



# รายงานประจำปี 2562 ANNUAL REPORT 2019



บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน)  
Chiang Mai Ram Medical Business Public Company Limited



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

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ANNUAL REPORT 2019



โรงพยาบาลลานนา เชียงใหม่  
www.lanna-hospital.com



ศูนย์โรคปวดหลัง



ศูนย์มะเร็งสตรี



ศูนย์บอลลูน

ขยายหลอดเลือดหัวใจ

“เราจะเป็นโรงพยาบาลเอกชนชั้นนำในจังหวัดเชียงใหม่  
ที่มีคุณภาพมาตรฐาน บริการประทับใจ”



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

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## **STATEMENT OF THE AUDIT COMMITTEE FOR THE YEAR 2019**



To The Shareholders

On 31<sup>st</sup> December 2019, the Board of Chiang Mai Ram Medical Business Public Co., Ltd., designated the Audit Committee comprising 3 independent directors as follows:

- |    |              |           |                                 |
|----|--------------|-----------|---------------------------------|
| 1. | Dr. Suthisak | Kanaprach | Chairman of the Audit Committee |
| 2. | Mr. Krirk    | Jittalan  | Audit Committee                 |
| 3. | Miss Papat   | Supaokit  | Audit Committee                 |

The Committee's areas of responsibilities are as follows:

1. To review the company's financial reporting process to ensure accuracy and adequacy;
2. To ensure that the company has suitable and efficient internal control system and internal audit;
3. To review the performance of the company to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the company;
4. To consider, select, nominate and recommend remuneration of the company's external auditor;
5. To attend the meeting and confer with the auditor without the attendance of the management.
6. To consider and approve the appointment, removal, transfer or termination and to consider granting gratuities to head of the Internal Audit Office.
7. To review the disclosure of information of the company in case that there is a connected transaction or transaction that may lead to conflict of interest so as to ensure the accurateness and completeness;
8. To perform any other act as assigned by the board of directors with approval of the audit committee;
9. To report directly to the Company's Board of Directors.
10. To prepare a report on monitoring activities of the audit committee and disclose it in an annual report of the company, and have such report signed by the Chairman of the Audit Committee.

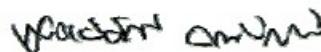
During 2019, the Audit Committee held 5 meetings to independently consider matters of importance. They also attended the meeting with an auditor and internal auditor and if necessary. The concerned directors would be invited to the meeting to provide additional information or to explain matters in question as follows:





1. Review 2019 trimester and annual financial statements of the company in order to ensure that the company's financial statements were in an accurate manner as specified in the matters of importance. The company information was sufficiently disclosed in accordance with the generally accepted accounting standards.
2. Review the company's disclosure of related transactions and transactions that may lead to conflict of interest to ensure that the company adhered to the procedure of normal business conditions and regulatory requirements specified by The Stock Exchange of Thailand.
3. Review the internal control system including the approval of the audit programme, acknowledgement of audit result, and the compliance and rectification of the result in order to emphasize that such internal control system was in accordance with international standard and in a substantially adequate manner as reported to the Board of Directors.
4. Review the company's operation to ensure that it conducted its business in compliance with law and all other legal and regulatory provisions.
5. Consider and select auditors and set their appropriate audit fee for consideration of the Board of Directors.

In conclusion, the Audit Committee agreed with the auditors that the company's financial statements were in a true and accurate manner and in compliance with generally accepted accounting standards and the Securities and Exchange Act. The company's operation in 2019 was considered satisfactory.



(Dr. Suthisak Kanaprach)

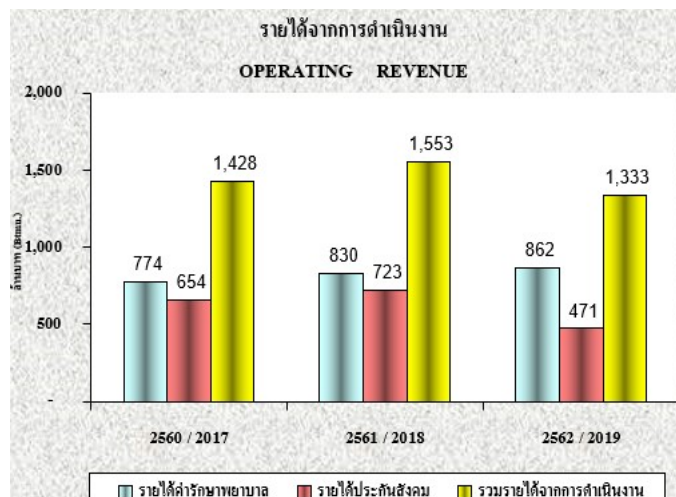
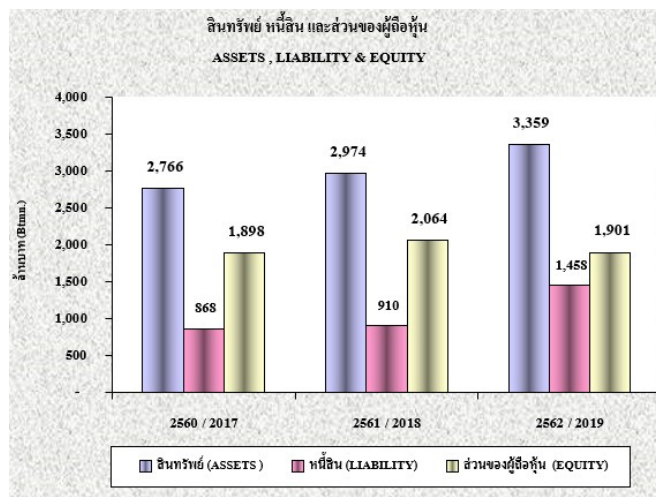
Chairman of the Audit Committee

December 31, 2019

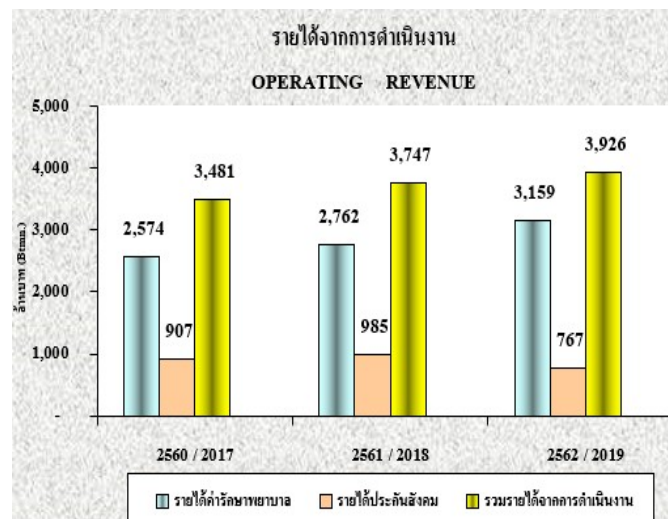
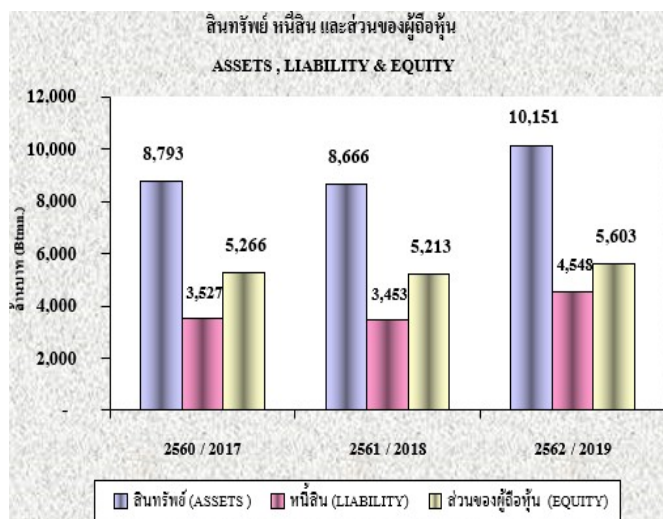


# FINANCIAL HIGHLIGHTS

## SEPARATE FINANCIAL STATEMENTS



## CONSOLIDATED FINANCIAL STATEMENTS



# COMPANY PROFILE

## CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

Public Company Registration No. : 0107536001621 (PLC. 236)

Head Office : No. 8 Boonruangrit Road, Tumbon Sripoom  
Amphur Muang, Chiang Mai, Thailand 50200  
Tel. (66-53) 920300  
Fax. (66-53) 224880

Branch Office : No. 1 Sukkasem Road, Tumbon Paton  
Kwang Nakorping, Amphur Muang,  
Chiang Mai, Thailand 50300  
Tel. (66-53) 999777  
Fax. (66-53) 999799  
Home Page: [www.lanna-hospital.com](http://www.lanna-hospital.com)

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

Status as at December 31, 2019	Authorized registered capital	408,433,330.00	Baht
	Paid-up capital	402,312,500.00	Baht
	Number of Paid-up Ordinary Shares	4,023,125,000	Shares
	Par Value Per Share	0.10	Baht

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

Identification : CMR

Transfer agent and registrar : Thailand Securities Depository Co., Ltd.  
4, 6-7 Fl., The Stock Exchange of Thailand Building  
62 Ratchadapisek Rd., Klongtoey Bangkok 10110  
Tel. (02) 359-1200-01 Fax. (02) 359-1259



## COMPANY PROFILE

Auditor : 1. Mr. Pojana Asavasontichai ; Registration No. 4891  
2. Miss Sulalit Ardsawang ; Registration No.7517  
3. Mr. Peradate Pongsathiansak ; Registration No.4752  
4. Miss Soraya Tintasuwan ; Registration No.8658

**Dharmniti Auditing Company Limited**

267/1 Pracharaj Sai 1 Road

Bangsue, Bangkok 10800

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

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Law Consultant : None

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Financial Consultant : None

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Principal Banker : Thai Farmers Bank Public Co., Ltd.

Tha-Phae Branch

169 Tha-Phae Road Amphur Muang

Chiang Mai

**Thai Military Bank Public Co., Ltd.**

Siyak Kuang Sing-Chiang Mai Branch

275/5 Chang Phuak Road

Amphur Muang Chiang Mai





# COMPANY PROFILE

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

### BOARD OF DIRECTORS

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

### EXECUTIVE COMMITTEE

NAME			POSITION
1.	DR. VARAPHAN	UNACHAK	Executive Committee Chairman
2.	DR. SUMETH	HANDAGOON	Executive Director
3.	DR. DUSIT	SRISAKUL	Executive Director
4.	DR. TEERAYUT	NIYOMKUL	Executive Director



## COMPANY PROFILE

### AUDIT COMMITTEE

NAME			POSITION
1.	DR. SUTHISAK	KANAPRACH	Audit Committee Chairman
2.	MR. KRIRK	JITTALAN	Audit Director
3.	MISS PAPAT	SUPAOKIT	Audit Director**

**Remark** \*\* The audit committee has adequate expertise and experience to review creditability of the financial reports.

### RISK MANAGEMENT COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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



## COMPANY BACKGROUND

1976	A group of investors from the Faculty of Medicine, Chiang Mai University, Lawyers and Businessmen in Chiang Mai founded the “Lanna Hospital” with a registered capital of 20 million baht and operations began on 1 July.
1981	The company annexed an additional 4.5 storey wing with 65 beds the existing wing to enable the hospital to accommodate more patients. Combined with the original 60-bed wing, the hospital was now had 125 beds.
1983	The company began to extend the existing out-patients building were increased to 4 and a post-operation room was added. In addition, the operating theatre supplies and preparation room were also expanded. The extensions were completed and the building was ready for use in 1984.
1992	The hospital was expanded to a 180-bed hospital. A new 6-storey wing was constructed (including basement floor). The number of beds was increased by 42. Construction was completed in 1994 and the registered capital was increased to 40 million baht.
1993	At an extraordinary meeting of shareholders, a resolution was passed authorising the Board of Directors to alter the status of the company from a company limited to a public company. Registration was made with the Ministry of Commerce on 26 December, 1993 and the name of the company was changed to Chiang Mai Medical Services Public Co., Ltd. (LNH). - The value of shares was changed from 100 baht per share to 10 baht per share and the registered capital increased to 120 million baht.
1994	On 17 October, the company received permission to register on the Securities Exchange of Thailand.
1995	The hospital became part of the Thonburi Hospital network.
1996	On March 25, 1996 The Thonburi Hospital Public Company Limited invested in LNH and becoming a major share holder of LNH with the ownership of 6.35 million shares or 52.91% of the Company’ s paid up capital.
2003	- We received the ISO 9001 : 2000 certification from UKAS Quality Management. - Construction began on an additional 2-storey building to extend the existing Out- patients and opening the Health Check Up Centre. The building was ready for use in 2004.
2005	Renovation of the 1 <sup>st</sup> Floor of B Building to expand the existing Out-patients Service Area. The building would be ready for utilization early in 2006.
2007	<ul style="list-style-type: none"> <li>In March, Thonburi Hospital Public Company Limited sold 4.60 million shares or 38.33% of LNH's ownership to a group of persons V.R.&amp;S.C. and Police Colonel Wittaya Wongpaiboon resulting in a change of major shareholder/ management structure (more details in major shareholders)</li> <li>On March 4, 2007, LNH issued 6 million new registered common shares and offered these new shares to existing shareholders at the ratio of 2 existing shares for 1 newly issued share at the price of THB 20 per share. The capital increase will be used to improve the quality of LNH' s services and to finance the construction of its New-Patient Building which is currently re-plan to be the Cancer and the Geriatric Centers. The issue has been informed to the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on 2 November 2007.</li> </ul>



	<ul style="list-style-type: none"> <li>Board of Directors/ Management: During April 2007, there were changes in the BOD structure which composes of 9 members including 2 existing members from LHN' s board, 3 members from CMR, 3 independent audit committees (one specializes in Accounting and Finance and appointed on 10 August 2007) and 1 member from outside. Moreover, some improvement was made to the internal operation. However, there was no significant change in management policy and every hospital still has CEO (full-time) to manage and control the daily operation to conform with the company's management policy.</li> <li>The resolution of the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on November 2, 2007 approved the issuance of new common shares of not exceeding 22,843,333 shares or 55.93% of the company' s paid up capital to purchased shares, via share swap, from the all CMR' s shareholders excluding Ramkhamhaeng Hospital Public Company Limited (RAM). LNH' s BOD will consider the allotment of remaining shares from the swap transaction to public or specific investor or other proper arrangement.</li> </ul>
2008	<ul style="list-style-type: none"> <li>The company registered paid-in capital with the Ministry of Commerce Thailand on February 25, 2008 which would be traded on Stock Exchange since March 4, 2008.</li> <li>Regarding to a meeting of shareholders, the company' s name had been changed to “Borisat Chiang Mai Ram Turakit Karnpad Chamkad (Mahachon)” in Thai and the name in Roman alphabets is “Chiang Mai Ram Medical Business Public Company Limited” as already registered on June 23, 2008.</li> </ul>
2011	On October 26, 2011 CMR has received a copy of the Tender Offer from the Vibhavadi Medical Center Public Company Limited. Tender offer Period 25 business days starting from October 31, 2011 to December 2, 2011. The amount of securities held by VIBHA after the tender offer is 33,694,722 Ordinary Shares or 83.75% of total issued and paid-up shares of the Company.
2012	During June – September 2012, CMR has investment in common share of Hariphunchai Memorial Hospital Company Limited, by purchase from current shareholder, in the amount 16,010,000 shares or 80.05% of total shares. At present, CMR holds 86.70% of total shares.
2015	The hospital was expanded to a 225-bed hospital. A new 5-storey wing was constructed, the number of beds was increased by 30. The extensions were completed and the building was ready for use in 2015.
2016	To the change of par value of the Company' s ordinary shares from THB 10.00 to THB 0.10 per share, and registered with the Ministry of Commerce Thailand on February 25, 2016.
2018	<p>The Board approved the 2 investment projects,</p> <ol style="list-style-type: none"> <li>1. The construction of Lanna Hospital 3 Project; The new hospital building on the land of the company managed name “Lanna Hospital 3” covering an area of 29 Rai 56 sq.. It is a 220-bed hospital with 5 storey buildings, It is expected to be completed and open by 2021.</li> <li>2. Approved the Company and its subsidiaries to invest in the Ramkhamhang Hospital Chiangmai Company Limited, the number of shares is 36,040,000 shares or 81.91% of the registered capital of the company 440,000,000 baht into 44,000,000 ordinary shares. To operate a new Private Hospital Business under the name "Ramkhamhaeng Hospital, Chiang Mai". It is expected to be completed and open by 2022.</li> </ol>





## Type of Business and Nature of Operation

LNH was established in 1974 by the jointed investment between groups of medical school professors (Chiang Mai University), attorneys, and businesspeople in Chiang Mai Province to operate medical care center under the name “Lanna Hospital”. On December 23, 1993 the resolution of the General Meeting of shareholders approved the transformation of LNH to be publicly owned company and LNH was finally listed in the Stock Exchange of Thailand under Health Care Services Sector on October 17, 1994.

During 1995-1996, Thonburi Hospital Plc. Invested in LNH and becoming a major share holder of LNH with the ownership of 52.91%. In March 2007, Thonburi Hospital however sold 38.33% of LNH' s ownership to a group of persons V.R & S.C. and Police Colonel Wittaya Wongpaiboon resulting in a change of major shareholder / management structure as follow;

MAJOR SHAREHOLDERS	NUMBER OF SHARES	%
1. V. R & S. C. Group <sup>(1)</sup>	4,349,876	24.17
2. Pol. Col. Wittaya Wongpaiboon	4,299,923	23.89
3. Thonburi Hospital Public Company Limited	2,588,610	14.38
4. Others	6,761,591	37.20
TOTAL	18,000,000	100.00

Remark : (1) Directly hold by Dr. Wiroj Onganunkun and Dr. Supachai Chotibutr

The resolution of the CMR' s Extraordinary General Meeting of shareholders, No 2/2007 on November 2, 2007 approved the issuance of new common shares of not exceeding 22,843,333 shares or 55.93% of the Company's paid up capital to purchase shares, via share swap, from the all Chiangmai Ram Hospital Company Limited 's shareholders excluding Ramkhamhaeng Hospital Public Company Limited (RAM).

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

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

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



## ***Type of Business and Nature of Operation***

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

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

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

In 2018 The Board approved the 2 investment projects,

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

2. Approved the Company and its subsidiaries to invest in the Ramkamhang Hospital Chiangmai Company Limited, the number of shares is 36,040,000 shares or 81.91% of the registered capital of the company 440,000,000 baht into 44,000,000 ordinary shares. To operate a new Private Hospital Business under the name "Ramkhamhaeng Hospital, Chiang Mai". It is expected to be completed and open by 2022.

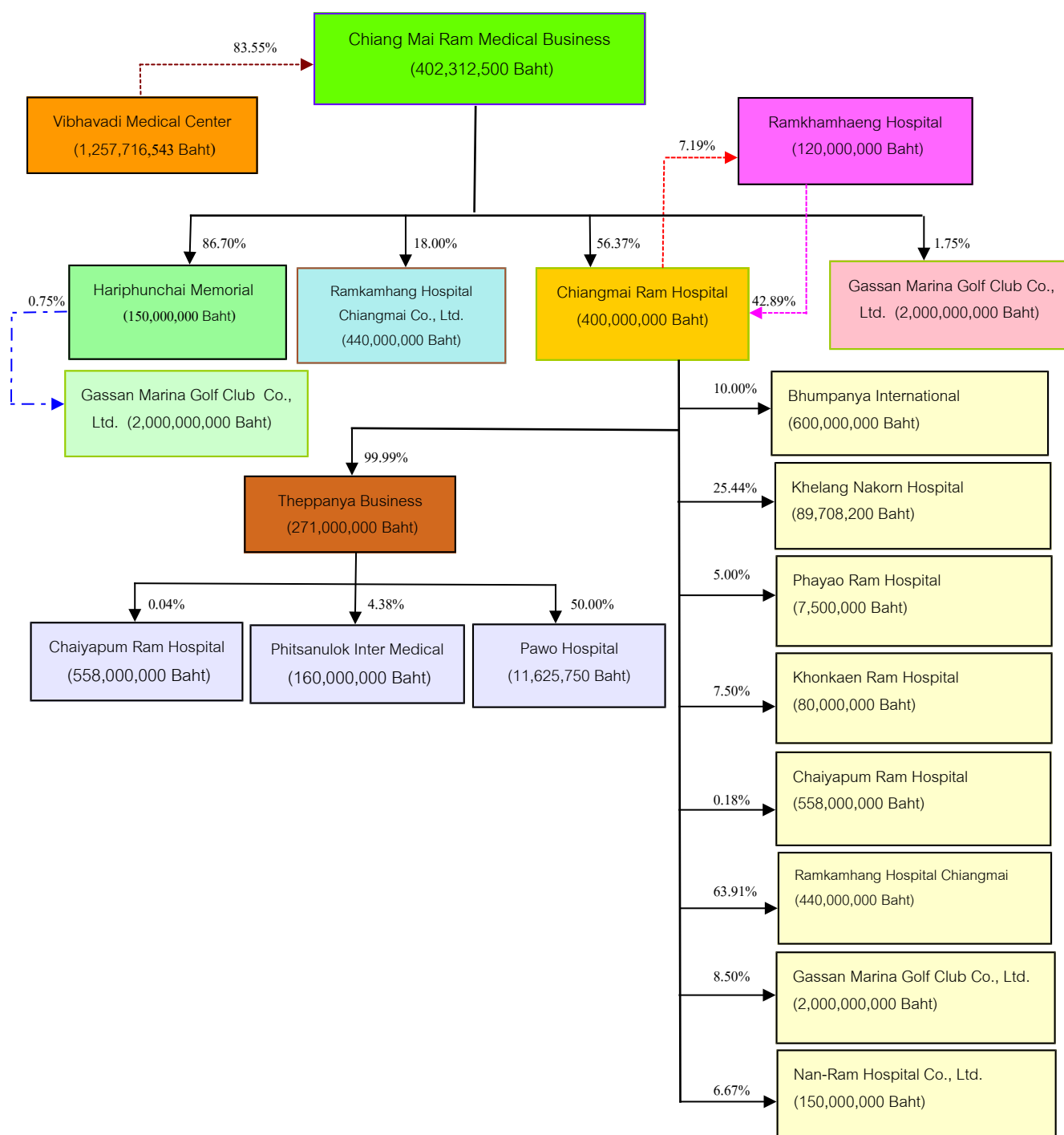
## Investments in companies

	Name	Address	Type of Business	Number of Paid-up Ordinary Shares	Number of shares	% Share holding
1.	Chiangmai Ram Hospital Company Limited	8 Boonruangrit Road, Tumbon Sripoom, Amphur Muang, Chiang Mai Tel. 053-920300	Health Care Services	40,000,000 Shares Par value Bt. 10.00 per share	22,546,250	56.37%
2.	Hariphunchai Memorial Hospital Company Limited	109-111 M. 4 Lumphun-Banthi Rd. T. Banklang, Muang Lumphun	Health Care Services	30,000,000 Shares Par value Bt. 5.00 per share	26,010,000	86.70%
3.	Ramkhamhaeng Hospital Chiang mai Company Limited	Chiangmai-Lumpang Rd. T. Thasala, Muang Chiangmai	Health Care Services	44,000,000 Shares Par value Bt. 10.00 per share	7,920,000	18.00%

## Type of Business and Nature of Operation



## The Chart of Investments in companies



## SUMMARY OF THE COMPANY FINANCIAL INFORMATION

### 1. THE COMPANY' S FINANCIAL POSITION DURING 2017-2019





**SEPARATE FINANCIAL STATEMENTS**

Thousand Baht

	2019	%	2018	%	2017	%
Current Assets	635,894	18.93	533,899	17.95	386,423	13.97
Total Assets	3,359,522	100.00	2,974,313	100.00	2,765,808	100.00
Current Liabilities	1,014,309	30.19	759,051	25.52	644,615	23.31
Total Liabilities	1,458,094	13.40	910,270	30.60	868,156	31.39
Total Shareholders' Equity	1,901,428	56.60	2,064,043	69.40	1,897,652	68.61
Number of Share Capital	4,023,125,000		4,023,125,000		4,023,125,000	
Book Value per Share	0.47		0.51		0.47	
Par Value per Share	0.10		0.10		0.10	

In 2019, the company had total assets increased from the year 2018 worth 385 million baht due to Property, plant and equipment increased by 202 million baht. Cash and cash equivalents increased 84 million baht and Investment in subsidiaries increased by 79 million baht. Total liabilities of the company in 2019 increased from 2018. Amount of 548 million baht due to the long-term loans from financial institutions increased by 326 million baht and Advance received from Social Security Office increased by 167 million baht in shareholders' equity in 2019, an decrease of 163 million baht.

