company is as of 15 March 2018
2. Shareholding in Rajthanee Rojana Hospital Co., Ltd is as of 29 December 2017

3.3 Hospital Business Operation

The Company owns two hospitals, namely Rajthanee Hospital and Rajthanee Rojana Hospital. Both are in a prime location of Phra Nakhon Si Ayutthaya Province. Ayutthaya is surrounded by Pathum Thani, Suphan Buri, Ang Thong and Saraburi Provinces. There are 3 large industrial estates, namely Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate located in Phra Nakhon Si Ayutthaya Province. Another large industrial estate, Nava Nakorn Industrial Estate, is in a nearby province, Pathum Thani. Moreover, there are two industrial parks in the neighborhood, namely Factory Land Wangnoi and Rojana Industrial Park. Therefore, Ayutthaya is considered to have highly dense population. The industrial employees are the company's main target and the location of company's hospitals is convenient to these target customers.

The Company provides medical services, health promotion, rehabilitation and disease prevention by general practice and specialty physicians to out-patients and in-patients, covering general diseases and those in case of emergency. The 9 main areas of expertise are as follows:

1. Medicine
2. Surgery and Orthopedics
3. Pediatrics
4. Obstetrics and gynecology
5. Otolaryngology
6. Ophthalmology
7. Anesthesiology
8. Radiology
9. Dentistry

The Company and its subsidiary have registered 353 beds as of 31 December 2017, of which 219 beds were in service with various types of patient rooms such as, VIP rooms, single rooms, special single rooms, common rooms, ICU and nursery, etc. The Company's medical business are the following :

Business summary as of December 31, 2017

Company	Registered Capital (million)	shares (%)	Registered hospital beds	Beds in service at year end
Rajthanee Hospital Public Company Limited	300	-	253	187
Rajthanee Rojana Hospital Company Limited	270	53.93	100	32
Total Beds			353	219

4. Characteristics of Business Operation

4.1 Revenue Structure

Rajthanee Hospital Group's revenues have steadily increased from 2015 to 2017, as illustrated in the table below.

Revenue from hospital business	Consolidated financial statements					
	2015		2016		2017	
	Bt/mn	%	Bt/mn	%	Bt/mn	%
Revenue from general patients^{1/}						
Revenue from out-patients (OPD)	351	34.3	381	31.5	420	29.9
Revenue from in-patients (IPD)	242	23.6	306	25.3	353	25.1
Total revenue from general patients	593	57.9	687	56.8	773	55.1
Social Security patients	431	42.1	522	43.2	630	44.9
Grand Total	1,024	100.0	1,209	100.0	1,403	100.0

Note: 1/ Included revenue from self-pay, insurance, corporate contract, civil servant, Universal Coverage, Universal Coverage for Emergency Patients (UCEP) etc.

4.2 Characteristics of products or services

4.2.1 Scope of medical services

The Company's healthcare services are rendered by experienced specialists with innovative medical equipment to ensure safety and good health to customers. Scope of services can be categorized as follows.

(1) Heart Center

On 7 January 2015, the Company launched the Heart Center providing medical treatment for cardio vascular system and heart diseases, such as Ischemic heart disease (IHD), Valvular heart disease, Cardiac arrhythmia and Hypertension, etc. The scope of medical services encompasses initial diagnosis, medication, cardiac catheterization, cardiac surgery. On 25 October 2016, the Company entered into joint venture agreement with Thonburi Hospital Heart Centers Co., Ltd. to co-ordinate on treatment of patients with Ischemic heart disease, including coronary artery angiography (CAG) and percutaneous coronary intervention (PCI). This agreement was based on revenue sharing scheme. The Company became one of the referral centers of heart diseases in the area of Phra Nakhon Si Ayutthaya and nearby provinces.

The essential scope of services of the Heart Center includes:

- Echocardiography;
- Exercise stress test (EST)
- Holter monitor;
- Cardiac Catheterization (CAG and PCI);
- Coronary Artery Bypass Graft;
- Valve Replacement;

- Atrial Septal Defect Closure; and
- Electrophysiology.
- Cardiac Pacemaker

(2) Emergency medicine and brain neurosurgery center

The Company's hospitals are located on main roads, namely Rojana Road and Asian Highway (AH1), where road accidents take place regularly which pose the risk of brain injuries. Therefore, the emergency medicine and brain neurosurgery center was established in 1992. With the emergency call center together with a team of physicians available for 24/7 , a rescue team can be at the scenes of the accidents in a timely manner.

(3) Other specialized centers

- **Computerized tomography scan (CT):** With the 16-Slice CT Scan , the sickness can be accurately diagnosed
- **Hemodialysis Center:** taking care of patients suffering from acute and chronic kidney diseases
- **Health Check-up Center:** equipped with occupational physicians and check-up programs customized for customers of various ages. The services have included annual check-up programs and pre-employment check-up programs.
- **Dental Center:** complete scope of dental services such as scaling, filling, Pediatric dentistry, Orthodontics, Endodontic, Prosthesis, Periodontal Disease Treatment, oral surgery and dental implant with sterilized equipment
- **Orthopedics Center:** examination and surgery for patients with traumatic and degenerative change of bones, Arthroscopic Sholder, Back and Knee Surgery, Arthroplasty Replacement Surgery for hip and knee and medical treatments for osteoarthritis and osteoporosis, etc.
- **Phacoemulsification Center:** provide operations for patients with cataract and provide treatments for patients with glaucoma and pterygium.

(4) Surgery clinics

- **General surgery clinic:** provide open/laparoscopic cholecystectomy, appendectomy, hernioplasty and excision operation with state-of-the-art equipment.
- **Plastic surgery clinic:** provide corrective surgery for traumatic patients and also for aesthetic purpose.
- **Neurosurgery clinic:** provided examination and investigation for risks which may cause cerebrovascular disease and traumatic brain injury, including operations and medical service for patients with hemorrhagic stroke, and rehabilitation treatment to improve their activities in daily life.
- **Urology clinic:** provide examination and treatment for patients with diseases related to genitourinary system such as, Benign Prostatic Hyperplasia (BPH), erectile dysfunction in male patients, including calculi in urinary system.

(5) Internal Medicine Clinics

- **Internal Medicine Clinic:** provide examination and treatment for infectious diseases, pulmonary and respiratory systems, renal system, endocrine system, etc.

- **Medicine clinic – gastroenterology:** provide examination and treatment for gastrointestinal system and liver disease, etc., which includes esophagogastroduodenoscopy (EGD) and colonoscopy.
- **Medicine clinic – dermatology:** provide examination and treatment for skin diseases, including aesthetics.
- **Medicine clinic – hematology:** provide examination and treatment for patients with blood diseases resulting from cancers and genetic blood diseases, including bone marrow aspiration.
- **Medicine clinic – neurology:** provide examination and treatment for patients with cerebrovascular diseases (stroke), degenerative disease of brain and spinal cord.
- **Medicine clinic – nephrology:** provide examination and treatment for patients with acute and chronic renal diseases and provide renal replacement therapy with hemodialysis.

(6) Healthcare clinics and other services

- **General practice clinic:** provide examination and treatment for general diseases such as upper-respiratory infections, acute gastroenteritis, etc.
- **Obstetrics and gynecology clinic:** provide examination, treatment and advice for gynecologic diseases and obstetric patients for various age groups, including antenatal care which has 4D ultrasound scans to detect for any fetal abnormalities, high-risk pregnancy, contraception, infertility and menopause.
- **Pediatrics clinic:** provide examination, treatment and advice for sick children (from newborn to teenage) and well baby's growth and development, including vaccination program.
- **Otolaryngology clinic:** provide advice, examination and treatment for patients with diseases related to ears, noses and throats such as otitis media and sinusitis, plus operation such as tonsillectomy, nasal polypectomy, tympanoplasty and Fiberoptic laryngoscope.
- **Ophthalmology clinic:** provide examination and treatment for eye disease such as eye infection, cataracts and glaucoma plus operation.
- **Acupuncture clinic:** provide Chinese alternative medicine such as acupuncture, cupping and Chinese herbal medicine.
- **Radiology Department:** provide general x-ray, special x-ray, mammogram, ultrasound equipped with picture archiving and communication system (PACS).

(7) Occupational medicine clinic

Provide complete occupational medicine services to elevate the standard of well-being and safety of industrial workers which include risk assessment for health hazard in workplaces. The services include eye examination, lung function test, audiogram, etc.

4.2.2 Medical services capacity

As of 31 December 2017, medical services capacity and utilization are as follows:

(1) Number of examination rooms and beds in service

OPD capacity is evaluated by number of examination rooms while IPD capacity is evaluated by number of beds in service.

The Company's service capacity as of 31 December 2017 is as follows:

Hospital	Number of examination rooms	Registered hospital beds	Beds in service
Rajthanee Hospital Public Company Limited	45	253	187
Rajthanee Rojana Hospital Company Limited	6	100	32
Total	51	353	219

- Utilization rate**

Utilization rate is evaluated by number of visits or admissions compared to the maximum capacity. The utilization rate for OPD was 75.1% in 2015 and slightly decreased to 72.4% in 2016 due to the addition of examination rooms. Number of average examination room was increased to average of 51 in 2016 from 44 in 2015. For year 2017, the utilization rate increased to 80.4% which was attributed to the continued growth of outpatients.

Despite the addition of beds, the utilization rates for IPD were not decreased, approximately 82.0% , 82.7% and 80.5% during 2015-2017 respectively. This was because the growth of IPD patients was in parallel with the additional capacity. The continuous flow of patients stemmed from the recruitment of more specialist physicians.

- Service capacity of the Out-Patient Department (OPD)**

	2015	2016	2017
Number of examination room (average)*	44	51	51
Number of Hemodialysis units (average)*	31	41	44
Number of days of service	365	366	365
Maximum capacity (visits)**	832,016	971,676	974,742
Actual number of out-patients (visits)	624,536	703,832	784,019
Utilization rate (%)	75.1	72.4	80.4

- Service capacity of the In-Patient Department (IPD)**

	2015	2016	2017
Actual number of beds in service (average)*	158	183	208
Number of days of service	365	366	365
Maximum capacity (beds)	57,488	66,978	75,738
Actual number of in-patients (beds)	47,154	55,418	60,993
Utilization rate (%)	82.0	82.7	80.5

Remarks:

* The number of examination rooms and hospital beds are annual average.

** The maximum OPD capacity is based on 50 patients per room per day whereas Hemodialysis capacity is 3 patients per unit per day.

4.3 Marketing and Competition

The group's hospitals are located in Phra Nakhon Si Ayutthaya Province which is surrounded by Pathum Thani, Suphan Buri, Ang Thong and Saraburi Provinces. These provinces are considered as high potential area for medical services. Three large industrial estates, namely Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate, are in Phra Nakhon Si Ayutthaya Province. Moreover, two industrial parks, namely Factory Land Wangnoi and Rojana Industrial Park are also located in this province. For Pathum Thani, there is Nava Nakorn Industrial Estate

As of 2016, there are over 378,000 insured persons under Social Security program in Ayutthya. As of December 31, 2017, the Company and its subsidiary have 156,494 and 13,021 insured persons respectively.

4.3.1 Industry Outlook

4.3.1.1 Overview of healthcare business in Thailand

Healthcare is one of the government's top policies. A number of welfare programs have been established to cater needs of varied groups including (1) welfare scheme for state and state enterprise employees; (2) social security scheme for employees in private sector; and (3) universal health coverage scheme for the people who are not eligible for any other healthcare schemes. The government has continuously expanded the benefits and coverage of the schemes to ensure the country's healthcare security in the long term.

Compared with other businesses in Thailand, the healthcare business is less affected by volatility of global economy. While Thailand's economy was negatively impacted by global economic fluctuations and the heavy floods in 2011, the growth of healthcare spending continue to grow. Additionally, Thailand's healthcare business is considered as competitive in this region due to high quality of treatment at relatively lower medical cost. The characteristics of tourism destination and aviation hub also help support Thailand's medical tourism. Moreover, Thai population structure is entering to elderly society. This elderly group is more health conscious and has affordable purchasing power. Therefore, healthcare business growth appeared to be promising.

4.3.1.2 Structure of healthcare service in Thailand

(1) Characteristics of healthcare service providers

The healthcare services in Thailand can be categorized into two main groups, i.e. state and private sectors, the details of which are as followed

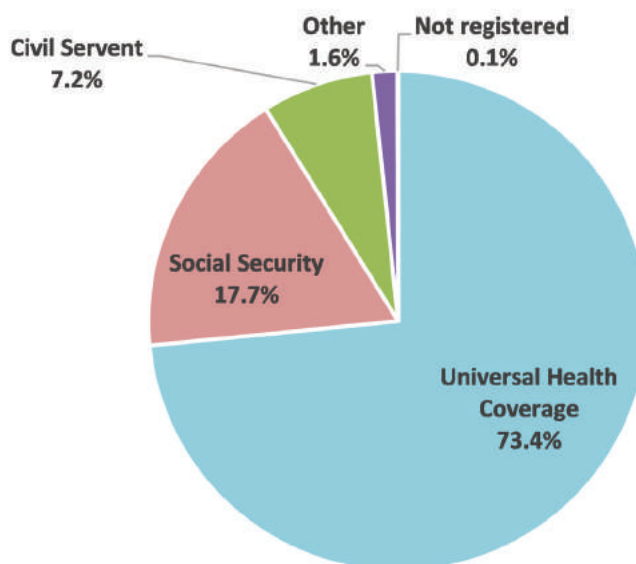
- **State sector:** Healthcare services in Thailand are provided mostly by state hospitals, which can be categorized by their strengths and treatment capacity, e.g., university hospitals (i.e. medical schools), hospitals in Bangkok, state provincial hospitals, district hospitals, community healthcare center. Generally, the medical fees charged by state hospitals are lower than those charged by private hospitals as they are subsidized by the government. In addition, these hospitals provide free examination and treatment according to the government's Social Security Scheme.
- **Private sector:** The healthcare services can be categorized by sizes, e.g., large private hospitals, medium private hospitals, and private clinics. Each offers different services, based on the capacity. As some large private hospitals possess high potential to attract foreign patients with high purchasing power.

(2) Healthcare schemes in Thailand

The country's healthcare schemes are specially designed to ensure that people from all walks of society can have access to medical services. At present, there are three major healthcare schemes.

- **Social Security:** Provided by the Social Security Office under supervision of the Ministry of Labor, this scheme offers healthcare benefits to employees in the private sector. The benefits cover sickness, disability, injuries from hazardous incidents and death, both from work or non-work. Moreover, the social security benefits also cover maternity, child allowance, old-age and unemployment. Thailand kicked off the social security scheme in 1972 by establishing a compensation fund to take care of those suffered by occupational hazard in Bangkok. The coverage of the scheme expanded nationwide on July 1, 1988. Later, the Social Security Act B.E. 2533 (1990) has come into effect since September 2, 1990.
- **Universal Health Coverage Scheme:** Under management of the National Health Security Office, the Universal Health Coverage Scheme was established under the National Health Security Act B.E. 2545 (2002). It was aimed to provide healthcare services for those who are not in any other healthcare schemes. The scheme focuses mainly on medical services provision for general sickness
- **Welfare scheme for state and state enterprise employees:** Under supervision of the Comptroller General's Department, the Ministry of Finance, the program offers healthcare services for state workforce, including government officials and state enterprises' employees. The benefits for government officials cover medical allowance for spouses, parents and children not attaining of majority.

Chart 1-1: Segmentation of capitation schemes in 2016



Source: National Health Security Office (NHSO)

In 2016, the proportion of universal health coverage, social security scheme and civil servant scheme were 73.4%, 17.7% and 7.2% respectively. The other 1.6% of the population was under other health coverage schemes such as military veteran welfare, teacher welfare of private school, etc. The remaining was not covered by any capitation scheme. However, this portion is in declining trend as intensive publications were made to create awareness among this group. The rare cases are those who, for example, are pending for proof of nationality or aboard residing etc.

4.2.1.3 Business outlook

(1) Growth potential of the medical service industry

- **Below-average health expenditure:** According to World Bank, Thailand's expenditure on healthcare compared to GDP, stood at 4.1% in 2014, which was still below the global average of 9.9%. The government's promotion of accessibility to public health services and trend of health consciousness should play key roles in boosting spending on healthcare. Currently, Thailand can be considered one of the leaders in the healthcare service industry in ASEAN.
- **Larger proportion of the elderly in Thai society:** An improved public health system has raised the average age of Thai people. Meanwhile, the country's birth rate has been decreasing continuously. Consequently, the proportion of the elderly (aged over sixty years) to the total population has been on the rise. According to the National Economics and Social Development Board (NESDB), it is estimated that the proportion of the elderly is likely to increase from 16.5% in 2017 to 24.3% in 2027. A larger proportion of the elderly will lead to a rise in spending on healthcare, which will in turn support the expansion of the medical service industry in the future.
- **Expansion of social security services:** According to the Social Security Office, the Ministry of Labour, the amount of subsidies and compensations granted by the Social Security Fund to the healthcare industry has been continuously rising and the uptrend is likely to continue in the future. On average, during 2012-2016, the amount increased by approximately 13.6% CAGR. Moreover, the number of the Social Security Fund's insured persons, according to the National Statistics Office (NSO), the Ministry of Digital Economy and Society, showed a continuous growth on average, at the growth rate of 6.0% CAGR during the same period. Hence, the medical service industry is likely to expand further to serve bigger numbers of population and the Social Security Fund's insured persons.
- **Growth in Medical Tourism:** Foreigners that receive medical services in Thailand are 1-2 million per year and 80% of these are medical tourists. Thailand's major medical tourist markets include Myanmar, Japan, the Middle East and Europe. Currently, competition in this sector is accelerate especially ASEAN and China market. Our major competitors in this region are Singapore and Malaysia.
- **Expatriate worker:** The increase of expatriates who work or do business in Thailand and CLMV is an opportunity for private hospitals. The healthcare supplies of our neighbor countries are not adequate comparing to the demand while Thailand can provide high quality healthcare at competitive price.

(2) Negative factors influencing the growth of the medical service industry

- **Shortage of health professionals:** A rapid growth of the medical service industry has led to a shortage of medical professionals. Thus, health professionals in both public and private sectors are headhunted by private hospitals. This situation indirectly raises private hospitals' costs as they have to offer higher remuneration to attract skillful medical professionals, especially expertise which is a key to business success.
- **Competition:** Beside the competition among private hospitals, several state hospitals also upgrade their services to capture high-income patients previously gained by private hospital. For international competition, even though Thailand is a leading medical tourism, most of healthcare professionals are inferior in term of foreign language. This could be a big challenge for Thailand to become the medical hub of Asia.

- **Economic slowdown:** the economic slowdown has more or less adverse impact on healthcare spending, especially for private hospital. Mid to low income customers turn to utilize social security welfare or buy medicine instead.
- **Political uncertainty:** Foreign patients with high spending power or medical tourists are target groups of large hospitals in Thailand. Domestic political uncertainty could deter their decision to come for treatment in Thailand. However, statistics indicated that political uncertainty did not have meaningful impact on medium-sized hospitals as their main target was local patients.

4.3.2 Marketing and competition

4.3.2.1 Medical service standards

Medical service provider standards are classified into three levels, based on patient service capacity, as follows:

- **Primary care:** Healthcare service providers capable of providing treatment for patients with low-severity and low-complication illness, e.g. clinics or small-sized healthcare service providers
- **Secondary care:** Healthcare service providers capable of providing treatment for patients with illness with greater severity and complication as well as hospitals capable to serve both outpatients and inpatients
- **Tertiary care:** Healthcare service providers reaching the highest standards, equipped with modern medical equipment and specialty clinics for treatment of illness that need specialized health professionals

Currently, the Company's two hospitals, i.e. Rajthanee Hospital and Rajthanee Rojana Hospital, are categorized as secondary care hospitals. Nonetheless, the Company's Heart center is able to provide tertiary care.

4.3.2.2 Target customers

(1) General customers

- **Self-pay customers:** are customers who paying their own medical bills. The Company's target groups include middle income earners who live or work near the Company's hospitals
- **Contract customers:** consists of employees from corporate who have contracts with the Company and patients under healthcare. The Company directly charges medical bills to corporate or insurance companies. Note that the number of corporate contract customers is likely to increase in tandem with the growth of the insurance business and the rising popularity of the health-conscious trend.
- **Customers according to the Protection for Motor Vehicle Accident Victims Act B.E. 2535 (1992):** These customers include the injuries from motor vehicle accidents under Protection for Motor Vehicle Accident Victims Act B.E. 2535 (1992). The Company's hospitals are located on main roads, namely Asian Highway and Rojana Road, where road accidents take place regularly. The Group's hospitals do not charge these customers but send medical bills to the insurance companies of the customers or their parties that have insurance policies according to the Act.
- **Customers according to the Workmen Compensation Fund:** These customers are employees of companies or industrial factories who are injured by accidents at work according to the Workmen's Compensation Act B.E. 2537 (1994). The hospital does not charge the customers but send medical bills to charge Employment Injury Compensation Fund.

(2) Capitation customers

- **Customers under Social Security Scheme:** According to the Social Security Act B.E. 2533 (1990), for every payment of wages, the employer shall deduct wages of an insured person to be paid for contributions to the Social Security Fund and the insured person shall be able to receive free medical services from one of the contracted hospitals that he or she has chosen. There are two types of payments that the Social Security Office gives to the hospitals participating in the Social Security Scheme, i.e.
1) capitation payment (note: as of 2017, the capitation payment amounted to Baht 1,500 per year); and
2) additional payment
- **Customers under Universal Healthcare Scheme:** According to the National Health Security Act. 2002, The National Healthcare Policy is one of the policy that the government has considered important. This policy also mechanism to cover people that cannot accessible to healthcare services under Social Security, Civil Servants or other state welfare. It is one of the policies that the government has always considered important and is the main mechanism for the care of people without the right to medical treatment. Social Security or other medical benefits provided by the state. Provide access to health services as needed. It covers both preventive, health services and rehabilitation with mostly cover with disease that high medical cost. Currently, Rajthanee Hospital Group service this customer only Heart Center and Hemodialysis Center.
- **Customers under Universal Coverage for Emergency Patients (UCEP):** According to the Government policy which announced in April 1, 2017 that demands compulsory emergency healthcare for up to 72 hours in any hospital in Thailand, both private and state hospitals. The patients who require emergency medical care and assistance to be able to access it wherever they are in the country at whichever hospital is closest to them for a period of up to 72 hours and no cost.

4.3.2.3 Competition

Phra Nakhon Si Ayutthaya Province has high potential for healthcare business as the area is densely populated with large economy. In addition, there are several big industrial estates in the province. Comparing to the competitors in Ayutthaya, the Company's hospitals are regarded as leading private hospitals given the competent medical staff, innovative medical equipment, as well as long-term reputation and consumer confidence. The Company's competitors are large government hospitals and private hospitals in the province. Other hospitals in the neighborhood are as follows:

Hospital	Gov't/ Private	Location	Social Security Scheme	Size(No. of registered bed)
Phra Nakhon Si Ayutthaya	Gov't	Phra Nakhon Si Ayutthaya District	✓	528
Sena Hospital	Gov't	Sena District	✓	180
Peravech Hospital	Private	Phra Nakhon Si Ayutthaya District	-	53
Karunvej Ayutthaya Hospital	Private	Bang Pa-in Distrct	✓	105
Supamitrsena General Hospital	Private	Sena District	-	100

Comparing to the competitors, the Company appears to have competitive edges :

- Medical service capability : The Company has wide range of state-of-the-art medical equipment. Number of examination rooms and hospital beds are considered sufficient.
- The two hospitals are situated in prime locations which are conveniently accessible by patients and their relatives.
- The Company's medical team have long experience and is specialized in wide range of diseases.

The company nevertheless has to compete with hospitals in suburb area such as Paolo Rangsit or Phatra Thonburi which have high reputation. However, these suburb hospitals are located distant to Ayutthaya clients comparing to the Company's hospitals, the Company remain to be more competitive.

4.3.2.4 Competition strategy

Quality of service

Quality of service is an important factor in patients' decision making when they choose a hospital. With realization of the importance of this factor, the Company ensures that all of its staff have a service mindset to maintain the quality of its service in the long term. Meanwhile, the Company regularly organizes training courses to review the process and procedure of service to reach its standards. Moreover, the Company's management emphasize that the staff must always consider the patients' safety to be a priority. The Company also set standards of performance in accordance with the World Health Organization's (WHO) code of practice, which is applied along with its quality of service enhancement system. Apart from the quality of service of its staff, the Company also focuses on the improvement of its medical service quality. The Company always keeps up with the new trends of medical equipment technology to increase its examination and treatment capacity. At the same time, the Company recruits knowledgeable and experienced medical staff and nurses to join its team.

Thanks to its continuous effort to enhance its quality of service, the Company's flagship, i.e. Rajthanee Hospital, was awarded the Level 3 Hospital Accreditation (HA) on February 27, 2015 and was renewed on June 27, 2017. Meanwhile, Rajthanee Rojana Hospital is preparing to apply for the Level 1 HA.

Cost management

The capitation revenue from its patients under the Social Security Scheme is one of the Company's main sources of income. The Social Security Office pays a flat rate of capitation per head to the hospitals and clinics that participate in the scheme. Therefore, the hospitals and clinics under the scheme must be capable of cost management while keeping the quality of treatment to meet the standards and ensure medical ethics. Under the circumstance, the Company has policies to reduce expenses that are not related to medical service provided to its patients. In addition, the Company benefits from economies of scale as its two hospitals are located in the same area and can share certain types of resources, which improve efficiency and mutual benefits. For instance, they are able to share certain types of medical equipment and inventory management which enable them to use the other's equipment when in short. Likewise, their medical staff can rotate to work at both hospitals.

5. Risk Factor

Running its business, the Company is confronted with several risk factors, which may have some impacts on its overall business operation and share price. The following risk factors are merely some examples of key risks that may have negative impacts on the Company and thus lead to significant investment risks that investors may encounter. In addition to the risk factors highlighted below, there are also some other unpredictable risks and insignificant risk factors that may also impact the Company's business operation. Key risk factors are discussed below:

1. Risk of medical personnel scarcity

Providing medical services is heavily dependent on quality of medical personnel in relevant fields of specialization. However, the supply of new medical personnel remains rather limited currently. Moreover, as the medical service industry is in an expansionary territory, demand for high quality and experienced medical staff is on the rise. Nonetheless, it takes a long time for these staff to enhance their knowledge and develop necessary capabilities. Given such a circumstance, the Company may be negatively impacted by possible shortages of medical personnel in various fields of specialization in the future.

Thus far, however, the Company has not been confronted with any problem related to a shortage of medical personnel, thanks to its policies on appropriate remuneration packages and fringe benefits as well as its provision of pleasant working environment and well-being at work to the personnel. Furthermore, the Company has a policy to provide training and scholarships for qualified medical personnel, with an objective to enhance their skills and knowledge in various fields of specialization. This policy should help create a bond between the personnel and the Company, and the Company believes that this policy will help reduce exposure to the risk related to medical personnel scarcity.

2. Risk of intense competition in the medical service market

At present, the medical service market sees more intense competition as major players in the market have continuously consummated mergers and acquisition. The moves for merger and acquisition bring about cost advantages as well as broadening service channels. Furthermore, an increasing number of new comers have taken over revenue sharing from existing operators. Consequently, operators have become more enthusiastic on competing to provide better services and apply pricing strategies to attract potential customers.

Being aware of the risk concerning intense competition in the market, the Company has a policy to enhance its service quality by providing medical services according to the standard of Hospital Accreditation (HA) to be well prepared for providing medical services for patients. The hospital has received the third level of HA since February 27, 2015. And received the re-accreditation on 27 June 2017

3. Risk of being filed lawsuits by patients or relatives

Medical service providers are at risk of being sued by patients or their relatives if the service standard or the result of medical treatment fails to meet their expectations. Addressing this risk, the Company has attempted to continuously enhance its medical service standard, both in terms of examination and treatment evaluation practices. In light of this, the Company provides an evaluation form to survey customers' satisfactions on its service as well as managing risk by responding to customers' complaints in order to prevent lawsuits. This practice should help mitigate possible impacts from this risk factor. It is worth highlighting that as of December 31, 2017 there were no significant lawsuits filed by customers who sought compensations from the Company.

4. Risk of possible default on payments of medical service fees

In addition to patients under the capitation scheme, the Company also provides medical services to non - capitation patients. According to the ethics of medical service provision, the Company provides medical treatments to patients first before collecting the medical service fees. This practice can be risky as there is a possibility that the Company may be unable to collect the medical service fees from the patients after the completion of the medical treatments.

In regard to the quality of the Company's accounts receivables which were mostly attributed to accounts receivables from the Social Security Office, life insurance firms and non-life insurance firms. As these accounts demonstrate low default risk; therefore, the Company accordingly sees low risk of collection of medical service fee payments.

5. Risk of possible changes in the policies on the Social Security Scheme

At present, the Company's exposure to medical service revenue under the Social Security Scheme is rather high, at approximately 40-50% of the total revenue from 2015 to 2017. This high exposure means that the Company is at risk of being affected by possible changes in the policy regarding the Social Security Scheme. However, the Company's management is confident that Thailand's social security system is rather stable, both in terms of the reimbursement system and the security of its fund. Possible changes in the policy may involve upward adjustments to the additional medical service fees to reflect actual service costs borne by participating hospitals, and this possibility will benefit the Company. The Company's management closely monitors relevant government policies through the Hospital Association for Development of Social Security System; therefore, they can express opinions and make suggestions before any new policies are to be implemented.

6. Discrepancy between actual capitation revenue and projections

The Company sees risk exposure linked to the discrepancy between the actual capitation revenue it receives from the Social Security Office and its revenue projection. The Company is not aware of the exact amount of the accrued income derived from the Social Security Office, for the parts of additional payment according to the service given to patients with high risks and high-cost treatments. The Company will not receive these parts of revenue from the Social Security Office until the office disburses from its budget. To make a revenue projection, the Company bases the projection on the historical data and the most recent actual amount it received, coupled with the current conditions from the Social Security Office. As the Company generally makes the revenue projection on a conservative basis, the actual capitation revenue from the Social Security Office usually exceeds its projection. In case many contracted hospitals make reimbursements for the aforementioned additional payment at the amounts higher than the historical figures, the total reimbursement amounts may exceed the state budget allocation. As a result, payment rate for such additional revenue may fall and if this is the case the actual capitation revenue from the Social Security Office may fall short of the Company's projection of accrued capitation revenue.