**CONSOLIDATED FINANCIAL STATEMENTS**

Thousand Baht

	2019	%	2018	%	2017	%
Current Assets	1,227,238	12.09	1,086,202	12.53	1,007,239	11.45
Total Assets	10,151,011	100.00	8,666,493	100.00	8,793,358	100.00
Current Liabilities	2,560,582	25.22	2,106,608	24.31	1,868,071	21.24
Total Liabilities	4,548,352	44.81	3,452,774	39.84	3,527,467	40.12
Equity attributable to owners of the parent	3,708,596	36.53	3,617,119	41.74	3,577,969	40.69
Non-controlling interests	1,894,063	18.66	1,596,600	18.42	1,687,922	19.20
Number of Share Capital	4,023,125,000		4,023,125,000		4,023,125,000	
Book Value per Share	0.92		0.90		0.89	
Par Value per Share	0.10		0.10		0.10	

In 2019, total assets increased from the year 2018 in the amount of 1,485 million baht due to the increase in, Land, Property, Plant and Equipment increased of 959 million baht, cash and cash equivalents increased by 259 million baht, Available-for-sale investments increased by 344 million baht, total liabilities increased by 1,096 million baht due to the reduction of long-term loans from financial institutions increased by 642 million baht. Advance received from Social Security Office increased by 197 million baht and Employee benefit obligations increased by 73 million baht. In shareholders' equity increased by 389 million baht.

**SUMMARY OF THE COMPANY FINANCIAL INFORMATION**

## 2. THE RESULTS OF THE COMPANY' S OPERATIONS DURING 2017-2019

### SEPARATE FINANCIAL STATEMENTS

	2019	%	2018	%	2017	%
<b>Revenues</b>						
Revenue from medical treatment	1,332,478	93.86	1,553,250	92.70	1,428,561	94.28
Dividend Income	69,371	4.89	110,559	6.60	75,442	4.98
Other Income	17,734	1.25	11,684	0.70	11,184	0.74
<b>Total Revenues treatment</b>	<b>1,419,583</b>	<b>100.00</b>	<b>1,675,493</b>	<b>100.00</b>	<b>1,515,187</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of Medical	1,101,871	77.62	1,043,072	62.25	934,236	61.66
Administrative Expenses	203,687	14.35	194,673	11.62	189,987	12.54
Finance costs	26,087	1.84	23,298	1.39	26,922	1.78
Income Tax Expenses	35,343	2.49	58,973	3.52	54,591	3.60
<b>Total Expenses</b>	<b>1,366,987</b>	<b>96.30</b>	<b>1,320,016</b>	<b>78.78</b>	<b>1,205,736</b>	<b>79.58</b>
<b>Profit for the year</b>	<b>52,595</b>	<b>3.70</b>	<b>355,477</b>	<b>21.22</b>	<b>309,451</b>	<b>20.42</b>
Other comprehensive income						
Actuarial gain (loss) on define employee benefit plans	0.00	0.00	0.00	0.00	1,234	0.08
Income tax relating to not to be reclassified	0.00	0.00	0.00	0.00	(247)	(0.02)
Other comprehensive income for the year, net of income tax	0.00	0.00	0.00	0.00	987	0.07
Total comprehensive income for the year	52,595	3.70	355,477	21.22	310,438	20.49
Basic earnings (loss) per share (Baht)	0.01		0.09		0.08	

The Company's operating results for the year 2019 showed a net profit of 52.60 million baht, compared to the year 2018 with a net profit of 355.48 million baht will be seen that the company's net profit increased by 302.88 million baht or 85.2% over the same period last year. The company's total revenues in 2019 decreased by 255.91 million baht or 15.27 % as a result of the Company recorded the deduction of revenue from medical treatment in statement of comprehensive income and recorded the funds received in advance from Social Security Office amount of 166.90 million baht. The Company its expected that the medical service fees would be refunded from the Social Security Office from information. Total expenses increased by 46.97 million baht or 3.56%.

## SUMMARY OF THE COMPANY FINANCIAL INFORMATION

### CONSOLIDATED FINANCIAL STATEMENTS



Thousand Baht	2019	%	2018	%	2017	%
Revenue from medical treatment	3,926,688	96.29	3,935,328	98.22	3,747,637	98.05
Dividend Income	88,335	2.17	17,485	0.44	21,117	0.55
Other Income	44,229	1.08	42,597	1.07	46,620	1.22
Share of Profit of Associates	18,807	0.46	10,746	0.27	6,932	0.18
<b>Total revenue</b>	<b>4,078,059</b>	<b>100.00</b>	<b>4,006,516</b>	<b>100.00</b>	<b>3,822,306</b>	<b>100.00</b>
Cost of medical treatment	3,023,115	74.13	2,831,873	70.68	2,554,963	66.84
Administrative Expenses	535,072	13.12	512,264	12.79	489,208	12.80
Finance costs	89,331	2.19	90,888	2.27	87,351	2.29
Income Tax Expenses	122,125	2.99	104,105	2.60	123,003	3.22
<b>Total Expenses</b>	<b>3,769,643</b>	<b>92.44</b>	<b>3,539,130</b>	<b>88.33</b>	<b>3,254,525</b>	<b>85.15</b>
<b>Profit for the year</b>	<b>308,416</b>	<b>7.56</b>	<b>467,386</b>	<b>11.67</b>	<b>567,781</b>	<b>14.85</b>
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Unrealized gain (loss) on valuation of available-for-sale securities	348,252	8.54	(326,287)	(8.14)	(448,490)	(11.73)
Income tax relating to may be reclassified	(69,650)	(1.71)	65,257	1.63	89,698	2.32
Items that not be reclassified subsequently to profit or loss						
Actuarial loss on define employee benefit plans	(27,803)	(0.68)	0.00	0.00	0.00	0.00
Share of other comprehensive income of associates :	-		-		-	
- Actuarial loss on define employee benefit plans	(304)	(0.01)	0.00	0.00	0.00	0.00
Income tax relating to not to be reclassified	5,560	0.14	0.00	0.00	0.00	0.00
Other comprehensive income for the year, net of income tax	256,055	6.28	(261,030)	(6.52)	(361,333)	(9.45)
Total comprehensive income for the year	564,471	13.84	206,356	5.15	206,448	5.40
<b>Profit attributable to</b>						
Owners of the parent	158,071	3.88	375,379	9.37	440,484	11.52
Non-controlling interests of the subsidiaries	150,346	3.69	92,007	2.30	127,297	3.33
<b>Total comprehensive income(loss) attributable to</b>						
Owners of the parent	300,679	7.37	228,236	5.70	236,478	6.19
Non-controlling interests of the subsidiaries	263,792	6.47	(21,880)	(0.55)	(30,030)	(0.79)
<b>Basic earnings per share</b>						
Attributable to owners of the parent	0.04		0.09		0.11	

The operating results of the Company and its subsidiaries for the year 2019 showed a net profit of 308.42 million baht. Compared to 2018, the net profit was 467.39 million baht will be seen that the company's profit decreased by 158.97 million baht due to the revenue increase. The amount of 71.54 million baht or 1.79%, while the total expenses increased by 230.51 million baht or 6.51%, can be seen that the income increased less than the expenditure due to in 2019, The Company and its subsidiaries recorded the deduction of revenue from medical treatment in statement of comprehensive income amount of Baht 251.32 million and recorded the funds received in advance from Social Security Office in the same amount. Which is expected that the medical service fees would be refunded from the Social Security Office from information.

## FINANCIAL RATIO



## MANUFACTURING AND SERVICE

SEPARATE FINANCIAL RATIO				
Type of Ratio		2019	2018	2017
<b>LIQUIDITY RATIO</b>				
Current Ratio	Current Assets / Current Liabilities	0.63 time	0.73 time	0.60 time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	0.46 time	0.55 time	0.51 time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	0.33 time	0.41 time	0.48 time
Receivable Turnover	Sales / Account Receivable (Average)	5.49 time	6.30 time	6.59 time
Number of day' s Sales in Receivables	365 / Receivable Turnover	66 days	58 days	56 days
Inventory Turnover	Sales / Inventory (Average)	38.09 time	39.56 time	45.16 time
Number of day's Sales in Inventory	365 / Inventory Turnover	10 days	10 days	8 days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	14.72 time	14.81 time	14.66 time
Number of day' s Payment	365 / Account Payable Turnover	25 days	25 days	25 days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	51 days	43 days	40 days
<b>PROFITABILITY RATIO</b>				
Gross Profit Ratio	Profit before tax / Sales	17.31%	32.85%	34.60%
Net Profit Ratio	Net Profit / Total Revenue	3.70%	21.22%	20.42%
Rate of Return on Common Stock Equity	Net Profit / Equity	2.65%	17.95%	16.86%
<b>EFFICIENCY RATIO</b>				
Rate of Return on Assets	Net Profit / Total Assets (Average)	1.66%	12.39%	11.24%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	10.58%	37.41%	34.13%
Assets Turnover	Total Revenue / Total Assets (Average)	0.45 time	0.58 time	0.55 time
<b>FINANCIAL POLICY RATIO</b>				
Debt to Stockholders Equity	Total Liabilities / Equity	0.77 time	0.44 time	0.46 time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	13.29 time	15.32 time	13.36 time

## FINANCIAL RATIO





<b>SEPARATE FINANCIAL RATIO</b>				
Type of Ratio		2019	2018	2017
<b>INVESTMENT INFORMATION</b>				
Book Value Per Share	Equity / Share fully paid on year-end	0.47 Baht	0.51 Baht	0.47 Baht
Earning Per Share	Net Profit / Share fully paid on year-end	0.01 Baht	0.09 Baht	0.08 Baht
<b>Growth Rate</b>				
Total Assets (Increase)		12.95%	7.54%	0.86%
Total Liabilities (decrease)		60.18%	4.85%	(10.49)%
Operating Revenue (Increase)		(14.21)%	8.73%	9.03%
Operating Expenses (Increase)		4.63%	2.47%	8.21%
Net Profit (decrease)		(85.21)%	14.87%	(6.75)%

### **CONSOLIDATED FINANCIAL RATIO**

<b>CONSOLIDATED FINANCIAL RATIO</b>				
Type of Ratio		2019	2018	2017
<b>LIQUIDITY RATIO</b>				
Current Ratio	Current Assets / Current Liabilities	0.48 time	0.52 time	0.54 time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	0.38 time	0.38 time	0.40 time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	0.39 time	0.32 time	0.45 time
Receivable Turnover	Sales / Account Receivable (Average)	7.80 time	8.34 time	9.59 time
Number of day' s Sales in Receivables	365 / Receivable Turnover	47 days	44 days	38 days
Inventory Turnover	Sales / Inventory (Average)	26.01 time	25.06 time	24.62 time
Number of day's Sales in Inventory	365 / Inventory Turnover	14 days	15 days	15 days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	13.73 time	13.58 time	12.70 time
Number of day' s Payment	365 / Account Payable Turnover	27 days	27 days	29 days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	34 days	32 days	25 days

## **FINANCIAL RATIO**



<b>CONSOLIDATED FINANCIAL RATIO</b>				
Type of Ratio		2019	2018	2017
<b>PROFITABILITY RATIO</b>				
Gross Profit Ratio	Profit before tax / Sales	23.01%	28.04%	31.82%
Net Profit Ratio	Net Profit / Total Revenue	3.89%	9.39%	11.54%
Rate of Return on Common Stock Equity	Net Profit / Equity	4.32%	10.43%	12.40%
<b>EFFICIENCY RATIO</b>				
Rate of Return on Assets	Net Profit / Total Assets (Average)	5.53%	7.59%	9.08%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	12.87%	16.20%	19.90%
Assets Turnover	Total Revenue / Total Assets (Average)	0.43 time	0.46 time	0.45 time
<b>FINANCIAL POLICY RATIO</b>				
Debt to Stockholders Equity	Total Liabilities / Equity	1.23 time	0.95 time	0.99 time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	11.52 time	8.58 time	10.79 time
<b>INVESTMENT INFORMATION</b>				
Book Value Per Share	Equity / Share fully paid on year-end	0.92 Baht	0.90 Baht	0.89 Baht
Earning Per Share	Net Profit / Share fully paid on year-end	0.04 Baht	0.09 Baht	0.11 Baht

## OPERATING REVENUE



Chiang Mai Ram Medical Business Public Company Limited operates Lanna Hospital which is a 180-bed private hospital and Lanna Hospital 2 which is a 30-bed private hospital. At present the hospital has 70 examination rooms with the capacity for servicing 2,200 out-patients daily. The average daily numbers of patients are 1,830 for OPD and 210 for IPD.

Lanna Hospital is a general hospital with specialists in every department. It has modern medical equipments ready for 24 hour service. In addition service amenity and emergency equipment are also available in all patients' room.

Revenue generated from services provided by the hospital can be classified as follow;

- SEPARATE FINANCIAL STATEMENTS

Thousand Baht	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
General Patient	861,703	60.70	830,568	49.57	774,229	51.10	708,236	48.94
SOCIAL INSURANCE	470,775	33.16	722,682	43.13	654,332	43.18	602,064	41.60
OTHER REVENUE	87,105	6.14	122,243	7.30	86,626	5.72	136,908	9.46
<b>TOTAL REVENUE</b>	<b>1,419,583</b>	<b>100.00</b>	<b>1,675,493</b>	<b>100.00</b>	<b>1,515,187</b>	<b>100.00</b>	<b>1,447,208</b>	<b>100.00</b>

- CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
General Patient	3,159,286	77.82	2,947,471	73.76	2,762,228	72.40	2,573,908	72.75
SOCIAL INSURANCE	767,402	18.91	987,857	24.73	985,409	25.83	907,546	25.65
REVENUE NATION HEALTH SECURITY OFFICE	-	-	-	-	-	-	868	0.03
OTHER REVENUE	132,564	3.27	60,441	1.51	67,736	1.78	55,626	1.57
<b>TOTAL REVENUE</b>	<b>4,059,252</b>	<b>100.00</b>	<b>3,995,769</b>	<b>100.00</b>	<b>3,815,373</b>	<b>100.00</b>	<b>3,537,948</b>	<b>100.00</b>

## SUMMARY OF ECONOMIC STATUS IN 2019



## The Industrial Condition

Regarding to the above situation effecting to several industries, the private hospital business is unavoidably affected too. For this reason, therefore, it has effected to the industrial condition and the rivalry of private hospital business to the present as following;

### **(1) Government Policy**

**Government Policy:** According to the Act of Medical Fee of Government Official, it has more limitation to consider the medical expense disbursement in the private hospitals. Therefore, the bureaucrats turn to use the service of public hospitals instead.

**Social Security Project :** Due to the diminishing economy and the lack of purchasing power, the private hospitals have to seriously emphasize the patients from the social security, regarding to the Labor and Social Welfare Act, to be their main patients in the long run. However, there are several private hospitals in Chiang Mai participating in the social security project while the amount of social security patients is still the same. This situation causes more severe competition.

**Health for All Project :** It was established by the government in 2001. In this group, the public and private hospitals divide the patients by geography. In addition, the government also fixes the compensation. Thus, there is no the competition between the hospitals joining in this project. Anyway, there are many hospitals not attending to the project such as Lanna Hospital, Chiang Mai Ram Hospital, Theppanya Hospital and Theppanya Hospital 2. There may be some patients, which are the customers of the hospital group, choose the service of the hospitals participating in the project instead.

### **(2) Decreasing Purchasing Power**

Due to the declining economy, there are several businesses which reduce the production capacity or close down. The rate of unemployed people is increasing. The welfare of executives and staffs, both in public and private sector, are controlled for the organization survival. People have to cut down the unnecessary expense; at least they change to use the service of public hospitals because the medical fee is lower than the private hospitals or use the service of the government project.

## ***SUMMARY OF ECONOMIC STATUS IN 2019***



### (3) Growth of Private Hospitals

Most of private hospitals face a problem about growth and have to postpone many projects. It is observable that the number of private hospitals and hospital beds remains the same as 2018. This is the result from the government policy concerning with the medical treatment and the declining purchasing power. It effects to the amount of patients in the private hospitals and the income meanwhile the cost (which are medicine and medical supplies, the doctor fee etc.) is subject to increase. Hence, many hospitals have to adjust the marketing strategies to be concordant with the present situation, for example, the patients from the insurance companies, the medical treatment program (annual health check-up program or childbearing) etc. These factors enlarge the higher rivalry compared with the last year.

### (4) Service Improvement of Public Hospitals

The public hospitals improve the quality of service to compete with the private hospitals. It is another reason that the patients turn to use the public hospitals instead because the fee is cheaper and the service standard is equal to the private hospitals.

## Rivalry Condition

The analysis of industrial rivalry condition by Five Forces method composes of the five factors analysis. They are the entry barrier, the substitute products, the power of buyer and the power of supplier which can be concluded that the hospital business is the moderate competition business.

- (1) **Entry Barrier:** The entry of new competitors in the hospital business is rarely founded because of the high capital incentive and the insufficient staffs especially the limited amount of qualified and specific medical personnel.
- (2) **Power of Buyer:** According to the diminishing economy, the purchasing power of general consumer is decreasing too. The partial patients turn to use the service of public hospitals, the social security project and the health for all project. The rivalry between private hospitals seems to be intensifying and the strategies are changed to be suitable for the type and needs of present patients. Nevertheless, the target group of both Lanna Hospital and Chiang Mai Ram Hospital are general patients in the middle and top level who prefer the quality of service and/or the quality of doctor than the medical fee.

## SUMMARY OF ECONOMIC STATUS IN 2019



- (3) **Power of Supplier:** The power of supplier in the hospital business is quite low because there are a lot of domestic and foreign manufacturers. Most of them offer the products to the doctors or the concerning people for purchase consideration. Besides, the incorporation between Lanna Hospital and other hospitals in Chiang Mai Ram group including the rights to use the purchasing system of Ramkhamheang network is the way to increase the bargaining power to the organization.
- (4) **Substitute Products:** At present, the public hospitals starts to develop the service to compete with the private hospitals such as there are some special clinics opening after working hour in the public hospitals. However, compared with the private hospitals, the quality of service of the private hospitals is more flexible and able to maintain the better service. Additional, other substitute products such as the drugstores or clinics might affect the private hospitals having the target patients in the middle and low level.
- (5) **Competitor :** Regarding the 2019 statistic prepared by the Public Healthcare at Chiang Mai, there are 43 hospitals providing service for IPD patient. 11 hospitals out of those are private hospitals providing general healthcare service, and 8 hospitals out of them have more than 100 beds, being the same size as LNH. Meccomic Hospital, presently, is the biggest private hospital in Chiang Mai providing 400 beds or equivalent to 24.27%. Chiang Mai Ram Hospital provides 220 beds or equivalent to 13.35% and Lanna Hospital 210 beds or equivalent to 12.75%. After the merger between LNH and the CMR group, they will become the biggest hospital in Chiang Mai or providing up to 599 beds or equivalent to 36.35%. This merger transaction, also, means the reduction of competitors.

Competition among hospitals mostly focuses on the service, quality of doctors, and modern medical equipments. If compared medical equipments among hospitals in Chiang Mai, CMR may considered CMR providing the latest new technology of medical equipment. The following table shows comparison of registered beds and the beds in services.

## SUMMARY OF ECONOMIC STATUS IN 2019



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

## KEY SUCCESS FACTORS





The competition among private and government hospitals have increased during this time so that many changes are needed in order to keep our existing clients and to gain new clients. Therefore, to gain the advantages of this development, the company has created strategies or key success factors as follows.

**1. Personnel Development Policy**

Lanna Hospital has focused on personnel development policy for over 42 years.

**2. Marketing Policy**

In order to support the demands of the clients, Lanna Hospital has expanded its business to the community by taking part in their activities and disseminating useful information to them. Following our marketing strategies, We have increased the number of satellite clinics in surrounding districts and nearby provinces.

**3. Administration Policy**

Lanna Hospital has a firm policy to reduce operating cost and to increase efficiency in medical treatment and associated services.

**4. Quality Policy**

Lanna Hospital has implemented personnel development for our employees to provide the best services to our clients. The hospital received the ISO 9001: 2015 certification from United Registrar of System (Thailand) Limited Company, ISO 15189 certification and received the Hospital Accreditation (HA) certification.

## ***RISK FACTORS***



Hospital business is the basic necessity of life and expands in accordance with the increase in population. Also, it may grow when the population has higher education level, economic conditions and social status together with the continuous development of the country. The risk in medical business is less than other general businesses. However, there are certain cases of risk which may affect future company operations. They are as follows.

## 1. External Factor

### 1.1 Economic Situation of the Country

The negative growth rate of Thai economy has affected all business sectors. As a consequence, the public and private sectors have realized the necessity to adjust their. It was the result of Domestic and international factors affecting the global economy, such as the political change, the fluctuation of gas price, the fluctuation of the monetary value event to the fluctuation of the world economy and the failure a large company in the westerner etc. This economics has impacted industry, capital investment and also expenditures as corporate or individual. As the sickness of people being uncontrollable factor and need to be cured by doctor, healthcare industry has moderate impact by the slow economics.

### 1.2 Competition in Medical Services Business

As a result of slow economics' growth rate has caused the reduction in the ability and purchasing power of Thai people, and increasing the competition among hospitals. However, LNH has reviewed its marketing strategy by maintaining its quality of service and type of service that relate to both current and new patients' demand. Both LNH and CMH may considered healthcare service provider at the same level. The merger between them, therefore, means the reduction of competitors in the industry, and become the biggest private hospital in Chiang Mai and northern part of Thailand.

## 2. Business Operation

### 2.1 Risk from Personnel Shortage

Lack of expert in healthcare service. The number of people in Chiang Mai and provinces nearby, while the number of doctors and nurses limit. This limitation may cause insufficient doctor and nurse to cure patients. However, CMR has set the compensation and benefits at the appropriated rate and inline with the industry. Additional, the merger of LNH and the CMR group has caused sharing this limitation resource and reduce the lack of doctors or nurse.

## **RISK FACTORS**



## 2.2 Risk from Sued by patient

Sued by patient or related person to patient. If any patient or related person to the patient is not satisfied with medical program while the healthcare service related to life and healthy of patients, he or she may sue the hospital for the compensation. This, also, affect the reputation of the hospital. However, CMR has never been sued by any patient or related person to the patient since start its services.

## 3 Investment

### 3.1 Investment on medical equipment

In case of less number of patient, it causes low return compared to high investment cost of medical equipment. Therefore, the merger of LNH and the CMR group shall allow LNH or the CMR group to share high-cost medical equipment.

### 3.2 Investment in Chiangmai Ram Hospital Company Limited (CMH)

After an investment in Chiangmai Ram Hospital, CMR will has sub-companies; Theppanya Business Company Limited and the co-operative company is Khelangnakorn Hospital. Furthermore, there are 4 concerning hospitals which are Phayao Ram Hospital Company Limited, Bhum Panya International Company Limited, Chaiyaphum Ram Company Limited and Khonkaen Ram Company Limited. The turnover of these companies will effect the investment capital of CMR in the future and some companies had better business profits on 31 December 2019, while Bhum Panya International Company Limited still lost due to interest from loaning money and not available service. On the contrary, CMH already prepared an allowance of full amount of capital impairment.

## 4 Financial

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

### 4.1 Interest Rate Risk

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

## **RISK FACTORS**

## 4.2 Credit risk

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

## 4.3 Foreign currency risk

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

## 4.4 Liquidity risk

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

## 5. LOANS RISK

### SHORT-TERM LOANS TO RELATED PARTIES

For the years ended December 31, 2019 and 2018, the movement of short-term loans to related parties were as follows:

	Interest rate per annum (%)	Baht			
		Consolidated financial statements			
		Balance as at December 31, 2018	Transaction during the year		Balance as at December 31, 2019
			Increase	Settlement	
Khonkaen Ram Hospital Co., Ltd.	4.25 - 7.00	18,000,000.00	-	-	18,000,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	46,800,000.00	-	(46,800,000.00)	-
Gassan Marina Golf Club Co., Ltd.	3.75 - 4.50	76,000,000.00	52,000,000.00	(40,000,000.00)	88,000,000.00
Gassan Chiangmai Property Co., Ltd.	3.75 - 4.50	7,500,000.00	-	-	7,500,000.00
Phayao Ram Hospital Co., Ltd.	8.00	-	5,625,000.00	-	5,625,000.00
Total		148,300,000.00	57,625,000.00	(86,800,000.00)	119,125,000.00

## RISK FACTORS

	Interest rate per annum (%)	Baht			
		Separate financial statements			
		Balance as at	<i>Transaction during the year</i>		Balance as at
		December 31, 2018	<i>Increase</i>	<i>Settlement</i>	December 31, 2019
Chiangmai Ram Hospital Co., Ltd.	3.75	60,000,000.00	50,000,000.00	(110,000,000.00)	-
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	21,600,000.00	-	(21,600,000.00)	-
Hariphunchai Memorial Hospital Co., Ltd.	3.50 - 4.20	-	100,000,000.00	-	100,000,000.00
Gassan Marina Golf Club Co., Ltd.	4.00 - 4.50	-	10,000,000.00	-	10,000,000.00
<b>Total</b>		<b>81,600,000.00</b>	<b>160,000,000.00</b>	<b>(131,600,000.00)</b>	<b>110,000,000.00</b>

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

### LONG-TERM LOANS TO RELATED PARTIES

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

	Consolidated financial statements			
	Balance as at	<i>Transaction during the year</i>		Balance as at
	December 31, 2018	<i>Increase</i>	<i>Settlement</i>	December 31, 2019
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	(5,625,000.00)	-
Gassan Khuntan Golf and Resort Co., Ltd.	24,000,000.00	-	-	24,000,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
	58,853,729.89	-	(5,625,000.00)	53,228,729.89
<b>Less Allowance for doubtful accounts</b>	<b>(29,228,729.89)</b>	<b>-</b>	<b>-</b>	<b>(29,228,729.89)</b>
<b>Net</b>	<b>29,625,000.00</b>			<b>24,000,000.00</b>

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

As at December 31, 2019 and 2018, long-term loans to Gassan Khuntan Golf and Resort Co., Ltd. was in the form of contract. This loan had guarantee by 240,000 shares of Gassan Khuntan Golf and Resort Co., Ltd. with interest at the rate of 5% per annum.

As at December 31, 2019 and 2018, long-term loans to Bhumpanya International Co., Ltd. was in the form of contract with interest at the rate of 4.50% per annum, this loan had no any guarantee. From July 2014, this loan had no interest.

## RISK FACTORS

## 6 Other factors which may affect investment

### 6.1 Lawsuit

Lanna Hospital (LNH) : The owner of land, located at Chiang Mai with the title deed no. 49732, has allowed LNH to use that piece of land as an entrance to Building B of the hospital and to parking lot for staff, but presently the owner would like to cancel the permission to use that entrance without any notice. Therefore, LNH has requested the court to order the land owner to allow LNH to pass. Regarding court's order, LNH has still used that entrance since February 2006 to present.

### 6.2 Future Commitment for share issuance;

- None

### 6.3 Resolution to issue share;

- None

### 6.4 BOI Privilege;

- None

### 6.5 Commitments and Contingent Liabilities;

As at December 31, 2019 and 2018, the Company and its subsidiaries had commitments and contingent liabilities were as follows :

#### 6.5.1 Capital commitment

The Company and its subsidiaries were committed to obligations under agreements with several companies for the construction of buildings, interior decoration, water system improvement and other at the total amount of Baht 861.29 million and Baht 42.43 million, respectively (The separate at the total amount of Baht 590.55 million and Baht 20.19 million, respectively).

The Company and its subsidiaries have paid Baht 121.53 million and Baht 21.46 million, respectively, (The separate at the total amount of Baht 85.18 million and Baht 6.94 million, respectively) under the terms of the contract and has outstanding commitments under the agreement at Baht million 739.77 and Baht 20.97 million, respectively (The separate at the total amount of Baht 505.37 million and Baht 13.25 million, respectively).

## **RISK FACTORS**



### 6.5.2 Operating lease commitments

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Payment within</u>				
1 year	8,071,606.36	10,512,761.33	2,150,147.86	3,985,527.58
2 - 5 year	5,971,012.23	4,147,758.66	2,531,880.40	1,952,860.60
	<u>14,042,618.59</u>	<u>14,660,519.99</u>	<u>4,682,028.26</u>	<u>5,938,388.18</u>

### 6.5.3 Guarantees

The Company and its subsidiaries had commitments to a bank guarantee for electricity usage, guarantee for post department, guarantee for social security office and bank aval Baht 43.52 million and Baht 40.04 million, respectively (The separate amount of Baht 21.66 million and Baht 22.41 million, respectively).





## DIVIDEND POLICY

Board of Directors will propose to the company' s shareholders to pay dividend of at least 50% of the net profit after tax, and depend on business plan and use of fund in the future.

In 2019, the company has dividend payment for the operation from January 1, 2018 to December 31, 2018 has been Baht 0.052 per share or 58.85% of the net profit after tax and has been paid to shareholders on May 15, 2019.

### The Dividend During 2014-2019

	<i>The Dividend During 2014-2018</i>				
	2014	2015	2016	2017	2018
Number of Share Par = 0.10 (BAHT)	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000
Earning Per Share	0.058	0.087	0.080	0.080	0.090
Dividend Per Share (BAHT)	0.036	0.042	0.046	0.047	0.052
Dividend payout Ratio	61.82	47.96	55.77	61.10	58.85
AMOUNT (BAHT)	144,832,250.00	167,362,000.00	185,063,750.00	189,086,381.61	209,202,500.00
PAID DATE	25/05/2015	25/05/2016	25/05/2017	23/05/2018	15/05/2019



# MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

## Management Discussion and Analysis : MD&A)

### 1. Performance Summary

(CMR) Chiang Mai Ram Medical Business Public Company Limited' s overall operation of the year 2019, comparing to the past year; the company and subsidiaries' net profit has decreased 158.97 million baht or 34.01%. Due to the Company and its subsidiaries had total revenues of 4,078.06 million baht, an increase of 71.54 million baht or 1.79%, while the cost of medical treatment for the company and its subsidiaries had cost. Medical treatment 3,023.11 million baht, an increase of 191.24 million baht or 6.75% and administrative expenses 535.07 million baht, an increase of 22.81 million baht or 4.45 % decrease financial cost by 1.56 million baht or 1.71 % and income tax expenses of Baht 122.13 million increase 18.02 million baht or 17.31% the details and the description below.

### 2 Results in Performance and Making Profit Ability

#### 2.1. Performance

##### 2.1.1 Income

In the year 2019, the company and subsidiaries has total income of 3,926.69 million baht, comparing to the year 2018 which was 3,935.33 million baht; it has decreased by 8.64 million baht or 0.22%. This number comes from; the company itself, 220.77 million baht, in equity Chiangmai Ram Hospital Company Limited And the subsidiary company increasing by 212 million baht, and the Hariphunchai Memorial Hospital increasing by 7.58 million baht but gross margin fell. Due to in 2019 the Social Security Office had notified by the letter informing the results of the examination of the use of medical services in the case of high-cost diseases in 2016 and 2017 by the random data checking for medical services. The Social Security Office had found the incorrect percentage of AdjRW from the amount that the hospital should receive. However, the Company and its subsidiaries expected that the medical service fees would be refunded from the Social Security Office from information. The Company recorded the deduction of revenue from medical treatment in statement of comprehensive income and recorded the funds received in advance from Social Security Office in the same amount. In the amount of Baht 166.90 million and its subsidiaries amounting to 84.42 million baht and increased costs from receiving doctors to expand the service and the beginning of the annual salary for nurses and staff with the annual adjustment according to the policy to maintain the personnel.

##### 2.1.2 Cost of Medication

In the year 2019, the cost of medication of the company and subsidiaries is 3,023.11million baht, which is 191.24 million baht increased than the year 2018 or 6.75%. The increasing comes from the company 58.8 million baht or 5.64% of and the subsidiaries, Chiangmai ram hospital Co.,Ltd 98.03 million baht or 5.97% and the Hariphunchai Memorial Hospital Co.,Ltd 42.32 million baht or 16.11%. Cost of medication of the company and subsidiaries are composed of doctor's fee, nurse compensation, medicines, and medical supply; which was increased by the numbers of patients. In the year 2019, the proportion of cost of medication to income of medical fee is at 74.13%; comparing to the year 2018 which is 70.68%. It can be seen that the proportion of cost-to-income increases by 3.45%.



# MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

## 2.1.3 Sale and Administrative Costs

The administrative cost of the year 2019 is 535.07 million baht which is more than 22.81 million baht from the year 2018 or 4.45%. Consequentially composed of employee compensation, remuneration of executive officers and board directors, land acquisition charges and overall selling and administrative costs of the year 2019 is 13.12% on the total income, comparing to the year 2018 which was 12.79%. For the financial cost, 89.33 million baht is the amount from the year 2018 which has decreased by 1.56 million baht from the past year 1.71% and 2.19% of the total income.

The company and subsidiaries have income tax in the year 2019 at 122.13 million baht, comparing to the year 2018; it increased by 18.02 million baht or 17.31%.

## 2.2 Ability to make profit

The company and subsidiaries have gross profit of 903.57 million baht in the year 2019, comparing to the year 2018, it has decreased by 199.88 million baht or 18.11%; the net profit of the year 2019 is 308.42 million baht, comparing to the year 2018, has decreased to 158.97 million baht or 34.01%. For EBITDA, the number is at 779.66 million baht comparing to the year 2018, which was 909.83 million baht. The margin before depreciation and amortization expense is 19.12% and 22.71% in the year 2018. This makes the consolidated financial statement has earnings per share by 0.04 baht in the year 2019 which decreased from 2018 by 0.09 baht.

Profit and Loss Statement	2019 (Baht)	2018 (Baht)	Change (%)
Profit from Medication	3,926,687,990.21	3,935,328,401.48	(0.22)
Share of profits from investments and corporates	18,807,116.03	10,746,492.80	75.01
Total Profit	4,078,059,307.84	4,006,516,293.29	1.79
Total Expenses	3,769,642,748.65	3,539,130,341.83	6.51
Net Profit (Net Loss)	308,416,559.19	467,385,951.46	(34.01)
Attribute to shared holders	158,070,771.36	375,378,979.58	(57.89)
Attribute to Non-Controlling interests	150,345,787.83	92,006,971.88	63.41



## MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

### 3 Assets Management

3.1 Cash and cash equivalents in the year 2019 in the amount of 504.89 compared to the year 2018 increased by 259.21 million baht because the company and subsidiaries had to repay Cash received from long-term loans from financial institutions increased.

3.2 Trade accounts and notes receivable in 2019, amounting to 459.56 million baht, compared to 2018, increased by 150.31 million baht.

3.3 Inventory of 2019, 116.07 comparing to 2018 ; decreased by 0.31 million baht which were medicines and pharmaceutical.

3.4 Available for-sale investments in 2019 of 2,639.80 million baht. Compared to the year 2018, a increase of 343.90 reasons for the decline due to in fair value adjustments.

3.5 The decrease in funds for short-term loans to related parties in 2019 of 119.13 million baht in the year 2018 of 148.30 million baht, an decrease of 29.18 million baht The decreasing resulted by more loans in between period 57.63 million baht and paid back 86.80 million baht.

3. 6 Investment in associates in the year 2019, amount of 126.49 million baht, increased from the year 2018 in the amount of 11.66 million baht, the company received share of profit from investment increased by 8.06 million baht and the share of profit from the company from the investment in associate company increased. 75.01 percent

3.7 General investment in the year 2019, was 245.01 million baht ; increased by 9.99 baht comparing to 2018. as the subsidiary company, Chiangmai Ram Hospital Co., Ltd. has agreed to invest in the company Nan-Ram Hospital Co., Ltd. of 1 million shares at 10 baht per share, amounting to 10.00 million bath, representing a rate of 6.67 %.

3.8 Property, plant and equipment in the year 2019, the company and subsidiaries had increased valued of fixed assets 959.54 million baht from the year 2018. Due to the company and subsidiaries has purchased the land and building to accommodate the growing number of patients. And the subsidiaries have improved wards used for a long time. And recognized as part of the building.

3.9 Investment property in 2019 decreased by 2.19 million baht due to the transfer of the subsidiary's has accumulated depreciation mold sharp increase of 2.19 million baht.

In conclusion, current assets in the year 2019 increased from 2017. The decrease in trade receivables cash and cash equivalents increased and while non-current assets increased in terms of investments and property, plant and equipment.

3.10 Total liabilities of the Company and its subsidiaries as of 31 December 2019 amounted to 4,548.35 million baht, a increase of 1095.58 million baht or 31.73 % from 2018, due to the increase in current liabilities of 453.97 million baht due to advance received from the Social Security Office increased by 196.79 baht, short-term loans from other persons increased The amount of 43.20 million baht and the long-term loans from financial institutions due within one year increased by 141.85 million baht. Non-current liabilities increased by 641.60 million baht due to the year 2019, the company had a increase in long-term loans from financial institutions. In the amount of 500.60 million baht and deferred tax liabilities increased by 63.21 million baht, Employee benefit obligations increased by 73.11 million baht.



## MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

STATEMENT OF FINANCIAL POSITION	2019 (Baht)	2018 (Baht)	Change (%)
<b>Assets</b>			
Total current assets	1,227,238,353.19	1,085,435,583.06	13.06
Total fixed assets	8,923,772,617.25	7,581,057,575.74	17.71
Total Assets	10,151,010,970.44	8,666,493,158.80	17.13
Total current debts	2,560,582,024.90	2,106,607,878.40	21.55
Total fixed debts	1,987,770,293.37	1,346,165,907.97	47.66
Total Debts	4,548,352,318.27	3,452,773,786.37	31.73
Total Share Holders	5,602,658,652.17	5,213,719,372.43	7.46

#### 4. Liquidity

In 2019, the Company and its subsidiaries had cash provided by operating activities of 904.04 million baht, compared to the year 2018, increased by 262.16 million baht. Cash flow from investing activities in 2019 amounted to 1045.90 million baht, a increase of 718.55 million baht compared to 2018 Changes that occur due to investment, land purchase Building and equipment increased by 795.16 million baht .The Company and its subsidiaries had cash flow from financing activities of Baht 401.06 million compared to 2018, increased by 818.18 million baht. This is caused by having cash received in short-term loans from financial institutions. decreased by 290 million baht and cash received from long-term loans from financial institutions increased by 950 million baht. The above events resulted in the company having cash at the end of the period as of 31 December 2019 at 504.89 million baht when Comparing cash at the end of the period 31 December 2018 is 245.67million baht.

From the ratio of cash flow above, it can be seen that the Company and its subsidiaries Current assets are less than current liabilities, with current assets less than 52.07 % of current liabilities. And current liquidity ratio in 2019, decreased from 2018, is 0.04 times.

The ability to by debt and follow the conditions of loan was important, the ability of finding the good fund support, the company was able to pay debt and follow the condition of loan perfectly which impacted in getting good credit from financial institution; including that the company had high value insured assets that earned more credit and the ability to earn more fund then pay interests at 11.52 times.



## MANAGEMENT DISCUSSION AND ANALYSIS : (MD&A)

	2019 (Baht)	2018 (Baht)
Cash flow from operations	904,044,944.43	641,880,862.59
Cash flow from investment activities	(1,045,898,082.78)	(327,349,478.19)
Cash flow from funding	401,063,670.24	(417,118,176.49)
Cash flow and cash equivalent increased (decreased)	259,210,531.89	(102,586,792.09)
Cash flow and cash equivalent end of year	504,885,203.20	245,674,671.31
Liquidity Ratio	0.48	0.52 เท่า
Current Liquidity Ratio	0.38	0.38 เท่า
Cash flow Liquidity Ratio	0.39	0.32 เท่า

### 5. Obligation liabilities and off-balance sheet liabilities management

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

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

- No impact

### 7. Important changes

- No impact

### 8. The impact of restructuring shareholders

- No impact



# SHAREHOLDER' S STRUCTURE

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

Issued Share = 4,023,125,000 shares	As at Dec. 31, 2019 No. of Share holders				As at Dec. 31, 2018 No. of Share holders			
	Juristic Person		Ordinary person		Juristic Person		Ordinary person	
	(person)	(share)	(person)	(share)	(person)	(share)	(person)	(share)
<b><u>Nationality</u></b>								
Thai Shareholders	6	3,710,133,266	366	310,781,234	6	3,703,106,833	367	317,888,167
Foreign Shareholders	1	2,210,500	0	0	1	2,130,000	0	0
Foreign Shareholders	7	3,712,343,766	366	310,781,234	7	3,705,236,833	367	317,888,167
<b><u>Distribution of Share Holding***</u></b>								
Shareholders holding Over 0.5%	2	3,707,671,866	0	0	2	3,700,645,433	0	0
Shareholders holding Under 0.5 %	5	4,671,900	366	310,781,234	5	4,591,400	367	317,888,167
<b>Total number of share holdings</b>	<b>7</b>	<b>3,712,343,766</b>	<b>366</b>	<b>310,781,234</b>	<b>7</b>	<b>3,705,236,833</b>	<b>367</b>	<b>317,888,167</b>

### STRUCTURE OF SHAREHOLDERS

The structure of shareholders in 2019 was as follows:

Thai Shareholders	372 holding	4,020,914,500 shares	representing 99.95%
Foreign Shareholders	1 holding	2,210,500 shares	representing 0.05%

### Dispersion of Shareholders

- (A) Shareholders holding more than 0.5 % or more than 20,110,000 shares per shareholder totalling 2 shareholders holding 3,707,671,866 shares representing 92.16% shares released on the market.
- (B) Shareholders holding less than 0.5 % or less than 20,110,000 shares per shareholder totalling 371 shareholders holding 315,453,134 shares representing 7.84% shares released on the market.