Section 2 : Management and Corporate Governance

6. Information on Securities and Shareholders

6.1 Registered Capital and Paid-up Capital

The Company is a listed company with the ticker “RJH” and with the registered capital and the paid-up capital of Baht 300,000,000, dividing into 300 million shares at a par value of Bath 1 per share. There is no issuance of any other class of shares of which rights and conditions are different from those of ordinary shares, and there is no issuance of any other securities other than ordinary shares.

6.2 Shareholders

The names of the top-10 major shareholders of the Company as of March, 15 2018, are as follows:

No.	Shareholders	No. of shares	(%)
1	Prasithirun Grup	73,926,382	24.64%
1.1	Mr. Surin Prasithirun	39,861,805	13.29%
1.2	Ms. Phitraphee Prasithirun	9,527,800	3.18%
1.3	Ms. Phitramphai Prasithirun	9,327,800	3.11%
1.4	Ms. Phitrampha Prasithirun	9,327,800	3.11%
1.5	Mrs. Smorn Prasithirun	5,881,177	1.96%
2	Wudhikulprapan Group	18,729,604	6.25%
2.1	Mr. Wachira Wudhikulprapan	7,580,049	2.53%
2.2	Mrs. Porntip Wudhikulprapan	4,802,385	1.60%
2.3	Mr. Polwach Wudhikulprapan	2,074,485	0.70%
2.4	Mr. Wanat Wudhikulprapan	4,272,685	1.42%
3	Vibharam Hospital Company Limited (1)	23,815,039	7.94%
4	Thonburi Healthcare Group Public Company Limited (2)	21,220,745	7.07%
5	Bualuang Long-Term Equity	11,217,200	3.74%
6	Bualuang Basic Dividend LTF	7,233,600	2.41%
7	B Senior Citizen Mixed Fund	6,460,800	2.15%
8	Thai Life Insurance Public Company Limited	5,096,700	1.70%
9	Mr. Narongsak Sripochsomboon	4,792,698	1.60%
10	Mrs. Nantana Sricharoenmuang	4,680,000	1.60%

Source: The Stock Exchange of Thailand

Notes:

(1) Vibharam Hospital Company Limited

Vibharam Hospital Company Limited is a private hospital that held shares in the Company of 7.94% of the registered capital. Its major shareholders are Ramkhamhaeng Hospital Public Company Limited, Vibhavadi Medical Center Public Company Limited and Synphaet Company Limited, which held shares in Vibharam Hospital Company Limited of 41.07%, 38.08% and 12.25% of the paid-up capital, respectively.

Ramkhamhaeng Hospital Public Company Limited is a private hospital and has top-10 shareholders, as of 27 October 2018, as follows:

Ramkhamhaeng Hospital Public Company Limited			
No.	Shareholder	No. of shares	(%)
1	Bangkok Dusit Medical Services	4,588,424	38.24%
2	F&S 79 Co.,Ltd.	1,262,899	10.52%
3.	Chiangmai Ram Hospital Company Limited	862,300	7.19%
4.	Mr.Pichaya Somboonsin	303,302	2.53%
5.	Dr.Boonpredee Siriwong	302,900	2.52%
6.	Mr.Siripong Leubgwarinkul	239,472	2.00%
7.	Ms.Reukkhagee Kanchanapitak	210,686	1.76%
8.	Vibharam Hospital Company Limited	204,600	1.71%
9.	Ms.Rhuechit Kanchanapitak	193,077	1.61%
10	Ms.Witoon Boonsukchareon	160,900	1.34%

The preliminary information on the shareholdings of the top-10 shareholders of Ramkhamhaeng Hospital Public Company Limited is summarized below.

Bangkok Dusit Medical Services Public Company Limited has strategic shareholders that held more than 5% of the paid-up capital, as of 15 September 2017, as follows:

Bangkok Dusit Medical Services Public Company Limited			
No.	Shareholder	No. of shares	(%)
1.	Mr.Prasert Prasarttongosot	2,893,602,540	18.68%
2.	Bangkok Airways Public Company Limited	1,008,418,690	6.51%
3.	The Viriyah Insurance Company Limited	948,283,830	6.12%

F&S 79 Company Limited is a private hospital named “Eye Ear Nose Throat Hospital” and has strategic shareholders that held more than 5% of the paid-up capital, as of 24 April 2017, as follows:

F&S 79 Company Limited			
No.	Shareholder	No. of shares	(%)
1	Ms.Chutima Angkachart	36,840	7.31%
2	Dr.Supachai Chotibut	35,948	7.13%
3	Ms.Rhuechit Kanchanapitak	30,000	5.95%
4	Dr.Sakaorat Kunawitsarut	27,308	5.42%

Chiangmai Ram Hospital Company Limited is a private hospital and has strategic shareholders that held more than 5% of paid-up capital, as of 22 April 2017, as follows:

Chiangmai Ram Hospital Company Limited			
No.	Shareholder	No. of shares	(%)
1	Chiang Mai Medical Business Company Limited	22,482,750	56.21%
2	Ramkhamhaeng Hospital Public Company Limited	17,156,667	42.89%

Vibhavadi Medical Center Public Company Limited is a private hospital and has top-10 shareholders, as of May 12, 2016, as follows:

Vibhavadi Medical Center Public Company Limited			
No.	Shareholder	No. of shares	(%)
1	Mr.Chaiyasit Wiriyaemttakul	1,823,000,000	14.46%
2	F&S 79 Company Limited	1,779,916,400	14.12%
3.	Synphaet Company Limited	1,023,246,000	8.12%
4.	Ramkhamhaeng Hospital Public Company Limited	860,767,200	6.83%
5.	Chaophya Hospital Public Company Limited	741,816,180	5.88%
6.	Vibharam Hospital Company Limited	520,655,200	4.13%
7.	Mr.Pijit Wiriyaemttakul	367,000,000	2.91%
8.	Mr.Pisut Wiriyaemttakul	285,950,000	2.27%
9.	Ms.Niramol Wiriyaemttakul	175,970,000	1.40%
10	Thai NVDR Company Limited	132,671,227	1.05%

The preliminary information on the shareholdings of the top-10 shareholders of Vibhavadi Medical Center Public Company Limited is summarized below.

Synphaet Company Limited is a private hospital has and has strategic shareholders that held more than 5% of the paid-up capital, as of April 27, 2016, as follows:

Synphaet Company Limited			
No	Shareholder	No. of shares	(%)
1	Sinthanee Place Company Limited	26,746,868	38.20%
2	Ramkhamhaeng Hospital Public Company Limited	23,064,222	17.56%
3	Vibhavadi Medical Center Public Company Limited	7,000,000	6.51%
4	Dr. Suchat Kasem	3,693,908	5.27%

Chaophya Hospital Public Company Limited is a private hospital and has strategic shareholders that held more than 5% of the paid-up capital, as of April 26, 2016, as follows:

Chaophya Hospital Public Company Limited			
No.	Shareholder	No. of shares	(%)
1	Mahachai Hospital Public Company Limited	13,529,477	22.97%
2	Vibhavadi Medical Center Public Company Limited	4,529,926	7.69%
3	Vibharam Hospital Company Limited	4,012,138	6.81%

(2) Thonburi Healthcare Group Public Company Limited

Thonburi Healthcare Group Public Company Limited was operated private hospital held shares 7.07% of the paid-up capital and has top-10 shareholders, as of 30 September 2017, as follows:

Thonburi Healthcare Group Public Company Limited			
No.	Shareholder	No. of shares	(%)
1	Mrs.Jaruwan Wanasin	85,096,362	10.02%
2	WJ International Hospital Management Co., Ltd. 1	60,000,000	7.07%
3.	Mrs.Nawara Wanasin	49,872,663	5.87%
4.	Global Health Investment Co., Ltd. 2	43,813,340	5.16%
5.	Dr. Amnuay Aunnanan	43,510,970	5.12%
6.	Ms. Sonsang Meaksawan	20,046,582	2.36%
7.	Mr. Asa Meaksawan	9,161,755	1.08%
8.	Dr. Asit Aunnanan	6,750,000	0.79%
9.	Dr. Bun Wanasin	5,801,848	0.68%
10.	Mr. Sita Meaksawan	5,416,663	0.64%

Notes: 1. Dr.Bun Wanasin and Mrs. Jaruwan Wanasin are major shareholders in WJ International Hospital Management Co., Ltd. whose shareholding is 30% and 60%, respectively.
2. Global Health Investment Co., Ltd. is under the controlling power of Wanasin Group, which a major shareholder in Thonburi Healthcare Group Public Company Limited.

6.3 Dividend Policy

6.3.1 Dividend Policy of the Company

The Company has a dividend payout policy of 40% of the net profit after tax and provisions, based on its separated financial statement. Nonetheless, the Company's payout may deviate from the policy, depending on its operating performance, financial position, financial liquidity, cash requirement for business operation and expansions, and economic conditions.

The annual dividend payment is subject to approvals from shareholders' meetings; while, the interim dividend payment can be approved by the Company's board of directors, with the details of the interim dividend payment details being subsequently reported to the next shareholder's meeting.

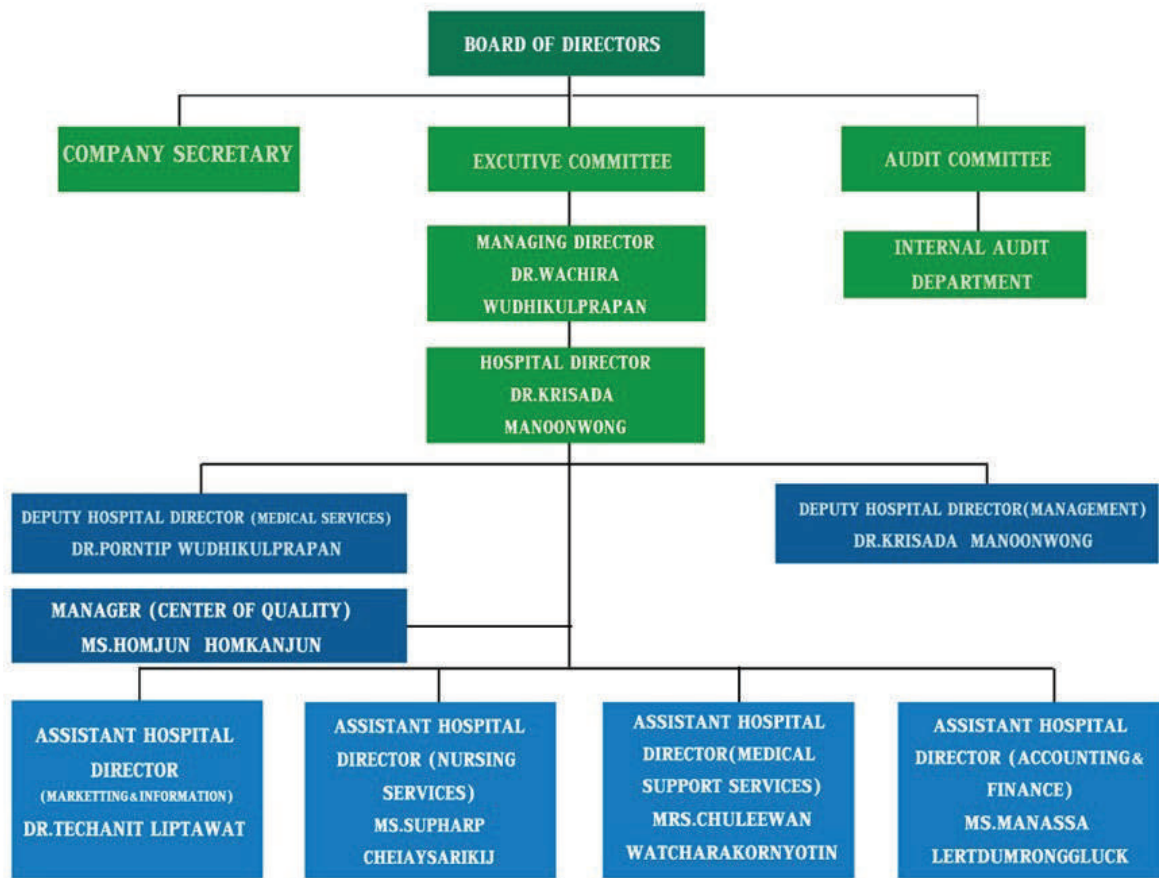
6.3.2 Dividend Policy of the Subsidiary

The subsidiary shall pay out dividends to its shareholders at a rate of not less than 40 (forty) percent of net profits after corporate income tax and appropriation of legal reserve. However, the subsidiary may consider paying out dividends in a different manner from that defined in the policy, depending on financial performance, financial position, liquidity, necessary expenditures for business management and expansion of the subsidiary's business, including economic condition.

The annual dividend payment is subject to approvals from the subsidiary's board of directors and shareholders' meetings; while, the interim dividend payment can be approved by the subsidiary's board of directors, with the details of the interim dividend payment being subsequently reported to the next shareholder's meeting.

7. Structure of Organization

As of 31 December 2017



The structure of organization is comprised of 3 committees which are the Board of Directors, the Executive Committee and the Audit Committee. The members of the Board of Directors and the executives are highly-qualified persons that meet all requirements pursuant to Section 68 of the Public Limited Company Act, B.E. 2535 (1992) and relevant notifications of the Capital Market Supervisory Board. The name list and the scope of authorities, duties and responsibilities as follows:

7.1. Board of Directors

As of 31 December 2017 the Board of Directors is comprised of 9 directors as follows:

Names			Board of Directors	The Audit Committee and Independent Directors
1	Ms. Vilailak	Aunyamaneerat	Chairman of the Board of Directors	Chairman of the Audit Committee and Independent Director
2.	Mr. Wachira	Wudhikulprapan	Director	-
3.	Mrs. Porntip	Wudhikulprapan	Director	-
4.	Mr. Noppadol	Noppakun	Director	-
5.	Mrs. Smorn	Prasithirun	Director	-
6.	Ms. Phitraphee	Prasithirun	Director	-
7.	Mr. Charoonsak	Sripochsomboon	Director	-
8	Mr. Sarun	Supaksaran	Director	Member of the Audit Committee and Independent Director
9	Mr. Teerasak	Naranong	Director	Member of the Audit Committee and Independent Director

The Audit Committee is considered sufficiently knowledgeable in the fields of accounting and finance in order to review the Company's financial statements.

Remark: The Board of Directors does not hold shares more than 25% of the Company's issued shares

The Company's authorized directors

The Company's authorized directors are two out of four directors are authorized to jointly sign it bind the Company with the Company's seal affixed.

1. Mr. Wachira Wudhikulprapan
2. Mr. Noppadol Noppakun
3. Mr. Charoonsak Sripochsomboon
4. Ms. Phitraphee Prasithirun

The Board of Directors' meetings

In 2017, the Company held meetings of committees and details of attendance of each director are as follows.

No.	Names	Annual General Meeting	Board of Directors Meeting	The Audit Committee
1	Ms. Vilailak Aunyamaneerat	1/1	7/7	7/7
2	Mr. Wachira Wudhikulprapan	1/1	7/7	-
3	Mr. Noppadol Noppakun	1/1	7/7	-
4	Mrs. Porntip Wudhikulprapan	1/1	7/7	-
5	Mrs. Smorn Prasithirun	1/1	7/7	-
6	Mr. Charoonsak Sripochsomboon	1/1	7/7	-
7	Ms. Phitraphee Prasithirun	-	5/7	-
8	Mr. Sarun Supaksaran	1/1	7/7	7/7
9	Mr. Teerasak Naranong	1/1	6/7	7/7

7.2 The Executive Committee

As of 31 December 31, the Company's Executive Committee is comprised of 6 members:

Names	Positions
1. Mr. Wachira Wudhikulprapan	Chairman of the Executive Committee
2. Mr. Krisada Manoonwong	Member of the Executive Committee
3. Mrs. Porntip Wudhikulprapan	Member of the Executive Committee
4. Mr. Surin Prasithiran	Member of the Executive Committee
5. Ms. Supharp Cheiaysarikij	Member of the Executive Committee
6. Ms. Manassa Lartdumrongrak	Member of the Executive Committee

7.3 Executives

As of 31 December 31, the Company's executives are as follows:

Names	Positions
1. Mr. Wachira Wudhikulprapan	Managing Director
2. Mr. Krisada Manoonwong	Hospital Director and Deputy Hospital Director (Management)(Acting)
3. Mrs. Porntip Wudhikulprapan	Deputy Hospital Director (Medical Services)
4. Ms. Manassa Lartdumrongrak	Assistant Hospital Director (Accounting and Finance)
5. Ms. Supharp Cheiaysarikij	Assistant Hospital Director (Nursing Service)
6. Mrs. Chuleewan Watcharakornyo-tin	Assistant Hospital Director (Medical Support Services)
7. Mr. Techanit Liptawat	Assistant Hospital Director (Marketing and Information)
8. Ms. Siriporn Anontasatien	Finance Manager
9. Ms. Benja Ruengsri	Accounting Manager

The Company's executive positions are the Managing Director, the Hospital Director, the Deputy Hospital Director, the Assistant Hospital Director. The 4th level of executive position is the Assistant Hospital Director, including the Accounting Manager and the Finance Manager.

7.4 Company Secretary

The Board of Directors' Meeting No. 4/2017 held on 23 June 2017, resolved that Ms. Kamolporn Boonprakob be appointed as the Company Secretary, effective from 1 July 2017 onwards, which is accordance with the Securities and Exchange Act B.E. 2535 (1992) (as amended). Her responsibilities are set out in item 8.2.5 scopes of authority, duties, and responsibilities of the Company Secretary.

7.5 Remuneration of the Directors

7.5.1 Directors

Monetary remuneration (only for the position as director)

The Board of Directors of the Company is entitled to the following remuneration:

- Meeting allowance of Baht 20,000 per person for each attendance.
- Bonus of Baht 360,000 per person

The Audit Committee is entitled to the following remuneration:

- Meeting allowance of Baht 20,000 per person for each attendance

No.	Names	Meeting allowance for the year 2017		Bonus for the year 2016
		Board of Directors	Audit Committee	
1.	Ms. Vilailak Aunyamaneerat	140,000	140,000	360,000
2.	Mr. Wachira Wudhikulprapan	140,000		360,000
3.	Mr. Noppadol Noppakun	140,000		360,000
4.	Mrs. Pornthip Wudhikulprapan	140,000		360,000
5.	Mrs. Smorn Prasithirun	140,000		360,000
6.	Mr. Charoonsak Sripochsomboon	140,000		360,000
7.	Ms. Phitraphee Prasithirun	100,000		360,000
8.	Mr. Sarun Supaksaran	140,000	140,000	360,000
9.	Mr. Teerasak Naranong	120,000	140,000	360,000
Total		1,200,000	420,000	3,240,000

The Board of Directors of the subsidiary is entitled to the following remuneration:

- Meeting allowance of Baht 2,000 per person for each attendance and not exceeding Baht 20,000 for each person per year.
- Bonus when the subsidiary earns profit from the business operation

Other remuneration

The Company's policy is to support to the Board of Directors discounts for medical expenses and expenses for training courses of which amounts are determined by the Board of Directors.

7.5.2 Executives

Monetary remuneration (excluding that for the position as director)

In 2017, the Company paid the remuneration to 9 executives which includes salaries, bonuses, contributions to the social security fund and the provident fund and other remuneration in a total of Baht 31.19 million

Other remuneration

The Company does not have a policy to pay any other remuneration to the executives.

7.6 Staff

7.6.1 Number of Staff

The Company and subsidiary's number of all physicians and employees as of December 31, 2017, is 1,128 and 238 persons, respectively, which are divided into the following fields of work:

The Company's number of staff	December 31, 2017	
	Full-time Physicians / Employees	Part-time Physicians / Employees
Physicians	42	147
Nurses	507	31
Medical service support staff	108	21
Pharmacists	21	13
Others	235	3
Total	913	215

The Subsidiary's number of staff	December 31, 2017	
	Full-time Physicians / Employees	Part-time Physicians / Employees
Physicians	7	55
Nurses	48	15
Medical service support staff	16	9
Pharmacists	8	8
Others	69	3
Total	148	90

7.6.2 Remuneration for physicians and employees

In 2017, the Company paid the total amount of Baht 609.13 million of remuneration to physicians in a form of doctor fees and to employees in forms of, salaries, bonuses, contributions to the social security fund the provident fund

Moreover, there are other remunerations to the employees which are employee uniforms and medical welfare, including Baht 0.50 of gold to employee who have been working for 10 years so as to promote the morale for working for the Company into the future.

7.6.3 Provident Fund

The Company established the provident fund pursuant to the Provident Fund Act B.E. 2530 (1987) (as amended) since 2003 which has been managed by BBL Asset Management Co.,Ltd. with the main purpose to promote the morale of the employees and motivate the employees to work for the Company on a long-term basis. For the employees who participate in the provident fund, the Company will make a contribution of 3-15% of the salary rate of the employee, and the employee will make a contribution to the fund at a rate of **3% of the salary rate**

7.6.4 Policy on staff development

The Company has a policy to appropriately appoint or promote the employees as per their performances each year in order to support those who are knowledgeable and capable and a policy to encourage the employees to attend various training courses and seminars in relation to their works.

7.6.5 Employee Retirement

The company was originally the retirement age is 55 years old, but the Company has a policy to support the shortage of personnel in the future. The new retirement schedule for employees aged is 60 and over starts on January 1, 2015.

8. Corporate Governance

8.1 Corporate Governance policies

The Company implemented Code of Best Practice to boost transparency and benefit its business operation, reassuring confidence among shareholders, investors and all relevant parties. In light of this, the Company's Board of Directors determined the corporate governance principles, in accordance with good corporate governance guideline announced by the Stock Exchange of Thailand. The Company's corporate governance policies covered five areas as follows:

1. The Rights of Shareholders

The Company realizes and emphasizes basic rights of the shareholders, both as an owner and an investor. Such basic rights include the right to buy or transfer their existing shares, the right to receive adequate information about the Company, the right to receive shared profits from the Company, general rights regarding shareholders' meetings, the right to express their opinions, and the right to make decisions on the Company's crucial matters, e.g., dividend payment, appointments or dismissal of directors, appointments of authorized auditors, approvals of significant transactions that might affect the Company's business operation outlook, and etc.

Apart from the aforementioned rights, the Company also facilitates the right exercises for the shareholders, with the details discussed below:

1. An annual general meeting (AGM) is organized annually, within four months from the end of the previous fiscal year. The meeting invitation letters, attached by agenda details, are sent to the shareholders seven days prior to the AGM date. In addition, the AGM details are publicized on newspapers for three consecutive days beforehand. Each meeting agenda also includes comments from the Board of Directors.
2. Related details on meeting agenda are publicized on the Company's website in advance, with clarifications on the rights for meeting attendance and voting rights being provided.
3. Any shareholder who is unable to attend the AGM is eligible to ask an independent director or any individual to act as his or her representative, provided that he or she submitted any of the proxy forms attached to the AGM invitation letter.
4. A map of the AGM venue is shown in the invitation letter and the AGM date and time are appropriately set at the convenience of the shareholders. In addition, sufficient time is allocated for the AGM in order to facilitate the shareholders.
5. The shareholders are allowed to submit their comments, suggestions, and queries prior to the AGM.
6. During the AGM the shareholders are given time to make queries, provide suggestions or express their opinions independently and equally. In each AGM, the Company's directors and relevant executive management are present and be prepared to provide answers and clarification on discussed issues.

2. The Equitable Treatment of Shareholders

The Company offers equal opportunities for all shareholders and determines their voting rights in the AGM in accordance with their stake-holding. The holding of one share is equal to one voting right. No actions limit/infringe the rights of the shareholders regardless of categories, i.e., major shareholders, minor shareholders, institutional investors, and foreign shareholders. The Company assigns independent directors to take care of minority shareholders. In light of this, the minority shareholders may express their suggestions, opinions or complaints to the independent directors who will consider the matters and take appropriate action. For the case of complaints, for instance, the independent directors examine the facts and accordingly seek appropriate solutions. Regarding the case of suggestions on crucial matters that may affect the overall stakeholders or the Company's business operation, the independent directors shall consider proposing such matters as AGM meeting agendas.

The minority shareholders are eligible to nominate directors or propose additional agendas prior to the AGM date, with the Company providing clear guidelines of how to nominate directors and criteria for considerations of additional agendas suggested by the minority shareholders.

The AGM is conducted in compliance with the Company's rules and regulations, with the agendas being discussed in order. All relevant information for each agenda is clearly provided. No uninformed agendas, especially those relating to important matters that shareholders may require some time to study the details before making decisions, are unnecessarily added in the AGM agenda. Shareholders are allowed to ask an independent director or any individual to act as their representative in case they are unable to attend the AGM by themselves, provided that they submit any of the proxy forms attached to the AGM invitation letter. In terms of the voting procedure, the voting is conducted with transparency according to the agenda. On the agenda about director nomination, each shareholder has the right to vote to select a director(s).

Moreover, the Company asks the directors to report the details about stake-holding in particular agenda before considering such matters in the Board of Directors' meetings and the details about stake-holding are recorded in the minute of the meeting. Any directors who involve stake-holding in particular matters and have a tendency to provide bias comments are not allowed to participate in that particular agenda.

Furthermore, the Company also determines the measures to prevent insider trading involved by connected persons, including directors, executives, employees whose duties relate to the Company's internal information (including their spouses and minority children). These particular individuals are not allowed to trade the Company's shares one month before the reports of the Company's quarterly and annual financial statements are released. They are subsequently allowed to trade the Company's shares 24 hours after publicizing the aforementioned financial statement reports. In addition, they are not allowed to reveal such information to outsiders.

The Company provides the directors and executives with information regarding the requirements that they have to report their stake-holding, according to the Securities and Exchange Act B.E. 2535 as well as the regulation set by the Stock Exchange of Thailand. Directors or executives who engage in trading transactions of the Company's securities are required to report their stake-holding, their spouses' holding and their minority children's holding to the Security Exchange Commission of Thailand and the Stock Exchange of Thailand within three working days, according to the Securities and Exchange Act B.E. 2535; such information is subsequently publicized.

3. The Roles of Stakeholders

The Company emphasizes the importance of the rights of all stakeholders, both internal ones, i.e., the Company's employees and executives, and external ones, e.g., competitors, trade partners, customers, and etc. Having been well aware that support and comments from all stakeholders will benefit the Company's operation and business development, the Company thus complies with relevant rules and regulations to ensure that all stakeholders are treated decently. Furthermore, the Company promotes collaborations between the Company and all groups of stakeholders to ensure the business sustainability. The details are discussed below:

- a) Shareholders: The Company is committed to driving steady growth, raising its revenue and earnings, adding the Company's values, and thus maximizing returns for the shareholders.
- b) Customers: The Company emphasizes quality and standards of the products while taking care of and being responsible for customers faithfully and fairly.
- c) Trade partners: The Company has a policy to treat trade partners fairly in accordance with the mutually agreed trade conditions in order to tighten business relations that benefit all parties.
- d) Competitors: The Company promotes free and fair competition and behaves well within the decent competition rules.
- e) Employees: The Company has a policy to treat employees with equality and fair, providing them with appropriate remuneration and benefit packages as well as supporting their skill development programs.
- f) Communities and Society:
The Company places great emphasis on the responsibility of the communities and society, running business with ethics and appropriately supporting social activities.
- g) Environment: The Company strictly follows environmental rules and regulations and continues to draft policies to control environmental impacts.

It should be highlighted that the Company follows relevant rules and regulations to ensure that the rights of stakeholders are well provided and that they are decently treated.

4. Disclose and Transparency

The Company realizes the importance of disclosure of accurate, adequate, and transparent information concerning financial information, general information, in accordance with the principles sent forth by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand, and other information that might have an impact on the Company's securities' prices. Such information is important to decision making of the investors and stakeholders. After the Company was listed to the Stock Exchange of Thailand, the Company has publicized its information for shareholders, investors, and public through the following channels:

- General information through the websites of the Stock Exchange of Thailand and the Security Exchange Commission of Thailand
- Financial information through the website: www.setsmart.com
- Annual Information Disclosure Form (56-I) and the Company's annual report
- The Company's website <http://www.rajthanee.com>

Furthermore, the Company has also set up the Investor Relations Department to contact and communicate with investors, shareholders, stock analysts, and relevant state agencies.

The information released to public and stakeholders may also be obtained from the Company's website where information is updated regularly. Users can access to the information promptly and conveniently and gain the highest benefits from such information.

Regarding the financial statement and the financial information in the annual report, the Audit Committee reviews the quality of the financial statement and the internal control system. Sufficient information is disclosed in the footnotes to the financial statement and subsequently reported to the Company's Board of Directors. Also, the report about responsibility of the Board of Directors on the financial reports also accompanies the Audit Committee's report in the annual report. Moreover, the Board of Directors also supports the discussions and analysis of the operation department to include in the disclosure of financial statement.

5. Responsibilities of the Board of Directors

1. Structure of Board of Directors and Sub-committees

The Company's Board of Directors consists of qualified members who play a key role in determining the Company's policies and overall organizational direction. In addition, the Board also takes a key role in supervising, auditing, and evaluating the Company's performance, i.e., freely ensuring the Company's performance is well in line with the Company's plans.

The Board of Directors currently consists of nine directors, two of whom are executive directors, and six are non-executive directors. The Company's Audit Committee is comprised of three independent members who act as shareholders' representatives, ensuring that the Company's operation is run correctly and transparently.

According to the Company's rules, in an AGM one-third of directors shall leave their positions. In case the total members of the Board could not be divided by three, the number of directors to leave the position shall be the closing number of one-third. In the first and second years after the Company has been listed, the Company shall use a lucky draw method to determine who would have to leave the resign. In the following years, directors who are in the position for the longest duration shall leave the position. It should be noted, however, that resigned directors can be reappointed.

The Company clearly divides roles and responsibilities of Boards of Directors and the executives. To elaborate, the Company's Board of Directors drafts policies and oversees the performance of the executives in the policy level while the executives oversee the Company's management functions in various aspects, ensuring that the Company's management operation is done in the same direction as the set policies. Therefore, the chairman of the Board of Directors and the managing director shall be different persons but both positions are appointed by the Company's Board of Directors who is in charge of seeking the most qualified persons.

Moreover, the Board of Directors also appoints the following committees to oversee the management operation, as the details follows:

- The Audit Committee: The Audit Committee consists of three members who help support the Board of Directors in terms of supervision and audit of the management operation, the internal control and compliance matters. The Audit Committee also completes financial reports in order to ensure that the Company's operation and information disclosure is transparent and reliable.
- The Executive Committee: The Executive Committee is comprised of six members who have duties to determine corporate directions and strategies, ensuring that they meet the objectives set by the Board of Directors. In addition the Executive Committee also helps facilitate flexible management operation.

The secretary to the Board of Directors is appointed to provide suggestions regarding relevant regulations that directors are supposed to know, facilitate Board of Directors' activities, and ensure that all resolutions from the Board of Directors' meetings are followed.

2. Roles, duties and Responsibilities of the Board of Directors

The Company's Board of Directors consists of qualified members with extensive knowledge, skills and expertise in various fields. The Board of Directors takes part in determining the Company's visions, missions, strategies, business policies and directions. In addition, the Board of Directors supervises the Company's operation, ensuring that it complied with the laws, objectives, regulations and the resolutions of the AGMs. In order to closely monitor and supervise the Company's operation, the Board of Directors sets up some committees to work on particular functions.

2.1 Corporate governance principles

The Company completes written corporate governance principles in comments from the Board of Directors' meetings being included. The Board of Directors regularly reviews policies and ensures that they are well followed. After the listing to the Stock Exchange of Thailand, the Company has followed the rules and regulations set forth by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand. Its corporate governance report is disclosed in the annual report and the annual information disclosure form (i.e., 56-1 Form).

2.2 Code of Conduct and Ethics

The Company determines the code of conduct and ethics for directors, management, and employees; such code of conduct shall be used as a reference for relevant parties so that they perform duties with faithfulness, honesty, and fairness, regarding their treatment to all parties, e.g., all stakeholders, public and society. In addition, the Company also regularly sets up monitoring systems for practices on such code of conduct and ethics

Note that the Company announces the code and conduct and ethics for all employees to follow accordingly.

2.3 Conflicts of interest

The Company prescribes the policies relating to conflicts of interest, based on the principle that any decision making about business activities must take the Company's maximum benefits into consideration and avoid any transactions that may bring about possible conflicts of interest. In light of this principle, persons who are involved with any connected transactions are required to inform the Company about their relations or connections with such transactions and they are not allowed to participate in the decision making on such transactions, nor are they authorized to approve such transactions.

The Audit Committee reports connected transactions and transactions with conflicts of interest to the Board of Directors. Having been carefully and appropriately reviewed such transactions, Company seriously follows all rules and regulations set forth by the Stock Exchange of Thailand and/or the Security Exchange Commission of Thailand. Furthermore, all details about any connected transactions are disclosed in the financial statement, the annual report and the annual information disclosure form (56-1 Form).

Vibharam Hospital Co., Ltd. and Thonburi Healthcare Group Plc. currently hold 11% and 9%, respectively, of the Company's paid-up capital. In addition, these two firms also hold 17% and 10%, respectively, of the subsidiary's paid-up capital. As these two business entities are engaged in similar businesses as the Company and the subsidiary's businesses, some transactions among them might have involved conflicts of interest. To mitigate possible conflicts of interest, the Company, thus, states in its charter that the directors, who represent shareholders of any entities engaging in similar or comparable businesses as the businesses run by the Company and/or the subsidiary and/or the controlling company, are not allowed to attend meetings nor consider voting about any connected transactions involving in potential conflicts of interest. This rule is applicable to all kinds of connected transactions, whether or not such transactions would involve the core business operations of the Company, e.g., branch expansions, acquisition deals (both about hospital business and non-hospital businesses), hospital expansions, approval of budget for significant investment apart from business expansions and etc.

It should be noted that the amendment made to the aforementioned charter is subject to approval from an AGM with the majority of the votes cast by the present shareholders. Stakeholders of connected transactions have no right to cast votes.

2.4. Internal Control System

The Company emphasizes the internal control system, both in the management and operation levels. For effective operation, the Company clearly identifies functions and scopes of operation authority of employees in the operating level and executives in a written form. Utilizations of the Company's assets are well controlled while duties of operating employees and supervisors, as well as performance appraisal, are clearly separated. The Audit Committee is appointed to oversee and review the Company's internal control system as well as the internal audit, ensuring that such practices are appropriate and effective. Furthermore, independent internal auditors are also appointed to monitor and inspect the Company's internal control system, with their auditing result being reported to the Audit Committee. This practice helps ensure that the Company's core operation is effectively conducted within the set guidelines.

3. The Board of Directors Meetings and Self-appraisal

According to the Company's rules, the Board of Directors convene a meeting at least quarterly, with special meetings being called for if needed. The meeting invitation letters are sent to the members of Board of Directors at least seven days prior to the scheduled meetings. Clear agendas of each meeting, coupled with sufficient relevant details, are sent to directors prior to the meetings to allocate adequate time for them to study the agenda details.

As mentioned above, directors receive detailed agendas and relevant documents prior to every meeting so that they have sufficient time to study relevant information. The secretary to the Board of Directors is assigned to attend every meeting; he or she will then complete minutes of the meeting and subsequently submit it to the Chairman of the Board of Directors for his/her acknowledgement and verification. The acknowledged minutes will subsequently be put on the first agenda of the next meeting to seek the meeting's acknowledgement. Furthermore, the secretary to the Board of Directors is also in charge of compiling related information and filing meeting documents for future references

Meeting resolutions are based on the majority votes. One director holds one voting right. Any directors, who are stakeholders of a matter on agenda, are neither to attend the meetings nor cast votes in that particular agenda. In case of equal votes, the chairman has the final say.

Moreover, the Board of Directors encourages performance evaluation at least once annually in order to enhance the Company's operation. Appraisal points are clearly identified and subsequently proposed to the meetings.

4. Remuneration

The Company identifies remuneration policies for directors clearly and transparently. The remuneration package for each director is appropriately determined in accordance with his or her duties and responsibilities. The package is sufficient to attract qualified directors to remain with the Company and such package is subject to approval of the AGM.

Note that the Company discloses the remuneration packages offered to the directors and executives, using the form provided by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand.

5. Development of Directors and Executives

The Company has a policy to provide trainings for those in charge of overseeing the Company's overall operation, including directors, members of the Audit Committee, members of the Executive Committee as well as other executives. This policy is aimed at continued enhancement of the Company's operation. During the transition periods, replacements of the former directors are given clear guidelines and useful information in order to ensure that the new comers can continue to perform effectively under the good corporate governance framework.

8.2 Sub-committees

The Company's management structure entails three major committees, namely the Board of Directors, the Executive Committee and the Audit Committee. The Board of Directors and Executive Committee consist of qualified members, according to Article 68 of the Limited Public Company Act B.E. 2535 as well as relevant notifications of the Capital Market Supervisory Board. Scopes of authority and responsibilities of the aforementioned committees are discussed below.

8.2.1 Scopes of authority, duties, and responsibilities of the Board of Directors

According to the 2015 AGM's resolutions on July 28, 2015 and the resolutions of Board of Directors' meeting No. 1/2015 dated April 19, 2015, scopes of authority, duties, and responsibilities of the Board of Directors are discussed below:

1. Be empowered to and in charge of the Company's management and operation, ensuring that the management and operation are conformed to laws, objectives, and regulations of the Company as well as resolutions of the AGMs, with the issues about integrity and the Company's highest benefit being taken into serious consideration.
2. Supervise and oversee the completion of the Company's balance sheet and profit and loss statements at the end of accounting periods; the audited balance sheet and profit and loss statements are subsequently summated to the AGM for further consideration and approval.
3. Determine targets, guidance, strategies, business plans, budget and oversee monitoring and supervision functions to ensure that the management and the management's operation are performed effectively and efficiently in line with the set policies, business plans and budgets.
4. Review, examine, and approve the Company's policies, directions, strategies and operation plans proposed by the management.
5. Monitor the Company's performance to ensure it remains on track, comparing to the Company's business plans and budgets.
6. Ensure that the Company and its subsidiary entail appropriate and effective accounting systems, reliable financial reports and audit, and adequate and appropriate internal audit system.
7. Consider setting risk management policies that cover the entire organization and supervise the risk management system and procedure, making certain that such risk management system has appropriate and sufficient measures to cushion against possible impacts on the Company.
8. Consider determining the management structure; be empowered to appoint members of the Executive Committee, a managing director as well as other sub-committees as appropriate; in addition, identify the scopes of authority of the Executive Committee, the managing director, and other appointed sub-committees.

Note that the authorization of the scopes of responsibilities must not include the authorization to empower the aforementioned members of the Executive Committee, the managing director, and appointed sub-committees to consider approving any transactions that involves their conflicts of interest with the Company and the subsidiary (if any), except for the case of the approval of transactions that are under the policies and principles that have already been approved by the Board of Directors.

9. The Board of Directors might authorize one director or more than one directors or other individuals to cover the duties of other directors under control by the Board of Director; the Boards of Directors may also authorize such individuals to perform some functions for some durations as deemed appropriate by the Board of Directors; this authorization could be annulled/amended as viewed appropriate by the Board of Directors.

Note that the aforementioned authorization must not include the authorization to empower the aforementioned individuals to consider approving any transactions that involve their conflicts of interest with the Company and the subsidiary (if any), as defined by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other relevant agencies, except for the case of the approval of transactions under the policies and principles that have already been approved by the Board of Directors.

8.2.2 Scopes of authority, duties, and responsibilities of the Executive Committee

According to the Board of Directors' meetings No. 7/2014 dated December 25, 2014 and No. 3/2015 dated September 24, 2015, the scopes of authority, duties, and responsibilities of the Executive Committee are discussed below:

1. Operate and manage the Company's business in accordance with the objectives, regulations, policies, rules, orders and resolutions of the Board of Directors' meetings and/or of the AGMs.
2. Review proposals from the operation department; and present policies, directions, strategies, business operation guidance, business expansion plans, budgeting plans a budget allocation to the Board of Directors' meetings for further approval process.
3. Appoint working panels and/or other persons to perform duties relating to the Company's operation and management; determine scopes of authority and responsibilities of the appointed panels and persons; and supervise the performance of such appointed panels and persons to ensure that their performance meet the set policies and objectives.
4. Monitor the Company's operation in order to keep it on the right track vs. the Company's set policies, objectives, operation plans and budgets, as well as ensuring quality and effective operation.
5. Be empowered to approve the major capital expenditure, as specified in the annual expenditure budget, only for the items assigned by the Board of Directors or approved in principle by the Board of Directors.
6. Be empowered to approve expenditures related to the Company's core business operation, e.g., purchase of medical devices within the budget approved by the Board of Directors (the budget limits of each item are in accordance with the authority scales approved by the Board of Directors).
7. Determine the organizational structure and management authority including the authority for employment, position transfer, and employment contract termination, determination of remuneration packages, salary increases, and performance bonus approval for employees at the management level, from the positions of deputy director or equivalent positions below the position of managing director.
8. Be authorized to assign a person or persons to perform particular functions under the supervision of the Executive Committee; or give authority to such person(s) within particular durations as deemed appropriate by the Executive Committee. The Executive Committee shall annual, withdraw or amend the aforementioned authorization as appropriated.
9. Perform ad hoc functions as assigned by the Board of Directors; note that the authorization of the scopes of responsibilities of Executive Committee must not include the authorization to empower any persons to consider approving any transactions that involve conflicts of interest (as defined in the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory bodies) with the Company and/or the subsidiary and /or relevant companies. ExecutiveCommittee has no authority to approve the aforementioned transactions; in stead, such transactions shall be proposed to the Board or Directors and/or AGMs (whatever the case may be) for further approval procedure, except for the cases of approval of transactions related to core business operation and normal trade conditions as announced by the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or relevant regulatory bodies.
10. Supervise risk management operation, ensuring that it is effective and in line with the set policies; and review and evaluate the risk management on a regular basis and present the results of review/evaluation to the Audit Committee and/or the Board of Directors.

8.2.3 Scopes of authority, duties, and responsibilities of the Audit Committee

According to the Board of Directors' meeting No. 7/2014 dated December 25, 2014, the scopes of authority, duties, and responsibilities of the Audit Committee are discussed below:

1. Review the Company's financial reports and make sure they are correct and adequate.
2. Review the Company's internal control system and internal audit system and make sure they are appropriate and effective; ensure the independence of the internal audit department; provide opinions concerning appointments, transfers, and employment termination of the heads of the internal audit department or the heads of any other departments overseeing the Company's internal audit procedure.
3. Review the Company's operation and ensure that it conforms to the rules and regulations of the Stock Exchange of Thailand and to any other laws relevant to the Company's business.
4. Consider proposing an independent person as the Company's authorized auditor as well as proposing the remuneration for such person; and join the meetings with the authorized auditor, without the presence of the management, at least once a year
5. Review connected transactions or some transactions that may involve conflicts of interest to ensure that those transactions are in compliance with the regulations of the Stock Exchange of Thailand and that they are justified and bring maximum benefits to the Company.
6. Prepare the Audit Committee's report, which is included in the Company's annual report; the report must be signed by the chairman of the Audit Committee and at least contain the following details:
 - Opinions concerning accuracy, completion and reliability of the Company's financial reports
 - Opinions concerning the adequacy of the Company's internal control system
 - Opinions whether the Company follows relevant securities laws regulations set forth by Stock Exchange of Thailand, and any laws relevant to the Company's business
 - Opinions concerning the suitability of the Company's authorized auditor
 - Opinions concerning some transactions that may cause conflicts of interest
 - Opinions in regard to the number of the Audit Committee meetings and the attendance of each member
 - Opinions or overall observations from the Audit Committee's charter-based operation
 - Other matters that should be disclosed to the shareholders and general investors under the scopes of duties and responsibilities assigned by the Board of Directors
7. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee

8.2.4 Scopes of authority, duties, and responsibilities of the Managing Director

According to the Board of Directors' meeting No. 7/2014 dated December 25, 2014, the scopes of authority, duties, and responsibilities of the managing director are discussed below:

1. Supervise business operation and/or daily administration of the Company
2. Draft and present policies, directions, strategies, business operation plans, budgeting plans, budgeting plans, investment plans, management structure of the Company and business operation principles that accord the current economic circumstances to the Executive Committee and the Board of Directors for further approval process.
3. Operate or manage the Company's business in the same direction as the Company's set policies, business plans, and budgets already approved by the Board of Directors.

4. Supervise the Company's operation in order to ensure that it goes well in line with the Company's set policies, business plans, and budgets approved by the Board of Directors; examine and evaluation the Company's performance in order to keep it well in line with the set policies; and report the Company's management performance to the Executive Committee, the Audit Committee and the Board of Directors.
5. Approve the Company's core business operations based on the budget limits approved by the Board of Director (the budget limit for each item is in accordance with the authority scales approved by the Board of Directors but does not exceed the annual budgets approved by the Board of Directors); and enter into contracts related to such operations.
6. Be empowered to approve expenditures related to the Company's core business operations, e.g., purchases of medical devices (the budget limit for each item is in accordance with the authority scales approved by the Board of Directors but does not exceed the annual budgets approved by the Board of Directors); and enter into contracts related such operations.
7. Be authorized to approve significant capital expenditure, as specified in the Company's annual budget, as assigned by the Company's Board of Directors or as approved in principle by the Board of Directors.
8. Be empowered to approve expenditures related to the Company's core business operations, based on the budget limits approved by the Board of Directors; under the authority approved by the Board of Directors; and enter into contracts related such transactions.
9. Determine the organizational structure including the authority for appointment, employment, position transfers, determination of remuneration packages and performance bonus, and employment contract termination for employees from the positions of deputy directors downwards.
10. Be authorized to announce orders, regulations, and notifications in order to ensure that the Company's operation goes well in line with the set policies and benefit the Company; and also to create disciplines and maintain good orders within the organization.
11. Collaborate with the head of the internal control department and the internal audit committee in order to ensure that the Company's business operation and risk management meet the Company's objectives, regulations and policies under the good corporate governance principles.
12. Be empowered to reauthorize and/or reassign other persons to work on his/her behalf (such re-authorization and/or reassigning must be under the scope of authorization as specified in the proxy form and/or rules and regulations or orders announced by the Board of Directors and/or the Company).
13. Perform other ad hoc duties as assigned by the Board of Directors and other sub-committees.

For any transactions that the managing director or a person authorized by the managing director or any other persons or stakeholders that may involve conflicts of interest (as defined in the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant regulatory bodies) with the Company and/or the subsidiary, these people have no authority to approve such transactions. In stead, such transactions shall be proposed to the Board or Directors and/or AGMs (whatever the case may be) for further approval, except for the cases of approval of transactions related to core business operation and normal trade conditions as announced by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and /or relevant regulatory bodies.

8.2.5 Scopes of authority, duties, and responsibilities of the Company Secretary

1. Provide advice for directors and executives about compliance with law, orders, rules and regulations of the Company, ensuring that all actions are performed correctly and regularly.
2. Organize Board of Directors' meetings and AGMs and ensure that the resolutions of such meetings are taken into consideration.
3. Ensure that the information disclosure and information memorandum, under company secretary's responsibility, comply with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand as well as other relevant laws.
4. Complete and keep the following documents
 - a) Director registration
 - b) Meeting invitation letters for Board of Directors' meetings, minutes of the Board of Directors' meetings and the Company's annual report
 - c) Invitation letters for AGMs and minutes of AGMs
 - d) Reports about stake-holding of the directors or the management
5. Engage in other procedures as specified by relevant laws and the notifications of the Capital Market Supervisory Board.

8.3 Selection of candidates for nomination as directors and executives

8.3.1 Selection of directors

First of all, the Company considers basic qualifications in accordance with the criteria as specified in Article 68 of the Public Limited Company Act B.E. 2535 and in the legal announcements of the Securities and Exchange Commission of Thailand. In addition, other qualifications are also taken into consideration, e.g., knowledge, expertise, relevant experience, qualifications that benefit the Company's operation and etc. A director serves a term of three years. Appointment principles and producers are discussed below:

1. The appointment of directors are conducted in a AGM, with the following details
 - A shareholder has the number of votes equal to the number of shares owned.
 - Each shareholder may use all of his/her rights to vote for an individual(s) or use any other methods as deemed appropriate by the AGM. Each shareholder shall use all the voting rights for only one person; in other words, the votes cannot be split to any one person or group.
 - The majority votes shall decide who to be appointed as a director; if the majority votes are equally given to more than one candidate, the chairman of the meeting shall cast the deciding vote.
 - The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman of the meeting shall cast the deciding vote.

2. At each AGM, at least one third of the directors shall resign by rotation. If the number of directors cannot be divided by three, directors to resign in the first and second years after the listing to the Stock Exchange of Thailand shall be determined by the lucky draws. For the following years, directors who have been in the position for the longest duration shall resign.
3. Directors who have resigned by rotation may be re-elected.
4. If a director position becomes vacant due to any reasons other than the resignation by rotation, the Board of Directors shall select a qualified individual, who is not legally ineligible to the position (according to the Public Company Limited Act and the Securities and Exchange Act B.E. 2535 at the subsequent meeting of the Board of Directors, unless the term of the vacant director position is less than two months. In this case, the director who fills the vacant position shall serve only until the end of the remaining term. The Board of Directors' vote for the appointment of the director to fill the vacant position shall be no less than three quarters of the remaining directors.
5. In case all directors are to resign, they shall remain in the position to smoothen the Company's operation, as necessary, until the new board of directors is installed, unless the court rules otherwise. In case all directors are ordered by the court to leave the positions, a shareholder meeting shall be organized to appoint new directors within one month from the date the directors leave the positions. A meeting invitation letter shall be sent to the shareholders not less than 14 days prior to the scheduled meeting and the meeting details and invitation shall be advertised on newspapers not less than three days prior to the meeting and the advertisement on newspapers shall be put in place for three consecutive days.
6. A shareholder meeting may vote some directors out of power before their terms are completed, with the total votes of not less than three-fourth of the number of shareholders who attend the meeting and whose combined shareholding is not less than half of the total shares owned by the shareholders who are present in the meeting and hold voting rights.

8.3.2 Selection of independent directors

When an independent director completes his/her term or when an additional appointment of an independent director is required, the current Board of Directors shall discuss to seek a qualified individual to fill in the vacant position. An ideal individual shall possess extensive experience, knowledge, and capabilities that benefit the Company as well as the basic qualifications discussed below. Once the Board of Directors reaches a conclusion of an ideal candidate(s) for an independent director(s), the Board shall nominate such individuals in the Board of Director's meeting or AGM for further proceedings under the Company's rules.

The Company has a policy to appoint independent directors at least one third of the total directors and at least three independent directors shall be appointed. The Company determines qualifications of independent directors, according to regulations of the Capital Market Supervisory Board, as follows:

1. Hold not more than one percent of the voting shares of the Company, its subsidiary, associates or juristic persons that may involve conflicts of interest. This includes shares held by related persons of the individual independent directors.
2. Is not/has not been a director who involves the Company's management, a staff, an employee, a permanent advisor or a person with controlling power of the Company, the parent company, the subsidiary, associated companies, same-level subsidiaries, major shareholders or persons with controlling power, unless that status has ended for no less than two years prior to the date that a permission request was submitted to the Securities and Exchange Commission of Thailand or prior to the appointment date.
3. Is not a blood relative of or has a legally registered relationship as father, mother, spouse, sibling and child, as well as spouse of child, with management, major shareholders with controlling power or individuals to be proposed as management or those having controlling power over the company or subsidiaries (if any).
4. Does not have/has not had business relationship with the Company, parent company, subsidiaries or juristic persons that may involve conflicts of interest in a way that may hinder one's independent judgment. In addition, the individual must not be/have been a major shareholder, a non-independent director or an executive of an entity that has a business relationship with the Company, parent company, subsidiaries, associated companies or juristic persons that may involve conflicts of interest, unless that status has ended for no less than two years prior to the date that a permission request was submitted to the Securities and Exchange Commission of Thailand or prior to the appointment date.

The aforementioned relationship also includes normal trade transactions to support the Company's core business operation, leases of property or possession of property for leases, transactions about assets or services, receipt or offer of financial aids, e.g., borrowing or lending money, guarantees, provisions of collateralized assets as well as equivalent transactions, that result in liabilities at least 3% of the net value of the tangible assets or worth Baht 20 million upwards, whatever lower in value. Note that such liabilities are calculated by means of the method used for calculation of values of connected transactions, in accordance with the announcement of the Capital Market Supervisory Board concerning connected transactions. Note that the calculation of liabilities also includes the items that occurred during one year prior to the existence of business relationships.

5. Is not/has not been an auditor of the Company, parent company, subsidiaries, and associated companies, a juristic person with possible conflicts of interest, a major shareholder, a non-independent director, an executive, or a partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associated companies, or juristic persons with conflicts of interest, unless that status has ended for no less than two years prior to the date that a permission request was submitted to the Securities and Exchange Commission of Thailand or prior to the appointment date.

6. Is not/has not been a professional service provider, including a legal counsel and a financial advisor, who receives a service fee exceeding Baht two million per annum from the Company, parent company, subsidiaries, associated companies, or juristic persons with conflicts of interest; and is not a substantial shareholder, a non-independent director, an executive, or a partner of a professional service firm, unless that status has ended for no less than two years prior to the date that a permission request was submitted to the Securities and Exchange Commission of Thailand or prior to the appointment date.
7. Is not a director who has been appointed as a representative of the Company's directors, major shareholders or a shareholder who is a related person to a major shareholder.
8. Not conducting any business which is of the same nature as or in material competition with that of the Company or its subsidiary, nor be a substantial partner, an executive director, a staff, an employee, a permanent advisor with regular salary, nor hold more than 1% of total shares with voting rights of any company whose business is of the same nature as or in material competition with the Company or its subsidiary's businesses.
9. Not possessing any other characteristics which may impede his/her ability to express independent opinions with regards to the Company's operations.
10. Is not a director assigned by the Board of Directors to make decisions regarding operations of the Company, subsidiaries, associated companies, same-level subsidiaries or juristic persons that involve conflicts of interest.
11. Is not a director of the Company, subsidiaries, associated companies, or same-level subsidiaries which are listed in the Stock Exchange of Thailand.

Independent directors review and verify their independence at least once annually and include the results of such review and verification in the report of directors' background at the yearend, the information of which will be shown in the annual information disclosure form and the Company's annual report.

8.3.3 Selection of Audit Committee

The members of Audit Committee are appointed by the Company's Board of Directors or shareholders. All members shall be independent directors who possess required independence qualifications as announced by the Securities and Exchange Commission of Thailand and as specified by the Company's corporate governance principles. The Audit Committee consists of at least three independent directors and at least one member must possess knowledge about accounting and/or finance so that he/she can examine and supervise the Company's operations, financial reports, internal control system, selection of an auditor and review of transactions with possible conflicts of interest. One member serves the term of three years.

8.3.4 Selection of Managing Director

In selection of a managing director, the Executive Committee conducts a preliminary review in order to shortlist ideal individuals who possess knowledge, abilities and suitable qualifications as well as relevant experience that may be favorable to the Company's operations. The short-listed candidates will be subsequently submitted to the Board of Director for further consideration and approval.

8.4 Supervisions of the Company and Subsidiary's Operations

The Company will invest in other firms whose business objectives are Similar the Company's; or whose existing business is comparable or similar to the Company's, or whose existing business can bring about synergy benefits to the Company. Potential investment plans are expected to support the Company's operations, enabling it to better provide integrated medical services and thus enhancing its competitiveness. The Company's Board of Directors may consider investing in other businesses apart from its existing core or other businesses, provided that the Board sees business growth potential and foresees future benefits to the Company and overall shareholders.

To supervise the operations of the Company and its subsidiary, the Board of Directors considers appointing highly-qualified directors or executives/management to represent the Company in the management of business operations at any subsidiaries and/or affiliates. The Company's representatives are appointed to help identify major policies and control operations at subsidiaries and/or affiliates. The Company's representing directors or management are in charge of supervising the subsidiaries and/or affiliates in order to ensure that their business operations are conducted in accordance with the Company's set policies. In addition, the representative directors and management shall take resolutions of Board of Directors' meetings and/or AMG into consideration when considering approving significant matters at the subsidiaries and/or affiliates to maximize benefits to the Company and boost the Company's sustainable growth.

Furthermore, the Company's representative directors or management must ensure that the subsidiaries disclose information, i.e., about all connected transactions and connected persons, acquisitions and disposal of assets and any other transactions involved by the subsidiaries, accurately and completely. Also, the representatives have to make sure that such information disclosure and aforementioned transactions are conducted well under the Company's set principles. Finally, the representative directors or management also have to supervise the subsidiaries regarding complete, accurate and auditable financial statement, which can be completed within the identified deadline.

In supervising the operations of Rajthanee Rojana Hospital Company Limited, the Company appointed its representatives namely Mr.Wachira Wudhikulprapan, Mrs. Smorn Prasithirun, Mr.Charoonsak Sripochsomboon, and Ms Phitraphee Prasithirun to control and oversee the operations of the subsidiary.

Moreover, the Company also has a policy to assign an independent auditor to inspect the operations of the subsidiary in order to prevent any mistakes and ensure transparent operations as necessary and appropriate. The auditing is periodically performed, with auditing reports being submitted to the Audit Committee.

Vibharam Hospital Co., Ltd. and Thonburi Healthcare Group Plc. currently hold 11% and 9%, respectively, of the Company's paid-up capital. In addition, these two firms also hold 17% and 10%, respectively, of the subsidiary's paid-up capital. As these two business entities are engaged in similar businesses as the Company and the subsidiary's businesses, some transactions among them might have involved conflicts of interest. To mitigate possible conflicts of interest, the Company, thus, states in its charter that the Company's Board of Directors has a duty to supervise and prevent the directors, who represent shareholders of any entities engaging in similar or comparable businesses as the businesses run by the Company and/or the subsidiary and/or the controlling company, from attending the meetings and voting for any connected transactions involving in potential conflicts of interest. This rule is applicable to all kinds of connected transactions, whether or not such transactions would involve the core business operations of the subsidiary or the controlling company, e.g., branch expansions, acquisition deals (both about hospital business and non-hospital businesses), hospital expansions, approval of budget for significant investment apart from business expansions and etc.

It should be noted that the amendment made to the aforementioned charter is subject to approval from an AGM with the majority of the votes cast by the present shareholders. Stakeholders of connected transactions have no right to cast votes.

8.5 Control of Insider Information

The Company has a policy and procedure to supervise directors and executives regarding insider trading information. The policy and procedure aimed at preventing directors or management from using undisclosed insider information for their own benefits are discussed below:

- Inform directors and management of their duties to report details about securities possessions of their own, spouses, and minority children to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59, and Penalties according to Article 59 and Penalties according to Article 275 of the Securities and Stock Exchanges Act B.E. 2535.
- Directors and executives are required to report any changes made to their securities possessions to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59 of the Securities and Stock Exchanges Act B.E. 2535, within three working days from the date the changes are made. A copy of such report shall also be submitted to the Company on the same day when such report is submitted to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.
- The Company ensures that all directors, management and relevant persons in the operation level are informed of significant information, which may trigger changes in the Company's share price. Trading on the Company's shares shall be suspended for at least one month before the financial information and insider information is disclosed to the public and at least 24 hours after such information is publicized. Disclosure of significant information to other persons is also prohibited.

Anyone who violates the aforementioned rules and takes advantages of insider information is subject to penalty\, e.g., written warnings, salary cuts, employment suspensions without pay and permanent employment termination. Degrees of penalties are determined, based on intentions and degrees of violence.

8.6 Auditor Fees

The Company paid audit fees to CWWP Company Limited (the “auditor”). The payment, i.e., for the audit fees and the fees for the interim financial statement review was Baht 1.21 (VAT included). When included other non-audit fees for the preparation of IPO information, overtime work, and transportation allowance in 2017, the sum of the fees amounted to Baht 1.41 million (VAT included). Apart from the aforementioned amount, the Company was not obliged to make any payment on any other item for the auditor, the auditor’s audit firm, and any persons related to the auditor or the auditor’s audit firm.

9. Social responsibilities

9.1. Policy overview

The Company recognizes the importance of sustainable growth of the Company's business while integrating anti-corruption measures with its corporate social responsibility. The Company aims to run a business with concern for stakeholders, economy, society and environment based on ethics and moral principles. The Company believes that running a business with social responsibilities will benefit both society and the Company's growth.

9.2. Operation and reporting

9.2.1 CSR in process

It is the Company's policy to operate its business with responsibilities for society, environment and stakeholders.