## MAJOR SHAREHOLDERS

### AS AT DECEMBER






Major Shareholders	No. of shares	Percentage
1. Vibhavadi Medical Center Public Company Limited	3,361,400,000	83.552
2. Dr. Chaikarn Soonrotok	20,000,000	0.497
3. Mr. Thitikasame Nivasawate	11,750,000	0.292
4. Mr. Amphan Viprakasit	10,000,000	0.249
5. Miss Pavadee Jivawitchakul	10,000,000	0.249
6. Mrs. Boonsom Chaimongkul	6,000,000	0.149
7. Mr. Phunnang Panikabuth	5,000,000	0.124
8. Mrs. Ampai Srisawate	5,000,000	0.124
9. Mrs. Pensri Wateranan	5,000,000	0.124
10. Mrs. Prapasri Suraphat	5,000,000	0.124
11. OTHERS	583,975,000	14.515
<b>TOTAL</b>	<b>4,023,125,000</b>	<b>100.00</b>

### DIRECTOR' S SHAREHOLDING IN THE COMPANY

Name of Directors	Amount Change during the year	Amount Remaining as at Dec. 31, 2019
DR. RACHA SOMBURANASIN	-	-
DR. VARAPHAN UNACHAK	551,900	1,049,000
DR. DUSIT SRISAKUL	25,000	330,000
DR. TEERAYUTH NIYOMGOOL	-	20,000
DR. SUMETH HANDAGOON	-	-
DR. CHAMNAN CHANAPAI	-	-
MR. SITHI PANUPATTANAPONG	-	-
MR. CHAISITH VIRIYAMETTAKUL	-	38,985,000
MR. RUECHID KANJANAPITAK	-	-
DR. SUTHISAK KANAPRACH	-	-
DR. KRIRK JITTALAN	-	-
MISS PAPAT SUPAOKIT	-	-



# BOARD OF DIRECTORS

<div>  <div> <b>ประวัติกรรมการและผู้บริหาร</b>  <b>บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน)</b> </div> </div>								
ชื่อ/ตำแหน่ง	อายุ	การศึกษา	ความสัมพันธ ระหว่าง ผู้บริหาร	สัดส่วน การถือหุ้น	ประวัติการทำงาน 5 ปี ย้อนหลัง	ตำแหน่ง	บริษัท	
 1. นพ.รัชช สมบูรณ์สิน ประธานกรรมการบริษัท Dr.Racha Somburanasin Chairman	80	Diplomate American Board of Radiology Certificate In Neuroradiology			2531 - ปัจจุบัน 2546 - ปัจจุบัน 2548 - ปัจจุบัน 2549 - ปัจจุบัน 2551 - ปัจจุบัน	ประธานกรรมการ กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร ประธานกรรมการ	บมจ. โรงพยาบาลรามคำแหง บจ. โรงพยาบาลวิภาวดี โรงพยาบาลสุภูมิราม บมจ. เชียงใหม่รามธุรกิจ การแพทย์	
 2. นพ. วรพันธ์ อุณจักร กรรมการบริษัท และ ประธานกรรมการบริหาร Dr.Varaphan Unachak Director/Executive Committee Chairman	69	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2546	0.01	0.02	2536 - ปัจจุบัน 2536 - ปัจจุบัน 2538 - ปัจจุบัน 2550 - ปัจจุบัน 2550 - ปัจจุบัน	กรรมการบริหาร ผู้อำนวยการ ผู้อำนวยการ กรรมการบริษัท กรรมการบริษัท และประธานกรรมการ บริหาร	บมจ. โรงพยาบาลรามคำแหง โรงพยาบาลเชียงใหม่ ราม โรงพยาบาลเทพปัญญา โรงพยาบาลช้างเผือก บมจ. เชียงใหม่รามธุรกิจ การแพทย์	
 3. นพ.ดุสิต ศรีสกุล กรรมการ, กรรมการบริหาร, กรรมการผู้จัดการ และ ผู้อำนวยการโรงพยาบาล Dr.Dusit Srisakul Managing Director/Executive Director/Hospital Director	59	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2547	0.01		2534 - ปัจจุบัน 2543 - 2547 2543 - ปัจจุบัน 2544 - ปัจจุบัน 2547 - ปัจจุบัน 2547 - ปัจจุบัน	ศัลยแพทย์ออร์โธปิดิกส์ ผู้อำนวยการฝ่ายแพทย์ กรรมการบริหาร กรรมการบริษัท ผู้อำนวยการโรงพยาบาล กรรมการผู้จัดการ	บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่รามธุรกิจ การแพทย์	
 4. นพ.ธีระยุทธ นียมกุล กรรมการเลขานุการ กรรมการบริหาร และ รองผู้อำนวยการโรงพยาบาล Dr.Teerayuth Niyomgool Director/Executive Director/Hospital Director	54	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	2540 - 2543 2544 - 2545 2545 - ปัจจุบัน 2547 - ปัจจุบัน 2547 - ปัจจุบัน 2550 - ปัจจุบัน	ผู้อำนวยการ ฝ่ายการแพทย์ ศัลยแพทย์ ศัลยแพทย์ รองผู้อำนวยการ โรงพยาบาล กรรมการบริหาร กรรมการเลขานุการ	รพ. มุกดาหารอินเตอร์เนชั่นแนล โรงพยาบาลอินเตอร์เวชการ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่ธุรกิจการแพทย์ บมจ. เชียงใหม่รามธุรกิจ การแพทย์	
 5. นพ.สุเมธ ฮันตระกูล กรรมการบริษัท และ กรรมการบริหาร Dr.Sumeth Handagoon Director/Executive Director	72	แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ วุฒิปดัยกรรม มหาวิทยาลัยมหิดล ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	2536 - ปัจจุบัน 2538 - ปัจจุบัน 2538 - 2548 2550 - ปัจจุบัน 2550 - ปัจจุบัน	ผู้อำนวยการ ผู้อำนวยการ กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท และกรรมการบริหาร	โรงพยาบาลเชียงใหม่ราม โรงพยาบาลเทพปัญญา โรงพยาบาลพะเยาราม โรงพยาบาลช้างเผือก บมจ. เชียงใหม่รามธุรกิจ การแพทย์	

# BOARD OF DIRECTORS

ประวัติกรรมการและผู้บริหาร บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน)								
ชื่อ/ตำแหน่ง		อายุ	การศึกษา	ความสัมพันธ์ระหว่างผู้บริหาร	สัดส่วนการถือหุ้น	ระยะเวลา	ประวัติการทำงาน 5 ปี ย้อนหลัง	บริษัท
	6. ทนตแพทย์ชำนาญ ชาญชัย กรรมการบริษัท Dr.Chamnan Chanapai Director	75	- ทนตแพทย์ศาสตรบัณฑิต มหาวิทยาลัยมหิดล - Cosmetic Restoration N.Y.	-	-	2531 - ปัจจุบัน 2540 - ปัจจุบัน 2546 - ปัจจุบัน 2548 - ปัจจุบัน 2549 - ปัจจุบัน 2551 - ปัจจุบัน	กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร	บมจ. โรงพยาบาลรามคำแหง บริษัท เอฟ แอนด์ เอส 79 จำกัด บริษัท โรงพยาบาลสินแพทย์ จำกัด บริษัท โรงพยาบาลวิภาวดี จำกัด โรงพยาบาลสุโขทัย โรงพยาบาลชัยภูมิ ราม บมจ. เชียงใหม่รามธุรกิจการแพทย์
	7. นายสิทธิ ภาณุพัฒน์พงศ์ กรรมการบริษัท Mr.Sit Panupattanapong Director	59	สถาปัตยกรรม สถาบันเทคโนโลยีพระจอมเกล้า Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2555	-	-	ปัจจุบัน	ประธานกรรมการ กรรมการบริษัท/ กรรมการบริหาร กรรมการบริษัท/ กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท	บริษัท สินแพทย์ จำกัด บมจ. โรงพยาบาลวิภาวดี บริษัท โรงพยาบาลวิภาวดี จำกัด บริษัท โรงพยาบาลเสรีรักษ์ จำกัด บจ. โรงพยาบาลวิภาวดี (อมตะนคร) บริษัท บริษัท ฟาร์ค สวิท จำกัด บมจ. เชียงใหม่รามธุรกิจการแพทย์
	8. นายชัยสิทธิ์ วิริยะเมตตากุล กรรมการบริษัท Dr.Chaisit Viriyamethakul Director	70	วิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2547 Increasing your Corporate Value Through Effective Communication เมื่อปี 2546	0.97	-	2541 - ปัจจุบัน 2545 - ปัจจุบัน 2546 - ปัจจุบัน 2547 2550 - ปัจจุบัน 2552 - ปัจจุบัน 2555-ปัจจุบัน	กรรมการผู้จัดการ/ กรรมการบริหาร กรรมการบริหาร/ กรรมการบริหาร รองประธาน กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท กรรมการบริษัท	บมจ. โรงพยาบาลวิภาวดี บริษัท โรงพยาบาลวิภาวดี จำกัด บริษัท โรงพยาบาลเจ้าพระยา จำกัด บริษัท โรงพยาบาลเสรีรักษ์ จำกัด บจ. โรงพยาบาลวิภาวดี (อมตะนคร) บริษัท บริษัท ฟาร์ค สวิท จำกัด บริษัท ไดนาสตีเซรามิค จำกัด บมจ. เชียงใหม่รามธุรกิจการแพทย์
	9. นายฤทธิชัย กาญจนพิทักษ์ กรรมการบริษัท Mr. Ruechid Kanjanapitak Director	40	สถาปัตยกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย MBA College of Management, MAHIDOL UNIVERSITY Director Accreditation Program, จากสมาคมส่งเสริม สถาบันกรรมการบริษัทไทย เมื่อปี 2561	-	-	2544 - 2546 2546 - ปัจจุบัน 2556 - ปัจจุบัน 2560 - ปัจจุบัน	สถาปนิก สถาปนิก ผู้บริหาร กรรมการบริษัท	เรซา สถาปนิก REUN DESIGN STUDIO LEGACY GOLF CLUB บมจ. เชียงใหม่รามธุรกิจการแพทย์

## BOARD OF DIRECTORS

<div>  <div> ประวัติกรรมการและผู้บริหาร  บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน) </div>  </div>								
ชื่อ/ตำแหน่ง	อายุ	การศึกษา	ความสัมพันธ์ ระหว่าง ผู้บริหาร	สัดส่วน การถือหุ้น	ระยะเวลา	ประวัติการทำงาน 5 ปี ย้อนหลัง	ตำแหน่ง	บริษัท
 <p>10. นพ.สุทิศศักดิ์ คณาพรชาญ กรรมการอิสระและ ประธานกรรมการตรวจสอบ Dr.Suthisak Kanaprach Independent , Director / Audit Committee Chairman</p>	55	<ul style="list-style-type: none"> <li>- แพทยศาสตรบัณฑิต มหาวิทยาลัยมหิดล</li> <li>- บริหารธุรกิจมหาบัณฑิต</li> <li>- เศรษฐศาสตรมหาบัณฑิต</li> <li>- จิตวิทยาอุตสาหกรรมและองค์การมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์</li> </ul>	-	-	2539 - ปัจจุบัน  2551 - ปัจจุบัน	กรรมการบริหาร  กรรมการอิสระ และ ประธานกรรมการ ตรวจสอบ		บริษัท โรงพยาบาล สนามจันทร์ จำกัด บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 <p>11. นายเกริก จิตดาลาน กรรมการอิสระและกรรมการ ตรวจสอบ Mr.Krirk Jittalan Independent , Director / Audit Committee</p>	71	เกษตรศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการบริษัทไทย เมื่อปี 2550	-	-	ปัจจุบัน  2552-ปัจจุบัน	กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการอิสระและ กรรมการตรวจสอบ		บริษัท สมศรี จำกัด บริษัท ซีรีนบล็อค จำกัด บริษัท ไทยเอสป้า จำกัด ห.จ.ก. ทุ่งหลวง บมจ. เชียงใหม่รามธุรกิจ การแพทย์
 <p>12. นางสาวพภัทร สุภากิจ กรรมการอิสระ และ กรรมการตรวจสอบ Miss Papat Supaokit Independent , Director / Audit Committee</p>	35	ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย	-	-	2549-ปัจจุบัน 2551-ปัจจุบัน	Treasury Officer กรรมการอิสระ และ กรรมการตรวจสอบ		ธนาคาร HSBC บมจ. เชียงใหม่รามธุรกิจ การแพทย์

**FINANCIAL STATEMENTS AND AUDITORS' REPORT  
CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED  
DECEMBER 31, 2019 AND 2018**



CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019



## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

I have audited the consolidated financial statements of Chiang Mai Ram Medical Business Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Chiang Mai Ram Medical Business Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Chiang Mai Ram Medical Business Public Company Limited and its subsidiaries as at December 31, 2019, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Chiang Mai Ram Medical Business Public Company Limited as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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



## Key Audit Matters

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

### Revenue recognition from general medical treatment

The revenue from medical treatment is significant amount in the consolidated and separate financial statements, representing 78% and 61% of total revenues, respectively. In addition, there are various components in revenues from hospital operation such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc., including discounts with parties, whereas the agreements contain various conditions for each party. I therefore focus with respect to the amount, value and timing of revenue recognition of the Company.

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

### Revenue recognition from Social Security

The Group have the revenue from Social Security by entering into medical service provider agreement under Social Security Act, B.E.2533. The revenues from Social Security in the consolidated and separate financial statements represent 19% and 33% of total revenues, respectively. The Group will receive the money from the Social Security Office in terms of insured persons who select the medical treatment with the hospitals. In addition, the Group will also gain the income from medical service fee for the cases with burden of disease risk and high-cost disease but the additional revenue from earnings each time has to be approved by the Social Security Office. However, the consideration process of the Social Security Office takes a long time. In the event that the Group have already provided the medical service to the insured persons, the Group have its right to gain the medical treatment fee according to the medical service agreement. The management then consider the estimation of medical service revenue for the cases with burden of disease risk and high-cost disease. This is significant estimation requiring the management to apply the high judgment. The specialists' opinion is also needed in considering the severity rate of the disease to estimate the revenue. I therefore focus with respect to the revenue recognition from Social Security as it has a significant risk to the financial statements.

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

### **Other Information**

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

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

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

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

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

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

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

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



### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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



(Miss Soraya Tintasuwan)

Certified Public Accountant

Registration No. 8658

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 27, 2020

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENT OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2019**

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Current assets					
Cash and cash equivalents	4	504,885,203.20	245,674,671.31	234,613,383.72	150,330,131.71
Trade receivables	5, 34	459,563,670.44	547,114,623.67	219,274,252.07	265,741,995.22
Short-term loans to related parties	6, 34	119,125,000.00	148,300,000.00	110,000,000.00	81,600,000.00
Inventories	7	116,070,596.02	116,375,719.21	26,956,645.48	30,902,757.53
Advance payment for share subscription	11, 34	-	-	40,320,000.00	-
Other current assets	34	27,593,883.53	27,970,568.87	4,729,731.45	5,324,521.16
Total current assets		1,227,238,353.19	1,085,435,583.06	635,894,012.72	533,899,405.62
Non-current assets					
Fixed deposit used for pledged	8	36,252,345.52	44,487,956.68	21,972,063.29	22,706,629.13
Available-for-sale investments	9, 34	2,639,801,016.84	2,295,905,519.32	-	-
Investment in associates	10	126,490,913.50	114,834,959.23	-	-
Investment in subsidiaries	11	-	-	1,278,882,750.00	1,199,682,750.00
Other long-term investments	12	245,014,760.00	235,026,160.00	35,000,000.00	35,000,000.00
Long-term loans to related parties	13, 34	24,000,000.00	29,625,000.00	-	-
Long-term loans to other persons		5,370,000.00	3,985,000.00	-	-
Investment property	14	79,578,673.18	81,768,398.04	-	-
Property, plant and equipment	15	5,414,187,407.00	4,454,649,780.05	1,372,157,534.96	1,170,413,055.71
Goodwill		298,492,518.72	298,492,518.72	-	-
Intangible asset	16	4,512,550.61	7,198,679.07	2,295,468.05	3,567,630.99
Deferred tax assets	17	10,137,270.17	8,116,377.58	9,768,821.80	5,493,756.80
Advance payment of assets		38,687,428.46	5,681,610.00	3,500,000.00	3,500,000.00
Other non-current assets		1,247,733.25	1,285,617.05	50,901.00	49,401.00
Total non-current assets		8,923,772,617.25	7,581,057,575.74	2,723,627,539.10	2,440,413,223.63
TOTAL ASSETS		10,151,010,970.44	8,666,493,158.80	3,359,521,551.82	2,974,312,629.25

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



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENT OF FINANCIAL POSITION (CONT.)**
**AS AT DECEMBER 31, 2019**
**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	18	632,944,205.93	670,794,959.90	450,000,000.00	470,000,000.00
Trade payables	34	231,081,201.99	209,247,835.56	76,039,581.11	73,692,142.49
Current portion of long-term liabilities					
Long-term loan from financial institutions	21	395,504,285.76	253,654,285.76	132,140,000.00	74,040,000.00
Finance leases agreements	22	333,806.46	1,102,345.99	-	-
Short-term loan from related parties	19, 34	633,053,817.50	589,853,817.50	9,000,000.00	9,000,000.00
Short-term loan from other persons	20	70,800,000.00	68,400,000.00	19,000,000.00	20,500,000.00
Other payables	34	16,861,981.22	18,386,679.24	3,711,533.34	4,230,197.17
Income tax payable		35,720,979.13	35,630,950.84	4,466,736.34	22,599,491.17
Accrued doctor fee		96,776,004.82	91,154,997.01	35,744,332.93	34,296,384.05
Accrued expenses	34	48,395,585.07	52,931,127.95	30,328,500.53	34,435,203.40
Dividend payable		8,870,610.05	6,446,113.54	6,838,690.05	6,306,813.54
Accounts payable for assets	34	88,637,473.02	42,015,479.06	78,506,795.52	8,542,067.97
Advance received from Social Security Office	26	251,324,641.62	54,539,246.45	166,897,331.77	-
Advance received for share subscription	11, 34	36,378,150.00	-	-	-
Other current liabilities		13,899,282.33	12,450,039.60	1,635,586.61	1,408,963.38
Total current liabilities		2,560,582,024.90	2,106,607,878.40	1,014,309,088.20	759,051,263.17
Non-current liabilities					
Long-term loan from financial institutions	21	1,284,633,809.36	784,038,095.12	391,060,000.00	123,200,000.00
Liabilities under finance leases agreements	22	937,807.77	1,271,608.47	-	-
Deferred tax liabilities	17	529,671,467.08	466,464,658.13	-	-
Employee benefit obligations	23	163,828,278.14	90,714,922.80	48,474,730.00	27,326,949.00
Other non-current liabilities		8,698,931.02	3,676,623.45	4,250,012.27	691,347.87
Total non-current liabilities		1,987,770,293.37	1,346,165,907.97	443,784,742.27	151,218,296.87
TOTAL LIABILITIES		4,548,352,318.27	3,452,773,786.37	1,458,093,830.47	910,269,560.04

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

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Authorized share capital					
4,084,333,300 ordinary share at Baht 0.10 each		408,433,330.00	408,433,330.00	408,433,330.00	408,433,330.00
Issued and paid-up share capital					
4,023,125,000 ordinary share at Baht 0.10 each		402,312,500.00	402,312,500.00	402,312,500.00	402,312,500.00
Premium on share capital		-	-	629,436,654.76	629,436,654.76
Premium on share capital from business combination in the reverse acquisition		575,862,500.00	575,862,500.00	-	-
Less The legal subsidiary company investment in the legal parent company		(12,675,250.00)	(12,675,250.00)	-	-
Retained earnings					
Appropriated					
Legal reserve	25	81,686,666.00	81,686,666.00	81,686,666.00	81,686,666.00
Unappropriated		1,560,300,305.34	1,625,870,961.57	787,991,900.59	950,607,248.45
Other components of equity		1,101,109,325.71	944,061,474.87	-	-
Total equity attributable to owners of the parent		3,708,596,047.05	3,617,118,852.44	1,901,427,721.35	2,064,043,069.21
Non-controlling interests	10	1,894,062,605.12	1,596,600,519.99	-	-
Total shareholders' equity		5,602,658,652.17	5,213,719,372.43	1,901,427,721.35	2,064,043,069.21
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,151,010,970.44	8,666,493,158.80	3,359,521,551.82	2,974,312,629.25

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

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
REVENUES					
Revenues from medical treatment	34	3,926,687,990.21	3,935,328,401.48	1,332,477,525.53	1,553,250,479.26
Other income					
Interest income	34	5,694,233.64	8,426,920.85	4,433,223.86	709,148.31
Dividend income	9, 11, 12, 34	88,335,378.72	17,485,010.00	69,370,625.00	110,558,437.50
Others	34	38,534,589.24	34,529,468.16	13,301,327.43	10,975,045.47
Total revenues		4,059,252,191.81	3,995,769,800.49	1,419,582,701.82	1,675,493,110.54
EXPENSES					
Cost of medical treatment	34	3,023,114,524.96	2,831,872,531.53	1,101,870,847.67	1,043,071,947.14
Administrative expenses	34	535,072,267.85	512,263,793.85	203,686,894.68	194,672,562.56
Financial cost	34	89,330,765.49	90,888,396.95	26,086,782.37	23,298,141.44
Total expenses		3,647,517,558.30	3,435,024,722.33	1,331,644,524.72	1,261,042,651.14
Share of profit of associates	10	18,807,116.03	10,746,492.80	-	-
Profit before income tax expenses		430,541,749.54	571,491,570.96	87,938,177.10	414,450,459.40
Income tax expenses	27	122,125,190.35	104,105,619.50	35,342,973.83	58,973,250.30
Profit for the year		308,416,559.19	467,385,951.46	52,595,203.27	355,477,209.10
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Unrealized gain (loss) on valuation of available-for-sale securities	9	348,252,285.89	(326,287,349.58)	-	-
Income tax relating to may be reclassified	27	(69,650,457.18)	65,257,469.96	-	-
		278,601,828.71	(261,029,879.62)	-	-
Items that not be reclassified subsequently to profit or loss					
Actuarial loss on define employee benefit plans	23	(27,803,162.00)	-	(7,510,714.00)	-
Share of other comprehensive income of associates :					
- Actuarial loss on define employee benefit plans	10	(304,456.76)	-	-	-
Income tax relating to not to be reclassified	27	5,560,632.40	-	1,502,142.80	-
		(22,546,986.36)	-	(6,008,571.20)	-
Other comprehensive income for the year, net of income tax		256,054,842.35	(261,029,879.62)	-	-
Total comprehensive income for the year		564,471,401.54	206,356,071.84	46,586,632.07	355,477,209.10