1. Fair business practices

The Company realizes the importance of honesty and fairness in all aspects, including general procurement, medicine and medical supply procurement, medical equipment selection and internal management at the hospitals. The whole work process is transparent and accountable.

Moreover, the Company supports fair competition and opposes any behavior that obstructs such competition. The Company does not offer any bribe to vendors in procurement of medicine, medical supplies or medical equipment. In addition, the Company recognizes intellectual property rights and requires its employees to follow laws or regulations related to intellectual property. For example, the Company uses genuine computer software. Meanwhile, the Company runs campaigns against corruption, extortion and bribery.

2. Anti-corruption

The Company puts an emphasis on tackling dishonest behavior, corruption and bribe offering or accepting. Meanwhile, the Company encourages all of its staff to come up against all types of dishonest behavior and corruption. The guidelines fighting corruption are set as follows:

2.1 Announcement of anti-corruption policies

To tackle corruption, the Company draws up written guidelines, which is recorded in "the hospital's work rules and regulations" and conveys the message to its directors, executives and employees for acknowledgement and practice. Furthermore, anti-corruption is one of the topics that are emphasized the Company's new staff orientation to ensure their acknowledgement and practice. If an employee is found guilty of corruption, his or her employment will be terminated.

2.2 Corruption risk evaluation

- The Board of Directors made a list of the Company's risks sorted by level of the risk in order to prepare internal audit and operational risk management plans.
- Internal audit is carried out according to the risk evaluation plan. Internal auditors are outsourced from experienced audit firms. The qualifications of the auditors comply with laws and regulations to ensure their efficient and transparent auditing. The auditors work together with the Company's Audit Committee.

2.3 Corruption control and prevention

- The Company has regulations governing procurement, employment, contract signing and disbursement with specifications of budget limits, authorized parties and objectives of each item which requires clear evidence. Moreover, internal audit is carried out by experienced and qualified internal auditors.
- The Company's internal control ranges from finance, accounting, data recording to other procedures related to finance and accounting, to ensure that all financial transactions are performed as authorized and transparent.
- Money donation to charity or to public shall be for public charity only and clear evidence shall be presented. The donation procedure shall be in accordance with the Company's rules and regulations.
- Gift presentation or acceptance and business meal hosting shall be transparent, legal and follow normal business practice or traditions with appropriate value.

2.4 Corruption risk report

The Company's directors, executives and employees have a duty to report of any corrupt practices that are related to the Company to their supervisors and cooperate in any investigation.

2.5 Screening and tackling corruption

The Company's Audit Committee makes examinations and re-checks to ensure the Company's good governance that is in accordance with anti-corruption policies for hospitals and related laws. If the audit committee finds or have doubts of any cases of suspected fraud that may affect the Company's transparency, the Audit Committee is free to report what it has found to the directors or the managing directors for timely problem solving. If any director, executive or employee does not comply with the Company's policies or violate their code of ethics, the Company will find an appropriate way or measure to treat that person. The measures range from disciplinary punishment based on the Company's code of conduct to legal actions.

2.6 Protection of the person who reports about suspected corruption

The Company protects and treats with fairness the person who reports about suspected corruption and the person who cooperates with the corruption reporting and investigation to save him or her from possible impact.

9.3 Respect for human rights

The Company pays attention to and respect for human rights. The Company's physicians, nurses and staff are requested to treat the patients and customers with equality, without any discrimination.

9.3.1 All of the patients are treated equally, disregard for their race, skin color, sex, age, religion, physical status, mental status or social status. Stakeholders can express their opinions and complaints can be made through appropriate channels.

9.3.1 The Company focuses on and respects rights of the patients. Rights of the patients are informed at the new staff's orientation to ensure that the staff acknowledge and understand the rights of patients for appropriate practice. Meanwhile, the declaration of patients' rights are displayed across the hospitals.

9.3.3 The Company monitors its business to ensure that it is not involved in human rights violation, e.g. child labor and sexual harassment.

9.4 Fair treatment to employees

The Company attaches importance to human resource development and fair treatment of employees.

- 9.4.1 The Company complies with labor laws and respects the employees' human rights-based rights.
- 9.4.2 The Company ensures fair hiring process and hiring conditions. Compensation and performance appraisal are considered under a fair evaluation process.
- 9.4.3 The Company supports employees in knowledge expansion to ensure highest efficiency. The Company has human resource development plans, according to the organization's strategies, provides the employees with internal and external training, fosters positive attitude and professional ethics as well as building the spirit of teamwork.
- 9.4.4 The Company provides its employees with welfare benefits as required by laws, e.g. social security, compensation fund, provident fund, as well as other additions to the legal requirements, e.g. additional medical expenses to social security benefits, group insurance for accident-prone staff, funeral expenses, uniforms, accommodation for medical staff, annual leaves, etc.
- 9.4.5 The Company provides favorable work environment, e.g. air-conditioning system on underground floor and laundry service room, to ensure that its staff work in a safe and happy atmosphere.
- 9.4.6 The Company provides annual check-ups, according to their age, sex and work environment, to all of its staff. Also the Company promotes prevention of epidemic and easily-transmitted diseases, e.g. flu and hepatitis B virus, by having all staff vaccinated.
- 9.4.7 To ensure safety and hygiene at workplace, the Company hires professional-level safety officers and sets up the committee of safety, occupational health and work environment. Accident-prevention measures and safety awareness are raised while training and hygiene promotional campaigns are conducted. In addition, the Company sets up a 5S committee to ensure hygienic conditions and safety at workplace.
- 9.4.8 The Company allows its staff to express their opinions by dropping their notes at the opinion boxes or writing a letter of complaints about unfair practice, which are delivered directly to the hospitals' directors, while giving protection for the reporters of the issues.
- 9.4.9 The Company strengthens the staff's bond with the organization by holding the "Happy Work Place" activity.
- 9.4.10 The Company helps the staff having financial problems by working together with financial institutions to provide loans with special interest rates to the staff.

9.5 Responsibilities for consumers

The Company attaches importance to and has determined effort to develop its operations and services to meet quality standards and consumers' satisfaction with a sense of responsibility, honesty and attention.

- 9.5.1 The Company's physicians and medical staff are knowledgeable and have expertise in various fields to provide quality treatment and service at fair charges.
- 9.5.2 The Company stresses the importance of patient confidentiality and does not violate patient confidentiality.
- 9.5.3 The Company aims to create relationship between the Company and consumers by holding activities to provide knowledge about healthcare and to ensure sustainable relationship.
- 9.5.4 The Company is open for consumers' opinions to get feedback for further improvement to meet requirements and expectations of consumers. The consumers are able to give their feedback via several channels, e.g. opinion box, phone, letter, email and the hospitals' website.
- 9.5.5 The Company aims to properly provide the patients with quality and standard services and consistently complies with hospitals' standards and regulations. The Company receives the hospital accreditation (HA) and the laboratory accreditation (LA).

9.6 Environmental care

The Company is determined to be an environmentally-friendly organization and strictly follows related environmental laws and regulations. Furthermore, the Company establishes policies and sets up the committee of safety, occupational health and work environment to monitor and examine safety- and environment-related units of the hospitals, with realization that safe and hygienic buildings in good environment will enable the staff to work efficiently while the patients will receive convenient services.

Environment in society and community is another aspect to which the Company pays attention. The Company's projects are designed to be in a good environment and obtained the environmental and health impact assessment (EHIA) approval on December 23, 2010 from the Office of Natural Resources and Environmental Policy and Planning, the Ministry of Natural Resources and Environment. Naresuan University is the Company's consultant. The Company focuses on constructing buildings without impact on the environment, the public or the community nearby. Moreover, the Company keeps up with improvement and reports environment impact to the Office of Natural Resources and Environmental Policy and Planning and authorities involved every six months up until now.

In addition, the Company strictly follows the Ministry of Public Health's ministerial regulations on infectious waste disposal B.E. 545 (2002) and the Ministry of Natural Resources and Environment's announcement on types of buildings and sources of pollution of which wastewater disposal to public water resources shall be monitored and other related laws.

9.7 Development of society and community

The Company attaches importance to responsibilities for community and society. Therefore, the Company formulates policies on social cooperation and development with an emphasis on services and campaigns for healthcare in society. Moreover, the Company has policies to support educational institutes.

- 9.7.1 The Company provides staff for the mobile health units advocated by state agencies in Phra Nakhon Si Ayutthaya province, e.g. Governor, Provincial Red Cross, Provincial Social Security Office, to improve public knowledge about healthcare.
- 9.7.2 The Company gives lectures on health-related topics, e.g. high blood pressure, cervical cancer, hepatitis virus, children and allergies and expectant mother care, at its hospitals. The public and those interested are invited to attend the lectures.
- 9.7.3 The Company holds health promotion activities to companies at the nearby industrial estates, at nearby communities, e.g. Suan Prik community, at shopping malls, and at Bang Sai Royal Folk Arts and Craft Center.
- 9.7.4 The Company provides school students with knowledge about ten concepts of hygiene and sanitation and dental hygiene.

9.8 Technology and medical technology

As the Company operates healthcare service business, treatment of patients is its important mission. Apart from attaining the hospital accreditation (HA), the Company organizes activities for its medical staff to apply medical technology and other technology in treatment of the patients to achieve higher safety standards, better results and appropriate examination and treatment. Technological innovations that were seen during 2013-2015 are as follows:

- 9.8.1 Underpants for women's pelvic exam: Beforehand sarongs were used but they did not cover some body parts and the patients felt embarrassed and lacked confidence. The underpants makes all patients very satisfied.
- 9.8.2 Little pillows: Small pillows help prevent pressure sores and obviously reduce the chances of pressure sores.
- 9.8.3 Cushions for patients who have wounds at anus or buttocks: The cushions help relieve the patients' pain.
- 9.8.4 "Warning calendar": The calendar shows the expiry dates of disinfectants and sterilized medical equipment to meet infectious control standards.
- 9.8.5 CR Plate: The CR Plate is used for skull and cervical spine lateral cross table to reduce the radiation exposure to the patients and the staff.
- 9.8.6 Syringe injector & extension 36 inches: Contrast media injection into 16-slice computed tomography helps to clarify the images which improves the accuracy of diagnosis.

9.9 Activities for social and environmental benefits (CSR after Process)

The company regularly carries out activities for social and environmental benefits. The activities include:

- Expanding the green areas at the hospitals, including small parks in front of the hospitals' buildings, wards and other suitable areas
- Providing sports areas for the staff and the public to do exercise, jog, bike, play volleyball and futsal
- Joining hands with the staff to set up a community volunteer club to hold voluntary social activities, e.g. donation of school supplies and computers, development of schools' first-aid units and lavatories, as well as provision of launch for the seniors.
- Cooperating with the staff to establish a morality club, to invite Buddhist monks to lead praying, medication and give preaching. The staff and the public regularly join the events held by the club.
- Donating money to foundations, schools, Provincial Red Cross, football clubs and tennis clubs
- Allowing the disabled to use the hospitals' areas to sell their goods without charging rents
- Awarding scholarships to medical nurse students every year

10. Internal Control and Risk Management

10.1 Overview of Internal Control System

The Company's Board of Directors and management are directly responsible for putting the internal control system in place. The internal control system covers financials, operation, corporate governance and risk management. The Board of Directors authorizes the Audit Committee to perform several functions. First, the Audit Committee is assigned to review the Company's financial reports, ensuring their accuracy and adequacy. Second, the Audit Committee is also authorized to review the Company's internal control system in order to ensure that it is appropriate and effective. Third, the Committee is also in charge of examining whether the Company's risk assessment and management operation is conducted appropriately. Finally, the Audit Committee is also responsible for ensuring that the Company's business operation complies with the laws relating to securities and the securities market, the regulations set by the Stock Exchange of Thailand as well as other relevant laws concerning the Company's business.

An independent internal auditor is responsible for independent inspection and assess of the Company's internal control operation as well as reviewing whether the Company complies with regulatory. The Company has appointed DIA Audit Co., Ltd. as its independent internal auditor since November 2014 to inspect and assess the internal control system within the Company. The independent internal auditor provided suggestions and the Company continued to improve its internal control, taking such suggestions from the independent internal auditor into consideration.

The Board of Directors' Meeting No. 5/2017 took place on 11 August 2017 and 6/2017 took place on 10 November 2017 when all members of the Audit Committee attended to review the adequacy of the Company's internal control system, according to an assessment form provided by the Securities and Exchange Commission of Thailand. The assessment covers five factors that are significant to the efficiency and effectiveness of the internal control:

1. Human resource management, system salary and wages
2. fixed asset control system
3. Income control system and out-patient and inpatient accounts receivable
4. Control the daily receipt and deposit
5. Pay control system and reimbursement of sub-cash

The preliminary opinions provided by the Audit Committee, coupled with the information

Obtained from queries with the management, suggested that the Company's internal control system was adequate and accorded with the internal control assessment form provided by the Securities and Exchange Commission of Thailand. This was particularly true for the case of the internal control regarding the transactions involved by major shareholders, directors, executives and connected persons.

Moreover, the Company's auditor, i.e., CWWP Co., Ltd. performed the auditing of the Company's financial statements for fiscal years 2017 there are no observations on the internal control system of the Company's financial accounting

10.2 Internal Control System

The Company employed DIA Audit Co., Ltd. as its independent internal auditor who inspected the operations of all departments within the Company and its subsidiary. The reports of inspection results were presented to the Audit Committee in every meeting. The head of internal control and operation supervision was Mr. Apinan Sripramote. The Audit Committee was the body to review the internal control inspection result reports, in collaboration with the independent internal auditor. After reviews, the Audit Committee provided suggestions necessary for improvement of the independent internal auditor's policies as well as enhancement of the Company's internal control system. It should be noted that the Audit Committee shall convene at least four meetings annually and complete the Audit Committee's report, which will be subsequently reviewed by the Board of Directors and disclosed in the Company's annual reports.

The Company completed a written guideline for scopes of budget approval authorization. The guideline clearly indicates scopes of responsibilities, decision-making power, as well as authority of each position, according to a chain of command. The Company has a policy to review such guideline annually in order to fine-tune it to suit the future business operation outlook.

11. Control of Insider Information

The Company has a policy and procedure to supervise directors and executives regarding insider trading information. The policy and procedure aimed at preventing directors or management from using undisclosed insider information for their own benefits are discussed below:

- Inform directors and management of their duties to report details about securities possessions of their own, spouses, and minority children to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59, and Penalties according to Article 59 and Penalties according to Article 275 of the Securities and Stock Exchanges Act B.E. 2535.
- Directors and executives are required to report any changes made to their securities possessions to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59 of the Securities and Stock Exchanges Act B.E. 2535, within three working days from the date the changes are made. A copy of such report shall also be submitted to the Company on the same day when such report is submitted to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.
- The Company ensures that all directors, management and relevant persons in the operation level are informed of significant information, which may triggers changes in the Company's share price. Trading on the Company's shares shall be suspended for at least one month before the financial information and insider information is disclosed to the public and at least 24 hours after such information is publicized. Disclosure of significant information to other persons is also prohibited.

Anyone who violates the aforementioned rules and takes advantages of insider information is subject to penalty, e.g., written warnings, salary cuts, employment suspensions without pay and permanent employment termination. Degrees of penalties are determined, based on intentions and degrees of violence.

12. Relate-Party Transaction

The connected transactions involved by the Company, the subsidiary, persons/juristic persons during the year ending December 31, 2016 and as of December 31, 2017 can be summarized below:

1. Details of persons and juristic persons with potential conflicts of interest

Persons / juristic persons involving in potential conflicts of interest and transactions with the Company and/or the subsidiary	Nature of Business	Relationship
1 Charoenpaiboon City Co., Ltd.	Distributor of electrical appliances	The major shareholder of Charoenpaiboon City Co., Ltd., i.e., Sripochsomboon Group, also held shares in the Company. As of August 29, 2016, Sripochsomboon Group held 2.99% of the Company's paid-up capital and 100% of Charoenpaiboon City Co., Ltd.'s paid-up capital.
2 La Cremongs Publishing Ltd.,Part.	Printing service provider	The major shareholder of La Cremongs Publishing Ltd.,Part., i.e., Wudhikulprapan Group, also held shares in the Company. As of August 29, 2016, Wudhikulprapan Group held 10.88% of the Company's paid-up capital and 90% of La Cremongs Publishing Ltd., Part's paid-up capital.
3 Bophit Vejchakarn Co., Ltd.	Hemodialysis service provider	A shareholder of Bophit Vejchakarn Co., Ltd., i.e., Wudhikulprapan Group, also a shareholder of the Company. Wudhikulprapan Group held 14% of the Company's paid-up capital and 8% of paid-up capital in Bophit Vejchakarn Co., Ltd. Prior to the commercial operation in March 2015, Wudhikulprapan Group held 20% of Bophit Vejchakarn Co., Ltd.'s paid-up capital. Later in July 2015, the Group sold some shares to a group of doctors, i.e., existing shareholders of Bophit Vejchakarn Co., Ltd., in order to reduce conflicts of interest. Consequently, Wudhikulprapan Group has, since then, held 8% of the paid-up capital in Bophit Vejchakarn Co., Ltd. Mr. Pairoj Watcharakornytin, the owner of Pairoj Pharmacy, is a husband of Mrs. Chuleewan Watcharakornytin, i.e., a deputy director of the Technical Service Department.

Persons / juristic persons involving in potential conflicts of interest and transactions with the Company and/or the subsidiary	Nature of Business	Relationship
4 Pairoj Pharmacy	Distributor of modern medicine	Mr. Pairoj Watcharakornyotin, the owner of Pairoj Pharmacy, is a husband of Mrs. Chuleewan Watcharakornyotin, i.e., a deputy director of the Technical Service Department.
5 Rajthanee Rojana Hospital Co., Ltd. (“the subsidiary”)	Medical service provider	Rajthanee Rojana Hospital Co., Ltd. is the Company’s subsidiary with a stakeholding of 52.17% of paid-up capital. As of December 31, 2015, the Company and the subsidiaries shared the following four directors: <ol style="list-style-type: none"> 1. Dr. Wachira Wudhikulprapan 2. Ms Smorn Prasithirun 3. Mr. Charoonsak Sripochsomboon 4. Ms. Phitraphee Prasithirun
6 Dr. Boonchai Isarapisit	-	Dr. Boonchai Isarapisit was a director both in the Company and the subsidiary. Dr. Boonchai Isarapisit completed his term as a director both in the Company and the subsidiary In July 2015.

1. Connected transactions involved by the Company and the subsidiary and connected persons in fiscal year ending December 31, 2016 and December, 2017.

2.1 General transactions or transactions to support the Company's core business that will continue in the future

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
1. Bophit Vejchakarn Co., Ltd	<u>Expenses related to</u> <u>hemodialysis services:</u> The subsidiary, in collaboration with Bophit Vejchakarn Co., Ltd. provided patients with hemodialysis services, based on the agreed revenue sharing basis.	13.83	17.72	Bophit Vejchakarn Co., Ltd was founded by a group of medical personnel, e.g., doctors, nurses and etc., with extensive experience and knowledge in provision of hemodialysis services under the set standard. The Company's subsidiary partnered with Bophit Vejchakarn Co., Ltd to provide hemodialysis services. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the rates Bophit Vejchakarn Co., Ltd agreed with other juristic persons. Comments from the Audit Committee The transaction was necessary and justified, with agreed revenue sharing. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.
	<u>Outstanding payable at</u> <u>the end of the period</u>	3.78	4.38	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
2. La Cremongs Publishing Ltd.,Part.	<u>Expenses related to purchase of printing</u> matters: The Company and its subsidiary hired La Cremongs Publishing Ltd.,Part. to produce some paper documents, such as purchase order forms and etc.	1.06	1.04	<p>La Cremongs Publishing Ltd.,Part. provided printing services concerning general paper documents that were necessary for The Company's day-to-day operation, such as purchase order forms and etc. The pricing as well as terms and conditions was set in line with the market's conditions, equivalent to the service prices quoted to the Company by other general service providers.</p> <p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified. The pricing, as well as terms and conditions, was equivalent to the service prices quoted by other general service providers. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Outstanding payable</u> at the end of the period	0.33	0.16	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
3. Charoenpaiboon City Co., Ltd.	<u>Expenses related to electrical appliances :</u> The Company purchased office electrical appliances from Charoenpaiboon City Co., Ltd to support its business operation.	0.43	0.15	Charoenpaiboon City Co., Ltd distributed electrical appliances. The group consisted of distributors of electrical appliances in Phra Nakhon Si Ayutthaya. The company had been in the market for a long time with good credibility and agreed roduct warranty. Being located nearby the Company, Charoenpaiboon City Co., Ltd managed to deliver products a timely manner. The Company purchased electrical products to support for its hospital business operation. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the prices for products that the Company purchased from other sellers in general. Comments from the Audit Committee The transaction was necessary and justified. The pricing, as well as terms and conditions, was equivalent to the prices for the products sold by other sellers. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.
	<u>Outstanding payable at the end of the period</u>	0.13	-	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
4. Pairoj Pharmacy	<u>Medicine expenses: The Company purchased general medicines from Pairoj Pharmacy to provide treatment for patients.</u>	-	-	The pricing, as well as terms and conditions, was set in line with the market's conditions, equitable to the prices of medicines that the Company purchased from other general sellers. The payment was made by petty cash. Due to small purchase volume, the medicines purchased from this retailer were not kept as sizeable inventory, and thus risk about expiries was rather low. However, the management discontinued the policy to purchase medicines from Pairoj Pharmacy from 3Q15 onwards, except for emergency cases. The purchases of medicine on emergency cases were done upon price comparisons and approval from authorized persons as indicated by the Company's rules and regulations.
	<u>Outstanding payable at the end of the period</u>	-	-	Comments from the Audit Committee The transaction was necessary and justified as the Company needed medicines for treatment purposes. The pricing, as well as terms and conditions, was equivalent to that for other transactions done with other general sellers. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
5. Directors, Executive Directors and Shareholders	<p><u>Medical service fee</u> discounts: The Company offered discounts to the Company's directors, executive directors and shareholders, as indicated in the guideline about discount rules, as well as other connected persons</p> <p><u>Outstanding payable at the end of the period</u></p>	0.49	0.59	<p>In 2015, the Company offered medical fee discounts as a working motivation to the following persons. The details are as follows:</p> <p>A) The Company's directors and executive directors</p> <p>B) Direct relatives, i.e., parents, spouses and children, of directors and executive directors</p> <p>C) Siblings directors and executive directors</p> <p>D) Shareholders as indicated in the guideline about medical fee discounts Starting from January 2016, the Company adjusted some conditions about the medical fee discounts, e.g., discount limits. Persons eligible for the discounts are as follows:</p> <p>A) Company's directors</p> <p>B) Direct relatives, i.e., parents, spouses and children, of directors</p> <p>C) Siblings of the directors</p> <p>Comments from the Audit Committee</p> <p>The transaction was considered as personnel's welfare and work motivation.</p>
6. Rajthanee Rojana Hospital Co., Ltd.				

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
6.1 Rajithanee Rojana Hospital Co., Ltd.	<u>Diagnosis and treatment revenue: The subsidiary's insured patients under the Social Security Scheme could go to the main campus to receive diagnosis and treatment services; most patients were IPD cases with relatively severe conditions that required big operations, etc.</u>	12.58	18.63	<p>This practice ensured appropriate treatment services for patients. The initial service rates were equal to the rates that the Company and the subsidiary charged to general patients, without any discounts. Note that from February 1, 2016 onwards, no discounts on doctor fees have been given to patients; therefore, the discount conditions for all cases were based on the conditions for patient referral towards supra hospitals, as specified by the group of private hospital associate in the upper part of Bangkok's vicinity provinces. The Company and its subsidiary charged similar service rates for each other's patients as follows:</p> <ul style="list-style-type: none"> • OPD : 50% discount for doctor fees and 30% discount for medicine and examination fees • IPD : No discount for doctor fees but 15% discount for medicine and examination fees <p>Since September 1, 2016, the management have adjusted the discounts for the hospital service fees; both the Company and its subsidiary have charged a similar hospital service fee rate of Baht 200. In addition, no discount on hospital service fee has been given in order to make the hospital service fees at the two hospitals more consistent.</p> <p>Furthermore, the medical service fees for patients with heart diseases under the Social Security Scheme were priced on the package basis; this was under similar pricing conditions for any insured patients referred to Company by other hospitals in general.</p> <p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified as this practice ensured appropriate treatment services for patients. The pricing between each other was reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Accrued receivable at the end of the period</u>	1.33	6.64	
	<u>Diagnosis and treatment expenses: The subsidiary provided diagnosis and treatment services for the Company's insured patients under the Social Security Scheme; most patients were out-patient cases with mild conditions (e.g., headaches, flu, diarrhoea, etc.)</u>	59.08	76.30	
	<u>Outstanding payable at the end of the period</u>	11.62	21.28	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
6.2 Rajthanee Rojana Hospital Co., Ltd.	<u>Medicine sales revenue:</u> The Company sold medicines to its subsidiary for treatment purposes	0.02	0.004	The Company lent its subsidiary medicines for some emergency cases without any returns calculated. In addition, the Company sold medicines at the cost prices plus 20% profit, starting October 1, 2015 onwards. Both borrowed and sold medicines were scarce items at the subsidiary. Some medicines were already preserved by the subsidiary but the preserved volume remained insufficient to feed emergency cases. For general practice, the Company lent the subsidiary medicines and completed the details of such a lending transaction at the end of every month. The returns could be done either in forms of returned medicines or payments.
	<u>Balance at the end of the period</u>	-	-	<p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified as the subsidiary needed medicines for patient treatment purposes. The purchased medicines included the items with small usage volume and the profit of 20% seemed reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
6.3 Rajithanee Rojana Hospital Co., Ltd.	<u>Service revenue: The</u> Company provided laundry service as well as medical equipment cleaning and disinfection service for the subsidiary.	0.68	-	<p>The transaction was a way to manage human resources and assets the most effectively in order to utilize excess capacity. The details are as follows:</p> <ul style="list-style-type: none"> Laundry Service: The laundry service fees were comparable to the rates quoted by other service providers nearby. Medical equipment cleaning and disinfection service: The Company charged the service fees based on the number of medical equipment sent for cleaning and disinfection. The pricing was based on the cost plus some profit.
	<u>Balance at the end of</u> <u>the period:</u>	-	-	<p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified and it was acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
6.4 Rajthanee Rojana Hospital Co., Ltd.	Advisory Fee Revenue: The Company provided personnel for the subsidiary in order to improve various working systems, e.g., accounting, finance computer systems and etc. In addition, the Company also provided advisory and consultancy services in order to raise the subsidiary's work standard to meet the Company's standard.	0.10	-	<p>The transaction was a way to manage human resources and assets the most effectively. The Company's advisory fee rates were agreed by both parties. The agreement lasted one year, from October 1, 2015 to September 30, 2016. The details of the fee rates are as followed:</p> <ul style="list-style-type: none"> • Monthly telephone advisory fee amounted to Baht 10,000. • If the Company's personnel were required to commute to Rajthanee Rojana Hospital Co., Ltd. for in-house trainings, the service rate was calculated according on an hourly basis, based on the salary scale of the particular trainers. The calculated service rate was added by a transportation allowance of Baht 160 per a visit. <p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified and it was a way of the most effective management of human resources. The service rates were reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Balance at the end of</u> <u>the period:</u>	-	-	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
6.5 Rajthanee Rojana Hospital Co., Ltd.	<u>Asset sales revenue:</u> The Company sold a server device and an air conditioner to the subsidiary.	-	-	<p>The transaction was a way of the most effective asset management. The server device was around seven years old, with the remaining book value of Baht 1. The Company hired an IT professional firm to upgrade the server device in order to ensure that it was in good conditions and thus ready to be used. The Company charged the subsidiary for such server device at the rate equivalent to the book value plus the upgrade expenses. In addition, the Company also sold a two-year old air conditioner Panasonic 24,000 BTU, with the remaining book value of Baht 22,546, at the selling price of Baht 23,000, i.e., close to the remaining book value.</p> <p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified and it was a way of the most effective asset management. The pricing between each other was reasonable and acceptable in the sense of business operation.</p>
	<u>Balance at the end of the period:</u>	-	-	
6.6 Rajthanee Rojana Hospital Co., Ltd.	<u>Telecommunication Revenue:</u> The Company and its subsidiary used telecommunication service for data transfer between each other.	0.06	0.06	<p>The Company and its subsidiary used telecommunication service for data transfer between each other to support their business operation, e.g., data for accounting and etc. This helped facilitate work operation, with the Company and its subsidiary equally sharing the expenses (50:50).</p> <p>Comments from the Audit Committee</p> <p>The transaction was necessary and justified and it was acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Balance at the end of the period:</u>	0.01	0.02	

2.2 General transactions that will discontinue in the future

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
1. Rajthanee Rojana Hospital Co., Ltd.	Information technology (IT) consultancy fee: The Company hired the subsidiary to provide IT- related advice.	-	-	The subsidiary had experienced programmers while the Company did not have such personnel with expertise in the field; therefore, the Company sought advisory from the subsidiary with a monthly advisory fee of Baht 5,000 in return.
	<u>Outstanding payable at the end of the period</u>	-	-	The Company discontinued this transaction, starting from January 2015 onwards, because it recruited full-time programmers by itself. Comments from the Audit Committee The transaction was necessary and justified. The rate was equivalent to that quoted by other IT consultant firms.

2.3 Financing transaction

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
1. Rajthanee Rojana Hospital Co., Ltd.	<u>Long-term loan: The Company provided a long-term loan for the subsidiary to use as working capital.</u>	71.93	132.80	<u>Interest rates</u> 4.75% - 8% p.a.
	- Loan at the beginning of the period	65.00	71.85	<u>Future transactions</u> The transaction was aimed at providing financial assistance for the subsidiary, which may occur, as appropriate, in the future. The transaction entailed the interest rates, which were comparable to the interest rates that commercial banks offered to their good clients, plus finance cost arising from the Company's borrowing from a commercial bank.
	- Addition loan during the period	7.10	65.80	
	- Repayment during the period	0.25	4.85	
	<u>- Balance at the end of the period</u>	71.85	132.80	Comments from the Audit Committee The transaction was necessary and justified as the subsidiary needed funding for its business operation. It should be noted that if the borrowing had been done from a commercial bank, the approval process would have taken long time, and that the interest rates were comparable to the lending rates from commercial banks at the time of the transaction.
	- Accrued interest receivable at the end of the period	0.43	0.27	
	- Interest received during the period	4.85	3.17	
	<u>- Accrued interest receivable at the end of the period</u>	0.27	0.24	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
2. Mr. Wichian Jitjaicham	Short-term borrowing: Rojanavej Hospital Co., Ltd took out a short-term loan from Mr. Wichian Jitjaicham to use as working capital.	-	-	<u>Interest rates</u> No interest rate
	- Loan at the beginning of the period	27.08	-	<u>Future transactions</u> No policy for future transactions
	- Increases from the share acquisition in the subsidiary	-	-	Comments from the Audit Committee This transaction occurred in the past before the Company acquired shares in the subsidiary. There will be no future transactions.
	- Additional loan during the period	-	-	
	- Repayment during the period	27.08	-	
	- <u>Balance at the end of the period</u>	-	-	
	- Accrued interest payable at the <u>beginning of the period</u>	-	-	
	- Interest paid during the period	-	-	
	- Accrued interest payable at the end of <u>the period</u>	-	-	

2.4 Guarantee/Credit guarantees

Receipt of credit guarantees for loans from financial institutions/creditors: The subsidiary received credit lines from financial institutions, with the details of credit guarantees for loans from financial institutions/creditors being discussed below:

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2016	2017	
Rajthanee Hospital Company Plc.	Domestic credit guarantee	204	-	No credit guarantee fees have been collected throughout the loan contract duration as the transaction was aimed at supporting the subsidiary's liquidity and business operation. Comments from the Audit Committee The transaction was necessary and justified and it was done according to the offer from the commercial bank to support the working capacity for business operation at the subsidiary.

13. Financial Highlights
RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

FINANCIAL HIGHLIGHTS	2017	2016	2015
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Financial Position (THB, Million)			
Total assets	1,901	1,824	1,065
Total liabilities	235	283	790
Total shareholders' equity	1,666	1,541	275

Financial Performance (THB, Million)			
Revenues from hospital operation	1,403	1,209	1,024
Total revenues	1,424	1,224	1,035
Net profit for the year	256	155	64
Net profit attributable to equity holders of parent	231	155	79

Key Financial Ratios			
Gross profit margin (%) ^{1/}	29.7	27.5	21.7
Net profit margin (%)	18.0	12.7	6.2
Return on average assets (%)	13.7	10.7	5.8
Return on average equity (%)	16.0	17.1	22.9
Total Debt to equity (x)	0.1	0.2	2.9
Interest coverage (x) ^{2/}	120.4	10.8	5.6

Per-share information			
Earnings per share (THB)	0.77	0.62	0.35
Book value per share (THB)	5.6	5.1	1.2
Closing price (end of year, THB)	25.00	25.50	N/A
Number of shares (end of year, in million)	300	300	225

Note: 1/ Gross profit margin = Gross profit/Revenues from hospital operation

2/ Interest coverage ratio = EBITDA/interest expenses

14. Management Discussion and Analysis

Rajthanee Hospital Public Company Limited (“the Company”) would like to clarify the operating results of the Company and its subsidiary for the year ended December 31, 2017 which has been audited by the independent auditor as follows:

Statements of Comprehensive Income Year 2017, Year 2016 and Year 2015

Items	Consolidated Financial Statement					
	31 December 2017		31 December 2016		31 December 2015	
	THB Mil.	%	THB Mil.	%	THB Mil.	%
REVENUES						
Revenue from Hospital Operations	1,403.07	98.5%	1,209.46	98.8%	1,024.29	99.0%
Interest Income	9.21	0.6%	3.35	0.3%	-	-
Other Income	11.96	0.8%	11.19	0.9%	10.61	1.0%
TOTAL REVENUES	1,424.24	100.0%	1,224.00	100.0%	1,034.91	100.0%
EXPENSES						
Cost of Hospital Operations	985.67	69.2%	876.62	71.6%	801.68	77.5%
Administrative Expenses	153.19	10.8%	137.37	11.2%	110.08	10.6%
Finance Costs	3.01	0.2%	26.31	2.1%	34.87	3.4%
TOTAL EXPENSES	1,141.87	80.2%	1,040.30	85.0%	946.62	91.5%
PROFIT BEFORE INCOME TAX EXPENSE	282.36	19.8%	183.71	15.0%	88.29	8.5%
Tax (Expense) Income	(26.45)	-1.9%	(28.77)	-2.4%	(24.52)	-2.4%
PROFIT FOR THE YEAR	255.91	18.0%	154.94	12.7%	63.77	6.2%
OTHER COMPREHENSIVE INCOME (EXPENSE)						
Gains on remeasurements of defined benefit plans -						
Net of Income Tax	(10.56)	-0.7%	0.87	0.1%	0.74	0.1%
Total Components of Other Comprehensive Income that will not be reclassified to profit or loss - net of income tax	(10.56)	-0.7%	0.87	0.1%	0.74	0.1%
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	(10.56)	-0.7%	0.87	0.1%	0.74	0.1%
FOR THE YEAR - NET OF INCOME TAX	245.35	17.2%	155.81	12.7%	64.51	6.2%
PROFIT (LOSS) ATTRIBUTABLE TO:						
Equity Holders of the Company	231.24	16.2%	154.64	12.6%	79.19	7.7%
Non-Controlling Interests	24.67	1.7%	0.30	0.0%	(15.42)	-1.5%
TOTAL	255.91	18.0%	154.94	12.7%	63.77	6.2%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Equity holders of the Company	220.75	15.5%	155.57	12.7%	79.62	7.7%
Non-Controlling Interests	24.59	1.7%	0.24	0.0%	(15.11)	-1.5%
TOTAL	245.35	17.2%	155.81	12.7%	64.51	6.2%

Discussion and Analysis of Financial Performance

Revenue from Hospital Operations

Rajthanee Group (“RJH Group”)’s hospital incomes were Baht 1,024.09 million, Baht 1,209.46 million and Baht 1,403.07 million during 2015-2017 respectively. These accounted for the growth of 7.9%, 18.1% and 16.0% respectively. Accelerated revenue growth was attributable to the rising number of patients and increased revenues per visit. Outpatient services in the year 2017 were 371,264, grew by 8.3% from 2016. The number of inpatients admitted for the year 2017 stood at 13,159, an increase of 11.0% compared to 2016. Social Security revenue grew by 20.7% in 2017, as a result of the increase in the number of insured persons and the increase of social security rate paid to hospitals since July 1 2017. The average number of insured persons increased to 163,403 in 2017 from 152,329 in 2016 and 143,361 in 2015.

Cost of Hospital Operations

For the years 2015-2017, RJH Group's cost of hospital operations were Baht 801.68 million, Baht 876.62 million and Baht 985.67 million, respectively. The cost increase was at lower rate than the increase of revenues. As a result, gross margin increased to 29.7% in 2017, from 27.5% in 2016 and 21.7% in 2015. Most of cost of hospital operations were doctor fee, medical staffs and medical supplies.

Administrative Expenses

For the year 2015-2017, the RJH Group posted administrative expenses of Baht 110.08 million, Baht 137.37 million and Baht 153.19 million, respectively. The increase of administrative expenses was mainly due to the increase of headcounts and salary rate in order to accommodate business expansion. In addition, advisory & services fee decreased in 2017 because the Company was in the process of listing in SET last year thereby incurred high amount of such fee.

Financing Costs

Financing cost significantly decreased in 2017 compare with 2016 and 2015. The Company raised fund from the initial public offering in August 2016 while the subsidiary raised fund from rights offering in November 2016. Therefore, loans from financial institutions were paid off.

Net Profits

Net profit for the year 2015-2017 were Baht 63.77 million, Baht 154.94 million, Baht 255.91 million, which were equivalent to profit margin of 6.2%, 12.7% and 18.0% respectively. Strong net profit growth was due to the increase of income coupled with cost-efficiency and the decrease of financing cost. Apart from normal profit, the Company’s subsidiary has recognized income incurred from deferred tax for the amount of Baht 28.6 million in 1Q17 which remained Baht 23.41 million net in the profit & loss statement as of 31 December 2017. This tax benefit was mostly from 5-year loss. Therefore, tax expenses declined despite the increase of earnings before tax.

Statements of Financial Position Year 2017, Year 2016 and Year 2015

Items	Consolidated Financial Statement					
	31 December 2017		31 December 2016		31 December 2015	
	THB Mil.	%	THB Mil.	%	THB Mil.	%
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	262.66	13.8%	201.16	11.0%	4.22	0.4%
Current Investments	404.27	21.3%	510.19	28.0%	-	-
Trade and Other Current Receivables	226.45	11.9%	208.72	11.4%	189.65	17.8%
Inventories	23.79	1.3%	19.77	1.1%	24.23	2.3%
Short-term Loans to Subsidiary	-	-	-	-	-	-
Other Current Assets	2.61	0.1%	2.55	0.1%	2.19	0.2%
Current Tax Assets	3.44	0.2%	2.33	0.1%	-	-
TOTAL CURRENT ASSETS	923.21	48.6%	944.72	51.8%	220.28	20.7%
NON-CURRENT ASSETS						
Investments in Subsidiary	-	-	-	-	-	-
Other Long-term Investment	-	-	-	-	-	-
Other Non-Current Receivables	8.75	0.5%	6.28	0.3%	-	-
Property, Plant and Equipment	829.61	43.6%	769.49	42.2%	721.79	67.8%
Goodwill	87.80	4.6%	87.80	4.8%	87.80	8.2%
Intangible Assets	3.94	0.2%	3.50	0.2%	4.76	0.4%
Deferred Tax Assets	34.28	1.8%	7.66	0.4%	8.22	0.8%
Deposit at Bank used as Collateral	11.29	0.6%	2.57	0.1%	-	-
Deposits for Land	-	-	-	-	22.18	2.1%
Other Non-Current Assets	2.37	0.1%	1.63	0.1%	0.03	0.0%
TOTAL NON-CURRENT ASSETS	978.04	51.4%	878.93	48.2%	844.78	79.3%
TOTAL ASSETS	1,901.25	100.0%	1,823.65	100.0%	1,065.07	100.0%

Items	Consolidated Financial Statement					
	31 December 2017		31 December 2016		31 December 2015	
	THB Mil.	%	THB Mil.	%	THB Mil.	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Bank Overdrafts and Short-term Loans	-	-	0.00	0.0%	8.44	0.8%
Trade and Other Current Payables	169.89	8.9%	172.47	9.5%	184.90	17.4%
Current Portion of Long-term Loans	-	-	23.89	1.3%	142.27	13.4%
Current Portion of Liabilities Under						
Finance Lease Agreements	0.49	0.0%	1.10	0.1%	0.90	0.1%
Current Income Tax Payable	22.06	1.2%	2.99	0.2%	2.31	0.2%
TOTAL CURRENT LIABILITIES	192.44	10.1%	200.45	11.0%	338.81	31.8%
NON-CURRENT LIABILITIES						
Long-term Loans	-	-	55.66	3.1%	420.46	39.5%
Liabilities Under Finance Lease Agreements	1.31	0.1%	1.05	0.1%	1.16	0.1%
Non-Current Provisions for Employee Benefit	38.35	2.0%	25.46	1.4%	29.50	2.8%
Deferred Tax Liabilities	0.12	0.0%	0.00	0.0%	-	-
Other Non-Current Liabilities	2.64	0.1%	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	42.41	2.2%	82.16	4.5%	451.13	42.4%
TOTAL LIABILITIES	234.86	12.4%	282.61	15.5%	789.94	74.2%
SHAREHOLDERS' EQUITY						
Share Capital						
Authorized Share Capital						
300,000,000 Ordinary Shares, par value @ Baht 1.00	300.00	15.8%	300.00	16.5%	300.00	28.2%
Issued and Paid-Up Share Capital						
300,000,000 Ordinary Shares, par value @ Baht 1.00	300.00	15.8%	300.00	16.5%	-	-
225,000,401 Ordinary Shares, par value @ Baht 1.00	-	-	-	-	225.00	21.1%
Share Premium on Ordinary Shares	1,092.89	57.5%	1,092.89	59.9%	-	-
Retained Earnings						
Appropriated						
Legal Reserve	30.00	1.6%	24.02	1.3%	17.64	1.7%
Unappropriated	178.06	9.4%	83.29	4.6%	27.85	2.6%
Other Components of Shareholders' Equity	(9.96)	-0.5%	(9.96)	-0.5%	-	-
TOTAL SHAREHOLDERS' EQUITY OF THE COMPANY	1,590.99	83.7%	1,490.24	81.7%	270.49	25.4%
Non-Controlling Interests	75.40	4.0%	50.81	2.8%	4.64	0.4%
TOTAL SHAREHOLDERS' EQUITY	1,666.39	87.6%	1,541.05	84.5%	275.12	25.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,901.25	100.0%	1,823.65	100.0%	1,065.07	100.0%

Discussion and Analysis of Financial Position

Assets

From 2015-2017, RJH Group's total assets increased from Baht 1,065.07 million in 2015 to Baht 1,823.65 million in 2016 and Baht 1,901.25 million in 2017. The main reason was the increase in property, plant and equipment (PP&E) and the increase of deferred tax assets. Most of the increase of PP&E in 2017 was from the investment of MRI and Hemodialysis center as well as ward renovation. The increase of deferred tax assets stemmed from the recognition of tax benefit by its subsidiary in 1Q 2017.

The company main assets were property, plant, equipment, cash and cash equivalent, short-term investment and accounts receivable. The company's liquidity was relatively high following the IPO listed on the Stock Exchange of Thailand.

Trade receivables increased in line with revenue growth. This increase was mainly from Social Security and other trade receivable. However, the average turnover of the company's receivables has decreased from 65 days in 2015 to 58 days in 2017, reflecting the efficient trade receivables management.

As at 31 December 2015-2017, the Company has recorded goodwill for the amount of Baht 87.80 million. This goodwill incurred from the investment cost in subsidiary which was higher than the subsidiary's book value. At present, the Company holds 53.93% of the subsidiary's capital of Baht 270 million. The average investment cost was Baht 13.05 per share.

Liabilities and Shareholders' Equity

Liabilities as of 31 December 2015-2017 of RJH Group decreased from Baht 789.94 million in 2015 to Baht 282.61 million in 2016 and Baht 234.86 million in 2017. The substantial decrease of liabilities was mainly due to the repayment of debt owed to financial institutions. The repayment was from IPO proceeds.

The majority of the company liabilities at the end of 2017 were trade & other payables and provisions for employee benefit. Trade & other payables were Baht 184.89 million, Baht 172.47 million and Baht 169.89 million as at 31 December 2015-2017, respectively. Most of other payables were accrued cost of assets, bonus and other accrued expenses.

As of December 31, 2017, the company had a paid-up capital of Baht 300 million. In the year 2016, the company has raised fund by IPO listing on the Stock Exchange of Thailand which generated the share premium of Baht 1,092.89 million.

In addition, the improved performance has resulted in the increase of retained earnings, even though dividends were paid regularly. Retained earnings at the end of 2017 was Baht 208.06 million, increased from Baht 107.31 million in 2016 and Baht 45.49 billion baht in 2015. RJH Group's total debt to equity ratio was extremely low due to the repayment of loans owed to financial institutions. As of December 31, 2017, total debt to equity ratio was merely 0.14 times.

15. Report of the Audit Committee and Report of the Accountability of the Board of Directors to the Company's Financial Reports

15.1 Report of the Audit Committee

The Board of Directors of Rajthanee Hospital Public Company Limited appointed the Audit Committee, which is comprised of 3 independent directors, namely Ms. Vilailak Aunyaneeerat as Chairman of the Audit Committee, Mr. Teerasak Naranong and Mr. Sarun Supaksaran as members of the Audit Committee. The main duties and responsibilities of the Audit Committee are to ensure that the Company's financial statements are in accordance with accounting standards and have accurate and sufficient disclosure, ensure that the Company has an internal control system that assesses the risks and ensures suitable and efficient risk controls, ensure compliance with related regulations and laws, as well as mitigate conflicts of interest between the Company and related persons upon the entry into transactions.

In 2017, the Audit Committee held a total of 7 meetings to carry out duties as assigned, the most important being:

1. Reviewing the financial statements of the Company and the subsidiary which were reviewed or audited by the external auditors before presenting to the Board of Directors. As reviewed and accepted explanations from the external auditor and the management, the Audit Committee was of the opinion that the aforementioned financial statements were prepared according to accounting standards with accurate and complete disclosure of important facts and also approved the plan on auditing and reviewing the consolidated financial statements for the year of the Company and the subsidiary;
2. Considering and giving opinions on appointing the external auditor and fixing the annual audit fees to the Board of Directors for further approval by the annual general meeting of shareholders. The Audit Committee was of the opinion that the person nominated as the auditor is qualified in terms of knowledge, capability and is sufficiently independent from the Company and the subsidiary;
3. Holding conferences with the external auditor without the management involved so that the external auditor could freely report on any problems or limitations as a result of the auditing and reviewing the consolidated financial statements of the Company and the subsidiary. The external auditor reported that there were no notions, problems or limitations of significance;
4. Considering and giving opinions on appointing the internal auditor, a qualified external company, as the Company's internal auditor. The internal auditor was evaluated based on the team, sufficient number of staff, experience, knowledge and capabilities, as well as independency, to carry out audits of the various departments within the Company according to the guidelines for assessment of the sufficiency of the internal control system;
5. Considering and giving opinions on transactions with related persons to be in compliance with applicable laws and regulations;

6. Considering and approving the annual internal audit plan and advising on the enhancement of the Company's internal control system to be in compliance with applicable laws and regulations;
7. Considering and accepting explanations from the internal auditor as per the internal audit report, which was appointed as per the recommendation of the Audit Committee. The Audit Committee reported and provided suggestions on important issues to the Board of Directors; and
8. Reviewing and assessing the sufficiency of the internal control systems annually. The Audit Committee is of the opinion that the internal control systems are suitable and sufficient in risk mitigation in accordance with the policies of the Company.

The Audit Committee has carried out the duties as assigned with care and to the best of our abilities for the benefit of the Company, the shareholders and all stakeholders.



(Ms. Vilailak Aunyaneeerat)

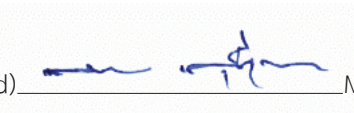
Chairman of the Audit Committee


15.2 Report of the Accountability of the Board of Directors to the Company's Financial Reports

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appears in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles, using appropriate and consistent accounting policies. The financial statements have been prepared with caution and have been evaluated for appropriateness of the overall presentation of the financial statement.

There was sufficient information disclosure in the notes to the financial statements. The Board of Directors has set up an efficient and effective internal control system to ensure that all accounting transactions have been recorded correctly and comprehensively, and that there has been a record-keeping system of assets to protect the Company from any material fraud or damage.

The Board of Directors has the opinion that the overall internal control system of the Company was at a satisfactory level, which resulted in confidence in the reliability of the financial statements of the Company and its subsidiaries as at 31 December 2017

(Signed)  Managing Director
(Mr. Wachira Wudhikulprapan)

(Signed)  Chairman of the Board)
(Ms. Vilailak Aunyananeerat)

16. Auditor Report

(TRANSLATION)

INDEPENDENT AUDITOR’S REPORT

To the Shareholders and Board of Directors of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED and its subsidiary (“the Group”) and separate financial statements of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders’ equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED and its subsidiary and separate financial position of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Recognition of Medical Treatment Revenues from Social Security Office

The Group receive medical treatment revenues from Social Security Office for in-patients with high cost diseases and diseases with risk factors per the accounting policies stated in the notes to financial statements No. 6.17 on the recognition of revenues from operation receive from Social Security Office. The Group receive revenues from Social Security Office based on the calculation and the rates determined by the notifications of the Medical Committee prescribed under the Social Security Act, B.E. 2533. The said estimation of the medical treatment revenues is significant accounting estimate that required the management to be highly judgmental. There are uncertainty since the future revenues depend on the number of insured persons registered with the hospital and the information on the services provided by the hospital. Furthermore, the revenue estimations required experts to consider the severity of diseases rate and the consideration of the Social Security Office, which is time consuming. The said revenue recognition is significant risk to the audit.

Therefore, my audit procedures have included obtain an understanding, assess and test the internal control system related to the revenue estimation process of the medical treatment revenues from Social Security Office for in-patients with high cost diseases and diseases with risk factors. Consider the rules, methods, and conditions the Group applied in revenue estimation whether they complied with the rules of Social Security Office. Examining the sources and reliability of the information of insured persons applied in the calculation of the medical treatment revenue estimation. Assess the appropriateness of the experts that determined the severity of diseases rate. Test calculate of the medical treatment revenue estimation. Analyze the reasonableness of the medical treatment revenue estimation for the revenue recognized in the period in comparison to the revenues received from the Social Security Office after their consideration. Examining the medical treatment revenues for the payments received after the accounting period.

Other Matters

The consolidated statements of financial position of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED and its subsidiary and separate of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED as at 31 December 2016, were audited by another auditor in the same firm as me who expressed an unmodified opinion as present in the report dated 28 February 2017.

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 consolidated and separate financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matter relating 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 and the Company's the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am

responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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 I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

(Miss Waraporn Intaraprasit)

Certified Public Accountant, Registration No. 7881

CWWP Company Limited

Bangkok,

26 February 2018

17. Financial Statement

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht	Baht	Baht	Baht
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	7	262,657,450.52	201,156,345.62	4,216,641.91	260,167,530.00	195,852,726.72	4,119,665.13
Current Investments	8	404,265,806.25	510,187,003.21	-	390,437,961.88	500,000,000.00	-
Trade and Other Current Receivables	9	226,450,720.30	208,724,092.98	184,543,200.47	207,701,069.34	188,678,870.46	178,676,569.88
Inventories	10	23,786,465.94	19,768,906.89	24,233,773.97	18,255,431.88	16,737,124.24	21,031,376.46
Short-term Loans to Subsidiary	32.3	-	-	-	132,800,000.00	71,850,000.00	65,000,000.00
Other Current Assets		2,612,781.52	2,554,284.84	2,186,776.26	1,596,866.84	1,533,617.54	1,503,261.37
Current Tax Assets		3,440,377.19	2,332,561.50	1,204,711.79	-	-	-
TOTAL CURRENT ASSETS		923,213,601.72	944,723,195.04	216,385,104.40	1,010,958,859.94	974,652,338.96	270,330,872.84
NON-CURRENT ASSETS							
Investments in Subsidiary	11	-	-	-	190,032,800.00	190,032,800.00	126,000,000.00
Other Long-term Investment	13	-	-	-	-	-	-
Other Non-Current Receivables	9	8,751,082.58	6,278,233.67	3,899,122.00	7,309,333.00	5,783,617.00	3,059,122.00
Property, Plant and Equipment	14	829,605,882.80	769,492,981.22	721,786,142.54	612,185,513.19	543,150,748.63	475,939,213.39
Goodwill	15	87,802,508.74	87,802,508.74	87,802,508.74	-	-	-
Intangible Assets	16	3,942,641.07	3,504,227.89	4,759,452.13	1,504,942.04	1,217,352.89	1,846,261.23
Deferred Tax Assets	17	34,275,621.46	7,655,445.13	8,222,541.19	8,137,819.40	5,999,562.00	6,841,838.00
Deposit at Bank used as Collateral		11,292,380.82	2,571,675.00	-	-	-	-
Deposits for Land		-	-	22,177,500.00	-	-	22,177,500.00
Other Non-Current Assets		2,366,661.50	1,626,660.79	34,100.00	18,050.00	18,050.00	18,050.00
TOTAL NON-CURRENT ASSETS		978,036,778.97	878,931,732.44	848,681,366.60	819,188,457.63	746,202,130.52	635,881,984.62
TOTAL ASSETS		1,901,250,380.69	1,823,654,927.48	1,065,066,471.00	1,830,147,317.57	1,720,854,469.48	906,212,857.46

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016
		Baht	Baht	Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Bank Overdrafts and Short-term Loans							
from Financial Institutions		-	307.40	8,440,654.08	-	269.33	329.09
Trade and Other Current Payables	19	169,893,801.59	172,472,968.64	184,896,576.49	162,936,715.85	159,242,948.93	167,345,148.05
Current Portion of Long-term Loans	20	-	23,887,586.01	142,268,494.63	-	-	132,080,794.96
Current Portion of Liabilities Under							
Finance Lease Agreements	21	491,031.68	1,097,131.51	898,615.93	75,999.80	437,824.40	408,198.40
Current Income Tax Payable		22,059,639.11	2,988,313.49	2,308,943.93	22,059,639.11	2,988,313.49	2,308,943.93
TOTAL CURRENT LIABILITIES		192,444,472.38	200,446,307.05	338,813,285.06	185,072,354.76	162,669,356.15	302,143,414.43
NON-CURRENT LIABILITIES							
Long-term Loans	20	-	55,657,401.33	420,464,041.54	-	-	270,540,400.00
Liabilities Under Finance Lease Agreements	21	1,306,626.62	1,048,513.93	1,162,588.17	-	75,999.80	513,824.20
Non-Current Provisions for Employee Benefit	22	38,351,294.23	25,455,822.00	29,502,753.00	37,391,727.46	25,113,884.00	29,391,369.00
Deferred Tax Liabilities	17	119,044.12	948.75	-	87,592.38	-	-
Other Non-Current Liabilities		2,635,206.68	-	-	2,635,206.68	-	-
TOTAL NON-CURRENT LIABILITIES		42,412,171.65	82,162,686.01	451,129,382.71	40,114,526.52	25,189,883.80	300,445,593.20
TOTAL LIABILITIES		234,856,644.03	282,608,993.06	789,942,667.77	225,186,881.28	187,859,239.95	602,589,007.63
SHAREHOLDERS' EQUITY							
Share Capital	23						
Authorized Share Capital							
300,000,000 Ordinary Shares, par value @ Baht 1.00		300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Issued and Paid-Up Share Capital							
300,000,000 Ordinary Shares, par value @ Baht 1.00		300,000,000.00	300,000,000.00	-	300,000,000.00	300,000,000.00	-
225,000,401 Ordinary Shares, par value @ Baht 1.00		-	-	225,000,401.00	-	-	225,000,401.00
Share Premium on Ordinary Shares		1,092,894,156.63	1,092,894,156.63	-	1,092,894,156.63	1,092,894,156.63	-
Retained Earnings							
Appropriated							
Legal Reserve		30,000,000.00	24,023,684.96	17,638,262.24	30,000,000.00	24,023,684.96	17,638,262.24
Unappropriated		178,064,387.22	83,286,261.75	27,848,467.97	182,066,279.66	116,077,387.94	60,985,186.59
Other Components of Shareholders' Equity		(9,964,623.85)	(9,964,623.85)	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY OF THE COMPANY		1,590,993,920.00	1,490,239,479.49	270,487,131.21	1,604,960,436.29	1,532,995,229.53	303,623,849.83
Non-Controlling Interests	12	75,399,816.66	50,806,454.93	4,636,672.02	-	-	-
TOTAL SHAREHOLDERS' EQUITY		1,666,393,736.66	1,541,045,934.42	275,123,803.23	1,604,960,436.29	1,532,995,229.53	303,623,849.83
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,901,250,380.69	1,823,654,927.48	1,065,066,471.00	1,830,147,317.57	1,720,854,469.48	906,212,857.46

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
REVENUES					
Revenue from Hospital Operations		1,403,065,948.36	1,209,461,443.45	1,277,576,741.90	1,121,936,101.86
Interest Income		9,212,186.00	3,352,953.37	12,336,713.77	8,172,207.45
Other Income		11,958,101.28	11,187,993.46	8,860,838.80	9,315,493.31
TOTAL REVENUES		1,424,236,235.64	1,224,002,390.28	1,298,774,294.47	1,139,423,802.62
EXPENSES					
Cost of Hospital Operations		985,674,835.25	876,621,197.38	924,054,409.61	825,174,210.83
Administrative Expenses		153,188,764.25	137,366,384.20	121,474,156.63	114,667,788.23
Finance Costs		3,011,104.53	26,309,017.42	23,977.93	16,309,313.83
TOTAL EXPENSES		1,141,874,704.03	1,040,296,599.00	1,045,552,544.17	956,151,312.89
PROFIT BEFORE INCOME TAX EXPENSE		282,361,531.61	183,705,791.28	253,221,750.30	183,272,489.73
Tax (Expense) Income	26	(26,450,206.73)	(28,767,200.72)	(50,859,902.32)	(29,041,431.91)
PROFIT FOR THE YEAR		255,911,324.88	154,938,590.56	202,361,847.98	154,231,057.82
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Components of Other Comprehensive Income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans -					
Net of Income Tax	26	(10,563,522.64)	872,645.15	(10,396,641.22)	996,626.40
Total Components of Other Comprehensive Income that will not be reclassified to profit or loss - net of income tax		(10,563,522.64)	872,645.15	(10,396,641.22)	996,626.40
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)					
FOR THE YEAR - NET OF INCOME TAX		(10,563,522.64)	872,645.15	(10,396,641.22)	996,626.40
TOTAL COMPREHENSIVE INCOME (EXPENSE)					
FOR THE YEAR - NET OF INCOME TAX		245,347,802.24	155,811,235.71	191,965,206.76	155,227,684.22
PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity Holders of the Company		231,241,080.88	154,643,513.34		
Non-Controlling Interests		24,670,244.00	295,077.22		
TOTAL		255,911,324.88	154,938,590.56		
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO:					
Equity holders of the Company		220,754,440.51	155,573,276.65		
Non-Controlling Interests		24,593,361.73	237,959.06		
TOTAL		245,347,802.24	155,811,235.71		
BASIC EARNINGS PER SHARE	29	0.77	0.62	0.67	0.62