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



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
Profit attributable to					
	Owners of the parent	158,070,771.36	375,378,979.58	52,595,203.27	355,477,209.10
	Non-controlling interests of the subsidiaries	150,345,787.83	92,006,971.88	-	-
		<u>308,416,559.19</u>	<u>467,385,951.46</u>	<u>52,595,203.27</u>	<u>355,477,209.10</u>
Total comprehensive income (loss) attributable to					
	Owners of the parent	300,679,174.54	228,236,436.44	46,586,632.07	355,477,209.10
	Non-controlling interests of the subsidiaries	263,792,227.00	(21,880,364.60)	-	-
		<u>564,471,401.54</u>	<u>206,356,071.84</u>	<u>46,586,632.07</u>	<u>355,477,209.10</u>
Basic earnings per share					
	Attributable to owners of the parent	30 0.04	0.09	0.01	0.09

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

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht												
Consolidated financial statements												
Equity attributable to owners of the parent												
	Note	Issued and paid-up share capital	Premium on share capital from business combination in the reverse acquisition	The legal subsidiary company investment in the legal parent company	Retained earnings		Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total shareholder's equity
					Appropriated legal reserve	Unappropriated	Unrealized gain (loss) on remeasuring available-for-sale investment	Difference from purchasing shares in the subsidiaries from non-controlling interest	Total other components of equity			
Beginning balance as at January 1, 2018		402,312,500.00	575,862,500.00	(12,675,250.00)	81,686,666.00	1,439,578,363.60	1,116,072,834.87	(24,868,816.86)	1,091,204,018.01	3,577,968,797.61	1,687,922,447.09	5,265,891,244.70
Dividend	25	-	-	-	-	(189,086,381.61)	-	-	-	(189,086,381.61)	(69,441,562.50)	(258,527,944.11)
Total comprehensive income for the year		-	-	-	-	375,378,979.58	-	-	-	375,378,979.58	92,006,971.88	467,385,951.46
Profit for the year		-	-	-	-	-	-	-	(147,142,543.14)	(147,142,543.14)	(113,887,336.48)	(261,029,879.62)
Other comprehensive income - net of income tax		-	-	-	-	-	(147,142,543.14)	-	-	-	-	-
Loss on remeasuring available-for-sale investments		-	-	-	-	-	-	-	-	-	-	-
Ending balance as at December 31, 2018		402,312,500.00	575,862,500.00	(12,675,250.00)	81,686,666.00	1,625,870,961.57	968,930,291.73	(24,868,816.86)	944,061,474.87	3,617,118,852.44	1,596,600,519.99	5,213,719,372.43
Dividend	25	-	-	-	-	(209,201,979.93)	-	-	-	(209,201,979.93)	(45,629,375.00)	(254,831,354.93)
Total comprehensive income for the year		-	-	-	-	158,070,771.36	-	-	-	158,070,771.36	150,345,787.83	308,416,559.19
Profit for the year		-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income - net of income tax		-	-	-	-	-	-	-	-	-	-	-
Loss on remeasuring available-for-sale investments		-	-	-	-	-	157,047,850.84	-	157,047,850.84	157,047,850.84	121,553,977.87	278,601,828.71
Share of other comprehensive income of associates		-	-	-	-	(171,622.28)	-	-	-	(171,622.28)	(132,834.48)	(304,456.76)
Actuarial loss on define employee benefit plans		-	-	-	-	(14,267,825.38)	-	-	-	(14,267,825.38)	(7,974,704.22)	(22,242,529.60)
Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	79,299,233.13	79,299,233.13
in the subsidiary	11	-	-	-	-	-	-	-	-	-	-	-
Ending balance as at December 31, 2019		402,312,500.00	575,862,500.00	(12,675,250.00)	81,686,666.00	1,560,300,305.34	1,125,978,142.57	(24,868,816.86)	1,101,109,325.71	3,708,596,047.05	1,894,062,605.12	5,602,658,652.17

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

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

		Baht				
		Separate financial statements				
	Note	Issued and paid-up	Premium	Retained earnings		Total
		share capital	on share capital	Appropriated	Unappropriated	shareholder's
				legal reserve		equity
Beginning balance as at January 1, 2018		402,312,500.00	629,436,654.76	81,686,666.00	784,216,420.96	1,897,652,241.72
Dividend	25	-	-	-	(189,086,381.61)	(189,086,381.61)
Total comprehensive income for the year						
Profit for the year		-	-	-	355,477,209.10	355,477,209.10
Ending balance as at December 31, 2018		402,312,500.00	629,436,654.76	81,686,666.00	950,607,248.45	2,064,043,069.21
Dividend	25	-	-	-	(209,201,979.93)	(209,201,979.93)
Total comprehensive income for the year						
Profit for the year		-	-	-	52,595,203.27	52,595,203.27
Actuarial loss on define employee benefit plans		-	-	-	(6,008,571.20)	(6,008,571.20)
Ending balance as at December 31, 2019		402,312,500.00	629,436,654.76	81,686,666.00	787,991,900.59	1,901,427,721.35

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

**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	430,541,749.54	571,491,570.96	87,938,177.10	414,450,459.40
Adjustment to reconcile profit before income tax expense to net cash provided by (used in) from operating activities				
Depreciation	259,791,366.53	247,449,946.66	70,959,231.00	70,309,051.16
Amortization of computer software	2,812,283.46	3,144,886.56	1,349,097.94	1,333,097.85
Bad debt and doubtful debt	8,398,535.22	6,295,005.92	713,740.00	61,619.00
Loss from impairment of investment in related companies	11,400.00	7,080.00	-	-
Dividend income	(88,335,378.72)	(17,485,010.00)	(69,370,625.00)	(110,558,437.50)
Gain from sales of Investments	(180,525.64)	(3,436,396.73)	-	-
Gain from sales of fixed assets	(16,871.16)	(361,040.62)	(396,227.52)	(125,141.49)
Loss from write-off fixed assets	-	4,786.03	-	-
Interest income	(5,694,233.64)	(8,426,920.85)	(4,433,223.86)	(709,148.31)
Employee benefit expenses	47,854,178.34	13,278,808.00	14,813,467.00	4,030,898.00
Interest expenses	89,330,765.49	90,888,396.95	26,086,782.37	23,298,141.44
Share of profit of associates	(18,807,116.03)	(10,746,492.80)	-	-
Profit from operating before change in operating assets and liabilities items	725,706,153.39	892,104,620.08	127,660,419.03	402,090,539.55
(Increase) decrease in operating assets items				
Trade receivables	79,152,418.01	(156,607,902.93)	45,754,003.15	(38,326,960.64)
Inventories	305,123.19	(6,699,059.46)	3,946,112.05	(9,070,652.49)
Other current assets	1,542,878.94	(2,062,931.10)	527,714.11	241,962.45
Other non-current assets	37,883.80	(233,785.00)	(1,500.00)	-
Increase (decrease) in operating liabilities items				
Trade payables	21,833,366.43	1,466,949.55	2,347,438.62	6,521,554.76
Accrued doctor fees	5,621,007.81	(5,642,810.86)	1,447,948.88	(4,004,089.80)
Accrued expenses	(4,566,788.47)	10,433,023.19	(4,053,226.47)	2,264,087.29
Other payables	(1,524,698.02)	3,941,316.40	(518,663.83)	(451,101.70)
Advance received from Social Security Office	196,785,395.17	54,539,246.45	166,897,331.77	-
Other current liabilities	1,662,502.77	(1,492,734.19)	226,623.23	(101,727.05)
Employee benefit obligations	(2,543,985.00)	(2,677,480.00)	(1,176,400.00)	(2,313,430.00)
Other non-current liabilities	5,022,307.57	(6,881,932.47)	3,558,664.40	-
Cash generated from the operation	1,029,033,565.59	780,186,519.66	346,616,464.94	356,850,182.37
Cash paid for income tax	(124,988,621.16)	(138,305,657.07)	(56,248,650.86)	(65,849,736.19)
Net cash provided by operating activities	904,044,944.43	641,880,862.59	290,367,814.08	291,000,446.18

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



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENT OF CASH FLOWS (CONT.)**
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Cash received from short-term loans to related companies	40,000,000.00	42,400,000.00	110,000,000.00	32,400,000.00
Cash paid for short-term loans to related companies	(57,625,000.00)	(56,700,000.00)	(160,000,000.00)	(84,000,000.00)
Cash received from long-term loan from related company	5,625,000.00	-	-	-
Cash received from long-term loans from other persons	1,015,000.00	-	-	-
Cash paid for long-term loans to other persons	(2,400,000.00)	(3,985,000.00)	-	-
(Increase) decrease in fixed deposit used for pledge	8,235,611.16	(1,046,311.34)	734,565.84	(168,808.31)
Cash received from available-for-sale investments	22,492,975.99	118,885,274.39	-	-
Cash paid for purchase in available-for-sale investments	(17,955,661.98)	(123,820,802.91)	-	-
Cash paid for purchase of investment in subsidiary	(29,276,701.45)	-	(57,600,000.00)	-
Cash paid for purchase of investment in related company	(10,000,000.00)	-	-	-
Cash paid for advance payment for share subscription	-	-	(40,320,000.00)	-
Dividend received from investment in subsidiaries	-	-	69,370,625.00	110,558,437.50
Dividend received from investment in associates	6,846,705.00	4,564,470.00	-	-
Dividend received from available-for-sale investments	84,885,378.72	15,910,010.00	-	-
Dividend received from investment in related companies	3,450,000.00	1,575,000.00	-	-
Cash paid for purchase of property, plant and equipment	(1,130,823,229.50)	(335,634,855.62)	(202,764,720.18)	(134,325,592.68)
Cash received from sale of building and equipment	917,685.00	1,638,516.50	421,965.00	137,432.00
Cash paid for purchase of computer software	(126,155.00)	(3,566,999.50)	(76,935.00)	(1,389,530.00)
Decrease in advance payment of assets	24,262,681.54	4,496,686.90	-	3,678,660.00
Cash received interest	4,577,627.74	7,934,533.39	4,500,299.46	547,455.91
Net cash used in investing activities	(1,045,898,082.78)	(327,349,478.19)	(275,734,199.88)	(72,561,945.58)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts	(1,225,753.97)	(2,362,899.89)	-	-
Cash received from short-term loans from financial institutions	270,000,000.00	560,000,000.00	270,000,000.00	300,000,000.00
Cash paid for short-term loans from financial institutions	(306,625,000.00)	(148,375,000.00)	(290,000,000.00)	(50,000,000.00)
Cash received from short-term loans from related parties	64,000,000.00	136,000,000.00	-	45,000,000.00
Cash paid for short-term loans from related parties	(20,800,000.00)	(176,500,000.00)	-	(139,000,000.00)
Cash received from short-term loans from other persons	6,000,000.00	1,500,000.00	-	1,000,000.00
Cash paid for short-term loans from other persons	(3,600,000.00)	(139,750,000.00)	(1,500,000.00)	(1,000,000.00)
Cash received from long-term loans from financial institutions	950,000,000.00	-	400,000,000.00	-
Cash paid for long-term loans from financial institution	(307,554,285.76)	(297,634,285.76)	(74,040,000.00)	(113,720,000.00)
Cash received from advance payment for share subscription	36,378,150.00	-	-	-
Cash received for share subscription from non-controlling interests	57,790,000.00	-	-	-
Cash paid for debt under financial leases agreements	(1,102,340.23)	(726,367.55)	-	-
Cash paid for dividend	(252,406,858.42)	(258,151,206.11)	(208,670,103.42)	(188,816,643.61)
Cash paid for interest expenses	(89,790,241.38)	(91,118,417.18)	(26,140,258.77)	(23,281,423.07)
Net cash provided by (used in) financing activities	401,063,670.24	(417,118,176.49)	69,649,637.81	(169,818,066.68)

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



**CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**1. GENERAL INFORMATION**

The Company was registered on February 11, 1975 and later registered as a public company on December 23, 1993, registration number 0107536001621 with its registered head office located at 1, Sukkasem Road, Tambon Paton, Amphur Muang, Chiangmai.

Its main and subsidiary companies' business activity is the providing of medical services the Company services as known in "Lanna Hospital".

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

**2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis for preparation of the financial statements**

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

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

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

**2.2 Basis of consolidated financial statements preparation**

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

Company name	Type of business	Percentage of share holding		Head office
		2019	2018	
Subsidiaries company by direct control				
Chiang Mai Ram Hospital Co., Ltd.	Hospital	56.37	56.37	Chiang Mai
Hariphunchai Memorial Hospital Co., Ltd.	Hospital	86.70	86.70	Lumpoon



Company name	Type of business	Percentage of share holding		Head office
		2019	2018	
Direct subsidiaries and associated companies				
Subsidiaries company				
Theppanya Business Co., Ltd.	Hospital	99.99	99.99	Chiang Mai
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	Hospital	63.91	-	Chiang Mai
(Held by Chiang Mai Ram Medical Business				
Public Co., Ltd. 18.00%)				-
Associated company				
Khelang Nakorn Hospital Co., Ltd.	Hospital	25.44	25.44	Lumphang
Associated company held by Theppanya Business Co., Ltd.				
Pawo Hospital Co., Ltd.	Hospital	50.00	50.00	Tak

According to the Board of Directors' Meeting No. 7/2018 dated December 25, 2018, it had the resolution for Chiang Mai Ram Medical Business Public Company Limited and Chiang Mai Ram Hospital Co., Ltd. to invest in Ramkhamhaeng Chiangmai Hospital Co., Ltd. On March 1, 2019, the Company had held the shares in such company for 18% and its subsidiary - Chiang Mai Ram Hospital Co., Ltd. had held the shares for 63% totaled 81%. From investing and having control over such business, it had resulted for Ramkhamhaeng Chiangmai Hospital Co., Ltd. to be considered as the subsidiary of Chiang Mai Ram Hospital Co., Ltd. The Group has adopted the financial statements of such companies to prepare the consolidated financial statements from the first quarter of 2019, onwards.

On May 2, 2019, such company has call up Baht 7 per share, from Chiang Mai Ram Medical Business Public Company Limited amounted Baht 50.40 million and from its subsidiary, Chiang Mai Ram Hospital Co., Ltd. amounted Baht 179.79 million totaled Baht 230.19 million, resulting in subsidiary - Chiang Mai Ram Hospital Co., Ltd. held in that company to increase from 63.00% to 63.85% totaled 81.85%. The Company and its subsidiary have already paid for the shares in the full amount.



On July 26, 2019, Ramkhamhaeng Chiangmai Hospital Co., Ltd had registered the capital increase for 4 million shares at Baht 10 per share, amounted Baht 40.00 million. Chiang Mai Ram Medical Business Public Company Limited had paid the share amounted Baht 7.20 million and from its subsidiary, Chiang Mai Ram Hospital Co., Ltd. amounted Baht 25.82 million totaled Baht 33.02 million, resulting in subsidiary - Chiang Mai Ram Hospital Co., Ltd. Held in that company to increase from 63.85% to 63.91% totaled 81.91%. The Company and its subsidiary have already paid for the shares in the full amount.

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

### 2.3 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### 2.4 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

### **Financial reporting standards related to financial instruments:**

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

### **TFRS 16 Leases**

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Recognition of revenues**

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

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

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

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

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



### 3.2 Recognition of expenses

Expenses are recognized on an accrual basis.

### 3.3 Cash and cash equivalents

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

### 3.4 Trade receivables, other receivables and allowance for doubtful accounts

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

### 3.5 Inventories

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

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

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

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

### 3.6 Investments

#### Available-for-sale investments

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

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

#### Investments in associates and subsidiaries

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

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

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

#### General investments - investment in related parties and other companies

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

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

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

### 3.7 Goodwill

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

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

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

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



### 3.8 Investment property

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

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

### 3.9 Property, plant and equipment

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

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

Expenditure related to improvement, life renewal or improvement of assets which will cause the present replacement prices of the assets materially increased will be combined as cost prices of assets. Given repairing fee and maintenance is recognized as expense in the accounting period that occurred.

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

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

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

<u>Type of fixed assets</u>	<u>Years</u>
Land improvements	10
Buildings	20 - 50
Building improvements	10
Medical equipment	5 - 25
Furniture, fixture and equipment	5 - 25
Vehicles	5 - 10

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

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

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

Depreciation is included in determining income.

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

#### 3.10 Borrowing costs

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

#### 3.11 Intangible assets

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

#### 3.12 Impairment of assets

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

#### 3.13 Operation leased contract

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

#### 3.14 Financial leased contract

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

#### 3.15 Trade and others payables

Trade and other payables were shown in cost method.

#### 3.16 Financial instruments

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

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

#### 3.17 Using of accounting estimation

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

#### 3.18 Provisions

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



### 3.19 Appropriation of retained earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

### 3.20 Employee benefits

#### Short-term employment benefits

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

#### Post-employment benefits (Defined benefit plans)

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

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

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

### 3.21 Related parties

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

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



### 3.22 Income tax

Income tax comprises current income tax and deferred tax.

#### Current tax

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

#### Deferred tax

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

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

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

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

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

### 3.23 Basic earnings per share

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

### 3.24 Significant accounting judgements and estimates

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

#### Allowance for doubtful accounts

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

#### Accrued revenues from hospital operations

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

#### Impairment of investment

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

#### Leases

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

#### Investment property/Depreciation

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

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

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

#### Property, plant and equipment/Depreciation

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

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

#### Goodwill and intangible assets

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

#### Deferred tax assets

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

#### Post-employment benefits under defined benefit plans

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



#### 4. CASH AND CASH EQUIVALENTS

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	3,463,927.00	3,540,193.75	2,302,033.75	2,301,870.75
Bank deposit - saving accounts	484,412,058.14	240,987,308.02	231,273,969.18	152,013,701.53
Bank deposit - current accounts	16,293,420.65	437,013.31	1,037,380.79	(3,985,440.57)
Bank deposit - fixed accounts 3 months	715,797.41	710,156.23	-	-
Total	504,885,203.20	245,674,671.31	234,613,383.72	150,330,131.71

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

#### 5. TRADE RECEIVABLES

Trade receivables classified by their ages were as follow :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued income	225,934,377.31	354,373,604.57	146,770,887.10	208,434,602.05
Trade receivables classified by their ages				
within due period	147,624,050.20	107,878,820.25	41,971,882.13	30,252,777.74
over due period				
Less than and up to 3 months	82,404,370.73	75,194,240.66	28,492,236.40	25,833,528.36
Over 3 months up to 6 months	12,496,622.39	11,964,872.49	1,386,442.00	975,064.25
Over 6 months up to 12 months	8,066,023.25	9,253,725.68	1,287,692.44	941,183.82
Over more than 12 months	46,221,711.05	62,478,893.20	897,731.00	1,186,055.00
Total	522,747,154.93	621,144,156.85	220,806,871.07	267,623,211.22
Less Allowance for doubtful accounts	(63,183,484.49)	(74,029,533.18)	(1,532,619.00)	(1,881,216.00)
Trade receivables - net	459,563,670.44	547,114,623.67	219,274,252.07	265,741,995.22

For the years ended December 31, 2019 and 2018, the movement of allowance for doubtful accounts were as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Allowance for doubtful accounts - beginning	(74,029,533.18)	(84,681,129.66)	(1,881,216.00)	(2,641,413.00)
(Increase) Decrease during the year	(8,398,535.22)	(6,295,005.92)	(713,740.00)	(61,619.00)
Bad debt	19,244,583.91	16,946,602.40	1,062,337.00	821,816.00
Allowance for doubtful accounts - ending	(63,183,484.49)	(74,029,533.18)	(1,532,619.00)	(1,881,216.00)

## 6. SHORT-TERM LOANS TO RELATED PARTIES

For the years ended December 31, 2019 and 2018, the movement of short-term loans to related parties were as follows:

	Interest rate per annum (%)	Baht			
		Consolidated financial statements			Balance as at December 31, 2019
		Balance as at December 31, 2018	Transaction during the year Increase	Settlement	
Khonkaen Ram Hospital Co., Ltd.	4.25 - 7.00	18,000,000.00	-	-	18,000,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	46,800,000.00	-	(46,800,000.00)	-
Gassan Marina Golf Club Co., Ltd.	3.75 - 4.50	76,000,000.00	52,000,000.00	(40,000,000.00)	88,000,000.00
Gassan Chiangmai Property Co., Ltd.	3.75 - 4.50	7,500,000.00	-	-	7,500,000.00
Phayao Ram Hospital Co., Ltd.	8.00	-	5,625,000.00	-	5,625,000.00
Total		148,300,000.00	57,625,000.00	(86,800,000.00)	119,125,000.00

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

	Interest rate per annum (%)	Baht			
		Separate financial statements			Balance as at December 31, 2019
		Balance as at December 31, 2018	Transaction during the year Increase	Settlement	
Chiangmai Ram Hospital Co., Ltd.	3.75	60,000,000.00	50,000,000.00	(110,000,000.00)	-
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	3.75	21,600,000.00	-	(21,600,000.00)	-
Hariphunchai Memorial Hospital Co., Ltd.	3.50 - 4.20	-	100,000,000.00	-	100,000,000.00
Gassan Marina Golf Club Co., Ltd.	4.00 - 4.50	-	10,000,000.00	-	10,000,000.00
Total		81,600,000.00	160,000,000.00	(131,600,000.00)	110,000,000.00

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

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

## 7. INVENTORIES

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Medicine and medical supplies	112,827,558.23	112,560,017.58	26,956,645.48	30,902,757.53
Other supplies	3,243,037.79	3,815,701.63	-	-
Total	<u>116,070,596.02</u>	<u>116,375,719.21</u>	<u>26,956,645.48</u>	<u>30,902,757.53</u>

## 8. FIXED DEPOSIT USED FOR PLEDGE

As at December 31, 2019 and 2018, the Company and its subsidiaries pledges the fixed deposit of commercial banks which is fixed deposit carried the period of 3 months and 12 months, interest rate in the rate of 0.55 - 1.00% while the interest of fixed deposit can be withdrawn, to guarantee for using electricity, guarantee for post department, guarantee for social security office and bank aval value of Baht 36.25 million and Baht 44.49 million, respectively (the separate, guarantee for using electricity and social security office in the amount of Baht 21.97 million and Baht 22.71 million, respectively).

## 9. AVAILABLE-FOR-SALE INVESTMENTS

Consisted of :

	Baht			
	Consolidated financial statements			
	Investments at fair value		Dividend income	
	2019	2018	2019	2018
Unit trust at cost	733,518.53	733,518.53	-	-
Investment in marketable equities securities				
- common stock	<u>133,068,846.05</u>	<u>137,425,634.42</u>	<u>84,885,378.72</u>	<u>15,910,010.00</u>
Total cost	<u>133,802,364.58</u>	<u>138,159,152.95</u>	<u>84,885,378.72</u>	<u>15,910,010.00</u>
Add Unrealized gain on remeasuring of investments	<u>2,505,998,652.26</u>	<u>2,157,746,366.37</u>	<u>-</u>	<u>-</u>
Total available-for-sale investments				
- at fair value	<u>2,639,801,016.84</u>	<u>2,295,905,519.32</u>	<u>84,885,378.72</u>	<u>15,910,010.00</u>

The consolidated financial statements for the years ended December 31, 2019 and 2018, the movement of available-for-sale investments were as follows:

	Baht	
	2019	2018
Beginning book value - net	2,295,905,519.32	2,610,051,338.27
Purchased investment	17,955,661.98	123,820,802.91
Sold investment	(22,312,450.35)	(111,679,272.28)
Changes in fair value	<u>348,252,285.89</u>	<u>(326,287,349.58)</u>
Ending book value - net	<u>2,639,801,016.84</u>	<u>2,295,905,519.32</u>



The consolidated financial statement for the years ended December 31, 2019 and 2018, changes in fair value, consisted of :

	Baht	
	2019	2018
Unit trust	13,991.61	9,160.70
Investment in marketable equity security		
- Common stock Ramkhamkaeng Hospital Public Co., Ltd.	351,818,400.00	(317,326,400.00)
- Common stock Other companies	(3,580,105.72)	(8,970,110.28)
Total	<u>348,252,285.89</u>	<u>(326,287,349.58)</u>

## 10. INVESTMENT IN ASSOCIATES

Consisted of :

Name of associated company	Paid-up Capital (Baht)		Share-holding (%)		Baht			
					Consolidated financial statements			
	2019	2018	2019	2018	Equity method		Cost method	
					2019	2018	2019	2018
Khelang Nakorn Hospital Co., Ltd.	89,708,200.00	89,708,200.00	25.44	25.44	110,655,531.06	101,804,620.21	30,882,500.00	30,882,500.00
Pawo Hospital Co., Ltd.	11,625,750.00	11,625,750.00	50.00	50.00	15,835,382.44	13,030,339.02	29,813,599.98	29,813,599.98
Less Allowance for impairment of investment								
- Pawo Hospital Co., Ltd.					-	-	(13,978,217.54)	(16,783,260.96)
Total					<u>126,490,913.50</u>	<u>114,834,959.23</u>	<u>46,717,882.44</u>	<u>43,912,839.02</u>

Name of associated company	Type of business	Relationship	Baht	
			Consolidated financial statements	
			Dividend	
			2019	2018
Khelang Nakorn Hospital Co., Ltd.	Hospital	Related company by shareholder and director	6,846,705.00	4,564,470.00
Pawo Hospital Co., Ltd.	Hospital	Related company by shareholder and director	-	-
Total			<u>6,846,705.00</u>	<u>4,564,470.00</u>

Share of profit (loss) of associates in the consolidated financial statements for the years ended December 31, 2019 and 2018, were as follows:

	Baht	
	2019	2018
Khelang Nakorn Hospital Co., Ltd.	16,002,072.61	13,356,201.89
Pawo Hospital Co., Ltd.	2,805,043.42	(2,609,709.09)
Total	18,807,116.03	10,746,492.80

Share of profit (loss) of other comprehensive income of associates for the years ended December 31, 2019 and 2018, were as follows:

	Baht	
	2019	2018
Loss on define employee benefit plans		
Khelang Nakorn Hospital Co., Ltd.	(304,456.76)	-
Pawo Hospital Co., Ltd.	-	-
Total	(304,456.76)	-

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

	Baht	
	2019	2018
Current assets	120,395,521.62	85,477,513.76
Non-current assets	393,061,595.13	371,726,527.67
Current liabilities	49,418,639.99	38,246,046.90
Non-current liabilities	29,071,766.60	18,782,600.60
Revenue	443,667,234.65	391,435,224.86
Profit for the year	62,900,540.23	52,563,962.65
Total comprehensive income for the year	61,703,776.23	52,563,962.65



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

	Baht	
	2019	2018
Net assets	434,966,710.16	400,175,393.93
Proportion of the interest	25.44%	25.44%
Carrying amount of the interest	110,655,531.06	101,804,620.21

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

	Baht	
	2019	2018
Current assets	26,258,209.26	21,005,801.71
Non-current assets	18,487,420.44	17,868,921.41
Current liabilities	11,057,271.83	11,348,011.10
Non-current liabilities	2,017,593.00	1,466,034.00
Revenue	88,945,916.15	65,526,225.70
Profit (loss) for the year	5,610,086.85	(5,219,418.17)
Total comprehensive income for the year	5,610,086.85	(5,219,418.17)

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

	Baht	
	2019	2018
Net assets	31,670,764.87	26,060,678.02
Proportion of the interest	50.00%	50.00%
Carrying amount of the interest	15,835,382.44	13,030,339.02

## 11. INVESTMENT IN SUBSIDIARIES

Consisted of :

Name of Subsidiary companies	Paid-up capital		Share- holding (%)		Baht			
	(Million Baht)				Separate financial statements			
					Cost method		Dividend	
	2019	2018	2019	2018	2019	2018	2019	2018
Chiang Mai Ram Hospital Co., Ltd.	400	400	56.37	56.37	768,537,750.00	768,537,750.00	56,365,625.00	84,548,437.50
Hariphunchai Memorial Hospital Co., Ltd.	150	150	86.70	86.70	431,145,000.00	431,145,000.00	13,005,000.00	26,010,000.00
Ramkhamhaeng Chiangmai Hospital Co., Ltd.	440	-	18.00	-	79,200,000.00	-	-	-
Total					1,278,882,750.00	1,199,682,750.00	69,370,625.00	110,558,437.50

Summarized financial information in respect of subsidiaries, represents amounts before intragroup eliminations.

	Baht					
	2019			2018		
	Chiang Mai Ram Hospital Co., Ltd.	Hariphunchai Memorial Hospital Co., Ltd.	Ramkhamhaeng Chiangmai Hospital Co., Ltd.	Chiang Mai Ram Hospital Co., Ltd.	Hariphunchai Memorial Hospital Co., Ltd.	Ramkhamhaeng Chiangmai Hospital Co., Ltd.
Current assets	651,624,210.87	96,052,998.50	88,352,356.50	486,979,794.78	135,906,502.40	-
Non-current assets	6,437,378,299.46	601,728,781.49	597,251,855.32	5,424,196,092.01	468,102,422.06	-
Current liabilities	1,474,176,030.81	228,429,784.80	248,100,112.23	1,312,270,827.50	106,635,907.48	-
Non-current liabilities	1,470,602,254.14	25,562,180.36	-	1,124,441,849.70	17,629,588.00	-
Non-Controlling interests	1,748,323,230.06	66,614,809.62	79,124,565.44	1,524,991,864.37	71,608,655.62	-
Revenue	2,496,895,015.51	343,168,622.07	857,645.04	2,216,200,750.01	333,796,653.39	-
Profit attributable to the non-controlling interests	153,910,376.87	(3,389,921.33)	(465,434.58)	89,554,998.48	2,451,973.40	-
Other comprehensive income (loss) to the non-controlling interests	(113,055,363.81)	391,075.33	-	(113,887,336.48)	-	-
Dividend paid to non-controlling interests	43,634,375.00	1,995,000.00	-	65,451,562.50	3,990,000.00	-
Net cash provide by operating activities	540,256,993.24	72,448,048.92	(543,277.68)	318,633,894.14	32,401,789.76	-
Net cash used in investing activities	(675,292,904.32)	(159,937,852.95)	(559,577,886.58)	(162,866,446.84)	(41,502,558.22)	-
Net cash provide by financing activities	311,307,150.33	86,145,844.66	616,935,388.53	(270,423,077.19)	(27,450,827.66)	-
Net cash increase (decrease)	176,271,239.25	(1,343,959.37)	56,814,224.27	(114,655,629.89)	(36,551,596.12)	-

#### Investment in Ramkhamhaeng Chiangmai Hospital Co., Ltd.

On December 25, 2018, Board of directors of the Company and its subsidiary, Chiang Mai Ram Hospital Co., Ltd., resolved to approve Chiang Mai Ram Medical Business Public Company Limited and Chiang Mai Ram Hospital Co., Ltd. to invest in the ordinary shares of Ramkhamhaeng Chiangmai Hospital Co., Ltd. which is a newly established company on October 30, 2018 with the registered capital of Baht 1 million. On March 1, 2019, the registered capital has been increased to Baht 400 million. Chiang Mai Ram Medical Business Public Company Limited and Chiang Mai Ram Hospital Co., Ltd. will invest in such company 18% and 63% of the shares issued and paid up of such company, respectively. On February 27, 2019, such company has call up 30% of registered capital from Chiang Mai Ram Medical Business Public Company Limited amounted Baht 21.60 million and from its subsidiary, Chiang Mai Ram Hospital Co., Ltd. amounted Baht 75.60 million totaled Baht 97.20 million, respectively. The capital increase has been registered by Ramkhamhaeng Chiangmai Hospital Co., Ltd. on March 1, 2019.

The carrying amounts of net asset of Ramkhamheang Chiangmai Hospital Co., Ltd. as at March 1, 2019, which was the nearest date to the acquisition date included in the Company's consolidated financial statement are available as follows :

	Baht
<u>Assets</u>	
Cash and cash equivalents	21,123,298.55
Other current assets	700,037.02
Property, plant and equipment	40,594,859.00
Advance payment of assets	57,268,500.00
<u>Liabilities</u>	
Accrued expense	(517,046.48)
Net assets	119,169,648.09
<u>Less non-controlling interests</u>	(23,209,233.13)
Share of net assets aquired	95,960,414.96
Excess of investment over the acquirer's interest in the book value of the acquiree's net assets	1,239,585.04
Total purchase consideration - cash (Both of the Company and subsidiary)	97,200,000.00
<u>Less</u> Transfer as loan to investment in subsidiary	(46,800,000.00)
Cash and cash equivalents in subsidiary acquired	(21,123,298.55)
Cash outflow on acquisition of investment, net of cash and cash equivalents acquired	29,276,701.45

The Company identifies the fair value of assets and liabilities that consolidated on the acquisition date by the book value of the Ramkhamheang Chiangmai Hospital Co., Ltd. So, the Company recorded excess of investment over the acquirer's interest in the book value of the acquiree's net assets as expenses in the statement of comprehensive income.

On May 2, 2019, such company has call up Baht 7 per share, from Chiang Mai Ram Medical Business Public Co., Ltd. amounted Baht 50.40 million and from its subsidiary, Chiang Mai Ram Hospital Co., Ltd. amounted Baht 179.79 million totaled Baht 230.19 million, resulting in subsidiary - Chiang Mai Ram Hospital Co., Ltd. Held in that company to increase from 63.00% to 63.85% totaled 81.85% and the difference from purchasing shares in the subsidiary from non-controlling interests was amount Baht 5,508.00, represented as shareholders' equity in consolidated financial statements. The Company and its subsidiary have already paid for the shares in the full amount.

On July 26, 2019, the subsidiary Ramkhamhaeng Chiangmai Hospital Co., Ltd had registered the capital increase for 4 million shares at Baht 10 per share, amounted Baht 40.00 million. Chiang Mai Ram Medical Business Public Company Limited had paid the share amounted Baht 7.20 million and from its subsidiary, Chiang Mai Ram Hospital Co., Ltd. amounted Baht 25.82 million totaled Baht 33.02 million, resulting in subsidiary - Chiang Mai Ram Hospital Co., Ltd. Held in that company to increase from 63.85% to 63.91% totaled 81.91%. and the difference from purchasing shares in the subsidiary from non-controlling interests was amount Baht 14,418.20, represented as shareholders' equity in consolidated financial statements. The Company and its subsidiary have already paid for the shares in the full amount.



On December 4, 2019, Board of director of its subsidiary - Ramkhamhaeng Chiangmai Hospital Co., Ltd. has a resolution to increase the registered capital for 56 million shares at Baht 10.00 per share amounted to Baht 560.00 million. The Company has paid the shares amounted to Baht 40.32 million and the subsidiary - Chiang Mai Ram Hospital Co., Ltd. has paid the shares amounted to Baht 146.48 million. Resulting from such transaction, the Company has the advance payment for shares subscription of Baht 40.32 million stated in the separate financial statements and has the advance received for shares subscription of Baht 36.38 million in the consolidated financial statements. The subsidiary - Ramkhamhaeng Chiangmai Hospital Co., Ltd. has registered the capital increase with the Department of Business Development on February 14, 2020.

As at December 31, 2019 and 2018, partial share certificates from investment in subsidiaries at the total cost of Baht 1,010.46 million were pledged as collateral for short-term loans from financial institutions.

## 12. OTHER LONG-TERM INVESTMENTS

Consisted of :

Name of company	Baht				Dividend (Baht)			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Related parties</b>								
(shareholding by the Company or its subsidiary and co-direction)								
Phayao Ram Hospital Co., Ltd.	375,000.00	375,000.00	-	-	2,250,000.00	375,000.00	-	-
Khonkaen Ram Hospital Co., Ltd.	13,050,000.00	13,050,000.00	-	-	1,200,000.00	1,200,000.00	-	-
Bhumpanya International Co., Ltd.	60,000,000.00	60,000,000.00	-	-	-	-	-	-
Chaiyapum Ram Hospital Co., Ltd.	1,200,000.00	1,200,000.00	-	-	-	-	-	-
Gassan Marina Golf Club Co., Ltd.	220,000,000.00	220,000,000.00	35,000,000.00	35,000,000.00	-	-	-	-
Nan-Ram Hospital Co., Ltd.	10,000,000.00	-	-	-	-	-	-	-
<b>Total</b>	<b>304,625,000.00</b>	<b>294,625,000.00</b>	<b>35,000,000.00</b>	<b>35,000,000.00</b>	<b>3,450,000.00</b>	<b>1,575,000.00</b>	<b>-</b>	<b>-</b>
<b>Less Allowance for impairment of investment</b>								
Bhumpanya International Co., Ltd.	(60,000,000.00)	(60,000,000.00)	-	-	-	-	-	-
Chaiyapum Ram Hospital Co., Ltd.	(618,240.00)	(606,840.00)	-	-	-	-	-	-
<b>Total</b>	<b>(60,618,240.00)</b>	<b>(60,606,840.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investment in related companies-net</b>	<b>244,006,760.00</b>	<b>234,018,160.00</b>	<b>35,000,000.00</b>	<b>35,000,000.00</b>	<b>3,450,000.00</b>	<b>1,575,000.00</b>	<b>-</b>	<b>-</b>
<b>Other companies</b>								
(shareholding by its subsidiary but no co-director)								
Phitsanulok Inter Medical Co, Ltd.	1,008,000.00	1,008,000.00	-	-	-	-	-	-
<b>Total investment in other companies</b>	<b>1,008,000.00</b>	<b>1,008,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investments in related and other companies-net</b>	<b>245,014,760.00</b>	<b>235,026,160.00</b>	<b>35,000,000.00</b>	<b>35,000,000.00</b>	<b>3,450,000.00</b>	<b>1,575,000.00</b>	<b>-</b>	<b>-</b>

Name of company	Type of business	Holding portion (%)					
		Paid-up capital (Baht)		Consolidated		Separate	
				financial statements		financial statements	
		2019	2018	2019	2018	2019	2018
<u>Related parties</u>							
(share holding by the Company or its subsidiary and co-director)							
Phayao Ram Hospital Co., Ltd.	Hospital	7,500,000.00	7,500,000.00	5.00	5.00	-	-
Khonkaen Ram Hospital Co., Ltd.	Hospital	80,000,000.00	80,000,000.00	7.50	7.50	-	-
Bhumpanya International Co., Ltd.	Education	600,000,000.00	600,000,000.00	10.00	10.00	-	-
Chaiyapum Ram Co., Ltd.	Hospital	558,000,000.00	558,000,000.00	0.22	0.22	-	-
Gassan Marina Golf Club Co., Ltd.	Golf Club / Hotel	2,000,000,000.00	2,000,000,000.00	11.00	11.00	1.75	1.75
Nan-Ram Hospital Co., Ltd.	Hospital	150,000,000.00	-	6.67	-	-	-
<u>Other Companies</u>							
(shareholding by its subsidiary but no co-director)							
Phitsanulok Inter medical Co., Ltd.	Hospital	160,000,000.00	160,000,000.00	4.38	4.38	-	-

#### Investment in Chaiyapum Ram Hospital Co., Ltd

In the year 2019 and 2018, the subsidiary recorded provision for impairment of investment in Chaiyapum Ram Hospital Co., Ltd in amount of Baht 11,400.00 and Baht 7,080.00, respectively, due to this company had operations loss.

#### Investment in Nan-Ram Hospital Company Limited

At the Board of Directors' meeting held on September 19, 2019 of subsidiary, Chiang Mai Ram Hospital Co., Ltd., it has invested in Nan-Ram Hospital Company Limited., totalling 1.00 million shares of Baht 10 per share in the amount of Baht 10.00 million will invest in such company 6.67%. The subsidiary has already paid for the shares in the full amount.

### 13. LONG-TERM LOANS TO RELATED PARTIES

The consolidated financial statements for the years December 31, 2019 and 2018 the movements of long-term loans to related parties were as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Settlement	December 31, 2019
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	(5,625,000.00)	-
Gassan Khuntan Golf and Resort Co., Ltd	24,000,000.00	-	-	24,000,000.00
Bhumpanya International Co., Ltd.	29,228,729.89	-	-	29,228,729.89
	58,853,729.89	-	(5,625,000.00)	53,228,729.89
<u>Less</u> Allowance for doubtful accounts	(29,228,729.89)	-	-	(29,228,729.89)
Net	29,625,000.00			24,000,000.00



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

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

As at December 31, 2019 and 2018, long-term loans to Gassan Khuntan Golf and Resort Co., Ltd. was in the form of contract. This loan had guarantee by 240,000 shares of Gassan Khuntan Golf and Resort Co., Ltd. with interest at the rate of 5% per annum.

As at December 31, 2019 and 2018, long-term loans to Bhumpanya International Co., Ltd. was in the form of contract with interest at the rate of 4.50% per annum, this loan had no any guarantee. From July 2014, this loan had no interest.

#### 14. INVESTMENT PROPERTY

Investment property consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Decrease	December 31, 2019
			Transfer in (Transfer out)	
<u>At cost</u>				
Land	20,783,809.15	-	-	20,783,809.15
Buildings for rent	65,691,745.71	-	-	65,691,745.71
Total	86,475,554.86			86,475,554.86
<u>Less</u> Accumulated depreciation				
buildings for rent	(4,707,156.82)	(2,189,724.86)	-	(6,896,881.68)
Investment property - net	<u>81,768,398.04</u>			<u>79,578,673.18</u>

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

The subsidiary's investment property is land and buildings for rent which it was built in 2016, the subsidiary had land revalued by an independent appraisal which as at December 31, 2019 and 2018 the fair value was amount of Baht 32.19 million.

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

For the year ended December 31, 2019 and 2018 the subsidiary had rental income from investment property in the amount of Baht 5.23 million and Baht 3.84 million, respectively and operating expenses in the amount of Baht 2.90 million and Baht 2.18 million, respectively, which were recognized in the statement of comprehensive income.

Investment property of the subsidiary are mortgaged as collateral of credit facilities from financial institutions as discussed in Note 18 and 21 to the financial statement.

## 15. PROPERTY, PLANT AND EQUIPMENT

Consisted of :

	Baht					
	Consolidated financial statements					
	Balance as at December 31, 2018	Increase	Asset from acquisitions of assets (Note 11)	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2019
<u>At cost</u>						
Land	2,553,443,197.18	526,662,105.50	40,594,859.00	-	-	3,120,700,161.68
Land improvements	24,583,367.02	18,347,365.50	-	-	4,719,231.00	47,649,963.52
Building	1,505,959,147.60	157,572,015.20	-	(1,692,341.00)	2,794,300.00	1,664,633,121.80
Building improvement	133,626,929.31	1,038,167.63	-	(48,675.00)	-	134,616,421.94
Medical equipment	1,205,369,940.39	92,063,389.93	-	(63,180,753.84)	-	1,234,252,576.48
Furniture, fixture and equipment	1,049,484,928.11	23,497,317.37	-	(15,986,548.40)	11,190,470.58	1,068,186,167.66
Vehicles	63,379,255.23	4,870,145.00	-	(2,145,887.12)	-	66,103,513.11
Construction in progress	27,231,665.18	353,394,717.33	-	-	(18,704,001.58)	361,922,380.93
Total	6,563,078,430.02	1,177,445,223.46	40,594,859.00	(83,054,205.36)	-	7,698,064,307.12
<u>Less Accumulated depreciation</u>						
Land improvements	(14,319,780.08)	(1,794,106.14)	-	-	-	(16,113,886.22)
Building	(578,440,674.10)	(74,316,293.10)	-	1,692,339.00	-	(651,064,628.20)
Building improvement	(88,938,800.87)	(7,852,135.18)	-	48,674.00	-	(96,742,262.05)
Medical equipment	(778,013,228.53)	(77,954,810.57)	-	62,610,870.85	-	(793,357,168.25)
Furniture, fixture and equipment	(604,485,069.61)	(90,604,238.33)	-	15,865,142.78	-	(679,224,165.16)
Vehicles	(44,231,096.78)	(5,080,058.35)	-	1,936,364.89	-	(47,374,790.24)
Total	(2,108,428,649.97)	(257,601,641.67)	-	82,153,391.52	-	(2,283,876,900.12)
Property, plant and equipment, net	4,454,649,780.05					5,414,187,407.00

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



Baht					
Separate financial statements					
	Balance as at December 31, 2018	Increase	Disposal	Transfer in (Transfer out)	Balance as at December 31, 2019
<b>At cost</b>					
Land	716,225,199.83	-	-	-	716,225,199.83
Land improvements	13,372,327.02	-	-	-	13,372,327.02
Building	279,023,022.49	-	-	-	279,023,022.49
Building improvement	133,626,929.31	1,038,167.63	(48,675.00)	-	134,616,421.94
Medical equipment	383,123,693.31	12,360,613.85	(2,233,385.84)	-	393,250,921.32
Furniture, fixture and equipment	305,687,485.55	3,521,927.61	(7,925,374.51)	11,190,470.58	312,474,509.23
Vehicles	13,893,177.12	270,000.00	(224,887.12)	-	13,938,290.00
Construction in progress	16,963,565.18	255,538,738.64	-	(11,190,470.58)	261,311,833.24
Total	1,861,915,399.81	272,729,447.73	(10,432,322.47)	-	2,124,212,525.07
<b>Less Accumulated depreciation</b>					
Land improvements	(11,215,843.45)	(495,771.84)	-	-	(11,711,615.29)
Building	(95,367,815.59)	(8,211,418.44)	-	-	(103,579,234.03)
Building improvement	(88,938,800.87)	(7,852,135.18)	48,674.00	-	(96,742,262.05)
Medical equipment	(247,065,619.56)	(28,833,857.31)	2,233,371.84	-	(273,666,105.03)
Furniture, fixture and equipment	(237,765,959.84)	(24,683,729.08)	7,899,682.03	-	(254,550,006.89)
Vehicles	(11,148,304.79)	(882,319.15)	224,857.12	-	(11,805,766.82)
Total	(691,502,344.10)	(70,959,231.00)	10,406,584.99	-	(752,054,990.11)
Property, plant and equipment, net	1,170,413,055.71				1,372,157,534.96

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

### Consolidated financial statements

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

As at December 31, 2019 and 2018, the Company and its subsidiaries had assets with the depreciation fully calculated but still in use which had a cost value of Baht 1,074.35 million and Baht 1,013.69 million, respectively.