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

CONSOLIDATED FINANCIAL STATEMENTS

		Issued and Paid-up Share Capital	Share Premium on Ordinary Shares	Retained Earnings		Other Components of Shareholders' Equity	Total Shareholder of the Company	Non-Controlling Interests	Total
	Notes			Appropriated Legal Reserve	Unappropriated	Part of the Changes The Proportion of Subsidiary			
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2016		225,000,401.00	-	17,638,262.24	27,848,467.97	-	270,487,131.21	4,636,672.02	275,123,803.23
Transactions with owners									
Contributions by and distributions to owners of the Company									
Ordinary Share Increase	23	74,999,599.00	1,092,894,156.63	-	-	-	1,167,893,755.63	35,967,200.00	1,203,860,955.63
Appropriated Legal Reserve	24.1.2, 24.2.1	-	-	6,385,422.72	(6,385,422.72)	-	-	-	-
Dividends	24.1.2, 24.2.1	-	-	-	(93,750,060.15)	-	(93,750,060.15)	-	(93,750,060.15)
Total contributions by and distributions to owners of the Company		74,999,599.00	1,092,894,156.63	6,385,422.72	(100,135,482.87)	-	1,074,143,695.48	35,967,200.00	1,110,110,895.48
Changes in Ownership Interest without a Change in Control									
Increase Non-Controlling Interests without a Change in Control		-	-	-	-	(9,964,623.85)	(9,964,623.85)	9,964,623.85	-
Total Changes in Ownership Interest without a Change in Control		-	-	-	-	(9,964,623.85)	(9,964,623.85)	9,964,623.85	-
Total Transactions with owners		74,999,599.00	1,092,894,156.63	6,385,422.72	(100,135,482.87)	(9,964,623.85)	1,064,179,071.63	45,931,823.85	1,110,110,895.48
Comprehensive Income (Expenses) for the Year									
Profit for the Year		-	-	-	154,643,513.34	-	154,643,513.34	295,077.22	154,938,590.56
Other Comprehensive Income (Expense) for the Year		-	-	-	929,763.31	-	929,763.31	(57,118.16)	872,645.15
Total Comprehensive Income (Expenses) for the Year		-	-	-	155,573,276.65	-	155,573,276.65	237,959.06	155,811,235.71
Balance as at 31 December 2016		300,000,000.00	1,092,894,156.63	24,023,684.96	83,286,261.75	(9,964,623.85)	1,490,239,479.49	50,806,454.93	1,541,045,934.42

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017 (Continue)

CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Issued and	Share Premium	Retained Earnings		Other Components of Shareholders' Equity	Total	Non-Controlling	Total
		Paid-up	on Ordinary Shares	Appropriated	Unappropriated	Part of the Changes	Shareholder of	Interests	
		Share Capital		Legal Reserve		The Proportion of Subsidiary	the Company		
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 31 December 2016		300,000,000.00	1,092,894,156.63	24,023,684.96	83,286,261.75	(9,964,623.85)	1,490,239,479.49	50,806,454.93	1,541,045,934.42
Transactions with owners									
Contributions by and distributions to owners of the Company									
Appropriated Legal Reserve	24.2.2, 24.3	-	-	5,976,315.04	(5,976,315.04)	-	-	-	-
Dividends	24.2.2, 24.3	-	-	-	(120,000,000.00)	-	(120,000,000.00)	-	(120,000,000.00)
Total contributions by and distributions to owners of the Company		-	-	5,976,315.04	(125,976,315.04)	-	(120,000,000.00)	-	(120,000,000.00)
Total Transactions with owners		-	-	5,976,315.04	(125,976,315.04)	-	(120,000,000.00)	-	(120,000,000.00)
Comprehensive Income (Expenses) for the Year									
Profit for the Year		-	-	-	231,241,080.88	-	231,241,080.88	24,670,244.00	255,911,324.88
Other Comprehensive Income (Expense) for the Year		-	-	-	(10,486,640.37)	-	(10,486,640.37)	(76,882.27)	(10,563,522.64)
Total Comprehensive Income (Expenses) for the Year		-	-	-	220,754,440.51	-	220,754,440.51	24,593,361.73	245,347,802.24
Balance as at 31 December 2017		300,000,000.00	1,092,894,156.63	30,000,000.00	178,064,387.22	(9,964,623.85)	1,590,993,920.00	75,399,816.66	1,666,393,736.66

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

SEPARATE FINANCIAL STATEMENTS

		Issued and Paid-up Share Capital	Share Premium on Ordinary Shares	Retained Earnings		Total
	Notes			Appropriated Legal Reserve	Unappropriated	
		Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2016		225,000,401.00	-	17,638,262.24	60,985,186.59	303,623,849.83
Transactions with owners						
Contributions by and distributions to owners of the Company						
Ordinary Share Increase	23	74,999,599.00	1,092,894,156.63	-	-	1,167,893,755.63
Appropriated Legal Reserve	24.1.2, 24.2.1	-	-	6,385,422.72	(6,385,422.72)	-
Dividends	24.1.2, 24.2.1	-	-	-	(93,750,060.15)	(93,750,060.15)
Total contributions by and distributions to owners of the Company		74,999,599.00	1,092,894,156.63	6,385,422.72	(100,135,482.87)	1,074,143,695.48
Total Transactions with owners		74,999,599.00	1,092,894,156.63	6,385,422.72	(100,135,482.87)	1,074,143,695.48
Comprehensive Income (Expenses) for the Year						
Profit for the Year		-	-	-	154,231,057.82	154,231,057.82
Other Comprehensive Income (Expense) for the Year		-	-	-	996,626.40	996,626.40
Total Comprehensive Income (Expenses) for the Year		-	-	-	155,227,684.22	155,227,684.22
Balance as at 31 December 2016		300,000,000.00	1,092,894,156.63	24,023,684.96	116,077,387.94	1,532,995,229.53
Transactions with owners						
Contributions by and distributions to owners of the Company						
Appropriated Legal Reserve	24.2.2, 24.3	-	-	5,976,315.04	(5,976,315.04)	-
Dividends	24.2.2, 24.3	-	-	-	(120,000,000.00)	(120,000,000.00)
Total contributions by and distributions to owners of the Company		-	-	5,976,315.04	(125,976,315.04)	(120,000,000.00)
Total Transactions with owners		-	-	5,976,315.04	(125,976,315.04)	(120,000,000.00)
Comprehensive Income (Expenses) for the Year						
Profit for the Year		-	-	-	202,361,847.98	202,361,847.98
Other Comprehensive Income (Expense) for the Year		-	-	-	(10,396,641.22)	(10,396,641.22)
Total Comprehensive Income (Expenses) for the Year		-	-	-	191,965,206.76	191,965,206.76
Balance as at 31 December 2017		300,000,000.00	1,092,894,156.63	30,000,000.00	182,066,279.66	1,604,960,436.29

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2017

	CONSOLIDATED		SEPARATE		
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Income Tax	282,361,531.61	183,705,791.28	253,221,750.30	183,272,489.73	
Adjustment to Profit before Income Taxes for Cash Received (Paid) from Operations					
Bad Debts	882,830.62	395,549.00	559,848.62	245,146.00	
Doubtful Debts-Trade and Other Current Receivables	2,798,394.50	230,457.00	2,913,443.50	66,105.00	
Loss from Obsoleted Inventories	95,348.98	65,413.30	-	-	
Depreciation	75,706,112.40	72,739,899.33	54,095,792.18	48,128,641.63	
Amortization for Intangible Assets	1,386,471.82	1,451,462.24	581,785.85	798,396.34	
(Gain) Loss from Sales of Assets	830,230.32	5,394.46	37,714.57	(85,388.73)	
Loss on Written-off of Fixed Assets	5.00	319.00	5.00	319.00	
Written-off Withholding Tax to Expense	398,867.94	-	-	-	
Gain from sale of Trading Securities	(92,742.75)	(2,259.46)	-	-	
Unrealized (Gain) Loss from Trading Securities	(590,476.83)	(4,743.75)	(437,961.88)	-	
Employee Benefit Obligation	4,202,598.93	3,381,410.75	3,793,571.93	3,274,838.00	
Interest Income	(9,212,186.00)	(3,352,953.37)	(12,336,713.77)	(8,172,207.45)	
Interest Expense	3,011,104.53	26,309,017.42	23,977.93	16,309,313.83	
Profit from Operation Activities before Changes in Operating Assets and Liabilities	361,778,091.07	284,924,757.20	302,453,214.23	243,837,653.35	
(Increase) Decrease in Operating Assets					
Cash Paid from Purchase of Trading Securities	(331,300,000.00)	(16,400,000.00)	(290,000,000.00)	-	
Cash Received from Disposal of Trading Securities	37,904,416.54	6,220,000.00	-	-	
Trade and Other Current Receivables	(22,445,044.23)	(22,992,555.73)	(23,561,237.32)	(8,275,051.99)	
Inventories	(4,112,908.03)	4,399,453.78	(1,518,307.64)	4,294,252.22	
Other Current Assets	(58,496.68)	(367,508.58)	(63,249.30)	(30,356.17)	
Other Non-Current Assets	(2,472,848.91)	(2,379,111.67)	(1,525,716.00)	(2,724,495.00)	
Increase (Decrease) in Operating Liabilities					
Trade and Other Current Payables	9,457,997.47	8,243,103.26	16,866,438.21	9,662,340.85	
Non-Current Provisions for Employee Benefit	(4,511,530.00)	(6,306,540.00)	(4,511,530.00)	(6,306,540.00)	
Other non-current Liabilities	2,635,206.68	-	2,635,206.68	-	
Cash Received (Paid) from Operation Activities	46,874,883.91	255,341,598.26	774,818.86	240,457,803.26	
Cash Received from Interest Income	2,917,939.45	1,150,761.59	2,874,008.83	1,120,297.19	
Cash Payment for Income Tax	(34,680,458.60)	(30,101,504.45)	(31,240,081.41)	(27,768,942.95)	
Cash Received from Withholding Tax	1,193,692.85	-	-	-	
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	16,306,057.61	226,390,855.40	(27,591,253.72)	213,809,157.50	

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2017

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash Payment for Current Investments		(300,000,000.00)	(500,000,000.00)	(300,000,000.00)	(500,000,000.00)
Cash Received for Current Investments		700,000,000.00	-	700,000,000.00	-
Cash Payment for Short-term Loans to Subsidiary		-	-	(65,800,000.00)	(7,100,000.00)
Cash Received for Short-term Loans to Subsidiary		-	-	4,850,000.00	250,000.00
Cash Payment for Bank Guarantees		(8,720,705.82)	(2,571,675.00)	-	-
Cash Payment for Investments in Subsidiary		-	-	-	(64,032,800.00)
Cash Payment for Purchase of Fixed Assets		(127,374,151.05)	(76,349,422.24)	(116,621,503.06)	(73,297,789.23)
Cash Received from Sale of Fixed Assets		811,616.54	102,335.45	29,906.54	102,335.45
Cash Payment for Purchase of Intangible Assets		(1,824,885.00)	(196,238.00)	(869,375.00)	(169,488.00)
Cash Received from Interest Income		7,331,438.34	-	10,528,451.26	5,013,410.67
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		270,223,313.01	(579,014,999.79)	232,117,479.74	(639,234,331.11)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase(Decrease) in Bank Overdrafts		(307.40)	(1,440,346.68)	(269.33)	(59.76)
Cash Received in Short-term Loans from Financial Institutions		-	310,000,000.00	-	270,000,000.00
Cash Payment in Short-term Loans from Financial Institutions		-	(317,000,000.00)	-	(270,000,000.00)
Cash Payment for Other Accounts Payable of Fixed Assets		(20,949,739.34)	(6,658,683.55)	(19,850,916.02)	(3,105,791.69)
Cash Received in Long-term Loans from Financial Institutions		-	50,639,640.00	-	50,639,640.00
Cash Payment in Long-term Loans from Financial Institutions		(79,544,987.34)	(533,827,188.83)	-	(453,260,834.96)
Cash Payment from Liabilities Under Financial Lease Agreements		(1,420,190.00)	(1,087,340.00)	(460,008.00)	(460,008.00)
Cash Received from Issue of Ordinary Shares		-	1,167,893,755.63	-	1,167,893,755.63
Cash Received from Increase Non-Controlling Interests		-	35,967,200.00	-	-
Cash Payment of Interest Expenses		(3,214,606.58)	(27,624,444.54)	(1,794.33)	(17,249,722.09)
Cash Payment for Dividends		(119,898,435.06)	(127,298,743.93)	(119,898,435.06)	(127,298,743.93)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		(225,028,265.72)	549,563,848.10	(140,211,422.74)	617,158,235.20
NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)		61,501,104.90	196,939,703.71	64,314,803.28	191,733,061.59
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	7	201,156,345.62	4,216,641.91	195,852,726.72	4,119,665.13
CASH AND CASH EQUIVALENTS AT ENDING OF THE YEAR	7	262,657,450.52	201,156,345.62	260,167,530.00	195,852,726.72

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. General Information

The Company was registered as a corporate entity under the Civil and Commercial was as a corporate entity with registration number Bor. Aor. Jor. Aor. Yor. 152 on 4 October 1990 and the Company was registered a public company with registration number 0107538000509 on 13 October 1995. The office is located at No. 111 Moo 3 Rojana Road, Tombol Klongsuanplu, Ampur Pranakornsriyutthaya, Pranakornsriyutthaya Province, Thailand. The Company's major shareholder is clan group Prasithirun.

The group operates mainly in Healthcare services.

2. Basis of Preparation the Financial Statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.2 The reclassification of the items in the financial statements was complied with the Notification of Department of Business Development regarding the Determination of Short Items in the financial statements.
- 2.3 In order to prepare the financial statements to comply with Thai Financial Reporting Standards, the Company's management had to make some estimates and assumptions which may have an effect on the amounts shown for revenues, expenses, assets and liabilities and also on the disclosures concerning to assets and contingent liabilities, therefore the actual results may differ from the estimated amounts.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.

3. Basis of Preparation the Consolidation Financial Statements

- 3.1 In preparation of the consolidated financial statements, the Company will only take its subsidiary which is under the main control of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED into account, after having eliminated the remaining balances and transactions among themselves. The Company holds shares in subsidiary with the percentage of shareholdings in subsidiary as follows:

Company's Name	Percentage of Shareholdings		Country of Incorporation	Type of Business
	As at	As at		
	31 December 2017	31 December 2016		
Rajthanee Rojana Hospital Co., Ltd.	53.93	53.93	Thailand	Healthcare Services

3.2 The accounting year ended of the above subsidiary is the same as the RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

3.3 In preparation of the consolidated financial statements, the Company has eliminated the amounts of assets, liabilities, and inter-transactions.

3.4 Accounting policies for the subsidiary will utilize the same policies as the Company.

4. Adoption of New Financial Reporting Standards

The group adopted the new accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting guidance, which are effective for accounting period beginning on or after 1 January 2017, with no impact to the current financial statements.

5. New Financial Reporting Standards Not Yet Effective

New accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations which are not yet effective for the current accounting period that the Company has not early adopted, are as follows:

Effective for the accounting period beginning on or after 1 January 2018

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 Resources
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: Disclosures

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)	Rights 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 Economies
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 believes that the above financial reporting standards will not have any significant impact on the financial report when they are applied.

6. Summary of Significant Accounting Policies

6.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

6.2 Financial Instruments

Financial assets were shown in the statements of financial position include cash and cash equivalents, current investments, trade and other current receivables and loans to, Financial liabilities were shown in the statements of financial position include trade and other current payables, borrowings

and liabilities under finance lease agreements which the accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

6.3 Cash and Cash Equivalents

Cash and cash equivalents includes bank deposits in type of current accounts, saving accounts and 3 months fixed accounts without guarantee obligation but excludes bank overdrafts which shown as current liabilities.

6.4 Current Investments

Current Investments include fixed deposits with an original maturity over 3 months after the acquisition date and investments in marketable fixed income funds.

Marketable securities both fixed income funds and stocks which are for trading securities are classified as current assets and stated at fair value. Profit or Loss from revaluation is stated on the profit or loss.

Different between net cash received and book value will be record to profit or loss accounts when the aforementioned investments were sold.

6.5 Trade and Other Current Receivables and Allowance for Doubtful

Trade receivables and other current receivables are stated at the net realizable values.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and analyzing the aging of receivables.

6.6 Inventories

Inventories are valued at cost price under first-in first-out method or net realizable value which ever the lower is.

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

6.7 Investments

Investments in a subsidiary as shown in the separate financial statements is recorded under the cost method net of allowance for impairment (if any)

Other long-term investments are investments in non-marketable equity instruments, which the Company considered as general investment. recorded under the cost method net of allowance for impairment (if any).

6.8 Property, Plant and Equipment

Land is recorded at cost price it is incurred deduction of accumulated impairment losses (if any).

Plant and equipment are recorded at cost price it is incurred after deduction of accumulated depreciation and accumulated impairment losses (if any) and calculated depreciation on a straight-line method over their approximate useful lives as follows:

- Land Improvement	20 Years
- Buildings and Constructions	5 - 30 Years
- Appliance and Other Fixed Assets	3 - 10 Years

Work in process is recorded at cost price not depreciated until assets as above complete already and condition necessary for its intended use.

Repair and maintenance is recognized expense in profit or loss that it is incurred. Cost of significant improvement should be recognized as a part of carrying amount of assets when it is probable that the group will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Cost of improvement should be depreciated by the basis of estimated useful lives.

The Group eliminated land, plant and equipment on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss on disposal (the difference between the net proceeds received in exchange for the asset disposed and the carrying amount at the time of disposal) is recognized under gain or loss when the Group eliminated the said assets.

6.9 Goodwill

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses (if any).

6.10 Intangible Assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 years.

6.11 Borrowing Costs

Interest expenses eligible for capitalized are interest incurred from loans to acquire assets, which are constructions in various projects. The Company recognizes the interest expenses as part of the assets, which are constructions in various projects and will cease to recognize it when the construction is completed.

6.12 Impairment

The carrying amounts of assets are assessed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of assets or its cash-generating units to which the assets are included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment Loss

- The loss on impairment of assets recognized in the prior year will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized. The carrying amount of the asset not exceed just to be the carrying amount that would have been (net of depreciation or amortization) , if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

6.13 Trade and Other Current Payables

Trade and other current payables were shown in cost value.

6.14 Employees Benefit

Short-term benefits

The Group recognizes salary, wage, bonus, and social security fund as expense in profit or loss when the transaction occurs.

Long-term employee benefits

- Defined contribution plans

The Group and employees of the Group have jointly established a provident fund so as to pay to employees on termination in accordance with the fund's rules, which include the monthly contributions from employees and the Group. The planned assets of each plan are separated from the Group's assets. The Group recognizes the contribution as expense in profit or loss for the accounting period which the transaction incurred.

- Defined benefit plans

The Group has made provision for post-employment benefits so as to pay as severance pay to employees under the labor laws applicable in Thailand and provision for other long-term benefits so as to pay to employees who served defined period by actuarial technique using the projected unit credit method and presents as non-current liabilities. Hereby, the costs associated with employee benefits will be recognized in profit or loss so as to spread the cost over the employment period.

Gain or loss on remeasurement for post-employment benefits will be recognized in other comprehensive income (expense) and gain or loss on remeasurement for other long-term benefits will be recognized in profit or loss.

6.15 Provision of Liabilities

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

6.16 Leases Agreements

The Company is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the

finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease year so as to achieve a constant yearic rate of interest on the remaining balance of the liability for each year. The assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the year is lower.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the year of the lease.

When an operating lease is terminated before the lease year has expired, any payment required to be made to the lesser by way of penalty is recognized as an expense in the year in which termination takes place.

6.17 Recognition of Revenues

- Revenues from hospital operations mainly comprise of the clinical services, medicine and in-patient rooms. The revenues are recognized when the services are rendered or medicines are delivered.
- Revenues from operations received from the Social Security Office and National Health Security Office are recognized at the capitation rate and the disease severity rate per number of insured persons registered with the Company and its subsidiary.
- Intrest Income is recognized on by year based on effective rate.
- Rental Income is regcognized on straight line basis and agreement rate.
- Other incomes are recognized on an accrual basis.

6.18 Recognition of Expenses

- Expenses are recognized on an accrual basis.

6.19 Income Taxes

Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current Tax

The Group recognized current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation, using the tax rates enacted at the end of reporting year.

Deferred Tax

The Group recognized deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting year, using the tax rates enacted at the end of reporting year.

Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that the related tax benefit will be realized.

6.20 Earnings per share

Earnings per share are calculated by dividing profit or loss for the year by the weighted average number of issued and paid up common shares. The Group uncalculate diluted earnings per share since there is no equivalents to ordinary shares.

6.21 Appropriation of Retained Earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E.1992. and to the Public Company (No. 2) Act B.E. 2001. The Company will appropriate retained earnings when it is approved at the Shareholders Meeting.

6.22 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 in put are quoted prices in active market for identical assets or liabilities that the Group can access at the measurement date.

Level 2 in put are other observable inputs either directly or indirectly, for the assets or liabilities other than quoted price included within Level 1 inputs.

Level 3 in put are unobservable inputs for the assets and liabilities.

At the end of each reporting year, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting year that are measured at fair value on a recurring basis.

6.23 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with the financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in the financial statements and notes to the financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

Lease

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for Doubtful Accounts of Receivables

Allowance for doubtful account from receivable incurred from the adjustment to the receivable value from the potential credit risk. The management's consideration is applied in estimating the loss that may incurred from individual debtors by analyzing the aging of receivables, historical experience from the collection and the fluctuation of the current economic condition. However, the application of different estimates and assumption may affect the amount of allowance for doubtful account thus future adjustment to the allowance for doubtful account may occur.

Impairment of Investments

The management is required to review the impairment of investments. The impairment loss is recorded when it is determined that their recoverable amount is lower than the value of investments and the use of discretion is for considering that such value of investments significantly reduces and is permanent or not.

Property, Plant and Equipment and Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the Company's equipment and to review estimate 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 impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible Assets and Amortized

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Post-Employment Benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. Actual post-retirement costs may ultimately differ from these estimates.

Accrued Medical Treatment Revenues

Accrued medical treatment revenues represents medical revenues that has not been collected from the Social Security Office. The Company and its subsidiary are not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with bases, methods and terms specified by such authority, and consider the amount of the latest actual collection together with the current circumstances.

Deferred Tax Assets

The management of the Group has to use judgment in the consideration to recognize deferred tax assets by estimating the future taxable profit in each period and assess the probable that the Group will have sufficient future taxable profit which can be utilised.

Fair value

In determining the fair value of financial instruments which are recognised in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

7. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Cash	726,103.00	865,322.00	642,763.00	707,767.00
Cheque in hand	6,402.00	7,769.70	-	7,769.70
Current Deposit Accounts	24,491.46	14,000.02	7,389.46	14,000.02
Savings Deposit Accounts	261,900,454.06	100,269,253.90	259,517,377.54	95,123,190.00
Fixed Deposit Accounts < 3-month Term	-	100,000,000.00	-	100,000,000.00
Total	262,657,450.52	201,156,345.62	260,167,530.00	195,852,726.72

8. Current Investments

Consists of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Fixed Deposit Accounts >3-month Term	100,000,000.00	500,000,000.00	100,000,000.00	500,000,000.00
Trading Securities – Fixed Income Funds				
Cost value	303,675,329.42	10,182,259.46	290,000,000.00	-
Add (Deduct) Unrealized Profit (Loss)	590,476.83	4,743.75	437,961.88	-
Fair value in Fixed Income Funds	304,265,806.25	10,187,003.21	290,437,961.88	-
Total	404,265,806.25	510,187,003.21	390,437,961.88	500,000,000.00

For the year ended 31 December 2017 and 2016, the movements of investment in trading securities were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Beginning Carrying Amount	10,187,003.21	-	-	-
Purchase of Trading Securities	331,300,000.00	16,400,000.00	290,000,000.00	-
Disposal of Trading Securities	(37,904,416.54)	(6,220,000.00)	-	-
Gain from sale of Trading Securities	92,742.75	2,259.46	-	-
Change of Fair Value of Trading Securities	590,476.83	4,743.75	437,961.88	-
Ending Carrying Amount	304,265,806.25	10,187,003.21	290,437,961.88	-

The fair value measurement of trading securities which are investments in opened-end mutual fund using the net asset value that announced by the fund as at the date of statement of financial position which are Level 1 inputs.

9. Trade and Other Current Receivables

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Accrued Medical Treatment Revenues				
Social Security Office	144,995,822.01	136,996,838.03	132,094,281.93	126,246,733.28
Accrued Revenue	2,775,585.00	2,152,224.00	2,766,715.00	1,221,880.00
Unbilled Trade Receivables	147,771,407.01	139,149,062.03	134,860,996.93	127,468,613.28
Trade Receivables	78,825,773.35	65,473,873.54	72,800,318.85	56,931,639.04
<u>Less</u> Allowance for Doubtful Debt	(3,493,177.50)	(694,783.00)	(3,297,369.50)	(383,926.00)
Trade Receivables - Net	75,332,595.85	64,779,090.54	69,502,949.35	56,547,713.04
Other Current Receivables	3,346,717.44	4,795,940.41	3,337,123.06	4,662,544.14
Total	226,450,720.30	208,724,092.98	207,701,069.34	188,678,870.46

Trade receivables were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade Receivables within due period	38,284,385.08	28,949,824.00	33,628,302.58	26,033,636.50
Trade Receivables classified by overdue period as follows				
- Less than 3 months	28,607,947.16	22,812,259.60	28,327,888.16	18,611,534.60
- Over 3 months to 6 months	4,088,624.25	5,442,052.26	4,091,501.25	4,702,266.26
- Over 6 months to 9 months	1,068,805.50	1,770,146.50	895,461.50	1,609,539.50
- Over 9 months to 12 months	963,590.86	1,635,123.68	543,493.86	1,591,732.68
- Over 12 months to 24 months	2,315,294.00	4,493,559.50	1,984,003.00	4,315,879.50
- Over 24 months	3,497,126.50	370,908.00	3,329,668.50	67,050.00
Total	78,825,773.35	65,473,873.54	72,800,318.85	56,931,639.04
<u>Less</u> Allowance for Doubtful Debt	(3,493,177.50)	(694,783.00)	(3,297,369.50)	(383,926.00)
Net	75,332,595.85	64,779,090.54	69,502,949.35	56,547,713.04

For the years ended 31 December 2017 and 2016, the movement of allowance for doubtful debt were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Allowance for Doubtful Debt - Beginning	(694,783.00)	(464,326.00)	(383,926.00)	(317,821.00)
Increase During the Year	(3,518,950.50)	(697,233.00)	(3,302,309.50)	(386,376.00)
Decrease During the Year from Received	101,324.00	92,194.00	80,491.00	91,950.00
Decrease During the Year from Write - off	619,232.00	374,582.00	308,375.00	228,321.00
Allowance for Doubtful Debt - Ending	(3,493,177.50)	(694,783.00)	(3,297,369.50)	(383,926.00)

Other Current Receivables and Other Non-Current Receivables consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Other Current Receivables				
Prepaid Expense	967,228.11	986,369.79	886,839.90	801,404.41
Others	2,379,489.33	3,809,570.62	2,450,283.16	3,861,139.73
Total	<u>3,346,717.44</u>	<u>4,795,940.41</u>	<u>3,337,123.06</u>	<u>4,662,544.14</u>
Other Non-Current Receivables				
Loan for Education	8,751,082.58	6,278,233.67	7,309,333.00	5,783,617.00
Total	<u>8,751,082.58</u>	<u>6,278,233.67</u>	<u>7,309,333.00</u>	<u>5,783,617.00</u>

10. Inventories

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Medicines and Medical Supplies	21,103,957.67	17,574,972.80	15,648,146.70	14,800,881.99
Medical Supplies – Radiodiagnosis	84,361.39	84,474.58	36,077.35	37,306.86
Medical Supplies – Laboratory	2,758,909.16	2,174,872.81	2,571,207.83	1,898,935.39
Total	<u>23,947,228.22</u>	<u>19,834,320.19</u>	<u>18,255,431.88</u>	<u>16,737,124.24</u>
<u>Less</u> Allowance for Declining in				
Value of Inventories	<u>(160,762.28)</u>	<u>(65,413.30)</u>	<u>-</u>	<u>-</u>
Net	<u>23,786,465.94</u>	<u>19,768,906.89</u>	<u>18,255,431.88</u>	<u>16,737,124.24</u>

11. Investments in Subsidiary

Consist of:

Name of Company	Business	Separate Financial Statements			
		Cost Method			
		Paid-up	% Share-	As at	As at
		Capital	Holding	31 December 2017	31 December 2016
		Baht		Baht	Baht
Rajthanee Rojana Hospital Company Limited	Healthcare Services	270,000,000.00	53.93	190,032,800.00	190,032,800.00

According to the resolution of the meeting of the Board of Directors No. 9/2016 of the Company held on 18 October 2016, approving the capital increase plan of Rajthanee Rojana Hospital Company Limited (the subsidiary), and approving the Company's subscription of the newly issued shares in proportion to its shareholding (the "Rights Offering"), including the newly issued shares remaining from the Rights Offering, the details are as follows:

1. The Rights Offering

- 1.1 The extraordinary general meeting of subsidiary company No. 2/2016, held on 2 November 2016, resolved to approve subsidiary company's registered capital increase of Baht 40,000,000 (i.e., from Baht 230 million to Baht 270 million) by way of issuing and offering 4,000,000 newly issued ordinary shares at a par value of Baht 10 to its existing shareholders under the Rights Offering at a ratio of 23 ordinary shares for 4 newly issued ordinary shares. Fractional shares shall be disregarded, and the offering price is Baht 25 per share.
- 1.2 The Company exercised its right to subscribe for 2,086,956 newly issued ordinary shares under the Rights Offering at the offering price of Baht 25 per share. The payment for the first subscription of the newly issued ordinary shares was Baht 52,173,900. The subsidiary subsequently allocated to the Company all of the newly issued ordinary shares remaining unsubscribed for under the Rights Offering.
- 1.3 The Company exercised its right to subscribe for 474,356 newly issued ordinary shares remaining unsubscribed for under the Rights Offering at the offering price of Baht 25 per share. The payment for the second subscription thereof was Baht 11,858,900. In total, The Company has subscribed for 2,561,312 newly issued ordinary shares in the subsidiary, and the total payments for the subscription thereof were Baht 64,032,800.