As at December 31, 2019 and 2018, land and part of building with a book value of Baht 2,393.18 million and Baht 1,604.25 million, respectively, the Company and its subsidiaries used as collateral for bank overdrafts, long-term loans from financial institutions and liability under debt restructuring agreement.

As at December 31, 2019 and 2018, the Company and its subsidiaries had assets at net book value of Baht 1.70 million and Baht 4.24 million, respectively, were assets under the financial lease agreement.

On November 19, 2018, the subsidiary - Ramkhamhaeng Chiangmai Hospital Co., Ltd. had entered into the letter of agreement to buy to sell of land for 8 plots together with buildings with Sukhumvit Asset Management Co., Ltd. The land is situated in Tha Sala, Mueang Chiangmai District, Chiangmai with the total area of 12-0-62 rais (or approximately 4,862 square wah). The total selling price is Baht 381.79 million. The buyer is responsible the fees for registration of land ownership transfers and other expenses related to the transfer of land ownership. The seller is responsible for the withholding tax and specific business tax.

During the year 2018, the subsidiary had deposited the land amounted Baht 38.18 million. As at December 31, 2018, the outstanding obligations under the agreement was Baht 343.61 million.

During the year 2019, the subsidiary had to pay the remaining portion of land fee and other expense related to the transfer of land ownership amounted Baht 348.46 million, total cost of land amount of Baht 386.64 million and registered of land ownership transfers on May 17, 2019.

On November 28, 2019, the subsidiary - Ramkhamhaeng Chiangmai Hospital Co., Ltd. had entered into the letter of agreement to buy to sell of land for 3 plots together with buildings with other persons. The land is situated in Nong Pa Khrang, Mueang Chiangmai District, Chiangmai with the total area of 4-3-01 rais (or approximately 1,901 square wah). The total selling price is Baht 170.57 million. The buyer is responsible the fees for registration of land ownership transfers other expenses related to the transfer of land ownership and withholding tax.

### Separate financial statements

As at December 31, 2019 and 2018, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 431.18 million and Baht 408.20 million, respectively.

As at December 31, 2019 and 2018, land and part of building with a book value of Baht 1,097.05 million and Baht 259.50 million, respectively, were used by the Company as collateral for bank overdrafts, short term loan and long term loan from financial institution.



## 16. INTANGIBLE ASSETS

Consisted of :

	Baht			
	Consolidated financial statements			
	Balance as at	Increase	Transfer in	Balance as at
	December 31, 2018		(Transfer out)	December 31, 2019
Deferred computer software	44,495,524.96	126,155.00	-	44,621,679.96
<u>Less</u> Accumulated amortization	<u>(37,296,845.89)</u>	<u>(2,812,283.46)</u>	-	<u>(40,109,129.35)</u>
Deferred computer software - net	<u>7,198,679.07</u>			<u>4,512,550.61</u>

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

	Baht			
	Separate financial statements			
	Balance as at	Increase	Transfer in	Balance as at
	December 31, 2018		(Transfer out)	December 31, 2019
Deferred computer software	14,974,537.96	76,935.00	-	15,051,472.96
<u>Less</u> Accumulated amortization	<u>(11,406,906.97)</u>	<u>(1,349,097.94)</u>	-	<u>(12,756,004.91)</u>
Deferred computer software - net	<u>3,567,630.99</u>			<u>2,295,468.05</u>

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

## 17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	10,137,270.17	8,116,377.58	9,768,821.80	5,493,756.80
Deferred tax liabilities	(529,671,467.08)	(466,464,658.13)	-	-
Deferred tax assets (liabilities) - net	(519,534,196.91)	(458,348,280.55)	9,768,821.80	5,493,756.80

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2019 and 2018 are summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December	In profit or loss	In other	December
	31, 2018		comprehensive	31, 2019
			income	
Deferred tax assets:				
Trade receivables	13,427,938.36	(6,938,122.05)	-	6,489,816.31
Employee benefits obligations	18,142,984.56	9,062,038.67	5,560,632.40	32,765,655.63
Total	31,570,922.92	2,123,916.62	5,560,632.40	39,255,471.94
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale investments	(431,549,273.27)	-	(69,650,457.18)	(501,199,730.45)
Property, plant and equipment	(58,369,930.20)	779,991.80	-	(57,589,938.40)
Total	(489,919,203.47)	779,991.80	(69,650,457.18)	(558,789,668.85)

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December	In profit or loss	In other	December
	31, 2017		comprehensive	31, 2018
			income	
Deferred tax assets:				
Trade receivables	15,840,656.75	(2,412,718.39)	-	13,427,938.36
Employee benefits obligations	16,022,718.96	2,120,265.60	-	18,142,984.56
Total	31,863,375.71	(292,452.79)	-	31,570,922.92
Deferred tax liabilities:				
Unrealized gain on remeasuring				
available-for-sale investments	(496,806,743.23)	-	65,257,469.96	(431,549,273.27)
Property, plant and equipment	(59,264,380.72)	894,450.52	-	(58,369,930.20)
Total	(556,071,123.95)	894,450.52	65,257,469.96	(489,919,203.47)

Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December	In profit or loss	In other	December
	31, 2018		comprehensive	31, 2019
			income	
Deferred tax assets:				
Trade receivables	28,367.00	45,508.80	-	73,875.80
Employee benefits obligations	5,465,389.80	2,727,413.40	1,502,142.80	9,694,946.00
Total	5,493,756.80	2,772,922.20	1,502,142.80	9,768,821.80

Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December	In profit or loss	In other	December
	31, 2016		comprehensive	31, 2017
			income	
Deferred tax assets:				
Trade receivables	114,575.80	(86,208.80)	-	28,367.00
Employee benefits obligations	5,121,896.20	343,493.60	-	5,465,389.80
Total	5,236,472.00	257,284.80	-	5,493,756.80

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

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	2,944,205.93	4,169,959.90	-	-
Short-term loans from financial institutions	630,000,000.00	666,625,000.00	450,000,000.00	470,000,000.00
Total	632,944,205.93	670,794,959.90	450,000,000.00	470,000,000.00
<u>The credit facilities from financial institutions (Million Baht)</u>				
Bank overdrafts	135	135	40	40
Short-term loans from financial institutions	950	950	740	740
<u>Interest rate (% per annum)</u>				
Bank overdrafts	MOR	MOR	MOR	MOR
Short-term loans from financial institutions	2.78 - 4.20	2.825 - 4.20	2.78 - 4.20	2.825 - 4.20

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

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

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

## 19. SHORT-TERM LOANS FROM RELATED PARTIES

The consolidated financial statements for the years ended December 31, 2019 and 2018 the movement of short-term loans from related parties were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Settlement	December 31, 2019
Related persons				
Company's directors and relative	589,853,817.50	64,000,000.00	(20,800,000.00)	633,053,817.50
Total	589,853,817.50	64,000,000.00	(20,800,000.00)	633,053,817.50

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

The separate financial statements for the years ended December 31, 2019 and 2018, the movement of short-term loans from related parties were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Settlement	December 31, 2019
Related persons				
Company's directors and relative	9,000,000.00	-	-	9,000,000.00
Total	9,000,000.00	-	-	9,000,000.00



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

As at December 31, 2019 and 2018, short-term loans from related parties was in the form of promissory note with annual interest at the rate of 3.35% - 3.75% and 3.25% - 4.50% per annum, respectively. (the separate : at the rate of 3.35% - 3.75% and 3.25% - 4.50 % per annum, respectively). This loan was period of 3 months and had no guarantee.

## 20. SHORT-TERM LOANS FROM OTHER PERSONS

The consolidated financial statements for the years ended December 31, 2019 and 2018, the movement of short - term loans from other persons were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Settlement	December 31, 2019
Other persons	68,400,000.00	6,000,000.00	(3,600,000.00)	70,800,000.00

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

The separate financial statements for the years ended December 31, 2019 and 2018, the movement of short - term loans from other persons were as follows:

	Baht			
	Balance as at	Transaction during the year		Balance as at
	December 31, 2018	Increase	Settlement	December 31, 2019
Other persons	20,500,000.00	-	(1,500,000.00)	19,000,000.00

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

As at December 31, 2019 and 2018, the Company and its subsidiaries short-term loans from other persons were in form of promissory notes, carried period of repayment three months with interest at the rate of 3.35 - 4.00% (the separate : at the rate of 3.75 - 4.00% per annum). This loan had no guarantee.



## 21. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loans from financial institution	1,680,138,095.12	1,037,692,380.88	523,200,000.00	197,240,000.00
Less : Current portion	(395,504,285.76)	(253,654,285.76)	(132,140,000.00)	(74,040,000.00)
Net	1,284,633,809.36	784,038,095.12	391,060,000.00	123,200,000.00

Movement of long-term loans for the years ended December 31, 2019 and 2018 were as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balance as of beginning	1,037,692,380.88	1,335,326,666.64	197,240,000.00	310,960,000.00
Increase in during the year	950,000,000.00	-	400,000,000.00	-
Repayment during the year	(307,554,285.76)	(297,634,285.76)	(74,040,000.00)	(113,720,000.00)
Balance as of ending	1,680,138,095.12	1,037,692,380.88	523,200,000.00	197,240,000.00

As at December 31, 2019 and 2018, the Company and its subsidiaries had long-term loan facilities from local commercial banks in the amount of Baht 3,720 million and Baht 1,955 million, respectively (The separate: amount of Baht 1,570 million and Baht 370 million, respectively) which has been withdrawn amount of Baht 2,420 million and Baht 1,940 million, respectively, (the separate : amount of Baht 670 million and Baht 370 million, respectively).

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

The 1<sup>st</sup> loan : On August 26, 2016, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 300 million which has been withdrawn amounting to Baht 300 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 5.00 million, bear interest at the rate of 3 month fixed deposit plus 2.00% per annum. As at December 31, 2019 and 2018, loan balance of Baht 100.00 million and Baht 160.00 million, respectively.

The 2<sup>nd</sup> loan : On August 26, 2016, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 70 million which has been withdrawn amounting to Baht 70 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 1.17 million, bear interest at the rate of 3 month fixed deposit plus 2% per annum. As at December 31, 2019 and 2018, loan balance of Baht 23.20 million and Baht 37.24 million, respectively.

The 3<sup>th</sup> loan : On August 16, 2019, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 1,200 million which has been withdrawn amounting to Baht 400 million. The loan has a term of repayment within 72 months by starting the loan repayment from the 9<sup>th</sup> month since the contract date. The interest at the rate of MLR - 3.668% per annum.

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

<u>After withdrawal the first installment of loan</u>	<u>Repaid by monthly (million baht)</u>
Installment 1 - 71	8.30
Installment 72	Repay the rest of principal and interest under the loan agreement

As at December 31, 2019, loan balance of Baht 400.00 million.

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

Chiang Mai Ram Hospital Co., Ltd

The 4<sup>th</sup> loan : On April 6, 2012, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 485 million which has been withdrawn amounting to Baht 350 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 5.9 million, bear interest at the rate of 3 month fixed deposit plus 3% per annum.

On May 16, 2015 Chiang Mai Ram Hospital Co., Ltd has withdrawn amounting to Baht 120 million. The loan has a term of repayment within 60 months after withdrawal the first installment of loan. The principal will be repaid by monthly basis at Baht 2.5 million and has grace period for 7 months, bear interest at the rate of 3 month fixed plus 2% per annum. As at December 31, 2018, loan balance of Baht 27.50 million. In 2019, the company had fully paid the principal.

The 5<sup>th</sup> loan : On June 17, 2016, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 250 million which has been withdrawn amounting to Baht 250 million. The loan has a term of repayment within 60 months. The principal will be repaid by monthly basis at Baht 4.2 million, bear interest at the rate of MLR minus 2% per annum. As at December 31, 2019 and 2018, loan balance of Baht 73.60 million and Baht 124.00 million, respectively.

The 6<sup>th</sup> loan: On May 24, 2017, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 600 million which has been withdrawn amounting to Baht 600 million. The loan has a term of repayment within 84 months. The interest at the rate of 1 year fixed deposit plus 1.75% per annum. The loan was repaid principal on monthly basis are as follows:

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

As at December 31, 2019 and 2018, loan balance of Baht 413.40 million and baht 495.50 million, respectively.

The 7<sup>th</sup> loan: On March 14, 2019, Chiang Mai Ram Hospital Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 250 million which has been withdrawn amounting to Baht 250 million. The loan has a term of repayment within 60 months. The interest at the rate of 1 year fixed deposit plus 1.75% per annum.

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

After withdrawal the first installment of loan	Repaid by monthly (million baht)
Installment 1 - 59	4.20
Installment 60	Repay the rest of principal and interest under the loan agreement

As at December 31, 2019, loan balance of Baht 212.20 million.

The 8<sup>th</sup> loan : On August 16, 2019, the Company entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 800 million which has been withdrawn amounting to Baht 300 million. The loan has a term of repayment within 72 months by starting the loan repayment from the 9<sup>th</sup> month since the contract date. The interest at the rate of MLR - 3.668% per annum.

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

After withdrawal the first installment of loan	Repaid by monthly (million baht)
Installment 1 - 71	4.75
Installment 72	Repay the rest of principal and interest under the loan agreement

As at December 31, 2019, loan balance of Baht 300.00 million.



### Theppanya Business Co., Ltd

The 9<sup>th</sup> loan : On June 2, 2017, Theppanya Business Co., Ltd., entered into a loan agreement in Baht currency with a local commercial bank in the credit facility amount of Baht 250 million which has been withdrawn amounting to Baht 250 million. The loan has a term of repayment within 84 months. The principal will be repaid by monthly basis at Baht 2.98 million after withdrawal the first installment of loan. The interest at the rate 3.50% per annum. As at December 31, 2019 and 2018, loan balance of Baht 157.74 million and 193.45 million, respectively.

These long-term loans from the financial institutions were secured by the mortgage of the Company's and its subsidiaries' land with construction, plant as discussed in Note 14 and 15 to the financial statements.

## 22. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Consisted of :

	Baht					
	Consolidated financial statements					
	2019			2018		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within						
one year	333,806.46	98,193.54	432,000.00	1,102,345.99	158,462.52	1,260,808.51
Current portion due after one						
year not over five years	937,807.77	106,192.23	1,044,000.00	1,271,608.47	204,391.53	1,476,000.00
Total	1,271,614.23	204,385.77	1,476,000.00	2,373,954.46	362,854.05	2,736,808.51

As at December 31, 2019 and 2018, the subsidiaries had outstanding financial leases agreements comprised of 2 agreement from local leasing companies in the total leases amount of Baht 4,144,043.23 and Baht 5,888,095.23 respectively, with a term of payment in 60 months and repaid in monthly of Baht 69,067.39 and Baht 105,067.39, respectively.

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

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



## 23. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position as at December 31, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit obligations at beginning balance	90,714,922.80	80,113,594.80	27,326,949.00	25,609,481.00
Benefits paid by the plan	(2,543,985.00)	(2,677,480.00)	(1,176,400.00)	(2,313,430.00)
Past service costs and interest				
- change a considered a post employment plan amendment	28,577,400.90	-	8,944,111.00	-
Current service costs and interest	19,276,777.44	13,278,808.00	5,869,356.00	4,030,898.00
Actuarial losses	27,803,162.00	-	7,510,714.00	-
Defined benefit obligations at ending balance	163,828,278.14	90,714,922.80	48,474,730.00	27,326,949.00

Expense recognized in the statements of comprehensive income for the years ended December 31, 2019 and 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Post service costs and interest	28,577,400.90	-	8,944,111.00	-
Current service costs				
Cost of medical treatment	10,304,099.34	7,551,892.31	3,103,397.00	2,124,942.00
Administrative expenses	4,126,305.16	2,584,956.91	1,289,845.00	995,218.00
Management benefit expenses	28,547.84	26,097.80	-	-
Interest on obligation	4,817,825.10	3,115,860.98	1,476,114.00	910,738.00
Total	47,854,178.34	13,278,808.00	14,813,467.00	4,030,898.00

Principal actuarial assumptions in the estimates based on the actuarial principles

For the years ended December 31, 2019 and 2018

	Percentage		Percentage	
	Consolidated Financial statements		Separate Financial statement	
	2019	2018	2019	2018
Discount rate	1.67 - 1.77	3.48 - 3.63	1.76	3.63
Salary increase rate	3.00 - 6.12	3.00 - 6.70	4.90	5.27
Employee turnover rate	0.00 - 16.67	0.00 - 18.16	0.00 - 11.86	0.00 - 14.20
Disability rate	10.00 of mortality rate	10.00 of mortality rate	10.00 of mortality rate	10.00 of mortality rate
Mortality rate	Thai mortality table 2017	Thai mortality table 2008	Thai mortality table 2017	Thai mortality table 2008

### Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018, are summarized below:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate				
1% increase	(25,118,125.00)	(11,765,179.00)	(6,979,177.00)	(3,785,707.00)
1% decrease	28,658,272.00	14,317,540.00	8,830,542.00	4,713,973.00
Salary increase rate				
1% increase	27,475,136.00	16,015,401.00	8,460,311.00	5,236,839.00
1% decrease	(22,734,622.00)	(13,280,639.00)	(6,864,121.00)	(4,256,313.00)
Employee turnover rate				
10% increase	(7,704,525.00)	(3,832,439.00)	(2,436,354.00)	(1,237,847.00)
10% decrease	8,432,992.00	4,177,508.00	2,682,966.00	1,352,924.00

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

## 24. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2019 and 2018, the Company and its subsidiaries debt-to-equity ratio was 0.81 : 1 and 0.66 : 1, respectively and the Company's was 0.77 : 1 and 0.44 : 1, respectively.

## 25. DIVIDEND PAYMENT AND LEGAL RESERVE

### 25.1 Dividend payment and legal reserve of the Company

At the General Meeting of the Company's shareholders for the year 2019 held on April 29, 2019, the meeting unanimously approved the dividend payment for the operating result from January 1, 2018 to December 31, 2018 at Baht 0.052 per share to shareholders of 4,023.13 million ordinary shares amounting to Baht 209.20 million. The shareholders whose names appear in the Share Register as at March 15, 2019, shall be entitled to receive the dividends. The Company paid the dividends to the shareholders on May 15, 2019.

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

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

At the annual general meeting of the shareholder's subsidiary company for the year 2019 held on April 27, 2019 approved to pay dividend payment for the year 2018 from the operating result since January 1, 2018 to December 31, 2018 at Baht 2.50 per share amounting to Baht 100 million. The Company paid the dividends to the shareholders on May 15, 2019.

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

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

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



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

At the annual general meeting of the shareholder's subsidiary company for the year 2019 held on April 27, 2019 approved to pay dividend payment for the year 2018 from the operating result since January 1, 2018 to December 31, 2018 at Baht 0.50 per share amounting to Baht 15 million and appropriation of legal reserve at 5% of appropriated profit amounting to Baht 0.80 million. The Company paid the dividends to the shareholders on May 31, 2019.

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

## 26. REVENUE FROM SOCIAL SECURITY

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

The resolution from the management of the two subsidiaries was to record the expected money return from the Social Security Office at the total amount by recording the reduction of income from medical treatment in the statement of comprehensive income for the year ended December 31, 2018 at the amount of Baht 85.40 million and stating the refund transactions of medical services fee from the Social Security Office as the funds received in advance in the statements of financial position. The Social Security Office refunded such deduction amount from the medical service for the medical services for in-patients with high cost diseases and for package payment at the total amount of Baht 25.76 million. The outstanding balance to be refunded from the hospital is totaled Baht 59.64 million. The Social Security Office will deduct the package payment of the medical services fee for 12 installments. In 2018, the Social Security Office has deducted one installment for the package payment of the medical services fee at the amount of Baht 5.10 million. As at December 31, 2018, the balance funds received in advance from Social Security Office is Baht 54.54 million. In 2019, the Social Security Office has deducted 11 installments for the package payment of the medical services fee at the amount of Baht 54.54 million. The Social Security Office had fully deducted the package payment of the medical service fee.



In 2019, the Social Security Office had notified by the letter informing the results of the examination of the use of medical services in the case of high-cost diseases in 2016 and 2017 by the random data checking for medical services. The Social Security Office had found the incorrect percentage of AdjRW from the amount that the hospital should receive. But the Company and its subsidiaries were able to proceed with the dispute according to the period specified by the Social Security Office. However, the Company and its subsidiaries expected that the medical service fees would be refunded from the Social Security Office from information and past experience in the total amount of Baht 187.25 million (the separate : total amount of Baht 102.82 million) by calculating from the percentage information of AdjRW that the Social Security Office had found incorrect.

Therefore, the Company agreed to the results of the examination of medical service in 2015 due to the above transaction that was under the appeal would also be refunded amounted Baht 64.08 million by calculating from the percentage information of AdjRW that the Social Security Office had found incorrect.

The Company and its subsidiaries recorded the deduction of revenue from medical treatment in statement of comprehensive income for the year ended December 31, 2019, amount of Baht 251.32 million (the separate : amount of Baht 166.90 million) and recorded the funds received in advance from Social Security Office in the same amount.

As at December 31, 2019 and 2018, the balance funds received in advance from Social Security Office is Baht 251.32 million and Baht 54.54 million, respectively (the separate: amount of Baht 166.90 million).

## 27. INCOME TAX EXPENSE

27.1 Major components of income tax expense for the years ended December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	125,029,098.77	104,707,617.23	38,115,896.03	59,230,535.10
Deferred tax expense:				
Changes in temporary differences relating to the original recognition and reversal	(2,903,908.42)	(601,997.73)	(2,772,922.20)	(257,284.80)
Total	<u>122,125,190.35</u>	<u>104,105,619.50</u>	<u>35,342,973.83</u>	<u>58,973,250.30</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring available-for-sale investments	69,650,457.18	(65,257,469.96)	-	-
Actuarial gain (losses) on define employee benefit plans	(5,560,632.40)	-	(1,502,142.80)	-
Total	<u>64,089,824.78</u>	<u>(65,257,469.96)</u>	<u>(1,502,142.80)</u>	<u>-</u>

27.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2019 and 2018 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit for the year	430,541,749.54	571,491,570.96	87,938,177.10	414,450,459.40
The applicable tax rate	20%	20%	20%	20%
Income tax expense at the applicable tax rate	86,108,349.91	114,298,314.19	17,587,635.42	82,890,091.88
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:	59,192,513.10	4,761,625.50	33,579,303.39	169,928.24
Tax effect of income or profit that are not required in determining taxable profit	(12,561,778.21)	(3,761,498.56)	(13,874,125.00)	(22,111,687.50)
Tax effect of expense with tax deductible benefits	(10,807,004.15)	(11,192,821.63)	(1,949,839.98)	(1,975,082.32)
Unrecognized tax losses on deferred tax assets	193,109.70	-	-	-
Total reconciliation items	36,016,840.44	(10,192,694.69)	17,755,338.41	(23,916,841.58)
Total income tax expense	122,125,190.35	104,105,619.50	35,342,973.83	58,973,250.30

27.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	430,541,749.54		571,491,570.96	
Income tax expense at the applicable tax rate	86,108,349.91	20.00	114,298,314.19	20.00
Reconciliation items	36,016,840.44	8.37	(10,192,694.69)	(1.78)
Income tax expense at the average effective tax rate	122,125,190.35	28.37	104,105,619.50	18.22

	Separate financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	87,938,177.10		414,450,459.40	
Income tax expense at the applicable tax rate	17,587,635.42	20.00	82,890,091.88	20.00
Reconciliation items	17,755,338.41	20.19	(23,916,841.58)	(5.77)
Income tax expense at the average effective tax rate	35,342,973.83	40.19	58,973,250.30	14.23

## 28. OPERATING SEGMENT

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

## 29. EXPENSES BY NATURE

The significant natures of expenses for the years ended December 31, 2019 and 2018 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Medical supplies and other supplies	676,993,346.55	623,646,729.27	237,811,890.54	208,838,470.95
Expenses from external medical service	132,876,400.19	137,988,665.74	120,176,789.57	129,132,376.47
Cost of lab and x-ray	102,377,051.03	91,953,951.51	59,689,447.23	53,255,004.51
Doctor fee	899,108,787.11	849,006,317.98	290,191,657.06	279,514,381.59
Cost of nutriment	51,085,628.50	50,259,954.41	15,674,646.00	15,456,822.00
Employee benefit expenses	896,596,398.88	814,766,427.06	352,247,433.14	301,359,766.22
Management benefit expense	64,328,932.84	59,112,585.75	11,164,090.00	10,728,700.00
Depreciation and amortization expenses	262,603,649.99	250,594,833.22	72,308,328.94	71,642,149.01
Repair and maintenance expenses	63,422,539.02	67,848,547.52	22,509,616.90	26,110,499.16
Utility expense	76,128,475.27	77,268,739.96	27,259,203.22	26,371,147.34

## 30. EARNINGS PER SHARE

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the year of parent company (Baht)	158,070,771.36	375,378,979.58	52,595,203.27	355,477,209.10
Weighted average number of ordinary shares (Shares)	4,023,125,000	4,023,125,000	4,023,125,000	4,023,125,000
Basic earnings per share (Baht per share)				
Profit for the year of parent company	0.04	0.09	0.01	0.09



## 31. FINANCIAL INSTRUMENTS

### 31.1 Risk management

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

### 31.2 Interest rate risk

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

As at December 31, 2019 and 2018, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht				
	Consolidated financial statements				
	As at December 31, 2019				
	Effective interest rate per annum (%)	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>					
Cash and cash equivalents	0.125 - 0.500	485,127,855.55	-	19,757,347.65	504,885,203.20
Trade receivables	-	-	-	459,563,670.44	459,563,670.44
Short-term loans to related parties	3.500 - 8.000	-	119,125,000.00	-	119,125,000.00
Bank deposit for using guarantee	0.550 - 1.000	36,252,345.52	-	-	36,252,345.52
Investment	-	-	-	3,011,306,690.34	3,011,306,690.34
Long-term loans to related parties	4.500 - 5.000	-	24,000,000.00	-	24,000,000.00
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans from					
financial institutions	2.780 - 4.200	252,944,205.93	380,000,000.00	-	632,944,205.93
Trade payables	-	-	-	231,081,201.99	231,081,201.99
Short-term loans from related parties	3.350 - 3.750	-	633,053,817.50	-	633,053,817.50
Short-term loans from other persons	3.350 - 4.000	-	70,800,000.00	-	70,800,000.00
Long-term loan from financial institutions	2.982 - 4.000	1,680,138,095.12	-	-	1,680,138,095.12
Finance leases agreements	8.760	-	1,271,614.23	-	1,271,614.23



Baht					
Consolidated financial statements					
As at December 31, 2018					
	Effective interest rate per annum (%)	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>					
Cash and cash equivalents	0.125 - 0.500	241,697,464.25	-	3,977,207.06	245,674,671.31
Trade receivables	-	-	-	547,114,623.67	547,114,623.67
Short-term loans to related parties	3.750 - 7.000	-	148,300,000.00	-	148,300,000.00
Bank deposit for using guarantee	0.550 - 1.000	44,487,956.68	-	-	44,487,956.68
Investment	-	-	-	2,645,766,638.55	2,645,766,638.55
Long-term loans to related parties	4.500 - 8.000	-	29,625,000.00	-	29,625,000.00
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans from					
financial institutions	2.825 - 4.200	4,169,959.90	666,625,000.00	-	670,794,959.90
Trade payables	-	-	-	209,247,835.56	209,247,835.56
Short-term loans from related parties	3.250 - 4.500	-	589,853,817.50	-	589,853,817.50
Short-term loans from other persons	3.750 - 4.000	-	68,400,000.00	-	68,400,000.00
Long-term loan from financial institutions	3.000 - 4.250	1,037,692,380.88	-	-	1,037,692,380.88
Finance leases agreements	7.420 - 8.760	-	2,373,954.46	-	2,373,954.46
Baht					
Separate financial statements					
As at December 31, 2019					
	Effective interest rate per annum (%)	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>					
Cash and cash equivalents	0.125 - 0.500	231,273,969.18	-	3,339,414.54	234,613,383.72
Trade receivables	-	-	-	219,274,252.07	219,274,252.07
Short-term loans to related parties	3.500 - 4.500	-	110,000,000.00	-	110,000,000.00
Bank deposit for using guarantee	0.900 - 1.000	21,972,063.29	-	-	21,972,063.29
Investment	-	-	-	1,313,882,750.00	1,313,882,750.00
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans from					
financial institutions	2.780 - 4.200	250,000,000.00	200,000,000.00	-	450,000,000.00
Trade payables	-	-	-	76,039,581.11	76,039,581.11
Short-term loan from financial institutions	3.350 - 3.750	-	9,000,000.00	-	9,000,000.00
Short-term loan from other persons	3.350 - 4.000	-	19,000,000.00	-	19,000,000.00
Long-term loan from financial institutions	2.982 - 3.400	523,200,000.00	-	-	523,200,000.00

	Baht				
	Separate financial statements				
	As at December 31, 2018				
	Effective interest rate per annum (%)	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<b>Financial Assets</b>					
Cash and cash equivalents	0.125 - 0.500	152,013,701.53	-	(1,683,569.82)	150,330,131.71
Trade receivables	-	-	-	265,741,995.22	265,741,995.22
Short-term loans to related parties	3.750 - 4.500	-	81,600,000.00	-	81,600,000.00
Bank deposit for using guarantee	0.900 - 1.000	22,706,629.13	-	-	22,706,629.13
Investment	-	-	-	1,234,682,750.00	1,234,682,750.00
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	2.825 - 4.200	-	470,000,000.00	-	470,000,000.00
Trade payables	-	-	-	73,692,142.49	73,692,142.49
Short-term loan from financial institutions	3.250 - 4.500	-	9,000,000.00	-	9,000,000.00
Short-term loan from other persons	3.750 - 4.000	-	20,500,000.00	-	20,500,000.00
Long-term loan from financial institutions	3.000 - 4.250	197,240,000.00	-	-	197,240,000.00

### 31.3 Credit risk

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

### 31.4 Foreign currency risk

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

### 31.5 Liquidity risk

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

### 31.6 Fair value

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

### 31.7 Fair value of financial instruments

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

#### Fair value hierarchy

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

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

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

As at December 31, 2019 and 2018, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

Baht				
Consolidated financial statement				
As at December 31, 2019				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments - Unit trust	-	780,079.98	-	780,079.98
Available-for-sale investments - common stock	2,639,020,936.86	-	-	2,639,020,936.86
Total	2,639,020,936.86	780,079.98	-	2,639,801,016.84
Baht				
Consolidated financial statement				
As at December 31, 2018				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments - Unit trust	-	766,088.37	-	766,088.37
Available-for-sale investments - common stock	2,295,139,430.95	-	-	2,295,139,430.95
Total	2,295,139,430.95	766,088.37	-	2,295,905,519.32

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

#### Valuation techniques and inputs for Level 2 valuations

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



## 32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Baht		
	Consolidated financial statements		
	Balance as at	Cash flows	Non-cash
	December 31, 2018	Increase (decrease)*	transaction Increase
Bank overdrafts	4,169,959.90	(1,225,753.97)	-
Short-term borrowings from financial institutions	666,625,000.00	(36,625,000.00)	-
Short-term borrowings from related parties	589,853,817.50	43,200,000.00	-
Short-term borrowings from other persons	68,400,000.00	2,400,000.00	-
Long-term borrowings from financial institutions	1,037,692,380.88	642,445,714.24	-
Liabilities under a finance lease agreement	2,373,954.46	(1,102,340.23)	-
Total	2,369,115,112.74	649,092,620.04	-

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

	Baht		
	Separated financial statements		
	Balance as at	Cash flows	Non-cash
	December 31, 2018	Increase (decrease)*	transaction Increase
Short-term borrowings from financial institutions	470,000,000.00	(20,000,000.00)	-
Short-term borrowings from related parties	9,000,000.00	-	-
Short-term borrowings from other persons	20,500,000.00	(1,500,000.00)	-
Long-term borrowings from financial institutions	197,240,000.00	325,960,000.00	-
Total	696,740,000.00	304,460,000.00	-



	Baht			
	Separated financial statements			
	Balance as at	Cash flows	Non-cash	Balance as at
	December 31, 2017	Increase (decrease)*	transaction Increase	December 31, 2018
Short-term borrowings from financial institutions	220,000,000.00	250,000,000.00	-	470,000,000.00
Short-term borrowings from related parties	103,000,000.00	(94,000,000.00)	-	9,000,000.00
Short-term borrowings from other persons	20,500,000.00	-	-	20,500,000.00
Long-term borrowings from financial institutions	310,960,000.00	(113,720,000.00)	-	197,240,000.00
Total	654,460,000.00	42,280,000.00	-	696,740,000.00

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

### 33. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019 and 2018, the Company and its subsidiaries had commitments and contingent liabilities were as follows :

#### 33.1 Capital commitment

The Company and its subsidiaries were committed to obligations under agreements with several companies for the construction of buildings, interior decoration, water system improvement and other at the total amount of Baht 861.29 million and Baht 42.43 million, respectively (The separate at the total amount of Baht 590.55 million and Baht 20.19 million, respectively).

The Company and its subsidiaries have paid Baht 121.53 million and Baht 21.46 million, respectively, (The separate at the total amount of Baht 85.18 million and Baht 6.94 million, respectively) under the terms of the contract and has outstanding commitments under the agreement at Baht million 739.77 and Baht 20.97 million, respectively (The separate at the total amount of Baht 505.37 million and Baht 13.25 million, respectively).

#### 33.2 Operating lease commitments

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Payment within</u>				
1 year	8,071,606.36	10,512,761.33	2,150,147.86	3,985,527.58
2 - 5 year	5,971,012.23	4,147,758.66	2,531,880.40	1,952,860.60
	14,042,618.59	14,660,519.99	4,682,028.26	5,938,388.18

### 33.3 Guarantees

The Company and its subsidiaries had commitments to a bank guarantee for electricity usage, guarantee for post department, guarantee for social security office and bank aval Baht 43.52 million and Baht 40.04 million, respectively (The separate amount of Baht 21.66 million and Baht 22.41 million, respectively).

## 34. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company had significant business transactions with subsidiary companies, related companies and related persons. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies, related companies and related persons and are in ordinary course of business are summarized below:

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

### 34.1 Inter-revenues and expenses

		Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing Policy	2019	2018	2019	2018
Inter-transaction with subsidiary companies					
(Eliminated from consolidate financial statements)					
Revenues					
Revenues from diagnose and external medical service	(1)	-	-	61,143,150.75	51,557,082.83
Medical supplies and other supplies	(6)	-	-	131,103.00	224,948.00
Dividend income	(2)	-	-	69,370,625.00	110,558,437.50
Interest income	(3)	-	-	3,371,917.82	100,684.93
Other income	(4), (6)	-	-	1,072,445.33	480,428.27
Expenses					
Expenses from external medical service	(1)	-	-	63,263,658.64	65,174,291.82
Other expense	(1)	-	-	98,304.00	280,684.37
Medical supplies and other supplies	(6)	-	-	353,384.00	562,484.80
Inter-transaction with related persons and related companies					
Revenues					
Revenues from diagnose and external medical service	(1)	338,136.00	257,980.00	4,420.00	-
Medical supplies and other supplies	(6)	1,140.00	-	-	-
Dividend Income	(2)	86,230,800.00	15,371,800.00	-	-
Interest income	(3)	6,666,798.36	7,239,021.32	522,734.23	166,438.36
Other income	(4), (6)	1,200.00	1,900.00	-	-
Expenses					
Expense from external medical service	(1)	37,744,092.84	27,851,408.18	3,341,545.24	4,360,662.02
Other expense	(6)	3,551,829.38	5,187,449.06	2,232,735.04	2,196,617.56
Medical supplies and other supplies	(6)	87,531,346.13	55,070,813.24	55,216,614.23	35,940,347.24
Interest expenses	(5)	22,681,621.64	28,062,756.90	334,442.52	3,559,096.07
Dividend expenses	(2)	42,891,667.50	64,337,501.25	-	-
Director' remuneration					
Short-term benefits		64,300,385.00	59,086,487.95	11,164,090.00	10,728,700.00
Long-term benefits		28,547.84	26,097.80	-	-
Total		64,328,932.84	59,112,585.75	11,164,090.00	10,728,700.00
Purchase of assets	(6)	34,702,110.00	52,234,829.00	7,505,580.00	17,349,000.00

Policy was as follows:

- (1) Price is according to unit price that agree with general customer by less discount 10% - 40 %
- (2) Unanimously of the minute of shareholder's meeting
- (3) Interest rate of 3.35% - 8.00% per annum
- (4) Contract price
- (5) Interest rate of 3.25% - 4.50% per annum
- (6) Mutually agreed price



## MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means except for doctor fees. The Company's management is the persons who are defined under the Securities and Exchange Act.

### 34.2 Inter assets

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade receivables</b>				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	81,409.00	282,290.00
Theppanya Business Co., Ltd.	-	-	6,342,485.00	4,316,006.85
Hariphunchai Memorial Hospital Co., Ltd.	-	-	5,279,925.50	1,825,950.55
Related companies				
Ramkhamhaeng Hospital Public Co., Ltd.	4,764.00	4,157.00	-	-
Pawo Hospital Co., Ltd.	253,980.00	1,526,052.00	-	-
Khelang Nakorn Hospital Co., Ltd.	49,329.00	-	-	-
Phayao Ram Hospital Co., Ltd.	34,394.00	-	2,352.00	-
Vibharam Hospital Co., Ltd.	4,420.00	-	4,420.00	-
Total	<u>346,887.00</u>	<u>1,530,209.00</u>	<u>11,710,591.50</u>	<u>6,424,247.40</u>
<b>Short-term loans</b>				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	-	60,000,000.00
Hariphunchai Memorial Hospital Co., Ltd.	-	-	100,000,000.00	-
Related companies				
Khonkaen Ram Hospital Co., Ltd.	18,000,000.00	18,000,000.00	-	-
Gassan Marina Golf Club Co., Ltd.	88,000,000.00	76,000,000.00	10,000,000.00	-
Gassan Chiangmai Property Co., Ltd.	7,500,000.00	7,500,000.00	-	-
Ramkhamhaeng Chiang Mai Hospital Co., Ltd.	-	46,800,000.00	-	21,600,000.00
Phayao Ram Hospital Co., Ltd.	5,625,000.00	-	-	-
Total	<u>119,125,000.00</u>	<u>148,300,000.00</u>	<u>110,000,000.00</u>	<u>81,600,000.00</u>
<b>Interest receivable</b>				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	-	99,567.12
Related companies				
Ramkhamhaeng Chiang Mai Hospital Co., Ltd.	-	179,036.55	-	67,232.88
Phayao Ram Hospital Co., Ltd.	59,178.08	59,793.39	-	-
Gassan Khuntan Golf and Resort Co., Ltd.	723,945.21	61,290.32	-	-
Gassan Marina Golf Club Co., Ltd.	861,369.88	290,465.75	100,821.00	-
Gassan Chiangmai Property Co., Ltd.	75,616.43	28,664.39	-	-
Bhumpanya International Co., Ltd.	28,938,674.69	28,938,674.69	-	-
Less Allowance for doubtful accounts	<u>(28,938,674.69)</u>	<u>(28,938,674.69)</u>	<u>-</u>	<u>-</u>
Net	<u>1,720,109.60</u>	<u>619,250.40</u>	<u>100,821.00</u>	<u>166,800.00</u>
<b>Available-for-sale investment</b>				
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	<u>2,595,523,000.00</u>	<u>2,243,704,600.00</u>	<u>-</u>	<u>-</u>



	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Long-term loan</b>				
Related companies				
Phayao Ram Hospital Co., Ltd.	-	5,625,000.00	-	-
Gassan Khuntan Golf and Resort Co., Ltd.	24,000,000.00	24,000,000.00	-	-
Bhumpanya International Co., Ltd.	29,228,729.89	29,228,729.89	-	-
Less Allowance for doubtful accounts	(29,228,729.89)	(29,228,729.89)	-	-
Net	24,000,000.00	29,625,000.00	-	-
<b>Advance payment for share subscription</b>				
Related companies				
Ramkhamhaeng Chiang Mai Hospital Co., Ltd	-	-	40,320,000.00	-

### 34.3 Inter liabilities

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade payables</b>				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	27,226.00	32,537.00
Theppanya Business Co., Ltd.	-	-	-	14,978.00
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	27,047,503.37	16,974,149.42	12,138,208.76	7,452,775.28
Vibharam Hospital Co., Ltd.	14,608.88	-	-	-
Synphaet Co., Ltd.	4,500.00	-	-	-
Total	27,066,612.25	16,974,149.42	12,165,434.76	7,500,290.28
<b>Short-term loan</b>				
Related persons				
Company's directors	633,053,817.50	589,853,817.50	9,000,000.00	9,000,000.00
<b>Other payables</b>				
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	245,270.00	510,060.00	76,800.00	91,000.00
<b>Accrued expenses</b>				
Subsidiary companies				
Chiang Mai Ram Hospital Co., Ltd.	-	-	704,946.80	819,376.35
Theppanya Business Co., Ltd.	-	-	3,169,102.00	3,792,675.92
Hariphunchai Memorial Hospital Co., Ltd.	-	-	175,268.60	-
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	122,290.29	368,976.29	122,290.29	368,976.29
Vibharam Hospital Co., Ltd.	642,067.36	-	642,067.36	-
Total	764,357.65	368,976.29	4,813,675.05	4,981,028.56
<b>Accrued interest expense (Current liabilities)</b>				
Related persons				
Company's Directors	111,472.60	-	-	-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Advance received interest</b>				
Related company				
Phayao Ram Hospital Co., Ltd.	7,808.22	7,808.22	-	-
<b>Payable for assets</b>				
Related company				
Ramkhamhaeng Hospital Public Co., Ltd.	11,860,210.00	27,806,000.00	5,248,080.00	4,932,500.00
<b>Advance payment for share subscription</b>				
Related companies				
Khonkaen Ram Hospital Co., Ltd.	5,600,000.00	-	-	-
Related persons				
Company's Directors	7,560,000.00	-	-	-
<b>Total</b>	<b>13,160,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 35. RECLASSIFICATION

The Company has reclassified certain accounts in the financial statements for the year 2018 to conform with the presentation of the financial statements of this year, without any effect to the reported profit (loss) or shareholder's equity.

	Baht		
	Consolidated financial statements		
	Before Reclassification	Increase (decrease)	After Reclassification
<u>Statement of financial position</u>			
Temporary investment	766,088.37	(766,088.37)	-
Available-for-sale investments	2,295,139,430.95	766,088.37	2,295,905,519.32

### 36. EVENTS AFTER THE REPORTING PERIOD

On February 27, 2020, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2020 to adopt a resolution to pay a dividend of Baht 0.0585 per share, or a total of Baht 235.35 million, to the shareholders in respect of the retained earnings subject to approval the Annual General Meeting of the Company's shareholders.

### 37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Director of the Company on February 27, 2020.

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“เราจะเป็นโรงพยาบาลเอกชนชั้นนำในจังหวัดเชียงใหม่ ที่มีคุณภาพมาตรฐาน บริการประทับใจ”



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

รายงานประจำปี 2562  
ANNUAL REPORT 2019