2. Proportion of share holding in subsidiary

	Before capital Increase	After Capital Increase
Share holding (shares)	12,000,000	14,561,312
Proportion of holding (%)	52.17	53.93

12. Non-controlling Interests

The information relating to each of the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	As at 31 December 2017		
	Rajthanee Rojana Hospital Company Limited	Eliminations	Total
	Baht	Baht	Baht
Non-Controlling Interest Percentage	46.07		
Current Assets	73,214,247.71		
Non-Current Assets	268,771,211.25		
Current Liabilities	(168,331,623.55)		
Non-Current Liabilities	(2,297,645.13)		
Net Assets	171,356,190.28		
Carrying Amount of Non-Controlling Interest	78,943,796.86	(3,543,980.20)	75,399,816.66
Revenues	220,421,008.32		
Profit	54,618,543.07		
Other Comprehensive Income (Expense)	(166,881.42)		
Total Comprehensive Income	54,451,661.65		
Profit Allocated to Non-Controlling Interest	25,162,762.79	(492,518.79)	24,670,244.00
Other Comprehensive Income (Expense)			
Allocated to Non-Controlling Interest	(76,882.27)	-	(76,882.27)
Total Comprehensive Income Allocated to Non-Controlling Interest	25,085,880.52	(492,518.79)	24,593,361.73
Cash Flow in Operating Activities	43,927,699.32		
Cash Flow in Investing Activities	(19,647,153.81)		
Cash Flow in Financing Activities	(27,094,243.89)		
Net Cash and Cash Equivalents Increase (Decrease)	(2,813,698.38)		

	As at 31 December 2017		
	Rajthanee Rojana Hospital Company Limited Baht	Eliminations Baht	Total Baht
Non-Controlling Interest Percentage	46.07		
Current Assets	54,949,162.54		
Non-Current Assets	241,583,425.66		
Current Liabilities	(122,655,257.36)		
Non-Current Liabilities	(56,972,802.21)		
Net Assets	116,904,528.63		
Carrying Amount of Non-Controlling Interest	53,857,916.34	(3,051,461.41)	50,806,454.93
Revenues	159,892,174.04		
Profit	1,808,252.49		
Other Comprehensive Income (Expense)	(123,981.25)		
Total Comprehensive Income	1,684,271.24		
Profit Allocated to Non-Controlling Interest	819,063.73	(523,986.51)	295,077.22
Other Comprehensive Income (Expense)			
Allocated to Non-Controlling Interest	(57,118.16)	-	(57,118.16)
Total Comprehensive Income Allocated to Non-Controlling Interest	761,945.57	(523,986.51)	237,959.06
Cash Flow in Operating Activities	12,461,697.84		
Cash Flow in Investing Activities	(5,530,057.95)		
Cash Flow in Financing Activities	(1,724,997.77)		
Net Cash and Cash Equivalents Increase (Decrease)	5,206,642.12		

13. Other Long-term Investments

Consist of:

Company's Name	Type of Business	Paid-up Share Capital Baht	% Share- Holding	Cost Method	
				As at 31 December	
				2017	2016
				Baht	Baht
Wellness City Company Limited	Property Development for Sale	120,000,000.00	3.75	4,500,000.00	4,500,000.00
<u>Less</u> Accumulated Loss from Impairment				<u>(4,500,000.00)</u>	<u>(4,500,000.00)</u>
Net				<u>-</u>	<u>-</u>

14. Property, Plant and Equipment

Consist of:

	Consolidated Financial Statements								
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery and Vehicle Appliance	Other Fixed Assets	Construction in Process	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2016									
Cost	165,549,421.40	2,939,560.75	706,036,185.64	222,629,845.57	45,253,247.16	37,927,331.83	22,599,457.08	10,730,590.77	1,213,665,640.20
<u>Less</u> Accumulated									
Depreciation	-	(697,763.25)	(264,338,471.77)	(151,571,291.77)	(28,641,217.83)	(30,307,114.51)	(16,323,638.53)	-	(491,879,497.66)
Carrying Amount	165,549,421.40	2,241,797.50	441,697,713.87	71,058,553.80	16,612,029.33	7,620,217.32	6,275,818.55	10,730,590.77	721,786,142.54
Transactions During the Year									
Ended 31 December 2016									
Purchase	69,662,500.00	-	1,276,608.14	31,504,246.16	4,284,872.11	803,508.46	3,068,386.30	9,954,665.75	120,554,786.92
Transfer in/(Transfer out)	-	142,000.00	15,389,546.45	2,334,210.07	60,000.00	-	-	(17,925,756.52)	-
Disposal	-	-	-	(715,390.00)	(419,856.24)	(384,800.00)	(39,303.90)	-	(1,559,350.14)
Written-off Assets	-	-	-	(3,200,039.50)	(860,080.64)	(9,400.00)	(421,563.50)	-	(4,491,083.64)
Depreciation for the Year	-	(152,875.27)	(33,665,644.65)	(26,518,092.48)	(6,795,056.17)	(2,916,731.69)	(2,691,499.07)	-	(72,739,899.33)
Depreciation for									
Sale/Written-off Assets	-	-	-	3,824,050.40	1,270,951.00	390,064.94	457,318.53	-	5,942,384.87
Ending Carrying Amount	235,211,921.40	2,230,922.23	424,698,223.81	78,287,538.45	14,152,859.39	5,502,859.03	6,649,156.91	2,759,500.00	769,492,981.22
As at 31 December 2016									
Cost	235,211,921.40	3,081,560.75	722,702,340.23	252,552,872.30	48,318,182.39	38,336,640.29	25,206,975.98	2,759,500.00	1,328,169,993.34
<u>Less</u> Accumulated									
Depreciation	-	(850,638.52)	(298,004,116.42)	(174,265,333.85)	(34,165,323.00)	(32,833,781.26)	(18,557,819.07)	-	(558,677,012.12)
Carrying Amount	235,211,921.40	2,230,922.23	424,698,223.81	78,287,538.45	14,152,859.39	5,502,859.03	6,649,156.91	2,759,500.00	769,492,981.22

Consolidated Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery and Vehicle Appliance	Other Fixed Assets	Construction in Process	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2017									
Cost	235,211,921.40	3,081,560.75	722,702,340.23	252,552,872.30	48,318,182.39	38,336,640.29	25,206,975.98	2,759,500.00	1,328,169,993.34
<u>Less</u> Accumulated									
Depreciation	-	(850,638.52)	(298,004,116.42)	(174,265,333.85)	(34,165,323.00)	(32,833,781.26)	(18,557,819.07)	-	(558,677,012.12)
Carrying Amount	235,211,921.40	2,230,922.23	424,698,223.81	78,287,538.45	14,152,859.39	5,502,859.03	6,649,156.91	2,759,500.00	769,492,981.22
Transactions During the Year									
Ended 31 December 2017									
Purchase	-	-	3,041,789.94	29,905,972.73	4,876,285.59	2,667,877.40	3,355,616.28	93,613,323.90	137,460,865.84
Transfer in/(Transfer out)	-	-	18,756,930.45	7,779,436.00	112,718.05	-	23,540.00	(26,672,624.50)	-
Disposal	-	-	(695,500.00)	(13,443,078.97)	(316,547.42)	(14,800.00)	(455,575.40)	-	(14,925,501.79)
Written-off Assets	-	-	-	(343,255.00)	-	-	(24,830.00)	-	(368,085.00)
Depreciation for the Year	-	(175,377.77)	(34,848,597.29)	(28,748,454.10)	(6,138,723.42)	(2,866,990.14)	(2,927,969.68)	-	(75,706,112.40)
Depreciation for									
Sale/Written-off Assets	-	-	695,499.00	12,212,051.90	269,675.57	14,332.46	460,176.00	-	13,651,734.93
Ending Carrying Amount	235,211,921.40	2,055,544.46	411,648,345.91	85,650,211.01	12,956,267.76	5,303,278.75	7,080,114.11	69,700,199.40	829,605,882.80
As at 31 December 2017									
Cost	235,211,921.40	3,081,560.75	743,805,560.62	276,451,947.06	52,990,638.61	40,989,717.69	28,105,726.86	69,700,199.40	1,450,337,272.39
<u>Less</u> Accumulated									
Depreciation	-	(1,026,016.29)	(332,157,214.71)	(190,801,736.05)	(40,034,370.85)	(35,686,438.94)	(21,025,612.75)	-	(620,731,389.59)
Carrying Amount	235,211,921.40	2,055,544.46	411,648,345.91	85,650,211.01	12,956,267.76	5,303,278.75	7,080,114.11	69,700,199.40	829,605,882.80
Depreciation for the Year									
2016 (Amount Baht 64.67 Million, Included in Costs of Services ,The Rest Included in Administrative Expenses)									72,739,899.33
2017 (Amount Baht 67.18 Million, Included in Costs of Services ,The Rest Included in Administrative Expenses)									75,706,112.40

Separate Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery and Vehicle Appliance	Other Fixed Assets	Construction in Process	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2016									
Cost	131,049,421.40	2,939,560.75	485,138,885.92	169,895,958.85	35,677,723.17	29,908,044.86	20,284,673.85	10,730,590.77	885,624,859.57
<u>Less</u> Accumulated									
Depreciation	-	(697,763.25)	(220,371,465.39)	(122,682,618.51)	(24,764,840.69)	(26,157,189.27)	(15,011,769.07)	-	(409,685,646.18)
Carrying Amount	131,049,421.40	2,241,797.50	264,767,420.53	47,213,340.34	10,912,882.48	3,750,855.59	5,272,904.78	10,730,590.77	475,939,213.39
Transactions During the Year									
Ended 31 December 2016									
Purchase	69,662,500.00	-	891,616.14	28,292,113.51	3,281,010.03	797,864.64	2,844,901.24	9,587,437.03	115,357,442.59
Transfer in/(Transfer out)	-	-	15,323,317.73	2,334,210.07	60,000.00	-	-	(17,717,527.80)	-
Disposal	-	-	-	(240,390.00)	(419,856.24)	(384,800.00)	(39,303.90)	-	(1,084,350.14)
Written-off Assets	-	-	-	(3,200,039.50)	(860,080.64)	(9,400.00)	(421,563.50)	-	(4,491,083.64)
Depreciation for the Year	-	(146,978.04)	(22,641,828.66)	(16,741,979.35)	(4,961,329.37)	(1,482,872.86)	(2,153,653.35)	-	(48,128,641.63)
Depreciation for									
Sale/Written-off Assets	-	-	-	3,439,833.59	1,270,951.00	390,064.94	457,318.53	-	5,558,168.06
Ending Carrying Amount	200,711,921.40	2,094,819.46	258,340,525.74	61,097,088.66	9,283,577.26	3,061,712.31	5,960,603.80	2,600,500.00	543,150,748.63
As at 31 December 2016									
Cost	200,711,921.40	2,939,560.75	501,353,819.79	197,081,852.93	37,738,796.32	30,311,709.50	22,668,707.69	2,600,500.00	995,406,868.38
<u>Less</u> Accumulated									
Depreciation	-	(844,741.29)	(243,013,294.05)	(135,984,764.27)	(28,455,219.06)	(27,249,997.19)	(16,708,103.89)	-	(452,256,119.75)
Carrying Amount	200,711,921.40	2,094,819.46	258,340,525.74	61,097,088.66	9,283,577.26	3,061,712.31	5,960,603.80	2,600,500.00	543,150,748.63

Separate Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery and Vehicle Appliance	Other Fixed Assets	Construction in Process	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2017									
Cost	200,711,921.40	2,939,560.75	501,353,819.79	197,081,852.93	37,738,796.32	30,311,709.50	22,668,707.69	2,600,500.00	995,406,868.38
<u>Less</u> Accumulated									
Depreciation	-	(844,741.29)	(243,013,294.05)	(135,984,764.27)	(28,455,219.06)	(27,249,997.19)	(16,708,103.89)	-	(452,256,119.75)
Carrying Amount	200,711,921.40	2,094,819.46	258,340,525.74	61,097,088.66	9,283,577.26	3,061,712.31	5,960,603.80	2,600,500.00	543,150,748.63
Transactions During the Year									
Ended 31 December 2017									
Purchase	-	-	218,577.70	24,605,584.73	3,684,273.19	1,418,740.20	3,077,283.58	90,193,723.45	123,198,182.85
Transfer in/(Transfer out)	-	-	16,014,245.00	7,779,436.00	62,718.05	-	-	(23,856,399.05)	-
Disposal	-	-	(695,500.00)	(703,078.97)	(316,547.42)	(14,800.00)	(455,575.40)	-	(2,185,501.79)
Written-off Assets	-	-	-	(343,255.00)	-	-	(24,830.00)	-	(368,085.00)
Depreciation for the Year	-	(146,977.97)	(23,966,352.61)	(21,753,436.76)	(4,211,294.80)	(1,590,702.12)	(2,427,027.92)	-	(54,095,792.18)
Depreciation for									
Sale/Written-off Assets	-	-	695,499.00	1,046,277.65	269,675.57	14,332.46	460,176.00	-	2,485,960.68
Ending Carrying Amount	200,711,921.40	1,947,841.49	250,606,994.83	71,728,616.31	8,772,401.85	2,889,282.85	6,590,630.06	68,937,824.40	612,185,513.19
As at 31 December 2017									
Cost	200,711,921.40	2,939,560.75	516,891,142.49	228,420,539.69	41,169,240.14	31,715,649.70	25,265,585.87	68,937,824.40	1,116,051,464.44
<u>Less</u> Accumulated									
Depreciation	-	(991,719.26)	(266,284,147.66)	(156,691,923.38)	(32,396,838.29)	(28,826,366.85)	(18,674,955.81)	-	(503,865,951.25)
Carrying Amount	200,711,921.40	1,947,841.49	250,606,994.83	71,728,616.31	8,772,401.85	2,889,282.85	6,590,630.06	68,937,824.40	612,185,513.19
Depreciation for the Year									
2016 (Amount Baht 44.11 Million, Included in Costs of Services ,The Rest Included in Administrative Expenses)									48,128,641.63
2017 (Amount Baht 49.70 Million, Included in Costs of Services ,The Rest Included in Administrative Expenses)									54,095,792.18

As at 31 December 2017 and 2016, The Group had property, building and constructions at the carrying amount in the consolidated financial statements in amount of Baht 453.27 million and Baht 662.14 million respectively, and in the separate financial statements in amount of Baht 453.27 million and Baht 461.15 million respectively, to mortgaged as collateral against the liabilities in accordance with loan agreements as in note no. 18

For the year ended 31 December 2016, the Company had Borrowing cost of Baht 31,237.34 incurred from loans for hospital building adjustment and addition for ward 3B and purchase of medical devices and equipment for heart surgery and increment of medical equipment for health promotion center. It is recognized as cost of assets and included in the asset purchase transaction. The Company applied the capitalization rate of 5.50% for the calculation of the cost eligible for capitalization.

As at 31 December 2017 and 2016, the Group have vehicles under finance lease agreements in the consolidated financial statements in cost value of Baht 2.53 million and Baht 3.04 million, respectively and for the separate financial statements of Baht 0.52 million and Baht 0.97 million, respectively.

As at 31 December 2017 and 2016, the Group has assets which are fully depreciated but still in use in the consolidated financial statements at the cost in amount of Baht 261.52 million and Baht 193.77 million respectively, the carrying amount in amount of Baht 3,826.00 and Baht 2,723.00 respectively, and in the separate financial statements at the cost in amount of Baht 206.15 million and Baht 191.72 million respectively, the carrying amount in amount of Baht 3,305 and Baht 2,716 respectively.

15. Goodwill

Consist of:

Consolidated Financial Statements		
For the year ended		
	31 December 2017	31 December 2016
	Baht	Baht
As at 1 January		
Cost	87,802,508.74	87,802,508.74
<u>Less Allowance for Impairment</u>	-	-
Carrying Amount	87,802,508.74	87,802,508.74
Transactions During the Year Ended 31 December	-	-
Ending Carrying Amount	87,802,508.74	87,802,508.74
As at 31 December		
Cost	87,802,508.74	87,802,508.74
<u>Less Allowance for Impairment</u>	-	-
Carrying Amount	87,802,508.74	87,802,508.74

Impairment testing of goodwill

During the year ended 31 December 2017, The Company has tested for impairment of goodwill that arises from the acquisition of the Rajthanee Rojana Hospital Company Limited by comparing the carrying amount of the asset unit which includes the goodwill and the recoverable amount of cash generating asset unit. This depends on the useful lives which is calculated from the future cash flows to be generated from the continual use of the cash generating asset unit. The cash flows were projected over a period of 5 years before the terminal value growth rate.

The key assumptions used in estimating the value in use are as follows:

Key assumption	Value	Approach used to determine the value
- Discount rate	6.01%	The discount rate was based on weighted average cost of capital the Company
- Terminal Value Growth Rate	3.00%	Terminal value growth rate was determined based on conservative principle by referencing to the inflation rate
- Revenue growth rate	10.00%	Budgeted was based on past experience by referencing from expected earnings growth. Revenue growth based on the conservative principle.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount. Thus, the company group will not recognize the loss from impairment of goodwill.

16. Intangible Assets

Consist of:

	Consolidated Financial Statements		
	Computer Programs	Computer Programs to Installation	Total
	Baht	Baht	Baht
As at 1 January 2016			
Costs	11,042,328.10	-	11,042,328.10
<u>Less</u> Accumulated Amortization	(6,282,875.97)	-	(6,282,875.97)
Carrying Amount	4,759,452.13	-	4,759,452.13
Transactions During the Year Ended 31 December 2016			
Purchase Assets	196,238.00	-	196,238.00
Amortization for the Year	(1,451,462.24)	-	(1,451,462.24)
Ending Carrying Amount	3,504,227.89	-	3,504,227.89
As at 31 December 2016			
Costs	11,238,566.10	-	11,238,566.10
<u>Less</u> Accumulated Amortization	(7,734,338.21)	-	(7,734,338.21)
Carrying Amount	3,504,227.89	-	3,504,227.89
Transactions During the Year Ended 31 December 2017			
Purchase Assets	1,062,510.00	762,375.00	1,824,885.00
Amortization for the Year	(1,386,471.82)	-	(1,386,471.82)
Ending Carrying Amount	3,180,266.07	762,375.00	3,942,641.07
As at 31 December 2017			
Costs	12,301,076.10	762,375.00	13,063,451.10
<u>Less</u> Accumulated Amortization	(9,120,810.03)	-	(9,120,810.03)
Carrying Amount	3,180,266.07	762,375.00	3,942,641.07
Amortization for the year			
2016 (Amounted of Baht 1.44 million Included in Costs of Services, the rest included in Administrative Expenses)			1,451,462.24
2017 (Amounted of Baht 1.33 million Included in Costs of Services, the rest included in Administrative Expenses)			1,386,471.82

	Separate Financial Statements		
	Computer Programs	Computer Programs to Installation	Total
	Baht	Baht	Baht
As at 1 January 2016			
Costs	7,782,038.10	-	7,782,038.10
<u>Less</u> Accumulated Amortization	(5,935,776.87)	-	(5,935,776.87)
Carrying Amount	1,846,261.23	-	1,846,261.23
Transactions During the Year Ended 31 December 2016			
Purchase Assets	169,488.00	-	169,488.00
Amortization for the Year	(798,396.34)	-	(798,396.34)
Ending Carrying Amount	1,217,352.89	-	1,217,352.89
As at 31 December 2016			
Costs	7,951,526.10	-	7,951,526.10
<u>Less</u> Accumulated Amortization	(6,734,173.21)	-	(6,734,173.21)
Carrying Amount	1,217,352.89	-	1,217,352.89
Transactions During the Year Ended 31 December 2017			
Purchase Assets	107,000.00	762,375.00	869,375.00
Amortization for the Year	(581,785.85)	-	(581,785.85)
Ending Carrying Amount	742,567.04	762,375.00	1,504,942.04
As at 31 December 2017			
Costs	8,058,526.10	762,375.00	8,820,901.10
<u>Less</u> Accumulated Amortization	(7,315,959.06)	-	(7,315,959.06)
Carrying Amount	742,567.04	762,375.00	1,504,942.04
Amortization for the year			
2016 (Amounted of Baht 0.79 million included in Costs of Services, the rest included in Administrative Expenses)			798,396.34
2017 (Amounted of Baht 0.53 million included in Costs of Services, the rest included in Administrative Expenses)			581,785.85

17. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the group are summarized below:

	Consolidated Financial Statements			
	As at	Recognized	Recognized	As at
	31 December	in the	in the Other	31 December
	2016	Income (Expense)	Comprehensive	2017
	Baht	Baht	Income (Expense)	Baht
Deferred Tax Assets				
Trade Receivables	76,785.20	582,688.70	-	659,473.90
Long-term Investments	900,000.00	(900,000.00)	-	-
Property, Plants and Equipments	1,655,883.13	878,517.38	-	2,534,400.51
Non-Current Prouisions for				
Employee Benefit	5,022,776.80	6,601.39	2,640,880.66	7,670,258.85
Unused Tax Losses	-	23,411,488.20	-	23,411,488.20
Total	<u>7,655,445.13</u>	<u>23,979,295.67</u>	<u>2,640,880.66</u>	<u>34,275,621.46</u>
Deferred Tax Liabilities				
Current Investments	(948.75)	(118,095.37)	-	(119,044.12)
Total	<u>(948.75)</u>	<u>(118,095.37)</u>	<u>-</u>	<u>(119,044.12)</u>

	Consolidated Financial Statements			
	As at	Recognized	Recognized	As at
	31 December	in the	in the Other	31 December
	2015	Income (Expense)	Comprehensive	2016
	Baht	Baht	Income (Expense)	Baht
Deferred Tax Assets				
Trade Receivables	63,564.20	13,221.00	-	76,785.20
Long-Term Investments	900,000.00	-	-	900,000.00
Property, Plants and Equipments	1,380,703.19	275,179.94	-	1,655,883.13
Non-Current Prouisions for				
Employee Benefit	5,878,273.80	(606,340.40)	(249,156.60)	5,022,776.80
Total	<u>8,222,541.19</u>	<u>(317,939.46)</u>	<u>(249,156.60)</u>	<u>7,655,445.13</u>

Consolidated Financial Statements			
	As at 31 December 2015 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
	As at 31 December 2016 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
Deferred Tax Liabilities			
Current Investments	-	(948.75)	-
Total	-	(948.75)	-
Separate Financial Statements			
	As at 31 December 2016 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
	As at 31 December 2017 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
Deferred Tax Assets			
Trade Receivables	76,785.20	582,688.70	-
Long-term Investments	900,000.00	(900,000.00)	-
Non-Current Prouisions for			
Employee Benefit	5,022,776.80	(143,591.61)	2,599,160.31
Total	5,999,562.00	(460,902.91)	2,599,160.31
Deferred Tax Liabilities			
Current Investments	-	(87,592.38)	-
Total	-	(87,592.38)	-
Separate Financial Statements			
	As at 31 December 2015 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
	As at 31 December 2016 Baht	Recognized in the Income (Expense) Baht	Recognized in the Other Comprehensive Income (Expense) Baht
Deferred Tax Assets			
Trade Receivables	63,564.20	13,221.00	-
Long-Term Investments	900,000.00	-	-
Non-Current Prouisions for	5,878,273.80	(606,340.40)	(249,156.60)
Employee Benefit			
Total	6,841,838.00	(593,119.40)	(249,156.60)

18. Credits and Guarantees

The Company has received the credit facilities from financial institutions consist of bank overdrafts, letters of guarantee, short-term borrowings ; which are guaranteed by land, building and other constructions and future constructions (as in Note 14) including endorsing the transfer of insurance to the financial institutions as a beneficiary claim insurance on buildings and other assets.

19. Trade and Other Current Payables

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade Payables	113,876,453.54	114,712,605.31	115,783,227.52	105,691,239.75
Other Current Payables	56,017,348.05	57,760,363.33	47,153,488.33	53,551,709.18
Total	<u>169,893,801.59</u>	<u>172,472,968.64</u>	<u>162,936,715.85</u>	<u>159,242,948.93</u>

Other current payables consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Accrued Expenses	14,578,341.25	13,305,463.11	11,968,497.39	11,742,087.14
Dividend Payable	1,439,982.24	1,338,417.30	1,439,982.24	1,338,417.30
Accrued Bonus	25,134,329.25	16,610,921.00	22,917,746.25	16,610,921.00
Other Accounts Payable				
for Fixed Assets	9,241,114.79	20,980,127.34	6,576,679.79	19,850,916.02
Retention Payable	677,750.25	313,417.50	677,750.25	313,417.50
Accrued Withholding Tax	1,593,388.57	2,675,432.39	1,333,161.67	1,640,194.82
Other Payables	3,352,441.70	2,536,584.69	2,239,670.74	2,055,755.40
Total	<u>56,017,348.05</u>	<u>57,760,363.33</u>	<u>47,153,488.33</u>	<u>53,551,709.18</u>

20. Long-term Loans

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Long-term Loans	-	79,544,987.34	-	-
<u>Less</u> Current Portion	-	(23,887,586.01)	-	-
Net	-	55,657,401.33	-	-

For the year ended 31 December 2017 and 2016, the movements of long-term loans were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Beginning Balance	79,544,987.34	562,732,536.17	-	402,621,194.96
Increased During the Year	-	50,639,640.00	-	50,639,640.00
Decreased During the Year	(79,544,987.34)	(533,827,188.83)	-	(453,260,834.96)
Ending Balance	-	79,544,987.34	-	-

Long-term borrowings are loans from financial institutions, the subsidiary company has been granted 2 credit lines. The conditions for the principals and interest repayments are as follow:

Subsidiary Company

- 1st Credit Line at Baht 160.00 Million
- Grace year for the 1st to 15th installment from the first drawdown date.
 - For the 1st year, the interest is charged at MLR-1.00 per annum. From the date after the first year onward, the interest is charged at MLR per annum. At present, it is equivalent to 6.275% per annum.
 - To be completely repaid within 120 months after the first drawdown date.

- 2nd Credit Line at Baht 12.00 Million
- The interest is charged at MLR-1.00 per annum. At present, it is equivalent to 5.275% per annum.
 - To be completely repaid within 85 months after the first drawdown date.
 - The condition for the repayment of principal together with interest is not less than Baht 180,000 per month.

As at 31 December 2017, the subsidiary company has completely repaid all long-term loan credit facilities and has redeemed its guaranteed assets on 27 October 2017.

The long-term loans are secured by land building and other construction of the group as in Note 14.

21. Liabilities Under Financial Lease Agreements

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Amount of Beginning Paid Liabilities Under				
Financial Lease Agreements	2,272,217.00	2,696,707.00	76,668.00	536,676.00
<u>Less</u> Deferred Interest Expense	(474,558.70)	(551,061.56)	(668.20)	(22,851.80)
Liabilities Under Financial Lease Agreements	1,797,658.30	2,145,645.44	75,999.80	513,824.20
<u>Less</u> Current portion	(491,031.68)	(1,097,131.51)	(75,999.80)	(437,824.40)
Net	1,306,626.62	1,048,513.93	-	75,999.80

As at 31 December 2017 and 2016, amount of beginning paid liabilities under financial lease agreements were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Within 1 year	677,547.00	1,313,080.00	76,668.00	460,008.00
Over 1 year but not over 5 years	1,594,670.00	1,383,627.00	-	76,668.00
Total	2,272,217.00	2,696,707.00	76,668.00	536,676.00

22. Non-Current Provision for Employee Benefit

For the year ended 31 December 2017 the movements of non-current provisions for employee benefit were as follows:

	Consolidated Financial Statements		
	Post-employment	Other long-term	Total
	benefit	benefit	
	Baht	Baht	Baht
Present Value of the Obligation as at 1 January 2017	24,977,068.56	478,753.44	25,455,822.00
Current Service Cost	3,041,287.53	106,173.49	3,147,461.02
Interest Expense	967,313.73	87,824.18	1,055,137.91
Gains (Loss) on Remeasurements of Defined Benefit Plans	13,204,403.30	-	13,204,403.30
<u>Less</u> Payment During the Year	(4,421,530.00)	(90,000.00)	(4,511,530.00)
Present Value of the Obligation as at 31 December 2017	37,768,543.12	582,751.11	38,351,294.23

	Separate Financial Statements		
	Post-employment	Other long-term	Total
	benefit	benefit	
	Baht	Baht	Baht
Present Value of the Obligation as at 1 January 2017	24,635,130.56	478,753.44	25,113,884.00
Current Service Cost	2,650,076.53	106,173.49	2,756,250.02
Interest Expense	949,497.73	87,824.18	1,037,321.91
Gains (Loss) on Remeasurements of Defined Benefit Plans	12,995,801.53	-	12,995,801.53
<u>Less</u> Payment During the Year	(4,421,530.00)	(90,000.00)	(4,511,530.00)
Present Value of the Obligation as at 31 December 2017	36,808,976.35	582,751.11	37,391,727.46

For the year ended 31 December 2016 the movements of non-current provisions for employee benefit were as follows:

	Consolidated Financial Statements		
	Post-employment	Other long-term	Total
	benefit	benefit	
	Baht	Baht	Baht
Present Value of the Obligation as at 1 January 2016	29,140,360.00	362,393.00	29,502,753.00
Current Service Cost	2,261,222.75	92,197.00	2,353,419.75
Interest Expense	1,019,083.00	8,908.00	1,027,991.00
Gains (Loss) on Remeasurements of Defined Benefit Plans	(1,121,801.75)	-	(1,121,801.75)
<u>Less</u> Payment During the Year	(6,196,710.00)	(109,830.00)	(6,306,540.00)
Present Value of the Obligation as at 31 December 2016	25,102,154.00	353,668.00	25,455,822.00

	Separate Financial Statements		
	Post-employment	Other long-term	Total
	benefit	benefit	
	Baht	Baht	Baht
Present Value of the Obligation as at 1 January 2016	29,028,976.00	362,393.00	29,391,369.00
Current Service Cost	2,163,818.00	92,197.00	2,256,015.00
Interest Expense	1,009,915.00	8,908.00	1,018,823.00
Gains (Loss) on Remeasurements of Defined Benefit Plans	(1,245,783.00)	-	(1,245,783.00)
<u>Less</u> Payment During the Year	<u>(6,196,710.00)</u>	<u>(109,830.00)</u>	<u>(6,306,540.00)</u>
Present Value of the Obligation as at 31 December 2016	<u>24,760,216.00</u>	<u>353,668.00</u>	<u>25,113,884.00</u>

For the year ended 31 December 2017 and 2016, lists are included in the profit or loss shown as Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Present Service Cost	3,147,461.02	2,353,419.75	2,756,250.02	2,256,015.00
Interest Expense	1,055,137.91	1,027,991.00	1,037,321.91	1,018,823.00
Total	<u>4,202,598.93</u>	<u>3,381,410.75</u>	<u>3,793,571.93</u>	<u>3,274,838.00</u>

The above expenses which are recognized in the profit or loss are included in the items as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Cost of Hospital Operations	1,808,991.00	1,964,731.47	1,768,734.00	1,964,406.47
Administrative Expenses	2,393,607.93	1,416,679.28	2,024,837.93	1,310,431.53
Total	<u>4,202,598.93</u>	<u>3,381,410.75</u>	<u>3,793,571.93</u>	<u>3,274,838.00</u>

Gains (Loss) on remeasurements of defined benefit plans are recognized to comprehensive (income) expense occurred from

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Assumption Popopulation	11,949,904.04	(1,887,681.00)	11,809,415.32	(1,954,795.00)
Financial Information	(2,098,612.30)	406,118.00	(2,096,599.38)	390,984.00
Adjust from Experience	3,353,111.56	91,025.25	3,282,985.59	49,292.00
Expenses to Decreased During the Year	-	268,736.00	-	268,736.00
Total	13,204,403.30	(1,121,801.75)	12,995,801.53	(1,245,783.00)

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	For the year ended 31 December 2017	For the year ended 31 December 2016
Discount rate	1.94% – 2.99% per annum	2.43% , 3.48% per annum
Salary increase rate	5.00%, 6.00% per annum	5.36% , 7.81% per annum
Employee turnover rate	1.91 – 57.30% per annum	0.00 – 67.00% per annum
Mortality rate	105.00 % per annum of mortality table year 2017	100.00% per annum of mortality table year 2008
Disability rate	Included in the mortality rate	10.00% per annum of mortality table year 2008
Retirement age	55 and 60 years old	55 and 60 years old
Gold Price	Gold price as at 30 November 2016	Future value of gold is estimated by applying regression analysis method and using 30 years of historical data.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined non-current provisions for benefit by the amounts shown as follows.

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Post-employment benefit				
Discount rate				
Increase 0.50 %	(1,573,272.77)	(838,365.00)	(1,556,672.00)	(831,846.00)
Decrease 0.50 %	1,711,226.23	901,386.00	1,682,287.00	894,633.00
Salary increase rate				
Increase 0.10 %	3,149,419.23	-	3,155,936.00	-
Decrease 0.10 %	(2,760,798.77)	-	(2,729,985.00)	-
Increase 0.50 %	-	851,125.00	-	844,595.00
Decrease 0.50 %	-	(803,226.00)	-	(796,855.00)
Employee turnover rate				
Increase 20.0%	(2,608,198.77)	-	(2,535,147.00)	-
Decrease 20.0%	3,161,540.23	-	3,063,311.00	-
Increase 1.0%	-	(1,785,306.00)	-	(1,769,810.00)
Decrease 1.0%	-	2,051,851.00	-	2,035,356.00
Mortality rate				
Increase 20.0%	(160,444.77)	-	(156,522.00)	-
Decrease 20.0%	161,441.23	-	157,495.00	-
Other long-term benefit				
Discount rate				
Increase 0.50 %	(11,077.00)	-	(11,077.00)	-
Decrease 0.50 %	11,441.00	-	11,441.00	-
Employee turnover rate				
Increase 20.0%	(50,181.00)	-	(50,181.00)	-
Decrease 20.0%	58,253.00	-	58,253.00	-
Mortality rate				
Increase 20.0%	(430.00)	-	(430.00)	-
Decrease 20.0%	431.00	-	431.00	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23. Share Capital

Consist of:

	For the year			For the year		
	Par Value	ended 31 December 2017		Par Value	ended 31 December 2016	
	Per Unit	Number of Share	Per Unit	Per Unit	Number of Share	Amount
	Baht	Share	Baht	Baht	Share	Baht
Authorized Share Capital						
Beginning Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00
Ending Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00
Issued and Paid-up Share Capital						
Beginning Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	225,000,401	225,000,401.00
Add Ordinary Shares	1.00	-	-	1.00	74,999,599	74,999,599.00
Ending Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00

In accordance with the Board of Directors Meeting No.3/2016, dated on 13 May 2016, there are resolutions related to allocation of new shares issued, 74,999,599 shares as follows:

- 1) Allocate new ordinary 70,378,599 shares, at par value of Baht 1.00, as Initial Public Offering.
- 2) Allocate new ordinary 4,621,000 shares for offering to the Company's directors, executives and employees during the same IPO Year and at the same IPO price as above 1).

On 1 September 2016, the Company had completely underwritten its IPO 74,999,599 shares at Baht 16.00 per share. The total capital received was Baht 1,199.99 million, as ordinary shares and share premium amounted of Baht 74.99 million and Baht 1,124.99 million, respectively. The Company paid for underwriting fee amounted of Baht 32.10 million which deducted from share premium shown as Baht 1,092.89 million as remaining.

The Company has registered issued and paid up capital at the Department of Business Development. Ministry of Commerce on 29 August 2016.

24. Dividends

- 24.1 In accordance with the resolution of Annual General Shareholders' Meeting for the year 2016, held on 17 March 2016, have resolved to pay dividend to from net profit of operation ended 31 December 2015, paid up shareholders of 225,000,401 shares, at Baht 0.30 per share. Payment details are as follows:
- 24.1.1 The Company has Interim dividend In accordance with the minute of the Board of Directors of Meeting No.5/2015, held on 28 December 2015, it resolved to approve a payment of interim dividend from the Company's net profit for the six-month period from 1 January 2015 ending on 30 June 2015 Baht 0.15 per share, total amounted of Baht 33.75 million and resolved to appropriate for legal reserve amounted of Baht 2.09 million.
- 24.1.2 Dividends from the net profit for the six-month period from 1 July 2015 ending on 31 December 2015, at Baht 0.15 per share, total amounted of Baht 33.75 million and resolved to appropriate for legal reserve amounted of Baht 2.65 million.
- 24.2 The Annual General Shareholders' Meeting for 2017, held on 21 April 2017, have resolved to pay dividend to from net profit of operation for the year ended 31 December 2016, paid up shareholders of 300,000,000 shares, at Baht 0.40 per share. Payment details are as follows:
- 24.2.1 The Company has Interim dividend In accordance with the minute of the Board of Directors of Meeting No.9/2016, held on 18 October 2016, it resolved to approve a payment of interim dividend from the Company's net profit for the six-month period from 1 January 2016 ending on 30 June 2016 Baht 0.20 per share, total amounted of Baht 60.00 million and resolved to appropriate for legal reserve amounted of Baht 3.74 million.
- 24.2.2 Dividends from the net profit for the six-month period from 1 July 2016 ending on 31 December 2016, at Baht 0.20 per share, total amounted of Baht 60.00 million and resolved to appropriate for legal reserve amounted of Baht 3.97 million.
- 24.3 In accordance with the Board of Directors' meeting No.5/2017 On 11 August 2017, has passed the resolve to pay interim dividend from net profit for the six months period from 1 January 2017 ended 30 June 2017 at Baht 0.20 per share, total amounted of Baht 60.00 million and appropriated for legal reserve amounted of Baht 2.00 million, after the allocation the legal reserve fund reaches an amount equal 10% of the registered capital.

25. Capital Management

The primary objectives of the Company and its subsidiary capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at 31 December 2017 and 2016, the consolidated financial statements present the debt to equity 0.14 : 1 and 0.18 : 1, respectively.

As at 31 December 2017 and 2016, the separate financial statements presents the debt to equity ratio in 0.14 : 1 and 0.12 : 1, respectively.

26. (Expense) Income Taxes Revenue

26.1 Income tax which is recognized in the profit for the year consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Current Income Tax				
(Expense) Income Taxes Revenue for Current Year	(50,311,407.03)	(28,448,312.51)	(50,311,407.03)	(28,448,312.51)
Deferred Income Tax				
Deferred Income Tax (Expense) Revenue	23,861,200.30	(318,888.21)	(548,495.29)	(593,119.40)
(Expense) Income Taxes Revenue Recognized in the Profit (Loss)	<u>(26,450,206.73)</u>	<u>(28,767,200.72)</u>	<u>(50,859,902.32)</u>	<u>(29,041,431.91)</u>

The differences between income tax (expense) revenue which was calculated from accounting profits at the tax rate for the year ended 31 December 2017 and 2016 of 20% are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Profit before Income Tax	282,361,531.61	183,705,791.28	253,221,750.30	183,272,489.73
Income Tax (Expense) Revenue Calculated at the Tax				
Rate of 20%	(56,472,306.32)	(36,741,158.25)	(50,644,350.06)	(36,654,497.95)
Expenses that are Deductible for Income Tax	1,145,459.30	8,062,760.84	1,140,459.30	8,062,760.85
Expenses that are not Deductible for Income Tax	(812,556.38)	(583,379.03)	(456,011.56)	(449,694.81)
Unrecognized Temporary Differences	-	(54,184.95)		
Tax loss in Prior year that Recognized				
as Deferred Tax Assets	23,411,488.20	-	-	-
Tax loss in Prior year that not Recognized				
as Deferred Tax Assets	6,300,432.93	351,123.56	-	-
Capital Expenditures with Deductible Rights	219,543.29	197,637.11	-	-
Deferred Tax Assets that Recognized in Year	657,732.25	-	-	-
Reversal of Deferred Tax Assets	(900,000.00)	-	(900,000.00)	-
(Expense) Income Tax Revenue	(26,450,206.73)	(28,767,200.72)	(50,859,902.32)	(29,041,431.91)

Deferred taxes which are not recognized in the financial statements as at 31 December 2016 consist of:

	Consolidated Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Tax Losses	-	161,125,155.85
Deductible Temporary Differences	-	652,795.00
Total	-	161,777,950.85

As at 31 December 2016, the whole amount of deferred tax assets for tax losses was derived from accumulated tax losses which were classified by expiring year of tax benefits as follows:

	Consolidated Financial Statements	
	As at	As at
	31 December 2017	31 December 2016
	Baht	Baht
Expiring Year of Tax Benefits		
2017	-	43,124,030.68
2018	-	39,974,938.43
2019	-	48,547,471.50
2020	-	29,478,715.24
Total	-	161,125,155.85

Deferred tax assets for deductible temporary differences do not expire under current tax legislation.

26.2 Income tax which is recognized in other comprehensive income (expense) consist of:

	Consolidated Financial Statements		
	Amount Before Tax	Income tax (Expense) Revenue	Net of Tax
	Baht	Baht	Baht
For the year ended 31 December 2017			
Gains (Loss) on Remeasurements of Defined			
Benefit plans	(13,204,403.30)	2,640,880.66	(10,563,522.64)
For the year ended 31 December 2016			
Gains (Loss) on Remeasurements of Defined			
Benefit plans	1,121,801.75	(249,156.60)	872,645.15
	Separate Financial Statements		
	Amount Before Tax	Income tax (Expense) Revenue	Net of Tax
	Baht	Baht	Baht
For the year ended 31 December 2017			
Gains (Loss) on Remeasurements of Defined			
Benefit plans	(12,995,801.53)	2,599,160.31	(10,396,641.22)
For the year ended 31 December 2016			
Gains (Loss) on Remeasurements of Defined			
Benefit plans	1,245,783.00	(249,156.60)	996,626.40

27. Provident Fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530, which comprise of the employees' contribution to the fund minimum 3% of their basic salary and the Company also contribute to the fund at 3% The provident fund is managed Provident Fund. The benefit will be paid to the employees whom retire in accordance to the fund's regulations.

For the year ended 31 December 2017 and 2016, the Company has paid contribution to provident fund in the amount of Baht 2.88 million and Baht 2.80 million, respectively.

28. Expenses by Nature

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Medicines and Supplies	208,397,370.02	179,843,639.29	188,852,139.69	165,240,406.86
Employees Expenses	310,251,511.66	268,970,193.06	273,430,354.37	238,545,706.38
Hemodialysis	57,097,646.25	54,909,165.50	39,374,401.25	41,076,250.00
Social Security Expenses	42,763,686.43	48,808,601.18	116,279,879.32	105,979,468.43
Doctor Fee	262,632,867.04	218,147,016.80	224,670,294.60	193,582,345.00
Cost to Patients Food	12,008,038.42	9,943,758.10	10,278,550.42	9,293,069.20
Repair and Maintenance				
Expenses	8,584,878.31	7,784,537.03	7,681,511.96	7,305,007.49
Utility Expense	28,525,433.01	29,186,317.89	22,891,925.28	23,927,726.36
Depreciation and Amortization	77,092,584.22	74,191,361.57	54,677,578.03	48,927,037.97
Management Compensation	36,245,952.92	37,111,229.06	31,189,270.68	33,297,585.82
Other Expenses	95,263,631.22	85,091,762.10	76,202,660.64	72,667,395.55
Total	<u>1,138,863,599.50</u>	<u>1,013,987,581.58</u>	<u>1,045,528,566.24</u>	<u>939,841,999.06</u>

29. Basic Earning Per Share

The basic earning per share calculated by divided profit for the year for equity holders (excluded Other Comprehensive Income) by weighted average ordinary shares during the year as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Profit (Loss) of equity holders of the Company	231,241,080.88	154,643,513.34	202,361,847.98	154,231,057.82
Weighted average number of ordinary shares				
outstanding (Shares)	300,000,000	250,627,315	300,000,000	250,627,315
Basic earning (loss) per share	0.77	0.62	0.67	0.62

30. Segment Information

The Group operates in only one business sector i.e. healthcare service and in only one geographical area i.e. in Thailand. Thus all income, profit and entire assets shown in the financial statements are related to the said business sector and geographical area.

31. Financial Instruments

31.1 Financial Risk Management and Policies

The Group does not hold or issue derivative instruments for speculative or trading purposes.

31.2 Interest Rates Risk

Interest rates risk is derived from the fluctuation of market interest rates in the future which will affect the result of the group operations and its cash flows. The Group had assets and liabilities which it may have risk on interest rate as follows:

(Unit : Baht)

	Consolidated Financial Statements				
	2017				
	Floating Interest	Fixed Interest	Non Interest		Rate
	Rate	Rate	Bearing	Total	(%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	261,900,454.06	-	756,996.46	262,657,450.52	0.215%-1.700%
Current Investments	-	100,000,000.00	304,265,806.25	404,265,806.25	1.65%
Deposit at Bank used as Collateral	11,292,380.82	-	-	11,292,380.82	0.375%
<u>Financial Liabilities</u>					
Financial Lease Agreements Liabilities	-	1,797,658.30	-	1,797,658.30	0.47%-6.63%

(Unit : Baht)

Consolidated Financial Statements

	2016				
	Floating Interest	Fixed Interest	Non Interest	Rate	
	Rate	Rate	Bearing	Total	(%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	100,269,253.90	100,000,000.00	887,091.72	201,156,345.62	0.125%-1.500%
Current Investments	-	500,000,000.00	10,187,003.21	510,187,003.21	1.600%-1.700%
Deposit at Bank used as Collateral	2,571,675.00	-	-	2,571,675.00	0.375%
<u>Financial Liabilities</u>					
Bank Overdrafts	307.40	-	-	307.40	7.375%
Long-term Loans from Financial					
Institutions	79,544,987.34	-	-	79,544,987.34	5.275%,6.275%
Financial Lease Agreements Liabilities	-	2,145,645.44	-	2,145,645.44	0.470%-11.77%

(Unit : Baht)

Separate Financial Statements

	2017				
	Floating Interest	Fixed Interest	Non Interest	Rate	
	Rate	Rate	Bearing	Total	(%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	259,517,377.54	-	650,152.46	260,167,530.00	0.215%-1.700%
Current Investments	-	100,000,000.00	290,437,961.88	390,437,961.88	1.65%
Short-term Loans to Subsidiary	-	132,800,000.00	-	132,800,000.00	2.150%
<u>Financial Liabilities</u>					
Financial Lease Agreements Liabilities	-	75,999.80	-	75,999.80	0.59%

(Unit : Baht)

Separate Financial Statements

	2016				
	Floating Interest	Fixed Interest	Non Interest		Rate
	Rate	Rate	Bearing	Total	(%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	95,123,190.00	100,000,000.00	729,536.72	195,852,726.72	0.125%-1.500%
Current Investments	-	500,000,000.00	-	500,000,000.00	1.600%-1.700%
Short-term Loans to Subsidiary	-	71,850,000.00	-	71,850,000.00	4.100%-7.875%
<u>Financial Liabilities</u>					
Bank Overdrafts	269.33	-	-	269.33	7.375%
Financial Lease Agreements Liabilities	-	513,824.20	-	513,824.20	0.59%

31.3 Foreign Exchange Rates Risk

The Group is not exposed to any risk from foreign exchange rate fluctuations because its main enterprise is conducted locally.

31.4 Credit risk

The Group has not the credit term risk from unable to collect from trade receivables. The majority of the Company's trade accounts are revenue received in cash. Furthermore, the Group Companies exercise conservative credit policy, therefore, the Group anticipate no significant damage will incurred from debt collection.

31.5 Fair Value

31.5.1 Financial assets and liabilities that are measured at fair value

As at 31 December 2017 and 2016, the Group recorded financial assets recognized by fair value and presented by their hierarchies as follows;

Consolidated Financial Statements					
	Carrying Value Baht	Fair Value			
		Level 1	Level 2	Level 3	Total
		Baht	Baht	Baht	Baht
As at 31 December 2017					
Current Assets					
Trading securities	304,265,806.25	304,265,806.25	-	-	304,265,806.25
As at 31 December 2016					
Current Assets					
Trading securities	10,187,003.21	10,187,003.21	-	-	10,187,003.21

Separate Financial Statements					
	Carrying Value Baht	Fair Value			
		Level 1	Level 2	Level 3	Total
		Baht	Baht	Baht	Baht
As at 31 December 2017					
Current Assets					
Trading securities	290,437,961.88	290,437,961.88	-	-	290,437,961.88

31.5.2 Financial assets and liabilities that are not measured at fair value

Carrying Value for financial assets and financial liabilities, consist of cash and cash equivalents, current investments, trade and other current receivables, lending, trade and other current payables, borrowing, and liabilities under finance lease agreements, were very close to their fair values since these financial assets and financial liabilities are in short-term maturity.

32. Related Party Transactions

The Company has entered into significant transactions with the related persons and parties. Such transactions have bases agreed upon between the Company and those related persons and parties in ordinary course of business which are summarized as follows:

32.1 Relationship among the Companies

<u>Name of Related Persons and Entities</u>	<u>Nature of Relationship</u>
Rajthaneer Rojana Hospital Company Limited	Subsidiary by Direct Shareholding
Vibharam Hospital Company Limited	Shareholder of the Company and Subsidiary Company
Thonburi Health Care Group Public Company Limited	Shareholder of the Company and Subsidiary Company
Ramkhamhaeng Hospital Public Company Limited	Accompany with Shareholder
Borhitvedchakran Company Limited	Shareholder is a Director of the Company
Charoenpaiboon City Company Limited	Accompany with Shareholder
La Clemence Publishing Limited Partnership	Close Relative which Director is a Partner
Thonburi Hospital Heart Center Company Limited	Subsidiary company of Thonburi Health Care Group Public Company Limited

32.2 Inter-Transactions

		Consolidated Financial Statements	
		For the year ended	
	Pricing Policy	31 December 2017	31 December 2016
		Baht	Baht
Inter-Transaction with Related Companies			
Cost of Hospital Operations	Normal business price similar price charged to other business partners and Mutually agreed price	21,201,243.00	14,554,490.50
Purchases and Supplies	Normal business price similar price charged to other business partners	1,273,040.00	1,264,273.50
Purchase of Fixed Assets	Mutually agreed price	524,200.00	874,280.00

		Separate Financial Statements	
		For the year ended	
	Pricing Policy	31 December 2017	31 December 2016
		Baht	Baht
Transactions with Subsidiary			
Revenue of Hospital Operations	Mutually agreed price	18,626,888.72	13,258,316.39
Revenue from Sales Medical	Mutually agreed price	3,620.10	17,385.19
Other Income	Mutually agreed price	60,000.00	161,760.00
Interest Income	Interest rate of 2.15% – 7.875% per annum and 4.10% – 7.875% per annum	3,168,458.38	4,849,718.44
Cost of Hospital Operations	Mutually agreed price	76,304,913.14	59,083,155.50
Cost of Drug	Mutually agreed price	-	7,975.37
Inter-Transaction with Related Companies			
Cost of Hospital Operations	Mutually agreed price	3,477,998.00	721,575.00
Purchases and Supplies	Normal business price similar price charged to other business partners	1,116,061.50	1,155,030.00
Purchase of Fixed Assets	Mutually agreed price	-	573,630.00

32.3 Inter-outstanding balances

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Trade Account Receivables				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited	-	-	5,732,473.00	760,112.50
Accrued Revenue				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited	-	-	903,932.00	379,136.00
Accrued Interest				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited	-	-	242,496.43	271,050.96
Short -term Loans				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited				
Beginning Balance	-	-	71,850,000.00	65,000,000.00
Increase During the Year	-	-	65,800,000.00	7,100,000.00
Decrease During the Year	-	-	(4,850,000.00)	(250,000.00)
Ending Balance	-	-	132,800,000.00	71,850,000.00

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Accounts Payables				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited	-	-	21,280,604.50	11,618,007.00
Related Companies				
Vibharam Hospital Company Limited	-	963,544.75	-	963,544.75
Ramkumheang Hopital Public Company Limited	46,717.00	77,130.00	33,097.00	20,100.00
Thonburi Hospital Heart Center Co.,Ltd.	339,000.00	594,000.00	339,000.00	594,000.00
Borphitvedchakran Company Limited	4,379,335.43	3,775,839.00	-	-
Total	<u>4,765,052.43</u>	<u>5,410,513.75</u>	<u>21,652,701.50</u>	<u>13,195,651.75</u>
Other Current Account Payables				
Related Companies				
Charoenpaiboon City Company Limited	-	126,630.00	-	8,230.00
La Clemence Publishing Limited Parnership	158,883.50	31,072.80	145,145.50	22,684.00
Ramkumheang Hopital Public Company Limited	-	440,000.00	-	440,000.00
Total	<u>158,883.50</u>	<u>597,702.80</u>	<u>145,145.50</u>	<u>470,914.00</u>

As at 31 December 2017 and 2016, short-term loans to subsidiary company is the money lend in the term of promissory notes with its term of 1-12 months, carried interest rate at 2.15% per annum and 4.10 – 7.875% per annum, respectively, and with no securities. Interest payment term shall be paid in the date of tenth of every month.

32.4 Inter-guarantees

As at 31 December 2016, the Company offered its guarantee against the full amount of the bank overdrafts short-term and long-term loans that the subsidiary company received from financial institutions.

32.5 Key Management Compensation

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Short-term benefits	34,156,832.66	35,575,304.82	29,293,582.66	31,850,804.82
Post-employment benefits				
- Defined contribution plans	331,650.00	470,148.00	331,650.00	470,148.00
- Defined benefit plans	1,757,470.26	1,065,776.24	1,564,038.02	976,633.00
Total	<u>36,245,952.92</u>	<u>37,111,229.06</u>	<u>31,189,270.68</u>	<u>33,297,585.82</u>

Remuneration represents the benefits paid to the executive and directors of the Company include monetary compensation including salary, benefits and director compensation including compensation in any other form.

33. Non-Cash Flow Transactions

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Purchase Assets on Credit	9,241,114.79	20,980,127.34	6,576,679.79	19,850,916.02
Assets Increase from Financial Lease Agreement	845,600.00	1,016,500.00	-	-
Assets Increase from Cost to Borrowing	-	31,237.34	-	31,237.34
Transfer of Deposits for Land to Asset	-	22,177,500.00	-	22,177,500.00
Gains (Loss) on Remeasurements of Defined Benefit Plans	(13,204,403.30)	1,121,801.75	(12,995,801.53)	1,245,783.00

34. Obligations

In addition to the liabilities shown in the statements of financial position, the Group has other obligations as follows:

34.1 The Group has obligations relating by the financial institution as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Letters of Guarantee	27.27	25.86	22.11	20.78

34.2 As at 31 December 2017 and 2016, The Group have the contractual obligations with the significant terms and minimum payment amount to be paid as follows: -

- 1) The Group have several rental and service agreements. The significant rental agreement is the rental agreement for cardiopulmonary bypass machine for medical service entered into with other company. The payment shall be made monthly. The rental fee is Baht 107,000.00 per month. The contractual term is 5 years and will expire in February 2020. And sterile service agreement with another company. The payment is made monthly at Baht 150,000 per month. The contractual term is 3 years. The agreement term will be expired in September 2019.
- 2) The Company has maintenance service agreements for maintenance of the assets and medical equipment with several other companies. The payment shall be made monthly. The contractual term is 1-3 year and will expired in 2017 to 2019
- 3) The Company has several consulting agreements as follows The significant agreement is the consulting agreement to provide medical practice and service on cardiology and artery diseases with other company. The payment shall be made monthly. For 2015 to 2017, the payment is Baht 107,000.00 per month. For 2018 to 2019, the payment is Baht 53,500.00 per month. The contractual term is 5 years and will expired in December 2019 and The consultation agreement to provide consultations on medical services, social security services, and hospital accreditation service entered into with related person. The monthly payment is Baht 200,000.00 per month. The term is 1 year and the agreement will expired in December 2018.

Minimum payments whole amount to be paid to the future under contracts above as follows:

Consolidated Financial Statements						
	As at			As at		
	31 December 2017			31 December 2016		
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
	Within	Over 1 year	Total	Within	Over 1 year	Total
	1 year	to 5 years		1 year	to 5 years	
Rental and Service						
Agreement	9.85	3.29	13.14	6.92	7.01	13.93
Repairation and						
Maintenance Agreement	1.64	0.70	2.34	0.55	-	0.55
Consultant Agreement	3.45	1.24	4.69	5.22	2.18	7.40
Total	<u>14.94</u>	<u>5.23</u>	<u>20.17</u>	<u>12.69</u>	<u>9.19</u>	<u>21.88</u>

Separate Financial Statements						
	As at			As at		
	31 December 2017			31 December 2016		
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
	Within	Over 1 year	Total	Within	Over 1 year	Total
	1 year	to 5 years		1 year	to 5 years	
Rental and Service						
Agreement	5.37	1.69	7.06	2.84	3.37	6.21
Repairation and						
Maintenance Agreement	1.60	0.70	2.30	0.55	-	0.55
Consultant Agreement	3.45	1.24	4.69	5.22	2.18	7.40
Total	<u>10.42</u>	<u>3.63</u>	<u>14.05</u>	<u>8.61</u>	<u>5.55</u>	<u>14.16</u>

34.3 As at 31 December 2017 and 2016, Group Companies entered into assets and consulting fees construction agreements with several other companies as shown in the consolidated financial statements at the total of Baht 37.12 million and Baht 24.26 million respectively and in the separate financial statements at the total of Baht 36.35 million and Baht 23.29 million respectively. The significant agreements are design consultant agreement for interior decoration and improvement, and construction agreements for patient building and expansion of the Magnetic Resonance Imaging and Hemodialysis centers.

35. Reclassification

The Company and its subsidiary has reclassified some items in the financial statements in order to comply with the classification in the current year, which does not have any effect on the profit for the year or the shareholders' equity already presented. The details are as follows:

	Consolidated Financial Statements		
	As Previously Reported	Reclassification	As Reclassified
	Baht	Baht	Baht
Statements of Financial Position			
As at 1 January 2016			
Trade and Other Current Receivables	189,647,034.26	(5,103,833.79)	184,543,200.47
Current Tax Assets	-	1,204,711.79	1,204,711.79
Other Non-Current Receivables	-	3,899,122.00	3,899,122.00
Statements of Financial Position			
As at 31 December 2016			
Trade and Other Current Receivables	218,927,448.94	(10,203,355.96)	208,724,092.98
Current Tax Assets	-	2,332,561.50	2,332,561.50
Other Non-Current Receivables	-	6,278,233.67	6,278,233.67
Deposit at Bank used as Collateral	-	2,571,675.00	2,571,675.00
Other Non-Current Assets	2,605,775.00	(979,114.21)	1,626,660.79
Statements of Comprehensive Income			
For the year ended 31 December 2016			
Interest Income	-	3,352,953.37	3,352,953.37
Other Income	14,540,946.83	(3,352,953.37)	11,187,993.46

	Separate Financial Statements		
	As Previously Reported	Reclassification	As Reclassified
	Baht	Baht	Baht
Statements of Financial Position			
As at 1 January 2016			
Trade and Other Current Receivables	181,735,691.88	(3,059,122.00)	178,676,569.88
Other Non-Current Receivables	-	3,059,122.00	3,059,122.00
Statements of Financial Position			
As at 31 December 2016			
Trade and Other Current Receivables	194,462,487.46	(5,783,617.00)	188,678,870.46
Other Non-Current Receivables	-	5,783,617.00	5,783,617.00
Statements of Comprehensive Income			
For the year ended 31 December 2016			
Interest Income	-	8,172,207.45	8,172,207.45
Other Income	17,487,700.76	(8,172,207.45)	9,315,493.31

36. Event after the Reporting Period

In accordance with the Board of Directors of Meeting No.1/2018, On 26 February 2018, has resolve of:

- 36.1 Approved to pay dividends from the net profit for the six-month period from 1 July 2017 ending on 31 December 2017, at Baht 0.35 per share, total amounted of Baht 105.00 million, and determine to set the record date to receive the dividend on 8 May 2018 and the dividend will be paid on 25 May 2018.
- 36.2 Approved the Company's purchase of Rajthanee Rojana Hospital Co., Ltd.'s 12,438,688 shares, equivalent to 46.07% of shareholding ratio of the registered capital of Rajthanee Rojana Hospital Co., Ltd., from the existing shareholders of Rajthanee Rojana Hospital Co., Ltd., which certain shareholders are the Company's major shareholders, directors and management, at the purchase price of Baht 35.00 per share, aggregating to Baht 435,354,080. After the said purchase of additional shares, the Company, therefore, holds the shares of Rajthanee Rojana Hospital Co., Ltd. at the ratio of 100%. The Company's Board of Directors shall present this information to Annual General Shareholders' Meeting for 2018 consider and approve.

37. Approval of the Financial Statements

These financial statements have been approved by the board of directors of the Company on 26 February 2018.



โรงพยาบาลราชธานี โรงพยาบาล
RAJTHANEE ROJANA HOSPITAL



Rajthanee Hospital Public Company Limited

111 Moo 3, Khlong Suan Phlu Sub-district,
Phra Nakhon Si Ayutthaya District,
Phra Nakhon Si Ayutthaya 13000
Tel. 0-3533-5555-71

Rajthanee Rojana Hospital Company Limited

78 Moo 3 Rojana Rd. Samruen Bang Pa-In Ayutthaya 13160
Tel. 035-249249